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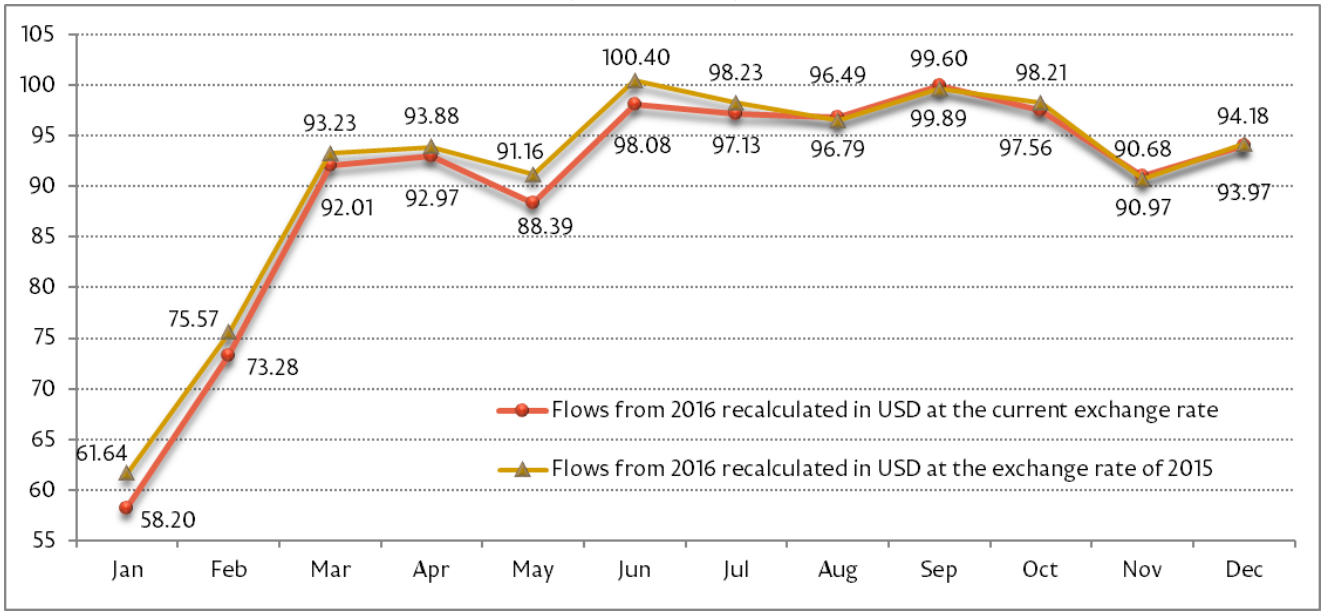
Money transfers from abroad made in favour of individuals through banks of the Republic of Moldova in 2016 (net settlements)

In 2016, the total amount of money transfers from abroad made in favour of individuals of the Republic of Moldova amounted to USD 1 079.24 million. It should be mentioned that a share of 83.8 percent of money transfers were carried out via money transfers systems (MTS) without opening bank accounts (only in USD, EUR and RUB), and the rest - via bank transfers (in various currencies).

The USD amount of total transfers in 2016 decreased by 4.4 percent compared to 2015 (USD 1129.36 million), including by 1.2 percentage points due to the depreciation of EUR against USD (calculations made in accordance with official daily rated of the NBM). The real drop of total transfers was 3.2 percent. This was due to the impact of decrease of transfers in RUB by 49.4 percent and the increase of transfers in EUR by 5.9 percent, of those in USD by 8.5 percent and in other currencies by 25.1 percent. Thus, in 2016, the currency structure of transfers (recalculated in USD) was the following: USD - 530.10 million, EUR - 428.60 million, RUB - 118.52 million and other currencies 2.02 million. The impact of USD/EUR and USD/RUB exchange rate changes on monthly transfers made in favour of individuals is presented in Chart no.1.

