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*Real Economy* is a monthly economic review, tracking the most important economic evolutions and policy developments. Its readers are policymakers, CEOs of domestic and international companies and banks, representatives of the international institutions and foreign embassies, political parties and economic journalists.

## Acronyms and abbreviations:

y-o-y - year on year; q-o-q - quarter on quarter; m-o-m - month on month; e-o-p - end of period; Q4:07 - fourth quarter 2007; Jan:09 - January 2009; NBS - National Bureau of Statistics; NEA - National Employment Agency; NBM - National Bank of Moldova; MDL - Moldovan leu (national currency); FDI - foreign direct investments; p.p. - percentage points.

EXPERT-GRUP is a Moldovan independent think-tank whose mission is to create a working environment in which free and non-trivial thinking thrives in order for the institution to be a leading source of unbiased economic analysis and to effectively advocate for innovative ideas and solutions to the economic problems that Moldova encounters along its path of economic transformation, societal development and European integration.

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## ■ Evolution of the Economic Leading Indicator

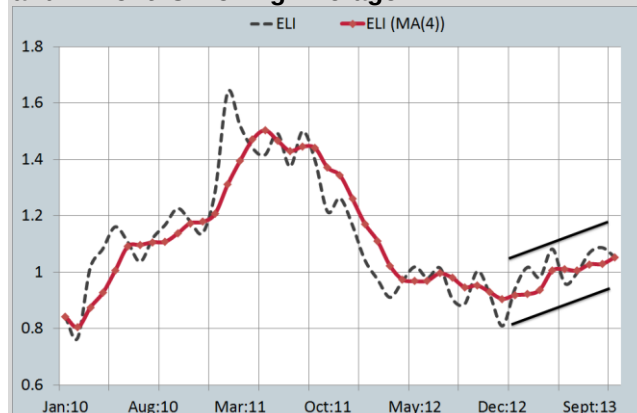
During the analyzed period, the Moldovan economy kept up to the recovery trend after the recession of 2012. At the same time, the evolution of the Economic Leading Indicator (ELI) calculated monthly by EXPERT-GRUP is positive for continuing the economic recovery until the end of 2013, followed by a moderate growth stabilization in 2014. However, the perpetuation of structural deficiencies in tandem with the high vulnerability to the external environment generates imminent risks for the sustainable and inclusive long-term development of the national economy.

The ascension of ELI was determined by both domestic and external factors. Internally, the consumption growth is reflected by the higher volume of money in circulation, which accounted for 26.4% y-o-y in Sep:13. This was fostered by the depreciation of the national currency and increased volumes of money transfers from abroad, as well as the higher salaries. Revival of the foreign demand was an additional catalyst for the economic recovery. Following the enhancement of the consumer and business confidence indexes in the European Community, the foreign demand for Moldovan exports increased, as well. As a result, in Aug:13 the total export of goods increased by 27.7%, the main contribution belonging to the exports to the European Union, which grew by 48.1% y-o-y. The recovery of foreign trade contributed to the revival of the transport sector. Thus, in Aug:13 and Sep:13, the amount of transported cargo increased by 40.1% and 32.2% y-o-y, respectively.<sup>1</sup>

However, there are still some internal and external risks that will slow down the economic growth rate in the near future. The lower economic growth in the Russian Federation, paralleled with the tougher migration terms for our citizens working in that country, could affect negatively the demand for Moldovan exports and the inflows of remittances. At the same time, the European countries that attract a large share of Moldovan migrants (Italy, Spain, Portugal, Greece) struggle with high unemployment rates and slow economic growth. Internally, lending is still listless because of the high uncertainty level, which still persists, as well as the slow restructuring of the "toxic" assets from the system. Thus, nonperforming credits still hold an uncomfortable share in the banks' portfolio (12.4% of the total credit as of the end of September).

Altogether, despite the current economic recovery, the long-term perspectives are still uncertain given the high vulnerability to external shocks and multitude of internal structural problems.

**Chart 1. Economic Leading Indicator, Raw Data and 4-Months Moving Average**



Source: EXPERT-GRUP calculations based on the data provided by the NBS and NBM;

<sup>1</sup>OECD Business Cycle Clock: <http://stats.oecd.org/mei/bcc/default.html>

## ■ Key indicators and economic figures

**Agriculture.** During the first nine months of 2013, the agricultural sector underwent a significant progress, with a 30.2% y-o-y growth. This development was determined by an increase in the agricultural production, which advanced by 52.3% y-o-y. The harvest was rich and for most cultures grown by agricultural enterprises and large farms, the average harvest per hectare having increased by about 150-191% y-o-y. In livestock sector, no changes occurred during the first 9 months of 2013. Nevertheless, the sector shows certain recovery signs. After a one-year decline (Q3:12-Q2:13), in Q3:13 the animal products increased by 2.1% y-o-y.

