

# BALANCE OF PAYMENTS OF MOLDOVA FOR 2006

(preliminary)

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)*

	2004	2005	2006
<b>CURRENT ACCOUNT</b>	<b>-57.56</b>	<b>-241.41</b>	<b>-398.96</b>
Goods and services	-780.56	-1,214.48	-1,596.89
Goods	-754.17	-1,191.50	-1,590.90
exports (FOB)	994.07	1,104.58	1,053.48
imports (FOB), including:	-1,748.24	-2,296.08	-2,644.38
imports of energy resources (without electricity)	-308.57	-425.86	-544.89
Services	-26.39	-22.98	-5.99
exports	336.88	402.38	482.46
imports	-363.27	-425.36	-488.45
Income	356.64	403.45	399.57
inflow, including:	490.04	539.27	605.88
compensation of Moldovan employees	480.00	520.00	573.00
outflow, including:	-133.40	-135.82	-206.31
dividends and distributed branch profits	-3.93	-6.06	-54.77
reinvested earnings and undistributed branch profits	-38.07	-32.15	-43.27
interest payable on loans and governmental bonds	-47.14	-50.79	-54.34
Current transfers	366.36	569.62	798.36
inflow, including:	402.19	612.71	857.54
workers' remittances from abroad	221.37	395.08	602.82
outflow	-35.83	-43.09	-59.18
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>-54.90</b>	<b>56.00</b>	<b>281.68</b>
Capital transfers	-12.81	-3.83	-22.78
Direct investment	145.72	198.86	223.03
of which: in domestic economy	148.94	198.70	222.29
equity capital and reinvested earnings	152.19	111.78	161.20
loans from parent companies	-3.25	86.92	61.09
Portfolio investment	-9.77	-6.95	-4.68
Assets *	-1.46	-1.19	-0.21
equity securities	-0.16		-0.21
debt securities	-1.30	-1.19	
Liabilities**	-8.31	-5.76	-4.47
equity securities	-0.81	0.60	1.89
debt securities	-7.50	-6.36	-6.36
Financial derivatives, net - banks	0.57	-1.59	0.19
Other investment	-30.62	-1.87	226.68
Assets*	-31.64	-77.93	-31.72
currency and deposits abroad	-5.63	-52.50	-66.78
other flows	-26.01	-25.43	35.06
Liabilities**	1.02	76.06	258.40
long-term loans ***	2.19	-9.87	147.78
disbursed	154.62	159.53	360.05
reimbursed	-152.43	-169.40	-212.27
non-residents' deposits	14.73	12.64	53.32
arrears on external debt service (including rescheduling of arrears)	-45.69	13.69	22.55
other flows	29.79	59.60	34.75
Reserve assets*	-147.99	-128.62	-140.76
Errors and omissions	112.46	185.41	117.28

\* (-) – increase, (+)- decrease; \*\* (+) – increase, (-)- decrease; \*\*\* - including rescheduled loans

The current account of the balance of payments of Moldova recorded in 2006 a deficit of US\$ 398.96 million, deteriorating by 65.3% as compared to the previous year. According to preliminary data, the exports of goods and services totalled US\$ 1535.94 million, while the imports amounted to US\$ 3132.83 million. Thus, exports to imports ratio decreased by 6.4 percentage points, down to 49.0%.

The considerable increase in import prices of natural gas (from US\$ 80 to US\$ 110 /1000 m<sup>3</sup> – in the first half of the year, followed by another increase up to US\$ 160/1000 m<sup>3</sup> – in the second half of the year) on the background of the embargo put by the Russian Federation on March 27, 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\$ 1590.90 million.

The summary surplus of current transfers and income covered 75.0% of the external trade with goods and services deficit.

The compensation of Moldovan employees engaged in work abroad was evaluated at US\$ 573.0 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\$ 854.57 million (growing up 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\$ 281.68 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\$ 2085.1 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 trans-actions	price changes	exchange rate changes	other adjustments	
<b>International Investment Position, net</b>	<b>-1717.27</b>	<b>-367.83</b>	<b>-304.46</b>	<b>-6.27</b>	<b>-7.21</b>	<b>-49.89</b>	<b>-2085.10</b>
<b>Assets</b>	<b>1177.51</b>	<b>202.67</b>	<b>172.07</b>	<b>0.20</b>	<b>30.40</b>		<b>1380.18</b>
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	540.78	25.22	31.72		-6.50		566.00
Reserve assets	597.43	177.86	140.76	0.20	36.90		775.29
<b>Liabilities</b>	<b>2894.78</b>	<b>570.50</b>	<b>476.53</b>	<b>6.47</b>	<b>37.61</b>	<b>49.89</b>	<b>3465.28</b>
Direct investment in reporting country	1060.41	223.86	222.29		4.88	-3.31	1284.27
Portfolio investment	45.63	4.16	-4.47	6.47	-1.15	3.31	49.79
Financial derivatives	1.17	0.31	0.31				1.48
Other investment	1787.57	342.17	258.40		33.88	49.89	2129.74

The gross external debt of the Republic of Moldova at the end of 2006 amounted to US\$ 2482.07 million.

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

*Table 3. Main Macroeconomic Indicators of Moldova*

	UM	2004	2005	2006
Gross domestic product in current prices	MDL mil.	32032	37652	44069
Gross domestic product	US\$ mil.	2598.2	2988.2	3355.9
Real GDP growth rate	%	107.4	107.5	104.0
Agricultural output annual growth rate	%	120.8	100.8	95.4
Industrial output annual growth rate	%	108.2	107.0	93.1
Capital investments annual growth rate	%	108	112	117
Broad money (M2)	MDL mil.	8137.0	11125.5	12485.2
Consumer price index at end of period	%	112.5	110.0	114.1
Annual average exchange rate	MDL/US\$	12.3283	12.6003	13.1319
Current account / GDP	%	-2.2	-8.1	-11.9
Current account without transfers / GDP	%	-16.3	-27.1	-35.7
Compensation of employees plus workers' remittances/ GDP	%	27.0	30.6	35.0
Balance of goods and services / GDP	%	-30.0	-40.6	-47.6
Exports of goods and services / Imports of goods and services	%	63.0	55.4	49.0
Exports of goods and services / GDP	%	51.2	50.4	45.8
Imports of goods and services / GDP	%	81.3	91.1	93.4
Reserve assets / Imports of goods and services	month	2.67	2.63	2.97
Direct investment in the national economy, net flows, per capita	US\$	41	55	62
Direct investment in the national economy, stock, per capita	US\$	242	294	359
Net international investment position (at end of year)	US\$ mil.	-1590.1	-1717.3	-2085.1
External debt (at end of year)	US\$ mil.	1897.9	2080.5	2482.1
External debt / GDP	%	73.0	69.6	74.0
External debt per capita	US\$	527	578	693
Public external debt service (effective)/ state budget income	%	30.4	12.1	11.6

