National Bank of Moldova

Inflation report

February 2026

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ISBN 978-9975-169-47-9
ISBN 978-9975-169-48-6 (PDF)

Mission of the National Bank of Moldova

The National Bank of Moldova, as the central bank of the Republic of Moldova, is an autonomous public legal person, which establishes and promotes monetary and foreign exchange policy in the state, a fact stipulated in article 5 paragraph (1) letter a) of Law No. 548/1995 on the National Bank of Moldova.

Under the provisions of article 4 paragraph (1) of the Law No. 548/1995 on the National Bank of Moldova, the fundamental objective of the National Bank of Moldova is to ensure and maintain price stability. At the same time, article 4 paragraph (2) provides that, without prejudice to its fundamental objective, the National Bank within the limits of its powers, contributes to the stability of the financial system and supports the general economic policy of the state.

The fundamental objective is achieved through the monetary policy framework associated with the direct inflation targeting regime.

The quantitative objective – the inflation target is to maintain inflation, as measured by the consumer price index, at 5.0% annually with a possible deviation of ±1.5 percentage points.

In this regard, the National Bank of Moldova has a wide and well-defined range of instruments through which it promotes monetary policy and ensures the achievement of the inflation target. These include open market operations – the main monetary policy instrument, and the ancillary instruments are the standing facilities, the required reserve ratio and interventions on the domestic foreign exchange market.

At the same time, in order to achieving the inflation target, the National Bank of Moldova steers the conditions on the money market by setting by the Executive Board the main indicator for the short-term interbank money market – the base rate.

The exchange rate regime implemented by the National Bank of Moldova is that of managed floating and, respectively, the interventions on the domestic foreign exchange market are used only to support the effects of the implementation of open market operations, to the extent that they will be necessary to achieve the inflation target and without influencing the fundamental trends of the exchange rate of the national currency. At the same time, the NBM reserves the right to carry out foreign exchange interventions in order to mitigate excessive exchange rate fluctuations, to stop speculative operations and to replenish international foreign exchange reserves, without prejudice to the achievement of the inflation target.

The monetary policy decision regarding the base rate, the standing facility rates and the required reserve ratio is taken by the Executive Board of the NBM on the basis of the analysis of the latest information on the macroeconomic situation in the Republic of Moldova and the external economic environment, the trend of macroeconomic indicators in the medium-term, as well as the short- and medium-term inflation outlook, provided by the Monetary Policy Department of the NBM.

In this respect, the Executive Board of the NBM meets eight times a year in ordinary monetary policy meetings according to the approved schedule. Four monetary policy meetings are associated with the Inflation Report, while the other four meetings are devoted to the assessment of the deviation risks to the inflation forecast. At the same time, the Executive Board of the NBM reserves the right to meet in extraordinary meetings.

Introductory note

The National Bank of Moldova appreciates the role of monetary policy transparency and predictability in strengthening institutional credibility and ensuring the inflation target.

*In this context, the **Inflation Report** is the main communication tool reflecting the latest analysis of the situation in the internal and external environment, developments in the inflation process and economic activity, along with aspects related to the conduct of monetary policy.*

At the same time, the Report incorporates the inflation forecast for the eight-quarter horizon and the risks and uncertainties associated with this projection.

The summaries of the minutes of the meetings of the Executive Board of the NBM regarding the promotion of the monetary policy are part of the Report and are published with a frequency of six months from the adoption of the decision in line with the Medium-term monetary policy strategy of the NBM (approved by the decision of the Council of Administration of the NBM no. 303 of December 27, 2012).

Statistical data have been taken from the National Bureau of Statistics, Ministry of Economic Development and Digitalization, Ministry of Finance, Eurostat, International Monetary Fund, National Agency for Energy Regulation, State Hydrometeorological Service.

Statistical information provided by international bodies, national statistical offices and central banks was also analyzed.

The calculation of some statistical data, as well as the economic interpretation were elaborated and carried out by the National Bank of Moldova.

According to article 69 paragraph (2), the Inflation Report shall be submitted to the Parliament and the Government within 45 days after the end of the reporting quarter.

The Inflation Report, February 2026 was considered and approved for publication at the meeting of the Executive Board of the NBM on February 5, 2026.

The Inflation Report, February 2026 is a translation of *Raport asupra inflației, februarie 2026* in Romanian. In case of discrepancies, the version of the Report in the original language prevails.

Contents

List of acronyms

ANRE	National Agency for Energy Regulation
BPM6	"Balance of payments and international investment position" Manual, 6th edition
CBOE	Chicago Board Options Exchange
CHIBOR	Average interest rate at which the contributors banks are available to lend funds in MDL to other banks, on the interbank monetary market
CIS	Commonwealth of Independent States
CPI	Consumer price index
ECB	European Central Bank
EU	European Union
EUR	Single European currency
FAO	Food and Agriculture Organization of the United Nations
FCC	Freely convertible currency
Fed	Federal Reserve System
GDP	Gross Domestic Product
GIE	Gas Infrastructure Europe
GVA	Gross Value Added
HICP	Harmonized Index of Consumers Prices
IFAD	International Fund for Agricultural Development
LB	Local budgets
LNG	Liquefied Natural Gas
MDL	Moldovan leu
MHIF	Mandatory Health Insurance Fund
NATO	North Atlantic Treaty Organization
NBC	Certificates issued by the National Bank of Moldova
NBM	National Bank of Moldova
NBS	National Bureau of Statistics of the Republic of Moldova
NEA	National Employment Agency
NEER	Nominal effective exchange rate of the national currency

OPEC Organization of the Petroleum Exporting Countries

OPEC+ The alliance between the Organization of the Petroleum Exporting Countries (OPEC) and a group of non-OPEC oil-producing countries.

OVX Crude Oil Volatility Index

PMI Purghasing Manager's Index

REER Real effective exchange rate of the national currency

SAFE Security Action for Europe

SB State budget

SS State Securities

SSIB State social insurance budget

STA Single Treasury Account

TTFFM Netherlands TTF front month

UN United Nations

USA United States of America

USD US Dollar

Summary

Inflation

In the fourth quarter of 2025, the annual inflation rate followed a relatively stable trajectory, rising from 6.86% in September 2025 to 6.99% in October and November 2025. In December 2025, it moderated to 6.84%. However, the average annual inflation rate was 6.94% in the fourth quarter of 2025, which was about 0.43 percentage points lower than in the previous quarter. Nevertheless, starting in December 2024 and throughout 2025, the annual inflation rate exceeded the upper limit of the range of variation of the inflation target, due to the dynamics of regulated prices in the context of adjustments to the tariffs for mains gas, thermal energy and electricity. Without the impact of these factors, the annual inflation rate was estimated to be within the range of variation of the inflation target during that period. At the same time, it was slightly higher than the value anticipated in the Inflation Report, November 2025. The annual increase in prices during 2025 was mainly driven by supply-side shocks, including adjustments to mains gas tariffs, thermal energy and electricity tariffs, as well as unfavorable agrometeorological conditions in the spring, which put pressure on food prices. According to estimates, aggregate demand continued to exert a disinflationary impact on prices in the reference quarter. The effect of a high base period associated with the adjustment of energy tariffs at the beginning of 2025 will cause the annual inflation rate to moderate and fall within the range of variation from the inflation target in the coming period. The manner in which tariffs are adjusted, as well as the tense situation in the region and the risks of its escalation, maintain the pronounced uncertainty associated with the inflation forecast.

External environment

The year 2025 ended on a note of heightened geopolitical uncertainty, with the breakdown of old traditions of economic and diplomatic cooperation and a war in the region lasting almost four years. In October 2025, Israel and Hamas reached a ceasefire agreement, brokered by the US. At the same time, in the last months of 2025, discussions on ending the war in Ukraine intensified, but did not yield any tangible results; on the contrary, armed attacks escalated. On January 3, 2026, in a combined air strike and special forces operation carried out by the US, Venezuelan President Nicolas Maduro and his wife were captured. The US president also resumed his rhetoric on the need to incorporate Greenland into the US by any means necessary. In Iran, street protests continued with harsh reprisals from the authorities, and the US threatened military action, which again triggered the risks associated with the closure of the Strait of Hormuz. On a different note, the independence of the US Federal Reserve is being called into question after the US president announced legal proceedings against Jerome Powell, the Chair of the US Federal Reserve. The most visible effect of economic and political uncertainty is the record high price of gold and other precious metals. The price of Brent crude oil had a low volatility, as the geopolitical risk premium is offset by increased oil supply from OPEC+. With inflationary pressures stabilizing and monetary equilibrium being achieved, most monetary authorities have slowed the pace of interest rate reductions. The US dollar continued to depreciate, reflecting the adverse effects of the trade war on the US. At the same time, the single European currency was influenced by fiscal problems in European countries and the risks associated with the continuation of the war in Ukraine. The Netherlands TTF natural gas price remained stable in the last months of 2025, but rose significantly in January 2026 due to low temperatures in Europe, which led to gas reserves falling below the average of the last five years and increased concerns about replenishing natural gas reserves in Europe in 2026. International food prices are stable, with no trade imbalances. The event of interest in the region is Bulgaria's transition to the single European currency on January 1, 2026, with subsequent adverse effects on consumer prices in the local market.

Economy

In the third quarter of 2025, annual GDP growth accelerated sharply, following negative values in the second half of 2024 and zero growth in the first half of 2025. In the period July-September 2025, GDP increased by 5.2% compared to the same period in 2024. This growth was marginally lower than that anticipated in the Inflation Report, November 2025. This development was mainly driven by the positive impact of domestic demand, both from the population, in the context of real income growth, and from economic agents. Net external demand supported this effect. At the same time, it is worth mentioning the positive impact on GDP dynamics from agriculture and construction. Smaller positive contributions were made by industrial production and real estate transactions. Meanwhile, the seasonally adjusted series reflects a 1.5% increase in GDP compared to the second quarter of 2025. In January-September 2025, GDP was 2.0% higher than in the same period of 2024.

Monetary policy

In the fourth quarter of 2025, excess liquidity amounted to MDL 6.2 billion, up by MDL 861.2 million compared to the third quarter of 2025.

During this period, the M3 monetary aggregate recorded an annual growth rate of 11.1%. The main contribution came from the balance of deposits in the national currency.

During the fourth quarter of 2025, two meetings of the Executive Board of the National Bank of Moldova were held on monetary policy decisions. Following an assessment of the balance of domestic and external risks and the short- and medium-term inflation outlook, the Executive Board of the National Bank of Moldova at its meeting on November 6, 2025, decided to maintain the base rate at 6.00% (the level set on September 18, 2025), and subsequently, on December 11, 2025, decided to reduce the base rate applied to the main short-term monetary policy operations by 1.0 percentage points, to the level of 5.00% per annum. The required reserve ratio from funds attracted in MDL and non-convertible currency was reduced from 22.0% to 20.0% of the calculation base, and the required reserve ratio from funds attracted in freely convertible currency was reduced from 31.0% to 29.0% of the calculation base.

These measures were adopted with the aim of strengthening the position of supporting and stimulating aggregate demand, including by encouraging consumption and investment, balancing the national economy and the current account.

At the meeting on February 5, 2026, the Executive Board of the National Bank of Moldova unanimously voted to maintain the base rate at 5.00% annually, and the rates on standing facilities and repo operations were also maintained. At the same time, the required reserve ratio from funds attracted in MDL and non-convertible currency and from funds attracted in freely convertible currency was reduced, starting with the period of application of the required reserves from February 16, 2026 to March 15, 2026, to 18.0% and 26.0% of the calculation base, respectively.

The National Bank of Moldova, through its decision to simultaneously reduce the required reserve ratios in MDL and freely convertible currency, aims to cover the liquidity needs of the banking system, contributing to the increase in credit resources for the real and public sectors, thus strengthening its position of supporting aggregate demand, including by encouraging consumption and investment, balancing the national economy and the current account. At the same time, the effects of this measure to reduce the costs of liabilities attracted by the banking sector will unfold over time, contributing to lower interest rates on the money, deposit, and credit markets.

In the fourth quarter of 2025, in the national currency segment, the weighted average interest rates on new loans showed a downward trend, while term deposits continued their upward trend under the impact of previous monetary *policy measures. Thus, the weighted average interest rate on loans was 9.12%, down by 0.24 percentage points, and that on deposits was 5.08%, up by 0.12 percentage points compared to the third quarter of 2025.*

The average interest rates on the outstanding balance of loans in national currency decreased by 0.14 percentage points compared to the third quarter of 2025, to the level of 9.15%, while interest rates on term deposits increased by 0.38 percentage points, to 4.69%.

Medium-term inflation projection

Forecasts regarding external assumptions at the beginning of the year are affected by geopolitical uncertainties. Although the global economy is expected to continue to grow gradually, reaching its potential will be overshadowed by the repercussions of geopolitical events on the international stage. With the fourth year of war in Ukraine and no progress in negotiations, tensions in the Middle East have shifted from Palestine to Iran, and trade tariffs have become the norm rather than the exception. European economies, although progressing gradually, will be affected by reciprocal trade tariffs with the US, fiscal deficit issues, and political tensions surrounding Greenland. As inflation in the euro area has reached its 2% target, a pause in ECB interest rate changes is anticipated. The evolution of US Federal Reserve interest rates is uncertain in the context of pressure exerted by the US president on the Federal Reserve. In 2026, the US dollar is expected to depreciate to a lesser extent than in 2025, as the initial effect of trade tariffs dissipates. Oil prices will continue to be affected by OPEC+'s policy of bringing previously limited production capacity back onto the market. European natural gas prices will be negatively influenced by the urgent need to replenish stocks in Europe, although weak demand from Asian countries could ease pressure on international market prices. In the absence of extraordinary circumstances, international food prices are expected to evolve in a balanced manner.

At the beginning of 2026, the annual inflation rate *will decline, then remain relatively stable until the end of the year. At the beginning of next year it will record a further slight decline, subsequently stabilizing at the same level during the last three consecutive quarters of the forecast period*[1]*. In the first quarter of the forecast period*[2]*, the annual inflation rate will return to the range of variation from the inflation target and will remain close to the target until the end of the forecast period. The annual rate of* core inflation *will follow a downward trend starting in the second quarter of the forecast period and will increase slightly starting next year. The annual rate of* food prices *will continue its downward trend in the first two quarters of the forecast, and then, after rising at the end of 2026, will gradually decline towards the end of the forecast period. The annual growth rate of* regulated prices *will slow significantly in the first quarter of the forecast period, and after a slight increase during 2026, it will decline at the beginning of the following year, stabilizing towards the end of the forecast period. The annual rate of* fuel prices *will register a negative value at the beginning of 2026, after which it will become positive and increase towards the end of the forecast period.*

Aggregate demand *will be negative throughout the forecast period, largely driven by restrictive real monetary conditions until the third quarter of 2027 and, to a lesser extent, by the negative fiscal impulse in the second half of 2026 and early 2027. Slightly positive external demand throughout the entire forecast period will act as an upward force on aggregate demand.*

Real monetary conditions *will be restrictive on aggregate demand throughout the forecast period, except for the last quarter, when they will be stimulative.*

The current inflation *forecast, compared to that in the previous inflation report*[3]*, has been revised upwards until the end of this year and downwards for the second and third quarters of 2027. The annual* core inflation *rate was*

[1] First quarter of 2026 – fourth quarter of 2027

[2] First quarter of 2026

[3] Inflation Report, November 2025

increased at the beginning of this year and decreased for the rest of the comparable period[4]*. The annual rate of* food prices *was revised downward in the first half of 2026 and upward for the rest of the comparable period. The annual rate of* regulated prices *was increased for the current year and decreased starting with the first quarter of 2027. The annual rate of* fuel prices *was revised upwards for the entire comparable period, except for the second quarter of 2027.*

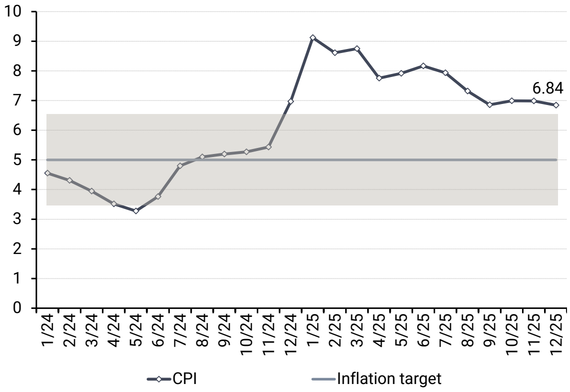
[4]First quarter of 2026 – third quarter of 2027

Chapter 1

Inflation evolution

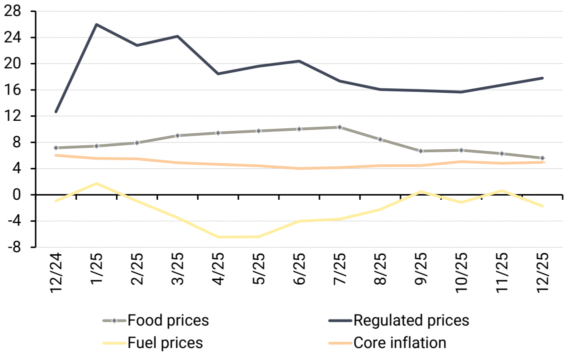
1.1 Consumer price index

Chart 1.1: Annual CPI rate (%)



Source: NBS, NBM

Chart 1.2: Annual rate of the main CPI subcomponents (%)



Source: NBS

In the fourth quarter of 2025, the annual inflation rate followed a relatively stable trajectory. However, between October and December 2025, it remained above the upper limit of the variation range of the inflation target. At the same time, in the fourth quarter of 2025, it was slightly higher than the value anticipated in the Inflation Report, November 2025. The annual inflation rate increased from 6.86% in September 2025 to 6.99% in October and November 2025. In December 2025, it eased to 6.84%. However, the average annual inflation rate for the fourth quarter of 2025 was 6.94%, approximately 0.43 percentage points lower than in the previous quarter. Nonetheless, from December 2024 and throughout 2025, it remained above the upper limit of the variation range set for the inflation target, mainly due to the dynamics of regulated prices, driven by adjustments in the tariffs for mains gas, thermal energy, and electricity. On the other hand, the annual inflation rate excluding these impacts was within the variation range of the inflation target during that period, according to estimates.

The annual price increase during 2025 was predominantly driven by supply shocks, including the adjustment of tariffs for mains gas, thermal energy, and electricity, as well as the unfavourable agrometeorological conditions in spring, that exerted pressure on food prices. According to estimates, aggregate demand continued to exert a disinflationary impact on prices during the reference period.

In the CPI structure (Chart 1.2), the annual rate of regulated prices showed an upward trend during the fourth quarter of 2025, while the annual rate of food prices, after rising in the first half of the year, moderated in the second half of 2025. The annual rate of fuel prices fluctuated around zero. At the same time, the annual core inflation rate showed a slight upward trend in the fourth quarter of 2025.

The effect of a high base period associated with the adjustment of energy resource tariffs at the beginning of 2025 will support the moderation of the annual inflation rate and its alignment within the variation range of the inflation target in the coming period. The method of adjusting tariffs, as well as the tense situation in the region and the risks of its escalation, maintain the pronounced uncertainty associated with the inflation forecast.

Core inflation

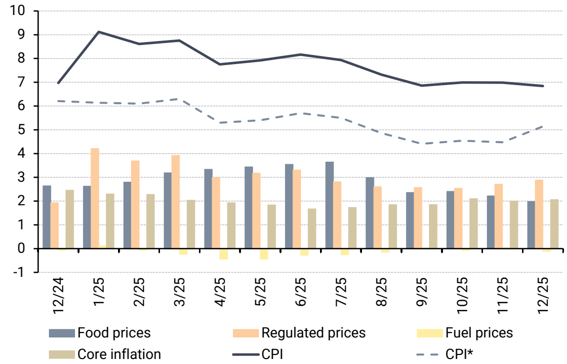
The annual core inflation trend followed an upward trajectory in the fourth quarter of 2025, averaging 4.95%, which is 0.59 percentage points higher compared to the third quarter of 2025. In December 2025, the annual core inflation rate stood at 4.96%, 0.50 percentage points higher than in September 2025. It is worth mentioning that, according to estimates, aggregate demand had a disinflationary impact on core inflation during the reference period. The increase in the annual core inflation rate can be attributed to sectoral shocks.

In this regard, the increase in the annual core inflation rate was supported by higher contributions from the "public alimentation" subcomponent, where, in the context of menu adjustments, the annual rate increased from 6.81% in September to 11.96% in December 2025. At the same time, the dynamics of the "others" subcomponent also had a noticeable impact. Within this subcomponent, a more pronounced dynamics was recorded in the "other insurance" subcomponent, amid the increase in reference rates set by the NBM, as of 25 November 2025, to "Green Card"[5]. As a result, its annual rate rose from -5.22% in September 2025 to 6.71% in December 2025. At the same time, the annual rate for payments for garages and parking spaces, as well as for the rental of vehicles without a driver, increased from 26.99% in September 2025 to 29.82% in December 2025. Contributions from the subcomponents "cigarettes", "clothing", "household goods", and "daily household maintenance" were similar to those of the previous quarter.

At the same time, a negative contribution to the moderation of the annual core inflation rate, which has been observed for the 10th consecutive month, came from the subcomponent "means of transport, auto parts". Within this category, the annual rate of prices for new cars reached -5.39% in December 2025, while the rate for used cars decreased to -6.44%.

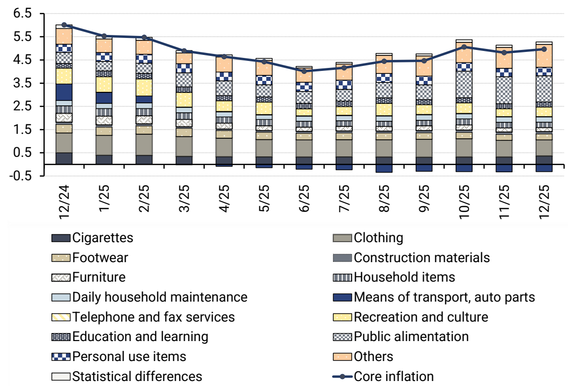
The subsequent trend in prices of important categories of goods and services included in core inflation, in the absence of supply imbalances, will continue to reflect the effect of reduced domestic demand.

Chart 1.3: Annual inflation evolution (%) and contribution of subcomponents (percentage points)



Source: NBS, NBM calculations
Note: CPI* – CPI estimated by excluding adjusted tariffs starting from December 2024

Chart 1.4: Contribution of subcomponents (percentage points) to annual core inflation dynamics (%)



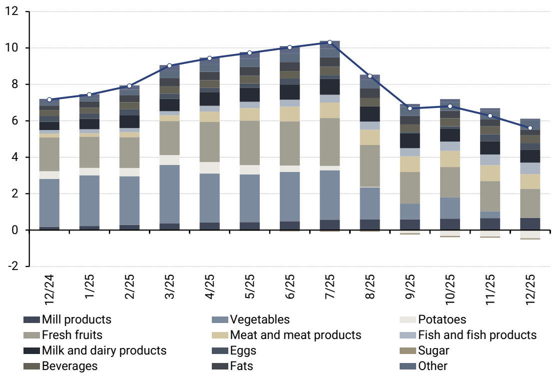
Source: NBS, NBM calculations

Food prices

In the final months of 2025, the annual rate of food price growth continued the downward trend that began in the third quarter of 2025, registering an average rate of 6.23% in the fourth quarter of 2025, 2.25 percentage points lower than in the third quarter of 2025.

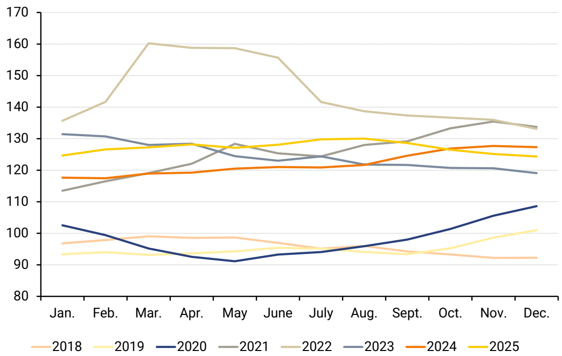
[5]Decision on the approval of the calculation of base insurance premiums, the corresponding adjustment coefficients and reference premiums for compulsory internal and external motor vehicles liability insurance No 234 of October 8, 2025. *Monitorul Oficial of the Republic of Moldova.* 2025, No 529-531 Article 929. Available: https://www.legis.md/cautare/downloadpdf/151209

Chart 1.5: Contribution of components (percentage points) to annual food prices dynamics (%)



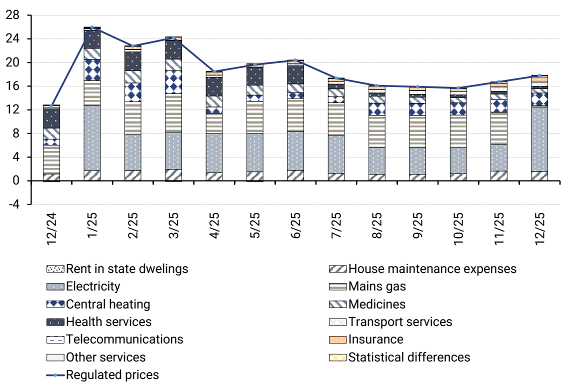
Source: NBS, NBM calculations

Chart 1.6: Evolution of the international food price index (FAO index)



Source: FAO, NBM calculations

Chart 1.7: Evolution of regulated prices (%) and contribution of subcomponents (percentage points)



Source: NBS, NBM calculations

It should be noted that, during the period under review, the moderation in the annual rate of food price inflation was driven by easing inflationary pressures associated with the "vegetables", "fresh fruits", and "potatoes" categories (Chart 1.5). Due to more favourable weather conditions in the second half of summer 2025, the harvest of vegetables, fresh fruit, and potatoes was rich, leading to a decline in prices for these categories. It is worth noting that inflationary pressures on processed goods from the first half of the year eased in the second half of 2025, a development that primarily reflects a relative stabilisation of energy costs and the mitigation of the impact of reduced meat production caused by African swine fever.

In the fourth quarter of 2025, food prices on the international market were lower than in the same period of the previous year (Chart 1.6), thus generating disinflationary pressure on domestic prices. In the fourth quarter of 2025, the annual rate of food prices on the international market stood at -1.55%, 7.37 percentage points lower than in the previous quarter.