Chart no. 1 The evolution of USD/EUR and USD/RUB exchange rate impact on total transfers (US$ million)

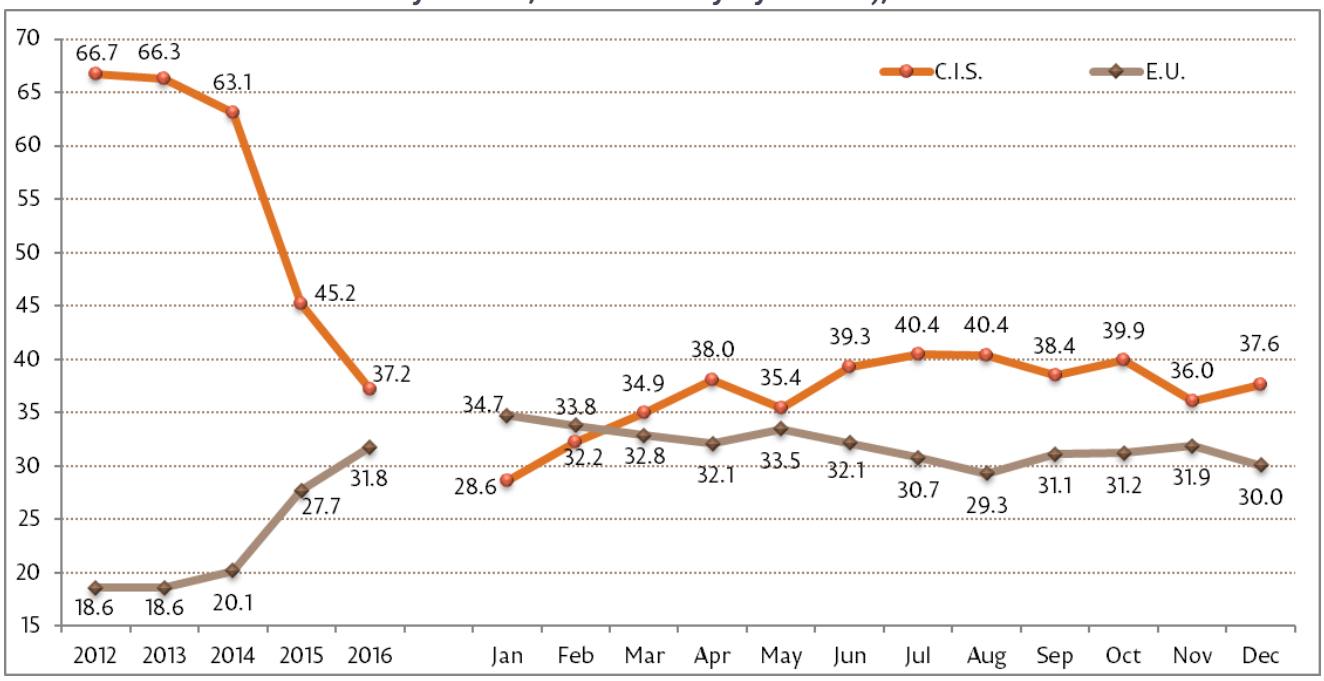


SOURCE: International banking operations statistics of the NBM

In terms of the geographical origin of money transfers from abroad in favour of individuals, the CIS and the EU are to be mentioned as the main sources (Chart no.2). Money transfers from CIS held the share of 37.2 percent, decreasing by 21.5 percent compared to 2015. Money transfers from EU held the share of 31.8

percent, increasing by 9.7 percent compared to 2015. The transfers from other countries, except for CIS and EU, accounted for 31.0 percent in 2016 and 27.1 percent in 2015, respectively. In 2016 and 2015, the share of transfers from Israel, USA and Turkey was 82.7 and 77.8 percent of total transfers from other countries, respectively.

Chart no. 2 Dynamics of transfers from CIS and EU in favour of individuals (2012-2016 annual dynamics; 2016 monthly dynamics), %



SOURCE: International banking operations statistics of the NBM

Money transfers from the Russian Federation held the largest share of 96.6 percent of total transfers from CIS. Transfers from other CIS countries had the following shares: Ukraine - 1.4 percent, Kazakhstan - 0.7 percent, Belarus - 0.5 percent, Azerbaijan - 0.3 percent, Uzbekistan - 0.2 percent and other countries - 0.4 percent.

