BALANCE OF PAYMENTS OF MOLDOVA FOR 2006

The major events that influenced the evolution of the national economy's external sector in the course of 2006 were the following: (1) resumption of external financing of the Republic of Moldova by international organizations; (2) rescheduling of a part of the external government debt with the Paris Club; (3) suspension of exports of wine and other agricultural and foodstuff products to Russia; (4) price hike of energy resources imports; (5) enlargement of foreign investors' participation in the banking sector, etc.

The main aggregates of the balance of payments are presented in table 1.

Table 1. *Dynamics of Balance of Payments of Moldova – Main Aggregates (US$ million)*

	2002	2003	2004	2005	2006
CURRENT ACCOUNT	**-19.80**	**-130.17**	**-46.13**	**-226.44**	**-386.91**
Goods and services	-418.14	-667.34	-775.14	-1212.24	-1587.26
Goods	-377.80	-623.01	-754.17	-1191.5	-1591.46
exports (FOB)	659.70	805.09	994.07	1104.58	1052.96
imports (FOB), including:	-1037.50	-1428.10	-1748.24	-2296.08	-2644.42
imports of energy resources (without electricity)	-194.24	-232.83	-308.57	-425.86	-544.89
Services	-40.34	-44.33	-20.97	-20.74	4.20
exports	216.65	249.93	332.08	398.94	488.55
Imports	-256.99	-294.26	-353.05	-419.68	-484.35
Income	156.58	230.79	357.04	410.26	400.67
inflow, including:	229.38	340.79	490.04	539.27	605.84
compensation of Moldovan employees	221.00	332.00	480.00	520.00	573.00
outflow, including:	-72.80	-110.00	-133.00	-129.01	-205.17
dividends and distributed branch profits	-5.31	-3.31	-3.93	-6.07	-55.08
reinvested earnings and undistributed branch profits	27.43	-15.34	-38.07	-27.35	-41.59
interest payable on loans and governmental bonds	-56.89	-45.47	-46.74	-48.77	-54.57
Current transfers	241.76	306.38	371.97	575.54	799.68
inflow, including:	261.05	334.19	407.77	618.76	859.63
workers' remittances from abroad	101.59	152.02	221.37	395.08	602.82
Outflow	-19.29	-27.81	-35.80	-43.22	-59.95
CAPITAL AND FINANCIAL ACCOUNT	**43.90**	**82.64**	**-54.54**	**48.49**	**281.62**
Capital transfers	-19.27	-19.01	-12.81	-3.83	-22.78
Direct investment	83.60	73.64	147.79	197.55	242.62
of which: in domestic economy	84.05	73.75	151.01	197.39	241.88
equity capital and reinvested earnings	32.70	55.00	152.19	106.98	160.61
loans from parent companies	51.35	18.75	-1.18	90.41	81.27
Portfolio investment	-27.38	-23.75	-9.77	-6.95	-4.79
Assets *	-1.49	0.40	-1.46	-1.19	-0.21
equity securities		-0.10	-0.16		-0.21
debt securities	-1.49	0.50	-1.30	-1.19	
Liabilities**	-25.89	-24.15	-8.31	-5.76	-4.58
equity securities	2.33	0.72	-0.81	0.60	1.78
debt securities	-28.22	-24.87	-7.50	-6.36	-6.36
Financial derivatives, net - banks		0.05	0.57	-1.59	0.19
Other investment	33.91	65.78	-32.33	-8.07	207.14
Assets*	-39.95	6.54	-31.64	-77.93	-73.16
currency and deposits abroad	-20.96	23.98	-5.63	-52.50	-66.78
other flows	-18.99	-17.44	-26.01	-25.43	-6.38
Liabilities**	73.86	59.24	-0.69	69.86	280.30
long-term loans ***	0.11	-33.15	2.12	-12.06	174.40
disbursed	143.29	91.46	154.61	155.73	354.72
reimbursed	-143.18	-124.61	-152.49	-167.79	-180.32
non-residents' deposits in the national banking system	3.89	4.60	14.73	12.64	53.32
arrears on external debt service (incl. resheduled)	62.33	51.19	-47.34	9.61	-1.29
other short-term flows	7.53	36.60	29.80	59.67	53.87
Reserve assets*	-26.96	-14.07	-147.99	-128.62	-140.76
Errors and omissions	-24.10	47.53	100.67	177.95	105.29

** (-) – increase, (+) – decrease; ** (+) – increase, (-) – decrease; *** - including rescheduled loans.* **Note: data for 2002-2005 were revised**

The current account of the balance of payments of Moldova recorded in 2006 a deficit of US$ 386.91 million, deteriorating by 70.9% as compared to the previous year. According to the balance of payments data, the exports of goods and services totaled US$ 1541.51 million, while the imports amounted to US$ 3128.77 million. Thus, exports to imports ratio decreased by 6.1 percentage points, down to 49.3%.

The considerable increase in import prices of natural gas (from US$ 80 to US$ 110 /1000 m^3 – in the first half of the year, followed by another increase up to US$ 160/1000 m^3 – in the second half of the year) on the background of the embargo put by the Russian Federation on March 2006 upon wines and other alcoholic beverages (the main export position of Moldova, the Russian Federation being the main outlet) generated the aggravation of the external sector imbalance of the national economy. As a result, the trade balance registered a deficit of US$ 1591.46 million.

The total surplus of current transfers and income covered 75.6% of the external trade with goods and services deficit.

The compensation of Moldovan residents from working abroad was evaluated at US$ 573.00 million, while the transfers of employees working abroad for more than one year were estimated at US$ 602.82 million.

It should be mentioned that in 2006 the money transferred from abroad by natural persons via commercial banks amounted to US$ 854.55 million (growing by 25.1 %), out of which through rapid transfer systems – US$ 628.61 million (increasing by 26.3 %).

The capital and financial account recorded net inflow of US$ 281.62 million. Among the financial transactions that impacted this account, the most significant were those related to the rescheduling of bilateral external liabilities according to the conditions accepted at the Paris Club in May, 2006.

The net international investment position of Moldova as of December 31, 2006 remained net debit and recorded US$ 2059.53 million.

Table 2. *International Investment Position of Moldova (US$ million)*

	Position at the end of 2005	Changes in Position Reflecting:					Position at the end of 2006
		Total changes	bop transactions	price changes	exchange rate changes	other adjustments	
International Investment Position (net)	**-1704.79**	**-354.74**	**-304.40**	**-6.27**	**5.82**	**-49.89**	**-2059.53**
Assets	**1184.80**	**258.07**	**213.51**	**0.20**	**44.36**		**1442.87**
Direct investment abroad	29.89	-0.74	-0.74				29.15
Portfolio investment	7.30	0.21	0.21				7.51
Financial derivatives	2.11	0.12	0.12				2.23
Other investment	548.07	80.62	73.16		7.46		628.69
Reserve assets	597.43	177.86	140.76	0.20	36.90		775.29
Liabilities	**2889.59**	**612.81**	**517.91**	**6.47**	**38.54**	**49.89**	**3502.40**
Direct investment in reporting country	1056.42	243.79	241.88		5.22	-3.31	1300.21
Portfolio investment	46.08	4.98	-4.58	6.47	-0.22	3.31	51.06
Financial derivatives	1.17	0.31	0.31				1.48
Other investment	1785.92	363.73	280.30		33.54	49.89	2149.65

The gross external debt of the Republic of Moldova increased by US$ 444.52 million during the year and totalled US$ 2524.16 million, of which: US$ 876.73 million – public and publicly guaranteed, and US$ 1647.43 million – private non-guaranteed debt.

The macroeconomic indicators of the external sector of the national economy are presented in table 3.

Table 3. *Main Macroeconomic Indicators of Moldova*

	UM	**2002**	**2003**	**2004**	**2005**	**2006**
Gross domestic product in current prices	MDL mil.	22556	27619	32032	37652	44069
Gross domestic product	US$ mil.	1661.8	1980.9	2598.2	2988.2	3355.9
Real GDP as against the previous year	%	107.8	106.6	107.4	107.5	104.0
Agricultural output as against the previous year	%	103.4	86.4	120.8	100.8	95.4
Industrial output as against the previous year	%	110.8	115.6	108.2	107.0	93.1
Capital investment as against the previous year	%	111	107	108	112	117
Broad money (M2)	MDL mil.	4517.9	5621.9	8137.0	11125.5	12485.2
Consumer price index at end of period	%	104.4	115.7	112.5	110.0	114.1
Annual average exchange rate	MDL/US$	13.5730	13.9426	12.3283	12.6003	13.1319
Current account / GDP	%	-1.2	-6.6	-1.8	-7.6	-11.5
Current account less transfers / GDP	%	-15.7	-22.0	-16.1	-26.8	-35.4
Compensation of employees plus workers' remittances/ GDP	%	19.4	24.4	27.0	30.6	35.0
Balance of goods and services / GDP	%	-25.2	-33.7	-29.8	-40.6	-47.3
Exports of goods and services / Imports of goods and services	%	67.7	61.3	63.1	55.4	49.3
Exports of goods and services / GDP	%	52.7	53.3	51.0	50.3	45.9
Imports of goods and services / GDP	%	77.9	86.9	80.9	90.9	93.2
Reserve assets / Imports of goods and services	months	2.49	2.11	2.69	2.64	2.97
Direct investment in the national economy, net flow, per capita	US$	23	20	42	55	67
Direct investment in the national economy, stock, per capita	US$	176	198	241	294	363
Net international investment position (at end of year)	US$ mil.	-1546.09	-1679.96	-1576.27	-1704.79	-2059.53
External debt (at end of year)	US$ mil.	1818.8	1930.7	1883.6	2079.6	2524.2
External debt / GDP	%	109.4	97.5	72.5	69.6	75.2
External debt per capita	US$	503	535	523	578	705
Public external debt service (effective) / Exports of goods and services	%	13.8	12.3	8.4	6.6	8.0

Source: NBS, NBM

The macroeconomic indicators of the Republic of Moldova are compared to other states' indices in table 4.