During the reference period, the contribution of food prices to the annual rate of overall inflation decreased by 0.80 percentage points, to 2.20 percentage points.

Regulated prices

The annual rate of regulated prices outlined an upward trend in the fourth quarter of 2025, constituting 17.79% in December 2025, up 1.90 percentage points from September 2025. The average annual rate of regulated prices in the reference quarter was 16.73%, up by 0.30 percentage points compared to the third quarter of 2025.

This increase was driven primarily by developments in the "electricity" subcomponent (Chart 1.7). The increase in electricity prices within the CPI in December 2025 was caused by the expiration of the electricity bill payment assistance program, which had initially been announced to run through December 31, 2025[6]. The increase in the share of the "household maintenance expenses" subcomponent can be attributed to the approximately 28.57% rise in hot water rates in November 2025, resulting from the application of the calculation formula for these services during the winter season[7].

At the same time, during the fourth quarter of 2025, certain adjustments were made to the water supply and sewerage component for household consumers. In this regard, in October 2025, the water tarrif in the city of Soroca increased. According to the ANRE decision, a tarrif of

[6] THE EUROPEAN COMMISSION. *The European Commission and the Republic of Moldova agree on a two-year comprehensive strategy for energy independence and resilience, and immediate support with energy bills.* Brussels. Online. (February 4, 2025). Available: https://ec.europa.eu/commission/presscorner/detail/ro/ip_25_403

[7] Decision on the approval of the Regulation on the provision and payment of municipal and non-municipal services, No 281 of April 17, 2024. *Monitorul Oficial of the Republic of Moldova*, 2024, No 236–237 (9174–9175), Article 482, p. 8, of May 31, 2024. ISSN 2587-389X, e-ISSN 2587-3903.

MDL 26.26/cubic meter was set for water (compared to the previous MDL 19.56/cubic meter), and for sewerage – MDL 4.30/cubic meter (maintained at the previous level[8]), in force as of October 3, 2025.

A positive impact was also driven by the "transport insurance services" subcomponent, which increased by approximately 3.81% in November 2025 and by approximately 12.31% in December 2025, following the adoption by the National Bank of Moldova of Decision No 234 of October 8, 2025, in force as of November 25, 2025, on new basic insurance premiums and adjustment coefficients for compulsory motor third-party liability insurance (MTPL) policies[9]. Further adjustments were made to the regulated price structure, but their impact was minor.

It is worth noting that the increase in these contributions was partially offset by the exclusion of the "mains gas" subcomponent from the annual inflation rate in December 2025.

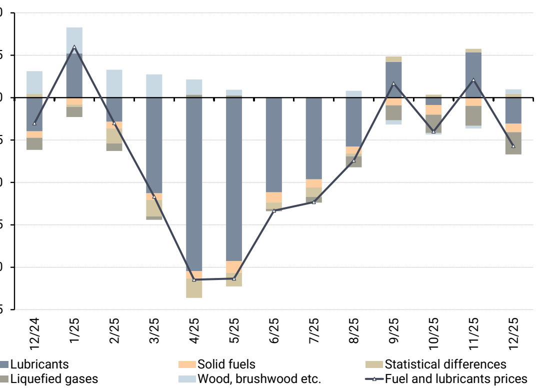
Forecasts for the coming period regarding regulated prices

- The National Health Insurance Company (CNAM) has begun the process of collecting health insurance premiums for 2026, as of January 1. The premium amount remains unchanged from previous years, at MDL 12,636. However, for certain categories of individuals, this policy will be more expensive, particularly for owners of agricultural land, self-employed individuals engaged in retail trade, as well as for lawyers, notaries, and bailiffs.

Fuel and lubricants prices

The annual rate of fuel and lubricants prices fluctuated around zero in the fourth quarter of 2025, declining to -1.20% in October 2025, after which it recovered to positive territory in November 2025, reaching 0.63%. Toward the end of the year, in December, it fell back into negative territory, reaching -1.71%. These fluctuations were primarily driven by the impact of the "fuels" subcomponent, resulting from the gasoline and diesel prices set by gas stations during the reference quarter. These developments were driven by the average Platts quotations for gasoline and diesel, which averaged approximately MDL 11,611.7 and MDL 11,695.3 per tonne in the fourth quarter of 2025. As a result, average Platts gasoline quotations fell by about 3.2%, while average Platts diesel quotations declined by about 0.8% compared with the third quarter of 2025 (Chart 1.8). The decline in the aforementioned quotations was supported by

Chart 1.8: Contribution of components (percentage points) to the annual increase in fuel and lubricants prices (%)

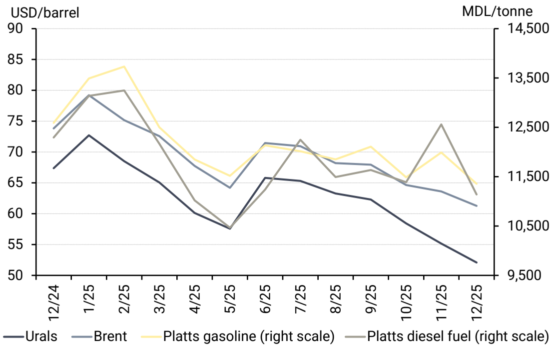


Source: NBS, NBM calculations

[8]ANRE Decision on the approval of tariffs for the provision/ delivery of public water supply, sewerage and wastewater treatment services by S.A. "Apa-Canal – Soroca": No 562 of September 30, 2025. *Monitorul Oficial of the Republic of Moldova*. 2025, No 519-522 (10029-10032), p. 73 of October 3, 2025. ISSN 2587-389X, e-ISSN 2587-3903.

[9]Decision on the approval of the calculation of base insurance premiums, adjustment coefficients, and reference premiums for compulsory internal and external motor vehicles liability insurance: No 234 of October 8, 2025. *Monitorul Oficial of the Republic of Moldova*. 2025, No 529-531 Article 929. Available: https://www.legis.md/cautare/downloadpdf/151209

Chart 1.9: Evolution of average Platts quotations and Urals and Brent oil prices



Source: ANRE, NBM calculations

the downward trend in the price of Brent crude oil (from USD 69.0/barrel in the third quarter of 2025 to USD 63.2/barrel in the fourth quarter of 2025). However, the temporary increase in Platts fuel prices and, respectively, in domestic gasoline and diesel prices in November 2025 can be attributed to the sanctions imposed by the US on the Russian companies Rosneft and Lukoil. According to ANRE, on October 22 2025, the Office of Foreign Assets Control (OFAC) of the US Treasury Department announced sanctions against these companies, effective November 21 2025. The regional fuel market reacted immediately to this decision with price increases. Since the announcement, retail prices for gasoline and diesel have risen gradually in the Republic of Moldova as well[10].

The average annual rate of fuel and lubricant prices in the fourth quarter of 2025 was -0.76%, which was 1.05 percentage points higher than in the third quarter of 2025 (Chart 1.9). From October to December 2025, prices for "fuels" had a positive average impact on the annual rate of prices for fuels and lubricants. During the reference quarter, prices for "solid fuels" and "liquefied gases" continued to exert a negative impact, while prices for "wood, brushwood, etc." made a negligible contribution to the annual rate of fuel and lubricant prices.

[10] THE NATIONAL AGENCY FOR ENERGY REGULATION OF THE REPUBLIC OF MOLDOVA. *Fuel prices following the announcement of US sanctions against Russian oil companies.* Chișinău. Online. (November 14, 2025). Available: https://anre.md/nivelul-preturilor-la-carburanti-dupa-anuntul-privind-sanctiunile-sua-impotriva-companiilor-petroliere-rusesti-3-1164.html

Box 1

Petroleum products in the Republic of Moldova: the formation and evolution of maximum retail prices

The maximum retail prices for main standard petroleum products (95-octane gasoline and diesel) are calculated and published every business day (by 12:00) by the National Agency for Energy Regulation (ANRE) on its official website. These prices are valid starting at 00:01 on the day(s) following the day on which they were set and are calculated in accordance with the methodology for calculating and applying prices for petroleum products[a]. Thus, the maximum retail prices for main standard petroleum products are calculated per litre, separately for each type of main standard petroleum product, according to the formula:

$$PC = (\frac{PL \times CV + AC}{1000} \times \rho + MC) \times (1 + \frac{VAT}{100})$$

where:
PC – maximum retail price for standard petroleum products, MDL/litre;
PL – average value of average quotations:

- for 95-octane gasoline – Gasoline Prem Unleaded 10ppmS FOB Med Cargo, for the previous 14 days, USD/tonne;
- for diesel fuel – ULSD 10ppmS FOB Med Cargo, for the previous 14 days, USD/tonne;

CV – the average official exchange rate set by the National Bank of Moldova for the previous 14 days, MDL/USD;
AC – excise duty rate applied in accordance with the Tax Code of the Republic of Moldova, MDL/tonne;
ρ – the average density of gasoline is 0.758 kg/l and that of diesel is 0.845 kg/l;
MC_n – specific commercial margin for the sale of main standard petroleum products, MDL/litre, for the first half of the year n;
VAT – the VAT rate applied in accordance with the Tax Code of the Republic of Moldova.

The aforementioned components of the formula are determined partly by the government and partly by the international petroleum products market, as follows:

- the VAT rate is set by the State Tax Service; for 2026, it is 20%;
- the component MC_n commercial margin (which includes transportation and insurance costs up to the territory of the Republic of Moldova (including the refinery margin, handling and storage costs, other expenses related to retail sales, as well as profit) and is set by the ANRE (according to the formula in the Methodology); for the first half of 2026, the value is 3.62 MDL/litre (petrol) and 3.64 MDL/litre (diesel)[b];
- the component AC (excise duty rate) is set by the State Tax Service; for 2026, it stands at 9,456.12 MDL/tonne (gasoline) and 3,978.95 MDL/tonne (diesel);
- the component CV (average exchange rate) is set by the National Bank of Moldova;
- the component PL (Platts average quotations) is determined on the international petroleum products market via specialised platforms, with monitoring access provided by ANRE.

[a] THE NATIONAL AGENCY FOR ENERGY REGULATION OF THE REPUBLIC OF MOLDOVA. *ANRE has approved the Methodology for calculating and applying prices for petroleum products* . Chișinău. Online. (October 12, 2021). Available: https://www.anre.md/anre-a-aprobat-metodologia-de-calcul-si-aplicare-a-preturilor-la-produsele-petroliere-3-332

[b] THE NATIONAL AGENCY FOR ENERGY REGULATION OF THE REPUBLIC OF MOLDOVA. *ANRE has approved the specific commercial margin for the first semester of 2026.*. Chișinău. Online. (December 23, 2026). Available: https://anre.md/anre-a-aprobat-marja-comerciala-specifica-pentru-primul-semestru-al-anului-2026-3-1216

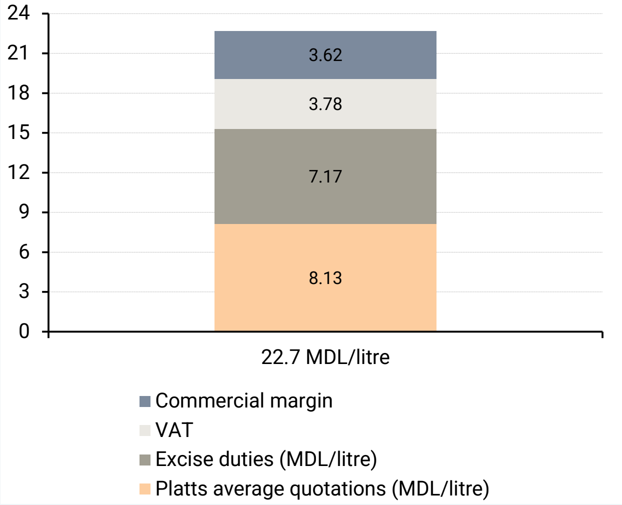
Box 1

For example, the formula below shows the calculations for the maximum retail price of standard petroleum products as of January 19, 2026:

$$PC_{gasoline} = \left(\frac{631.55 \times 16.9847 + 9456.12}{1000} \times 0.758 + 3.62\right) \times \left(1 + \frac{20}{100}\right) =$$
$$\left(\frac{10{,}726.63 + 9{,}456.12}{1{,}000} \times 0.758 + 3.62\right) \times 1.2 = (20.1828 \times 0.758 + 3.62) \times 1.2 =$$
$$= (15.299 + 3.62) \times 1.2 = 18.92 \times 1.2 = 22.70\ \textit{MDL/litre}$$

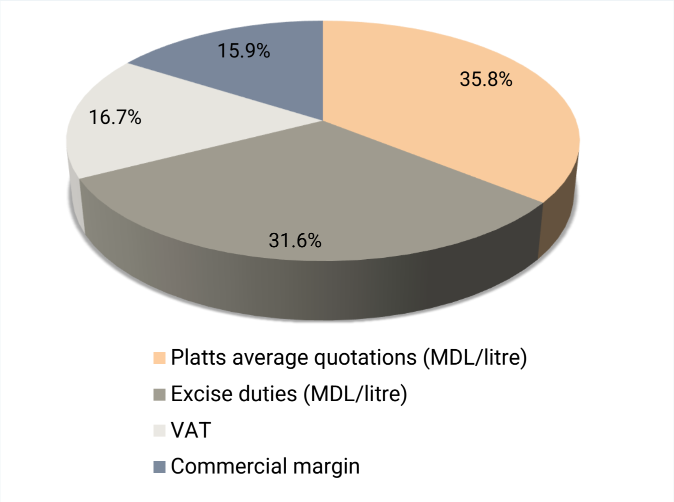
Thus, the charts below show the volume (Chart 1) and the share (Chart 2) of the main components in the formation of the maximum retail price of standard gasoline for January 19, 2026:

Chart 1: The volume of the main components
in forming the maximum price for standard gasoline (MDL/litre)



Source: ANRE, NBM calculations

Chart 2: The share of the main components
in forming the maximum price for standard gasoline (%)



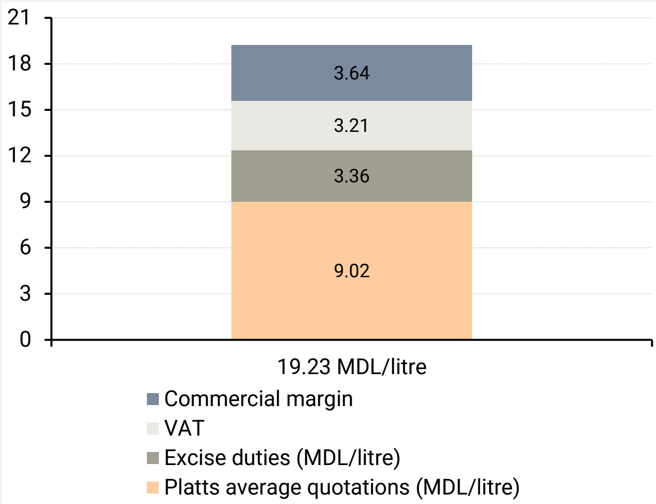
Source: ANRE, NBM calculations

Box 1

$$PC_{diesel} = \left(\frac{628.59 \times 16.9847 + 3.978.95}{1,000} \times 0.845 + 3.64\right) \times \left(1 + \frac{20}{100}\right) =$$
$$\left(\frac{10,676.56 + 3,978.95}{1000} \times 0.845 + 3.64\right) \times 1.2 = (14.6555 \times 0.845 + 3.64) \times 1.2 =$$
$$= (12.38 + 3.64) \times 1.2 = 16.02 \times 1.2 = 19.23 \ \mathit{MDL/litre}$$

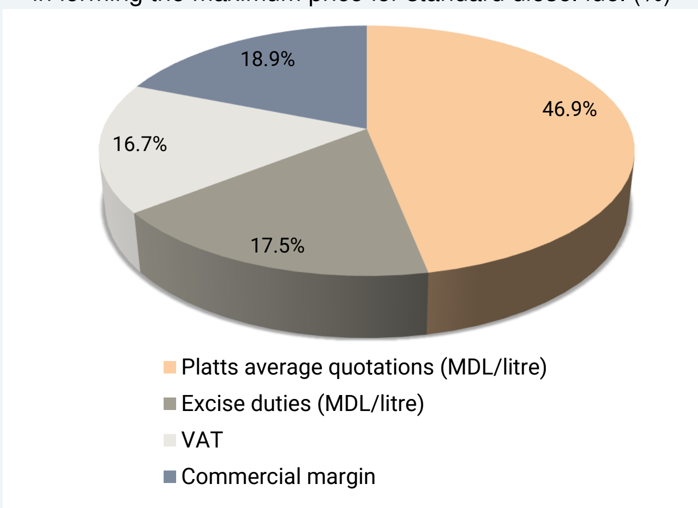
The charts below show the volume (Chart 3) and the share (Chart 4) of the main components in the formation of the maximum retail price of standard diesel fuel as of January 19, 2026:

Chart 3: The volume of the main components
in forming the maximum price for standard diesel fuel (MDL/litre)



Source: ANRE, NBM calculations

Chart 4: The share of the main components
in forming the maximum price for standard diesel fuel (%)



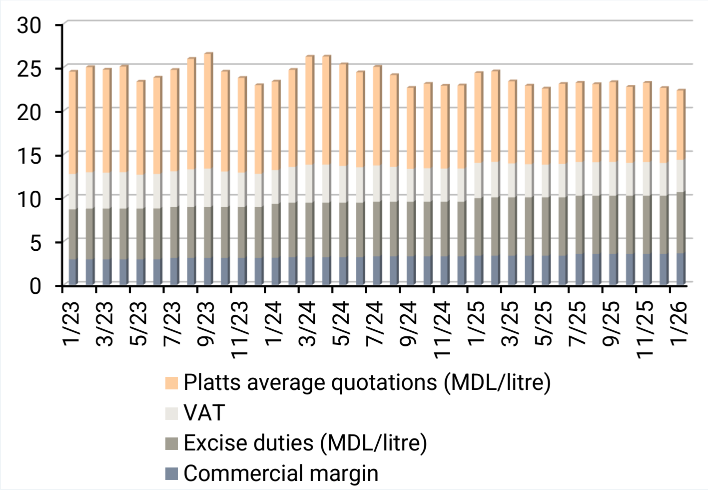
Source: ANRE, NBM calculations

It is worth mentioning that the prices of standard petroleum products set by businesses at PECO stations may not exceed the maximum prices determined by ANRE for that day. At the same time, if economic operators also sell other types of main petroleum products besides those for which maximum prices are set, they are required to sell standard main petroleum products at the same gas station. In the event that one of the standard petroleum products is unavailable at the gas station, the economic operator shall immediately cease selling the other types of products in the same category.

Box 1

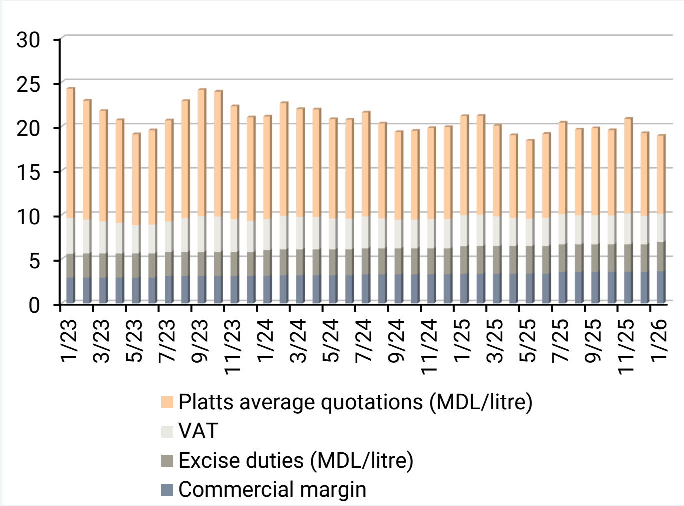
According to the formula in the methodology, the components *PL* (Platts quotations) and *CV* (exchange rate) are highly volatile and are determined by market forces, while the components *AC* (excise duties), *MC* (commercial margin) and *VAT* are more stable, as they are set by the state over a longer period (0.5-1 year). The average monthly trend of maximum prices and the main components for standard gasoline and diesel is shown in the charts below (Chart 5, Chart 6):

Chart 5: Development of the maximum average price of standard gasoline and its components (MDL/litre)



Source: ANRE, NBM calculations

Chart 6: Development of the maximum average price of standard diesel and its components (MDL/litre)



Source: ANRE, NBM calculations

By applying the above-mentioned formula and accessing the data of the components in the formula, especially the average Platts quotations, the maximum retail prices for the main standard petroleum products (gasoline and diesel) can be calculated for the following day.

1.2 Inflation evolution and short-term forecast assessment from the Inflation Report, November 2025

In the forecast round for the Inflation Report, November 2025, the annual CPI rate was anticipated to follow a downward trajectory through the end of the year. At the same time, for the fourth quarter of 2025, the annual inflation rate was expected to remain above the upper limit of the inflation target range, with an average of 6.70%[11].

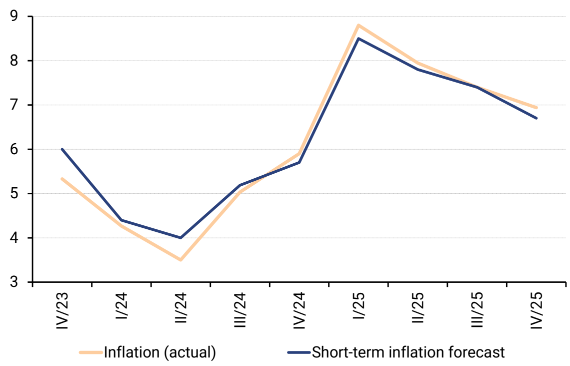
In the fourth quarter of 2025, the annual inflation rate stood at 6.94%, exceeding the rate projected in the forecast (Table 1.1). The deviation was primarily driven by a more pronounced than expected trend in regulated prices. In this regard, the annual rate of regulated prices stood at 16.73% in the fourth quarter of 2025, 2.13 percentage points higher than that in the Inflation Report, November 2025, largely as a result of the increase in electricity prices in December 2025, in the context of the end of the tariff compensation period for the population (one month earlier than anticipated in the Inflation Report, November 2025). At the same time, the deviation was also driven by a sharper rise in core inflation and fuel prices amid adverse sectoral shocks. Thus, the average annual core inflation rate in the fourth quarter of 2025 stood at 4.95%, 0.35 percentage points higher than the forecast. At the same time, the average annual rate of fuel prices stood at -0.74%, 1.06 percentage points higher than the value projected in the Inflation Report, November 2025. On the other hand, the deviation was partially offset by the downward deviation in the forecast for food prices. Thus, the average annual rate for food prices in the fourth quarter of 2025 was 6.23%, 0.87 percentage points lower than anticipated.

Table 1.1: The evolution and forecast of CPI and its components

	De facto (%)	Forecast* November, 2025 (%)	Deviation (p.p.)
	Q IV, 25/ Q IV, 24	Q IV, 25/ Q IV, 24	Q IV, 25/ Q IV, 24
CPI	**6.94**	**6.70**	**0.24**
Core inflation	4.95	4.60	0.35
Food prices	6.23	7.10	-0.87
Regulated prices	16.73	14.60	2.13
Fuel prices	-0.74	-1.80	1.06

Source: NBS, NBM calculations
*Forecast from Inflation Report, November 2025

Chart 1.10: Annual rate of CPI (%)



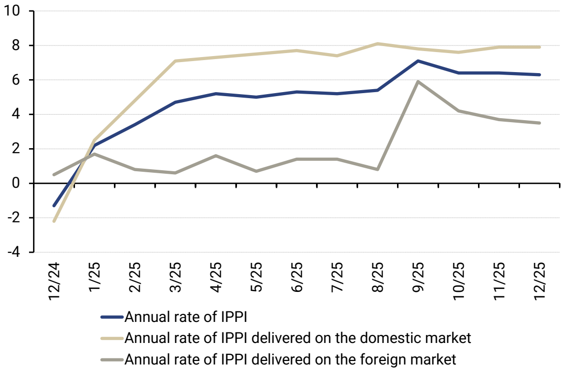
Source: NBS, NBM

1.3 Industrial production prices

In the fourth quarter of 2025, the annual price rate in industry recorded an average of 6.4%, which was 0.5 percentage points higher than in the previous quarter.

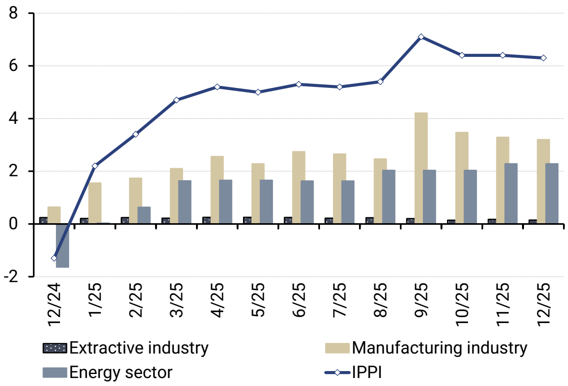
[11] Given the greater volatility of monthly figures, as well as potential measurement errors, which, under normal circumstances, should not influence monetary policy decisions, the short-term inflation forecast is issued on a quarterly basis. That figure serves as an input for the medium-term inflation projection, which is also published quarterly and informs monetary policy decisions. At the same time, this is communicated in the Inflation Reports. However, the actual monthly data on the CPI, as published by the NBS throughout the quarter, are analysed and compared with the short-term forecast for the entire quarter in order to assess whether the main anticipated assumptions are being confirmed or whether there is a risk of significant deviations from the forecast. Therefore, the deviations between the actual data available for the months within the quarter and the short-term inflation forecast should be interpreted appropriately, taking into account the assumptions/ expectations for the remaining months of the quarter.

Chart 1.11: Annual industrial prices rate (%)



Source: NBS

Chart 1.12: Annual industrial prices rate (%) and its components contribution classified by main branches (percentage points)



Source: NBS, NBM calculations

In terms of structure, the annual rate of price changes for products exported to external markets increased, while that for products sold on the domestic market remained practically at the same level as in the previous quarter, with a slight upward trend (Chart 1.11).

Analysing the evolution of the annual price rate in industry by main branches, it can be seen that its acceleration was supported by developments in the manufacturing industry and the energy sector (Chart 1.12). In the reference quarter, the annual rate of price inflation in the manufacturing industry stood at 3.6%, or 0.2 percentage points higher than in the previous quarter. At the same time, the annual price rate in the energy sector stood at 33.7%, 4.6 percentage points higher than in the third quarter of 2025. In the fourth quarter of 2025, prices in the extractive industry increased in annual terms by 7.9%, generating a minor contribution to the overall price dynamics in industry.