**Industry.** In Aug:13 the industrial sector increased by 5.4% y-o-y. After the explosive growth witnessed during the first 4 months of 2013, the dynamics of key industrial sectors tempered down. In Aug:13 the mining industry advanced by 16.7% y-o-y, followed by the processing industry, which increased by 5.2% y-o-y, while the energy sector increased by only 2% y-o-y. In Aug:13 the biggest growth was registered by "Production medical, high precision, optical equipment and instruments" (216.5% y-o-y), but this improvement came after a 12-month decline, followed by "Production of distilled alcoholic beverages" (178.6% y-o-y), and "Production of distilled alcoholic beverages" (122.6% y-o-y). At the same time, these increases had a marginal effect on the sector development, because these branches have small shares of 2.5% in the industry. On the other hand, the dynamics of "Production of electric machinery and devices" is worth mentioning, which has been growing continuously since Nov:10, and increased by 35.3% in Aug:13. Due to the large share (8.6%), the impact of this branch is significant for the sector development. Thus, during the first 8 months of 2013, the "Production of electric machinery and devices" contributed with 5.2% to the increase, while the overall industry grew by 6.3% y-o-y.

**Services.** The retail trade witnessed a moderate growth (by 0.4% y-o-y) in Aug:13, while the wholesale trade increased at a higher rate - by 8.7% y-o-y. The service providers to the population intensified their activity. In Aug:13 their turnover increased by 11.6% y-o-y. The services provided to enterprises have been increasing continuously since the beginning of the year and in Aug:13 they recorded an increase of 7.8% y-o-y. The foreign trade growth fosters the development of the transport of goods, which has been increasing since Feb:13 and recorded a 32.2% y-o-y increase in Sep:13. The construction sector displayed a significant slowdown in the growth rate, from 9.4% y-o-y in Q1:13 down to 0.7% y-o-y in Q2:13.

**Households' income and expenditure.** In Aug:13, the gross nominal average earning increased by 9.4% y-o-y, amounting to MDL 3832.4, while the real wage increased by 5.5%. The monthly disposable income of the population in Q2:13 was, on the average, MDL 1667.2 per person, having a slightly positive trend. However, this was almost at the subsistence level, which also reveals a low power of purchase. The salaries continue to be the main source of income, accounting for 43.7% of the total disposable income. Remittances are still an important sources for households' budget. On the average, they accounted for 16.4% of the total revenues in Q2:13 and their contribution was 0.8 p.p., higher y-o-y. It is important to mention that according the statistics, the average monthly consumption expenses of the population in Q2:13 amounted to MDL 1761.8 per person, which is more than the monthly disposable income, being 11.3% higher than in the same period of the previous year. The largest share of expenses (43.4%) was spent for foodstuffs.

**Public finance.** In the first 9 months of 2013 the revenues of the public budget increased by 7.8% y-o-y. The tax revenues increased by 13.3% y-o-y and the amount of these collections exceeded the planned amount by 2.5%. Nonetheless, the decrease in tax collection by 3.3% y-o-y, in revenues from public entities' special means by 36.4% y-o-y, and in the external grants by 38.1% y-o-y determined the failure to accumulate the planned budget collections during the first 9 months of 2013 by 3.5%. On the other hand, during the same period the budget expenses increased by 6.9% y-o-y. At the same time, the budget expenses were by 12.6% under the planned level.

**Labor market.** In Q2:13 the economically active population constituted 1288.4 thousand people, with a slight increase of 1.7% (21.5 thousand) y-o-y. The share of occupied population in the active population decreased by 0.2 p.p., while the unemployment rate constituted 4.7%, higher than in Q2:12 (4.5%). The occupied population constituted 1227.6 thousand people in Q2:13, by 1.5% higher than in Q2:12, and the occupation rate was 41.1%, recording a growth of 0.6 p.p. y-o-y. This was caused mainly by the 5.4% increase in the number of people involved in agriculture, with the other sectors incurring losses: industry - by 4.9%, constructions - by 5.8% y-o-y. Thus, the non-agricultural activities recorded a decrease by 0.3% against Q2:12. It is worth mentioning that the number of underemployed people (94.4 thousand or 7.7% of all employed people) increased by 16.9% if compared with Q2:12.