Table 4. *External Sector Macroeconomic Indices by Country in 2006*

	Goods				Services				Trade balance with goods and services / GDP	Current account / GDP	Inward direct investment flows		
	Exports f.o.b.		Imports f.o.b.		Exports		Imports						
	total	2006/2005	total	2006/2005	total	2006/2005	total	2006/2005			total	2006/2005	per capita
	US$ mil.	%	US$ mil.	%	US$ mil.	%	US$ mil.	%	%		US$ mil.	%	US$
CIS													
Armenia	1018.6	101.4	1921.3	120.6	370.9	111.8	478.5	122.4	-15.8	-1.4	343.5	133.0	114
Azerbaijan	13014.6	170.1	5269.3	121.1	939.9	137.6	2863.2	107.9	29.3	18.7	-584	-	-69
Belarus	19838.1	123.2	22236.5	133.9	2299.2	117.3	1486.9	119.0	-4.3	-4.1	354	116.1	36
Georgia	1666.5	113.2	3685.8	137.2	885.8	126.8	724.2	115.8	-24.0	-16.1	1026	228.1	230
Kazakhstan	38762	137.0	24120.4	134.2	2807.6	126.0	8719.6	116.3	10.9	-2.2	6143	310.7	401
Kyrgyzstan	810.8	118.1	1792.3	162.1	374.5	146.6	460.9	158.1	-37.9	-14.8	182	427.2	35
Moldova	*1053.0*	*95.3*	*2644.4*	*115.2*	*488.6*	*122.5*	*484.4*	*115.4*	*-47.3*	*-11.5*	*241.9*	*122.5*	*67*
Russia	303926	124.7	164692	131.3	30927	123.9	44739	115.1	12.7	9.7	30827	239.2	215
Ukraine	38949	111.2	44143	122.1	11290	120.7	9164	121.4	-2.9	-1.5	5203	66.6	112
European Union													
Austria	134302	114.6	133661	117.4	45202	83.8	32398	66.0	4.2	3.2	157	1.7	19
Belgium	283820	107.9	279905	108.9	59851	107.0	54927	107.3	2.2	2.0	70824	210.5	6790
Estonia	9635.1	123.8	12373.6	128.5	3492.8	110.7	2459.7	114.1	-10.4	-14.9	1599.7	53.4	1194
France	483110	109.8	520810	111.2	118480	99.8	108000	102.3	-1.2	-1.3	81050	99.9	1322
Germany	1131360	115.7	934040	118.3	174450	110.7	219380	105.9	5.3	5.1	43420	123.0	525
Italy	417054	112.0	428744	115.3	98581	110.5	100409	111.5	-0.7	-2.6	38884	198.5	662
Latvia	6051	112.9	10992	131.2	2670	123.3	1984	127.4	-21.2	-21.3	1635	224.0	714
Lithuania	14122	119.9	18291	124.5	3623	116.7	2537	123.5	-10.3	-10.9	1812	175.6	531
Netherlands	391168	112.4	343195	113.9	84539	105.6	78926	107.7	16.6	17.8	3779	36.3	231
Poland	117294	121.7	122247	123.3	20610	127.0	18391	128.5	-0.8	-2.3	14536	151.4	381
Slovenia	21402	117.9	22821	117.6	4453	112.0	3342	114.6	-0.8	-2.6	382	70.7	191
Hungary	73509	118.1	74017	115.6	13460	105.1	12159	102.2	0.7	-5.5	10344	137.2	1028
Other countries													
Bulgaria	15064	128.2	21874	127.1	5044	114.5	4112	120.8	-18.7	-15.9	5171.7	121.6	673
Romania	32336	116.6	47172	126.3	6931	136.4	6930	125.6	-12.2	-10.5	11394	175.8	529
Turkey	91889	119.4	132075	119.5	24471	91.8	11114	97.7	-6.6	-7.9	20125	205.3	272
USA	1027430	114.4	1859680	110.9	409380	108.6	342400	108.8	-5.8	-6.5	183570	167.3	606

Sources: International Financial Statistics, August, 2007 IMF; central banks' web sites

CURRENT ACCOUNT

Chart 1. *Current Account*

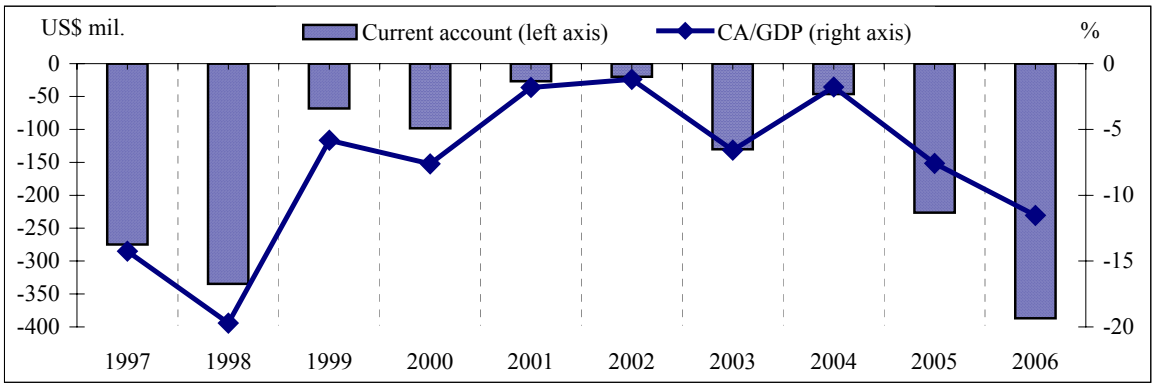


Chart 2. *Current Account Components (US$ million)*

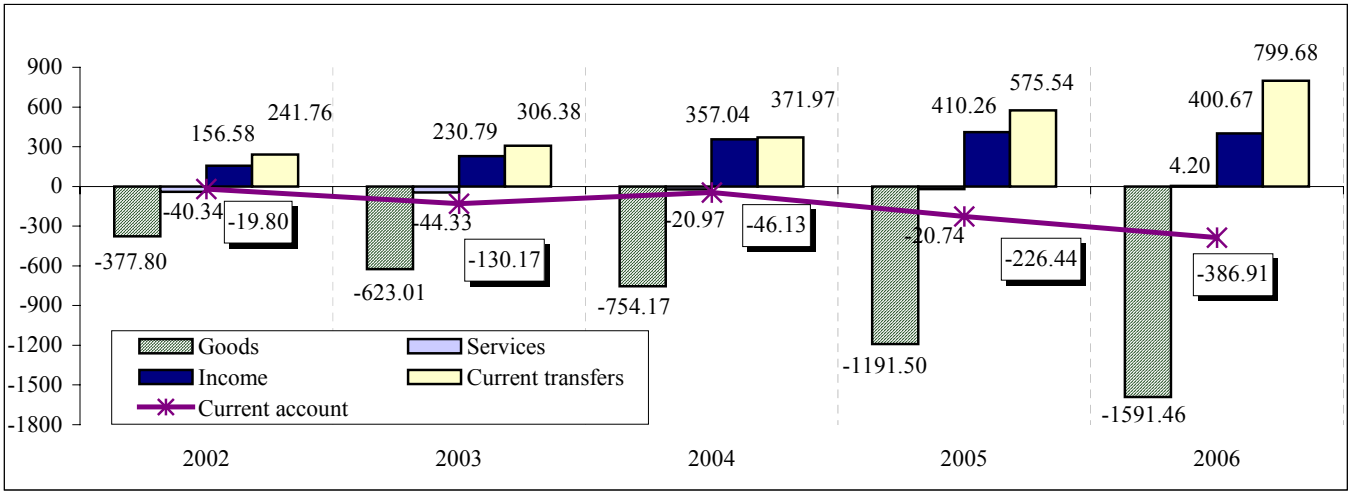


Chart 3. *Trade with Goods and Services Deficit (US$ million)*

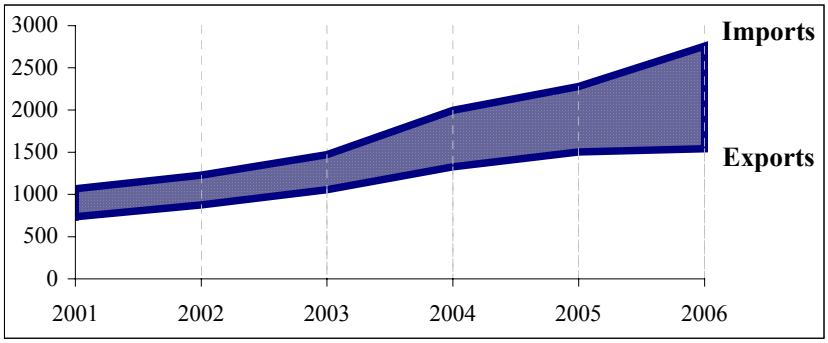


Chart 4. *External Trade with Goods Balance*

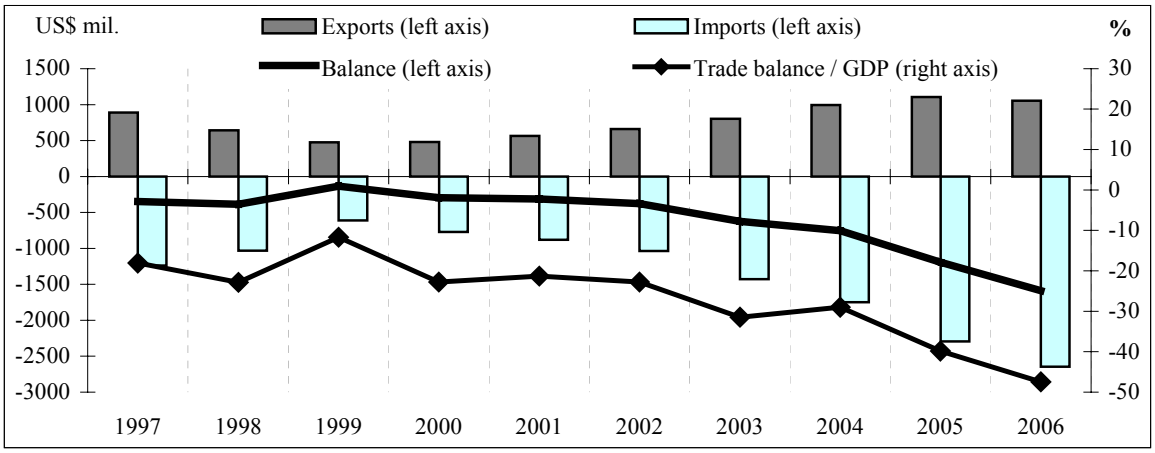


Table 5. *External Trade with Goods*

	UM	2002	2003	2004	2005	2006
Exports of goods	US$ million	659.70	805.09	994.07	1104.58	1052.96
as against the previous year	%	116.8	122.0	123.5	111.1	95.3
Imports of goods	US$ million	-1037.50	-1428.10	-1748.24	-2296.08	-2644.42
as against the previous year	%	117.9	137.6	122.4	131.3	115.2
Trade balance	US$ million	-377.80	-623.01	-754.17	-1191.50	-1591.46
as against the previous year	%	119.9	164.9	121.1	158.0	133.6
External trade turnover	US$ million	1697.20	2233.19	2742.31	3400.66	3697.38
as against the previous year	%	117.5	131.6	122.8	124.0	108.7
Exports / GDP	%	39.7	40.6	38.3	37.0	31.4
Imports / GDP	%	-62.4	-72.1	-67.3	-76.8	-78.8
Trade balance / GDP	%	-22.7	-31.5	-29.0	-39.9	-47.4
Exports to imports ratio	%	63.6	56.4	56.9	48.1	39.8
External trade turnover / GDP	%	102.1	112.7	105.5	113.8	110.2