Chapter 2

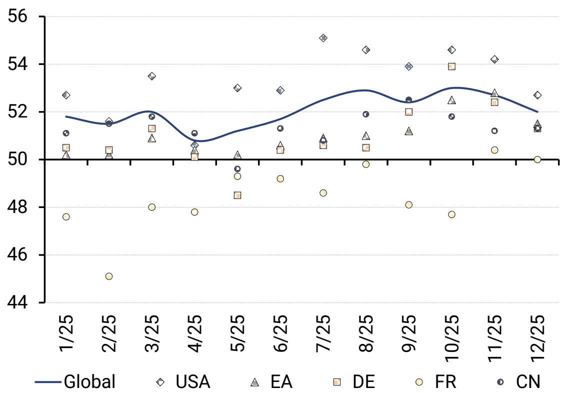
External environment

The year 2025 ended on a note of heightened geopolitical uncertainty, with the breakdown of old traditions of economic and diplomatic cooperation and a war in the region lasting almost four years. In October 2025, Israel and Hamas reached a ceasefire agreement, mediated by the US. At the same time, in the last months of 2025, discussions on ending the war in Ukraine intensified, but did not yield any tangible results; on the contrary, armed attacks escalated. On January 3, 2026, in a combined air strike and special forces operation carried out by the US, Venezuelan President Nicolas Maduro and his wife were captured. The US president also resumed his rhetoric on the need to incorporate Greenland into the US by any means necessary. In Iran, street protests continued with harsh reprisals from the authorities, and the US threatened military action, which again triggered the risks associated with the closure of the Strait of Hormuz. On a different note, the independence of the US Federal Reserve is being called into question after the US president announced legal proceedings against Jerome Powell, the Chair of the US Federal Reserve. The most visible effect of economic and political uncertainty is the record high price of gold and other precious metals. The price of Brent crude oil has been relatively stable, as the geopolitical risk premium is offset by increased oil supply from OPEC+. With inflationary pressures stabilising and monetary equilibrium being achieved, most monetary authorities have slowed the pace of interest rate cuts. The US dollar continued to depreciate, reflecting the adverse effects of the trade war on the US. At the same time, the single European currency was influenced by fiscal problems in European countries and the risks associated with the continuation of the war in Ukraine. The Netherlands TTF natural gas price remained stable in the last months of 2025, but rose significantly in January 2026 due to low temperatures in Europe, which led to gas reserves falling below the average of the last five years and increased concerns about replenishing natural gas reserves in Europe in 2026. International food prices are stable, with no trade imbalances. The event of interest in the region is Bulgaria's transition to the single European currency on January 1, 2026, with subsequent adverse effects on consumer prices in the local market.

2.1 World economy, financial and commodities markets

In the fourth quarter of 2025, ***composite PMI indexes*** of the reference countries largely reflected economic expansion (Chart 2.1). Global economic growth was driven primarily by stronger growth in the services sector compared to the manufacturing industry, slowing down at the end of 2025 due to a decline in production and new orders. The US recorded rates of economic growth above the global average, while economic growth rates in China and the euro area were below average[12]. Germany's economy, the main driver of economic growth in the euro area[13] has slowed down its expansion, with industrial production

Chart 2.1: Developments of composite PMI indexes

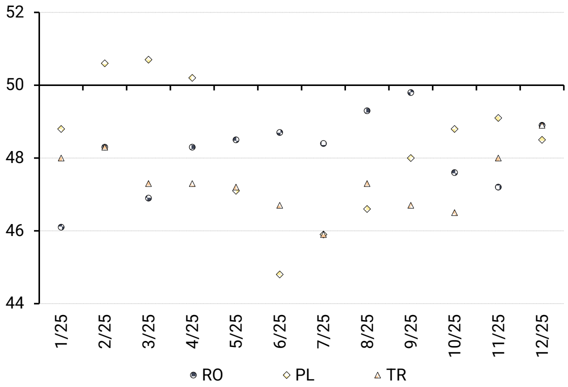


Source: S&P GLOBAL

[12]S&P GLOBAL. *J.P.Morgan Global Composite PMI, December 2025*. Online. (January 23, 2026). Available: https://www.pmi.spglobal.com/Public/Home/PressRelease/5fbefbef87c44701a72ea6d9679fa083

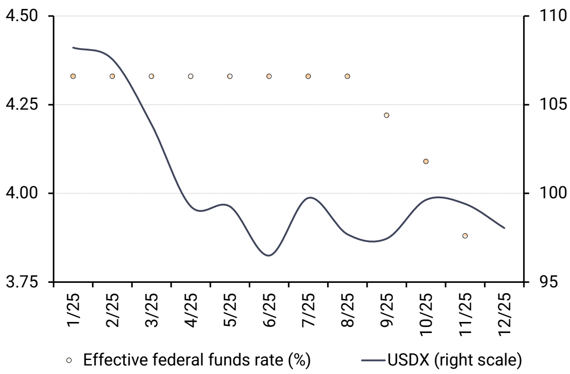
[13]S&P GLOBAL. *HCOB Eurozone Composite PMI*. Online. (January 23, 2026). Available: https://www.pmi.spglobal.com/Public/Home/PressRelease/85a7e7b2b2864290b945f2bd8d7c41eb

Chart 2.2: Evolution of PMI indexes for the manufacturing industry in Romania, Poland, and Türkiye



Source: S&P GLOBAL

Chart 2.3: Evolution of USD index (DXY*) in the context of monetary policy Fed



Source: Fed, Bloomberg

*DXY is an index calculated by the weighted geometric average of the value of the US dollar against a basket of currencies: euro – 57.6%, Japanese yen – 13.6%, Pound sterling – 11.9%, Canadian dollar – 9.1%, Swedish krona – 4.2%, Swiss franc – 3.6%

returning to contraction territory[14]. In November 2025, France's services sector recorded growth for the first time since August 2024[15]. However, France's private sector entered a period of stagnation in the last month of 2025.

PMI indexes for the manufacturing industry of countries in the region have suggested a slowdown in the pace of contraction (Chart 2.2). Romania recorded the smallest declines in new orders and production during the last three months of 2025[16]. In Türkiye, the manufacturing industry moved closer to stabilisation amid signs of improving demand[17]. Although the decline in production and new orders in Poland accelerated toward the end of 2025, the manufacturing industry was on the path to recovery[18]. As a result, the industry is showing signs of recovery, which supports the outlook for growth.

At its meeting on December 9-10, 2025, the US Federal Reserve decided to cut interest rates by 25 basis points to a range of 3.50-3.75%, in light of weakening labour market conditions and more moderate inflation expectations (Chart 2.3). As a result of similar interest rate cuts in September and October 2025, US borrowing costs have reached their lowest level since 2022[19]. The Federal Reserve also decided to begin purchasing short-term Treasury bills, given the substantial decline in reserve balances. Regarding international developments, in 2025, ***US dollar*** fell by about 10% against a basket of major currencies (DXY), reaching its lowest level since 2017[20].

Political uncertainty, concerns about the Federal Reserve's independence, and heightened expectations of interest rate cuts are among the factors that have contributed to the depreciation of the US dollar[21]. At the same time, according to some economists, the

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[14] S&P GLOBAL. *HCOB Flash Germany PMI*. Online. (January 23, 2026). Available: https://www.pmi.spglobal.com/Public/Home/PressRelease/71b22d86e24c4947bc71561cdeb55e17

[15] TRADING ECONOMICS. *France Composite PMI Revised to Show Expansion*. Online. (January 23, 2026). Available: https://tradingeconomics.com/france/composite-pmi

[16] S&P GLOBAL. *Report on the BCR PMI® Index for Romania's manufacturing industry*. Online. (January 23, 2026). Available: https://www.pmi.spglobal.com/Public/Home/PressRelease/4d3ae1865e414919aab583446b3126df

[17] S&P GLOBAL. *Istanbul Chamber of Industry Türkiye PMI® Manufacturing Index. PMI rises to highest for a year in December*. Online. (January 23, 2026). Available: https://www.pmi.spglobal.com/Public/Home/PressRelease/4a67c794e7b1489d897e7349c3210ed8

[18] S&P GLOBAL. *S&P Global Poland Manufacturing PMI*. Online. (January 23, 2026). Available: https://www.pmi.spglobal.com/Public/Home/PressRelease/525e71d5b09a45cebab7a0907069e345

[19] TRADING ECONOMICS. *Fed Lowers Rates for 3rd Time*. Online. (January 23, 2026). Available: https://tradingeconomics.com/united-states/interest-rate/news/508936

[20] REUTERS. *Soft US dollar outlook set to linger along with Fed independence worries: Reuters poll*. Online. (January 23, 2026). Available: https://www.reuters.com/business/soft-us-dollar-outlook-set-linger-along-with-fed-independence-worries-2026-01-07/

[21] FINANCIAL EXPRESS. *Explained: Why US Dollar index fell 10% in 2025 and what it means for the world?*. Online. (January 23, 2026). Available: https://www.financialexpress.com/market/global-markets/explained-why-us-dollar-index-fell-10-in-2025-and-what-it-means-for-the-world/4093881/

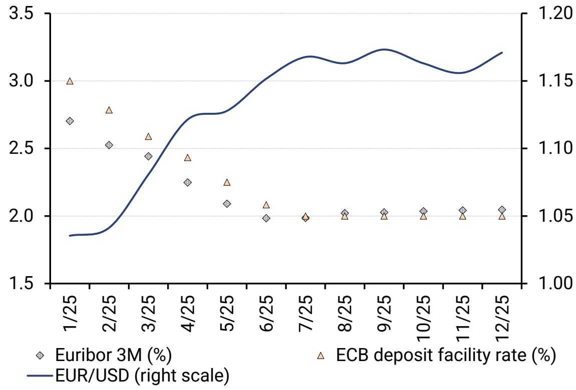
depreciation of the US dollar was caused by retaliatory tariffs imposed on the United States by its trading partners following the US announcement in April 2025 regarding tariffs[22], as well as those announced subsequently.

Generally, as of the beginning of 2025, ***the single European currency*** has appreciated significantly against the US dollar, and interest rates in the euro area continued to fall (Chart 2.4). In the second half of 2025, the European Central Bank (ECB) maintained interest rates unchanged, signalling a pause in its easing cycle, as harmonised inflation in the euro area fluctuated close to the target is 2.0% and the outlook for the forecast horizon remains stable. In October 2025, the euro showed signs of depreciation as investors scaled back their economic growth forecasts due to political uncertainty in France and fiscal challenges that had intensified in many European countries following the successive economic crises linked to the COVID-19 pandemic and the energy sector/ war in Ukraine. At the same time, economic data showed moderate but steady growth in the euro area economy, supported by resilient retail sales and a moderate recovery in the manufacturing industry. It should be noted that trade uncertainties, particularly due to trade tariffs and weaker external demand, have dampened growth expectations for the single European currency.

In the fourth quarter of 2025, ***Brent oil quotation*** fluctuated between USD 59-66/barrel. The average monthly price recorded in December 2025 (USD 62.7/barrel) was 7.7% lower than the average in September 2025. Currently, oil markets are influenced less by fundamental supply and demand factors and more by political uncertainty[23]. Thus, the Organisation of the Petroleum Exporting Countries (OPEC) produced 28.4 million barrels/day in December 2025, down 100,000 barrels/day compared with the revised November total, with Iran recording the largest decline. The decline in oil production in December 2025 was driven by lower output from Iran and Venezuela, which led to an OPEC+ agreement to increase production for that month[24].

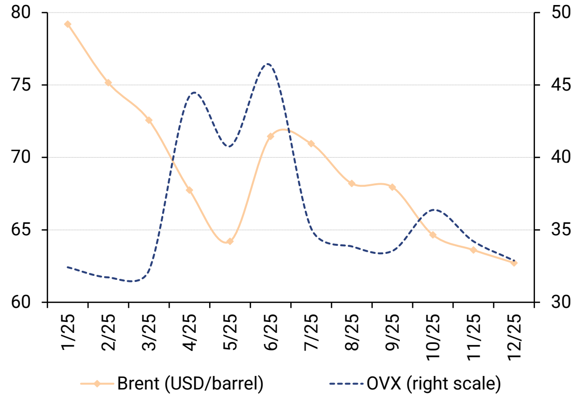
Overall, the eight OPEC+ members (Saudi Arabia, Russia, the United Arab Emirates, Kazakhstan, Kuwait, Iraq, Algeria, and Oman) increased their oil production targets by around 2.9 million barrels/day in 2025, equivalent to approximately 3% of global oil demand, in an effort to regain market share[25]. However, oil prices are expected to decline in 2026, given the increased supply and the resulting market surplus,

Chart 2.4: Developments of EUR/USD (monthly average) and interest rates in the euro area



Source: ECB, NBM calculations

Chart 2.5: Oil market



Source: World Bank, CBOE
Note: CBOE – Chicago Board Options Exchange
OVX – Crude Oil Volatility Index

[22]Centre for Economic Policy Research. *Tariffs and US dollar depreciations: Not so surprising after all.* Online. (January 23, 2026). Available: https://cepr.org/voxeu/columns/tariffs-and-us-dollar-depreciations-not-so-surprising-after-all

[23]REUTERS. *OPEC+ keeps oil output steady amid turmoil among members.* Online. (January 23, 2026). Available: https://www.reuters.com/business/energy/opec-keep-oil-output-steady-despite-turmoil-among-members-sources-say-2026-01-04/

[24]REUTERS. *OPEC oil output falls in December on Iran and Venezuela, Reuters survey finds.* Online. (January 23, 2026). Available: https://www.reuters.com/business/energy/opec-oil-output-falls-december-iran-venezuela-reuters-survey-finds-2026-01-09/

[25]REUTERS. *OPEC+ keeps oil output steady amid turmoil among members.* Online. (January 23, 2026). Available: https://www.reuters.com/business/energy/opec-keep-oil-output-steady-despite-turmoil-among-members-sources-say-2026-01-04/

although geopolitical risks related to Russia, Venezuela, and Iran are likely to continue driving volatility[26].

As part of the 18th package of sanctions against Russia, was introduced a ***new dynamic mechanism to reduce the price cap on Russian crude***, from USD 60.0 to USD 47.6. The mechanism will be applied for the first time starting February 1, 2026. Consequently, from January 15, 2026, existing contracts concluded under the previous price cap are to be honoured for a period of 90 days. The new mechanism ensures that the cap is always set 15% below the average market price for Urals crude during the preceding reference period (22 weeks)[27].

At the same time, the European Union is preparing ***its 20th package of sanctions against Russia***, which is expected to be adopted by February 24, 2026 (marking four years since Russia's large-scale invasion of Ukraine). The European Commission is already working on the package, with its presentation anticipated in January 2026. Travel restrictions and asset freezes within the EU are being imposed on other individuals and organisations, targeting in particular those responsible for the abduction and ideological re-education of children, as well as other sanctions in the energy and banking sectors[28].

The TTF Netherlands price gradually declined throughout 2025, reaching a low of EUR 286.5/ 1,000 cubic meters in December 2025. One of the factors behind the decline in natural gas prices in Europe at the end of 2025 was the prospect of a resolution to the war in Ukraine. At the same time, milder weather conditions during the fall season in Europe contributed to the decline in natural gas prices, even though the fill levels of European natural gas storage facilities were below the five-year average. Another factor contributing to the decline in natural gas prices was low demand for LNG from China, which reached its lowest level in five years due to substantial stockpiles. It is worth noting that, according to Kpler estimates, LNG exports in 2025 increased by 4.0% compared to the previous year, reaching 429 million tonnes – the largest annual increase since 2022, driven primarily by increased production at projects such as LNG Canada and Plaquemines in the US[29]. However, in January 2026, as temperatures in Europe fell to their lowest level in nine years, gas reserves in Europe declined significantly (the fill rate as of January 18, 2026 was 49.8%[30]). Current weather

[26] REUTERS. *Goldman projects lower oil prices in 2026 as supply swells*. Online. (January 23, 2026). Available: https://www.reuters.com/business/energy/goldman-projects-lower-oil-prices-2026-supply-swells-2026-01-12/

[27] THE EUROPEAN COMMISSION. *New dynamic mechanism to lower price cap for Russian crude oil to USD 44.10/barrel*. Online. (January 23, 2026). Available: https://ec.europa.eu/commission/presscorner/detail/ro/mex_26_104

[28] WELT. *Die neuen Pläne der EU gegen Russlands Kriegswirtschaft*. Online. (January 23, 2026). Available: https://www.welt.de/politik/ausland/article69539fb74dec1c7d241319ac/bruesseler-sanktionen-die-neuen-plaene-der-eu-gegen-russlands-kriegswirtschaft.html?icid=search.product.onsitesearch

[29] Forbes Romania. *Global exports of liquefied natural gas recorded their sharpest increase in three years in 2025*. Online. (December 30, 2025). Available: https://www.forbes.ro/exportul-mondial-de-gaze-naturale-lichefiate-a-inregistrat-in-2025-cea-mai-mare-crestere-din-ultimii-trei-ani-480940

[30] GIE AGSI. *AGSI Storage Inventory*. Online. (January 18, 2026). Available: https://agsi.gie.eu/

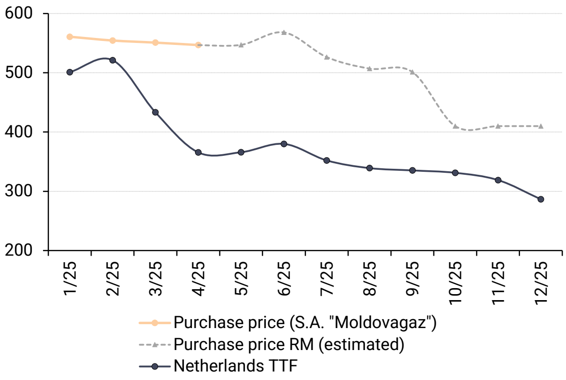
conditions pose additional risks to the region's natural gas industry, and the replenishment of depleted reserves will be a significant factor in global market demand over the coming year. According to Gas Infrastructure Europe, European underground gas storage facilities are running out of gas four weeks ahead of schedule[31]. Reserves have never been this low at this time of year in the history of GIE, with the exception of 2022.

It is worth noting that the latest data published by S.A. "Moldovagaz" regarding the purchase price of natural gas in the Republic of Moldova was the average for April 2025. The new supplier, S.A. "Energocom", announced on its official website on September 16, 2025 that, based on the offers obtained in the tenders held and the TTFFM quotations available as of September 15, 2025, the average purchase price for the 2025-2026 gas year is projected at approximately EUR 38.5 /MWh (around EUR 410/ 1,000 cubic metres), including transport costs to the Moldova Virtual Trading Point (VTP)[32] (Chart 2.6).

Global prices indexes calculated by the World Bank reflect a balancing between the different directions of movement within the groups. Thus, prices for fertilisers and for base metals and minerals contribute positively to the annual increase of the World Bank's overall commodity price index. At the same time, prices for precious metals show a significant rise, driven by economic and geopolitical uncertainties (Box 2). On the negative side, energy commodity prices and agricultural product prices are listed. Overall, in December 2025, the aggregate World Bank commodity price index fell by 8.8% compared with December 2024, reflecting higher weights for groups with a negative contribution. Although supply and demand for many commodities are relatively balanced, trading prices are affected by protectionist policies, trade tariffs, and restrictions on trade, logistics, and transportation (Chart 2.7).

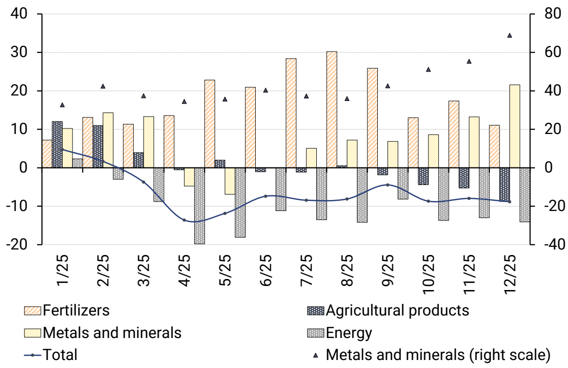
In the fourth quarter of 2025, average international food prices, as reflected in the ***FAO index***, registered a slight downward trend (Chart 2.8). This was largely due to the balance between supply and demand across many agricultural product segments, in the context of a satisfactory 2025 harvest. Negative contributions from sugar and cereals persisted throughout 2025, against the backdrop of satisfactory supply from major producers. In addition, in the last two months of 2025, negative contributions to the annual growth of the FAO index were also recorded from the dairy group, due to the start of the season in the Southern Hemisphere and high stocks of certain dairy products in Europe. Similarly, meat prices contributed positively to the rise in the FAO index throughout 2025, supported by strong global import demand and heightened market uncertainty linked to outbreaks of animal diseases and geopolitical tensions. Although vegetable oil prices fell toward the end of 2025, overall, they reached their highest level in the past three years amid limited global supplies.

Chart 2.6: Natural gas price developments (EUR/1 000 cubic meters)



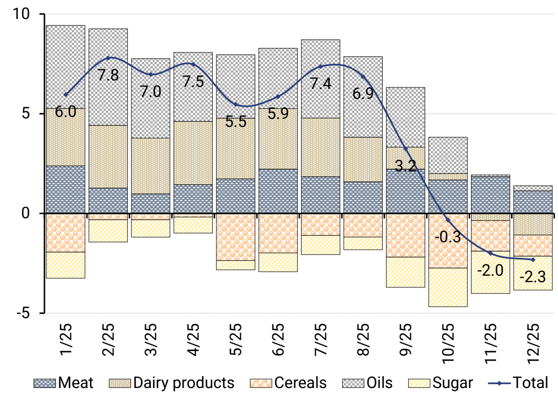
Source: S.A. "Moldovagaz", World Bank, NBM calculations

Chart 2.7: The annual growth rate of world price indexes (%)



Source: World Bank, NBM calculations

Chart 2.8: The annual growth rate of world food price indices (FAO index, %)



Source: FAO, NBM calculations

[31] The New Voice of Ukraine. *Europe gas storage hits 5-year low, prices spike amid record cold.* Online. (January 19, 2026). Available: https://english.nv.ua/nation/europe-s-gas-reserves-have-fallen-how-cold-january-of-2026-is-affecting-the-market-and-prices-50576800.html

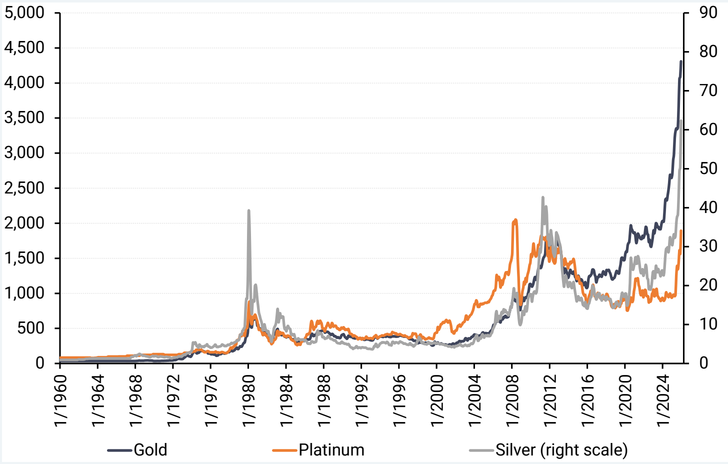
[32] S.A. "Energocom". *Projected average gas purchase price for the 2025-2026 gas year.* Online. (September 16, 2025). Available: https://energocom.md/energocom-pretul-mediu-prognozat-de-achizitie-a-gazelor-pentru-anul-gazier-2025-2026/

Box 2

The sharp rise in the price of gold in 2025 – causes and consequences

In 2025, the price of gold reached its highest recorded level (4,384.90 USD/ounce) and posted an average annual increase of 44.1% [a]. In the context of recent years' developments of modern technologies and digital currencies, this trend in the price of gold has brought renewed attention to the relevance of this reserve asset and the enduring influence of the factors affecting it. At the same time, the prices of other precious metals have also risen significantly (Chart 1). As of the time of writing this analysis, in early January 2026, the price of gold had reached a new record high (approximately 4,600 USD/ounce), therefore, a more in-depth analysis was conducted to determine exactly what happened in 2025 and what factors caused this dramatic surge in the price of gold.

Chart 1: Historical evolution of precious metal prices (USD/ounce)



Source: World Bank – Commodities Market Outlook, NBM calculations

Gold began to be used as currency around 640 B.C., when the first coins made of a gold and silver alloy were minted in the Kingdom of Lydia (Asia Minor), marked with the king's seal to guarantee their weight. The first official coins were made of electrum (a natural alloy of gold and silver). Later, during the reign of King Croesus (around 550 B.C.), the first coins made of pure gold were minted. In Ancient Egypt (around 1,500 B.C.), gold was already recognised as a standard of exchange in international trade, but in the form of bullion or rings of standardised weight, not yet as actual coins. The Romans (around 50 B.C.) introduced the gold coin known as the aureus, contributing to the spread of gold as the primary currency throughout the empire. There is also evidence that small squares of pure gold were used as legal currency in China as early as the 11th century B.C. In the 19th century, the use of gold was formalised globally through the gold standard, under which national currencies were directly convertible into fixed quantities of gold. This system dominated global finance until the 20th century. Although gold has been used for millennia, silver remained the basis of daily transactions and domestic economies for most of history, with gold being reserved primarily for large transactions or state reserves.