**Prices.** In Q3:13 the price growth rate slowed down continuously. In Jun:13, the Consumer Price Index was 5.5%, and in Sep:13 it dropped to 3.9% only. The prices for services and goods grew at a constant rate in Q3:12. In Sep:13 the prices for non-food goods grew at a rate of 4.3%, and the services became more expensive by 2.1% y-o-y. In Sep:20, the changes in annual inflation were determined by the evolution of the prices for foodstuffs, which grew by 5% y-o-y.

**Monetary policy.** In Q3:13 the NBM did not change significantly the rates associated with monetary policy instruments. The lack of any imminent inflationary pressures motivated the central bank to keep the accommodative monetary policy. At the same time, the NBM tempered its activity on the monetary market: in Sep:13 the average daily balance of the National Bank Certificates sold dropped by 14.1% y-o-y. Instead, the central bank increased its presence on the foreign exchange market. Thus, the volume of net currency sales constituted USD 129 million in Aug:13 and USD 77.8 million in Sep:13.

**Financial indicators.** In Sep:13, the volume of extended loans increased by 2.7% y-o-y due to the increase in the loans extended to individuals (+19.7% y-o-y), while the corporate loans decreased insignificantly, by 0.4% y-o-y. At the same time, there is a reluctance to loans in foreign currency: in Sep:13 the volume of loans in foreign currency dropped by 16.7% y-o-y. The positive trends of the crediting activity was caused by the increase in loans in the national currency by 14.1% y-y. In Sep:13 the volume of attracted deposits decreased by 14.8% y-o-y because of the 23.6% decrease y-o-y in deposits with maturities longer than one year and the 44.5% decrease y-o-y over the deposits with maturities longer than 6 months. The deposits with maturities ranging between 6 and 12 months increased by 30.3% y-o-y. Thanks to a continuous increase, started in Oct:12, the deposits with maturities between 6 and 12 months have the highest share in all time deposits and in Aug:13 this indicator constituted 52.8%. In spite of the doubtful transactions, performed in the spring and summer of 2013, the banking sector continues to be well capitalized (sufficiency of risk-weighted capital constituted 23.3% in Aug:13, exceeding the regulated level of at least 16%) and to have enough liquidities (in Aug:13 the current liquidity was 32.3%, exceeding the required level of 20%).

**Exchange rate.** The NBM procurements of foreign currency and the developments on the international currency markets determined a depreciation of the national currency. In Oct:13 the national currency depreciated by 6.4% y-o-y in relation to USD and by 11.8% y-o-y in relation to EUR. In relation to the Romanian leu, the national currency decreased by 14.7% y-o-y, while depreciating to a lesser extent in relation to the Russian ruble, by only 3.14% y-o-y.

**Foreign trade.** In Aug:13, the exports of goods decreased by 1.1% m-o-m, recording nevertheless a 27.7% increase, if compared with August 2012. In Jan-Aug:13, the exports of goods increased by 11.9% y-o-y. At the same time, in Aug:13 the imports decreased by 6.6% m-o-m, though increasing by 9.3% y-o-y. It is worth mentioning that in Aug:13 the exports to EU countries (47% of total exports) increased at a higher rate than the ones towards the CIS (38.4% of total exports): 48.1% against 1.3% y-o-y. Due to the considerable gap in the evolution of exports and imports, in Jan-Aug:13 the accumulated trade balance deficit was by 3.5% higher y-o-y, and the coverage of imports by exports was 43.4% against 41.5% y-o-y.

**Main trade partners.** For the second time this year the World Bank decreased the economic growth forecasts for the Russian Federation. This reflects existence of such problems, as weaker industrial production and fewer investments. Thus, the forecast economic growth was decreased from the initial 2.4% to 1.8%. Nevertheless, according to the most recent study made by HSBC and *Market Economics*, the Russian production sector witnessed a sudden recovery thanks to the increasing domestic demand. The Purchasing Managers Index (PMI) increased to 51.8 in October from 49.4 in September. When this index increases over 50.0, it means that the sector has expanded. The International Monetary Fund noticed that the Ukrainian economy is facing significant challenges, in spite of certain signs of recovery. The restrictive monetary policy and the administrative measures, carried out to support the exchange rate, will continue to limit investments and influence the country's economic growth. Besides, the high needs for external funding and the huge external current account deficit remain a challenge for the Ukrainian economy. The industrial production grew by 2.1% in the Eurozone and by 1.6% in EU in August 2013, if compared with the same period of the previous year, Romania registering the highest growth among the Member States (6%), according to the latest Eurostat data.