Chart 5. *Trade Balance (f.o.b.- f.o.b.) with Goods by Geographical Region in Quarterly Dynamics (US$ million)*

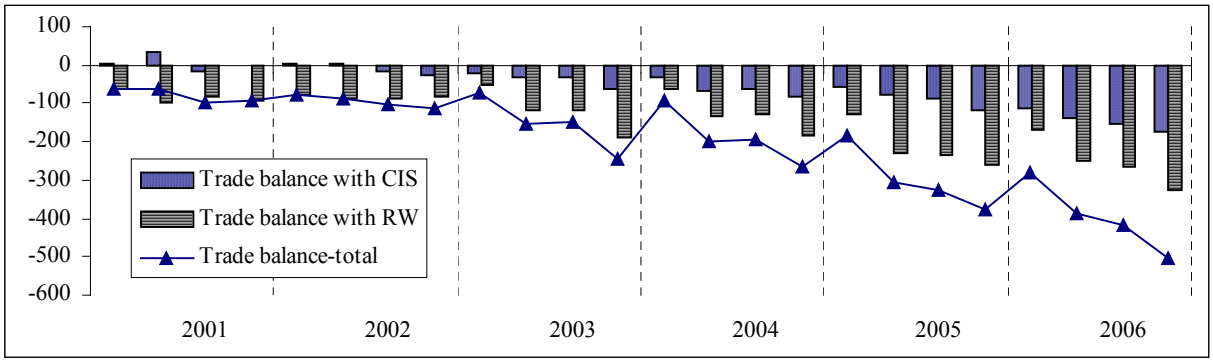


Table 6. *Trade Balance (f.o.b. – c.i.f.) with Goods by Group of Countries*

	2004	2005	2006	2006 / 2005
	US$ million			%
European Union 25	**-279.15**	**-396.81**	**-450.22**	**113.5**
European Union 15, of which:	**-156.57**	**-264.57**	**-317.49**	**120.0**
Germany	-89.10	-126.21	-144.89	114.8
France	-25.92	-30.72	-40.11	130.6
Italy	26.87	8.80	-38.84	
Belgium	-11.15	-21.22	-22.87	107.8
Austria	-13.18	-23.90	-18.17	76.0
Netherlands	-18.39	-21.28	-15.60	73.3
Greece	-2.43	-1.79	-8.55	4.8 times
United Kingdom	4.72	-5.47	1.71	
European Union 10, of which:	**-122.58**	**-132.24**	**-132.73**	**100.4**
Poland	-43.81	-52.52	-46.39	88.3
Hungary	-18.28	-26.55	-27.50	103.6
Czech Republic	-14.79	-21.75	-24.58	113.0
Lithuania	-16.54	-12.00	-14.58	121.5
Slovak Republic	-8.96	-0.41	5.29	
Balkan States, of which:	**-214.20**	**-346.34**	**-426.25**	**123.1**
Romania	-129.48	-250.65	-322.46	128.6
Turkey	-47.52	-56.76	-77.85	137.2
Bulgaria	-32.94	-34.22	-23.47	68.6
CIS, of which:	**-280.31**	**-381.40**	**-633.45**	**166.1**
Ukraine	-396.72	-434.28	-434.55	100.1
Russia	109.44	44.07	-226.81	
Belarus	-6.72	-13.56	-0.42	3.1
Georgia	1.92	5.06	2.90	57.3
Azerbaijan	1.17	2.22	4.19	188.7
Kazakhstan	4.93	10.43	18.11	173.6
Other countries, of which:	**-9.68**	**-76.43**	**-131.66**	**172.3**
China	-12.93	-37.13	-66.34	178.7
South Korea	-2.70	-2.92	-12.17	4.2 times
Switzerland	-5.92	-9.68	-7.09	73.2
USA	24.96	8.96	-6.39	
TOTAL	**-783.34**	**-1200.98**	**-1641.58**	**136.7**

Data source: NBS (shuttle trade not included); selections on imports (c.i.f. prices) by country of shipment

Chart 6. *Exports of Goods in Quarterly Dynamics (US$ million)*

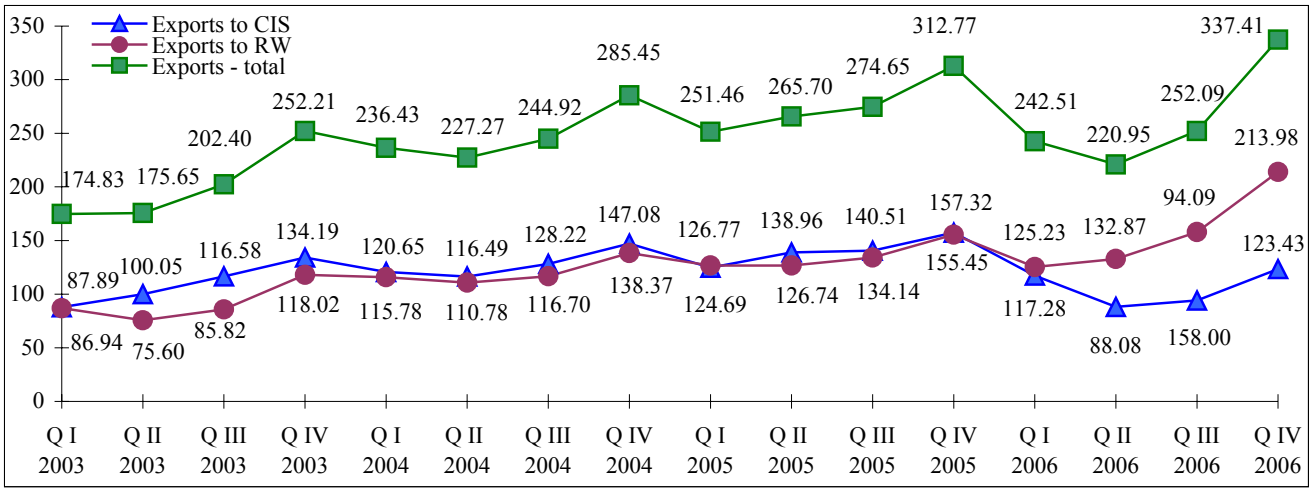


Table 7. *Exports of Goods by Group of Countries*

	2004	2005	2006	Structure		2006 / 2005
				2005	2006	
	US$ million			%		
European Union 25	**296.18**	**324.09**	**367.99**	**29.7**	**35.0**	**113.5**
European Union 15, of which:	**264.24**	**251.18**	**269.09**	**23.0**	**25.6**	**107.1**
Italy	136.43	133.44	116.87	12.2	11.1	87.6
Germany	71.28	47.43	51.92	4.3	4.9	109.5
United Kingdom	10.02	11.14	27.34	1.0	2.6	2.5 times
France	11.31	16.49	23.85	1.5	2.3	144.6
Belgium	11.78	14.56	14.13	1.3	1.3	97.0
Austria	10.03	11.68	13.14	1.1	1.2	112.5
Netherlands	5.52	6.53	9.29	0.6	0.9	142.3
Spain	2.98	4.08	6.00	0.4	0.6	147.1
Greece	3.42	4.83	5.89	0.4	0.6	121.9
European Union 10, of which:	**31.94**	**72.91**	**98.90**	**6.7**	**9.4**	**135.6**
Poland	6.55	25.30	39.22	2.3	3.7	155.0
Slovak Republic	1.70	15.06	22.72	1.4	2.2	150.9
Hungary	14.47	14.74	14.63	1.4	1.4	99.3
Lithuania	2.42	6.32	8.55	0.6	0.8	135.3
Czech Republic	1.87	4.43	5.59	0.4	0.5	126.2
Latvia	2.23	3.08	3.75	0.3	0.4	121.8
Balkan States, of which:	**117.91**	**146.06**	**202.17**	**13.4**	**19.2**	**138.4**
Romania	98.92	111.66	155.56	10.2	14.8	139.3
Turkey	12.27	24.66	28.46	2.3	2.7	115.4
Bulgaria	5.49	7.63	14.11	0.7	1.3	184.9
Serbia & Montenegro	0.42	0.53	3.00		0.3	5.7 times
CIS, of which:	**502.43**	**551.36**	**424.13**	**50.5**	**40.3**	**76.9**
Russia	353.33	347.48	182.01	31.8	17.3	52.4
Ukraine	64.76	99.91	128.79	9.2	12.2	128.9
Belarus	58.65	71.16	73.96	6.5	7.0	103.9
Kazakhstan	15.43	17.30	24.15	1.6	2.3	139.6
Azerbaijan	1.23	3.72	4.76	0.3	0.5	128.0
Georgia	2.07	5.25	4.06	0.5	0.4	77.3
Other countries, of which:	**68.66**	**69.75**	**57.32**	**6.4**	**5.5**	**82.2**
U.S.A.	42.70	37.48	16.23	3.4	1.5	43.3
Switzerland	1.10	7.39	14.23	0.7	1.4	192.6
Syria	3.63	4.84	4.32	0.4	0.4	89.3
Panama		3.62	3.55	0.3	0.3	98.1
TOTAL	**985.18**	**1091.26**	**1051.61**	**100.0**	**100.0**	**96.4**

Data source: NBS (shuttle trade not included)

Table 8. *Exports of Goods after Processing*

	2005			2006			Changes in share	2006 / 2005	Influence of the country on the growth (+) / decrease (-) of exports of goods after processing
	Total exports of goods	Exports of goods after processing	Share in total exports of goods	Total exports of goods	Exports of goods after processing	Share in total exports of goods			
	US$ million		%	US$ million		%	percentage points	%	percentage points
Austria	11.68	1.72	14.7	13.14	2.26	17.2	2.5	131.4	0.2
Belgium	14.56	13.14	90.2	14.13	11.18	79.1	-11.1	85.1	-0.9
France	16.49	4.23	25.7	23.85	8.45	35.4	9.7	199.8	1.9
Germany	47.43	23.33	49.2	51.92	25.29	48.7	-0.5	108.4	0.9
Italy	133.44	74.84	56.1	116.87	106.10	90.8	34.7	141.8	14.4
Netherlands	6.53	4.03	61.7	9.29	6.98	75.1	13.4	173.2	1.4
Poland	25.30	8.10	32.0	39.22	9.73	24.8	-7.2	120.1	0.7
Romania	111.66	25.42	22.8	155.56	33.99	21.9	-0.9	133.7	4.0
Slovak Republic	15.06	13.87	92.1	22.72	15.25	67.1	-25.0	109.9	0.6
Turkey	24.66	14.04	56.9	28.46	19.27	67.7	10.8	137.3	2.4
United Kingdom	11.14	8.60	77.2	27.34	21.86	80.0	2.8	2.5 times	6.1
USA	37.48	24.06	64.2	16.23	7.65	47.1	-17.1	31.8	-7.5
Other countries	635.83	2.37	0.4	532.88	4.16	0.8	0.4	175.5	0.8
TOTAL	**1091.26**	**217.75**	**20.0**	**1051.61**	**272.17**	**25.9**	**5.9**	125.0	25.0