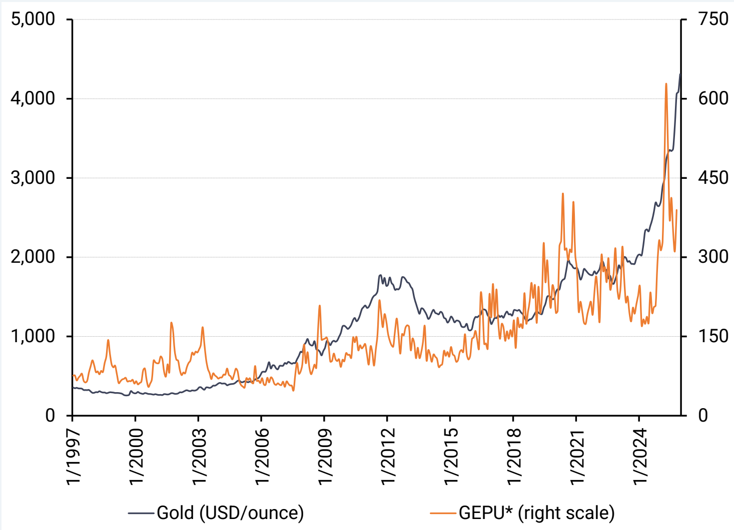
Over time, gold has been favoured as a ***safe-haven asset*** during times of turmoil, such as economic crises or geopolitical tensions/ wars. From Chart 1 we can see how the price of gold and other precious metals rose significantly in the 1970s after the US abandoned the gold standard in 1971 and the 1973-1974 oil crisis occurred. Between 2007 and 2011, the price of gold rose against the backdrop of the financial crisis and its aftermath, and in 2020 — due to the crisis associated with the COVID-19 pandemic. Starting with 2024 to the present, the price of gold has been rising due to the war in Ukraine, geopolitical tensions in the Middle East, and trade policies that have disrupted economic globalisation.

[a] NBM calculations based on World Bank primary data – Commodities Market Outlook.

Box 2

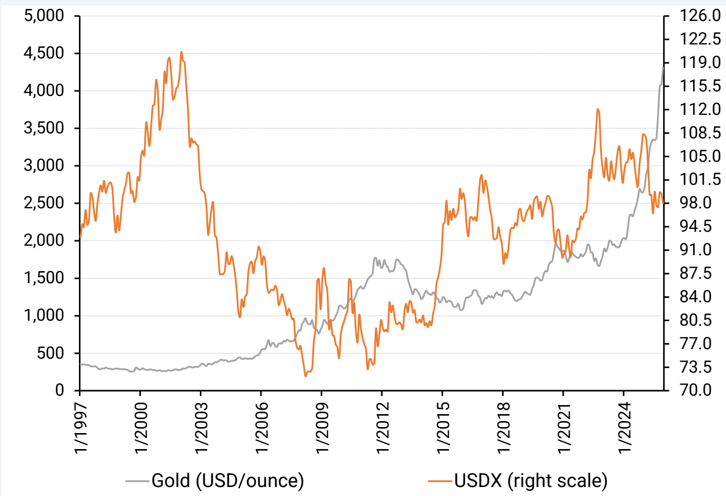
Chart 2 also confirms the correlation between the uncertainty associated with economic crises and the trend in gold prices. Thus, in 2025, against a backdrop of significantly increased economic uncertainty and persistent geopolitical tensions, the price of gold rose considerably.

Chart 2: The evolution of the price of gold and the index global economic uncertainty (GEPU*)



Source: World Bank – Commodities Market Outlook, Economic Policy Uncertainty, NBM calculations
*Global Economic Policy Uncertainty

Chart 3: The evolution of the price of gold and the US dollar



Source: World Bank – Commodities Market Outlook, Stooq, NBM calculations

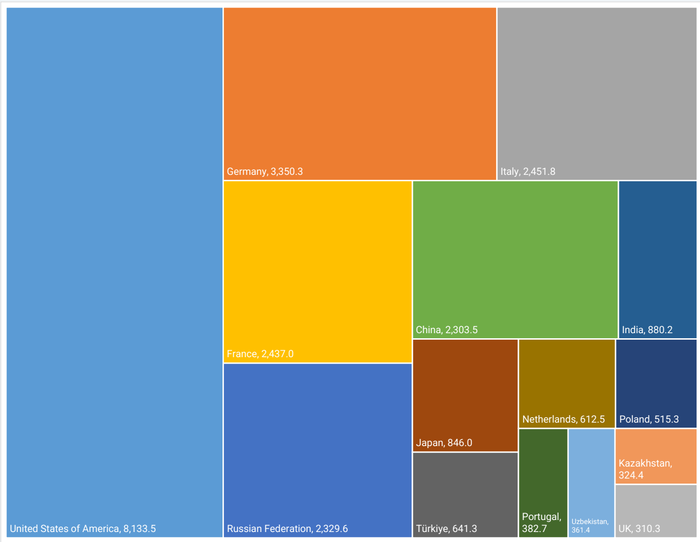
Additionally, the price of gold is correlated with the ***evolution of the US dollar*** (Chart 3). A rise in the price of gold is associated with a depreciation of the US dollar, and vice versa. In 2025, the US dollar depreciated amid structural changes in the objectives of US foreign economic policy, which led to a rise in the price of gold.

Another factor influencing the price of gold is ***monetary policy***. In 2025, both the US Federal Reserve and the European Central Bank cut interest rates as inflationary pressures eased, which in turn contributed to the rise in the price of gold.

Box 2

Since gold is a ***reserve asset*** (Chart 4), it is worth noting that in recent years central banks around the world have significantly stepped up their gold purchases, in a trend unprecedented since the middle of the last century that continues to shape the global gold market. Between 2022 and 2024, central banks purchased over 3,200 tonnes of gold, a volume not seen since the 1960s. In 2025, although some banks (e.g., the Reserve Bank of India) have slowed the pace of their purchases, the global trend has remained positive, and the total volume is still substantial. Purchases in recent years have not been concentrated exclusively in traditional major economies, but rather in emerging markets such as China, Poland, Türkiye, India, Azerbaijan, Kazakhstan, etc. The motivation behind these purchases appears to be the diversification of reserves and a reduction in dependence on the US dollar and other reserve currencies. Gold is considered a stable asset, resistant to inflation and major financial risks.

Chart 4: Top 15 countries with the largest gold reserves
(tonnes, third quarter of 2025)



Source: www.gold.org

Forecasts for the price of gold in 2026 are extremely optimistic, with most global financial institutions anticipating that it will continue to rise and possibly reach new historical highs. As early as January 2026, the price of gold surpassed the 4,600 USD/ounce threshold and is expected to test the psychological level of 5,000 USD/ounce, driven by the persistence of the same factors described above. This once again confirms the importance of this traditional metal in an era of digitalisation and non-traditional assets.

2.2 Evolution in major economies

In the third quarter of 2025, the gross domestic product of the ***United States*** increased by 1.1% (seasonally adjusted) compared with the previous quarter and by 2.3% compared with the third quarter of 2024 (unadjusted series). In the first 11 months of 2025, industrial production in the USA grew by an annual average of 1.4%. The unemployment rate rose to 4.4% in December 2025, representing a deterioration in the US labour market compared to the beginning of 2025. In December 2025, consumer prices remained unchanged compared to the previous month but rose by 2.7% compared to December 2024. Based on preliminary data from the end of 2025, the US economy in the second half of 2025 was characterised by surprisingly strong growth, driven largely by massive corporate investments in artificial intelligence infrastructure, even as other economic sectors faced difficulties, and consumer confidence remained low.

According to Eurostat estimates, in the third quarter of 2025, ***the euro area economy*** grew by 0.3% compared to the previous quarter (seasonally adjusted), when a 0.1% increase was recorded. Compared to the same period of the previous year, economic growth stood at 1.3% (unadjusted series). Overall, euro area exports to its top three trading partners posted negative figures in November (China down 1.2%, the US down 20.3%, and the UK down 28.4%). In the same period, imports from these countries recorded both positive and negative values (down 7.1% and 4.7% for the US and the UK, respectively, and up 3.8% for China). Industrial production rose slightly in November 2025 – by 0.7% compared to October 2025, and by 2.5% compared to November 2024. The annual inflation rate in the euro area edged down slightly in December to 1.9%, from 2.1% in November. The unemployment rate in the euro area rose from a historic low of 6.2% (reached in October – November 2024) to 6.3% in November.

The European Commission recently ***approved the national defence plans*** of eight member states — Belgium, Bulgaria, Denmark, Spain, Croatia, Cyprus, Portugal, and Romania, with the others to follow, ***as part of the SAFE program***, which is worth ***EUR 800 billion***. The SAFE program was adopted on May 27, 2025, as part of the "Preparedness 2030" package, an ambitious defence package that provides financial leverage to EU Member States to stimulate a sharp increase in investment in defence capabilities[33].

As part of efforts to strengthen economic ties with Latin America, on January 17, 2026, ***the European Union and Mercosur signed the Partnership Agreement (EMPA) and the Interim Trade Agreement***

[33] EUROPEAN COMMISSION. *Commission approves first wave of defence funding for eight Member States under SAFE.* Online. (January 23, 2026). Available: https://ec.europa.eu/commission/presscorner/detail/en/ip_26_111

(iTA)[34]. These actions are part of the EU's strategy to diversify trade relations and strengthen economic and political ties with like-minded partners around the world[35].

Tensions between Washington and Copenhagen/ the EU have escalated, following the US president's threat to impose tariffs on imports from eight NATO member states after these countries announced their intention to conduct symbolic NATO military exercises on the territory of Greenland (France, Germany, Norway, Sweden, the United Kingdom, the Netherlands, Denmark, Finland, and Canada). Thus, the US president announced the imposition of a 10% tariff starting February 1, 2026, rising to 25% in June, on the European countries involved, including the United Kingdom, unless an agreement is reached regarding what he called "the acquisition of Greenland". The move prompted the European Union to consider a potential trade response targeting approximately EUR 93 billion worth of American goods. A breaking news update is that on January 22, 2026, at the Davos summit, the US president withdrew his threat to impose tariffs on certain European NATO countries, announcing a framework agreement regarding control over Greenland. This announcement brought some relief in the context of the abandonment of military action and, consequently, an appreciation of the US dollar[36].

At the same time, in January 2026, the US president proposed the creation of the ***"Board of Peace"***[37] which would be an international organisation operating under the auspices of the UN Security Council, with the aim of monitoring the cessation of conflicts and maintaining global stability, but with one notable condition: membership requires a substantial financial contribution (one billion US dollars) for a permanent seat, effectively turning it into a global club with a membership fee. This proposal has sparked heated debate, including from the Kremlin, highlighting the interest of major powers but also controversies regarding the financial model. Essentially, it is a proposal to reform the international security architecture, proposing an approach based on direct financial contributions for influence in matters of global peace and security, different from traditional mechanisms.

According to statistical data, ***Germany's*** economy stagnated in the third quarter of 2025 compared to the previous quarter (seasonally adjusted series), but grew by 0.3% compared to the third quarter of 2024 (unadjusted series). Consumer prices in December 2025 remained

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[34] EUROPEAN COMMISSION. *EU and Mercosur sign historic and ambitious partnership*. Online. (January 23, 2026). Available: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/mercosur_en?prefLang=ro&etrans=ro

[35] EUROPEAN COMMISSION. *Commission proposes Mercosur and Mexico agreements for adoption*. Online. (January 23, 2026). Available: https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1644

[36] CNN. *January 21, 2026 - Trump in Davos*. Online. (January 21, 2026). Available: https://edition.cnn.com/politics/live-news/trump-administration-news-01-21-26

[37] The White House. *Statement on President Trump's Comprehensive Plan to End the Gaza Conflict*. Online. (January 16, 2026). Available: https://www.whitehouse.gov/briefings-statements/2026/01/statement-on-president-trumps-comprehensive-plan-to-end-the-gaza-conflict/

unchanged from the previous month but rose by 1.8% compared to December 2024. The unemployment rate in November 2025 was 3.8%. The latest macroeconomic statistics indicate the end of the period of economic stagnation, driven by rising household spending and government stimulus measures that offset weak exports and declining investment, although structural problems such as the labour shortage persist. Domestic demand benefited from the fiscal stimulus package targeting infrastructure and defence. The industrial sector remains a challenge for the German economy, as industrial production contracted by 1.1% in annual terms between January and November 2025.

In the third quarter of 2025, ***France's*** gross domestic product rose by 0.5% compared to both the previous quarter (seasonally adjusted series) and the same period of the previous year (unadjusted series), driven by rising exports (particularly transportation equipment) and robust investment, although household spending remained moderate. Significant inventory buildup in the first half of 2025 helped support GDP, with part of this output being exported in the third quarter of 2025. Economic uncertainty, both domestic and global, continued to impact private demand, although lower interest rates supported demand. Industrial production rose marginally (0.3%) between January and November 2025, with the services sector being the main driver of economic activity. In December 2025, consumer prices rose by 0.1% month-on-month and 0.8% year-on-year. The unemployment rate in France in November 2025 was 7.7%.

In the third quarter of 2025, ***Italy's*** economy grew by 0.1% compared to the previous quarter[38] (seasonally adjusted) and by 0.6% compared with the third quarter of 2024[39] (unadjusted series). The upturn was driven by a sharp increase in exports and a surge in investment, which benefited from tax incentives and other measures under the National Recovery and Resilience Plan (NRRP). By the end of 2025, activity in the services sector continued to grow, while activity in the manufacturing and construction sectors rebounded. Following the decline in the summer, industrial production rose in November by 1.5% compared to the previous month[40] and by 1.1% compared to November 2024. However, overall, in the first 11 months of 2025, industrial production contracted by 0.7% compared to the same period of the previous year. The HICP inflation fell significantly in the fourth quarter, reaching 1.2% in December. In October and November, the number of employed persons returned to a growth trend, increasing by 0.4% compared to the previous quarter's average. Youth labour force participation declined, while that of older workers increased. The unemployment rate continued to fall, reaching a historically low level of 5.7% in November 2025. In November 2025, Moody's Ratings upgraded Italy's rating to Baa2 with a stable outlook,

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[38] BANCA D'ITALIA. *The Italian economy in brief, No. 1 - January 2026*. Online. (January 23, 2026). Available: https://www.bancaditalia.it/pubblicazioni/economia-italiana-in-breve/2026/eib_Gennaio_2026_en.pdf?language_id=1

[39] ITALIAN NATIONAL INSTITUTE OF STATISTIC. *Quarterly national accounts – Q3 2025*. Online. (January 23, 2026). Available: https://www.istat.it/en/press-release/quarterly-national-accounts-q3-2025/?utm_source=copilot.com

[40] BANCA D'ITALIA. *Economic Bulletin No. 1 - 2026*. Online. (January 23, 2026). Available: https://www.bancaditalia.it/pubblicazioni/bollettino-economico/2026-1/en-boleco-1-2026.pdf?language_id=1

from Baa3. The agency raised Italy's rating for the first time in 23 years[41]. The upgrade reflects a consistent track record of political and policy stability, which enhances the effectiveness of economic and fiscal reforms, as well as investments under the NRRP[42].

According to data released in January 2026, ***China***'s economic growth slowed to 4.5% in the fourth quarter of 2025 compared to the previous year, down from 4.8% in the third quarter of 2025. This marked the weakest quarterly growth since 2023, reflecting sustained pressure from a real estate crisis, moderate domestic demand, and external challenges. Domestic consumption remained sluggish, with retail sales in December 2025 rising by just 0.9% compared to the previous year, the weakest growth since December 2022. At the same time, industrial production rose by 4.8% in November 2025, demonstrating some resilience[43]. Despite trade tensions and tariffs imposed by the US. and the EU, exports continued to support the economy, with the annual trade surplus exceeding USD 1 trillion for the first time. As in recent years, consumer prices increased marginally, while producer prices declined, indicating persistent and long-term deflationary pressures. In response to the slowdown in economic activity, policymakers in late 2025, including the People's Bank of China (PBoC), signalled more proactive fiscal and monetary measures, such as interest rate cuts, to stimulate demand.

2.3 Economic evolution in neighbouring countries and main trading partners

In the third quarter of 2025, ***Romania's*** gross domestic product contracted by 0.2% (seasonally adjusted) compared to the previous quarter, and compared to the same period in 2024, it grew by 1.3% (unadjusted series). Between January and November 2025, industrial production in Romania contracted by 1.1% (on a gross basis) and by 0.5% (on a seasonally adjusted basis) compared to the same period in 2024. Against the backdrop of the austerity measures announced by the Romanian Government, in December 2025, consumer prices rose by 0.22% compared to the previous month's price level and by 9.66% compared to the price level in December 2024. Despite inflation rising above the target level (2.5% ±1.0 percentage points), the National Bank of Romania did not take any monetary policy measures, with the monetary policy rate remaining at 6.5% since August 8, 2024.

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[41] MINISTRY OF ECONOMY AND FINANCE OF ITALY. *Moody's: Giorgetti, satisfied, confirms renewed confidence in the government*. Online. (January 23, 2026). Available: https://www.mef.gov.it/en/inevidenza/Moodys-Giorgetti-satisfied-confirms-renewed-confidence-in-the-government-00001/

[42] MOODY'S RATINGS. *Moody's Ratings upgrades Italy's ratings to Baa2, changes outlook to stable*. Online. (January 23, 2026). Available: https://ratings.moodys.com/ratings-news/455042

[43] National Bureau of Statistics of China. *Industrial Production Operation in November 2025*. Online. (December 16, 2025). Available: https://www.stats.gov.cn/english/PressRelease/202512/t20251218_1962111.html

In the third quarter of 2025, ***Poland's*** economy grew by 0.9% (seasonally adjusted) compared to the previous quarter and by 3.6% compared to the same period in 2024 (unadjusted series). From January to November 2025, industrial production in Poland increased by 1.8% year-on-year. In December 2025, consumer prices remained unchanged from the previous month and rose by 2.4% compared to December 2024. Throughout 2025, the National Bank of Poland cut the benchmark rate 6 times, from 5.75% in January to 4.0% in December.

The economy of ***Türkiye*** grew by 1.1% (seasonally adjusted) in the third quarter of 2025 compared to the previous quarter and by 2.7% compared to the same period in 2024 (unadjusted series). From January to November 2025, industrial production in Türkiye increased by 3.2% year-over-year. Against the backdrop of the cumulative effect of the Turkish lira's depreciation, consumer prices continued to rise in December 2025, by 0.9% compared to the previous month and by 30.9% compared to December 2024. It should be noted that although the inflation rate remains significantly high, it is following a slight downward trend as the base-year effect and the ripple effects of the Turkish lira's depreciation fade.

The gross domestic product of ***Ukraine*** in the third quarter of 2025 increased by 0.8% compared to the previous quarter (seasonally adjusted) and by 2.1% compared to the same period in 2024 (unadjusted series), but given the destruction caused by the war, this growth is minimal and insufficient to reach pre-war production levels. At the same time, statistical data and forecasts regarding Ukraine's economy remain very bleak, given that the war is ongoing and has severely affected industrial infrastructure and maritime transport. In the first 11 months of 2025, industrial production in Ukraine contracted by 2.5% compared to the same period of the previous year. Statistical data also show that the rate of consumer price inflation has moderated, in December 2025, prices rose by 0.2% compared to the previous month and by 8.0% compared to December 2024. As the inflation rate has reversed its trend from rising to falling, and in anticipation of the base-year effect starting in March 2025, the National Bank of Ukraine has kept the monetary policy rate at 15.5%.

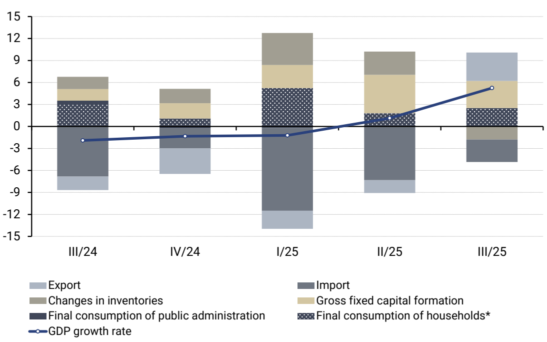
Chapter 3

Economic developments

3.1 Demand

In the third quarter of 2025, the annual GDP growth accelerated sharply, following negative values in the second half of 2024 and zero growth in the first half of 2025. In the period July- September 2025, GDP increased by 5.2% compared to the same period in 2024. This growth was marginally lower than that anticipated in the Inflation Report, November 2025 . This development was mainly driven by the positive impact of domestic demand, both from the population, in the context of real income growth, and from economic agents. Net external demand supported this effect. At the same time, it is worth mentioning the positive impact on GDP dynamics from agriculture and construction. Smaller positive contributions were made by industrial production and real estate transactions. Meanwhile, the seasonally adjusted series reflects a 1.5% increase in GDP compared to the second quarter of 2025. In January-September 2025, GDP was 2.0% higher than in the same period of 2024.

Chart 3.1: Contribution of demand components to GDP growth (percentage points)



Source: NBS, NBM calculations
*including final consumption of non-profit institutions serving households

From a utilisation perspective, in the third quarter of 2025, final consumption of households continued the positive trend observed in previous periods, registering an increase of 2.9% compared to the third quarter of 2024, thus generating a positive impact of 2.5 percentage points on GDP dynamics (Chart 3.1).

In the reference quarter, final consumption of the public administration increased by 0.1% compared to the same period of the previous year. Investments generated a positive contribution of 2.0 percentage points to GDP growth. In terms of structure, this was determined by the positive contribution of the subcomponent "gross fixed capital formation". It increased by 17.9% and contributed 3.7 percentage points to GDP growth in the third quarter of 2025. The impact was mitigated by the negative contribution of 1.7 percentage points from the "changes in inventories" subcomponent.

Unlike previous periods, net external demand made a positive contribution (0.8 percentage points) to GDP growth. Thus, exports in real terms increased by 14.0% and generated a positive impact of 3.9 percentage points. At the same time, imports in the third quarter of 2025 increased by 5.5% compared to the same period of the previous year, generating a negative contribution of 3.1 percentage points to GDP growth.

Households demand for consumption

The positive annual dynamics of households consumption continued in the third quarter of 2025.

Thus, the annual rate of households final consumption reached 2.9%, which is 0.7 percentage points higher than in the second quarter of 2025. This growth in households consumption was supported by a 6.8% increase in expenditures for services procurement, while expenditures for goods procurement increased by only 0.1% compared to the same period of the previous year (Chart 3.2).

The evolution of households consumption was supported by rising real income. The main sources of financing for consumption continued their positive trend in the third quarter of 2025.

Thus, new loans granted to the population, the wage fund, and social insurance recorded positive dynamics during the third quarter of 2025, generating a positive impact, but still lower overall than in previous periods, within the possible sources of financing for population consumption (Chart 3.3). At the same time, remittances, in real terms, similar to previous periods, decreased during that period, mitigating the impact of the above-mentioned components.

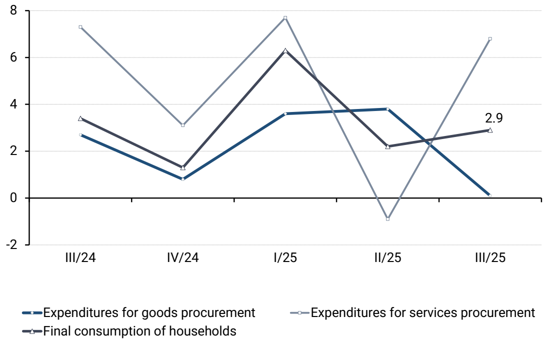
Public sector

According to data provided by the Ministry of Finance, during the fourth quarter of 2025, national public budget revenues amounted to MDL 32.7 billion, 11.8% above the level accumulated in the same period of 2024 (Chart 3.4).

The major share of budget revenues was accumulated from fees and taxes, which accounted for 61.8%. The compulsory insurance contributions and premiums and mandatory health insurance premiums constituted 31.3%, while the share of other revenues and grants amounted to 5.8% and respectively, 1.1% of total budget revenues.

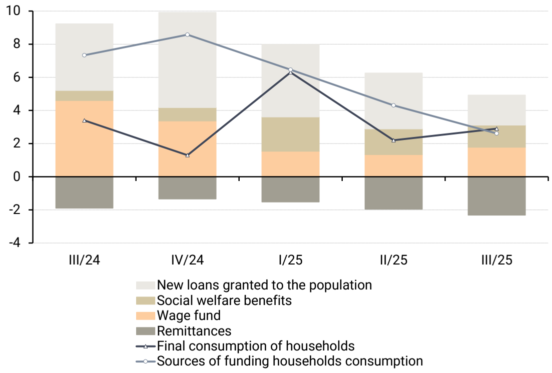
National public budget expenditures, in the fourth quarter of 2025, totalled MDL 41.5 billion, registering an increase of 14.4% compared to the same period in 2024. Social protection expenditures accounted for the largest share of total expenditures – 32.5%, education accounted for 17.2% and healthcare – 13.1%.

Chart 3.2: Development in final consumption of households in real terms (%, compared to the previous year)



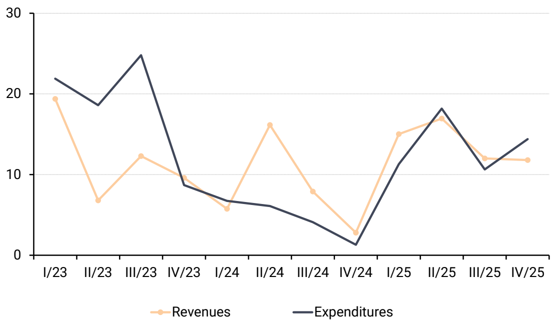
Source: NBS

Chart 3.3: Evolution of disposable income of the population (%, compared to the previous year) and subcomponents' contributions (percentage points)



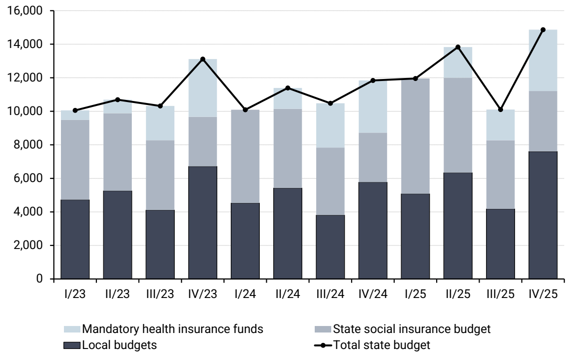
Source: NBS, NBM calculations

Chart 3.4: Public revenue and expenditure dynamics (%, compared to the previous year)



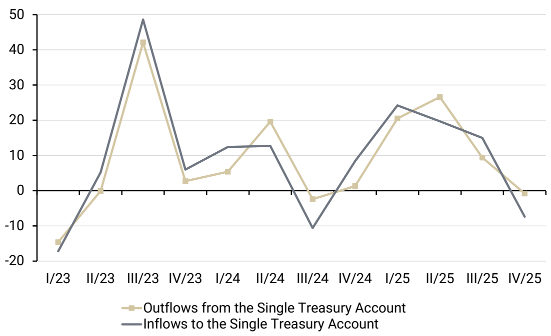
Source: Ministry of Finance

Chart 3.5: Development of budgetary transfers (MDL million)



Source: Ministry of Finance

Chart 3.6: Development of the Single Treasury Account flows (%, compared to the previous year)



Source: NBM

It should be noted that, during the reference period, transfers were made from the state budget (SB) to the state social insurance budget (SSIB), to the mandatory health insurance fund (MHIF) and to local budgets (LB) in the amount of MDL 14.9 billion, an increase of 25.6% compared to the same period of 2024 (Chart 3.5). The major share of transfers was directed to local budgets – 51.2% of the total, transfers to the (MHIF) accounted for about 24.6%, and transfers to the (SSIB) – about 24.2%.

