

External Debt of the Republic of Moldova as of June 30, 2008

The gross external debt of the Republic of Moldova totalled US\$ 3752.44 million by June 30, 2008, increasing by 6.4% as against the end of quarter I, 2008 (table 1).

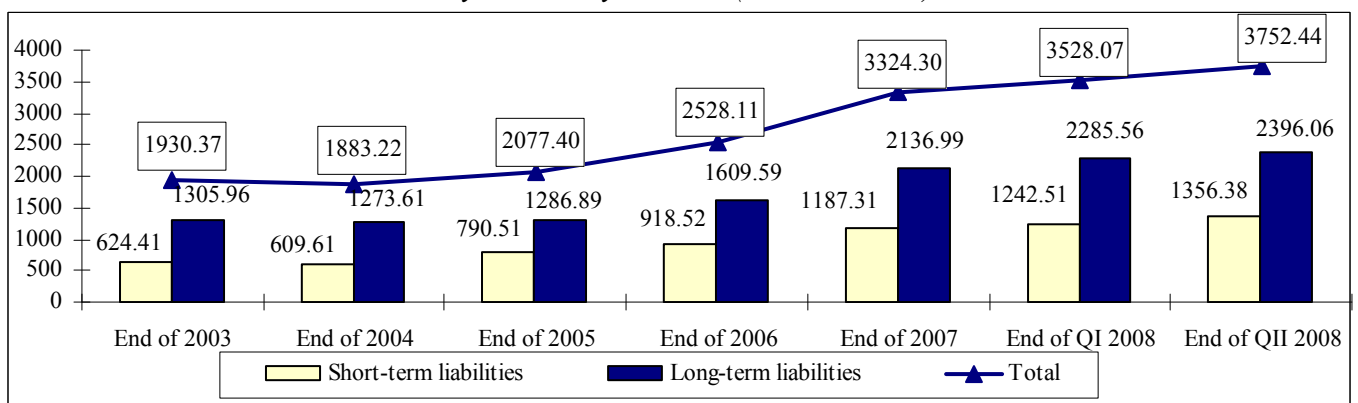
Table 1. *Gross External Debt – General Presentation (US\$ million)*

	End of 2003	End of 2004	End of 2005	End of 2006	End of 2007	End of Q I 2008	End of Q II 2008
General Government	808.93	699.42	657.60	718.23	765.80	797.95	789.20
<i>Short-term</i>	70.43	20.86	36.25	0.13			
Other debt liabilities*	70.43	20.86	36.25	0.13			
Arrears	70.43	20.86	36.25	0.13			
<i>Long-term</i>	738.50	678.56	621.35	718.10	765.80	797.95	789.20
Bonds and notes	94.31	31.76	25.40	19.04	12.69	13.00	9.51
Loans	644.19	646.80	595.95	699.06	753.11	784.95	779.69
Monetary authorities	142.05	125.94	95.44	140.96	159.36	175.10	171.89
<i>Long-term</i>	142.05	125.94	95.44	140.96	159.36	175.10	171.89
Loans	142.05	125.94	95.44	140.96	159.36	175.10	171.89
Banks	57.59	74.37	86.71	150.77	362.37	401.81	467.98
<i>Short-term</i>	33.17	41.55	50.95	106.78	207.24	219.25	276.56
Loans	8.60	2.00			18.45	19.62	27.62
Currency and deposits	24.57	39.55	50.95	106.78	178.49	199.63	229.79
Other debt liabilities*					10.30		19.15
<i>Long-term</i>	24.42	32.82	35.76	43.99	155.13	182.56	191.42
Loans	24.42	32.82	35.76	43.99	155.13	182.56	191.42
Other Sectors	707.81	774.60	955.89	1134.45	1480.18	1557.73	1645.41
<i>Short-term</i>	492.84	523.77	685.88	789.14	949.91	982.56	1036.81
Loans	0.84	0.13	1.39	8.60	10.79	20.13	16.69
Trade credits	137.67	175.02	338.64	387.41	502.61	526.53	575.03
Other debt liabilities*	354.33	348.62	345.85	393.13	436.51	435.90	445.09
Arrears	42.33	52.96	52.72	68.84	89.79	101.18	122.79
Other	312.00	295.66	293.13	324.29	346.72	334.72	322.30
of which debt for imports of energy resources	300.02	287.06	288.58	319.74	345.10	333.10	319.68
<i>Long-term</i>	214.97	250.83	270.01	345.31	530.27	575.17	608.60
Loans	214.97	250.83	270.01	345.31	530.27	575.17	608.60
Direct Investment: Intercompany lending	213.99	208.89	281.76	383.70	556.59	595.48	677.96
Debt liabilities to direct investors	213.99	208.89	281.76	383.70	556.59	595.48	677.96
Arrears*	27.97	23.43	17.43	22.47	30.16	40.70	43.01
Other	186.02	185.46	264.33	361.23	526.43	554.78	634.95
TOTAL	1930.37	1883.22	2077.40	2528.11	3324.30	3528.07	3752.44