Source: NBS, NBM

## CURRENT ACCOUNT

Chart 1. *Current Account*

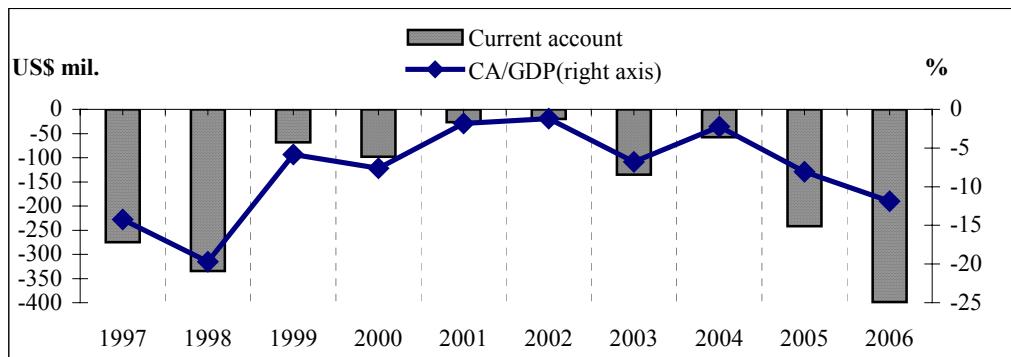


Chart 2. *Current Account Components (US\$ million)*

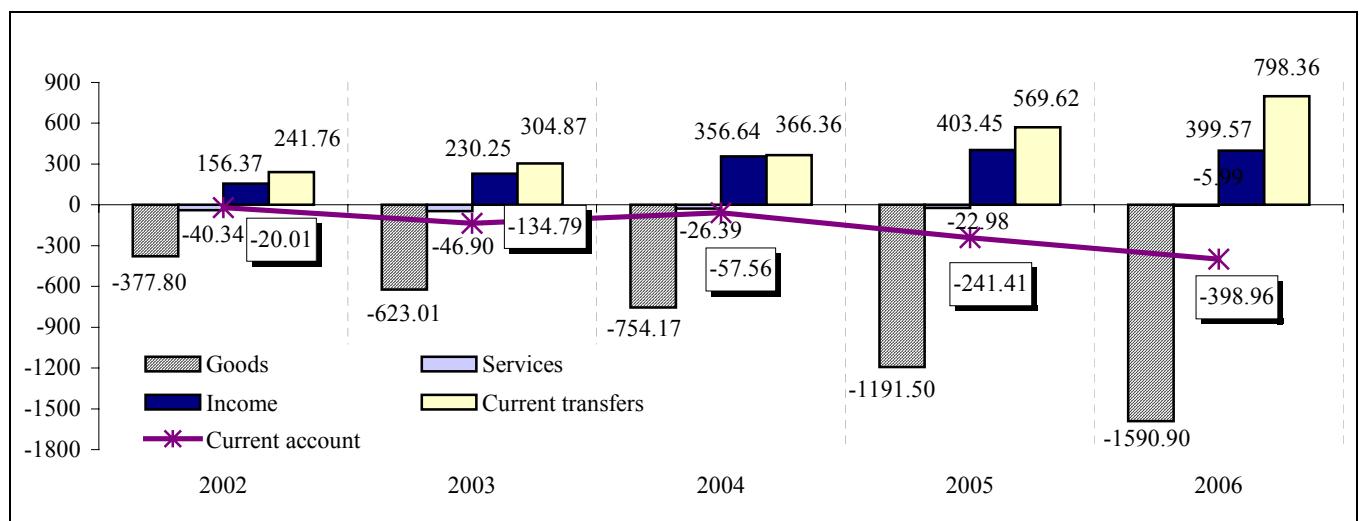


Chart 3. *Trade with Goods and Services Deficit (US\$ million)*

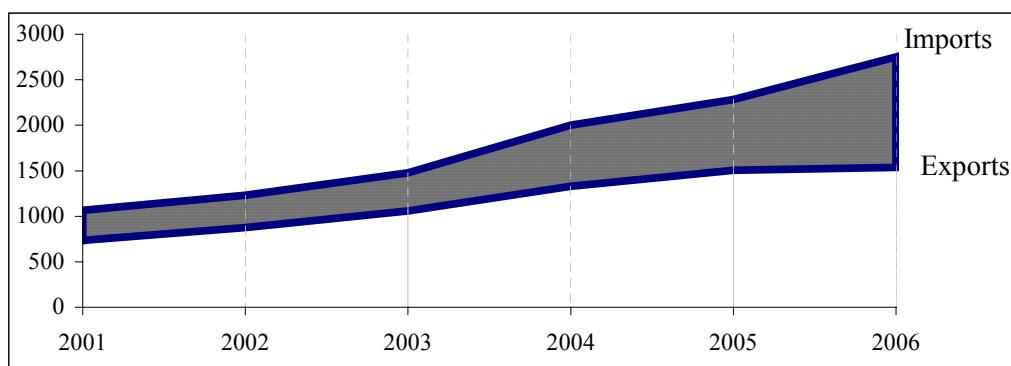


Chart 4. External Trade with Goods Balance

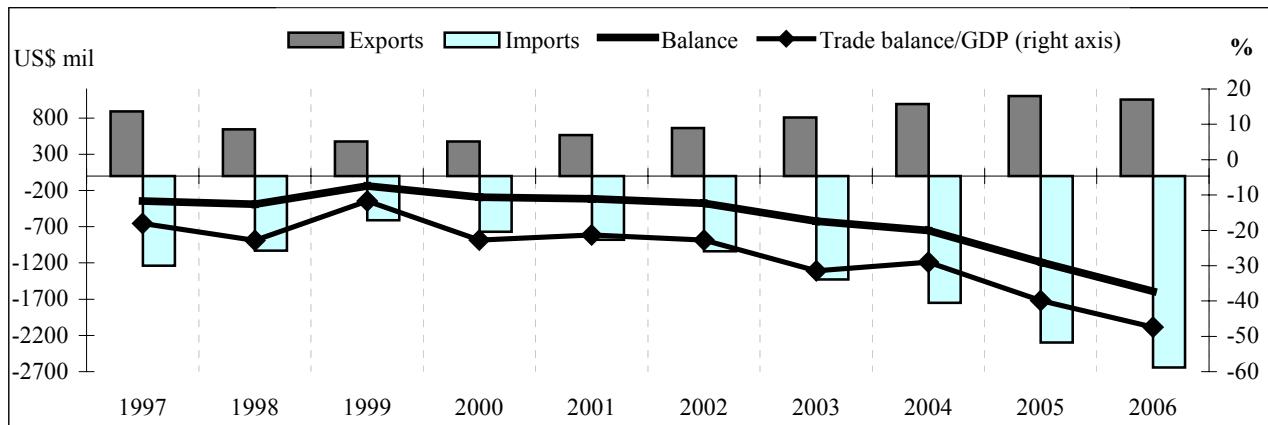


Table 4. External Trade with Goods

	UM	2002	2003	2004	2005	2006
Exports of goods as against the previous year	US\$ mil. %	659.70 116.8	805.09 122.0	994.07 123.5	1104.58 111.1	1053.48 95.4
Imports of goods as against the previous year	US\$ mil. %	-1037.50 117.9	-1428.10 137.6	-1748.24 122.4	-2296.08 131.3	-2644.38 115.2
Trade balance as against the previous year	US\$ mil. %	-377.80 119.9	-623.01 164.9	-754.17 121.1	-1191.50 158.0	-1590.90 133.5
External trade turnover as against the previous year	US\$ mil. %	1697.20 117.5	2233.19 131.6	2742.31 122.8	3400.66 124.0	3697.86 108.7
Exports / GDP	%		39.7	40.6	38.3	37.0
Imports / GDP	%		-62.4	-72.1	-67.3	-76.8
Trade balance / GDP	%		-22.7	-31.5	-29.0	-39.9
Exports to imports ratio	%		63.6	56.4	56.9	48.1
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)