In this context, in the fourth quarter of 2025, the execution of the national public budget resulted in a deficit of MDL 8.8 billion. In the same period of 2024, the execution of the national public budget resulted in a deficit of approximately MDL 7.0 billion. The balances of the national public budget accounts, as of December 31, 2025, amounted to MDL 11.2 billion.

In the fourth quarter of 2025, the average Single Treasury Account (STA) recorded negative annual rates, both in terms of payments made and funds collected, compared to the same quarter of the previous year (Chart 3.6). As a result of inflows and outflows from the account, as of 31 December 2025, the STA balance amounted to approximately MDL 12.7 billion, recording an annual increase of 6.3% (Chart 3.7). At the same time, at the end of the reporting quarter, the balance of the Government's foreign currency deposit account with the National Bank of Moldova amounted to the equivalent of MDL 2.8 billion, compared to MDL 2.4 billion as of December 31, 2024.

State debt

As of December 31, 2025, the balance of the state debt of the Republic of Moldova amounted to approximately MDL 132.8 billion, relative to GDP[44] this constituted 37.8% (Chart 3.9).

In annual terms, the state debt recorded a nominal increase of 9.4% (Chart 3.8), as a result of the increase in external state debt recalculated in national currency (with a positive contribution of 2.8 percentage points) and domestic state debt (with a positive contribution of 6.6 percentage points). As of December 31, 2025 state debt consisted of 60.8% of the external state debt and 39.2% domestic state debt.

As of December 31, 2025, the balance of external state debt amounted to USD 4,810.6 million, exceeding the level recorded at the end of 2024 by USD 620.3 million, or 14.8% annually. When recalculated in the national currency, the balance of external state debt amounted to approximately MDL 80.8 billion (23.0% of GDP[44]), (Chart 3.9).

At the end of 2025, the domestic state debt amounted to about MDL 52.0 billion (14.8% of GDP[44]), (Chart 3.9), which is 18.3% higher than on December 31, 2024 (Chart 3.8). The increase in domestic state debt was

[44] GDP estimated by the NBM.

driven by state securities (SS) issued on the primary market, the volume of which increased by 30.0%, and by direct placements from individuals. As a result of these developments, the domestic debt consisted of SS issued on the primary market (75.6%), SS issued for the enforcement of state guarantees (21.2%), converted SS (1.9%), and direct placements from individuals (1.3%).

Primary market for state securities (SS)

During the fourth quarter of 2025, the Ministry of Finance put into circulation state securities totalling MDL 14,821.1 million, 23.2% less than the initial offering volume.

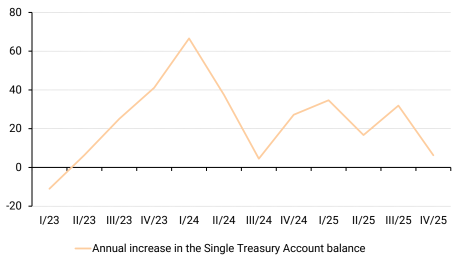
Compared to the previous quarter, the primary market for state securities saw a 40.2% increase in demand from licensed banks (Chart 3.10). At the same time, demand from banks was 22.5% lower than the Ministry of Finance's offer, amounting to MDL 14,967.2 million.

During the reporting period, the average effective interest rate on 91-day treasury bills remained unchanged, while the rates on 182-day and 364-day treasury bills increased by 0.13 percentage points and 0.09 percentage points, respectively, compared to the previous quarter. The average effective interest rate on 2-year government bonds remained unchanged from the third quarter of 2025, while the average effective interest rate on 3-year government bonds decreased by 0.11 percentage points, and the average effective interest rate on 5-year bonds increased by 0.26 percentage points. Compared to the previous quarter, an auction was held for 10-year government bonds, with the average effective interest rate of 7.95%.

During this period, banks continued to prioritise investments in securities with short-term maturities, showing increased caution with regard to long-term commitments (Chart 3.11).

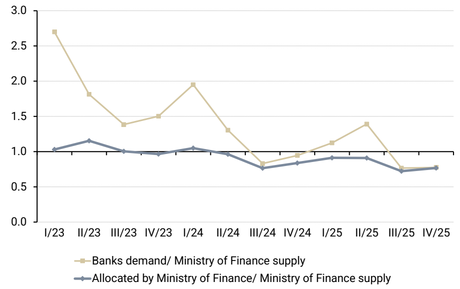
The structure of the SS portfolio put into circulation during the reference period shows that the most sought-after SS were those with a 182-day maturity, which accounted for 58.2% of total transactions, followed by 364-day treasury bills, which accounted for 39.7%, and 91-day treasury bills, which constituted 1.2%. As for government bonds, those with a maturity of 2 years accounted for 0.1%, while government bonds with a maturity of 10 years accounted for 0.9%. The share of 3 year and 5 year government bonds was insignificant (Chart 3.12).

Chart 3.7: Development of the Single Treasury Account balance (%, compared to the previous year)



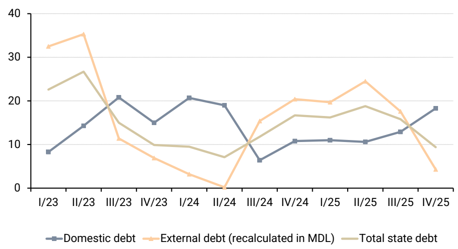
Source: NBM

Chart 3.10: Demand and supply ratio on the primary market for state securities



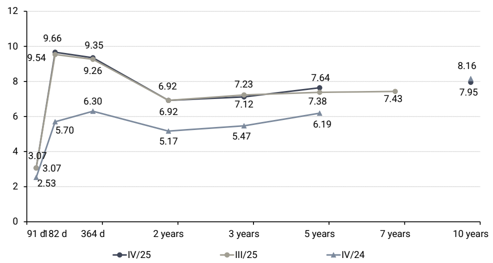
Source: NBM

Chart 3.8: Development of the annual growth rate of state debt (%, end of quarter)



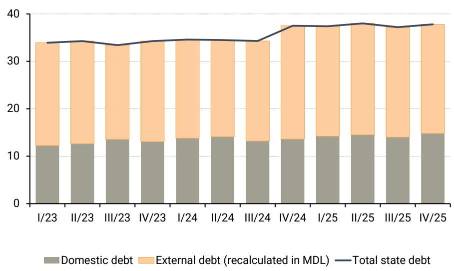
Source: Ministry of Finance

Chart 3.11: SS yield curve (%)



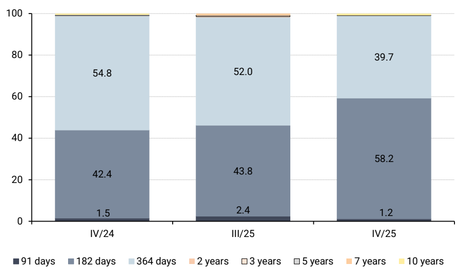
Source: NBM

Chart 3.9: Share of state debt in GDP (%, end of quarter)



Source: Ministry of Finance, NBM calculations

Chart 3.12: Structure of SS allocated on the primary market (%)



Source: NBM

Investment demand

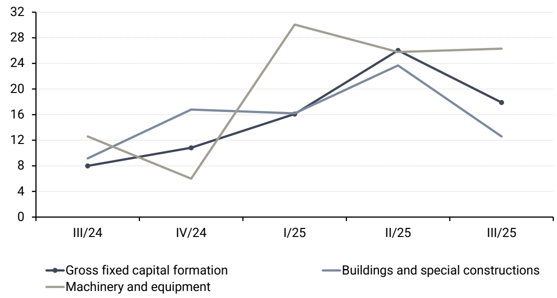
In the third quarter of 2025, the investment component generated a positive contribution of 2.0 percentage points to the dynamics of economic activity.

This evolution was determined by gross fixed capital formation, which increased by 17.9% and generated a positive contribution of 3.7 percentage points. This was mitigated by the negative contribution of 1.7 percentage points from the changes in inventories. The positive dynamics of gross fixed capital formation were influenced by the dynamics of investments in "machinery and equipment", which increased by 26.3%, and by the subcomponent "buildings and special constructions", which increased by 12.6% compared to the same period in 2024 (Chart 3.13).

According to operational data presented by the NBS, in the third quarter of 2025, investments in fixed assets increased by 11.1%. In terms of structure, by type of fixed assets, investments in "engineering constructions" contributed by 5.0 percentage points, "residential buildings" – 2.9 percentage points, "other tangible assets" – 2.7 percentage points, "means of transport" – 1.1 percentage points, "machinery and equipment" – 0.7 percentage points. The dynamics of investments in "non-residential buildings" generated a negative impact of 0.6 percentage points. At the same time, "intangible assets" had a negative impact of 0.7 percentage points on the dynamics of investments in fixed assets (Chart 3.14).

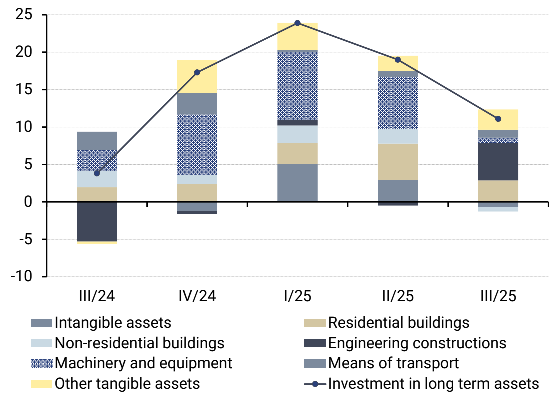
From the perspective of financing sources investments in fixed assets for the third quarter of 2025, the positive dynamics of 11.1% was supported by own funds with 6.2 percentage points, state budget funds – by 2.8 percentage points, funds from local public administration budget– by 1.4 percentage points, and other sources – by 1.0 percentage points. Foreign investors' funds had a negative impact of 0.3 percentage points (Chart 3.15).

Chart 3.13: Annual investment dynamics (%)



Source: NBS

Chart 3.14: Annual investment dynamics by types of fixed assets (%, real terms)



Source: NBS, NBM calculations

Net external demand[45]

Data on international trade in goods presented by the NBS for the second half of 2025 show an improvement in the trade deficit, pointing to positive prospects for the indicator in the coming months. Thus, in the first two months of the fourth quarter of 2025, the annual export rate was 20.8%, practically similar to that of the previous quarter, but significantly higher than that of the second quarter of 2025 (-8.1%). The 2025 agricultural harvest will support agri-food exports in the coming months. The annual import rate has been growing for the seventh consecutive quarter.

[45]Quarterly data on the evolution of international merchandise trade of the Republic of Moldova, expressed in thousands of US dollars, have been used.

It should be noted that structural changes regarding the electricity supplier, against the backdrop of the suspension of deliveries from the Cuciurgan Power Plant (CTE), as well as the inclusion of natural gas imports for the Transnistrian region in the official statistics of the Republic of Moldova, contributed to maintaining high growth rates in imports in 2025.

The annual export rate reached a level of 22.3% in the third quarter of 2025, which is 30.4 percentage points higher than in the second quarter of 2025. At the same time, data for the first two months of the fourth quarter of 2025 show positive signs (20.8%). Thus, in the first two months of the fourth quarter of 2025, exports to EU countries and those classified as Rest of the World increased significantly. At the same time, the increase in exports to the CIS[46] countries had a marginal contribution to the total dynamics of exports (Chart 3.16).

Operational data on goods exports for the first two months of the fourth quarter of 2025 confirm the continued recovery in exports, suggesting a robust improvement in foreign trade activity. Thus, the sharp increase in exports of "foodstuff and animal products, beverages and fats" was the main driver of the positive dynamics of total exports (Chart 3.17). It should be noted that the revival of the agricultural sector in the second half of 2025 created favorable conditions for the growth of agri-food products exports.

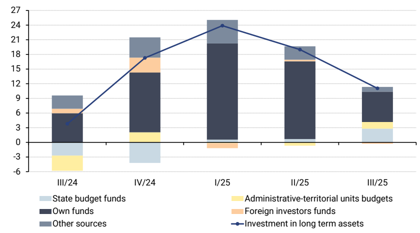
Having analysed the evolution of exports by products origin, it can be highlighted that the increase in exports in the fourth quarter of 2025 was mainly determined by the dynamics of exports of domestic products. At the same time, re-exports returned to positive territory, but their contribution remains moderate (Chart 3.18).

In the third quarter of 2025, the annual rate of imports was 18.9%, practically similar to that of the previous quarter. At the same time, data for the first two months of the fourth quarter of 2025 suggest a higher increase in imports in annual terms (23.0%). It should be noted that recent dynamics of imports are marked by a significant dependence on trade flows from the EU and countries classified as Rest of the World (Chart 3.19).

By commodity groups (Chart 3.20), the sharp increase in the annual import rate during 2025 was mainly driven by increased imports of "mineral products," "vehicles, optical instruments, sound recorders or reproducers equipment", and "foodstuff and animal products, beverages and fats". It should be noted that structural changes in the electricity supplier, against the backdrop of the suspension of deliveries from the Cuciurgan Power Plant, as well as the inclusion of natural gas imports for the Transnistrian region in the official statistics of the Republic of Moldova, contributed to maintaining high growth rates in imports of mineral products in 2025.

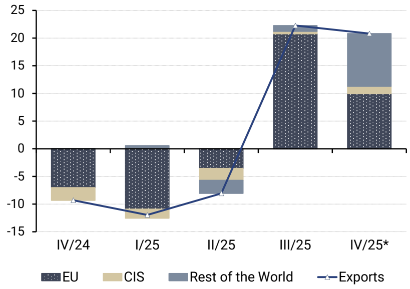
[46] Starting from 2024, Ukraine is not included in the Commonwealth of Independent States group in accordance with the European Union Geonomenclature, 2023 edition.

Chart 3.15: Annual investment dynamics by funding sources (%, in real terms)



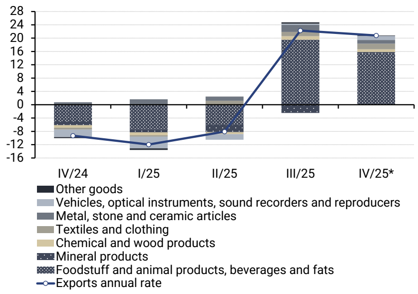
Source: NBS, NBM calculations

Chart 3.16: Development of the annual rate of exports (%) and contribution by categories of countries (percentage points)



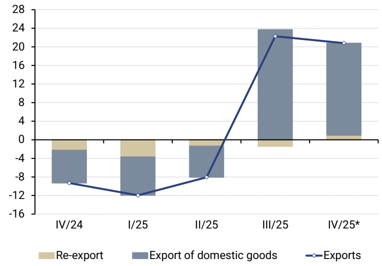
Source: NBS, NBM calculations
*October-November

Chart 3.17: Development of the annual rate of exports (%) and contribution of the components by commodity groups (percentage points)



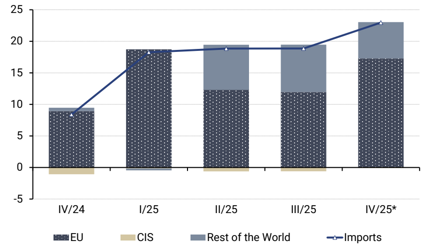
Source: NBS, NBM calculations
*October-November

Chart 3.18: Development of the annual rate of exports (%) and contribution by origin (percentage points)



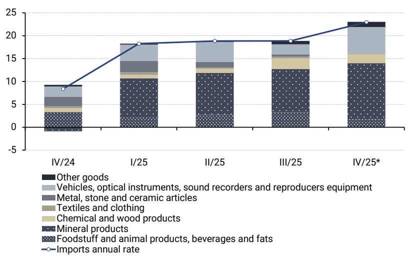
Source: NBS, NBM calculations
*October-November

Chart 3.19: Development of the annual rate of imports (%) and contribution by categories of countries (percentage points)



Source: NBS, NBM calculations
*October-November

Chart 3.20: Development of the annual rate of imports (%) and contribution of the components by commodity groups (percentage points)



Source: NBS, NBM calculations
*October-November

Box 3

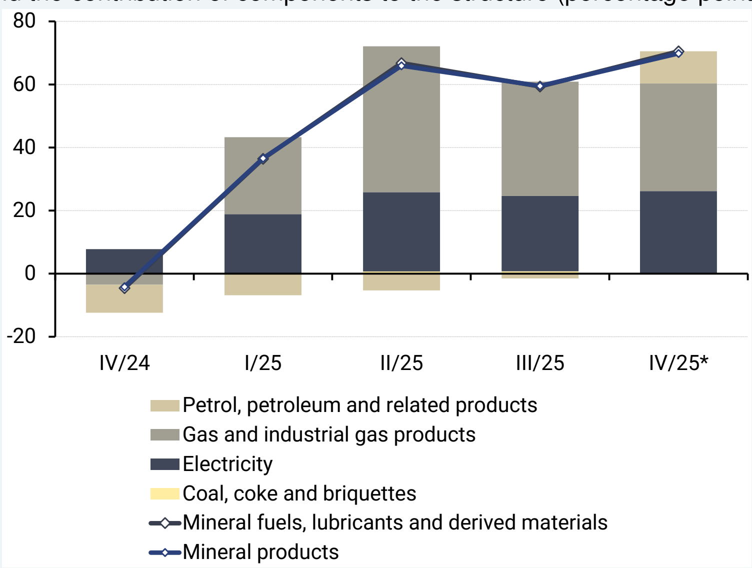
The import of mineral products in 2025

On January 1, 2025, the natural gas transit contract between P.J.S.C. "Gazprom" (Russian Federation) and N.J.S.C. "Naftogaz Ukraine" expired, and the Ukrainian side refused to extend it. As a result, the supply of Russian natural gas to Europe was interrupted. Consequently, natural gas deliveries to the Transnistrian region were also suspended, which led to the cessation of electricity supplies from the Cuciurgan Power Plant (CTE Cuciurgan) to the Republic of Moldova. At the same time, given the Republic of Moldova's heavy reliance on electricity supplies from Cuciurgan Power Plant, following their suspension, the Republic of Moldova began importing electricity, primarily from Romania (December 2024).

To ensure natural gas supplies to the Transnistrian region, the authorities of the Republic of Moldova have authorised S.A. "Moldovagaz" to enter into contracts for the sale and purchase of natural gas intended for delivery to S.R.L. "Tiraspoltransgaz", in accordance with Order No 8 of February 10, 2025 of the Commission for Exceptional Situations of the Republic of Moldova and ANRE Decision No 490/2025.

As a result, these two developments have significantly influenced official statistics regarding the trade balance. Thus, while imports of natural gas destined for the Transnistrian region were not previously reflected in the Republic of Moldova's official statistics, starting in 2025 they are included in imports of mineral products. At the same time, the replacement of electricity supplies from Cuciurgan Power Plant, which represented a domestic source, with imports from Romania also directly affects the trade balance. ***It should be noted that the pronounced increase in mineral product imports in 2025 (Chart 3.20) does not essentially reflect an increase in consumption but is predominantly structural in nature. In this context, the interpretation of import dynamics throughout 2025 must be approached with caution, given that their volatility is influenced by structural changes***.

Chart 1: Evolution of the annual growth rate of mineral fuel imports (%) and the contribution of components to the structure (percentage points)



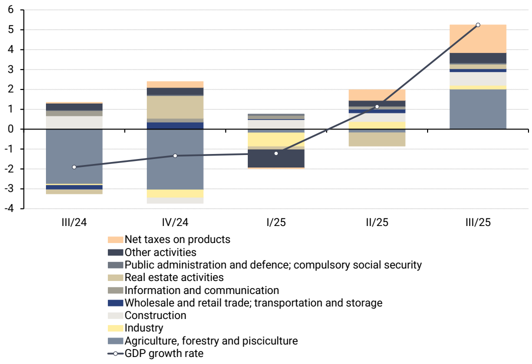
Source: NBS, NBM calculations
*October-November

Box 3

According to Chart 1, significant annual growth rates recorded for imports of "mineral fuels, lubricants, and derived materials"[a] were driven by the growth in gas and electricity imports. To better understand the scale of the phenomenon, it can be noted that electricity imports in the first 11 months of 2025 were approximately 4.13 times higher than in the same period of 2024, while natural gas imports were 2.22 times higher during that same period. At the same time, according to the ANRE report on gas market monitoring, in the first 9 months of 2025, 450,186 thousand cubic meters of gas were delivered to the Transnistrian region. For comparison, during the same period 586,299 thousand cubic meters of gas were delivered to end consumers in the Republic of Moldova.

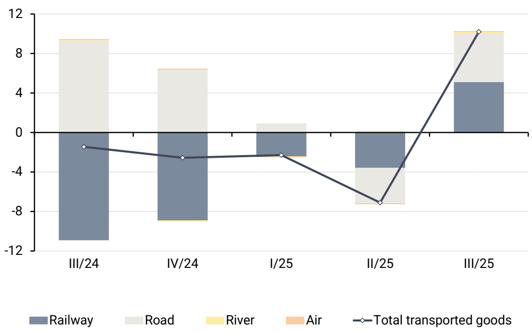
[a]Data on the Republic of Moldova's foreign trade are presented in accordance with the Combined Nomenclature of Goods. The dynamics of the mineral products group are driven by the subgroup "mineral fuels, lubricants, and derived materials", which accounted for approximately 97.6% in the first 11 months of 2025. A more detailed breakdown of the "mineral fuels, lubricants, and derived materials" subgroup will be analysed according to the Standard International Trade Classification.

Chart 3.21: Contribution of economy sectors to GDP growth (percentage points)



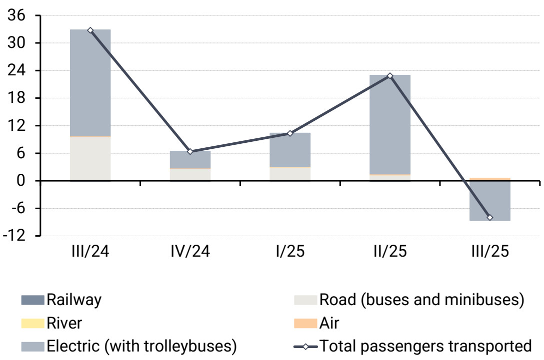
Source: NBS, NBM calculations

Chart 3.22: Development of goods transport (%, compared to the previous year)



Source: NBS

Chart 3.23: Passenger transport development (%, compared to the previous year)



Source: NBS

3.2 Production

By resource categories, GDP growth in the third quarter of 2025 was mainly driven by developments in agriculture and construction (Chart 3.21).

In this regard, the GVA in the "agriculture, forestry, and pisciculture" sector increased by 15.0%, generating a contribution of 2.1 percentage points to GDP growth. The GVA in the "construction" sector rose by 8.3% in the third quarter of 2025 and had an impact of 0.7 percentage points on GDP growth. The manufacturing industry grew by 3.8% and had an impact of 0.2 percentage points.

On the other hand, in the third quarter of 2025, the extractive and energy industries contracted by 3.6% and 9.9%, respectively, compared to the same period of the previous year, but had a marginal impact on GDP growth. The GVA for the "real estate activities" sector increased by 3.2%, contributing 0.2 percentage points, while that for the "financial and insurance activities" sector increased by 2.5% and contributed 0.1 percentage points. The GVA for wholesale and retail trade, repair of motor vehicles and motorcycles grew by 0.8% and contributed 0.1 percentage points to GDP dynamics. Transportation and storage increased by only 0.3%. The health and social work sector and the education sector increased by 1.6% and 1.1%, respectively. Net taxes on products increased by 11.1%, contributing 1.4 percentage points to GDP growth.

Goods and passenger transport

After four consecutive quarters of negative trends, in the third quarter of 2025, the annual growth rate of the volume of goods transported recorded a positive level of 10.2%, which was 17.3 percentage points higher than in the second quarter of 2025 (Chart 3.22).

This evolution was driven by a annual increase in the volume of goods transported by rail and road by 44.5 and 5.6%, respectively, compared to the same period of the last year. At the same time, the volume of goods transported by river increased by 21.3% compared to the third quarter of 2024. On the other hand, the volume of goods transported by air decreased by 42.5%.

Negative results were recorded in the passenger transport sector in the third quarter of 2025.

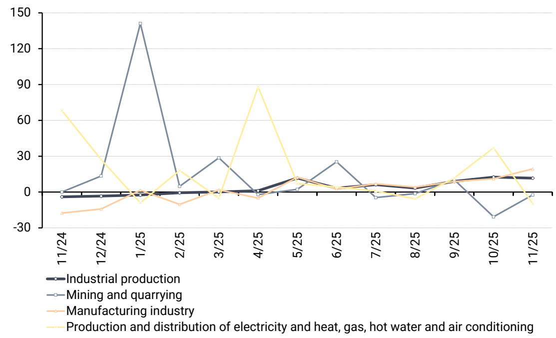
Thus, the annual growth rate of the number of passengers transported was -8.0%, which is 30.9 percentage points lower than in the second quarter of 2025 (Chart 3.23), as a result of the year-on-year decrease in the number of passengers transported, mainly by electric means (trolleybuses) – by 12.6% compared to the same period of the previous year. At the same time, the number of passengers transported by rail and river decreased by 64.5 and 12.6%, respectively, compared to the third quarter of 2024. On the other hand, the number of passengers transported by air and road (buses and minibuses) increased by 45.7 and 1.0%, respectively.

Industrial production

In the first two months of the fourth quarter of 2025, the annual rate of industrial production volume stood at a level of 12.1%, 5.9 percentage points higher than in the third quarter of 2025 (Chart 3.24).