*corresponds to other liabilities in the international investment position

Note: Data for 2005, 2006, 2007, and quarter I, 2008 have been revised

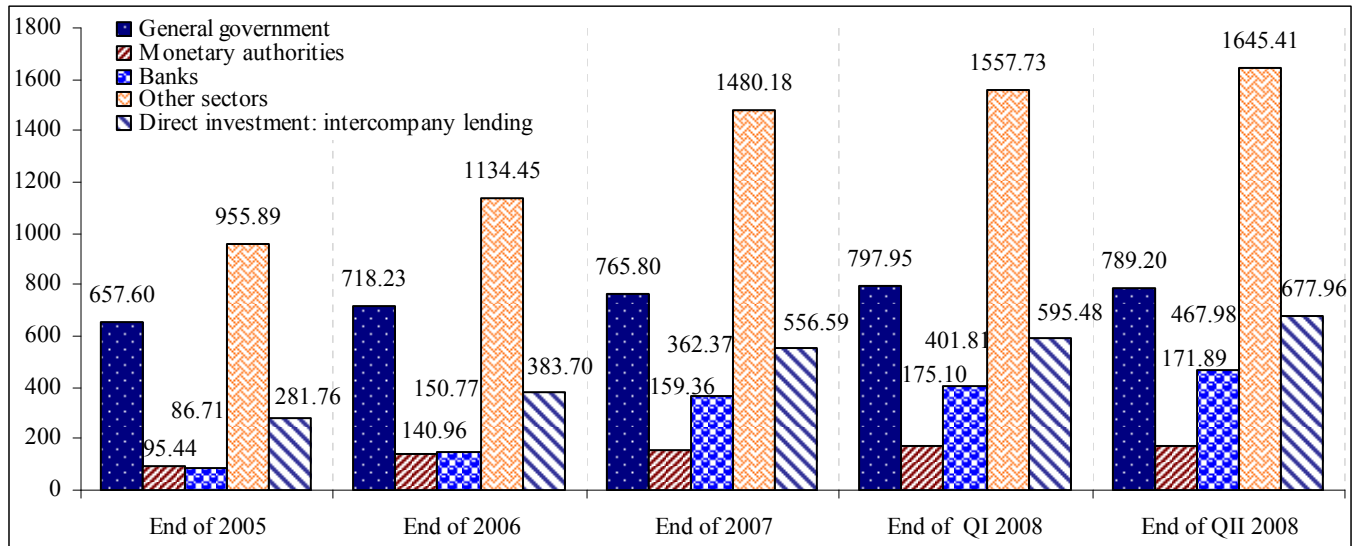
Chart 1. *Gross External Debt by Maturity Terms (US\$ million)*



Short-term external liabilities constituted US\$ 1356.38 million, or 36.1% of the total, growing by 9.2% during the second quarter of 2008 (chart 1).

The structure of the external debt by sector shows that economic agents of other sectors and the general government continued to hold the largest shares of foreign liabilities – 43.8% and 21.0%, respectively (chart 2).

Chart 2. *Structure of External Debt by Sectors (US\$ million)*



The stock of public and publicly guaranteed external debt recorded US\$ 973.36 million at the end of quarter II, 2008, and the stock of private non-guaranteed external debt – US\$ 2779.08 million (table 2).

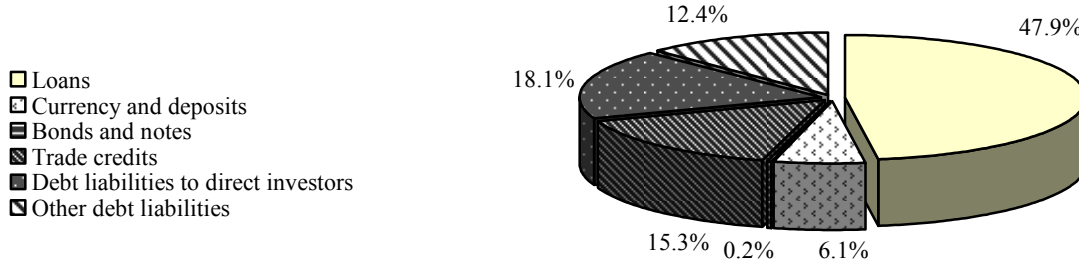
Table 2. *External Public and Publicly Guaranteed Debt and Non-guaranteed Private Sector Debt (US\$ million)*