Data source: NBS

Table 9. *Exports by Main Group of Goods*

	2004	2005	2006	Structure 2006	2006 / 2005
	US$ million			%	
TOTAL	**985.18**	**1091.26**	**1051.61**	**100.0**	**96.4**
I. Live animals; animal products	20.16	17.21	16.23	1.5	94.3
II. Vegetable products	119.97	131.90	136.49	13.0	103.5
III. Animal or vegetable fats and oils	41.19	37.80	34.86	3.3	92.2
IV. Prepared foodstuffs; beverages, spirits; tobacco	345.88	395.96	276.35	26.3	69.8
V. Mineral products	30.36	20.11	27.43	2.6	136.4
VI. Products of the chemical industry	9.29	15.60	20.81	2.0	133.4
VII. Plastics, rubber and articles thereof	8.32	11.83	15.99	1.5	135.2
VIII. Raw hides and skins, leather, furskins and articles thereof	77.89	71.57	23.65	2.2	33.0
IX. Wood and articles thereof (furniture not included)	3.58	2.29	3.98	0.4	173.8
X. Pulp of wood, paper, paperboard and articles thereof	8.04	11.83	18.41	1.8	155.6
XI. Textiles and textile articles	170.10	193.95	228.27	21.7	117.7
XII. Footwear, headgear, umbrellas and the like	21.96	26.60	30.95	2.9	116.4
XIII. Articles of stone, plaster, cement; ceramic products; glass and glassware	17.16	18.73	32.58	3.1	173.9
XIV. Natural or cultured pearls, precious or semiprecious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery; coins	0.17	0.15	0.14		93.3
XV. Base metals and articles thereof	29.89	48.74	75.84	7.2	155.6
XVI. Machinery and mechanical appliances; electrical equipment; image and sound recorders and reproducers	39.30	46.22	53.13	5.1	115.0
XVII. Vehicles, aircraft and associated transport equipment	22.81	15.30	16.30	1.6	106.5
XVIII. Optical, photographic, cinematographic, medical or surgical instruments and apparatus; clocks and watches; musical instruments, parts and accessories thereof	8.19	8.08	12.49	1.2	154.6
Other goods and products	10.92	17.39	27.71	2.6	159.3

Data source: NBS; shuttle trade not included

Chart 7. *Exports of Alcohol Beverages by Country*

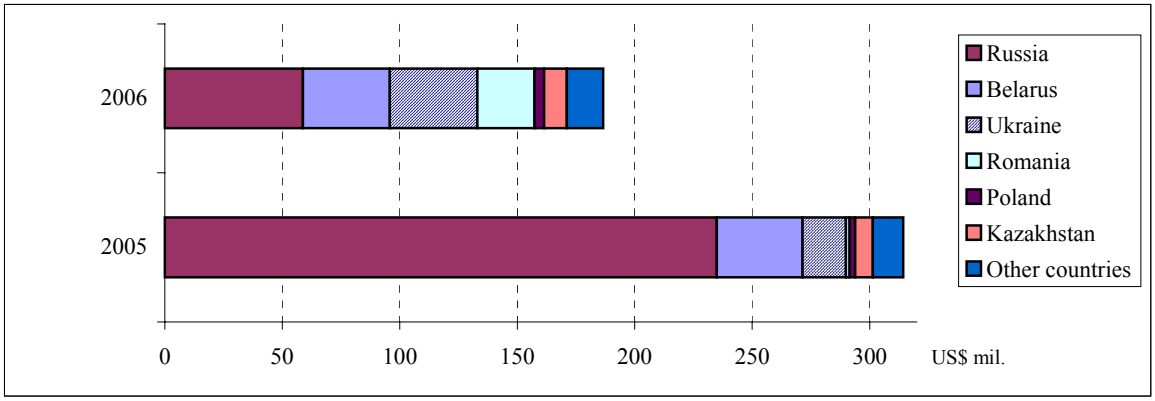


Table 10. *Exports of Alcohol Beverages*

	2005	2006	Structure 2005	Structure 2006	2006 / 2005	Influence of the country on the growth (+) / decrease (-) of exports of alcohol beverages
	US$ million		%			percentage points
TOTAL	**314.26**	**186.50**	**100.0**	**100.0**	**59.3**	**-40.7**
Russia	234.92	58.78	74.8	31.5	25.0	-56.0
Ukraine	18.38	37.25	5.8	20.0	2.0 times	6.0
Belarus	36.56	36.99	11.6	19.8	101.2	0.1
Romania	1.59	24.29	0.5	13.0	15.3 times	7.2
Poland	2.39	4.10	0.8	2.2	171.5	0.5
Kazakhstan	7.47	9.70	2.4	5.2	129.9	0.7
Other countries	12.95	15.39	4.1	8.3	118.8	0.8

Data source: NBS

Chart 8. *Imports (f.o.b.) of Goods in Quarterly Dynamics (US$ million)*

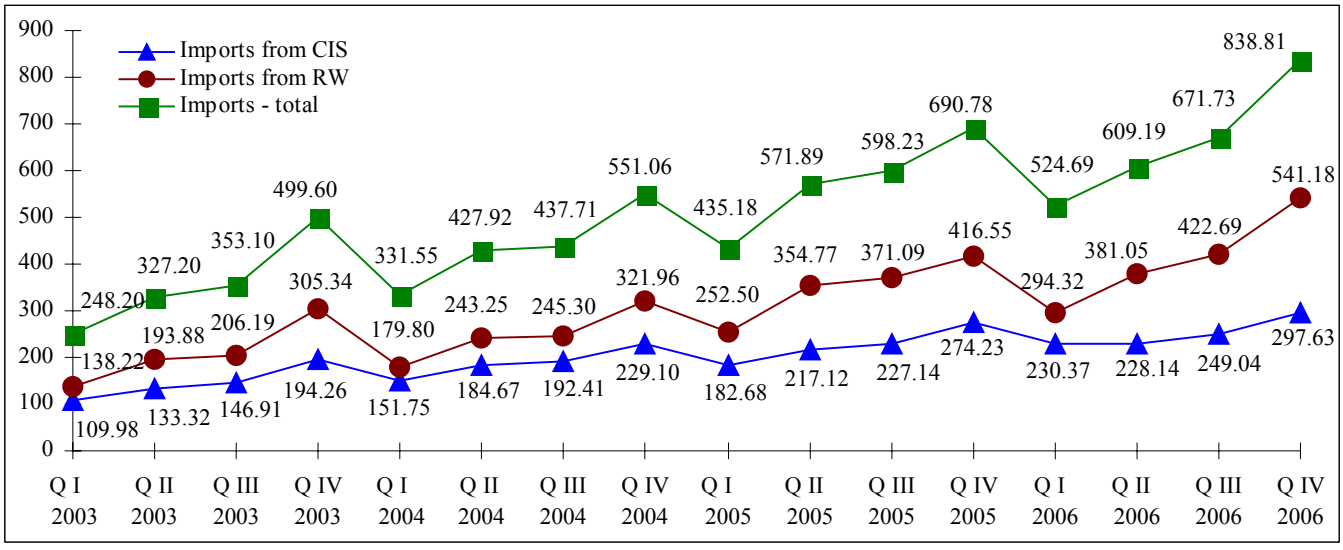


Table 11. *Imports of Goods (c.i.f.) by Group of Countries*

	2004	2005	2006	Structure		2006 / 2005
				2005	2006	
	US$ million			%		
European Union 25	**575.33**	**720.90**	**818.21**	**31.4**	**30.4**	**113.5**
European Union 15, of which:	**420.81**	**515.75**	**586.58**	**22.5**	**21.8**	**113.7**
Germany	160.38	173.64	196.81	7.6	7.3	113.3
Italy	109.56	124.64	155.71	5.4	5.8	124.9
France	37.23	47.21	63.96	2.1	2.4	135.5
Belgium	22.93	35.78	37.00	1.6	1.4	103.4
Austria	23.21	35.58	31.31	1.6	1.2	88.0
United Kingdom	5.30	16.61	25.63	0.7	1.0	154.3
Netherlands	23.91	27.81	24.89	1.2	0.9	89.5
Greece	5.85	6.62	14.44	0.3	0.5	2.2 times
Spain	8.85	13.65	11.40	0.6	0.4	83.5
European Union 10, of which:	**154.52**	**205.15**	**231.63**	**8.9**	**8.6**	**112.9**
Poland	50.36	77.82	85.61	3.4	3.2	110.0
Hungary	32.75	41.29	42.13	1.8	1.6	102.0
Czech Republic	16.66	26.18	30.17	1.1	1.1	115.2
Lithuania	18.96	18.32	23.13	0.8	0.9	126.3
Slovak Republic	10.66	15.47	17.43	0.7	0.6	112.7
Balkan States, of which:	**332.11**	**492.40**	**628.42**	**21.5**	**23.3**	**127.6**
Romania	228.40	362.31	478.02	15.8	17.7	131.9
Turkey	59.79	81.42	106.31	3.6	3.9	130.6
Bulgaria	38.43	41.85	37.58	1.8	1.4	89.8
CIS, of which:	**782.74**	**932.76**	**1057.58**	**40.7**	**39.3**	**113.4**
Ukraine	461.48	534.19	563.34	23.3	20.9	105.5
Russia	243.89	303.41	408.82*	13.2	15.2	134.7
Belarus	65.37	84.72	74.38	3.7	2.8	87.8
Other countries of which:	**78.34**	**146.18**	**188.98**	**6.4**	**7.0**	**129.3**
China	13.02	37.75	66.71	1.6	2.5	176.7
USA	17.74	28.52	22.62	1.2	0.8	79.3
Switzerland	7.02	17.07	21.32	0.7	0.8	124.9
South Korea	2.74	2.95	12.21	0.1	0.5	4.1 times
TOTAL	**1768.52**	**2292.24**	**2693.19**	**100.0**	**100.0**	**117.5**

Data source: NBS (shuttle trade not included); selections on imports by country of shipment
**including returned moldovan wine*