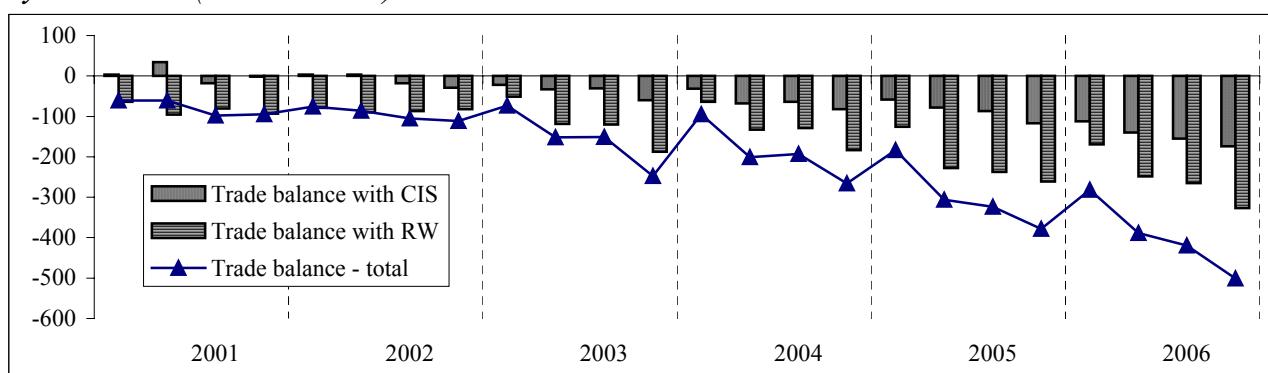


Table 5. *Trade Balance (f.o.b. – c.i.f.) with Goods by Group of Countries*

	2004	2005	2006	2006/ 2005
	US\$ million		%	
<b>European Union (25)</b>	<b>-279.15</b>	<b>-397.29</b>	<b>-450.24</b>	<b>113.3</b>
<b>European Union (15), of which:</b>	<b>-156.57</b>	<b>-264.90</b>	<b>-317.51</b>	<b>119.9</b>
Germany	-89.10	-126.21	-144.89	114.8
France	-25.92	-30.72	-40.11	130.6
Italy	26.87	8.80	-38.86	
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	
<b>European Union (10), of which:</b>	<b>-122.58</b>	<b>-132.39</b>	<b>-132.73</b>	<b>100.3</b>
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
Slovenia	-10.79	-12.90	-17.73	137.4
Lithuania	-16.54	-12.00	-14.58	121.5
Slovak Republic	-8.96	-0.41	5.29	
<b>Balcan States,</b> of which:	<b>-214.20</b>	<b>-346.39</b>	<b>-426.22</b>	<b>123.0</b>
Romania	-129.48	-250.65	-322.42	128.6
Turkey	-47.52	-56.76	-77.85	137.2
Bulgaria	-32.94	-34.22	-23.47	68.6
<b>CIS, of which:</b>	<b>-280.31</b>	<b>-381.50</b>	<b>-633.45</b>	<b>166.0</b>
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	1.77	2.22	4.19	188.7
Kazakhstan	4.93	10.43	18.11	173.6
<b>Other countries, of which:</b>	<b>-9.75</b>	<b>-76.80</b>	<b>-131.65</b>	<b>171.4</b>
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	-6.40	
<b>TOTAL</b>	<b>-783.41</b>	<b>-1200.98</b>	<b>-1641.56</b>	<b>136.7</b>

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

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

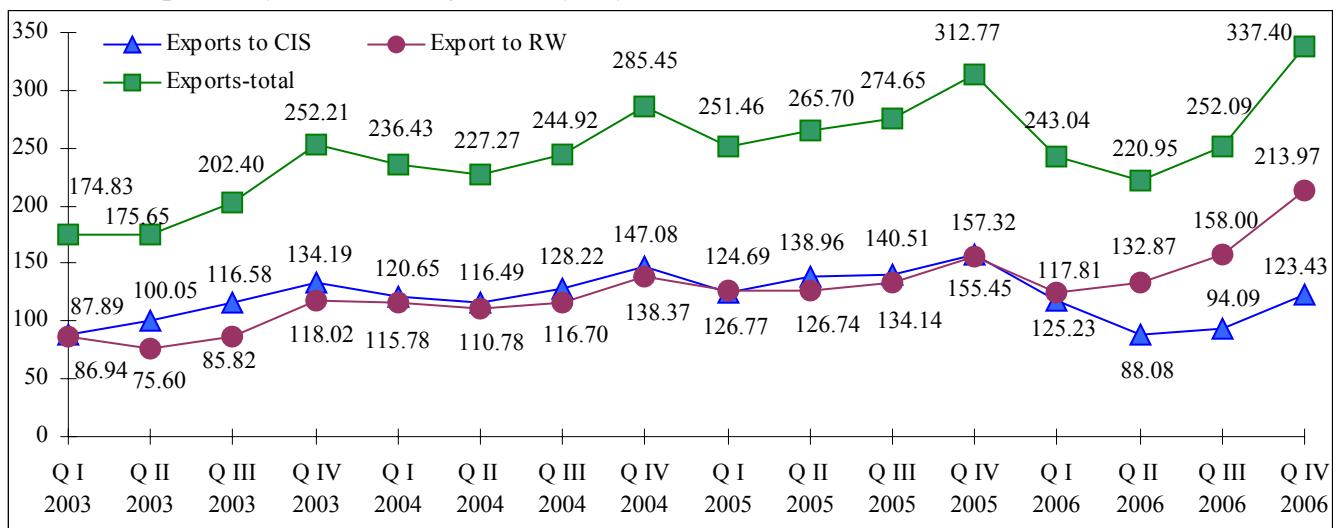


Table 6. Exports by Group of Countries

	2004	2005	2006	Structure		2006 / 2005
				2005	2006	
	US\$ million				%	
<b>European Union (25)</b>	<b>296.18</b>	<b>324.09</b>	<b>367.99</b>	<b>29.7</b>	<b>35.0</b>	<b>113.5</b>
<b>European Union (15), of which:</b>	<b>264.24</b>	<b>251.18</b>	<b>269.09</b>	<b>23.0</b>	<b>25.6</b>	<b>107.1</b>
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
<b>European Union (10), of which:</b>	<b>31.94</b>	<b>72.91</b>	<b>98.90</b>	<b>6.7</b>	<b>9.4</b>	<b>135.6</b>
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
<b>Balcan States, of which:</b>	<b>117.91</b>	<b>146.06</b>	<b>202.16</b>	<b>13.4</b>	<b>19.2</b>	<b>138.4</b>
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 and Montenegro	0.42	0.53	3.00		0.3	5.7 times
<b>CIS, of which:</b>	<b>502.43</b>	<b>551.36</b>	<b>424.13</b>	<b>50.5</b>	<b>40.3</b>	<b>76.9</b>
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
<b>Other countries, of which:</b>	<b>68.66</b>	<b>69.75</b>	<b>57.32</b>	<b>6.4</b>	<b>5.5</b>	<b>82.2</b>
USA	42.70	37.48	16.22	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
<b>TOTAL</b>	<b>985.18</b>	<b>1091.26</b>	<b>1051.60</b>	<b>100.0</b>	<b>100.0</b>	<b>96.4</b>

Data source: NBS; shuttle trade not included

*Table 7. Exports of Goods after Processing*

	2005			2006			Changes in share	2006/2005	Influence on exports of goods after processing growth/decrease by country
	Total exports	Exports of goods after processing	Share in total exports	Total exports	Exports of goods after processing	Share in total exports			
	US\$ million		%	US\$ million		%	percentage points	%	percentage points
Austria	11.68	1.73	14.8	13.14	2.27	17.3	2.5	131.2	0.2
Belgium	14.56	13.16	90.4	14.13	11.23	79.5	-10.9	85.3	-0.9
France	16.49	4.25	25.8	23.85	8.48	35.6	9.8	199.5	1.9
Germany	47.43	23.33	49.2	51.92	25.30	48.7	-0.5	108.4	0.9
Italy	133.44	74.90	56.1	116.87	106.17	90.8	34.7	141.7	14.4
Netherlands	6.53	4.04	61.9	9.29	7.00	75.3	13.4	173.3	1.4
Poland	25.30	8.11	32.1	39.22	9.75	24.9	-7.2	120.2	0.7
Romania	111.66	25.43	22.8	155.56	33.99	21.9	-0.9	133.7	4.0
Slovac Republic	15.06	13.87	92.1	22.72	15.25	67.1	-25.0	109.9	0.6
Turkey	24.66	14.05	57.0	28.46	19.27	67.7	10.7	137.2	2.4
United Kingdom	11.14	8.64	77.6	27.34	21.88	80.0	2.4	2.5 times	6.1
USA	37.48	24.08	64.2	16.22	7.65	47.2	-17.0	31.8	-7.5
Others	635.83	2.16		532.88	3.95	0.7	0.4	182.9	0.8
<b>TOTAL</b>	<b>1091.26</b>	<b>217.75</b>	<b>20.0</b>	<b>1051.60</b>	<b>272.19</b>	<b>25.9</b>	<b>5.9</b>	<b>125.0</b>	<b>25.0</b>

Data source: NBS

*Table 8. Exports by Main Group of Goods*

	2004	2005	2006	Exports structure 2005	2005 / 2004	
					US\$ million	
<b>TOTAL</b>	<b>985.18</b>	<b>1091.26</b>	<b>1051.60</b>	<b>100.0</b>	<b>96.4</b>	
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;	345.88	395.96	276.34	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 and articles thereof; rubber and articles thereof	8.32	11.83	16.00	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 of wood (furniture not included)	3.58	2.29	3.98	0.5	173.8	
X. Pulp of wood, paper, paperboard and articles thereof	8.04	11.83	18.40	1.7	155.5	
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	0.0	93.3	
XV. Base metals and articles of base metals	29.89	48.74	75.84	7.2	155.6	
XVI. Machinery and mechanical appliances; electrical equipment; television 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	16.29	1.5	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	1.3	154.6	
Other goods and products	10.92	17.39	27.72	2.6	159.4	