This trend was determined by the acceleration of the annual rate of the manufacturing industry (from 6.6% in the third quarter of 2025 to 15.3% in the first two months of the fourth quarter of 2025). At the same time, the annual production rate in the "production and distribution of electricity and heat, gas, hot water and air conditioning" sector increased from 2.3% in the third quarter of 2025 to 13.6% in the first two months of the fourth quarter of 2025. On the other hand, the annual rate of production volume in the "mining and quarrying" industry sector decreased by 13.0 percentage points compared to the third quarter of 2025, to -11.6%.

Chart 3.24: Industry development in real terms (%, compared to the previous year)



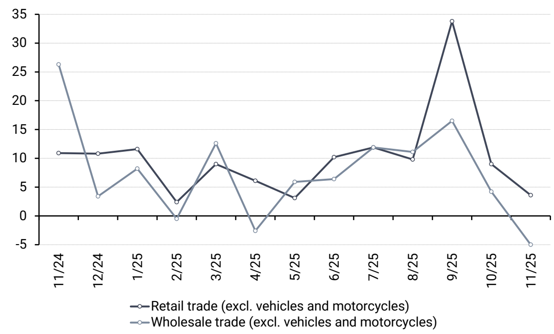
Source: NBS

Domestic trade

In the first two months of the fourth quarter of 2025, domestic retail trade (based on VAT[47] declarations) recorded an average increase of 6.3%, a rate 12.2 percentage points lower than in the previous quarter (Chart 3.25).

At the same time, domestic wholesale trade (based on VAT declarations) recorded an average decrease of 0.4% in the period of October-November 2025, which is 13.6 percentage points lower than in the third quarter of 2025.

Chart 3.25: Domestic trade (based on VAT statements) (%, compared to the previous year)



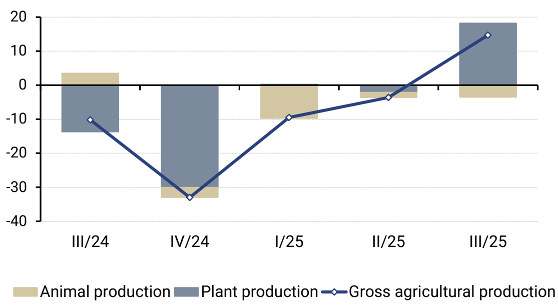
Source: NBS, NBM calculations

Agricultural production

In the third quarter of 2025, gross agricultural production increased by 14.7% compared to the same quarter of the previous year (Chart 3.26).

This growth was supported by a 22.5% increase in plan production. At the same time, animal production decreased by 18.6%.

Chart 3.26: Annual rate of gross agricultural production (%) and contribution by sectors (percentage points)



Source: NBS, NBM calculations

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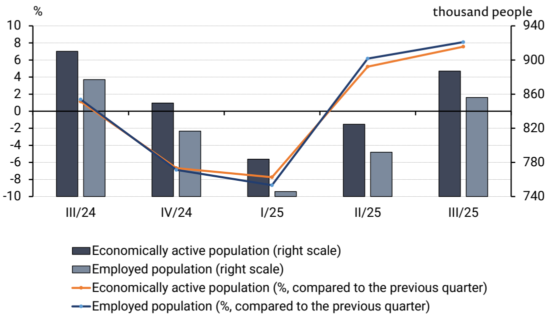
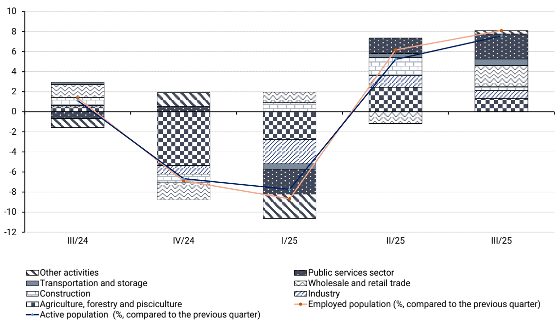
[47] NATIONAL BUREAU OF STATISTICS. *Statistics on value indices of sales (deliveries) of goods and services developed for the first time based on VAT declarations.* Chișinău: NBS, May 26, 2023. Available: https://statistica.gov.md/ro/statistici-privind-indicii-valorici-ai-vanzarilor-livrarilor-de-marfuri-si-servi-12_60432.html

Chart 3.27: Economically active population and employed population



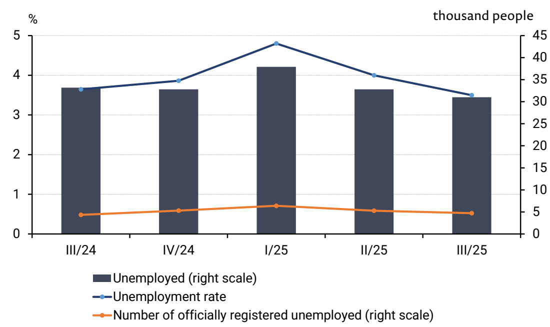
Source: NBS, NBM calculations

Chart 3.28: Contribution of the sectors of the economy to the dynamics of the number of employees (percentage points)



Source: NBS, NEA, NBM calculations

Chart 3.29: Evolution the number of unemployed, calculated according to the ILO and the number of officially registered unemployed (NEA)



Source: NBS, NEA, NBM calculations

The climatic conditions in 2025 were generally favourable[48] for the development of gross agricultural production, creating favourable preconditions for positive dynamics in the plant sector. Thus, the average yield per hectare was higher for all product groups, with the exception of pome and stone fruits.

The decline in animal production during the period under review was caused by a reduction in meat production (live weight), mainly due to a decrease in the pig herd as a result of the spread of African swine fever. At the same time, in the third quarter of 2025, milk and egg production contracted compared to the same quarter of the previous year.

3.3 Labor market

Labor force[49]

In the third quarter of 2025, the labor force stood at 887.1 thousand people, an increase of 62.4 thousand people, or 7.6%, compared to the previous quarter.

The employed population numbered 856.0 thousand people, an increase of 8.1% compared to the previous quarter (Chart 3.27).

Within the employed population, positive trends were recorded in all sectors, but the most significant positive contributions came from the growth in the public services sector[50], in the wholesale and retail trade sector[51], as well as in the agricultural sector (Chart 3.28).

At the same time, the number of unemployed persons calculated according to the ILO[52] methodology stood at 31.0 thousand people or about 1.8 thousand fewer than in the second quarter of 2025, and the unemployment rate stood at 3.5%, down 0.5 percentage points from the second quarter of 2025 (Chart 3.29).

[48] Except for late spring frosts and severe hailstorms, which affected orchards nationwide

[49] The National Bureau of Statistics informs that, starting from 1 January 2025, a new survey plan has been implemented, entitled "Multifunctional Master Sample for Social Surveys" (EMDOS 3), developed based on the results of the latest Population and Housing Census (PHC) from 2024. The data for the third quarter of 2025 were compiled based on preliminary estimates of the number of population for the year 2025 (compiled based on the results of the 2014 population and housing census). Thus, following the recalculation of the number of residents based on the results of the 2024 Population and Housing Census, the quarterly data for 2025, as well as for previous periods, are to be revised in accordance with **(Policy and Review Schedule)** of statistical data. Available: https://statistica.gov.md/ro/forta-de-munca-ocuparea-si-somajul-in-trimestrul-iii-2025-9430_62125.html

[50] "Public administration and defence; compulsory social security","education", "health and social work".

[51] Including "accommodation and food service activities".

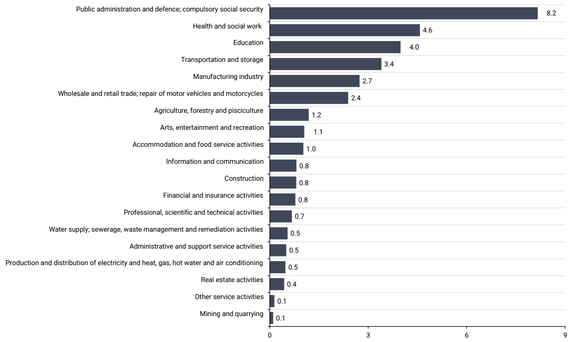
[52] International Labor Organization

According to data provided by NEA[53] the number of officially registered unemployed stood at approximately 4.7 thousand people, a decrease of about 0.6 thousand people compared to the second quarter of 2025.

According to data from the National Bureau of Statistics (NBS), there were approximately 33.8 thousand job vacancies at the end of the third quarter of 2025, an increase of 3.5% (or 1.1 thousand) compared to the second quarter of 2025.

The job vacancy rate[54] stood at 4.9%, 0.2 percentage points higher than in the previous quarter. The highest number of job vacancies was recorded in "public administration and defence, compulsory social security" – about 8.2 thousand, "health and social work" – 4.6 thousand, "education" – 4.0 thousand, and "transportation and storage" – 3.4 thousand. The fewest vacancies were recorded in "mining and quarrying" – 0.1 thousand, "other service activities" – 0.1 thousand, and "real estate activities" – 0.4 thousand.

Chart 3.30: Number of job vacancies, by economic activities, at the end of the third quarter of 2025 (thousand units)



Source: NBS

Wage fund

In the third quarter of 2025, the wage fund in the economy increased by 11.2%, up by 0.4 percentage points from the previous quarter.

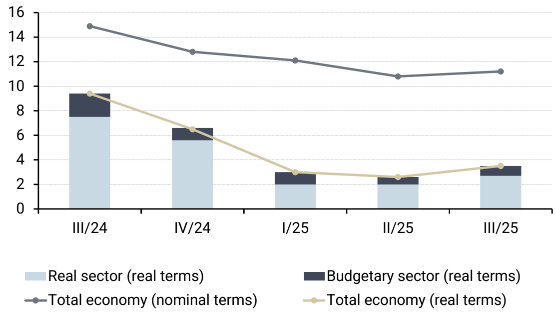
This dynamics was driven primarily by developments in the wage fund in the "wholesale and retail trade; repair of motor vehicles and motorcycles" sector, which contributed 2.3 percentage points, the "health and social work" sector (1.7 percentage points), the "education" sector (1.5 percentage points), the "industry" sector (1.5 percentage points), and the "public administration and defence; compulsory social security" sector (0.9 percentage points).

In real terms, deflated by CPI, the wage fund in the economy increased by 3.5% compared to the same period of the previous year, as a result of positive developments in both sectors of the economy: real and budgetary (Chart 3.31).

In the third quarter of 2025, the average number of employees in the national economy increased by 1.4% compared to the third quarter of the previous year. The number of employees in the real sector increased by 1.5%, contributing 1.1 percentage points, while the number in the budgetary sector rose by 1.0%, contributing 0.3 percentage points (Chart 3.32).

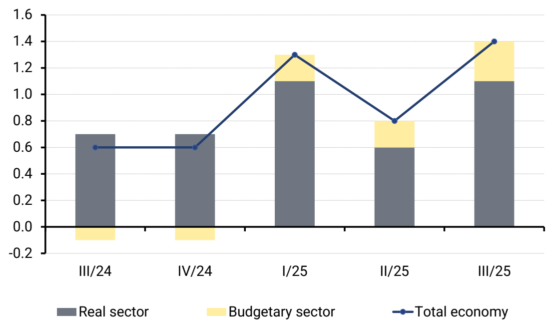
The distribution by economic sector reveals more pronounced increases in the average number of employees in the following sectors: "construction" (10.6%), "accommodation and food service activities" (8.4%), "wholesale and retail trade; repair of motor vehicles and motorcycles" (5.8%), "professional, scientific, and technical activities" (4.0%), followed by "arts, entertainment and recreation" (2.4%).

Chart 3.31: Wage fund in the economy (%, compared to the previous year) and sectors' contributions (percentage points)



Source: NBS, NBM calculations

Chart 3.32: Average number of employees in economy (%, compared to the previous year) and sectors' contributions (percentage points)

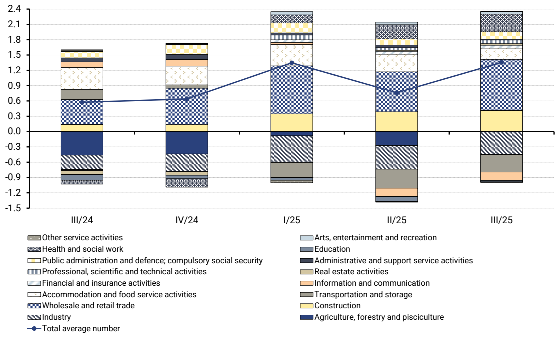


Source: NBS, NBM calculations

[53]National Employment Agency (quarterly data were calculated as the monthly average of indicators, reported at the end of each month).

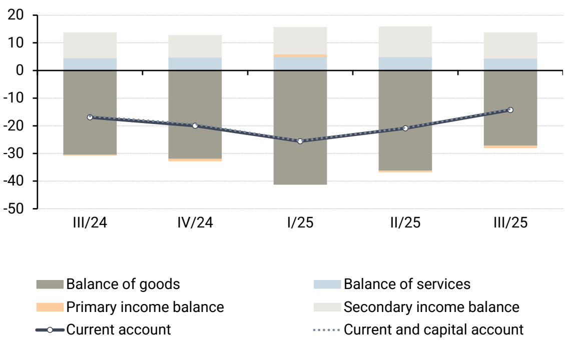
[54]The ratio of the number of job vacancies to the total number of jobs.

Chart 3.33: Contribution of the sectors of the economy to the dynamics of the number of employees (%, compared to the previous year)



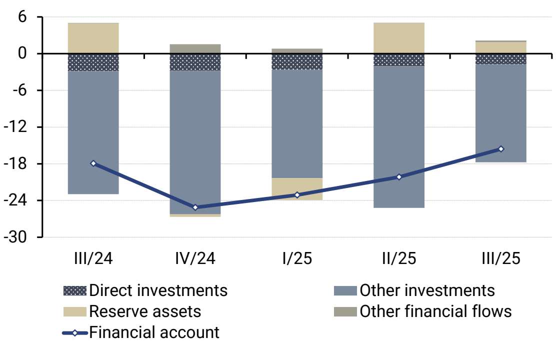
Source: NBS, NBM calculations

Chart 3.34: Current account share in GDP (%)



Source: NBM

Chart 3.35: Financial account share in GDP (%)



Source: NBM

Note: (-) – net capital inflows, (+) – net capital outflows

Declines in the number of employees were recorded in "transportation and storage" (-5.8%), "information and communications" (-3.6%), "industry" (-2.8%), and "other service activities" (-1.1%), (Chart 3.33).

3.4 External sector

Current account

In the third quarter of 2025, the current account deficit of the balance of payments decreased by 6.6 percentage points compared with the previous quarter, accounting for 14.3% of GDP (Chart 3.34).

The narrowing of the balance of payments deficit resulted from a decline in the component with a negative contribution – the "balance of goods". At the same time, the "balance of secondary income", "balance of services", and "balance of primary income" components all declined during the reference period compared with the second quarter of 2025.

Financial account

In the third quarter of 2025, the financial account, as a share of GDP, recorded a level of 15.6%, 4.6 percentage points lower than in the second quarter of 2025, but 2.4 percentage points higher than in the third quarter of 2024.

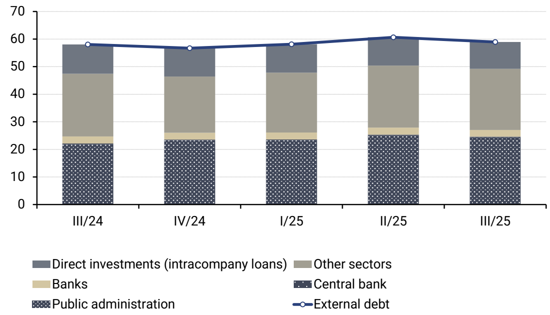
There were variations in the structure of net financial flows, but the overall picture remained largely unchanged compared to previous quarters (Chart 3.35). Thus, in the third quarter of 2025, the "other investments" component recorded a significant evolution, contributing 16.0 percentage points to the increase in net inflows of financial assets[55]. It should be noted that the net inflow of direct investments, as a share of GDP, stood at 1.7%, 0.4 percentage points lower than in the second quarter of 2025. In the third quarter of 2025, there was a net accumulations of reserve assets (1.9% as a share of GDP).

In the reference quarter, the share of external debt in GDP stood at 58.9%, down 1.7 percentage points from the second quarter of 2025 (Chart 3.36).

[55] In the third quarter of 2025, the components "cash and deposits" and "loans" contributed to the significant increase in net financial inflows as "other investments" component.

Overall, the structure of external debt indicates a relatively balanced distribution, with the government sector[56] and economic agents[57] accounting for the largest share (24.6% each), and direct investment accounting for 9.8%.

Chart 3.36: External debt share in GDP (%)



Source: NBM

[56]The cumulative debt of "public administration" and "central bank".

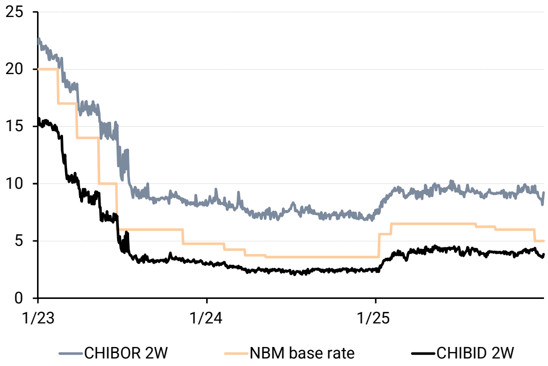
[57]The cumulative debt of "banks" and "other sectors".

Chapter 4

Monetary policy

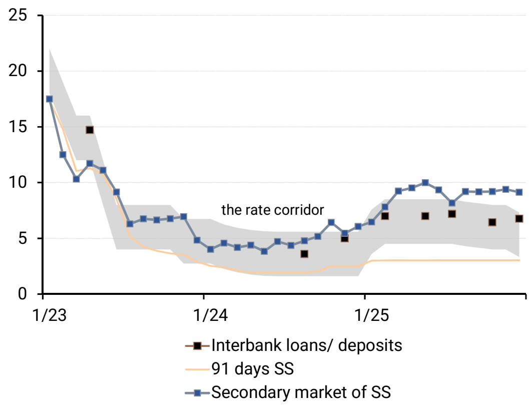
4.1 Monetary policy instruments

Chart 4.1: Monthly average reference rates on the interbank market and the base rate of the NBM (%)



Source: NBM

Chart 4.2: Monthly evolution of the interest rates corridor (%)



Source: NBM

During the fourth quarter of 2025, the National Bank continued its monetary policy easing measures and reduced the monetary policy rate by 1.0 percentage point to 5.0% annually. The NBM's decision was based on the confirmation of disinflationary trends and, implicitly, the need to maintain inflation in the medium term within a range of ±1.5 percentage points from the 5.0% target.

The yield curve CHIBOR did not react to changes in the base rate and remained virtually stable throughout the fourth quarter of 2025, showing only minor fluctuations in both directions. Thus, the CHIBOR 2W quotation at the end of December was slightly higher (+0.10 percentage points) than that recorded on the last day of the previous quarter, standing at 9.23% (Chart 4.1).

The trajectory of interest rates on government securities with a maturity of 91 days reflected both the Ministry of Finance's intention to channel investor funds into longer-term government securities and the decline in investor interest in this type of investment. Thus, the interest rate remained at 3.03% annually throughout the fourth quarter of 2025.

On the secondary segment of the state securities market, the average interest rate on transactions stood at 9.21% (+0.26 percentage points compared to the third quarter of 2025), accompanied by a significant increase in the average maturity of transactions (from 262 to 501 days), (Chart 4.2).

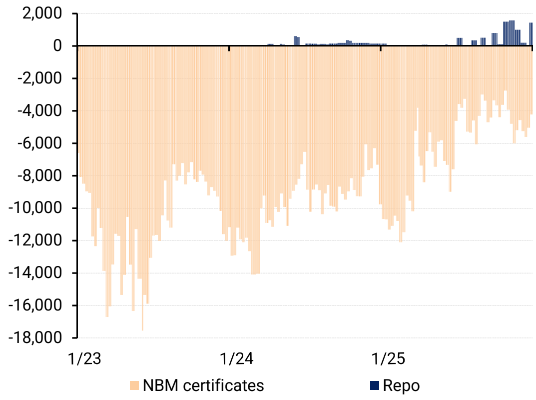
Money market operations

Sales of NBM certificates (NBC)

The net debtor position of the NBM in relation to the banking system remained unchanged during the reference quarter and subsequently strengthened to relatively higher levels. Excess liquidity was absorbed through weekly sales of 14-day certificates, in which all bids submitted by banks were fully accepted.

The strengthening of the NBM's net debtor position in relation to the banking system was reflected in the volume of the NBM's monetary policy operations aimed at absorbing liquidity, which increased compared to the previous quarter, a situation also reflected in the quarterly average of the stock of placements NBC, which rose from MDL 4,267.7 million, the level recorded in the third quarter of 2025, to MDL 4,521.5 million in the fourth quarter of 2025. The daily stock of NBC placements ranged from a low of MDL 2,755.3 million to a high of MDL 5,999.9 million (Chart 4.3).

Chart 4.3: Development of the daily balance of sterilization operations (MDL million)



Source: NBM

Repo operations

Liquidity-providing repo operations were conducted weekly with a 14-day maturity at a fixed interest rate through tender procedure without a ceiling. The volume of liquidity provided during the quarter increased substantially (from MDL 2,141.0 million to MDL 5,821.0 million). The average quarterly balance of repo operations amounted to MDL 852.8 million.

Standing facilities

During the fourth quarter of 2025, banks used both standing facilities offered by the NBM.

The total amount of overnight deposits held at the NBM amounted to MDL 26,397.0 million, an increase of approximately 16.0% over the previous quarter. At the same time, the average daily stock of these placements also increased to MDL 411.1 million (from MDL 373.3 million in the previous period). The amounts placed by banks ranged from a minimum of MDL 20.0 million to a maximum of MDL 2,650.0 million.

The total amount of overnight loans granted to banks by the NBM for the quarter amounted to MDL 630.0 million, a decrease of 47.5% compared to the previous period. The average daily balance of overnight loans stood at MDL 11.4 million.

Interest rates on standing facilities were reduced by 1.00 percentage point, bringing them to 3.00% on overnight deposits and 7.00% on overnight loans by the end of the year.

Interbank credit/ deposit market

The excess liquidity in the banking system continues to keep the interbank credit/ deposit market passive, with banks intervening sporadically in the market.

In the fourth quarter of 2025, interbank transactions totalling MDL 135.0 million were recorded, with a weighted average interest rate of 6.44% annually, the term being overnight.

Required reserves

In the reference period, the required reserve mechanism continued to perform the functions of monetary control and liquidity management in the banking system.

The required reserves in MDL held by banks during the period from 16.12.2025 – 15.01.2026 amounted to MDL 17,297.7 million, a decrease of MDL 1,509.8 million (-8.0%) compared to the period from 16.09.2025 – 15.10.2025.

As for the required reserves on funds attracted in the FCC, during the application period from 16.12.2025 – 15.01.2026, they totalled EUR 499.3 million and USD 167.6 million. Compared to the period from 16.09.2025 – 15.10.2025, required reserves in EUR decreased by 5.9% and reserves in USD by 11.0%.

These reductions are based on the monetary policy decision of November 6, 2025, under which, starting with the application period from 16.11. 2025 – 15.12.2025, the required reserve ratios were reduced by 2.0 percentage points, both for those held in MDL and for those held in FCC.

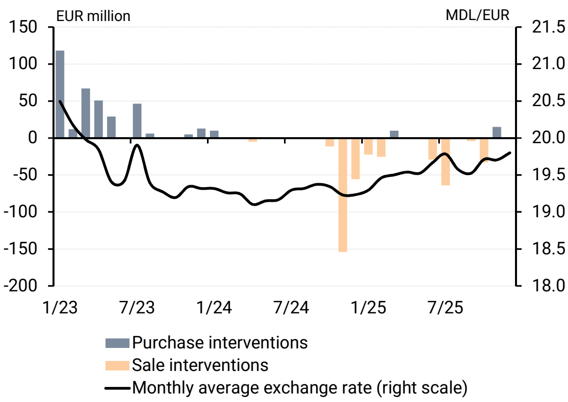
Interventions on the domestic foreign exchange market

The NBM intervened in the domestic foreign exchange market between October and December 2025 through net sales of foreign exchange.

During the period under review, the volume of transactions conducted by the National Bank of Moldova on the interbank foreign exchange market against the MDL, on the value date, amounted to EUR 49.88 million, including sales transactions totalling EUR 33.00 million, purchase transactions amounting to EUR 15.00 million, as well as currency conversions with World Bank institutions (the International Bank for Reconstruction and Development and the International Development Association) amounting to EUR 1.88 million.

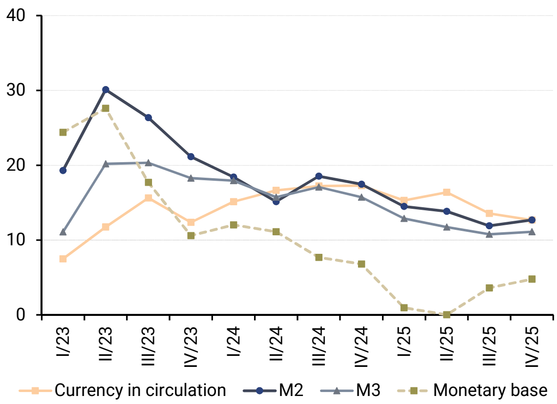
At the same time, during the reporting period, the NBM conducted purchase swaps totalling EUR 63.86 million (equivalent to USD 74.47 million), (Chart 4.4).

Chart 4.4: Development of the official MDL/EUR exchange rate and volume of daily transactions of the NBM



Source: NBM

Chart 4.5: Change in monetary aggregates (%, annual growth)



Source: NBM

4.2 Dynamics of monetary indicators

In the fourth quarter of 2025, the monetary aggregates M2 and M3 recorded a slight increase, with the M2 monetary aggregate rising by 12.7% annually (0.8 percentage points higher than in the third quarter of 2025), and M3 by 11.1% annually (0.3 percentage points higher than in the previous quarter).

The monetary base grew by 4.8% annually (an increase of 1.2 percentage points compared to the third quarter of 2025), (Chart 4.5).