Table 12. *Imports (c.i.f.) by Main Group of Goods*

	2004	2005	2006	Structure 2006	2006 / 2005
	US$ million			%	
TOTAL	**1768.52**	**2292.24**	**2693.19**	**100.0**	**117.5**
I. Live animals; animal products	38.78	57.19	51.92	1.9	90.8
II. Vegetable products	73.54	65.02	72.75	2.7	111.9
III. Animal or vegetable fats and oils	7.42	9.89	11.12	0.4	112.4
IV. Prepared foodstuffs; beverages, spirits; tobacco	105.25	147.47	179.79*	6.7	121.9
V. Mineral products	384.87	504.66	663.68	24.6	131.5
VI. Products of the chemical industry	161.81	232.29	223.24	8.3	96.1
VII. Plastics, rubber and articles thereof	101.10	139.74	168.53	6.3	120.6
VIII. Raw hides and skins, leather, furskins and articles thereof	72.52	69.57	22.90	0.9	32.9
IX. Wood and articles thereof (furniture not included)	33.98	43.62	52.08	1.9	119.4
X. Pulp of wood, paper, paperboard and articles thereof	63.42	82.25	75.51	2.8	91.8
XI. Textiles and textile articles	150.56	179.86	206.52	7.7	114.8
XII. Footwear, headgear, umbrellas and the like	10.03	12.20	17.89	0.7	146.6
XIII. Articles of stone, plaster, cement; ceramic products; glass and glassware	64.37	67.28	79.92	3.0	118.8
XIV. Natural or cultured pearls, precious or semiprecious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery; coins	3.72	6.43	6.40	0.2	99.5
XV. Base metals and articles thereof	111.90	160.59	219.50	8.2	136.7
XVI. Machinery and mechanical appliances; electrical equipment; image and sound recorders and reproducers	239.71	312.99	379.77	14.1	121.3
XVII. Vehicles, aircraft and associated transport equipment	95.95	130.32	162.38	6.0	124.6
XVIII. Optical, photographic, cinematographic, medical or surgical instruments and apparatus; clocks and watches; musical instruments, parts and accessories thereof	20.88	26.98	33.49	1.2	124.1
Other goods and products	28.71	43.89	65.80	2.4	149.9

**including returned moldovan wine Data source: NBS (shuttle trade not included); selections on imports by country of shipment*

Table 13. *Imports (f.o.b.) of Energy Resources*

		2004	2005	2006	Structure 2006	2006 / 2005
					%	
Energy resources - total (US$ mil.)		**308.57**	**425.86**	**544.89**	**100.0**	**128.0**
From CIS (US$ mil.)		**238.11**	**280.70**	**335.93**	**61.7**	**119.7**
Coal	(US$ mil.)	9.25	9.49	12.27	2.3	129.3
	(thou. tons)	184.98	165.60	170.47		102.9
Natural gas	(US$ mil.)	83.61	97.14	170.20	31.2	175.2
	(mil m^3)	1263.02	1418.55	1418.16		100.0
Fuel	(US$ mil.)	145.25	174.07	153.46	28.2	88.2
Fuel oil	(US$ mil.)	3.06	2.88	4.55	0.8	158.0
	(thou. tons)	19.15	12.98	16.53		127.3
Diesel	(US$ mil.)	76.58	99.92	91.58	16.8	91.7
	(thou. tons)	231.04	198.34	154.90		78.1
Gasoline	(US$ mil.)	38.07	35.34	13.46	2.5	38.1
	(thou. tons)	108.36	73.72	21.36		29.0
Other	(US$ mil.)	27.54	35.93	43.87	8.1	122.1
From the rest of the world (US$ mil.)		**70.46**	**145.16**	**208.96**	**38.3**	**144.0**
Fuel oil	(US$ mil.)	0.07		0.19		
	(thou. tons)	0.44		0.39		
Diesel	(US$ mil.)	24.49	61.85	92.80	17.0	150.0
	(thou. tons)	72.26	115.61	152.99		132.3
Gasoline	(US$ mil.)	41.53	76.00	106.97	19.6	140.8
	(thou. tons)	104.00	140.86	171.83		122.0
Other	(US$ mil.)	4.37	7.31	9.00	1.7	123.1

Chart 9. *Imports of Energy Resources in Physical Volume by Country in 2006*

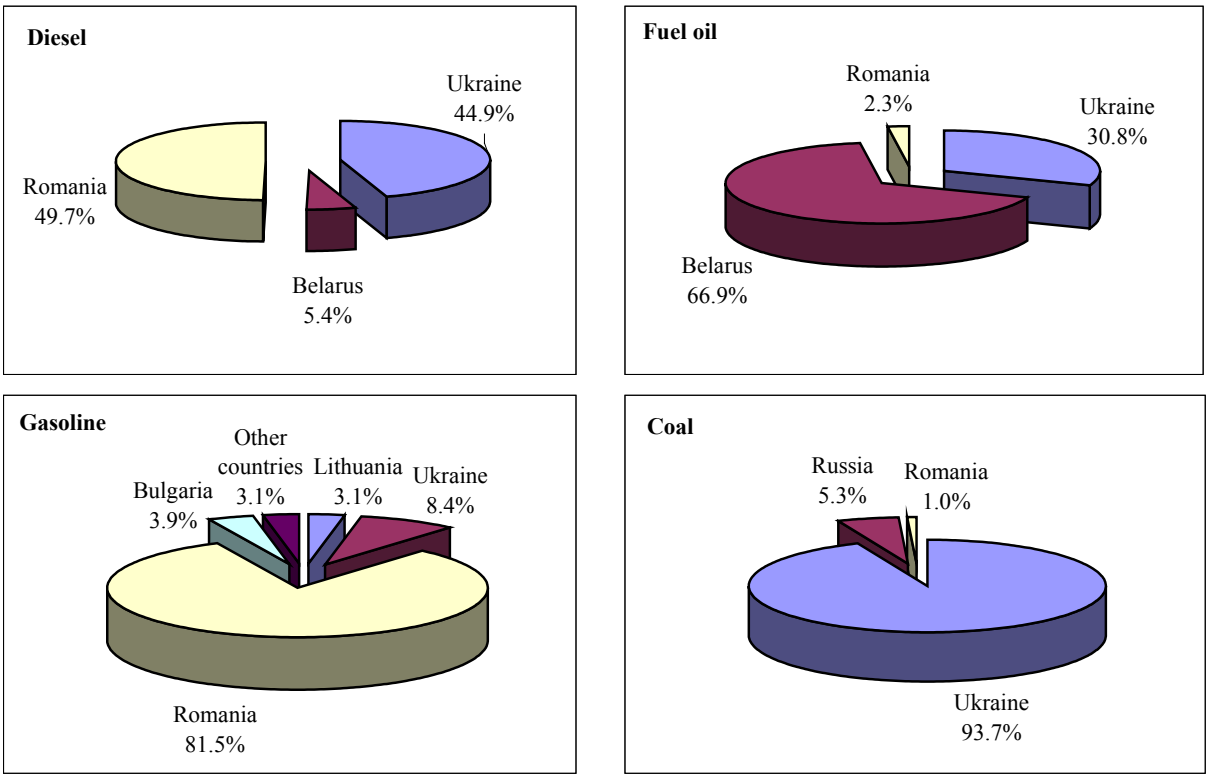


Table 14. *Imports and Exports (f.o.b.) of Electricity*

	2004		2005		2006	
	mil.kw/h	US$ mil.	mil.kw/h	US$ mil.	mil.kw/h	US$ mil.
Imports	**1835.57**	**45.36**	**1600.22**	**38.21**	**2881.54**	**73.14**
Ukraine*	1835.57	45.36	1600.22	38.21	2881.54	73.14
Exports	**424.08**	**14.09**	**13.92**	**0.50**		
Romania	423.98	14.08	13.92	0.50		
Ukraine	0.10	0.01				

