



The evolution of monetary indicators in April 2013

In April 2013, the **monetary base**¹ was MDL 20360.5 million, increasing by MDL 647.4 million (3.3 percent) compared to March 2013. The increase of the monetary base was determined by the positive development in the net domestic assets of the National Bank of Moldova, which increased by MDL 748.4 million. The net foreign assets decreased by MDL 101.0 million.

Money in circulation (M0)² increased from MDL 12892.8 million in March 2013 to MDL 13293.0 million in April 2013.

Money supply M2³ was MDL 35740.5 million, increasing during the reporting period by MDL 858.1 million or by 2.5 percent as compared to March 2013.

At the same time, **money supply M3**⁴ increased by MDL 657.6 million or by 1.3 percent in April 2013.

The analysis of the passive components of money supply (**M3**) denotes the fact that this increase was driven by the upward trend of its components as a result of the increase of the balance of the monetary aggregate (**M0**) – money in circulation – by MDL 400.2 million as compared to the previous month and the total balance of deposits by MDL 257.4 million (Table no.1).

Table no.1. Passive components of money supply

INDICATORS	Mar.13	Apr.13	Apr. 2013 Mar. 2013	Apr 2013 Apr. 2012
	million, MDL	million, MDL	(%)	(%)
Money in circulation (M0)	12892.81	13292.99	3.1	21.3
Sight deposits in MDL	6985.72	7144.09	2.3	23.6
MONEY SUPPLY (M1)	19878.53	20437.08	2.8	22.1
Term deposits in MDL	15003.77	15303.33	2.0	29.1
Money market instruments	0.12	0.12	0.0	8.5
MONEY SUPPLY (M2)	34882.42	35740.53	2.5	25.0
Deposits in foreign currency	14822.68	14622.17	-1.4	12.2
MONEY SUPPLY (M3)	49705.10	50362.70	1.3	21.0

The balance of deposits in national currency was MDL 22447.4 million, which share equaled to 60.6 percent of total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) was MDL 14622.2 million, which share amounted to 39.4 percent (Table no.2).

¹ The monetary base includes cash in circulation (outside banking system), banking reserves (banks' reserves in MDL on correspondent accounts maintained at the National Bank of Moldova and cash in banks), deposits at sight of other organizations with the National Bank of Moldova, "overnight" deposits of banks and required reserves in foreign currency.

² Money in circulation M0 represents cash in circulation put by the National Bank of Moldova, except for cash in banks and NBM vault.

³ Money supply M2 includes currency in circulation (M0), deposits in MDL and money market instruments.

⁴ Money supply M3 includes broad money M2 and deposits in foreign currency of residents expressed in MDL.

Table no.2. Deposits structure⁵

INDICATORS	Mar.13	Apr.13	Apr.13	Apr.13
	million, MDL	million, MDL	Mar.13 (%)	Apr.12 (%)
Deposits balance (Total)	36812.17	37069.59	0.7	20.8
Including:				
Deposits balance (in MDL)	21989.49	22447.42	2.1	27.2
The share in Deposits balance (total), %	59.73	60.55		
Non-banking financial sector	679.33	683.19	0.6	0.6
Non-financial companies sector	5723.04	5949.12	4.0	21.4
Other resident sectors (individuals, etc.)	15587.13	15815.11	1.5	31.1
Deposits balance in foreign currency (expressed in MDL)	14822.68	14622.17	-1.4	12.2
The share in Deposits balance (total), %	40.27	39.45		
Non-banking financial sector	475.58	524.76	10.3	4.7
Non-financial companies sector	3126.12	2833.65	-9.4	25.7
Other resident sectors (individuals, etc.)	11220.98	11263.76	0.4	9.6

The increase of money supply M3 in the reporting period was determined by the increase in net domestic assets of the banking system by MDL 781.8 million (3.0 percent). At the same time, the net foreign assets of the banking system decreased by MDL 124.2 million (0.5 percent).

Domestic credit of the banking system increased by MDL 564.4 million, up to the level of MDL 37763.4 million, due to the increase of net payments to the Government by MDL 225.7 million and the credits granted to the economy by MDL 338.7 million.

The balance of credits in economy⁶ increased by 0.9 percent in April 2013, as compared to the previous month, at the expense of the increase of credits granted to the economy in foreign currency (expressed in MDL) by MDL 550.5 (3.5 percent), while the credits granted to the economy in national currency decreased by MDL 211.8 million (1.0 percent) (Table no.3).

The positive development of the balance of credits granted to economy in foreign currency (expressed in MDL) was determined by the increase of the balance of credits granted to private sector – by MDL 517.4 million (3.7 percent), state enterprises - by MDL 30.7 million (4.0 percent) and to other organizations performing certain financial operations - by MDL 6.8 million (1.2 percent). At the same time, the balance of credits granted to other resident sectors decreased by MDL 4.4 million (2.2 percent).

⁵ Deposits structure is classified by institutional sectors, according to the Instruction on filling out by the licensed banks of the Report on monetary statistics (Official Monitor of the Republic of Moldova no.206-215 of December 2, 2011).

⁶ According to the IMF methodology, the interbank credits and the credits granted to the Government are excluded from the total credits in the economy (including the interest calculated for credits and for credits of banks - in liquidation process).



Table no.3. Structure of credits granted to economy

INDICATORS	Mar.13	Apr.13	Apr.13	Apr.13
	million, MDL	million, MDL	Mar.13 (%)	Apr.12 (%)
CREDITS GRANTED TO ECONOMY	36190.76	36529.42	0.9	13.2
Including:				
CREDITS GRANTED TO ECONOMY (in MDL)	20480.79	20268.94	-1.0	10.8
The share of Credits granted to economy, %	56.59%	55.49%		
State enterprises	758.23	788.10	3.9	60.4
Private sector	14742.28	14424.77	-2.2	12.7
Other organizations performing certain financial operations	379.03	347.81	-8.2	-3.0
Other resident sectors (individuals, etc.)	4601.24	4708.25	2.3	1.5
including : Consumer loans	2306.32	2357.42	2.2	31.0
Real estate loans	1382.65	1418.56	2.6	24.4
CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (equivalent in MDL):	15709.97	16260.48	3.5	16.4
The share of Credits granted to economy, %	43.41%	44.51%		
State enterprises	774.70	805.43	4.0	45.1
Private sector	14173.34	14690.71	3.7	15.7
Other organizations performing certain financial operations	563.65	570.47	1.2	18.6
Other resident sectors (individuals, etc.)	198.29	193.87	-2.2	-19.0
including : Consumer loans	6.54	6.11	-6.5	
Real estate loans	85.42	87.02	1.9	31.8

The negative development of the balance of credits granted to the economy in MDL was determined by the decrease of the balance of credits granted to private sector by MDL 317.5 million (2.2 percent) and to other organizations performing certain financial operations - by MDL 31.2 million (8.2 percent). At the same time, the balance of credits granted to individuals increased by MDL 107.0 million (2.3 percent) and to state enterprises by MDL 29.9 million (3.9 percent).