



The evolution of monetary indicators in July 2013

In July 2013, the **monetary base**¹ was MDL 21803.4 million, increasing by MDL 862.8 million (4.1 percent) compared to June 2013. The increase of the monetary base was determined by the positive development in the net foreign assets of the National Bank of Moldova, which increased by MDL 901.5 million. The net domestic assets decreased by MDL 38.7 million.

Money in circulation (M0)² increased from MDL 13997.7 million in June 2013 to MDL 14867.3 million in July 2013.

Money supply M2³ was MDL 38801.1 million, increasing during the reporting period by MDL 1383.6 million or by 3.7 percent as compared to June 2013.

Money supply M3⁴ increased by MDL 1633.4 million or by 3.1 percent in July 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 869.6 million as compared to the previous month and the total balance of deposits by MDL 763.9 million (Table no.1).

Table no.1. Passive components of money supply

	INDICATORS	June 2013	July 2013	July 2013	July 2013
		million, MDL	million, MDL	June 2013 %	July 2012 %
1	Money in circulation (M0)	13997.67	14867.27	6.2	26.4
2	Sight deposits in MDL	7748.71	7785.92	0.5	19.7
3	MONEY SUPPLY (M1)	21746.38	22653.20	4.2	24.0
4	Term deposits in MDL	15670.99	16147.93	3.0	29.9
5	Money market instruments	0.12	0.01	-94.8	-94.5
6	MONEY SUPPLY (M2)	37417.48	38801.13	3.7	26.4
7	Deposits in foreign currency	15014.57	15264.34	1.7	8.6
8	MONEY SUPPLY (M3)	52432.05	54065.47	3.1	20.8

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.



The balance of deposits in national currency was MDL 23933.9 million, which share equaled to 61.1 percent of total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) was MDL 15264.3 million, which share amounted to 38.9 percent (Table no.2).

Table no.2. Deposits structure⁵

INDICATORS	June 2013	July 2013	July 2013	July 2013
	million, MDL	million, MDL	June 2013 %	July 2012 %
Deposits balance (Total)	38434.26	39198.19	2.0	18.8
Including:				
Deposits balance (in MDL)	23419.69	23933.86	2.2	26.4
The share in Deposits balance (total), %	60.93	61.06		
Non-banking financial sector	808.07	840.67	4.0	20.2
Non-financial companies sector	5996.10	6217.63	3.7	16.4
Other resident sectors (individuals, etc.)	16615.52	16875.56	1.6	30.9
Deposits balance in foreign currency (expressed in MDL)	15014.57	15264.34	1.7	8.6
The share in Deposits balance (total), %	39.07	38.94		
Non-banking financial sector	603.30	516.72	-14.4	24.7
Non-financial companies sector	2914.74	2860.83	-1.8	-8.4
Other resident sectors (individuals, etc.)	11496.53	11886.79	3.4	13.0

The increase of money supply M3 in the reporting period was determined by the increase in net foreign assets of the banking system by MDL 1764.0 million (7.3 percent). At the same time, net domestic assets of the banking system decreased by MDL 130.6 million (0.5 percent).

Domestic credit of the banking system increased by MDL 780.8 million, up to the level of MDL 40316.9 million, due to the increase of the balance of credits granted to the economy by MDL 643.6 million and the balance of net payments to the Government by MDL 137.2 million.

The balance of credits in economy⁶ increased by 1.7 percent in July 2013, as compared to the previous month, at the expense of the increase of credits granted to the economy in national currency by MDL 565.1 million or by 2.6 percent, and the credits granted to the economy in foreign currency (expressed in MDL) - by MDL 78.5 million or by 0.5 percent (Table no.3).

The positive development of the balance of credits granted to economy in MDL was determined by the increase of the balance of credits granted to private sector – by MDL 498.1 million (3.3 percent), and other resident sectors - by MDL 126.3 million (2.3 percent). At the same time, the balance of credits granted to state enterprises decreased by MDL 3.9 million (0.5 percent) and that of credits granted to other organizations performing certain financial operations - by MDL 55.4 million (13.0 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	June 2013	July 2013	July 2013	July 2013
	million, MDL	million, MDL	June 2013 %	July 2012 %
CREDITS GRANTED TO ECONOMY	38435.99	39079.58	1.7	15.6
Including:				
CREDITS GRANTED TO ECONOMY (in MDL)	21963.04	22528.12	2.6	19.0
The share of Credits granted to economy, %	57.14	57.65		
State enterprises	791.61	787.72	-0.5	28.7
Private sector	15196.70	15694.77	3.3	20.6
Other organizations performing certain financial operations	425.94	370.50	-13.0	5.4
Other resident sectors (individuals, etc.)	5548.79	5675.12	2.3	14.5
including : Consumer loans	2452.79	2493.29	1.7	28.5
Real estate loans	1494.40	1537.54	2.9	27.0
CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (equivalent in MDL):	16472.95	16551.46	0.5	11.4
The share of Credits granted to economy, %	42.86	42.35		
State enterprises	873.83	856.98	-1.9	38.3
Private sector	14711.18	14743.99	0.2	9.5
Other organizations performing certain financial operations	607.25	650.89	7.2	28.6
Other resident sectors (individuals, etc.)	280.69	299.61	6.7	8.5
including : Consumer loans	8.19	8.81	7.6	
Real estate loans	86.68	89.81	3.6	12.5

The increase in the balance of credits granted to economy in foreign currency (expressed in MDL) was influenced by the increase in the balance of credits granted to private sector by MDL 32.8 million (0.2 percent), individuals - by MDL 18.9 million (6.7 percent), and other organizations performing certain financial operations - by MDL 43.6 million (7.2 percent). At the same time, the balance of credits granted to state enterprises decreased by MDL 16.8 million (1.9 percent).