

**EXTERNAL DEBT OF THE REPUBLIC OF MOLDOVA
AS OF SEPTEMBER 30, 2008**

The gross external debt of Moldova totalled US\$ 3958.80 million at the end of quarter III 2008 (table 1).

Table 1. *Gross External Debt by Sector (US\$ million)*

	End of 2006	End of 2007	End of Q I 2008	End of Q II 2008	End of Q III 2008
General Government	718.23	765.80	797.87	789.42	778.42
<i>Short-term</i>	<i>0.13</i>				
Other debt liabilities*	0.13				
Arrears	0.13				
<i>Long-term</i>	<i>718.10</i>	<i>765.80</i>	<i>797.87</i>	<i>789.42</i>	<i>778.42</i>
Bonds and notes	19.04	12.69	13.00	9.52	9.71
Loans	699.06	753.11	784.87	779.90	768.71
Monetary authorities	140.96	159.36	175.10	171.89	172.57
<i>Long-term</i>	<i>140.96</i>	<i>159.36</i>	<i>175.10</i>	<i>171.89</i>	<i>172.57</i>
Loans	140.96	159.36	175.10	171.89	172.57
Banks	150.77	362.37	403.70	478.81	526.16
<i>Short-term</i>	<i>106.78</i>	<i>207.24</i>	<i>219.25</i>	<i>276.56</i>	<i>257.88</i>
Loans		18.45	19.62	27.62	37.46
Currency and deposits	106.78	178.49	199.63	229.79	220.42
Other debt liabilities*		10.30		19.15	
<i>Long-term</i>	<i>43.99</i>	<i>155.13</i>	<i>184.45</i>	<i>202.25</i>	<i>268.28</i>
Loans	43.99	155.13	184.45	202.25	268.28
Other Sectors	1134.45	1479.30	1601.19	1677.96	1760.07
<i>Short-term</i>	<i>789.14</i>	<i>949.03</i>	<i>1011.06</i>	<i>1052.44</i>	<i>1121.11</i>
Loans	8.60	10.79	20.67	17.74	25.83
Trade credits	387.41	501.73	561.41	604.77	642.24
Other debt liabilities*	393.13	436.51	428.98	429.93	453.04
Arrears	68.84	89.79	94.26	108.63	122.22
Other	324.29	346.72	334.72	321.30	330.82
of which debt for imports of energy resources	319.74	345.10	333.10	319.68	329.20
<i>Long-term</i>	<i>345.31</i>	<i>530.27</i>	<i>590.13</i>	<i>625.52</i>	<i>638.96</i>
Loans	345.31	530.27	590.13	625.52	638.96
Direct Investment: Intercompany lending	383.70	556.59	597.51	683.52	721.58
Debt liabilities to direct investors	383.70	556.59	597.51	683.52	721.58
Arrears*	22.47	30.16	42.50	43.05	46.24
Other	361.23	526.43	555.01	640.47	675.34
TOTAL	2528.11	3323.42	3575.37	3801.60	3958.80

Note: data for 2007 and quarters I-II of 2008 have been revised

*corresponds to other liabilities in the net international investment position

Short-term liabilities constituted 36.0% of total (chart 1).