Money supply

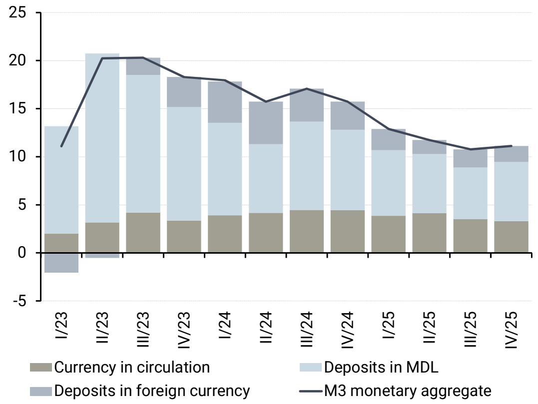
Overall, the M3 monetary aggregate recorded a slight increase in the fourth quarter of 2025, with the main contribution to this growth coming from deposits in the national currency, by 6.1 percentage points (0.8 percentage points) and money in circulation, by 3.3 percentage points (-0.2 percentage points), followed by deposits in foreign currency, by 1.7 percentage points (-0.2 percentage points). All of these factors contributed to an annual growth rate of 11.1% for the M3 monetary aggregate (Chart 4.6).

The balance of deposits in the national currency increased by 12.7% annually (Chart 4.8), as a result of the contribution of term deposits (Chart 4.9) and sight deposits (Chart 4.10).

In the fourth quarter of 2025, the growth rate of foreign currency deposits slowed to 6.6% annually, down 0.9 percentage points from the previous quarter, as a result of the acceleration in the growth rate of term deposits (Chart 4.11). The 10.0% year over year increase in foreign currency term deposits was driven by a larger contribution from deposits held by legal entities (Chart 4.12). At the same time, foreign currency sight deposits recorded a more moderate annual growth rate of 3.8%, driven by a 5.5 percentage points decline in demand deposits held by legal entities (Chart 4.13).

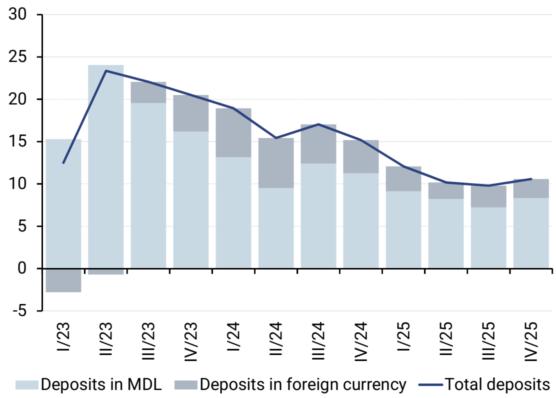
The growth rate of money in circulation at the end of the fourth quarter of 2025 slowed by 0.9 percentage points compared to the end of the previous quarter, reaching 12.7% annually. The dynamics of money in circulation were determined by both the inflow and outflow of funds into and from the vaults of licensed banks. Within total inflows, the largest contribution came from proceeds from the sale of consumer goods. At the same time, regarding withdrawals from licensed banks, the main contribution came from cash withdrawals at ATMs.

Chart 4.6: Dynamics of the monetary aggregate M3 (%, contribution of the components in annual growth)



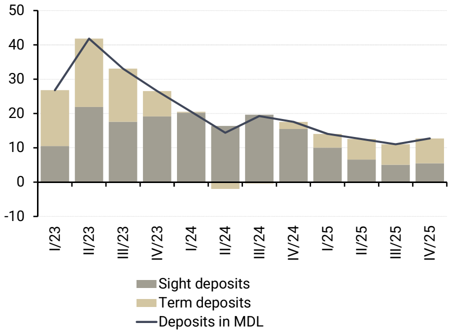
Source: NBM

Chart 4.7: Dynamics of total deposit balance (%, contribution of the components in annual growth)



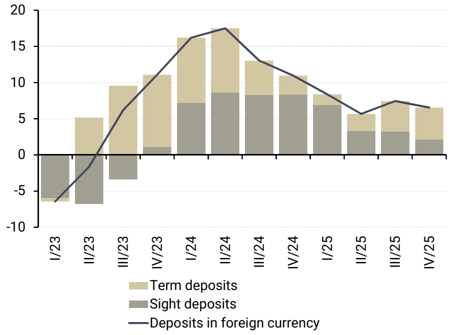
Source: NBM

Chart 4.8: Dynamics of the deposits balance in MDL (%, contribution of the components in annual growth)



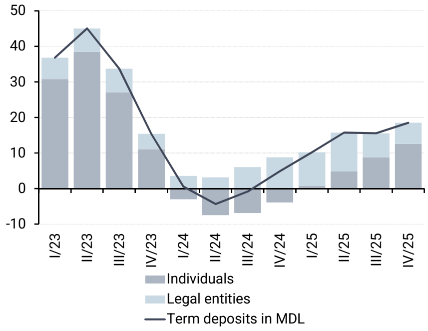
Source: NBM

Chart 4.11: Dynamics of the deposits balance in foreign currency (%, contribution of the components in annual growth)



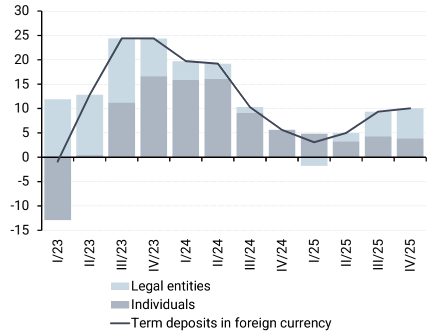
Source: NBM

Chart 4.9: Dynamics of the term deposits balance in MDL (%, contribution of the components in annual growth)



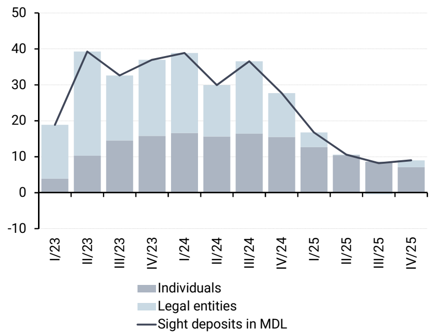
Source: NBM

Chart 4.12: Dynamics of the term deposits balance in foreign currency (%, contribution of the components in annual growth)



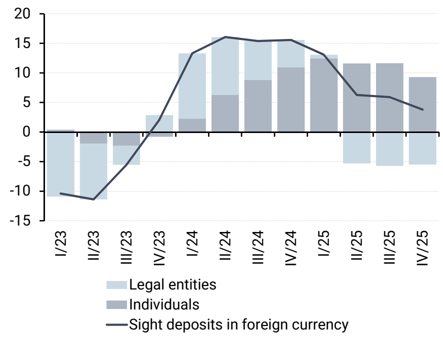
Source: NBM

Chart 4.10: Dynamics of the sight deposits balance in MDL (%, contribution of the components in annual growth)



Source: NBM

Chart 4.13: Dynamics of the sight deposits balance in foreign currency (%, contribution of the components in annual growth)

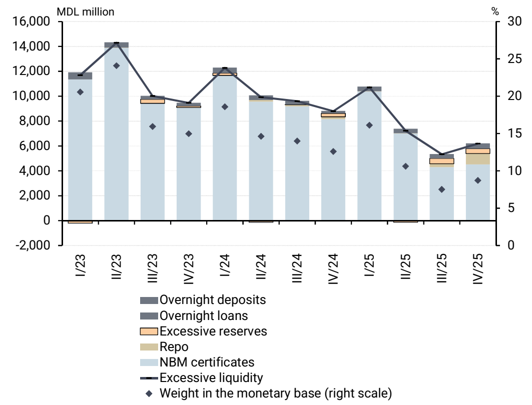


Source: NBM

Excessive liquidity

In the fourth quarter of 2025, average excessive liquidity in the banking system increased by MDL 861.2 million. It should be noted that, compared to the fourth quarter of 2024, the volume of excessive liquidity decreased by MDL 2,601.0 million, reaching an average of MDL 6.2 billion (Chart 4.14).

Chart 4.14: Excessive liquidity



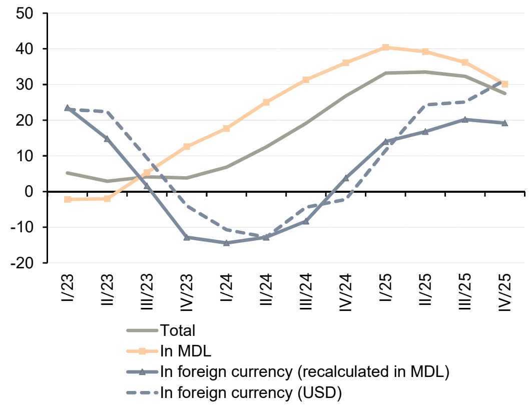
Source: NBM

Loans market

Evolution of the balance of loans granted by licensed banks[58]

At the end of December 2025, the total outstanding balance of loans granted by licensed banks recorded an annual increase of approximately MDL 100.1 billion, up 27.5% from the end of 2024 (Chart 4.15), due to the positive contributions of the balance of loans in the national currency (22.9 percentage points) and the balance of loans granted in foreign currency and attached to the exchange rate (4.6 percentage points). In this context, the share of loans granted in the national currency accounted for 77.8% of the total loan balance, compared to 76.3% at the end of 2024 (Chart 4.16). The component in the national currency recorded an annual growth rate of 30.1%. The annual trend of the balance of loans granted in MDL was influenced by a 34.1% increase in the balance of loans granted to individuals and a 24.3% increase in those granted to legal entities. At the same time, the share of the loan balance granted to individuals increased to 60.5% annually, compared to 58.7% at the end of 2024.

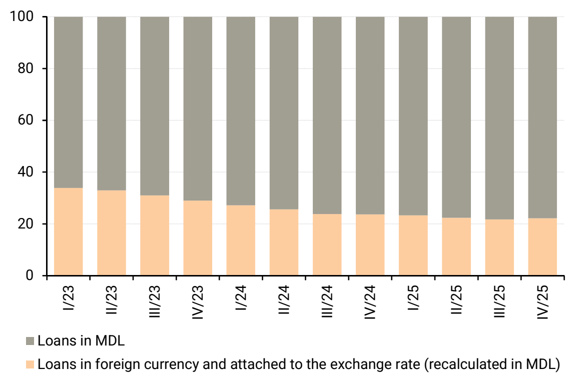
Chart 4.15: Evolution of the balance of loans (%, annual growth)



Source: NBM

At the end of the fourth quarter of 2025, in the structure of the total loan portfolio granted by licensed banks, the largest share, as in previous quarters, was accounted for by loans to individuals (47.9%), followed by the share of loans to legal entities in the trade sector (20.7%), (Chart 4.17).

Chart 4.16: Evolution of the weights of loans by subcomponents in the total balance (%)



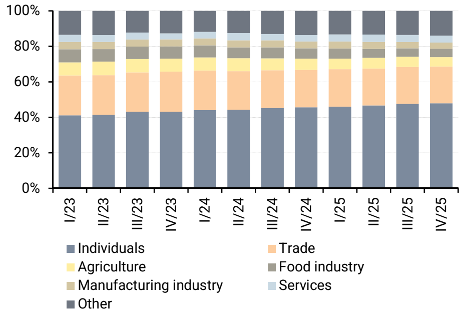
Source: NBM

Evolution of new loans granted by the licensed banks

The decline in the growth rate of new loans continued in the fourth quarter of 2025 (Chart 4.18). Over the quarter as a whole, the annual growth rate of the total volume of new loans granted by licensed banks, similar to the previous quarter, declined, as the annual growth rates of lending in both national currency and foreign currency decreased (Chart 4.18). Loans granted in the national currency recorded a negative annual growth rate, driven by a decline in the annual growth of the legal entities component (Chart 4.19). At the same time, the annual growth rate of loans granted in the national currency to individuals slowed to 3.0% on an annual basis, driven by the downward trend in mortgage loans (Chart 4.19).

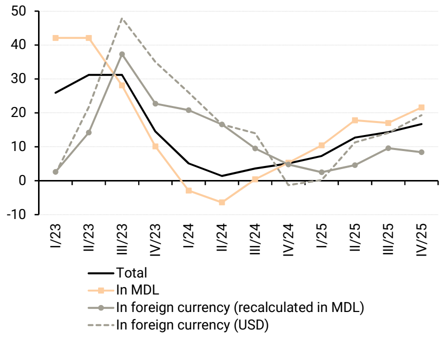
[58]The data analysis was performed on the basis of the reports ORD 01.06 "Interest rates on balance of loans and deposits" submitted by the licensed banks up to January 13, 2026.

Chart 4.17: Loans balance structure (% in total)



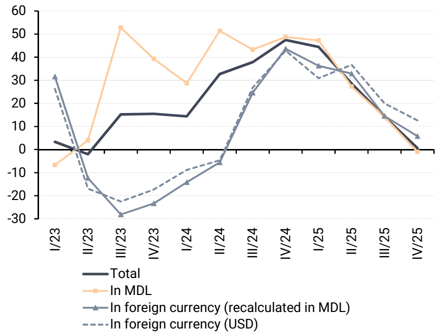
Source: NBM

Chart 4.20: Dynamics of term deposits balance (%, annual growth)



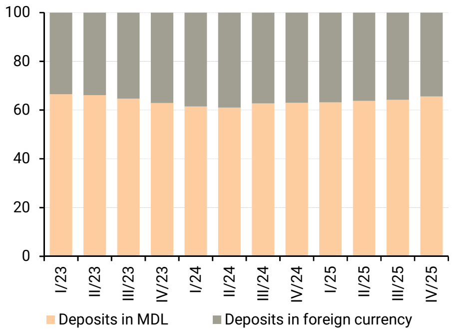
Source: NBM

Chart 4.18: Evolution of new granted loans (%, annual growth)



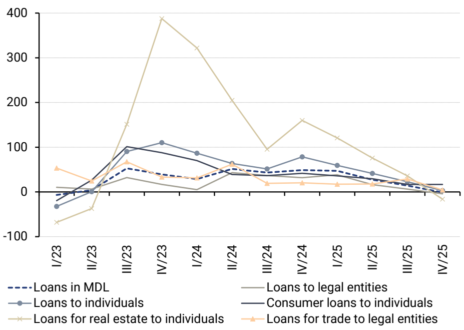
Source: NBM

Chart 4.21: Evolution of the share of term deposits by subcomponents in the total balance (%)



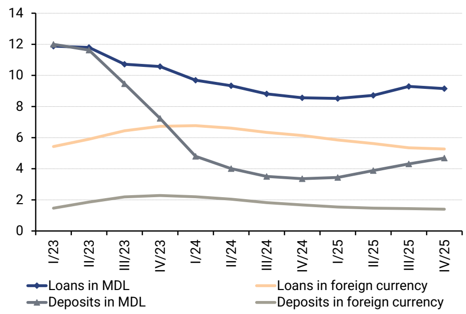
Source: NBM

Chart 4.19: Evolution of new loans granted in MDL (%, annual growth)



Source: NBM

Chart 4.22: Average interest rates on balance of loans and deposits (%)



Source: NBM

The positive growth trend is due to an increase in consumer loans. At the same time, the growth rate of new foreign-currency loans attached to the exchange rate continued to show positive annual growth (Chart 4.18).

In the fourth quarter of 2025, loans granted in the national currency accounted for 74.2% of total loans granted.

The market of deposits

The market of term deposits accepted by the licensed banks (deposit balance)[59]

At the end of the reporting quarter, the total balance of term deposits held by licensed banks amounted to approximately MDL 55.8 billion, an increase of 16.7% compared to the end of 2024 (Chart 4.20). The increase was largely driven by the balance of deposits held in the national currency. Specifically, the balance of term deposits in MDL grew at an annual rate of 21.6% (Chart 4.20), and the share increased by 2.6 percentage points to account for 65.6% of the total balance of time deposits (Chart 4.21). From a sectoral perspective, the increase was primarily due to the balance of deposits attracted from individuals.

Interest rates[60]

Base rate evolution

During the fourth quarter of 2025, the Executive Board of the National Bank of Moldova held two meetings on monetary policy decisions. Following an assessment of the balance of domestic and external risks and the short- and medium-term inflation outlook, the Executive Board of the National Bank of Moldova, at its meeting on November 6, 2025, decided to maintain the base rate at 6.00% (a level set on September 18, 2025), and subsequently, on December 11, 2025, decided to reduce the base rate applied to the main short-term monetary policy operations by 1.0 percentage points, to 5.00% per annum. These measures were adopted with the aim of stimulating aggregate demand, which is currently disinflationary, including by encouraging consumption and investment, and balancing the national economy and the current account. The decisions aim to anchor inflation expectations and keep the inflation rate close to the 5.0% medium-term target, with a possible deviation of ±1.5 percentage points.

[59] The data analysis was performed on the basis of reports ORD 01.06 "Interest rates on balance of loans and deposits" submitted by the licensed banks up to January 13, 2026 and does not include sight deposits.

[60] The analysis of the rates was based on the reports ORD 01.06 "Interest rates on balance of loans and deposits" submitted by the licensed banks up to January 13, 2026 and does not include rates on sight deposits.

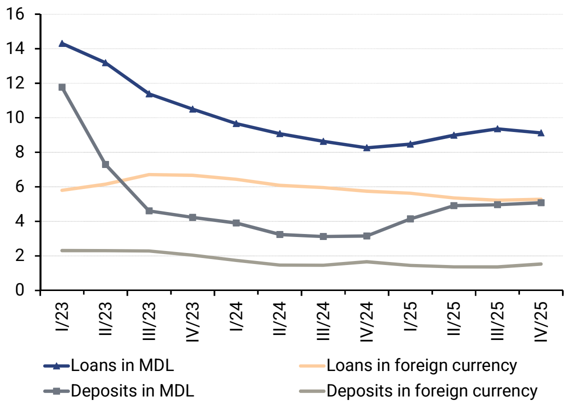
Interest rate evolution on loans balance

For the fourth quarter of 2025 as a whole, the weighted average interest rate on the balance of loans granted in MDL by licensed banks increased by 0.59 percentage points and stood at 9.15% annually under the impact of monetary policy measures implemented at the beginning of 2025 (Chart 4.22). Compared to the previous quarter, the weighted average interest rate decreased by 0.14 percentage points. The weighted average interest rate on the balance of foreign currency loans stood at 5.27% annually, 0.87 percentage points lower than in the fourth quarter of 2024.

Interest rate evolution on the deposits balance

During the reporting quarter, the weighted average interest rate on the balance of term deposits in the national currency increased by 1.33 percentage points year over year, reaching 4.69% in annual terms (Chart 4.22). At the same time, the weighted average interest rate on the balance of term deposits in foreign currency stood at 1.40% per annum, down by 0.27 percentage points from the fourth quarter of 2024.

Chart 4.23: Average interest rates on new volumes of loans and deposits (%)



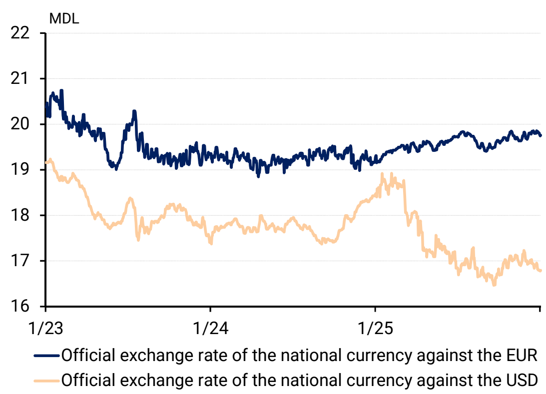
Source: NBM

Evolution of interest rates on new loans and deposits granted/ attracted by the licensed banks

In the fourth quarter of 2025, the weighted average interest rate on loans granted in the national currency showed a downward trend (Chart 4.23). Thus, the weighted average interest rate on new loans granted in the national currency stood at 9.12% per annum, down by 0.24 percentage points from the previous quarter, as a result of the decline in the weighted average interest rate on loans granted to both legal entities and individuals. At the same time, for loans granted in foreign currency and attached to the exchange rate, the weighted average interest rate stood at 5.28% per annum, up 0.06 percentage points from the previous quarter (Chart 4.23).

The weighted average interest rate on new term deposits in the national currency rose by 0.12 percentage points in the reporting quarter compared with the previous quarter, reaching 5.08% per annum (Chart 4.23), as a result of the upward trend in interest rates on deposits held by both individuals and legal entities.

Chart 4.24: Fluctuations of the official exchange rate of the Moldovan leu against the US dollar and the euro



Source: NBM

Nominal and real effective exchange rate evolution

During the fourth quarter of 2025, the official nominal exchange rate of the national currency depreciated by 0.8% against the euro and by 0.4% against the US dollar compared to the level recorded at the end of the previous quarter (Chart 4.24).

On average, the Moldovan leu depreciated by 0.6% against the euro and by 1.0% against the US dollar, compared with the averages for the previous quarter.

As for the exchange rates of Moldova's main trading partners, in the fourth quarter, most of the currencies included in the basket REER appreciated on average against the euro. In particular, the Hungarian forint (+2.3%), the Belarusian ruble (+1.6%) appreciation was recorded by the Chinese renminbi yuan (+1.3%), the Russian ruble (+1.2%) the Czech koruna (+0.9%), the Swiss franc, and the Polish zloty (each by +0.5%). On the other hand, a more pronounced depreciation was recorded by the Turkish lira (-3.2%), the British pound (-1.1%), the Ukrainian hryvnia (-0.7%), and the Romanian leu (-0.4%), (Chart 4.25).

Under these circumstances, in real terms, the MDL depreciated by 0.7% against the basket of currencies of the Republic of Moldova's main trading partners (the average for the fourth quarter of 2025 compared to the average for the third quarter of 2025), (Chart 4.26). Romania made the largest contribution to the depreciation of the REER (-0.25 percentage points), (Chart 4.27).

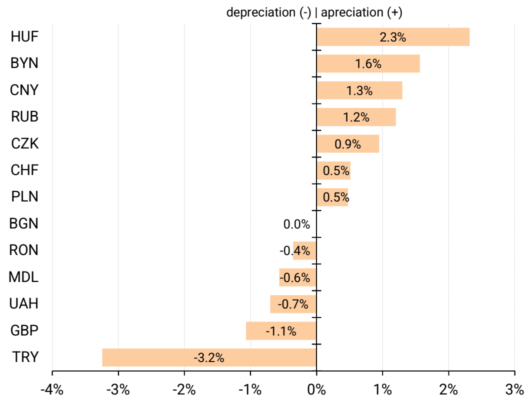
In the fourth quarter of 2025, the foreign exchange deficit in the local foreign exchange market improved compared to both the fourth quarter of 2024 and the previous quarter, due to more favourable trends in net supply of foreign exchange compared to those in net demand for foreign exchange.

Thus, the net supply of foreign exchange from individuals amounted to EUR 814.3 million, representing a 38.8% increase year-over-year and a seasonal decline of just 10.0% compared to the previous quarter. The annual trend in net supply of foreign exchange followed that of transfers from abroad to individuals, but with a more pronounced amplitude. According to data for the first two months of the quarter, net transfers from abroad increased both compared to the same period of the previous year (+7.7%) and compared to the previous quarter (+1.0%).

In the structure of net supply of foreign currency from individuals, the single European currency continued to account for the largest share (73.1%), (Chart 4.28).

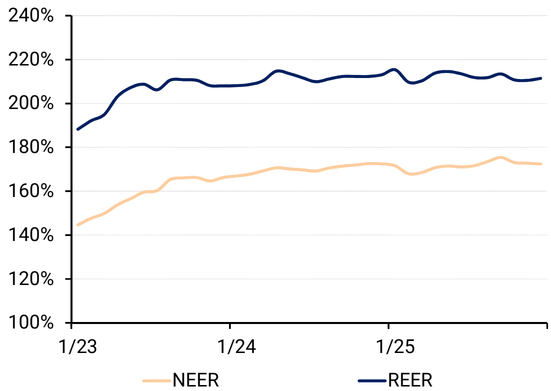
Net demand for foreign exchange from economic agents increased compared to the same period of last year (+4.6%), but fell significantly compared to the previous quarter (-17.2%), amounting to EUR 928.2 million. The trend of deterioration in the trade balance of goods continued, with this being the main factor contributing to the annual increase in net demand from legal entities. The trade balance of goods deficit increased by 24.5% compared to the corresponding period of the previous year, according to data for the first two months of the reference quarter. However, it is worth noting the positive trend in goods exports observed in the second half of 2025, with an annual increase of 20.8% in the first two months of the fourth quarter of 2025.

Chart 4.25: Development of the countries currencies – main trading partners against the EUR, average exchange rate for the fourth quarter of 2025/ third quarter of 2025 (%)



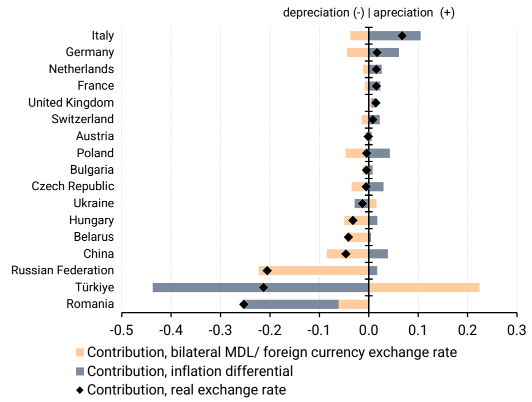
Source: NBM

Chart 4.26: Nominal effective exchange rate (NEER) and real effective exchange rate (REER) of the MDL dynamics calculated on the basis of the weight of the countries – main trading partners (Dec. 2000-100%)



Source: NBM

Chart 4.27: Contribution of the main trading partners of the Republic of Moldova to the change in the real effective exchange rate in the fourth quarter of 2025

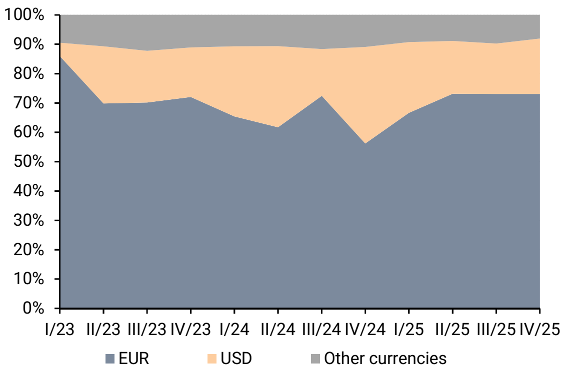


Source: NBM

Net demand for foreign exchange from legal entities was driven mainly by increased demand from energy importers and companies in the non-bank lending sector. The rise in net demand was partially offset by increased supply of foreign exchange from some agricultural exporters.

