**Moldova** 

The poorest country in Europe, which has caused almost 1 million citizens to leave the country since the independence 1991! This besides the approx. 700.000 Moldovans in the break-away republic, Transdnistria (“Pridnestrovie”), which has proclaimed independence and is supported by Russia. If the situation regarding criminality, trafficking of humans, smuggling etc. is a problem in Moldova, it is even worse in Transdnistria.

Language, culture and historic background in Moldova and for Moldovans are more or less identical to the neighboring country Romania and Romanians. Some have even voiced the possibility of a formal merger between the two countries.

Moldova has fertile soils and a favourable climate with large production of fruits, vegetables and wines. Agriculture is one of the most important sectors of the economy. Most important for the economy is presently the large amount of remittances of currency sent home from Moldovans working abroad. This amounts to close to 30 % of GDP, and offers some relief to the large trade deficit of the country.

Domestic politics are characterized by fighting between pro-EU parties (presently ruling) and pro-Russian. In November 2014 a huge banking fraud was revealed – “the robbery of the century” – a theft of around 1 billion USD (equivalent of 15 % of the GDP) from the three biggest banks. As a consequence the currency, the Leu (MDL) depreciated significantly.

Key facts (Sources: World Bank, The Economist, Business Monitor Int´l, Nat´l Bank of Moldova, BBC)

 2014 2015e 2016f 2017f

Population (mn) 4,1 4,1 4,1 4,1

GDP (nom.; USD, bn) 8,0 6,8 7,0 7,4

GDP-growth, real (%, y-o-y) +4,6 +5,5 +2,0 +2,3

GDP/capita (USD) 2.298 1.978 2.053 2.100

Budget balance (% of GDP) -1,4 -2,4 -2,2 -1,9

Inflation (CPI; e-o-p, %) 4,7 7,2 3,8 7

Export (USD, bn) 3,3 3,8 4,3 5,0

Import (USD, bn) 6,3 7,1 8,1 9,3

Balance of trade (USD, bn) -3,0 -3,3 -3,8 -4,3

Current account (USD, bn) -0,5 -0,5 -0,6 -0,7

Current account (% of GDP) -5,7 -7,1 -8,2 -8,6

Foreign reserves (USD, bn) 2,2 1,7 2,0 2,3

Total external debt (USD, bn) 6,9 7,1 7,4 7,9

Total external debt (% of GDP) 86,2 105 107 108

Exchange rate (MDL/USD) 15,61 18,00 19,00 19,50