Data source: NBS; shuttle trade not included

Chart 7. Exports of Alcohol Beverages by Country

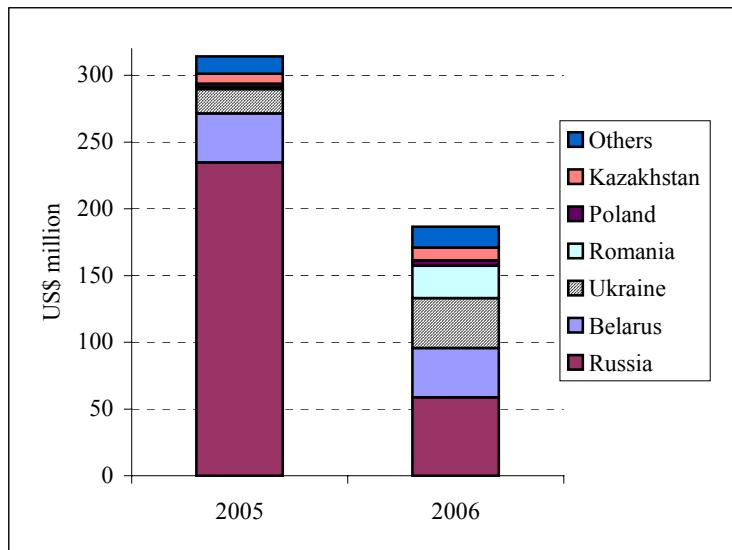


Table 9. Exports of Alcohol Beverages

	2005	2006	Structure		2006/2005	Influence on exports of alcohol beverages growth/decrease by country percentage points
			2005	2006		
	US\$ million		%			
<b>TOTAL</b>	<b>314.25</b>	<b>186.51</b>	<b>100.0</b>	<b>100.0</b>	<b>59.4</b>	<b>-40.6</b>
Russia	234.94	58.78	74.8	31.5	25.0	-56.0
Ukraine	18.38	37.27	5.8	20.0	2.0 times	6.0
Belarus	36.56	37.00	11.6	19.8	101.2	0.1
Romania	1.58	24.29	0.5	13.0	15.4 times	7.2
Poland	2.39	4.09	0.8	2.2	171.1	0.6
Kazakhstan	7.46	9.69	2.4	5.2	129.9	0.7
Others	12.94	15.39	4.1	8.3	118.9	0.8

Data source: NBS

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

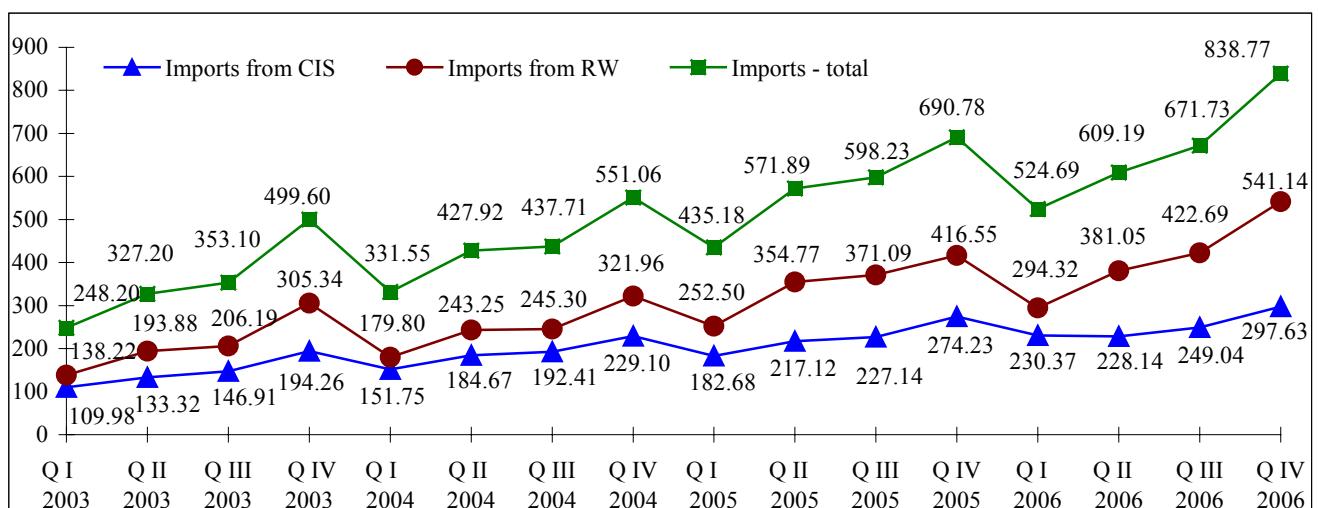


Table 10. *Imports (c.i.f.) by Group of Countries*

	2004	2005	2006	Structure		2006/ 2005
				2005	2006	
	US\$ million				%	
<b>European Union (25)</b>	<b>575.33</b>	<b>721.38</b>	<b>818.23</b>	<b>31.5</b>	<b>30.4</b>	<b>113.4</b>
<b>European Union (15), of which:</b>	<b>420.81</b>	<b>516.08</b>	<b>586.60</b>	<b>22.5</b>	<b>21.8</b>	<b>113.7</b>
Germany	160.38	173.64	196.81	7.6	7.3	113.3
Italy	109.56	124.64	155.73	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
<b>European Union (10), of which:</b>	<b>154.52</b>	<b>205.30</b>	<b>231.63</b>	<b>9.0</b>	<b>8.6</b>	<b>112.8</b>
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
Slovenia	11.59	13.74	18.97	0.6	0.7	138.1
Slovak Republic	10.66	15.47	17.43	0.7	0.6	112.7
<b>Balcan States, of which:</b>	<b>332.11</b>	<b>492.45</b>	<b>628.38</b>	<b>21.5</b>	<b>23.3</b>	<b>127.6</b>
Romania	228.40	362.31	477.98	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
<b>CIS, of which:</b>	<b>782.74</b>	<b>932.86</b>	<b>1057.58</b>	<b>40.7</b>	<b>39.3</b>	<b>113.4</b>
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
<b>Other countries, of which:</b>	<b>78.41</b>	<b>145.55</b>	<b>188.97</b>	<b>6.3</b>	<b>7.0</b>	<b>129.8</b>
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
<b>TOTAL</b>	<b>1768.59</b>	<b>2292.24</b>	<b>2693.16</b>	<b>100.0</b>	<b>100.0</b>	<b>117.5</b>

\*including returned moldovan wine

Data source: NBS; selections on imports by country of shipment; shuttle trade not included

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

	2004	2005	2006	Imports structure 2006	2006/ 2005
				US\$ million	
<b>TOTAL</b>	<b>1768.52</b>	<b>2292.24</b>	<b>2693.16</b>	<b>100.0</b>	<b>117.5</b>
I. Live animals; animal products	38.78	57.19	51.92	1.9	90.8
II. Vegetable products	73.54	65.02	72.76	2.7	111.9
III. Animal or vegetable fats and oils	7.42	9.89	11.12	0.5	112.4
IV. Prepared foodstuffs; beverages, spirits; tobacco	105.25	147.47	179.80*	6.7	121.9
V. Mineral products	384.87	504.66	663.73	24.6	131.5
VI. Products of the chemical industry	161.81	232.29	223.26	8.3	96.1
VII. Plastics and articles thereof; rubber and articles thereof	101.10	139.74	168.54	6.3	120.6
VIII. Row hides and skins, leather, furskins and articles thereof	72.52	69.57	22.80	0.8	32.8
IX. Wood and articles of wood (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	75.52	2.8	91.8
XI. Textiles and textile articles	150.56	179.86	206.54	7.7	114.8
XII. Footwear, headgear, umbrellas and the like	10.03	12.20	17.91	0.8	146.8
XIII. Articles of stone, plaster, cement; ceramic products; glass and glassware	64.37	67.28	79.93	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 of base metals	111.90	160.59	219.42	8.1	136.6
XVI. Machinery and mechanical appliances; electrical equipment; television 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	162.39	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
Others	28.71	43.89	65.78	2.4	149.9

\*including returned moldovan wine

Data source: NBS; selections on imports by country of shipment; shuttle trade not included

Table 12. *Imports (f.o.b.) of Energy Resources*

	2002	2003	2004	2005	2006	Structure 2006, %	2006/ 2005 %
<b>Energy resources - total (US\$ mil.)</b>	<b>194.24</b>	<b>232.83</b>	<b>308.57</b>	<b>425.86</b>	<b>544.89</b>	<b>100.0</b>	<b>128.0</b>
<b>From CIS (US\$ mil.)</b>	<b>162.86</b>	<b>199.12</b>	<b>238.11</b>	<b>280.70</b>	<b>335.93</b>	<b>61.7</b>	<b>119.7</b>
Coal	(US\$ mil.)	4.06	9.90	9.25	9.49	11.72	2.2
	(thou. tons)	149.70	266.84	184.98	165.60	170.47	102.9
Natural gas	(US\$ mil.)	81.36	79.50	83.61	97.14	170.17	31.2
	(mil m <sup>3</sup> )	1145.31	1238.08	1263.02	1418.55	1418.16	100.0
Fuel	(US\$ mil.)	77.44	109.72	145.25	174.07	154.04	28.3
Fuel oil	(US\$ mil.)	2.92	2.72	3.06	2.88	4.64	0.9
	(thou. tons)	24.02	21.51	19.15	12.98	16.53	161.1
Diesel	(US\$ mil.)	37.94	54.19	76.58	99.92	91.81	127.3
	(thou. tons)	190.44	237.41	231.04	198.34	154.90	91.9
Gasoline	(US\$ mil.)	21.33	33.06	38.07	35.34	13.60	78.1
	(thou. tons)	98.37	137.35	108.36	73.72	21.36	38.5
Other	(US\$ mil.)	15.25	19.75	27.54	35.93	43.99	29.0
						8.1	122.4
<b>From the rest of the world (US\$ mil.)</b>	<b>31.38</b>	<b>33.71</b>	<b>70.46</b>	<b>145.16</b>	<b>208.96</b>	<b>38.3</b>	<b>144.0</b>
Fuel oil	(US\$ mil.)	0.02		0.07		0.19	
	(thou. tons)	0.14		0.44		0.39	
Diesel	(US\$ mil.)	11.88	11.26	24.49	61.85	92.77	17.0
	(thou. tons)	58.66	47.34	72.26	115.61	152.99	150.0
Gasoline	(US\$ mil.)	16.01	18.25	41.53	76.00	107.00	132.3
	(thou. tons)	69.35	65.27	104.00	140.86	171.83	140.8
Other	(US\$ mil.)	3.47	4.20	4.37	7.31	9.00	122.0
						1.7	123.1

Chart 9. *Imports of Energy Resources by Country in 2006 (share in imports volume).*

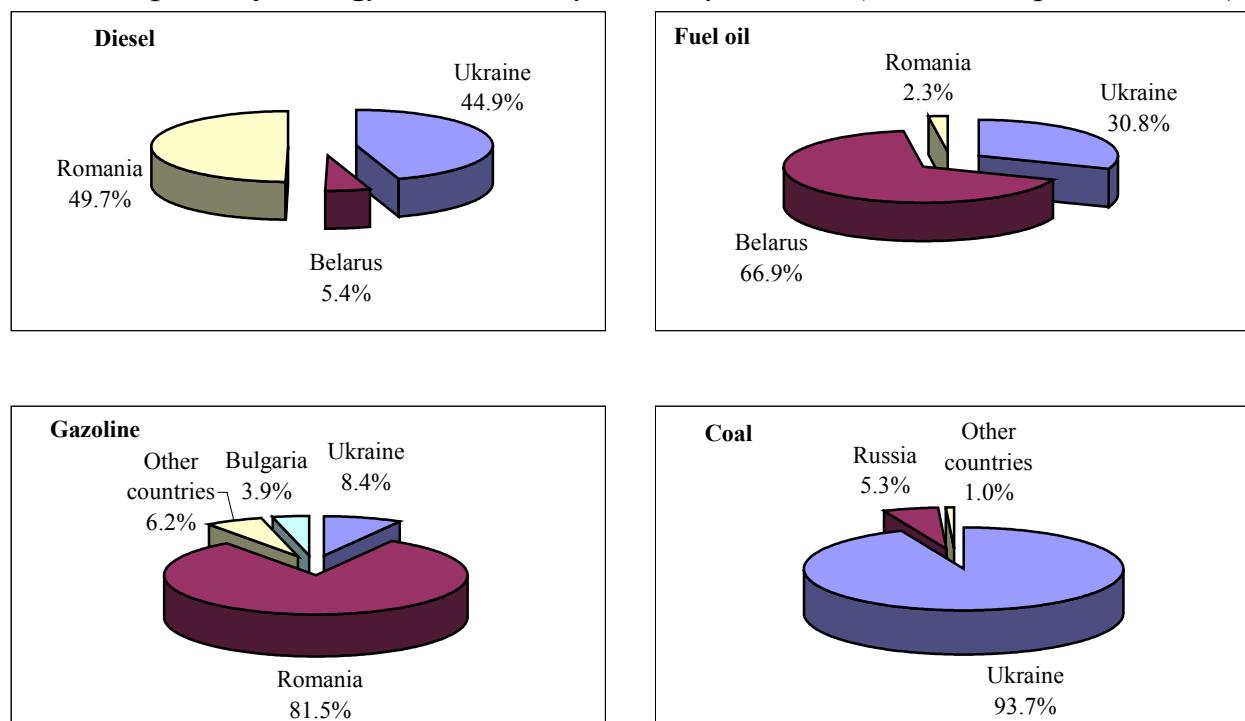


Chart 9. *Imports (f.o.b.) of Electricity by Country*

	2002		2003		2004		2005		2006	
	mil. kw/h	US\$ million	mil. kw/h	US\$ million	mil. kw/h	US\$ million	mil. kw/h	US\$ million	mil. kw/h	US\$ million
<b>Imports</b>	<b>987.16</b>	<b>23.55</b>	<b>1757.40</b>	<b>39.14</b>	<b>1835.57</b>	<b>45.36</b>	<b>1600.22</b>	<b>38.21</b>	<b>2881.52</b>	<b>73.14</b>
Ukraine*	987.16	23.55	1757.40	39.14	1835.57	45.36	1600.22	38.21	2881.52	73.14
<b>Exports</b>			<b>131.32</b>	<b>4.19</b>	<b>424.08</b>	<b>14.09</b>	<b>13.92</b>	<b>0.50</b>		
Romania			131.32	4.19	423.98	14.08	13.92	0.50		
Ukraine					0.10	0.01				

\* imports net

Chart 10. *Balance of Services*

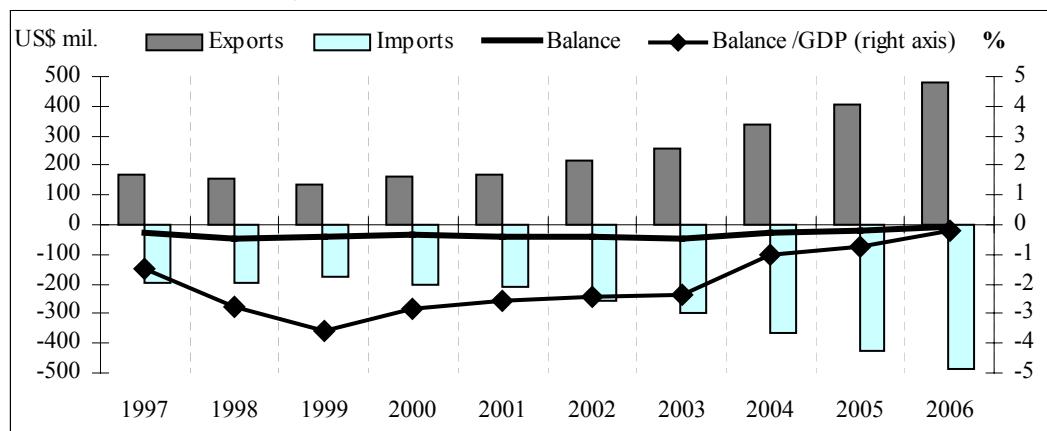


Chart 11. *Balance of Services by Geographical Region (US\$ million)*

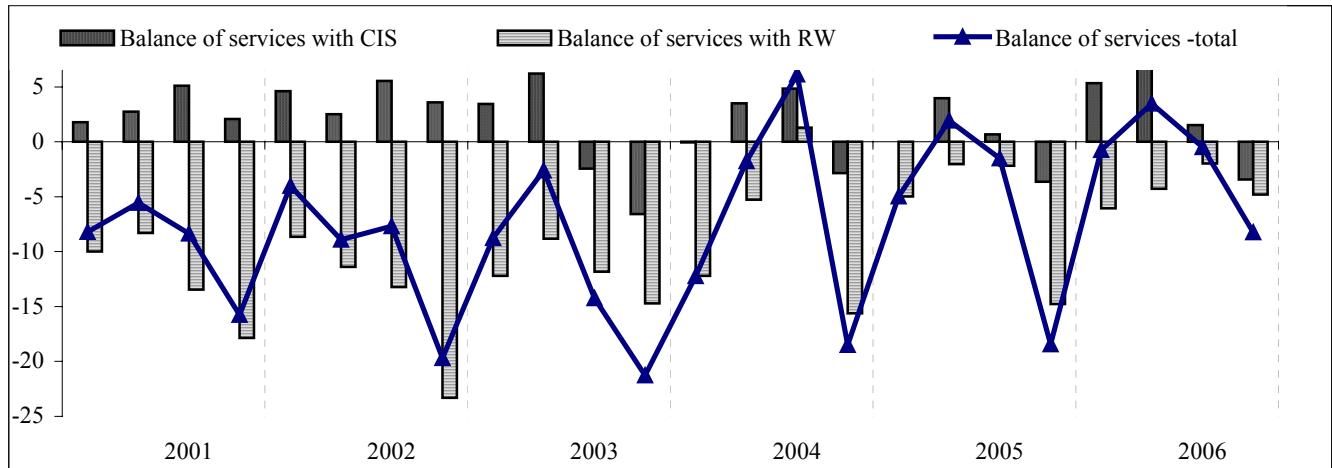


Table 14. *Balance of Services (US\$ million)*

	2004	2005	2006	2006 /2006
	US\$ million			%
<b>Balance of services</b>	<b>-26.39</b>	<b>-22.98</b>	<b>-5.99</b>	<b>26.1</b>
Exports	336.88	402.38	482.46	119.9
Imports	-363.27	-425.36	-488.45	114.8
Transportation	26.60	22.47	53.16	2.4 times
Exports	142.64	169.55	223.32	131.7
Imports	-116.04	-147.08	-170.16	115.7
Travel	-27.39	-40.28	-80.27	199.3
Exports	96.00	106.62	113.72	106.7
Imports	-123.39	-146.90	-193.99	132.1
Communications services	26.53	32.09	35.39	110.3
Exports	45.34	59.37	63.29	106.6
Imports	-18.81	-27.28	-27.90	102.3
Other services	-52.13	-37.26	-14.27	38.3
Exports	52.90	66.84	82.13	122.9
Imports	-105.03	-104.10	-96.40	92.6

Chart 12. *Income Balance*

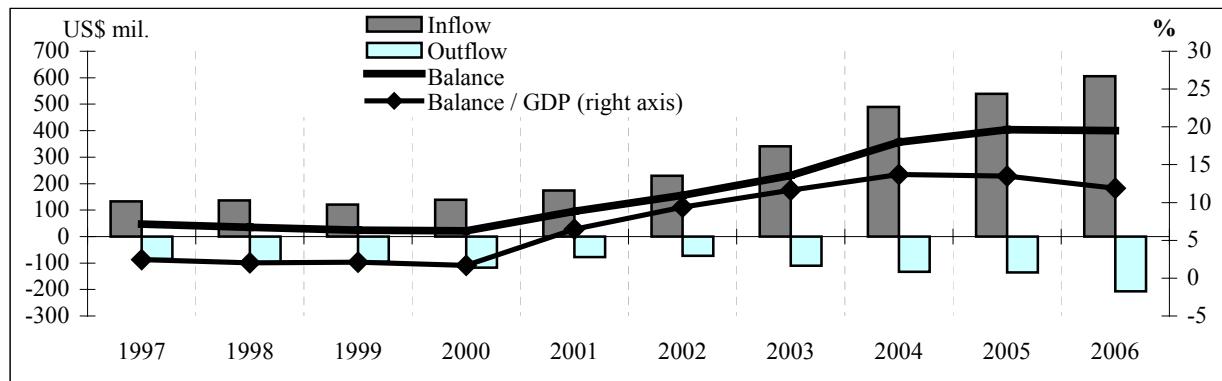


Chart 13. *Current Transfers Balance*

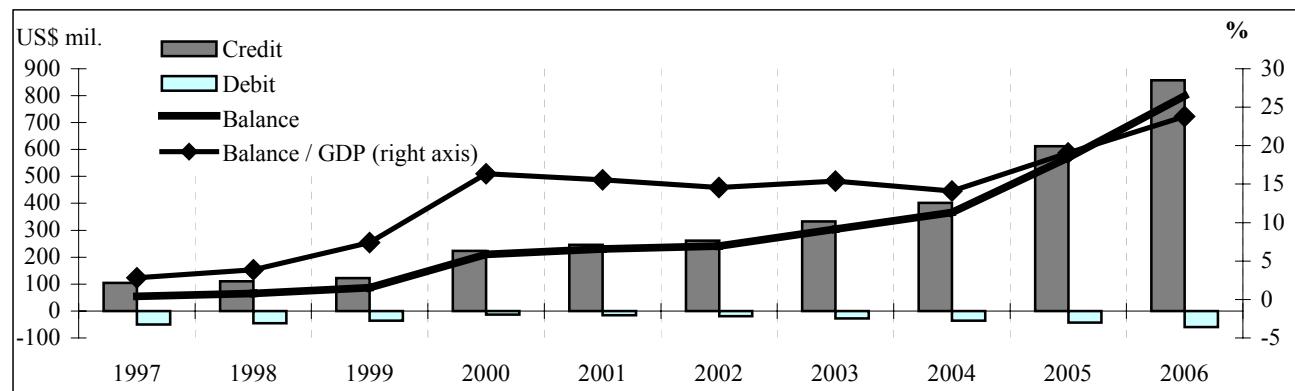
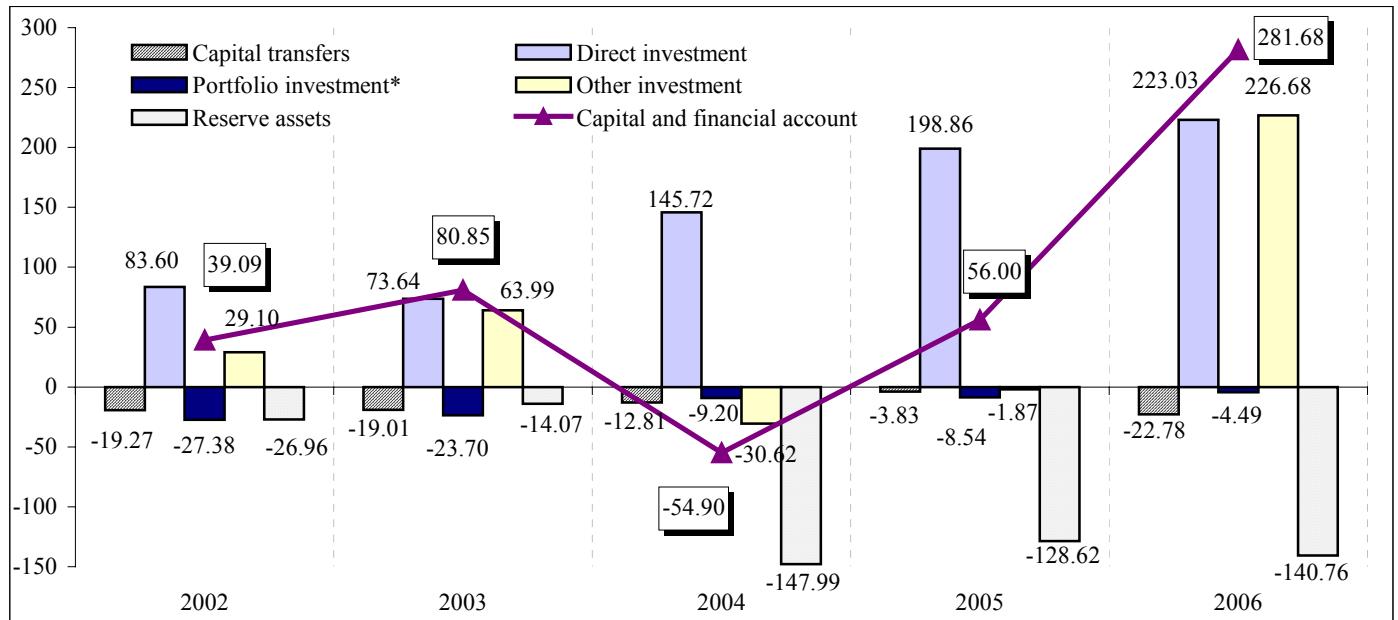


Table 15. *Current Transfers*

	2004	2005	2006	2006/2005
	US\$ million			%
<b>Current transfers</b>	<b>366.36</b>	<b>569.62</b>	<b>798.36</b>	<b>140.2</b>
Credit	402.19	612.71	857.54	140.0
Debit	-35.83	-43.09	-59.18	137.3
Grants and technical assistance	115.39	132.20	153.38	116.0
Credit	117.67	133.27	154.85	116.2
Debit	-1.21	-0.79	-1.47	186.1
Education and staff training	9.72	10.94	6.86	62.7
Credit	10.34	11.48	7.10	61.8
Debit	-0.62	-0.54	-0.24	44.4
Humanitarian aid	17.64	9.84	10.50	106.7
Credit	17.67	9.99	10.50	105.1
Debit	-0.03	-0.15		
Fees to international organizations	-4.71	-4.68	-5.85	125.0
Credit			0.05	
Debit	-4.71	-4.68	-5.90	126.1
Workers' remittances	220.60	391.98	596.36	152.1
Credit	221.37	395.08	602.82	152.6
Debit	-0.77	-3.10	-6.46	2.1
Other current transfers	6.65	29.06	37.11	126.5
Credit	35.14	62.89	82.22	130.7
Debit	-28.49	-33.83	-45.11	134.5

## CAPITAL AND FINANCIAL ACCOUNT

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



\*financial derivatives included in 2003 – 2006

Table 16. *External Assets and Liabilities, Net Flows (US\$ million)*

	2002	2003	2004	2005	2006
<b>Financial account</b>	<b>58.36</b>	<b>99.86</b>	<b>-42.09</b>	<b>59.83</b>	<b>304.46</b>
<b>External Assets</b>	<b>-68.85</b>	<b>-7.25</b>	<b>-184.77</b>	<b>-209.27</b>	<b>-172.07</b>
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	-31.72
trade credits	-19.47	-17.44	-27.35	-25.43	35.06
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
<b>External Liabilities</b>	<b>127.21</b>	<b>107.11</b>	<b>142.68</b>	<b>269.10</b>	<b>476.53</b>
Direct investment	84.05	73.75	148.94	198.70	222.29
Portfolio investment	-25.89	-24.15	-8.31	-5.76	-4.47
Financial derivatives		0.06	1.03	0.10	0.31
Other investment	69.05	57.45	1.02	76.06	258.40
trade credits	11.22	27.32	36.61	60.10	28.13
loans	-2.29	-25.05	-4.63	-10.37	154.40
currency and deposits	3.89	4.60	14.73	12.64	53.32
other liabilities	56.23	50.58	-45.69	13.69	22.55

**Table 17. Direct Investment (US\$ million)**

	2004			2005			2006		
	inflow	outflow	balance	inflow	outflow	balance	inflow	outflow	balance
<b>Direct investment</b>	<b>241.08</b>	<b>95.36</b>	<b>145.72</b>	<b>268.12</b>	<b>69.26</b>	<b>198.86</b>	<b>367.26</b>	<b>144.23</b>	<b>223.03</b>
Abroad	1.81	5.03	-3.22	1.60	1.44	0.16	8.51	7.77	0.74
in the national economy	239.27	90.33	148.94	266.52	67.82	198.70	358.75	136.46	222.29
equity capital, including	126.45	12.33	114.12	98.81	19.18	79.63	126.29	8.36	117.93
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	93.11	8.36	84.75
reinvested earnings	38.07	38.07		32.15		32.15	43.27		43.27
banks	6.80		6.80	8.45		8.45	7.38		7.38
other sectors	31.27		31.27	23.70		23.70	35.89		35.89
other capital (other sectors)	74.75	78.00	-3.25	135.56	48.64	86.92	189.19	128.10	61.09
<b>Structure of direct investment flows by sector (%)</b>									
banks	5.5	1.4	8.0	4.0	6.5	3.1	11.3		18.2
other sectors	94.5	98.6	92.0	96.0	93.5	96.9	88.7	100.0	81.8

**Table 18. Portfolio Investment (US\$ million)**

	2002	2003	2004	2005	2006
<b>Portfolio investment (net)</b>	<b>-27.38</b>	<b>-23.75</b>	<b>-9.77</b>	<b>-6.95</b>	<b>-4.68</b>
<b>Assets</b>	<b>-1.49</b>	<b>0.40</b>	<b>-1.46</b>	<b>-1.19</b>	<b>-0.21</b>
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	
<b>Liabilities</b>	<b>-25.89</b>	<b>-24.15</b>	<b>-8.31</b>	<b>-5.76</b>	<b>-4.47</b>
Equity securities	2.33	0.72	-0.81	0.60	1.89
Banks	1.56	-0.25	-0.60	0.56	1.80
Equity securities sold to non-residents	1.95	0.35	1.75	2.47	1.80
Equity securities repurchased from non-residents	-0.39	-0.60	-2.35	-1.91	
Other sectors	0.77	0.97	-0.21	0.04	0.09
Equity securities sold to non-residents	1.49	1.96	0.99	0.20	0.29
Equity securities repurchased from non-residents	-0.72	-0.99	-1.20	-0.16	-0.20
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 15. Other Investment – Assets (US\$ million)**

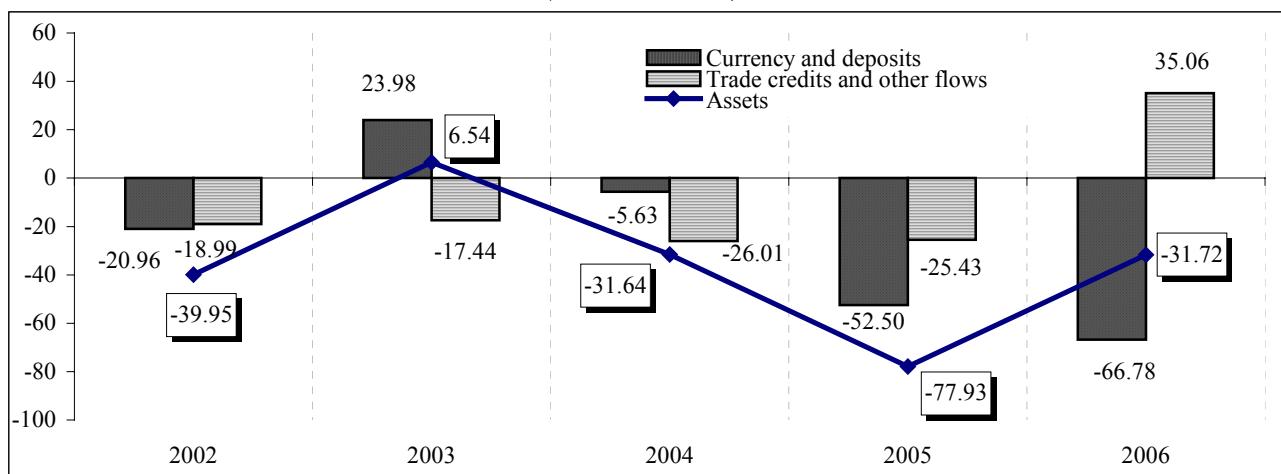
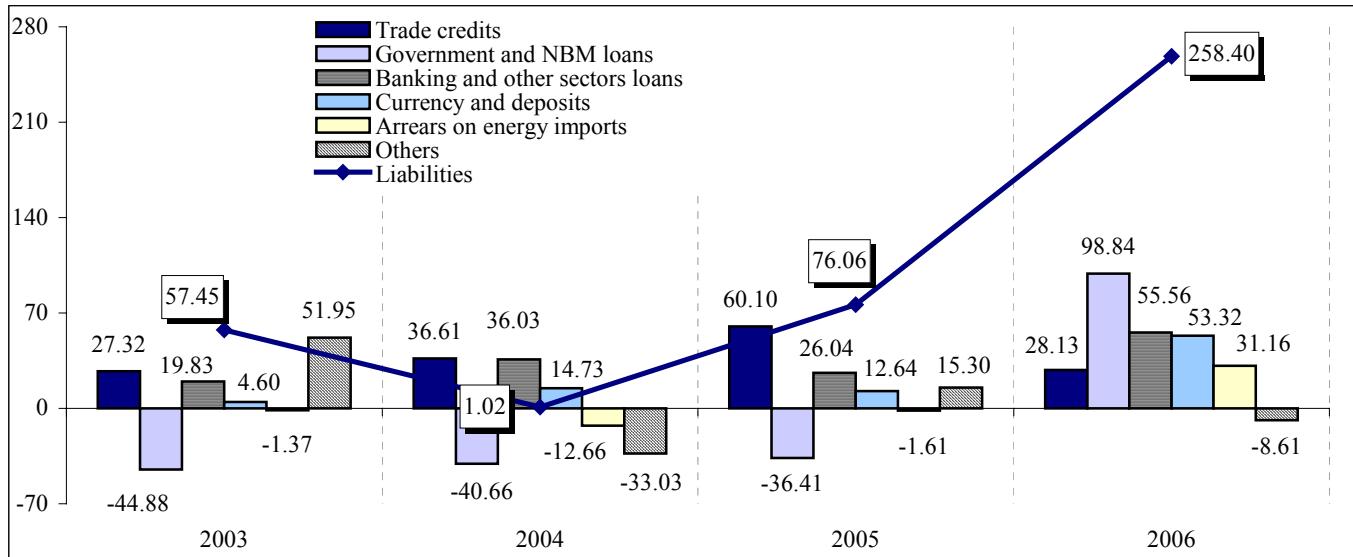


Chart 16. *Other Investment – Liabilities\** (US\$ million)



\* including rescheduled loans

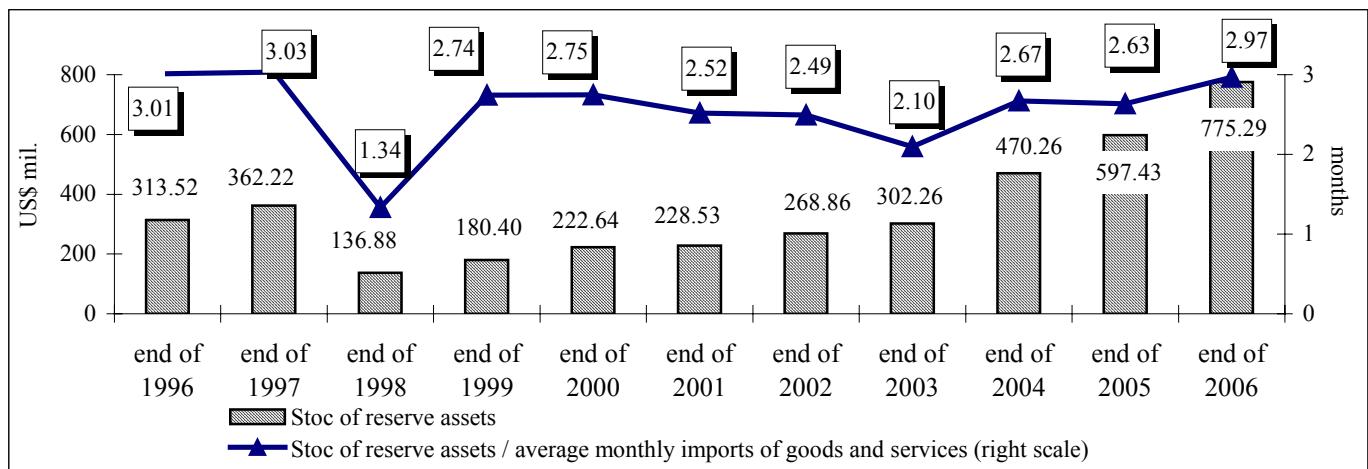
Table 19. *External Loans (US\$ million)*

	2003		2004		2005		2006	
	drawings	repay-ments	drawings	repay-ments	drawings	repay-ments	drawings	repay-ments
<b>Monetary authorities (IMF loans)</b>		22.26		21.61		21.62	65.15	24.10
<b>Government loans</b>	<b>25.36</b>	<b>47.98</b>	<b>40.41</b>	<b>59.46</b>	<b>25.91</b>	<b>40.70</b>	<b>118.87</b>	<b>61.08</b>
<i>including: rescheduled</i>	2.48		17.73	15.42			87.71	14.45
<b>Banking loans</b>	<b>16.05</b>	<b>6.61</b>	<b>23.39</b>	<b>21.13</b>	<b>15.57</b>	<b>14.29</b>	<b>24.22</b>	<b>16.73</b>
long-term	7.45	6.61	20.39	12.03	15.57	12.29	24.22	16.73
short-term	8.60		3.00	9.10		2.00		
<b>Other sectors' loans</b>	<b>60.41</b>	<b>50.02</b>	<b>94.39</b>	<b>60.62</b>	<b>126.82</b>	<b>102.06</b>	<b>163.88</b>	<b>115.81</b>
long-term	57.66	47.96	93.82	59.33	118.05	94.79	151.81	110.36
<i>including: rescheduled</i>					2.51	10.50		
short-term	2.75	2.06	0.57	1.29	8.77	7.27	12.07	5.45
<b>TOTAL</b>	<b>101.82</b>	<b>126.87</b>	<b>158.19</b>	<b>162.82</b>	<b>168.30</b>	<b>178.67</b>	<b>372.12</b>	<b>217.72</b>
<b>TOTAL except for rescheduled</b>	<b>99.34</b>	<b>126.87</b>	<b>140.46</b>	<b>147.40</b>	<b>165.79</b>	<b>168.17</b>	<b>284.41</b>	<b>203.27</b>

Table 20. *Other Investment - Other Liabilities (US\$ million)*

	2002	2003	2004	2005	2006
<b>Other liabilities</b>	<b>56.23</b>	<b>50.58</b>	<b>-45.69</b>	<b>13.69</b>	<b>22.55</b>
<b>General government</b>	<b>23.15</b>	<b>37.59</b>	<b>-39.91</b>	<b>16.89</b>	<b>-60.90</b>
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
<b>Other sectors</b>	<b>33.08</b>	<b>12.99</b>	<b>-5.78</b>	<b>-3.20</b>	<b>83.45</b>
Accumulation of principal arrears	35.34	22.99	20.94	14.64	80.45
Accumulation of interest arrears	11.14	5.45	4.13	5.62	5.81
Repayment of principal arrears	-8.63	-14.88	-15.58	-9.79	-2.81
Repayment of interest arrears	-3.20	-0.57	-0.07	-0.22	
Rescheduling of arrears			-15.20	-4.81	
Cancellation of arrears				-8.64	
Others	-1.57				

Chart 17. Reserve Assets of Moldova



## ANALYTICAL PRESENTATION OF THE BALANCE OF PAYMENTS

	US\$ million		
	2004	2005	2006
<b>CURRENT ACCOUNT</b>			
Trade balance	-58.51	-263.34	-403.65
Services	-754.17	-1,191.50	-1,590.90
Income	-26.39	-22.98	-5.99
Current transfers	356.64	403.45	399.57
	365.41	547.69	793.67
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>140.24</b>	<b>176.20</b>	<b>271.58</b>
Capital transfers	-18.77	-16.87	-22.78
Direct investment, including: in domestic economy	130.47	186.06	223.03
Assets	133.69	185.90	222.29
Liabilities	-9.77	-6.95	-4.68
Portfolio investment	-1.46	-1.19	-0.21
Assets	-8.31	-5.76	-4.47
Liabilities	0.57	-1.59	0.19
Financial derivatives	37.74	15.55	75.82
Other investment	-31.64	-77.93	-31.72
Assets	69.38	93.48	107.54
Liabilities	18.04	20.74	26.09
Loans	-19.14	-14.79	-29.92
general government	2.26	1.28	7.49
banks	34.92	34.25	48.52
other sectors	51.34	72.74	81.45
Other investment flows	112.46	185.41	117.28
<b>Errors and omissions</b>	<b>194.19</b>	<b>98.27</b>	<b>-14.79</b>
<b>OVERALL BALANCE</b>			
<b>Financing</b>	<b>-194.19</b>	<b>-98.27</b>	<b>14.79</b>
IMF loans (net)	-21.61	-21.62	41.05
Reserve assets*	-147.99	-128.62	-140.76
Exceptional financing	-24.59	51.97	114.50
of which:			
Transfers	6.91	34.97	4.69
intergovernmental grants	5.96	13.04	4.69
debt forgiveness	0.95	21.93	
Direct investment	63.32	12.80	
direct investment associated with debt reduction	63.32	2.00	
direct investment - others		10.80	
Other investment - liabilities	-27.96	16.20	110.26
loans rescheduling	17.73	2.51	87.71
arrears (net), including rescheduled	-45.69	13.69	22.55
Advanced repayments / rescheduled payments not yet due	-66.86	-12.00	-0.45

\* (-) – increase, (+) – decrease