**Global and regional markets.** Most of the European markets recorded some losses in Oct:13. The UK market was affected the least thanks to the growth of the production sector. The Purchasing Managers Index (PMI) presented a moderate growth in Oct:13 - 51.5, if compared with 51.1 in the previous month. The production sector of the USA witnessed an expansion at a higher rate than expected in October, according to the data presented by the Bid Management Institute. Thus, PMI grew modestly from 56.2 in Sep:13 to 56.4 in Oct:13. The Chinese production sector witnessed an important growth, reaching in Oct:13 one its peak over the past 18 months. This can be a sign of a gradual stabilization of the economy.

## ■ Key Policy Developments in October 2013

| Policy Developments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | EXPERT-GRUP Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>3 October.</b> The Parliament had hearings focused on the situation of Banca de Economii and concession of the International Airport from Chisinau. The governing coalition adopted a decision, by which it supported to give the airport in concession and approved the transaction by which the Government gave up on the control package in Banca de Economii.</p>                                                                                                                                                                                       | <p>In spite of the political justification of the Government's actions, these transactions are surrounded by a series of unclear aspects, such as failure to comply with the procedural norms, lack of any feasibility studies to justify the soundness of the selected solutions, lack of transparency in the conduct of these transactions. Likewise, in the case of Banca de Economii, a precedent was set, which represents a major risk. If the Government continues to apply this mechanism, it risks to lose control over a number of assets.</p>                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>9 October.</b> The NBM decided to block the rights of the new stockholders of "Moldova Agroindbank", whose actions being identified as concerted.</p>                                                                                                                                                                                                                                                                                                                                                                                                       | <p>The NBM position indicates clearly that the transactions at "Moldova Agroindbank" were a genuine hostile attack. However, though NBM was interested in this case, its actions were delayed. At the same time, the performance of other institutions is quite poor. The inefficiency of public institutions creates favorable conditions for suspicious transactions, and this situation is a major risk for the economic security of the Republic of Moldova.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>16 October.</b> The European Patent Office (EPO) and the State Agency on Intellectual Property of the Republic of Moldova (AGEPI) signed a Validation Agreement, which will allow the requests for European patents and the patents to produce legal effects in the Republic of Moldova. Under this agreement, the applicants will be able to validate the requests for European patent and the EPO patents - offered in the Republic of Moldova, though it is not a contract party to the European Patent Convention.</p>                                  | <p>Once approved, this agreement will simplify the access to protection by patents in the Republic of Moldova and will allow applicants for and owners of European patents to have their patents recognized in the Republic of Moldova. This will strengthen significantly the innovation in the Republic of Moldova and create new business opportunities for the European companies, based in the country. It is worth mentioning that under the current Cooperation Agreement, EPO will also provide technical and legal assistance for the enforcement of the validation system.</p>                                                                                                                                                                                                                                                                                                                                       |