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

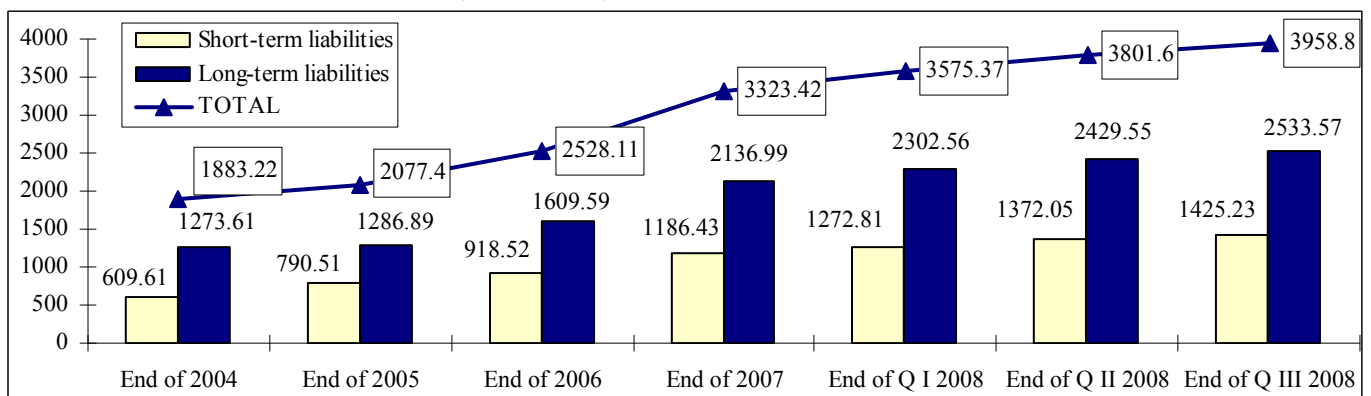
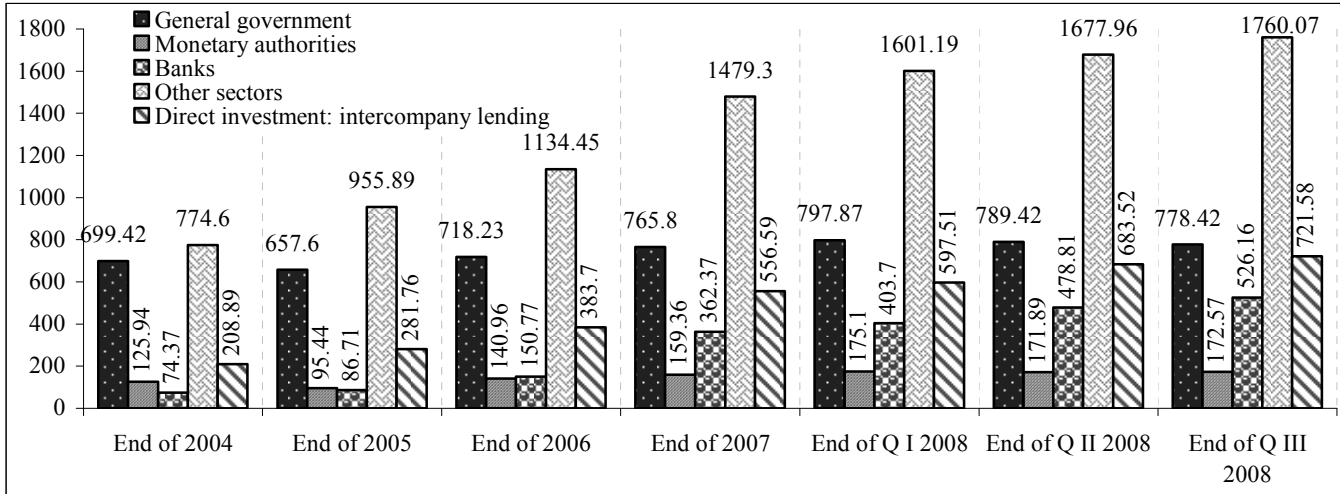


Chart 2. Structure of External Debt by Sectors (US\$ million)



The considerable growth in the external liabilities of the banking sector during quarter III, 2008 from US\$ 478.81 million to US\$ 526.16 million (that is, by 9.9%) was due to the drawing on new loans under the credit lines from international financial institutions, as well as from foreign affiliated banks. However, economic agents of other sectors had the major share in foreign liabilities within the structure of the external debt by sectors – 44.5% (chart 2).

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

	End of 2006	End of 2007	End of Q I 2008	End of Q II 2008	End of Q III 2008
Public and Publicly Guaranteed Debt	876.36	954.96	1000.11	986.34	974.21
<i>Short-term</i>	0.13	6.38	6.41	6.41	6.38
Other debt liabilities*	0.13	6.38	6.41	6.41	6.38
Arrears (on principal and interest)	0.13	6.38	6.41	6.41	6.38
of which: debt of public corporations**		6.38	6.41	6.41	6.38
<i>Long-term</i>	876.23	948.58	993.70	979.93	967.83
Bonds and notes	19.04	12.69	13.00	9.52	9.71
Loans	857.19	935.89	980.70	970.41	958.12
of which: debt of public corporations		9.95	7.65	6.35	5.14
Non-guaranteed Private Debt	1651.75	2368.46	2575.26	2815.26	2984.59
<i>Short-term</i>	895.92	1150.31	1224.31	1323.00	1373.03
Loans	8.60	29.24	40.29	45.36	63.29
Currency and deposits	106.78	178.49	199.63	229.79	220.42
Trade credits	387.41	501.73	561.41	604.77	642.24
Other debt liabilities *	393.13	440.85	422.98	443.08	447.08
Arrears (on principal and interest)	68.84	83.83	88.26	102.63	116.26
Other	324.29	357.02	334.72	340.45	330.82
<i>Long-term</i>	372.13	661.97	753.86	809.15	890.40
Loans	372.13	661.97	753.86	809.15	890.40
Direct investment: intercompany lending	383.70	556.18	597.09	683.11	721.16
Debt liabilities to direct investors	383.70	556.18	597.09	683.11	721.16
Arrears*	22.47	29.75	42.08	42.64	45.82
Other	361.23	526.43	555.01	640.47	675.34
Total	2528.11	3323.42	3575.37	3801.60	3958.80

* corresponds to other liabilities in the net international investment position

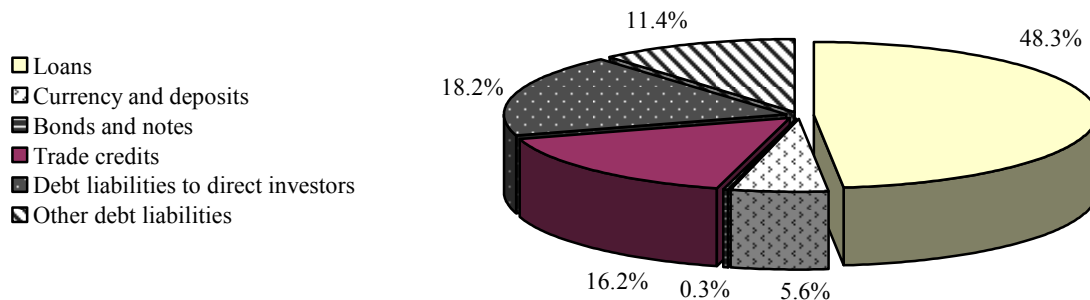
**reclassification

Since September 2007, the public and publicly guaranteed external debt includes the liabilities of public corporations (business entities where the government holds 50% or

more of the equity capital). In the course of the quarter III, 2008 the public and publicly guaranteed external debt changed as a result of drawings on new loans (US\$ 37.43 million), actual reimbursement of principal (US\$ 17.84 million), interest accumulation related to the rescheduling according to the conditions of the Paris Club (US\$ 3.18 million), and the depreciation of original currencies against the US dollar (US\$ 34.9 million), reaching the level of US\$ 974.21 million at the end of September (table 2).

Loans continued to hold the largest share of external liabilities – 48.3% (chart 3).

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



The external liabilities in the form of loans and debt securities had the following structure: 65.2% – private debt, and 34.8% – public debt.

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

	End of 2006	End of 2007	End of Q I 2008	End of Q II 2008	End of Q III 2008
Monetary authorities	140.96	159.36	175.10	171.89	172.57
Loans (from the IMF)	140.96	159.36	175.10	171.89	172.57
Direct governmental debt	698.40	747.22	778.30	770.84	761.85
Loans	679.36	734.53	765.30	761.32	752.14
Debt securities	19.04	12.69	13.00	9.52	9.71
Publicly guaranteed assumed debt**	19.83	18.58	19.57	18.58	16.57
Other sectors	19.83	18.58	19.57	18.58	16.57
Loans	19.70	18.58	19.57	18.58	16.57
Arrears on loans	0.13				
Debt of public corporations		16.33	14.06	12.76	11.52
Banks		0.59	0.31		
Loans		0.59	0.31		
Other sectors		15.74	13.75	12.76	11.52
Loans		9.36	7.34	6.35	5.14
Arrears on loans		6.38	6.41	6.41	6.38
Publicly guaranteed private debt***	17.17	13.47	13.08	12.27	11.71
Other sectors	17.17	13.47	13.08	12.27	11.71
Loans	17.17	13.47	13.08	12.27	11.71
Private debt non-guaranteed by the government	833.27	1331.22	1479.50	1640.25	1791.10
Banks	43.99	172.99	203.76	229.87	305.74
Loans	43.99	172.99	203.76	229.87	305.74
Other sectors	789.28	1158.23	1275.74	1410.38	1485.36
Loans	697.97	1044.66	1145.39	1265.12	1323.28
Arrears on loans	91.31	113.57	130.35	145.26	162.08
TOTAL	1709.63	2286.18	2479.61	2626.59	2765.32

* including arrears on principal and interest

** loans under the guarantee of the government serviced by the government

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

International organizations continued to be the main creditors of the Republic of Moldova (27.7% of total loans). Non-guaranteed private sector's debt and the debt of public corporations contracted from other creditors increased by US\$ 150.82 million (that is, by 9.8%) during quarter III, 2008 (table 4).

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

	End of 2006	End of 2007	End of Q I 2008	End of Q II 2008	End of Q III 2008
Monetary authorities	140.96	159.36	175.10	171.89	172.57
IMF	140.96	159.36	175.10	171.89	172.57
Direct governmental debt	698.40	747.22	778.30	770.84	761.85
<i>Multilateral creditors</i>	<i>412.65</i>	<i>461.65</i>	<i>482.76</i>	<i>484.99</i>	<i>476.06</i>
IBRD and IDA	393.37	434.49	451.62	445.91	435.23
EBRD	4.41	3.44	2.95	2.95	2.47
IFAD	12.24	19.31	22.19	27.44	30.16
CEB	2.63	4.41	6.00	7.40	7.03
EIB				1.29	1.17
<i>Bilateral creditors</i>	<i>266.71</i>	<i>272.88</i>	<i>282.54</i>	<i>276.33</i>	<i>276.08</i>
USA	56.99	56.74	56.74	55.90	56.12
Japan	22.26	22.51	25.63	23.35	23.39
Russia	137.31	135.84	138.90	134.80	137.61
other	50.15	57.79	61.27	62.28	58.96
<i>Debt securities</i>	<i>19.04</i>	<i>12.69</i>	<i>13.00</i>	<i>9.52</i>	<i>9.71</i>
Publicly guaranteed assumed debt**	19.83	18.58	19.57	18.58	16.57
<i>Multilateral creditors</i>	<i>0.13</i>				
EBRD	0.13				
<i>Other creditors</i>	<i>19.70</i>	<i>18.58</i>	<i>19.57</i>	<i>18.58</i>	<i>16.57</i>
Debt of public corporations		16.33	14.06	12.76	11.52
<i>Multilateral creditors</i>		<i>0.32</i>	<i>0.32</i>	<i>0.32</i>	<i>0.32</i>
EBRD		0.32	0.32	0.32	0.32
<i>Other creditors</i>		<i>16.01</i>	<i>13.74</i>	<i>12.44</i>	<i>11.20</i>
Publicly guaranteed private debt ***	17.17	13.47	13.08	12.27	11.71
<i>Multilateral creditors</i>	<i>17.17</i>	<i>13.47</i>	<i>13.08</i>	<i>12.27</i>	<i>11.71</i>
EBRD	17.17	13.47	13.08	12.27	11.71
Private debt non-guaranteed by the government	833.27	1331.22	1479.50	1640.25	1791.10
<i>Multilateral creditors</i>	<i>85.25</i>	<i>108.83</i>	<i>106.06</i>	<i>107.49</i>	<i>106.28</i>
<i>Other creditors</i>	<i>748.02</i>	<i>1222.39</i>	<i>1373.44</i>	<i>1532.76</i>	<i>1684.82</i>
TOTAL	1709.63	2286.18	2479.61	2626.59	2765.32

* including arrears on principal and interest

** loans under the guarantee of the government serviced by the government

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