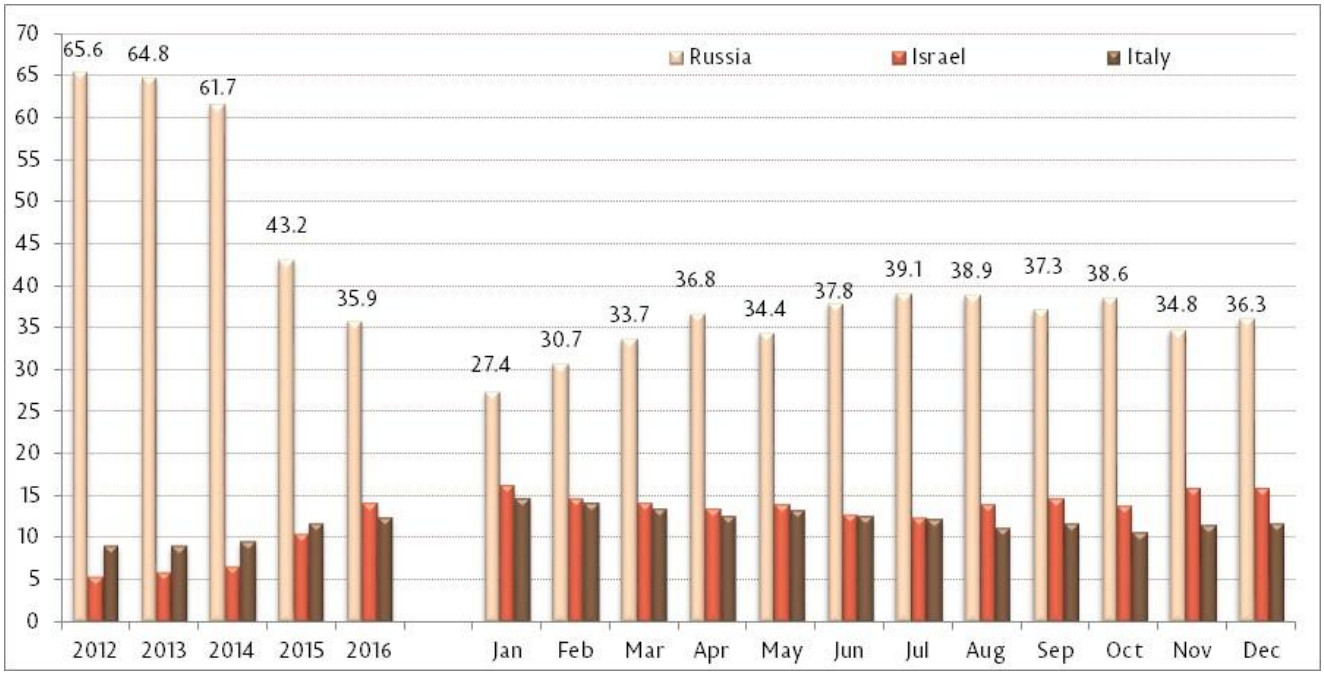
Within the transfers from EU, transfers from Italy held the largest share of 38.9 percent, followed by the transfers from Great Britain (12.9 percent), Germany (11.6 percent), France (7.3 percent). Spain (3.6 percent), Ireland (3.0 percent), Portugal (2.6 percent), Romania (2.5 percent), Cyprus (2.4 percent), Belgium (1.9 percent), Czechia (1.9 percent), Poland (1.8 percent) and Greece (1.4 percent).

The distribution by countries of money transfers from abroad in favour of individuals showed that the Russian Federation remained the main partner of the Republic of Moldova (Chart no.3) and held the share of 35.9 percent (USD 387.48 million) of total transfers (decreasing by 7.3 percentage points as compared to 2015). It should be mentioned that the share of 98.4 percent of total transfers from the Russian Federation was carried out via money transfers systems. The share of transfers from the Russian Federation increased from 27.4 percent (USD 15.97 percent) to 36.8 percent (USD 34.19 million) in January-April 2016, from 37.8 percent (USD 37.12 million) to 38.9 percent (USD 37.68 million) in June-August 2016, to 38.6 percent (USD 37.64 million) in October 2016 and to 36.3 percent (USD 34.07 million) in December 2016.