| <p><b>21 October.</b> Armenia, Georgia and the Republic of Moldova joined the Eastern Europe Energy Efficiency and Environment Partnership (E5P), in an attempt to enhance significantly the support for energy efficiency and harmful emissions reduction. The international donor community managed to supplement the E5P Fund with EUR 60 million in order to extend the activities. The European Commission is ready to offer up to EUR 30 million for co-funded energy efficiency projects in these countries.</p>                                           | <p>The Eastern Partnership countries are facing important challenges in the energy sector because of the dependence on the expensive imported gas, which is a huge burden on their economies. Hence, it is especially important to harness the energy efficiency potential, which will contribute to the country's energy security and economic competitiveness. In its turn, this will have a positive impact on the environment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>22 October.</b> The development of Digital Moldova 2020 was launched - a policy document that is intended to ensure the necessary precondition for the construction of a modern information society in the Republic of Moldova. This framework document defines the interaction between public and private partners, aimed at ensuring knowledge-based economic growth and governance efficiency by increasing the use of ITC instruments, in order to harness the advantages offered by the information society for the citizens' comfort and welfare.</p> | <p>This policy document aims at ensuring accomplishment of the information society development objective, it is based on the "Digital Agenda for Europe 2020", as well as other successful international practices in this area. The project was initiated as a sector continuation of the National Development Strategy "Moldova 2020". Currently, ITC sector is developing the fastest. In addition, it has the largest impact on the growth of other sectors of the national economy. It is worth mentioning that the Strategy vision and objectives were formulated with the support of national and international experts. According to this project, until 2020 about 80% of public services will be electronic and 60% of citizens will use digital signature. Four thematic groups were set up for this purpose: infrastructure and access, content and services, knowledge and skills, ITC-based competitiveness.</p> |
| <p><b>23 October.</b> In the "Agriculture and Food Industry" Parliamentary Committee the director of National Agency</p>                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>The statements of NAER director indicated one more time on the malfunctioning of the oil market in the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Policy Developments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | EXPERT-GRUP Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p>for Energy Regulation stated that: "The latest increases in the fuel prices are not justified".</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Republic of Moldova. At the same time, other public institutions failed to react promptly, limiting themselves only to making statements. Cartel agreements are invoked as the main deficiency on the oil market. In this situation, it would be appropriate for the Anti-Trust Council to have a clearer position and make additional efforts.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>31 October.</b> A working group was established with the purpose to eliminate the constraints underlines in the World Bank's "Doing Business" study, launched on October 28. Specialists will formulate proposals to improve the indicator related to the procedure of connection to the electric grid. The working group consists of representatives of the Ministry of Economy, National Agency for Energy Regulation, and companies. It will develop a road map for the adjustment of the legal, regulatory and institutional framework for an improved access to electricity. Our country ranks 78 of the 189 countries included in the "Doing Business 2014" classification, developed by the World Bank. The international trade, obtaining construction authorizations and access to electricity are the sectors that decreased the most. Singapore maintained the first place in the general classification for the eighth year consecutively, followed by Hong Kong, New Zealand and United States.</p> | <p>The general classification reflects how a country compares to others, but cannot capture in absolute terms the country's progress in bureaucracy reduction. In addition, it does not present important variations that might exist between various indicators. Nevertheless, the research shows that the business regulations are related to wider measures in a society. Cumbersome regulations may limit the economic growth and entrepreneurship, while the business reforms are accompanied by a number of other reforms, such as rule of law and corruption control. The World Bank promised to make changes in order to improve the report data and methodology. Thus, they will consider the possibility to extend some indicators and add others, such as indicators for intellectual property.</p> |

