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Press release: Money transfers from abroad made in favour of individuals through banks of the Republic of Moldova, net settlements, in 2014

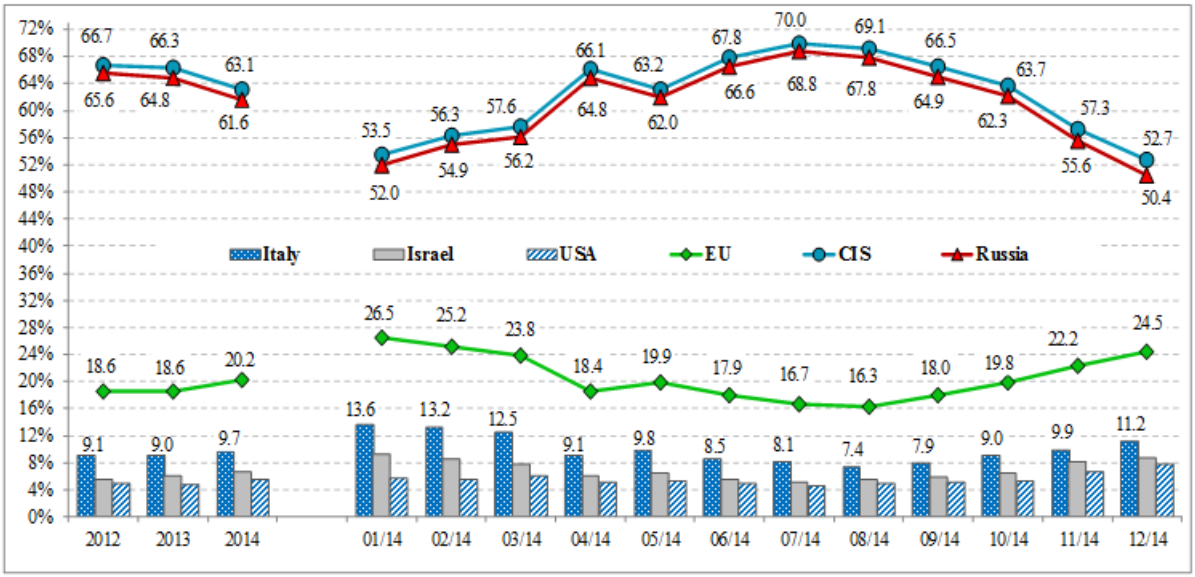
In 2014, the total amount of money transfers from abroad made in favour of individuals of the Republic of Moldova amounted to US$ 1,612.96 million, exceeding insignificantly the value of money transfers in 2013 (US$ 1,608.98 million). About 88.5 percent of money transfers were carried out via money transfer systems (only in USD, EUR and RUB) without opening any bank account, but the rest of them – via bank transfers (in different currencies).

The geographical origin of money transfers from abroad in favour of individuals showed that 63.1 percent of money transfers are from CIS (decreasing by 4.6 percent compared to 2013), and 22.2 percent – from EU (increasing by 8.8 percent compared to 2013).

The distribution by country of money transfers from abroad in favour of individuals showed that the Russian Federation remained the main partner of the Republic of Moldova and held 61.6 percent (US$ 993.73 million) of total (decreasing by 3.2 percentage points compared to 2013). It should be mentioned that 99.3 percent of total transfers from the Russian Federation were made via money transfer systems. During 2014, the share of transfers to the Russian Federation recorded an increase in January-July from 52.0 percent (US$ 47.63 million) to 68.8 percent (US$ 122.73 million), but in the second half of the year – a decrease, especially in November, down to 55.6 percent (US$ 59.32 million) and December – down to 50.4 percent (US$ 53.78 million).

In the geographical structure of money transfers from abroad in favour of individuals, the share of money transfers from Italy held 9.7 percent (US$ 156.13 million), Israel – 6.7 percent (US$ 107.91 million), USA – 5.4 percent (US$ 87.51 million), the United Kingdom – 1.6 percent (US$ 25.27 million), Germany – 1.5 percent (US$ 23.70 million), France – 1.4 percent (US$ 22.34 million), Turkey – 1.0 percent (US$ 16.02 million), Spain – 0.9 percent (US$ 13.71 million) and Greece – 0.6 percent (US$ 8.92 million). Money transfers from these ten countries (including the Russian Federation) represent 90.2 percent of total transfers to the Republic of Moldova (US$ 1455.24 million).

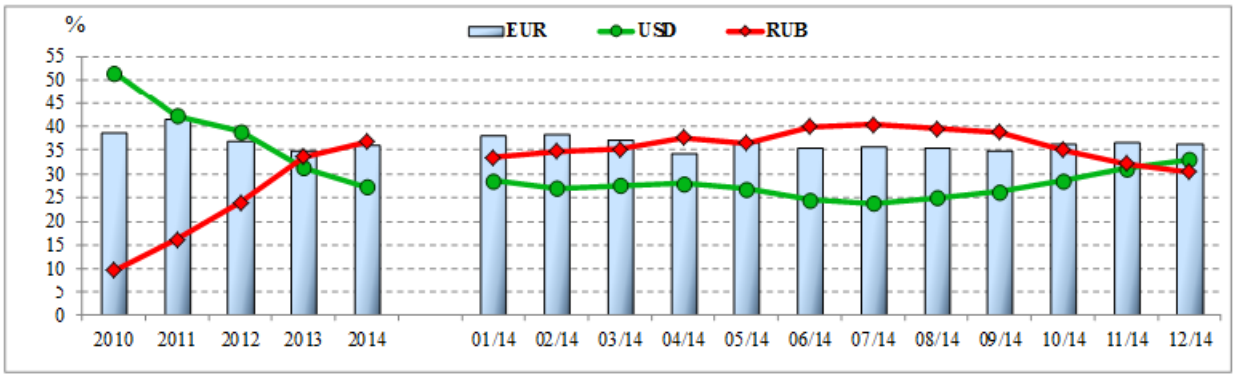
Chart 1. Geographical structure of money transfers from abroad in favour individuals, (2012-2014- annual dynamics; 2014 – monthly dynamics), %



SOURCE: International banking operations statistics of NBM

In 2014, as compared to 2013, the annual foreign currency structure of transfers via money transfer systems showed a decline in the share of US dollar and an increase in the share of transfers in Russian rubles. Thus, the share of transfers in US dollars decreased by 4.1 percentage points, down to 27.2 percent. The share of transfers in RUB (recalculated in USD) increased by 3.1 percentage points, up to 36.7 percent. As compared to the previous year, the share of transfers in EUR increased by one percentage point. In the fourth quarter of 2014, the share of transfers in USD had an upward trend, while in RUB – a downward trend. As a result, the share of USD in December 2014 registered by 4.5 percentage points more than in January 2014. The share of transfers in RUB and EUR decreased by 3.0 and 1.5 percentage points respectively, as compared to the beginning of the year.

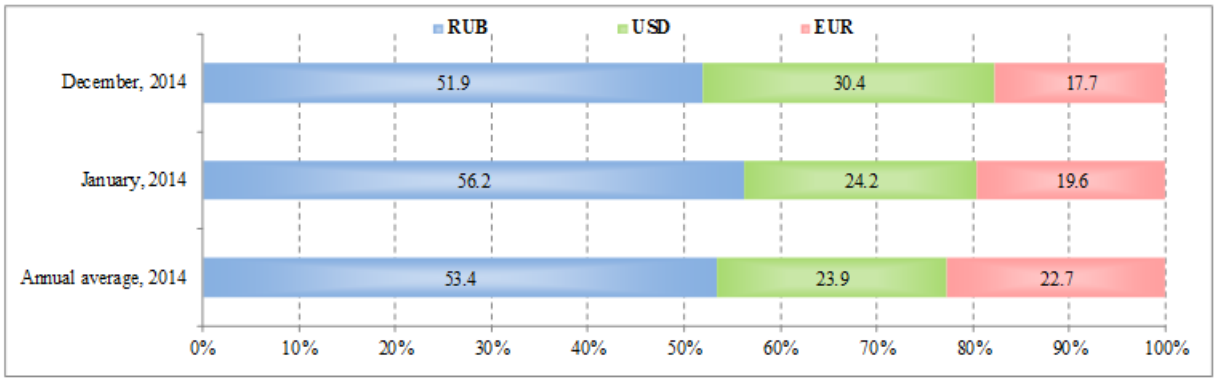
Chart 2. Currency structure of money transfers from abroad in favour of individual via money transfers systems (2010-2014 - annual dynamics; 2014 – monthly dynamics), %



SOURCE: International banking operations statistics of NBM

Within the foreign currency structure of money transfers from the Russian Federation via money transfer systems, as an average in 2014 (recalculated in USD), showed a predominance of transfers in RUB (53.4 percent), but the share of transfers in USD (23.9 percent) and EUR (22.7 percent) are significant too.

Chart 3. Currency structure of money transfers from Russian Federation, recalculated in USD, in 2014, %



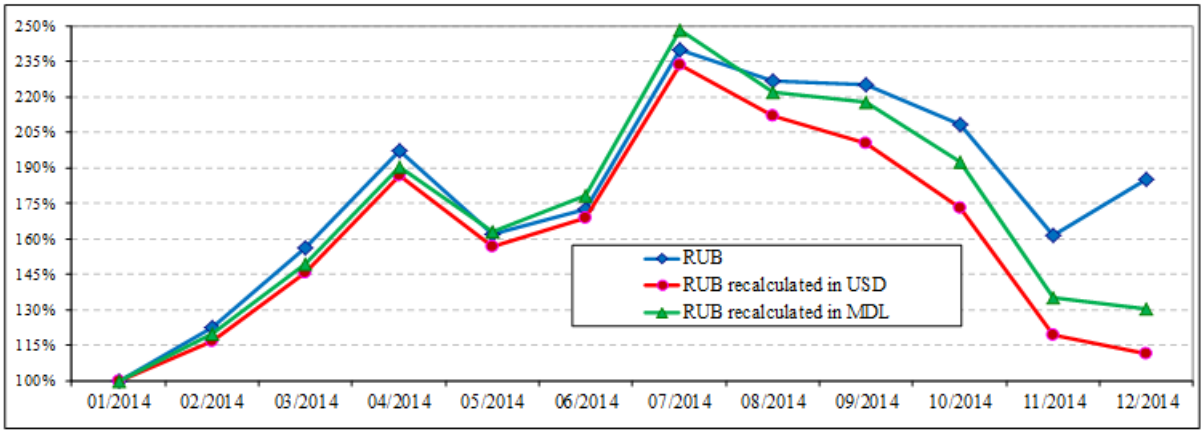
SOURCE: International banking operations statistics of NBM

In December 2014, the foreign currency structure of transfers from the Russian Federation via money transfer systems included: RUB – 51.9 percent; USD – 30.4 percent; EUR – 17.7 percent.

These trends of change in the currency structure of transfers via money transfers systems, more pronounced in December, but existed during the whole fourth quarter of 2014. They reflected both quantitative reductions of transfers from the Russian Federation (e.g. in November, transfers in RUB via money transfer systems decreased by 22.6 percent as compared to October), and the impact of USD appreciation and depreciation of RUB. Thus, in December 2014 compared to November 2014, the volume of transfers in RUB increased by 14.9 percent, but these amount recalculated in USD and MDL reflected a decrease by 6.5 and 3.6 percent respectively (Chart 4).

During 2014, RUB depreciated against the MDL by 30.7 percent, respectively the amount of transfers in RUB to the Republic of Moldova decreased too. If on 01/02/2014 a transfer of RUB 20000 constituted MDL 7938 (NBM official exchange rate), by 12/31/2014 this transfer was equal to MDL 5526 (NBM official exchange rate), which is a disadvantage for those who work in the Russian Federation and have low income in RUB. In December 2014, the transfers in RUB of 5000 to RUB 20000 (inclusive) held a share of 46.8 percent of total transfers in RUB.

Chart 4. Transfers in RUB via money transfers systems, in original currency, recalculated in USD and MDL, in 2014, %



SOURCE: International banking operations statistics of NBM

National Bank of Moldova notes that money transfers from abroad in favour of individuals do not consist only of remittances of Moldovan citizens working abroad, but also include unilateral transfers such as:

1. Pensions (social and maintenance) and allowances;

2. Legacies, gifts, various contributions received by individuals from abroad;
3. Salary transfers in favour of resident individuals from non-residents representations (representations of international financial institutions, international organisations, and representations of foreign economic agents) from the Republic of Moldova;
4. Transfers in favour of non-residents who are temporarily in the Republic of Moldova (e.g. in December 2014, these transfers constituted 1.5 percent of the total transfers via money transfers systems).

Note that this indicator does not include:

1. Transfers with an investment purpose via SWIFT (in significant values) to individuals, which in 2014 amounted to US$ 33.42 million.
2. International transfers via SWIFT payment system for non-resident individuals, clients of licensed banks of the Republic of Moldova;
3. Transfers via banks in the Transnistrian region of the Republic of Moldova.

Statistical series on money transfers from abroad made in favour of individuals of the Republic of Moldova in the period of 1999-2014 can be found on the official website of the NBM:

Statistics [1]

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