At the same time, the transfers from Israel - 14.2 percent (USD 153.64 million), from Italy - 12.4 percent (USD 133.46 million), USA - 9.9 percent (USD 106.97 million), Great Britain - 4.1 percent (USD 44.35 million), Germany - 3.7 percent (USD 39.67 million), France - 2.3 percent (USD 25.14 million), Turkey - 1.5 percent (USD 15.97 million), Spain - 1.1 percent (USD 12.50 million), Romania - 0.8 percent (USD 8.43 million), Cyprus - 0.8

percent (USD 8.24 million), and Kazakhstan - 0.3 percent (USD 2.97 million). The transfers form these twelve countries (including Russia) amounted to 87.0 percent of total transfers in the Republic of Moldova (USD 938.83 million).

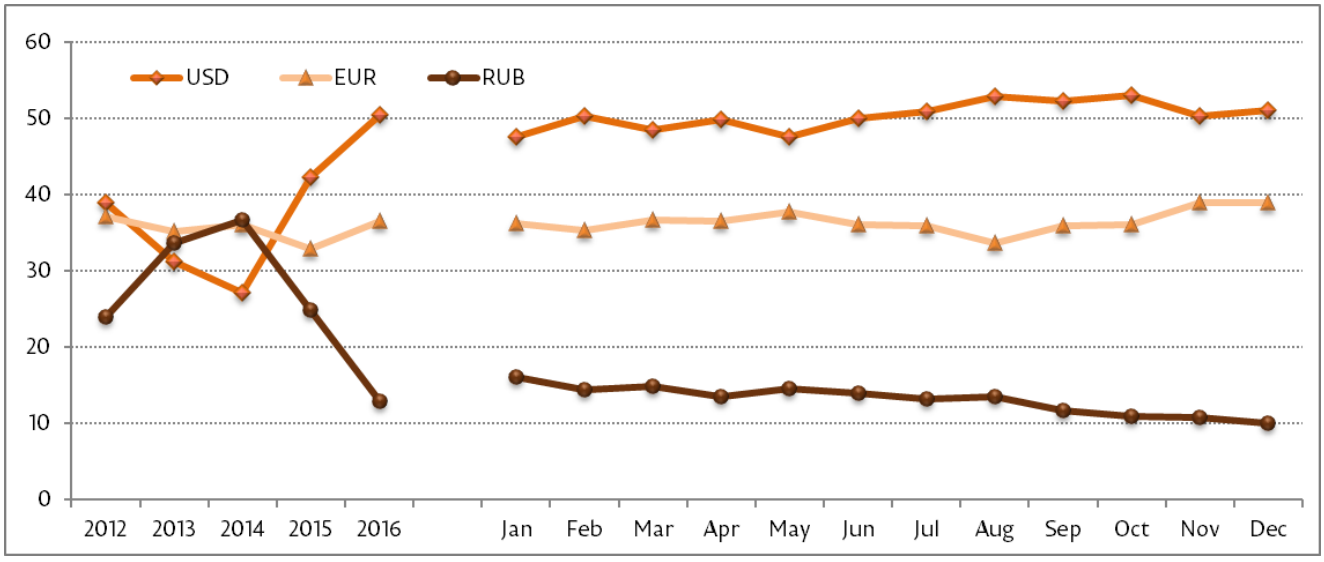
Chart no. 3 Dynamics of transfers (top three countries) in favour of individuals (2012-2016 annual dynamics; 2016 monthly dynamics), %



SOURCE: International banking operations statistics of the NBM

In 2016, as compared to 2015, the annual currency structure of transfers via MTS showed a decrease in the share of RUB and an increase in the shares of USD and EUR (Chart no.4).

Chart no. 4 Currency structure of money transfers from abroad in favour of individuals via money transfers systems (2012-2016 - annual dynamics; 2016 – monthly dynamics), %

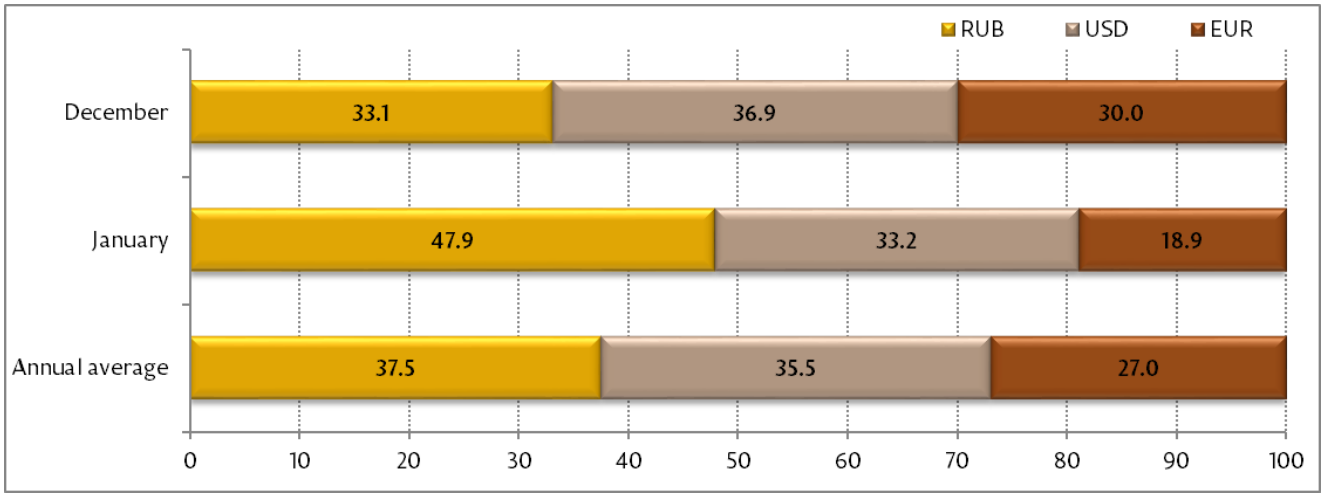


SOURCE: International banking operations statistics of the NBM

In 2016, the share of transfers in RUB via MTS recorded a constant downward trend, from 16.1 percent in January to 10.1 percent in December. The share of transfers in USD recorded some fluctuations and has overall registered an upward trend. Thus, the annual share of transfers in RUB (recalculated in USD) decreased by 11.8 percentage points, to 13.0 percent, while the annual share of transfers in USD increased by

8.2 percentage points, up to 50.5 percent. The annual share of transfers in EUR (recalculated in USD) increased by 3.6 percentage points, up to 36.5 percent.

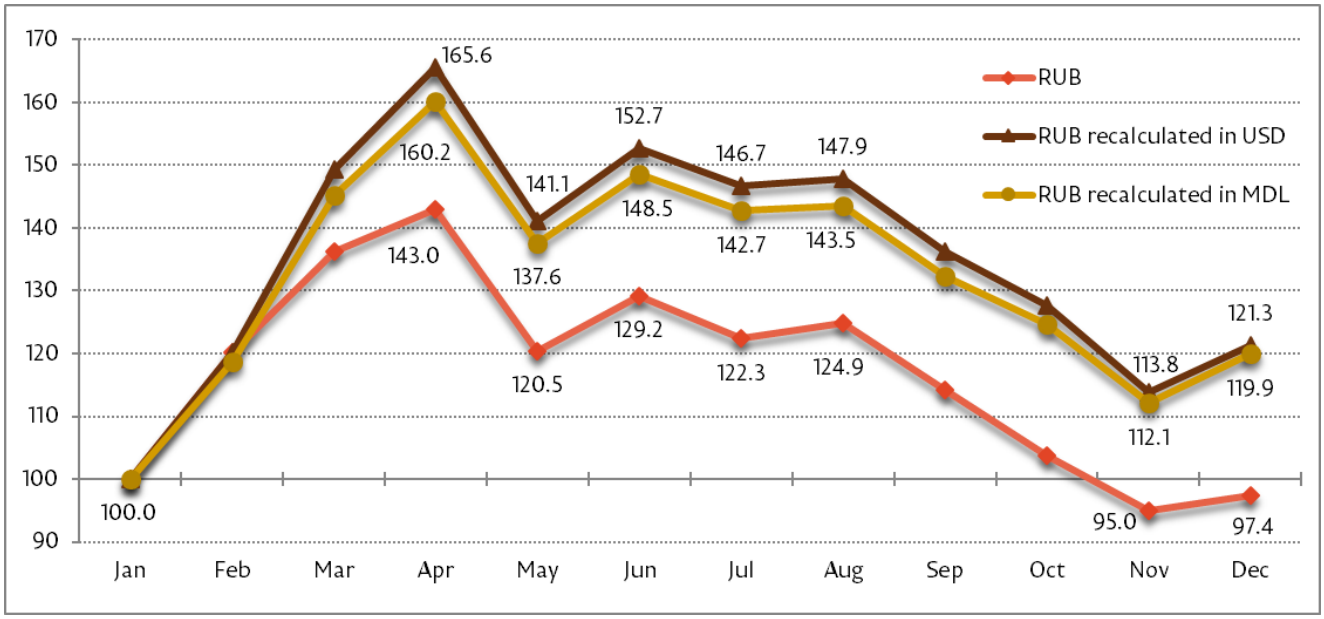
Chart no. 5 Currency structure of money transfers via money transfers systems from the Russian Federation, recalculated in USD, in 2016, %



SOURCE: International banking operations statistics of the NBM

In 2016, within the currency structure of money transfers from the Russian Federation (Chart no.5) via MTS, on annual average (recalculated in USD), the transfers in RUB were predominant (37.5 percent), followed by the transfers in USD with a share of 35.5 percent and transfers in EUR - 27.0 percent. In December 2016, the currency structure of transfers from the Russian Federation via MTS included: RUB – 33.1 percent; USD – 36.9 percent; EUR – 30.0 percent.

Chart no. 6 Evolution of money transfers in RUB via MTS from the Russian Federation, recalculated in USD and in MDL, in 2016, % (January=100%)



SOURCE: International banking operations statistics of the NBM

In 2016, the changes in the currency structure of transfers via MTS reflected both quantitative reduction of transfers from Russian Federation (Chart no.6) (e.g. May, July, September-November), and the impact of depreciation (e.g. February, August, November) and of appreciation (e.g. March-July, September, October, December) of the Russian rouble against the U.S. dollar.

During 2016, the Russian rouble appreciated significantly against the MDL (by 23.1 percent), which had an increasing impact on the volume of transfers recalculated in MDL.

NOTE:

The National Bank of Moldova notes that money transfers from abroad in favour of individuals via banks do not consist solely of remittances of Moldovan citizens working abroad, but also include unilateral transfers such as:
1) local transfers, including salary transfers in favour of resident individuals from non-residents' representatives (representative offices of international financial institutions, international organisations, and representations of foreign economic agents) in the Republic of Moldova (1.4 percent of total transfers);
2) transfers in favour of non-residents who are temporarily in the Republic of Moldova (0.7 percent of total transfers via MTS);
3) pensions (social and maintenance) and benefits (0.3 percent of total transfers).

Money transfers from abroad in favour of individuals through Moldovan banks also include transfers of individuals made via postal offices of the State Enterprise "Poşta Moldovei" (settled through banks), both via MTS and money orders.

Note that this indicator does not include:
a) international transfers to individuals made via SWIFT payment system with an investment purpose (with significant values), which amounted in 2015 to USD 18.27 million;
b) international transfers via SWIFT payment system to non-resident individuals, clients of licensed Moldovan banks;
c) transfers made via banks located in the Transnistrian region of the Republic of Moldova.

Time series on money transfers from abroad made in favour of individuals via banks of the Republic of Moldova in the period of 1999-2015 can be found on the official website of the NBM:

Statistics [1]

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