# Statistical Annexes

Table 1. Main monthly indicators

| Indicator                                    | Oct:12 | Nov:12 | Dec:12 | Jan:13 | Feb:13 | Mar:13 | Apr:13 | May:13 | Jun:13 | Jul:13 | Aug:13 | Sep:13 |
|----------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Industrial production, y-o-y, % change       | -6.0   | -8.0   | -3.7   | -2.1   | 1.4    | 4.3    | 23.5   | 4.3    | 6.0    | 8.7    | 5.4    | n.a.   |
| Retail trade, y-o-y, % change                | 4.3    | -2.6   | -12.4  | -3.5   | 6.7    | -1.9   | 1.3    | 0.6    | 6.1    | 1.0    | 0.4    | n.a.   |
| Services to the population, y-o-y, change    | -1.8   | 3.5    | -1.2   | 9.3    | 7.4    | 4.1    | 15.7   | 1.1    | 19.7   | 11.6   | n.a.   | n.a.   |
| Export of goods, y-o-y, % change             | -0.4   | -11.0  | -14.1  | 9.9    | 25.9   | 11.1   | 5.0    | -6.1   | 2.3    | 24.0   | 27.7   | n.a.   |
| Export of goods, y-o-y, % change             | 6.2    | -3.4   | -5.7   | 2.8    | 4.5    | 2.5    | 13.9   | -4.3   | 13.3   | 14.2   | 9.3    | n.a.   |
| Official reserve assets, million USD         | 2421.5 | 2422.4 | 2515.0 | 2519.7 | 2488.1 | 2469.1 | 2481.0 | 2475.3 | 2466.6 | 2507.6 | 2629.9 | 2722.2 |
| Freighted cargo, y-o-y, % change             | 13.9   | 1.4    | -16.4  | -13.5  | 41.3   | 31.0   | 25.2   | 1.2    | 5.3    | 25.4   | 40.1   | 32.2   |
| Registered unemployed at NEA (e-o-p)         | 24609  | 25586  | 26297  | 26643  | 27160  | 26324  | 24723  | 22107  | 19991  | 18670  | 17582  | 16846  |
| Real salary, y-o-y, % change                 | 10.1   | 9.2    | 4.9    | 8.8    | 6.8    | 11.2   | 11.6   | 7.7    | -1.4   | 9.3    | 9.4    | 10.1   |
| Budgetary revenues, y-o-y, % change*         | 13.3   | 14.1   | 11.2   | 9.5    | 14.9   | 14.3   | 12.7   | 8.7    | 9.1    | 8.9    | 8.6    | 7.8    |
| CPI, y-o-y, %                                | 3.9    | 3.7    | 4.1    | 4.6    | 4.4    | 4.2    | 4.5    | 5.7    | 5.5    | 4.3    | 3.7    | 3.9    |
| IPPI, y-o-y, %                               | 5.0    | 4.1    | 4.5    | 1.6    | 2.8    | 3.4    | 3.7    | 3.0    | 2.9    | 3.3    | 3.4    | 3.4    |
| Nominal exchange rate MDL/USD (e-o-p)        | 12.27  | 12.37  | 12.06  | 12.10  | 12.25  | 12.41  | 12.31  | 12.52  | 12.53  | 12.73  | 12.82  | 12.95  |
| Money transfers from abroad, y-o-y, % change | 23.6   | 3.6    | -0.9   | 22.6   | 9.7    | 4.9    | 23.1   | -0.5   | 4.5    | 9.1    | 6.0    | n.a.   |
| M2 monetary aggregate, y-o-y, % change       | 20.8   | 23.7   | 23.5   | 27.2   | 26.1   | 23.4   | 25.0   | 26.7   | 26.7   | 26.4   | 25.7   | 25.0   |
| NBM base interest rate, y-o-y, %             | 4.5    | 4.5    | 4.5    | 4.5    | 4.5    | 4.5    | 3.5    | 3.5    | 3.5    | 3.5    | 3.5    | 3.5    |
| Bank deposits interest rate, % (e-o-p)       | 7.72   | 7.96   | 8.44   | 8.55   | 8.56   | 8.09   | 7.33   | 7.75   | 6.79   | 7.16   | 7.18   | 6.62   |
| Bank lending rate, %                         | 13.0   | 12.68  | 11.98  | 12.41  | 13.23  | 12.77  | 12.4   | 12.21  | 12.03  | 12.05  | 12.09  | 11.79  |
| Non-performing loans, % of total loans       | 14.4   | 14.7   | 14.5   | 14.6   | 14.5   | 13.0   | 12.6   | 12.9   | 12.7   | 12.8   | 12.7   | 12.4   |

Source: NBS, NBM, and EG calculations and estimates:

Table 2. Main quarterly indicators

| Indicator                                  | Q2:11 | Q3:11 | Q4:11 | Q1:12 | Q2:12 | Q3:12 | Q4:12 | Q1:13 | Q2:13 |
|--------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Real GDP growth, y-o-y*, %                 | 7.5   | 6.7   | 6.4   | 1.0   | 0.8   | -0.2  | -0.7  | 3.5   | 6.1   |
| Agricultural production, y-o-y, % change*  | 3.9   | 3.7   | 4.6   | 0.6   | -2.1  | -21.6 | -22.4 | -1.0  | 2.8   |
| Construction works, y-o-y, % change*       | 12.9  | 3.1   | 1.4   | 4.9   | 3.6   | 0.8   | -1.3  | 3.7   | -0.1  |
| Fixed capital investment, y-o-y, % change* | 131.8 | 111.3 | 109.3 | 95.4  | -0.6  | -0.7  | -4.1  | -2.4  | 1.5   |
| Net FDI flows, y-o-y, % change             | 100   | -1.8  | 33.3  | -51.3 | -26.3 | -68.2 | -22.2 | 102.0 | 35.3  |
| Unemployment rate, %                       | 6.2   | 5.3   | 6.2   | 7.2   | 4.5   | 4.8   | 5.9   | 8.1   | 4.7   |
| Employment rate, %                         | 41.9  | 42.9  | 38.4  | 34.3  | 40.5  | 41.1  | 37.9  | 34.5  | 41.1  |

Note: \* - cumulative, (e) - estimate;

Source: NBS, NBM, and EG calculations and estimates: