Transnistrian Economy: Initiatives and Risks

The idea of a federal state suggested by the OSCE so unexpectedly and supported both by the guarantor states, the Republic of Moldova, and Transnistria is gradually “seizing the masses”. First steps were made towards “a common state”: the composition of joint Constitution drafting commission was approved; workshop on federalism was held under the aegis of the OSCE Parliamentary Assembly; the development of the Reintegration Concept is underway. In order to speed up this process it is important to raise potential of mutual understanding and awareness.

Searching for a way

Before the Republic of Moldova and Transnistria agreed to a future “common state”, the economy of these subregions developed in different ways of trials and mistakes. In Moldova, market reforms started in 1992-1993, but now attempts are being made to strengthen presence of the state in the economy. In TMR, state regulation has always been a preferred method and market processes did not intensify until late 1990s. Generally speaking, the following stages can be distinguished in the economic development of Transnistria:

- *1990 – 1991:* search for a “free economic zone” model, attempts to implement the “regional self-financing” model suggested by the Baltic republics and popular during perestroika in the USSR. Case for it: large-scale multi-sectoral industry, intensive agriculture, premises for tourism development, and advantages of having transport routes;
- *1992:* pinnacle of tension in the relations between Chisinau and Tiraspol, military conflict, reciprocal attempts to block the infrastructure: power and gas supply lines, railroads;
- *1993 – 1995:* search for ways of economic survival without political recognition and with disrupted manufacturing cooperation with the right bank. The region’s managers secured the “resuscitation” of ties with ex FSU partners, primarily in Russia, Ukraine, and Belarus, and its administration reestablished ties with a number of agencies in those countries;
- *1996 – first half of 2001:* Transnistrian economy is becoming “self-sustained”; Transnistria legalizes its foreign trade by means of Moldovan customs stamps; entrepreneurship develops;
- *since September 2001:* foreign trade conditions deteriorate drastically – the Republic of Moldova introduces new customs procedures; “stamps are withdrawn”; Transnistria reciprocates by imposing a 20-percent tax on Moldovan goods; Russia changes its VAT procedures (to the country of destination principle); control at the Ukrainian border tightens and joint Moldo-Ukrainian customs points are set.

The most recent developments have been extremely unfavorable for Transnistrian economy: its budget revenue declined, there were interruptions in the operation of companies (including Rybnitsa Metal Works which account for 2/3 of fiscal revenue), exports fell, there was shortage of funds for social spending. Besides, foreign debt servicing situation worsened just like in Moldova (foreign debt built up largely due to energy supplies from Russia).

Despite all of the above, being experienced in the “struggle for survival”, Transnistrian leadership is taking every measure to prepare Transnistrian economy for new conditions as Russia’s military presence in the region is coming to an end (in late 2003 according to the OSCE

Porto Summit resolution). The measures include pro-market amendments to legislation, attempts to attract foreign investors to the region, drastically intensified privatization processes, and establishing contacts with the international organizations, starting with cultural and humanitarian ones.

Macroeconomic Tendencies

A set of Transnistria's key macroeconomic indicators gives a general picture of trends in Transnistrian economy.

Table 1

Main Macroeconomic Indicators of Transnistria

Indicator	*1996*	*1997*	*1998*	*1999*	*2000*	*2001*	*2002*
GDP, mln US$	327.6	447.6	331.6	281.0	199.5	255.6	250.3
- % against previous year	…	136.6	74.1	84.7	71.0	128.1	97.9
- % against 1996	100.0	136.6	101.2	85.8	60.9	78.0	76.4
- per capita, mln US$	478.0	663.1	492.0	423.9	304.2	394.9	392.3
Industrial output							
- % against previous year	89.3	99.1	93.7	96.2	116.5	109.0	81.5
Agricultural output							
- % against previous year	84.5	144.0	69.4	72.8	82.4	109.3	104.0
Exports, mln US$	305.6	387.4	39.1	258.0	328.1	377.7	243.4
Imports, mln US$	222.0	301.2	587.3	416.5	489.2	541.0	449.6
Population (at year-end), thousand people	679.1	670.8	665.7	660.0	651.8	642.0	633.5
- of which, working-age population	400.3	396.5	391.3	396.5	390.1	391.4	…
Monthly average nominal wage, US$	41	53	57	68	32	44	50
Monthly average pension, US$	17	21	27	25	13	20	19.5
State budget deficit as % of GDP	1.8	12.8	1.1	1.0	2.0	2.1	…

Ironically, despite differences in the nature of reforms and more complicated development environment compared to the Republic of Moldova (lack of recognition, no credits), the trajectory of Transnistria's main indicators has been very close to those of Moldova: it adapted to the market and reached its peak in 1997, declined in 1998 in the aftermath of Russian financial crisis, and then revitalized like Moldova did. Persisting latent interdependence of the two subregions' economies and common focus of their exports and imports on the CIS and primarily Russia as their main investment and trade partner account for that.

Despite the region's commitment to state regulation methods, developments in the GDP pattern have generally resembled the market economy trends.

Table 2

GDP Pattern of Transnistria (in current prices, % of total)

	1997	1998	1999	2000	2001	2002
GDP	100	100	100	100	100	100
Of which:						
goods manufactured	55.8	56.2	48.3	61.5	45.0	43.0
services rendered	33.6	36.1	43.4	32.2	44.1	47.9
net taxes on imports and products	7.9	7.7	8.3	6.3	10.9	9.1

Source: ? ?????? ? ??????????????? ???????????????? ?????, ? 46, ? ??? 2003

Like in Moldova, service sector is the driving force. Its share in GDP has been growing steadily, which is consistent with the market economy trends. However, two issues are worth noting: first, service tariffs (especially utilities) have been growing much faster than consumer price index; second, the so-called non-market services, that is, those rendered by the budget (nonmanufacturing) sector, account for approximately 40 percent of the total volume of production services. This means that the share of real sector in GDP has been declining.

The situation in the real sector has not been easy. The upward trend in industrial production was recorded for the first time in 2000 (+16.5 percent) and partly continued through 2001 (+9 percent). However, the shock of September 2001 events for industry (especially ferrous metallurgy) had a cumulative effect, and, as a result, in 2002 output reduced by 18.7 percent. Agriculture, which used to be highly profitable, has been subsidized in recent years. Despite increase in agricultural output (9 percent in 2001 and 4 percent in 2002), production losses almost doubled. For example, in 2002 the share of loss-making agrifarms went up by almost 10 percent. Cereals (wheat, barley, corn) account for more than 2/3 of crops production. Production of fruits and vegetables, especially irrigated ones, reduced drastically, just like in Moldova. The marketability of agriculture diminished.

Despite its dire circumstances, Transnistria accumulated some monetary management experience. Hyperinflation experienced by both Transnistria and Moldova developed into more moderate monthly-average price increase rates in the early 1990s: 1999 – 7.0 percent, 2000 – 5.5 percent, 2001 – 2.0 percent, and 2002 – 0.9 percent.

In addition to central bank (Transnistrian Republican Bank, TRB) regulating the monetary policy, the region's banking sector comprises ten more banks, of which four are banks with foreign participation and one is a branch of Moldovan Moldinconbank. As of January 1, 2003, total gross owner equity of Transnistrian commercial banks was US$ 31.2 mln, of which foreign, including Russian capital, was 28.7 percent.

The central bank's "Transnistrian ruble exchange rate" policy changed over time. During the initial period of 1993-March 1998, according to the bank itself, the exchange rate was regularly revised and set at a certain level based on the market considerations. In April-August 1998, the exchange rate was determined by the exchange trading, however, the Russian crisis undermined the fragile balance. The central bank was virtually deprived of the exchange rate support intervention opportunities – the Transnistrian ruble depreciation was arrested artificially. This was the case in September-December 1998. In late 1998, it was decided to set the exchange rate at US$ 1=Trub 1.12 mln. As a result of major discrepancy between official and market exchange rates, output declined, goods exports fell, repatriated proceeds reduced, etc.

In 2002, the TRB shifted from administered exchange rate to the administered floating rate – the TRB started setting single official exchange rate of the Transnistrian ruble based on the auction results within the exchange rate band set for the year consistent with the gradual devaluation policy. In 1999, the Transnistrian ruble devalued by a factor of 2.9; in 2000, by 47.3 percent, and in 2001 and 2002, by 8.8 percent and 12.7 percent respectively.[1]

Foreign Trade

Transnistrian economy is highly dependent on foreign trade. Transnistrian factor, in its turn, has major impact on both foreign and domestic trade of the Republic of Moldova (transshipment, re-export, commodity flows of informal economy). It would be difficult to quantify the impact due to unreliable customs and transport statistics; however, indirect methods could be used.

[1] ? ?????? ? ??????????????? ???????????????? ?????, ? 46, ? ??? 2003 ?., ???. 24

Thus, it is noteworthy that the openness of Transnistrian economy (export/import-to-GDP ratio, %) is much higher than that of the Republic of Moldova (see Table 3).

Table 3

Openness of Moldovan and Transnistrian Economies (Foreign Trade as Percentage of GDP)

	1996	1997	1998	1999	2000	2001	2002
Transnistria	161.1	153.8	279.4	240.0	409.7	359.4	276.9
Moldova	110.2	105.8	97.6	89.6	96.9	99.1	111.7
Russia	30.7	32.1	40.5	53.1	42.8	38.5	0.0
Ukraine	71.8	62.5	65.2	76.1	…	…	…

Although the volume of Transnistrian exports and imports have not been sustainable year by year, there has been a steady increase in import surplus: in 1999, US$ 158.5 mln; 2000, US$ 161.1 mln; 2001, US$ 163.3, and 2002, US$ 206.2 mln. For a number of items, imports volume exceeds regional needs by a wide margin. In 1996-1997, export-to-import ratio was approximately 130 percent; in 1999-2001, 61.9-69.8 percent; and in 2002, 54.1 percent, of which with the CIS, 41.2 percent.

Transnistrian economy is focused on the CIS market because it accounts for 46.7 percent of Transnistrian exports and 61.3 percent of its imports (2002 data). At the same time, according to statistics, first steps were made to diversify foreign markets and reduce Transnistria's dependence on the limited range of partner countries. Thus, while in 1996 Russia, Ukraine, and Moldova accounted for 72.7 percent of Transnistrian exports, after 1998 they made up just 33.2-47.7 percent. Similarly, those countries' share in Transnistrian imports went down from 81.7 percent in 1996 to 53.5-58.1 percent over past three years.

Energy resources (about 50 percent), metallurgy resources, and chemicals prevail in the pattern of imports from the CIS; main export items to the CIS are: machine-building, light industry products, furniture, and foodstuffs. Rolled steel supplied both to the CIS countries and the West and light industry products (Italy, Germany, etc.) dominate in the pattern of exports to other regions of the world.

Since neighboring Ukraine is preparing to join the WTO, one of the requirements of which is controlled transparency of the borders, an agreement was concluded by the Moldovan and Ukrainian customs services, under which, effective May 25, 2003, goods will be crossing Ukrainian and Moldovan border, including Transnistria, based on the trade and customs documents used in the international practices.

Transnistria and the Republic of Moldova have good prerequisites to jointly enter new foreign markets and strengthen their presence in the old ones. The prerequisites grew stronger as Moldova joined the WTO; it is time to take advantage of them.

Moldo-Moldovan Trade

As regards trade and economic relations between Transnistria and Moldova, they are far from being transparent. Such ties are maintained mostly in view of the interests of economic entities, despite and disregarding the actions taken by the policy-makers and legal provisions.

Attempts of both administrations to solve political problems by means of administrative and economic methods, such as introduction of new customs procedures by the Republic of Moldova at its border and imposition of 20-percent duty on Moldovan goods by Transnistria, Transnistrian authorities' decision to tighten migration controls, introduce transit fee for foreign nationals, including Moldovans, transport fee (10 percent of the goods value) for motor vehicles not registered in the territory of Transnistria, etc., impede free movement of goods and services. A decision was reached to set up joint Moldo-Ukrainian customs points effective second half of 2003.

The vitality of traditional trade relations and personal contacts between the economic entities operating in the adjacent subregions hinges on their interests, due to which trade between the two banks of the Dniester River did not die out. Moldova's share in Transnistrian foreign trade has been stably high: 10.5 percent in 2000; 15 percent in 2001; and 13 percent in 2002. This means that, as of 2002, the Moldovan market, including transit through it, has been the main one for Transnistrian producers: Transnistria's total exports to the Republic of Moldova amounted to US$ 56.5 mln, which makes up more than 23 percent of total exports. By way of comparison, exports to Russia amounted to US$ 43 mln, or 17.5 percent of total exports. In the imports pattern, Moldova accounts for 7 percent – the same as Germany, for example.

Clearly, lack of reciprocal stability in trade affected the volume of goods and services. In 2002, Transnistria's total exports went down by 36 percent against 2001, of which to Moldova, by 39 percent. Imports also fell by 17 percent, of which those from Moldova by a much wider margin of 31 percent. Apparently, new trade barriers impeded access to the Transnistrian, rather than Moldovan, market. At the estimate of the Transnistrian Ministry of Economy, the region's losses from "economic blockade" amounted to US$ 174 mln, while Transnistria's GDP was US$ 250.3 mln in 2002.

Changes in Legal Framework

Like Moldova, Transnistria is continuously "improving its economic legislation". Tax reform is one of the major recent novelties. In late 2000, the Supreme Soviet of Transnistrian Moldovan Republic (TMR) approved a package of tax laws: on amendments to current legislation (11 laws), including the Law on Tax System Fundamentals, and six new laws, including Sales Tax Law and Single Social Tax Law. In 2002, the tax legislation was further upgraded: new versions of the Corporate Income Tax Law and Excise Tax Law were approved – they both have been in effect since January 1, 2003.

Introduction of a sales tax in Transnistria, which absorbed most of the earlier taxes, including VAT, was aimed to achieve two main objectives: streamline the tax system and reduce the tax burden.

Managers' first response to changes in the tax model was positive. However, it turned out that two years later 1/3 of enterprise managers named heavy tax burden as one of the most significant reasons impeding an increase in output.[2] The fact that Transnistria's tax system is not harmonized with those of its trade partners – Russia, Ukraine, Moldova (due to change in the VAT payment procedure in some CIS countries effective since the second half of 2001) – is the factor reducing the competitiveness of products in foreign markets. In fact, domestic exporters are taxed twice. Companies pay single sales tax, comprising profit tax, VAT, property tax, etc. in the republic and they have to pay the VAT in a trade partner country.

It is a heavy tax burden which causes an informal economy, like in Moldova. In view of this, in late 2002 the Supreme Soviet of Transnistria passed a Law on Streamlined Taxation of Small

[2] ? ????????? ??????????? ?????????, ? ?????? ? ??????????????? ???????????????? ?????, ? 46 (3), ? ??? 2003, ???. 3

Business and Tax Amnesty Law to define legal framework for, and principles of, tax amnesty in order to legalize the economic entities' income and property located abroad. Also, anti-money laundering provisions were introduced. Single tax on aggregate income was introduced for small businesses.

In order to increase the efficiency of entrepreneurship legislation, amendments to the Civil Code, Joint Stock Companies Act, and Foreign Investment Law were passed and new laws were approved on Individual Entrepreneurial Patent and Limited Liability Companies. The judicial system reform is underway in the interests of the economic entities, its main objective is to ensure the independence of judiciary.

Privatization, at Last

Pivotal progress in the ownership reform started somewhat later than in the neighboring countries. Ownership privatization process has been underway in Transnistria for two years now; however, it has been mostly small-scale privatization of service providers, construction in progress, housing, and state property located outside of the region.

First "large-scale privatization" attempts were made in 2002 – almost a decade later than in Moldova. It intensified, first, because Transnistrian authorities sought the economic stability of large industries by attracting investor funds, primarily from Russia. Second, privatization proceeds are now viewed as one of the main sources of funding the republic's budget deficit and, effective 2003, the TMR Economic Development Fund. Third, privatization would serve as a safeguard of ownership rights within a "common state".

The 2001-2002 privatization program comprised 35 companies. However, just two of them were privatized before the deadline expired. Due to this the program was expanded to include such attractive companies as Moldovan Metal Works, Transnistrian Telecom, Bouquet of Moldova Winery, etc. The reality of privatization has been quite mixed, however.

Thus, sale of Telecom to the only buyer – local Interdnestrcom – in January 2003 for US$ 2 mln and channeling the proceeds to the republican budget was accompanied by the new owner's commitment to modernize communication services at its own expense within five years, while the state retained the right to administer tariffs.

In June 2002, after two-year long discussion, one of the most systemic laws, the Land Code, was passed. Its main concept is: *land is state ownership.* It can be transferred into use, possession, succession, or rent only to Transnistrian nationals permanently residing the republic. Thereafter, in April 2003, an attempt was made to hold a referendum on private land ownership. The attempt failed.

A decision to hold land referendum has become a logical extension of the privatization of industries. Also, the agricultural sector's interests were probably taken into account – it only survives due to state subsidies and concessional loans from Agroinvest, a subsidiary of the Transnistrian Republican Bank. Experiments with land rent in farming failed. There were cases when "farmers" rejected their land and returned it to the state because there are no adequate conditions for economic activities.

Constitutional land referendum was deemed failed due to low activity of the population, primarily in urban areas (the participation rate was below 40 percent and approximately 25 percent in Tiraspol and Bender). Question put up for referendum was about individuals' legal right to own land. It was presumed that trade in land cannot be discussed for next five years. Now, under the legislation, the issue of introducing private land ownership cannot be brought up for a year. For the time being, land plot registration procedure has been streamlined in order to speed up the privatization of industries.

Appeal to Investors

Transnistria, like Moldova, needs the inflow of foreign investment badly. Investment is necessary in order to both reconstruct the infrastructure (primarily Cuciurgan Power Plant, gas and water supply systems, railroad power lines) and renovate export-oriented companies.

As of January 1, 2002, direct and portfolio investment in the Transnistrian economy amounted to US$ 54.3 mln, and the region's outward investment, US$ 4.9 mln.[3]

Currently, Transnistria is attracting investors by inviting them to participate in the "large-scale privatization". Among others, state-owned shareholdings in Moldovan Metal Works (15.6 percent at the initial price of US$ 10 mln) and Moldavizolit JSC (37.6 percent at the initial price of US$ 9.1 mln) are put up for sale. The selling price for Bouquet of Moldova Winery is set at US$ 3.6 mln. Ten more companies of the region are being evaluated with the assistance of KPMG-Moldova.

Negotiations are underway regarding the privatization of Moldavskaya GRES (hydroelectric power plant), a strategic facility for both Transnistria and the Republic of Moldova. For the time being, under a contract concluded between Union Fenosa, Spain, and Moldavskaya GRES in August 2001, the latter undertakes to cover approximately 70 percent of Moldova's electricity needs. The contract value is US$ 267 mln. It was the presence of the foreign investor in the energy sector of Moldova which contributed to solving one of the crucial economic problems in the relations between Moldova and Transnistria. It would serve as a good benchmark for the future.

As far as the Russian capital is concerned, it is working in the Transnistrian market already, mostly in the form of financial and technical loans to enterprises. Thus, Rybnitsa Metal Works, 2/3 of the shares of which are owned by ITERA, Russia, has recently obtained a loan of US$ 20 mln from a Russian bank. Russia's interest in stabilizing and "codifying" its ties with the region was evidenced by the inclusion of seven Transnistrian companies in the production cooperation program between the Republic of Moldova and Russia. It is another example of finding an economic solution to a political problem.[4]

Strategic focus of such giants of Russian business as RAO Gazprom and RAO EES on the Balkans accounts for their interest in privatizing Moldavskaya GRES. That is why chances are that in the short run Russian capital will be present in Transnistria in the form of ownership and co-ownership, rather than just in the form of lending. Amendment of the Foreign Investment Law attests to the seriousness of the "host party's" intentions. Willingness to attract investors in the wine and tobacco sectors led to lifting the ban on foreign companies' operation in the sectors. Aroma, Russia, which is the main exporter of Bouquet of Moldova's products to the Russian market, stated its intent to purchase this winery.

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[3] ? ?????? ? ??????????????? ???????????????? ?????, ? 46, ? ??? 2003, ???. 19

[4] FLUX Information Agency, April 17, 2003

First "swallows" from Europe are a group of joint Transnistrian-German ventures, 50 percent in the authorized capital of which is owned by German partners.[5]

Moldova has not yet formulated its official stance on the privatization underway in Transnistria, which has partly held Western investors back. For them, a lot will be determined by progress in settling the situation and developing legal and socio-economic framework of the "common state".

Financial Risks

Like any "small open economy", Transnistria is quite sensitive to any changes in the foreign markets and trade policies of its partner countries. This region has been adapting to being "self-sustainable" and developing its know-how of running a transition economy in more complicated conditions than, for example, Republic of Moldova or Ukraine, for a number of reasons.

Presently, one of the incentives for drastic change in the management framework and methods in Transnistria (just like in Moldova) is the transition period experience and shortcomings, primarily, difficult situation with the execution of the 2003 budget approved with a gap of almost US$ 17 mln, or 36 percent of the expenditure side and 6.5 percent of GDP. Such indicators are extremely high for Transnistria because in 2000 they were 17.6 percent and 3.2 percent and in 2001, 23.3 percent and 3.3 percent respectively. Like Moldovan budget, Transnistrian one is notoriously "socially-oriented" – wages of the budget sector employees, pensions, and social payments to the public make up more than 50 percent of its expenditure. Spending on maintaining public order, judiciary, national defense, and general public services made up 31.2 percent of budgetary expenditure in Transnistria.

Like in previous years, Transnistrian 2003 budget does not provide for foreign debt servicing (and this brings up questions). Meanwhile, as of beginning of 2003 the region's foreign debt amounted to US$ 1,176.7 mln, which represents a build-up by 10 percent over 2002.[6] Obligations to pay for imported Russian natural gas account for more than 2/3 of foreign debt. However, according to RAO Gazprom, in 2001 and 2002 Transnistria paid for the natural gas at 41 percent and 45 percent respectively. Chances are now the debt will be repaid by the shares of Transnistrian companies. Russia is interested in 14 of them: Moldavskaya GRES, Tirotex, Kvint, and a few machine-building facilities.

Now that the idea of federalizing a "common state" has been voiced, the economic risks of Transnistria, in particular, its foreign debt, are within the field of vision of the International Monetary Fund and the World Bank, which have only dealt with Moldova's foreign debt to date. In its most recent documents (Athens, April 2003), the European Union, when formulating its policy towards the neighboring countries, including Moldova, following its eastward expansion, has been paying increasing attention to the economic aspects of the "Transnistria issue".

The Republic of Moldova, on its part, also takes the lead in trying to make the most of its presidency at the Council of Ministers of the Council of Europe (May – October 2003) to accelerate the reintegration process. The EU has already stated its willingness to fund the Transnistria Reconstruction Fund, which will be channeled to coordinate the financial, economic, and social systems of Moldova and Transnistria. Both parties have already given their tentative consent.

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[5] Olvia-Press Information Agency, February 3, 2003
[6] ? ?????? ? ??????????????? ??????????????? ?????, ?? 46, ? ??? 2003, ???. 19.

	2000		2001		2002	
	PMR	RM	PMR	RM	PMR	RM
Real GDP growth rate	-20.9%	2.1%	11.0%	6.1%	-2.7%	7.2%
Nominal GDP, USD million	199.5	1288.0	255.6	1481.0	250.3	1624.0
GDP per capita, USD	304.2	354.0	394.9	407.0	392.3	448.0
Exports of goods (fob), USD million	328.1	471.5	377.7	570.2	243.4	710.6
Export, yr/yr	127.2%	101.7%	115.1%	120.9%	64.4%	124.6%
Imports of goods (cif), USD million	489.2	776.4	541.0	897.2	449.6	1103.1
Import, yr/yr	117.5%	132.4%	110.6%	115.6%	83.1%	123.0%
Trade balance, USD million	-161.1	-305.0	-163.3	-327.0	-206.2	-392.5
as % of GDP	80.8%	23.7%	63.9%	22.1%	82.4%	24.2%
Current Account, USD million	-133.8	-104.9	-98.0	-91.8	…	-77.0
Trade balance, USD million	-133.8	-293.6	-109.4	-313.5	…	-354.8
Balance of services, USD million	0.2	-36.9	1.7	-47.4	…	-45.9
Income balance, USD million	-3.4	67.1	-4.8	111.2	…	148.9
Transfers (net), USD million	3.1	158.5	14.5	157.8	…	174.8
Capital and Financial Account, USD million	130.9	123.1	158.3	76.3	…	56.9
Direct and portfolio investments (net), USD million	0.8	235.4	-1.6	134.4	…	76.9
Other investment (net), USD million	131.4	-69.2	156.3	-46.6	…	7.9
Total external debt (incl. private and energy), USD million	862.4	1546.5	1003.0	1504.1	1176.7	1636.8
as % of GDP	432.3%	120.1%	392.4%	101.6%	470.1%	100.8%
Consolidated state budget balance, USD million	-4.0	-13.4	-5.5	-0.1	…	-8.1
Consolidated state budget balance as % of GDP	2.0%	1.0%	2.1%	0.01%	…	0.5%
Cash in circulation M0, (million rub. & million lei)	26.8	1469.0	43.7	1834.0	78.1	2289.0
Broad money M3, (million rub & million lei)	159.4	3509.6	323.2	4787.4	446.0	6511.5
Monetization of the economy	17.4%	21.9%	22.1%	25.1%	28.1%	29.5%
Annual inflation rate (end period)	90.1%	18.4%	26.8%	6.3%	10.6%	4.4%
Average annual inflation rate	112.5%	31.2%	48.9%	9.7%	14.1%	5.2%
End-year exchange rate, (rub/1USD & lei/1USD)	5.40	12.38	5.90	13.09	6.65	13.82
Average exchange rate, (rub/1USD & lei/1USD)	4.6	12.4	5.7	12.9	6.3	13.6