** net imports*

Chart 10. *Balance of Services*

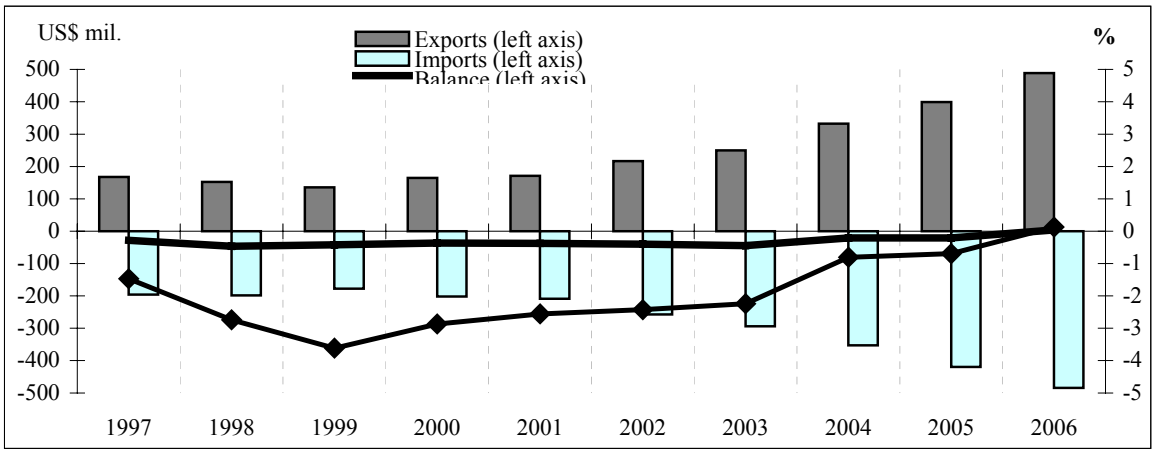


Chart 11. *Balance of Services by Geographical Region (US$ million)*

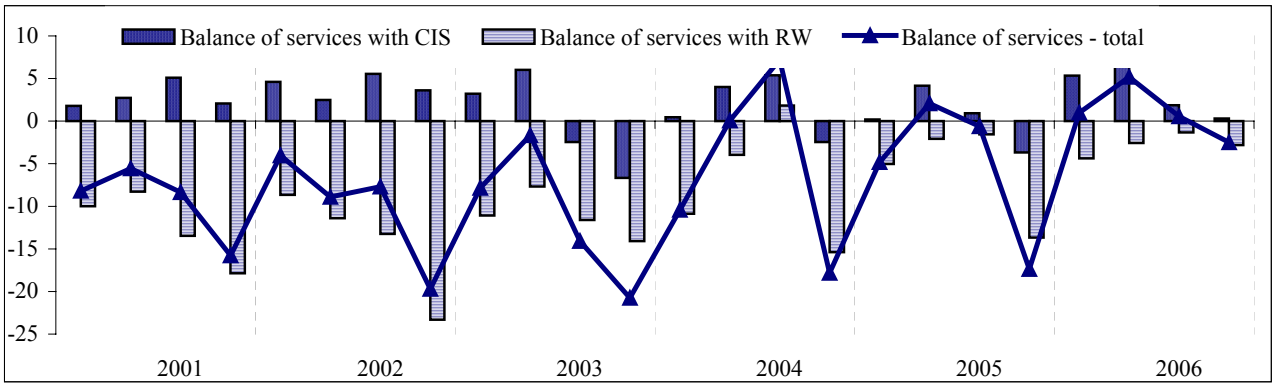


Table 15. *Services in Dynamics*

	2002	2003	2004	2005	2006	2006 / 2005
	US$ million					%
Balance of services	**-40.34**	**-44.33**	**-20.97**	**-20.74**	**4.20**	
Exports	216.65	249.93	332.08	398.94	488.55	122.5
Imports	-256.99	-294.26	-353.05	-419.68	-484.35	115.4
Transportation	33.06	27.15	26.60	22.47	52.18	2.3 times
Exports	109.23	127.07	142.64	169.55	223.75	132.0
Imports	-76.17	-99.92	-116.04	-147.08	-171.57	116.7
Travel	-45.06	-45.03	-21.97	-38.04	-75.61	198.8
Exports	50.35	54.38	91.20	103.18	111.75	108.3
Imports	-95.41	-99.41	-113.17	-141.22	-187.36	132.7
Communications services	6.00	5.38	26.53	32.09	42.19	131.5
Exports	19.96	24.4	45.34	59.37	71.19	119.9
Imports	-13.96	-19.02	-18.81	-27.28	-29.00	106.3
Construction services	-3.73	-1.56	0.90	3.56	6.48	182.0
Exports	0.89	0.56	4.30	6.05	10.70	176.9
Imports	-4.62	-2.12	-3.40	-2.49	-4.22	169.5
Computer and informational services	-10.96	-1.53	-3.49	-0.76	2.08	
Exports	0.87	1.19	2.63	3.64	7.97	2.2 times
Imports	-11.83	-2.72	-6.12	-4.40	-5.89	133.9
Other business services	-15.87	-17.54	-37.29	-21.98	-3.14	14.3
Exports	20.11	18.28	28.40	36.19	38.27	105.7
Imports	-35.98	-35.82	-65.69	-58.17	-41.41	71.2
including:						
Operational leasing services	-0.93	-2.29	-6.60	-6.29	-5.04	80.1
Exports	1.62	0.37	4.50	5.39	4.34	80.5
Imports	-2.55	-2.66	-11.10	-11.68	-9.38	80.3
Legal, accounting, management, consulting and public relations services	-2.98	-7.78	-8.86	-10.02	-5.24	52.3
Exports	1.12	0.98	1.78	2.71	5.40	199.3
Imports	-4.1	-8.76	-10.64	-12.73	-10.64	83.6
Advertising, market research, and public opinion polling	-6.61	-2.14	-7.23	-4.51	3.56	
Exports	0.94	1.55	1.58	4.55	7.14	156.9
Imports	-7.55	-3.69	-8.81	-9.06	-3.58	39.5
Other professional and business services	-5.35	-5.33	-14.60	-1.16	3.60	
Exports	16.43	15.38	20.54	23.54	21.39	90.9
Imports	-21.78	-20.71	-35.14	-24.70	-17.79	72.0
Government services, n.i.e.	-3.64	-6.96	-9.50	-14.65	-11.91	81.3
Exports	10.34	19.31	12.11	14.82	17.77	119.9
Imports	-13.98	-26.27	-21.61	-29.47	-29.68	100.7
Other services	-0.14	-4.24	-2.75	-3.43	-8.07	2.4 times
Exports	4.90	4.74	5.46	6.14	7.15	116.4
Imports	-5.04	-8.98	-8.21	-9.57	-15.22	159.0

Chart 12. *Income Balance*

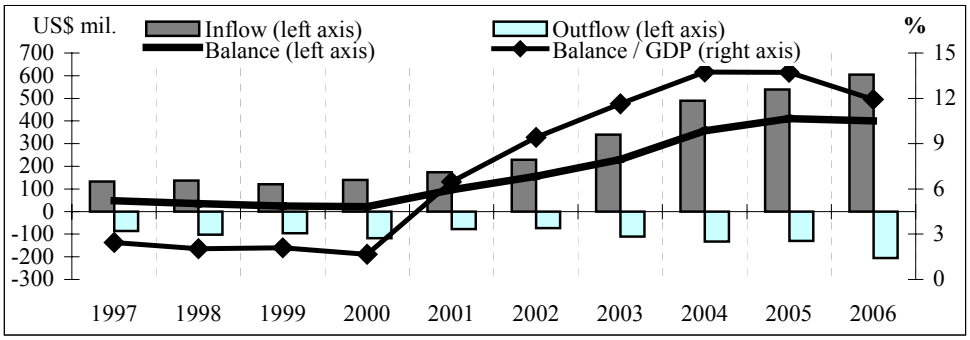


Chart 13. *Current Transfers Balance*

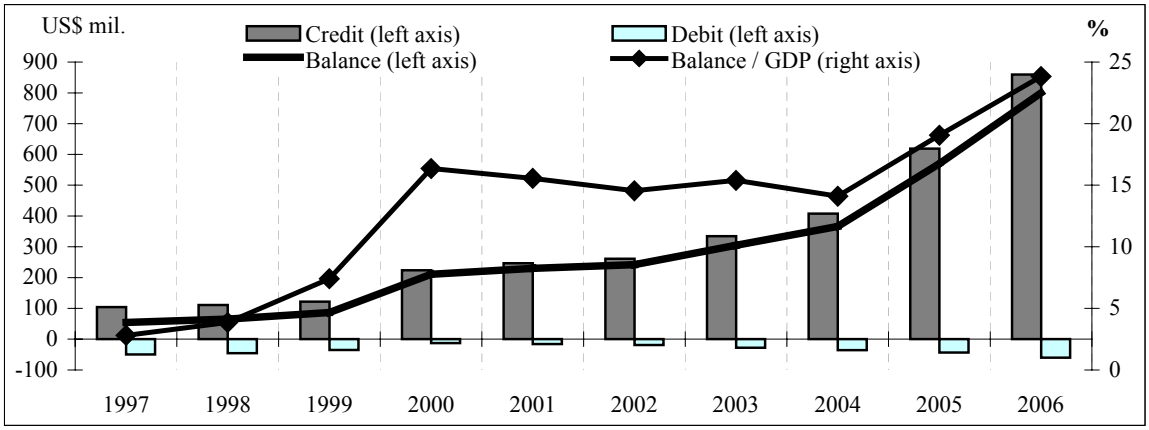
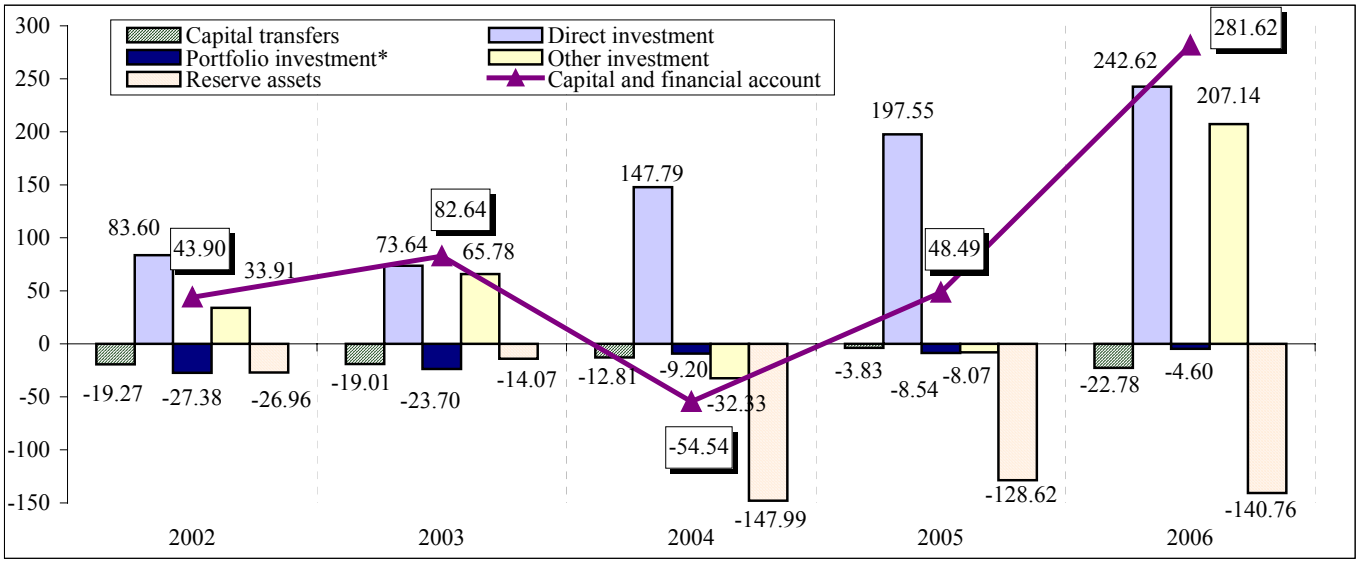


Table 16. *Current Transfers*

	2002	2003	2004	2005	2006	2006 / 2005
	US$ million					%
Current transfers	**241.76**	**306.38**	**371.97**	**575.54**	**799.68**	**138.9**
Credit	261.05	334.19	407.77	618.76	859.63	138.9
Debit	-19.29	-27.81	-35.80	-43.22	-59.95	138.7
Grants and technical assistance	94.75	118.52	115.63	132.09	146.14	110.6
Credit	94.86	119.2	116.46	132.84	147.61	111.1
Debit	-0.11	-0.68	-0.83	-0.75	-1.47	196.0
Education and staff training	9.03	12.33	15.33	16.86	15.67	92.9
Credit	9.85	12.86	15.92	17.53	16.43	93.7
Debit	-0.82	-0.53	-0.59	-0.67	-0.76	113.4
Humanitarian aid	34.48	22.88	17.64	9.84	10.50	106.7
Credit	34.52	22.91	17.67	9.99	10.50	105.1
Debit	-0.04	-0.03	-0.03	-0.15		
Fees to international organizations	-3.14	-4.71	-4.71	-4.68	-5.85	125.0
Credit	0.02	0.02			0.05	
Debit	-3.16	-4.73	-4.71	-4.68	-5.90	126.1
Workers' remittances	100.62	151.19	220.60	391.98	596.36	152.1
Credit	101.59	152.02	221.37	395.08	602.82	152.6
Debit	-0.97	-0.83	-0.77	-3.10	-6.46	2.1 times
Other current transfers	6.02	6.17	7.48	29.45	36.86	125.2
Credit	20.21	27.18	36.35	63.32	82.22	129.8
Debit	-14.19	-21.01	-28.87	-33.87	-45.36	133.9

CAPITAL AND FINANCIAL ACCOUNT

Chart 14. *Capital and Financial Account (US$ million)*



**financial derivatives included in 2003 – 2006*

Table 17. *External Assets and Liabilities, Net Flows (US$ million)*

	2002	2003	2004	2005	2006
Financial account	**63.17**	**101.65**	**-41.73**	**52.32**	**304.40**
External Assets	**-68.85**	**-7.25**	**-184.77**	**-209.27**	**-213.51**
Direct investment	-0.45	-0.11	-3.22	0.16	0.74
Portfolio investment	-1.49	0.40	-1.46	-1.19	-0.21
Financial derivatives		-0.01	-0.46	-1.69	-0.12
Other investment	-39.95	6.54	-31.64	-77.93	-73.16
trade credits	-19.47	-17.44	-27.35	-25.43	-6.38
currency and deposits	-20.96	23.98	-5.63	-52.50	-66.78
other assets	0.48		1.34		
Reserve assets	-26.96	-14.07	-147.99	-128.62	-140.76
External Liabilities	**132.02**	**108.90**	**143.04**	**261.59**	**517.91**
Direct investment	84.05	73.75	151.01	197.39	241.88
Portfolio investment	-25.89	-24.15	-8.31	-5.76	-4.58
Financial derivatives		0.06	1.03	0.10	0.31
Other investment	73.86	59.24	-0.69	69.86	280.30
trade credits	11.22	27.32	36.61	60.10	46.79
loans	-2.01	-23.87	-4.69	-12.49	181.48
currency and deposits	3.89	4.60	14.73	12.64	53.32
other liabilities	60.76	51.19	-47.34	9.61	-1.29