	End of 2003	End of 2004	End of 2005	End of 2006	End of 2007	End of QI 2008	End of QII 2008
Public and Publicly Guaranteed Debt	1008.90	879.75	773.73	876.36	938.63	986.13	973.36
<i>Short-term</i>	<i>77.35</i>	<i>30.48</i>	<i>36.25</i>	<i>0.13</i>			
Other debt liabilities*	77.35	30.48	36.25	0.13			
Arrears (on principal and interest)	77.35	30.48	36.25	0.13			
<i>Long-term</i>	<i>923.73</i>	<i>841.17</i>	<i>737.48</i>	<i>876.23</i>	<i>938.63</i>	<i>986.13</i>	<i>973.36</i>
Bonds and notes	94.31	31.76	25.40	19.04	12.69	13.00	9.51
Loans	829.42	809.41	712.08	857.19	925.94	973.13	963.85
<i>Direct investment: Intercompany lending</i>	<i>7.82</i>	<i>8.10</i>					
Debt liabilities to direct investors	7.82	8.10					
Arrears		8.10					
Other	7.82						
Non-guaranteed Private Debt	921.47	1003.47	1303.67	1651.75	2385.67	2541.94	2779.08
<i>Short-term</i>	<i>519.09</i>	<i>555.70</i>	<i>736.83</i>	<i>895.92</i>	<i>1157.15</i>	<i>1201.81</i>	<i>1313.37</i>
Loans	9.44	2.13	1.39	8.60	29.24	39.75	44.31
Currency and deposits	24.57	39.55	50.95	106.78	178.49	199.63	229.79
Trade credits	137.67	175.02	338.64	387.41	502.61	526.53	575.03
Other debt liabilities*	347.41	339.00	345.85	393.13	446.81	435.90	464.24
Arrears (on principal and interest)	35.41	43.34	52.72	68.84	89.79	101.18	122.79
Other	312.00	295.66	293.13	324.29	357.02	334.72	341.45
<i>Long-term</i>	<i>196.21</i>	<i>246.98</i>	<i>285.08</i>	<i>372.13</i>	<i>671.93</i>	<i>744.65</i>	<i>787.75</i>
Loans	196.21	246.98	285.08	372.13	671.93	744.65	787.75
<i>Direct investment: Intercompany lending</i>	<i>206.17</i>	<i>200.79</i>	<i>281.76</i>	<i>383.70</i>	<i>556.59</i>	<i>595.48</i>	<i>677.96</i>
Debt liabilities to direct investors	206.17	200.79	281.76	383.70	556.59	595.48	677.96
Arrears*	27.97	15.33	17.43	22.47	30.16	40.70	43.01
Other	178.20	185.46	264.33	361.23	526.43	554.78	634.95
Total	1930.37	1883.22	2077.40	2528.11	3324.30	3528.07	3752.44

* corresponds to other liabilities in the international investment position

Loans continued to hold the largest share of external liabilities (47.9%) (chart 3).

Chart 3. *Structure of External Debt by Types of Liability*



The external liabilities in the form of loans and debt securities including arrears on their service increased by 5.6% during the reporting period, mainly as a result of a net inflow of US\$ 149.44 million, and totalled US\$ 2606.17 million.

Table 3. *External Debt in the Form of Loans and Debt Securities* by Sectors*
(US\$ million)

	End of 2003	End of 2004	End of 2005	End of 2006	End of 2007	End of QI 2008	End of QII 2008
Monetary authorities	142.05	125.94	95.44	140.96	159.36	175.10	171.89
Loans (from the IMF)	142.05	125.94	95.44	140.96	159.36	175.10	171.89
Direct governmental debt	780.45	671.23	633.90	698.40	747.22	778.39	770.62
Loans	617.62	621.28	575.43	679.36	734.53	765.39	761.11
Arrears on loans	14.63	18.19	33.07				
Debt securities	94.31	31.76	25.40	19.04	12.69	13.00	9.51
Arrears of debt securities	53.89						
Private debt guaranteed by the government **	86.40	82.58	44.39	37.00	32.05	32.64	30.85
Banks	0.80						
Loans	0.80						
Other sectors	85.60	82.58	44.39	37.00	32.05	32.64	30.85
Loans	76.77	62.19	41.21	36.87	32.05	32.64	30.85
Arrears on loans	8.83	20.39	3.18	0.13			
Private debt non-guaranteed by the government	447.23	493.24	620.95	833.27	1347.55	1481.06	1632.81
Banks	32.22	34.82	35.76	43.99	173.58	202.18	219.04
Loans	32.22	34.82	35.76	43.99	173.58	202.18	219.04
Other sectors	415.01	458.42	585.19	789.28	1173.97	1278.88	1413.77
Loans	351.63	399.75	515.03	697.97	1054.01	1137.00	1247.97
Arrears on loans	63.38	58.67	70.16	91.31	119.96	141.88	165.80
TOTAL	1456.13	1372.99	1394.68	1709.63	2286.18	2467.19	2606.17

* including arrears on principal and interest

** loans under the guarantee of the government serviced by economic agents and by the government

The stock was also influenced in terms of growth by the accumulation of net arrears on interest (US\$ 3.38 million) and other adjustments, decreasing by US\$ 14.72 million as a result of exchange rate fluctuation of the US dollar against other currencies (table 4).

Table 4. *External Debt in the Form of Loans and Debt Securities (additional details)**
(US\$ million)

	Stock at the end of OI 2008	Drawings **	Real principal repayments	Accumulation of interest arrears	Other adjustments	Exchange rate changes	Stock at the end of QII 2008
IMF loans	175.10		-1.50			-1.71	171.89
Direct governmental debt	778.39	10.58	-13.04		1.81	-7.11	770.62
multilateral creditors	482.85	9.17	-3.32			-5.24	483.45
bilateral creditors	282.54	1.41	-6.54		2.12	-1.87	277.66
long-term governmental bonds	13.00		-3.18		-0.31		9.51
Debt guaranteed by the government	32.64		-0.80		-0.92	-0.07	30.85
multilateral creditors	13.07		-0.80				12.27
other creditors	19.57				-0.92	-0.07	18.58
Debt non-guaranteed by the government	1481.06	220.50	-66.30	3.38		-5.83	1632.81
multilateral creditors	106.49	6.81	-4.49	0.06		-0.19	108.68
other creditors	1374.57	213.69	-61.81	3.32		-5.64	1524.13
TOTAL	2467.19	231.08	-81.64	3.38	0.89	-14.72	2606.17

* including arrears on principal and on interest

** excluding rescheduled and reclassified amounts

International bodies continue to be the main creditors of the Republic of Moldova (29.8% of total loans) (table 5).

Table 5. *External Debt in the Form of Loans and Debt Securities by Creditors**
(US\$ million)

	End of 2003	End of 2004	End of 2005	End of 2006	End of 2007	End of QI 2008	End of QII 2008
Monetary authorities	142.05	125.94	95.44	140.96	159.36	175.10	171.89
IMF	142.05	125.94	95.44	140.96	159.36	175.10	171.89
Direct governmental debt	780.45	671.23	633.90	698.40	747.22	778.39	770.62
<i>Multilateral creditors</i>	<i>405.01</i>	<i>413.27</i>	<i>387.78</i>	<i>412.65</i>	<i>461.65</i>	<i>482.85</i>	<i>483.45</i>
IBRD and IDA	364.74	385.76	370.57	393.37	434.49	451.71	445.67
EBRD	7.32	6.35	5.38	4.41	3.44	2.95	2.95
EU	27.50	13.61	3.55				
IFAD	5.45	7.55	8.28	12.24	19.31	22.19	27.43
CEB				2.63	4.41	6.00	7.40
<i>Bilateral creditors</i>	<i>217.00</i>	<i>226.20</i>	<i>220.72</i>	<i>266.71</i>	<i>272.88</i>	<i>282.54</i>	<i>277.66</i>
USA	58.10	58.10	58.10	56.99	56.74	56.74	55.90
Japan	25.96	27.31	24.06	22.26	22.51	25.63	23.35
Russia	95.02	98.30	98.30	137.31	135.84	138.90	134.80
other	37.92	42.49	40.26	50.15	57.79	61.27	63.61
<i>Other creditors</i>	<i>10.24</i>						
<i>Debt securities</i>	<i>148.20</i>	<i>31.76</i>	<i>25.40</i>	<i>19.04</i>	<i>12.69</i>	<i>13.00</i>	<i>9.51</i>
Private debt guaranteed by the government**	86.40	82.58	44.39	37.00	32.05	32.64	30.85
<i>Multilateral creditors</i>	<i>60.86</i>	<i>54.69</i>	<i>20.88</i>	<i>17.30</i>	<i>13.46</i>	<i>13.07</i>	<i>12.27</i>
EBRD	60.86	54.69	20.88	17.30	13.46	13.07	12.27
<i>Other creditors</i>	<i>25.54</i>	<i>27.89</i>	<i>23.51</i>	<i>19.70</i>	<i>18.59</i>	<i>19.57</i>	<i>18.58</i>
Private debt non-guaranteed by the government	447.23	493.24	620.95	833.27	1347.55	1481.06	1632.81
Multilateral creditors	78.26	91.17	82.25	85.25	108.83	106.49	108.68
Other creditors	368.97	402.07	538.70	748.02	1238.72	1374.57	1524.13
TOTAL	1456.13	1372.99	1394.68	1709.63	2286.18	2467.19	2606.17

*including arrears on principal and on interest

** loans under the guarantee of the government serviced by the economic agents and by the government