Table 18. *Direct Investment (US$ million)*

	2004			2005			2006		
	inflow	outflow	balance	inflow	outflow	balance	inflow	outflow	balance
Direct investment	**242.83**	**95.04**	**147.79**	**264.44**	**66.89**	**197.55**	**376.63**	**134.01**	**242.62**
Abroad	1.81	5.03	-3.22	1.60	1.44	0.16	8.51	7.77	0.74
In the national economy:	241.02	90.01	151.01	262.84	65.45	197.39	368.12	126.24	241.88
equity capital	126.45	12.33	114.12	98.81	19.18	79.63	129.12	10.10	119.02
banks	6.31	1.22	5.09	2.22	4.42	-2.20	33.18		33.18
other sectors	120.14	11.11	109.03	96.59	14.76	81.83	95.94	10.10	85.84
reinvested earnings	38.07		38.07	27.35		27.35	41.59		41.59
banks	6.80		6.80	8.45		8.45	7.09		7.09
other sectors	31.27		31.27	18.90		18.90	34.50		34.50
other capital (other sectors)	76.50	77.68	-1.18	136.68	46.27	90.41	197.41	116.14	81.27
Structure of direct investment inflows by sector (%)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
banks	5.4	1.4	7.9	4.1	6.8	3.2	10.9		16.6
other sectors	94.6	98.6	92.1	95.9	93.2	96.8	89.1	100.0	83.4

Chart 15. *Foreign Direct Investment in the National Economy in Annual Dynamics (US$ million)*

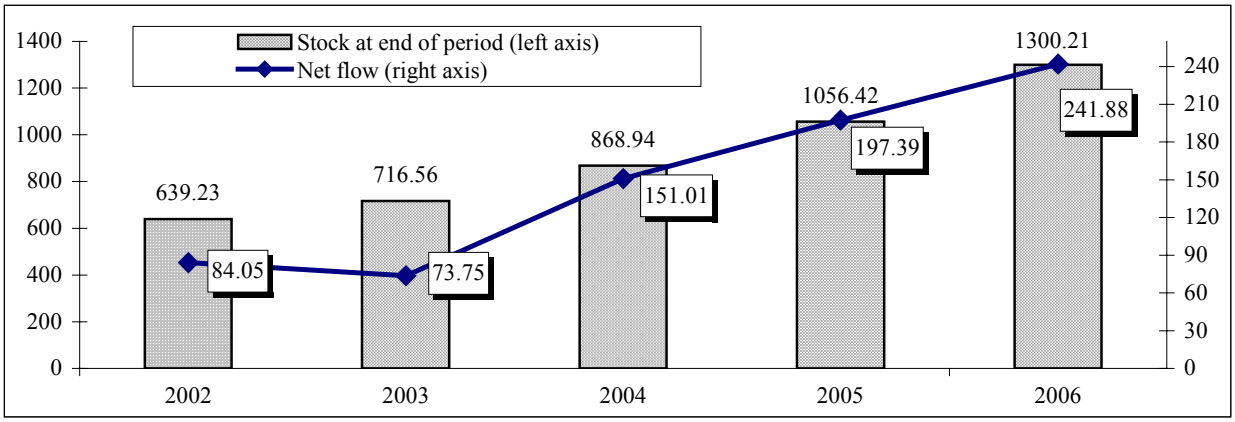
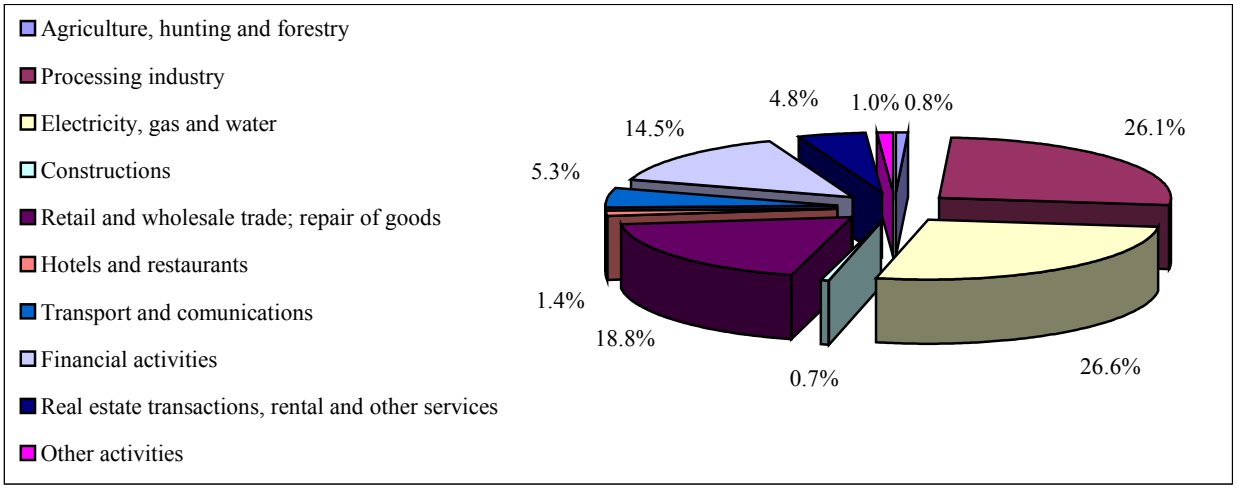


Chart 16. *Inward Foreign Direct Investment – Equity Capital Accumulated by December 31, 2006 by Field of Activity*



Source: on the basis of NBS data

Chart 17. *Inward Foreign Direct Investment – Equity Capital Accumulated by December 31, 2006 by Country*

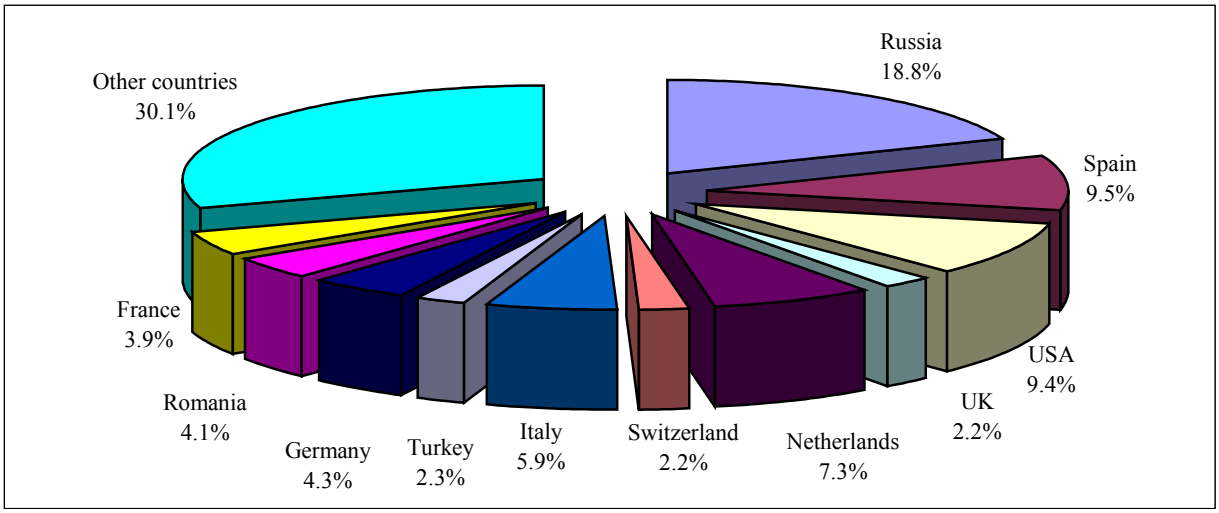


Table 19. *Portfolio Investment (US$ million)*

	2002	2003	2004	2005	2006
Portfolio investment	**-27.38**	**-23.75**	**-9.77**	**-6.95**	**-4.79**
Assets	**-1.49**	**0.40**	**-1.46**	**-1.19**	**-0.21**
Equity securities		-0.10	-0.16		-0.21
Other sectors		-0.10	-0.16		-0.21
Debt securities	-1.49	0.50	-1.30	-1.19	
Banks	-1.49	0.50	-1.30	-1.19	
Liabilities	**-25.89**	**-24.15**	**-8.31**	**-5.76**	**-4.58**
Equity securities	2.33	0.72	-0.81	0.60	1.78
Banks	1.56	-0.25	-0.60	0.56	1.66
equity securities sold to non-residents	1.95	0.35	1.75	2.47	1.73
equity securities repurchased from non-residents	-0.39	-0.60	-2.35	-1.91	-0.07
Other sectors	0.77	0.97	-0.21	0.04	0.12
equity securities sold to non-residents	1.49	1.96	0.99	0.20	0.25
equity securities repurchased from non-residents	-0.72	-0.99	-1.20	-0.16	-0.13
Debt securities – bonds and notes	-28.22	-24.87	-7.50	-6.36	-6.36
General government	-28.22	-24.87	-7.50	-6.36	-6.36

Chart 18. *Other Investment – Assets (US$ million)*

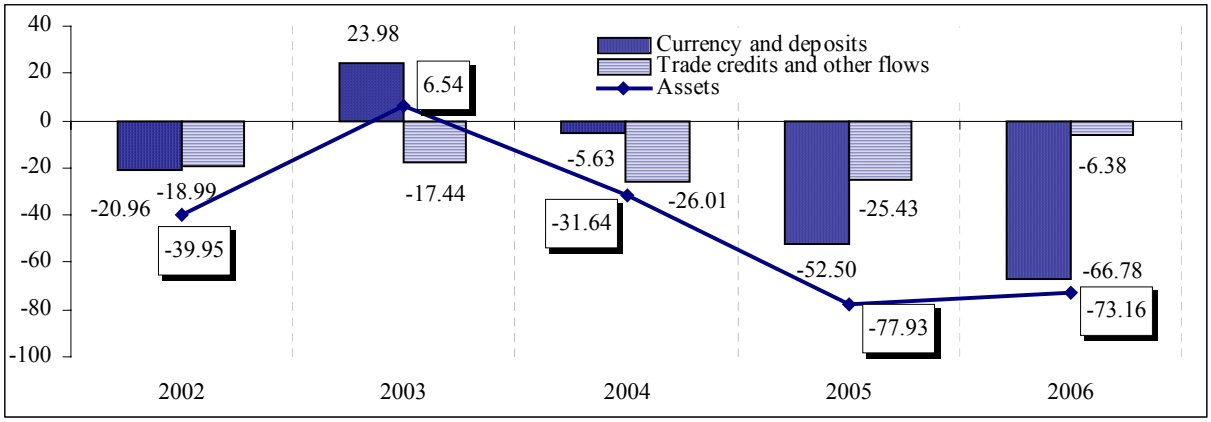
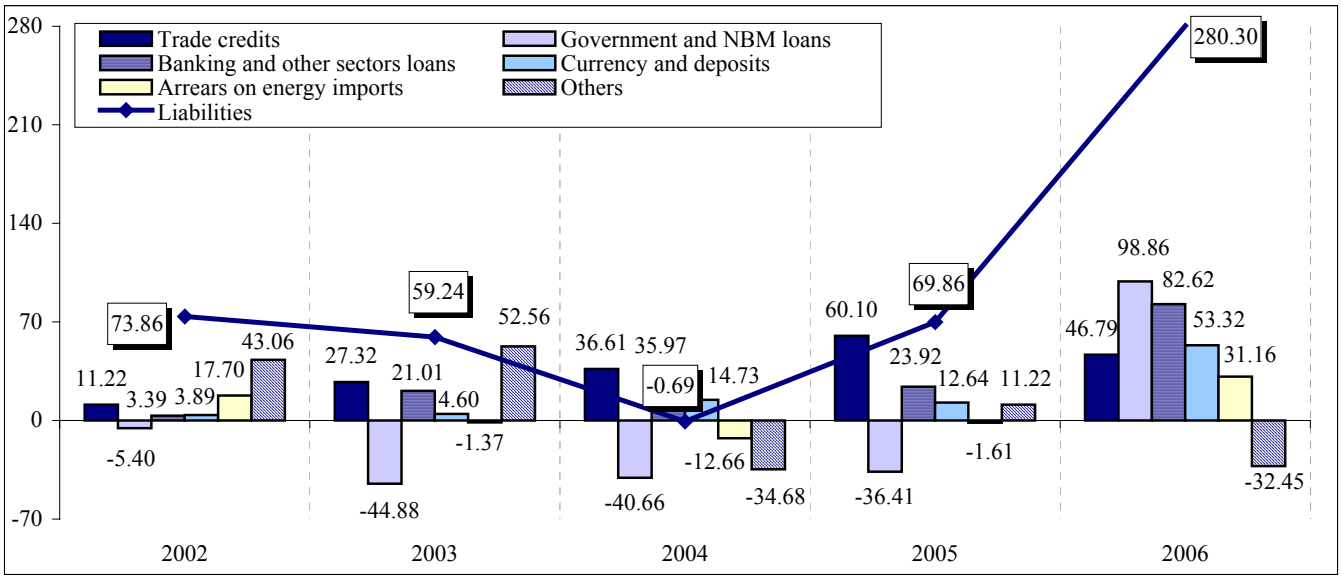


Chart 19. *Other Investment – Liabilities* (US$ million)*



** including rescheduled loans*

Table 20. *External Loans (US$ million)*

	2002		2003		2004		2005		2006	
	drawings	repay-ments	drawings	repay-ments	drawings	repay-ments	drawings	repay-ments	drawings	repay-ments
Monetary authorities (IMF loans)	12.36	17.87		22.26		21.61		21.62	65.15	24.10
Government loans	43.53	43.42	25.36	47.98	40.41	59.46	25.91	40.70	118.84	61.03
including: rescheduled	*12.40*	*10.40*	*2.48*		*17.73*	*15.42*			*87.71*	*14.44*
Banking loans	17.85	10.77	16.10	6.61	23.40	21.10	15.48	14.29	24.20	17.04
long-term	14.45	5.27	7.50	6.61	20.40	12.00	15.48	12.29	24.20	17.04
short-term	3.40	5.50	8.60		3.00	9.10		2.00		
Other sectors' loans	74.53	78.22	61.34	49.82	94.39	60.72	124.13	101.40	159.05	83.59
long-term	72.95	76.62	58.60	47.76	93.80	59.42	114.34	93.18	146.53	78.15
including: rescheduled							*2.51*	*10.50*		
short-term	1.58	1.60	2.74	2.06	0.59	1.30	9.79	8.22	12.52	5.44
TOTAL	**148.27**	**150.28**	**102.80**	**126.67**	**158.20**	**162.89**	**165.52**	**178.01**	**367.24**	**185.76**
TOTAL except for rescheduled	***135.87***	***139.88***	***100.32***	***126.67***	***140.47***	***147.47***	***163.01***	***167.51***	***279.53***	***171.32***

Table 21. *Other Liabilities (US$ million)*

	2002	2003	2004	2005	2006
Other liabilities	**60.76**	**51.19**	**-47.34**	**9.61**	**-1.29**
General government	**23.15**	**37.59**	**-39.91**	**16.89**	**-60.90**
accumulation of principal arrears	25.92	33.56	17.85	17.34	19.35
accumulation of interest arrears	1.12	7.39	6.02	0.54	6.74
repayment of principal arrears	-1.49	-1.88	-54.87	-0.70	-0.05
repayment of interest arrears	-0.40	-1.48	-1.08	-0.29	
rescheduling of arrears	-2.00		-7.83		-86.94
Other sectors	**37.61**	**13.60**	**-7.43**	**-7.28**	**59.61**
accumulation of principal arrears	38.36	23.09	20.74	12.98	58.32
accumulation of interest arrears	11.00	5.75	3.65	3.19	4.10
repayment of principal arrears	-8.63	-14.88	-15.68	-9.79	-2.81
repayment of interest arrears	-1.55	-0.36	-0.94	-0.21	
rescheduling of arrears			-15.20	-4.81	
cancellation of arrears				-8.64	
others	-1.57				

Chart 20. *Reserve Assets of Moldova*

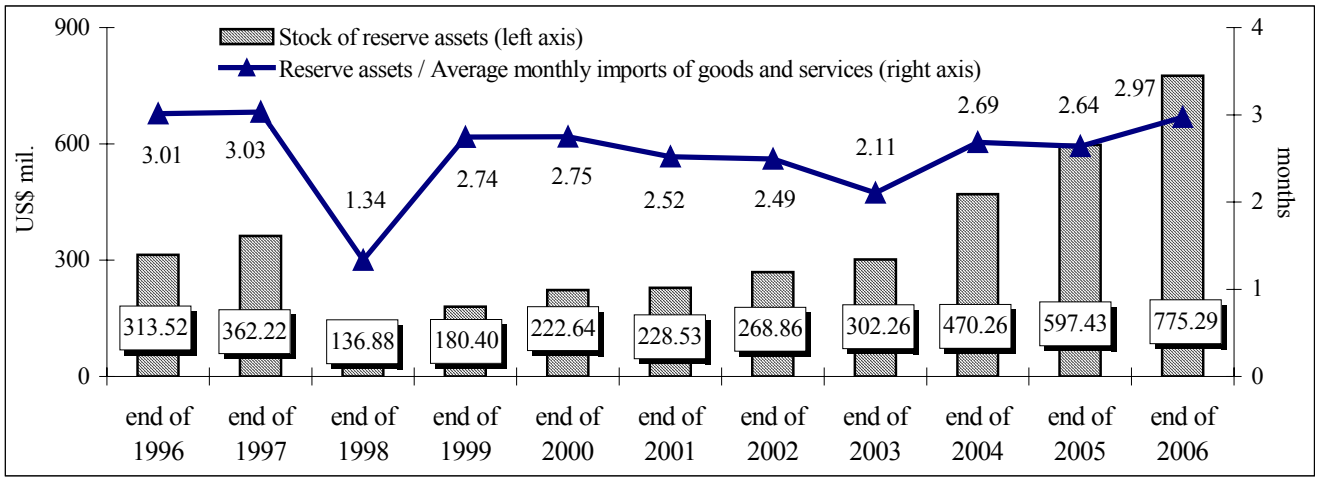


Table 22. *Balance of Payments of Moldova in analytical presentation (US$ million)*

	2002	2003	2004	2005	2006
CURRENT ACCOUNT	**-25.29**	**-130.34**	**-47.08**	**-248.37**	**-391.60**
Trade balance	-377.80	-623.01	-754.17	-1191.50	-1591.46
Services	-40.34	-44.33	-20.97	-20.74	4.20
Income	156.58	230.79	357.04	410.26	400.67
Current transfers	236.27	306.21	371.02	553.61	794.99
CAPITAL AND FINANCIAL ACCOUNT	**1.31**	**65.30**	**142.25**	**172.77**	**295.36**
Capital transfers	-19.27	-19.01	-18.77	-16.87	-22.78
Direct investment, including:	83.60	73.64	132.54	184.75	242.62
in domestic economy	84.05	73.75	135.76	184.59	241.88
Portfolio investment	-27.38	-23.75	-9.77	-6.95	-4.79
Assets	-1.49	0.40	-1.46	-1.19	-0.21
Liabilities	-25.89	-24.15	-8.31	-5.76	-4.58
Financial derivatives		0.05	0.57	-1.59	0.19
Other investment	-35.64	34.37	37.68	13.43	80.12
Assets	-39.95	6.54	-31.64	-77.93	-73.16
Liabilities	4.31	27.83	69.32	91.36	153.28
loans*	-9.23	-4.09	17.98	18.62	53.17
general government	-12.62	-25.10	-19.14	-14.79	-29.90
banks	7.08	9.49	2.30	1.19	7.16
other sectors	-3.69	11.52	34.82	32.22	75.91
other investment flows	13.54	31.92	51.34	72.74	100.11
Errors and omissions	-24.10	47.53	100.67	177.95	105.29
OVERALL BALANCE	**-48.08**	**-17.51**	**195.84**	**102.35**	**9.05**
Financing	**48.08**	**17.51**	**-195.84**	**-102.35**	**-9.05**
IMF loans (net)	-5.51	-22.26	-21.61	-21.62	41.05
Reserve assets *	-26.96	-14.07	-147.99	-128.62	-140.76
Exceptional financing	80.55	53.84	-26.24	47.89	90.66
of which:					
Transfers	5.49	0.17	6.91	34.97	4.69
intergovernmental grants	5.49	0.17	0.95	21.93	4.69
debt forgiveness			5.96	13.04	
Direct investment			63.32	12.80	
direct investment associated with debt reduction			63.32	2.00	
direct investment - others				10.80	
Portofolio investment – liabilities (borrowing on authorities behalf)	39.69				
Other investment - liabilities	85.46	53.67	-29.61	12.12	86.42
governmental loans for BOP sustaining	10.73				
loans rescheduling	12.40	2.48	17.73	2.51	87.71
arrears (net), including rescheduled	62.33	51.19	-47.34	9.61	-1.29
Advanced repayments / rescheduled payments not yet due	-50.09		-66.86	-12.00	-0.45

** resheduled loans not included* *** (-) – increase, (+) – decrease*