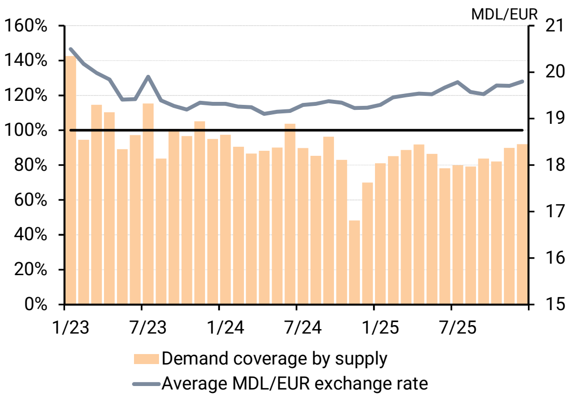
In this context, the degree to which the net demand for foreign exchange from economic agents was met by the net supply of foreign exchange from individuals stood at 87.7% during the reference period (Chart 4.29), compared to 80.7% in the previous quarter and 66.1% in the fourth quarter of 2024. Against this backdrop, the NBM intervened with net foreign exchange sales amounting to EUR 18.0 million[61] on the domestic interbank market, aimed at mitigating exchange rate volatility.

Chart 4.28: Net supply of foreign currency from individuals broken down by main currencies



Source: NBM

Chart 4.29: The degree of net sales coverage by net supply and the official exchange rate dynamics



Source: NBM

From a monthly perspective, during the period under review, the official exchange rate of the MDL against the EUR followed a general downward trend. The MDL began the quarter with an accelerated depreciation in the first weeks of October, a month in which the highest demand from energy importers was recorded during the quarter under review, along with foreign exchange demand linked to a capital market transaction. A correction followed in the last week of October and the first half of November, with the MDL exchange rate returning to levels close to those at the start of the quarter. Starting in the second half of November, the EUR/MDL exchange rate resumed its upward trend, with moderate fluctuations, until December, when the national currency depreciated to its fourth quarter high of MDL 19.86 per EUR.

The official exchange rate of the MDL against the USD was influenced, among other factors, by the US dollar's performance against the EUR on the international market.

The fourth quarter was a period of consolidation and relative stability for the EUR/USD pair following periods of volatility in 2025. As expected, on 29 October, the US Federal Reserve cut the benchmark interest rate by 25 basis points in response to the slowdown in the labour market, the additional costs generated by the introduction of tariffs, and the loss of the Chinese market by soybean producers. The decision to cut the benchmark interest rate was not unanimous, and the temporary shutdown of the US federal government blocked the timely release of official economic data, creating uncertainty regarding economic growth and monetary policy. All of this led to lower expectations for another cut in the benchmark rate, which supported the US dollar, pushing up short-term yields. However, a significant drop in inflation, according to data released following the government's resumption of operations, encouraged the Federal Reserve to cut the benchmark interest rate again in early December, while also signalling further easing in 2026. Toward the end of the quarter, markets were sensitive to concerns regarding the Federal Reserve's independence. The possible replacement of US Federal Reserve Chair Jerome Powell with someone close to the presidential administration could lead to a more accommodating monetary policy to the administration, which would create inflationary pressures, higher borrowing costs, and negative effects on the US dollar.

[61] Volume calculated on the currency date.

In the fourth quarter, the euro area showed signs of resilience, with inflation within the ECB's target range and economic growth exceeding forecasts, driven by both rising consumption and increased investment in infrastructure and defence.

Under these circumstances, the EUR/USD exchange rate remained within the range of 1.15-1.18 during the reporting quarter, ending the quarter close to the level recorded at the end of the previous quarter.

At the end of the fourth quarter of 2025, the balance of official reserve assets stood at EUR 5,104.3 million (Chart 4.30), down by EUR 59.4 million (-1.2%) compared with the end of the third quarter of 2025, mainly due to payments for servicing external public debt, outflows related to the foreign exchange reserve requirements of licensed banks, and net foreign exchange sales.

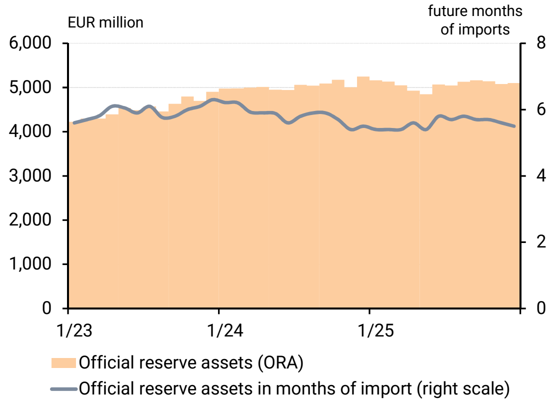
The decline in official reserve assets was partially offset by disbursements for budgetary support in the form of loans, of which:

- EUR 45.0 million from the French Development Agency, including:
  - EUR 25.0 million for the "Energy Green Transition Programme",
  - EUR 20.0 million for the "Modernisation of the forestry sector in the Republic of Moldova" Programme;
- EUR 6.9 million in the form of a loan from the European Investment Bank for the development of the country's railway infrastructure;
- EUR 1.0 million in the form of a loan from the World Bank Group as part of the project to improve competitiveness.

Similarly, the Ministry of Finance of the Republic of Moldova received loans and grants from external partners for investment projects totalling EUR 10.2 million. Notably, these included loans and grants from World Bank institutions totalling EUR 6.6 million for the projects "Land Registration and Valuation" (EUR 1.4 million), "Higher Education" (EUR 1.3 million), as well as other projects in the fields of education, agriculture, energy efficiency, water supply, and sanitation, and the loan from IFAD for the "Capacity Building for Rural Transformation" project (EUR 1.9 million).

According to the situation at the end of the fourth quarter of 2025, official reserve assets continued to provide sufficient coverage for imports of goods and services (5.5 months of future imports[62]).

Chart 4.30: Development of the official reserve assets expressed in months of future imports of goods and services (BPM6)



Source: NBM – based on actual data and updated forecast

[62] Calculated based on the Ministry of Economic Development and Digitalisation forecast on the import of goods and services.

Chapter 5

Forecast

5.1 External assumptions

Forecasts regarding external assumptions at the start of the year are affected by geopolitical uncertainties. Although the global economy is expected to continue growing gradually, its ability to reach its full potential will be overshadowed by the repercussions of geopolitical events on the international stage. The fourth year of war in Ukraine, with negotiations making no progress; tensions in the Middle East have shifted from Palestine to Iran; and, trade tariffs have become the norm rather than the exception. Although European economies are gradually improving, they will be affected by reciprocal trade tariffs with the US, fiscal deficit issues, and political tensions surrounding Greenland. As inflation in the euro area reached the 2% target, a pause in the ECB's interest rate adjustments is expected. The trajectory of US Federal Reserve interest rates is uncertain given the pressure being exerted by the US president on the Federal Reserve. In 2026, the US dollar is expected to depreciate to a lesser extent than in 2025 as the initial impact of trade tariffs fades. Oil quotations will continue to be affected by OPEC+'s policy of bringing previously limited production capacity back to the market. European natural gas prices will be negatively influenced by the urgent need to replenish stocks in Europe, although weak demand from Asian countries could ease pressure on international trading prices. Barring any extraordinary developments, international food prices are expected to follow a balanced trend.

Table 5.1: Expected evolution of external variables (annual average)

	2025	2026
Economic growth in the euro area (%)	1.1	1.4
Average annual inflation in the euro area (%)	1.8	1.9
EUR/USD	1.18	1.18
Euribor (%)	2.0	2.2
Brent oil price (USD/barrel)	62.6	62.2
Natural gas price Netherlands TTF (EUR/1,000 m^3)	289.1	260.5
Increase of food international quotations (%)	-0.1	1.9

Source: Bloomberg, Consensus Forecast, NBM calculations

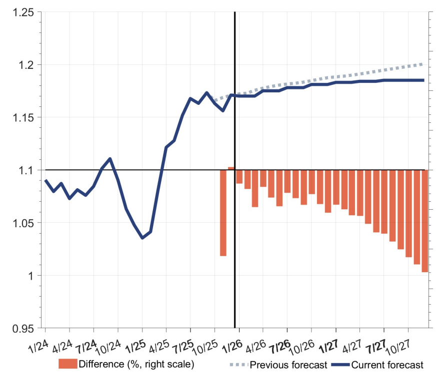
The 5.1 table presents the values of the main external assumptions used in the forecasting round for the Inflation Report, February 2026, along with their subsequent description.

Economic growth in the euro area is forecasted to be 1.1% in 2026 and 1.4% in 2027, slightly above the preliminary estimate of 1.4% for 2025. The premises for economic growth in the euro area remain those of 2025, namely announced investments in the automotive and defence sectors, low interest rates in the context of monetary policy harmonisation, growth in the services sector, and the uneven and fragile recovery of the industrial production sector following the energy crisis of previous years. Although some economies in the euro area and the European Union will implement restrictive fiscal measures, these will contribute to the structural harmonisation of public spending, which will have a positive impact on future economic growth. Furthermore, in the context of stable inflation, consumers will be inclined to spend more, which will support domestic demand.

Since consumer prices in the euro area have fallen to the ECB target 2.0%, interest rates are expected to remain stable in the near future. At the same time, the forecast for growth in the harmonised index of consumer prices in the euro area – 1.8% in 2026 and 1.9% in 2027 – supports expectations that ECB interest rates will remain unchanged. It should be noted that real estate prices in some countries are a cause for concern.

In line with recent trends of the single European currency and the US dollar, the current forecast round projects an average ***EUR/USD exchange rate*** of 1.18 for the entire forecast horizon (Chart 5.1). The evolution of the EUR/USD parity will continue to be influenced by tariffs, the trade balance, investor flows, as well as the divergence between ***the monetary policies of the ECB and the Fed.*** As mentioned in Chapter 2 of this report, the ECB has concluded its cycle of interest rate cuts, while the Fed is expected to continue lowering interest rates under pressure from the US presidential administration. It should be mentioned that the trade tariffs imposed by the US president shift the burden almost entirely onto US citizens, according to a new study by the Kiel Institute for the World Economy. An analysis of data covering USD 4 trillion in freight shipments from January 2024 to November 2025 found that foreign exporters lowered prices, absorbing only 4% of the additional costs. The remaining 96% of the costs were borne by US buyers and importers [63].

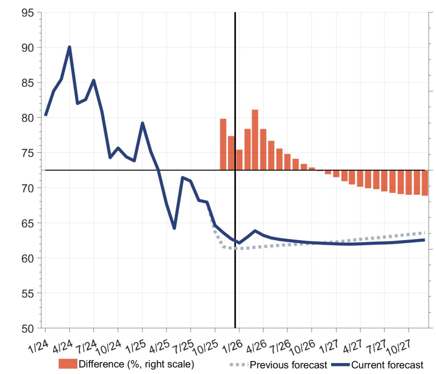
Chart 5.1: EUR/USD exchange rate assumption



Source: BCE, Consensus Forecast, NBM calculations

The low volatility of oil quotations in recent months has led to the current forecast round projecting an average annual ***Brent quotations*** of USD 62.6/barrel in 2026 and USD 62.2/barrel in 2027, an increase of 1.3% for 2026 and a decrease of 1.2% for 2027 compared to the previous forecast round (Chart 5.2). Oil quotations are expected to fluctuate within the same narrow range seen in recent months as two opposing factors offset each other: the growing oil surplus and the rising risk premium associated with geopolitical tensions. Further tightening of economic sanctions against Russia will lead to a decline in the price of Russian oil, especially as India purchases less and less Russian oil.

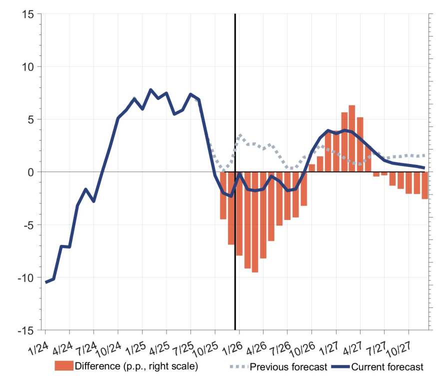
Chart 5.2: International Brent oil price assumption (USD/barrel)



Source: Bloomberg, NBM calculations

The average projected ***Netherlands TTF quotations*** in the current forecasting round is EUR 289.1/1,000 cubic meters in 2026 and EUR 260.5/1,000 cubic meters in 2027, down 10.2% and 12.8%, respectively, compared to the previous forecast round. It is worth mentioning that the forecast value reflects futures contracts for the Netherlands TTF quotation as of January 12, 2026, and that in the days that followed, a shock occurred due to low temperatures in Europe and the rapid decline in natural gas stocks. It is anticipated that by the end of the cold season, there will be greater clarity regarding the level of natural gas stocks in Europe is and to what extent this will influence European natural gas prices.

Chart 5.3: International food prices assumption (%)



Source: FAO, Bloomberg, NBM calculations

In the current forecast round, ***international food prices*** are expected to decline slightly by 0.1% in 2026 and rise by 1.9% in 2027 (Chart 5.3). At present, there is no imbalance between food supply and demand, with few exceptions, as the 2025 harvest was relatively satisfactory. At the same time, the recent rise in fertiliser prices is putting pressure on future harvests. Furthermore, trade tariffs could lead to significant structural changes in the export of agricultural and food products.

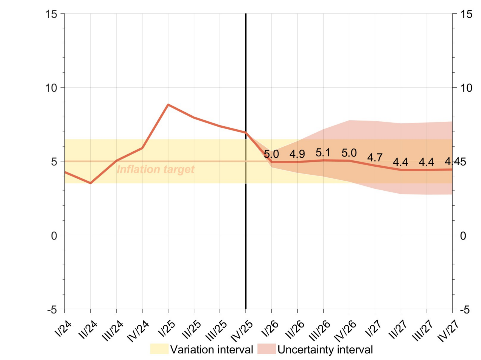
[63] ProFinance. Торговые пошлины президента Трампа почти полностью оплачиваюця американцами — немецкий институт. Online. (January 20, 2026). Available: https://www.profinance.ru/news/2026/01/20/ciaw-torgovye-poshliny-prezidenta-trampa-pochti-polnostyu-oplachivayutsya-amerikantsa.html

5.2 Internal environment

Inflation

At the beginning of 2026, the annual inflation rate will decrease, after which it will remain relatively stable until the end of the year; at the start of next year, it will see a further slight decline, subsequently stabilising at the same level over the final three consecutive quarters of the forecast period[64]. In the first quarter of the forecast period[65], the annual inflation rate will return to the inflation target range and remain close to the target through the end of the forecast period. The maximum annual inflation rate will be recorded in the fourth quarter of this year, and the minimum value in the second quarter of next year (Chart 5.4).

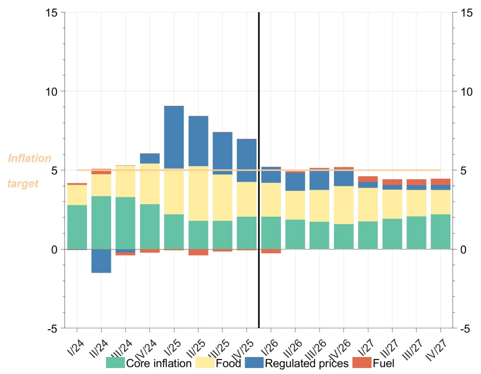
Chart 5.4: CPI with uncertainty interval (%, compared to the previous year)



Source: NBS, NBM calculations

The trend in the annual inflation rate over the entire forecast period is largely influenced by ***prices of food products***, ***core inflation*** and less by ***regulated prices*** and those of ***fuels***, starting in the second quarter of 2026. However, prices for ***fuels*** from the first quarter of 2026 will have a slightly negative impact on the annual inflation rate (Chart 5.5).

Chart 5.5: CPI decomposition (%, compared to the previous year, percentage points)



Source: NBS, NBM calculations

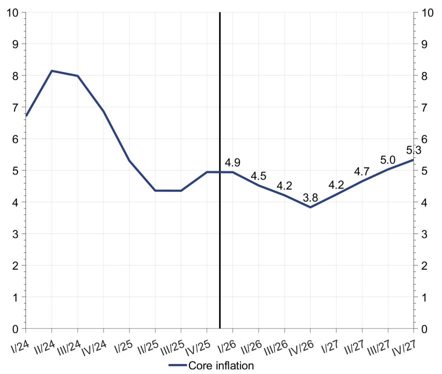
The generally stable trajectory of the annual inflation rate throughout the forecast period is due to the offsetting effects of positive and negative factors. Among the factors with a positive impact, the following can be mentioned (1) the evolution of the national currency against the Euro and the US dollar over the forecast period, as a consequence of exchange rates on the international market, (2) the slight upward trend in international food prices until the second quarter of 2027, (3) the insignificant increase in international oil prices starting in the second quarter of 2027, (4) the anticipated adjustments to certain tariffs and services in the first quarter of 2026, and (5) the adjustment of excise taxes in early 2026 and 2027.

On the other hand, the negative factors are (1) negative aggregate demand throughout the forecast period, (2) the cumulative decline in international food prices through the first quarter of 2026, (3) the continued downward trend in international oil prices through the first quarter of 2027, and (4) the high base from the previous year.

The annual inflation rate will peak at 5.1% in the third quarter of 2026 and hit a low of 4.4% in the second quarter of 2027.

Average annual inflation will be 5.0% this year and 4.5% next year.

Chart 5.6: Core inflation (%, compared to the previous year)



Source: NBS, NBM calculations

The annual core inflation rate will follow a downward trend starting in the second quarter of the forecast period, and will rise slightly starting next year (Chart 5.6).

[64] First quarter 2026 – fourth quarter 2027

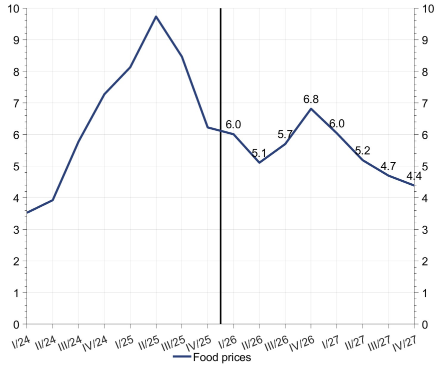
[65] First quarter of 2026

The decrease in the annual core inflation rate from the second quarter of 2026 through the fourth quarter of 2026 will be due to (1) negative aggregate demand throughout the forecast period, (2) a decline in imported inflation through the second quarter of 2026, and (3) the high base from the previous year. At the same time, (1) the evolution of the national currency against the Euro and the US dollar over the forecast period, as a consequence of exchange rates on the international market, (2) a slight increase in imported inflation starting in the third quarter of 2026, and (3) the adjustment of excise taxes at the beginning of 2027 will cause the annual core inflation rate to rise throughout 2027.

The average annual core inflation rate is projected to be 4.4% and 4.8% in 2026 and 2027, respectively.

The annual rate of food prices will continue its downward trend in the first two quarters of the forecast period; thereafter, following an increase at the end of 2026, the annual rate will gradually decline toward the end of the forecast period (Chart 5.7).

Chart 5.7: Food prices (%, compared to the previous year)



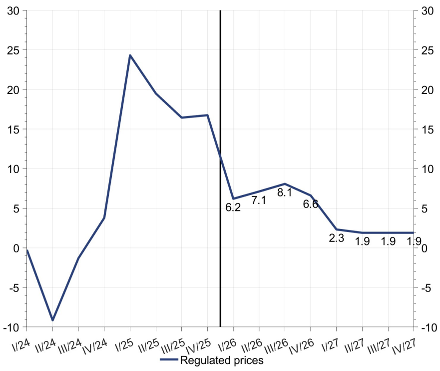
Source: NBS, NBM calculations

The continued decline in the annual rate of food price inflation through the second quarter of 2026 will be driven by (1) the cumulative fall in international food prices through the first quarter of 2026, (2) negative aggregate demand throughout the forecast period, and (3) the high base from the previous year. However, the presence of factors such as (1) the slightly upward trend in international food prices through the second quarter of 2027, (2) the evolution of the national currency against the Euro and the US dollar over the forecast period, as a consequence of exchange rates on the international market, and (3) the acceleration of imported inflation through the fourth quarter of 2026 will lead to a slight increase in the annual rate in the second half of 2026 and will temper its decline throughout 2027.

The average annual rate of food price inflation will be 5.9% and 5.1% in 2026 and 2027, respectively.

The annual growth rate of regulated prices will slow significantly in the first quarter of the forecast period, and after a slight increase throughout 2026, it will decline early next year and stabilise toward the end of the forecast period (Chart 5.8).

Chart 5.8: Regulated prices (%, compared to the previous year)



Source: NBS, NBM calculations

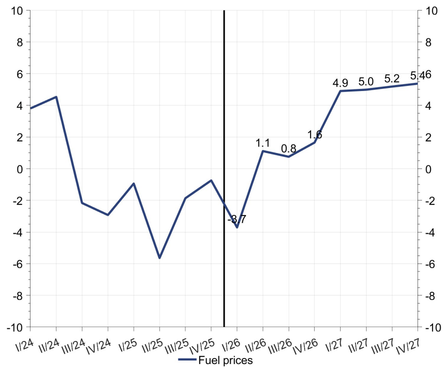
The annual rate of regulated prices will be determined by the anticipated adjustments to certain tariffs and services in the first quarter of 2026.

The average annual rate of regulated prices will be 7.0% and 2.0% in 2026 and 2027, respectively.

The annual rate of fuel prices will be negative at the beginning of 2026, but will subsequently turn positive and rise toward the end of the forecast period (Chart 5.9).

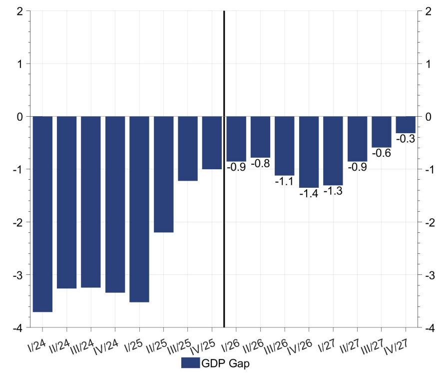
The negative trend in fuel prices in the first quarter of 2026 is driven by (1) negative imported inflation during the same period, (2) the continued downward trend in international oil prices through the first quarter of 2027, and (3) negative aggregate demand throughout the forecast period. On

Chart 5.9: Fuel prices (%, compared to the previous year)



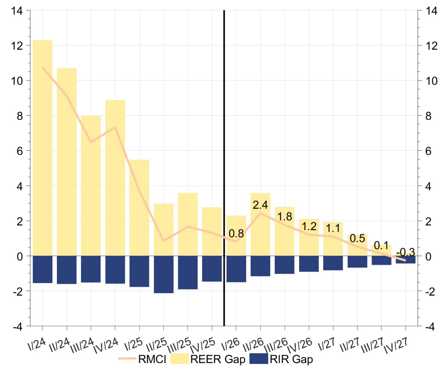
Source: NBS, NBM calculations

Chart 5.10: GDP gap (%)



Source: NBM calculations

Chart 5.11: Real monetary conditions index and decomposition



Source: NBM calculations

the other hand, (1) the evolution of the national currency against the Euro and the US dollar over the forecast period, as a result of exchange rates on the international market, (2) the insignificant increase in international oil prices starting in the second quarter of 2027, and (3) the adjustment of excise taxes in early 2026 and 2027 will mitigate the decline in the annual growth rate and contribute to its acceleration, with the exception of the fourth quarter of 2026.

The average annual rate of change in fuel prices is expected to be -0.1% and 5.1% in 2026 and 2027, respectively.

Demand

Aggregate demand will remain negative throughout the forecast period, driven largely by the restrictive real monetary conditions through the third quarter of 2027 and, to a lesser extent, by the negative fiscal impulse in the second half of 2026 and early 2027. Slightly positive external demand throughout the forecast period is expected to boost aggregate demand (Chart 5.10).

The restrictive real monetary conditions through the third quarter of 2027 and the slightly negative fiscal impulse in the third and fourth quarters of 2026, as well as in the first quarter of 2027, will lead to negative domestic demand. However, stimulative real monetary conditions at the end of 2027 and slightly positive external demand will stimulate aggregate demand, mitigating its decline.

The deviation of the real effective exchange rate will exert a restrictive character on aggregate demand, which is expected to rise until the second quarter of 2026 and then decline toward the end of the forecast period. On the other hand, the restrictive pressures from the real effective exchange rate will be offset by the stimulative nature of the real interest rate.

Monetary policy

Real monetary conditions will have a restrictive character on aggregate demand throughout the forecast period, with the exception of the final quarter, when they will be stimulative (Chart 5.11).

Monetary policy through the real effective exchange rate will have a restrictive character throughout the forecast period. At the same time, monetary policy through the real interest rate will have a stimulative character during the same period.

The real appreciation of the national currency will widen the deviation of the real effective exchange rate from its equilibrium level through the first half of 2026, thereby tightening aggregate demand. However, starting in the third quarter of 2026, the restrictive character of the real effective exchange rate is expected to diminish, becoming stimulative in the final quarter of the forecast period.

5.3 Forecasts comparison

The current inflation forecast, compared to that in the previous inflation report[66], has been revised upward through the end of this year and downward for the second and third quarters of 2027 (Chart 5.12).

An upward revision of the forecast for ***regulated*** prices through the fourth quarter of 2026, ***food*** prices starting in the third quarter of 2026, and prices for ***fuel*** over the entire comparable period[67], except for the second quarter of 2027 and ***core inflation*** by the second quarter of 2026, they have revised upward their current inflation forecast through the fourth quarter of 2026. However, the downward revision of the current forecast starting in the first quarter of 2027 is due to the decline in the core inflation forecast starting in the second quarter of 2026, ***food*** prices through the second quarter of 2026, ***regulated*** prices starting in the first quarter of 2027, and ***fuel*** prices starting in the second quarter of 2027.

The upward shift in the current forecast compared to the previous one through the fourth quarter of 2026 is driven by (1) actual inflation that was higher than anticipated for the previous quarter, (2) an upward revision to the short-term forecast for the first quarter of 2026, (3) a weaker exchange rate against the Euro and the US dollar over the entire comparable period, (4) a higher projection for international oil prices through the third quarter of 2026, and (5) a higher import price for natural gas in the second and third quarters of 2026.

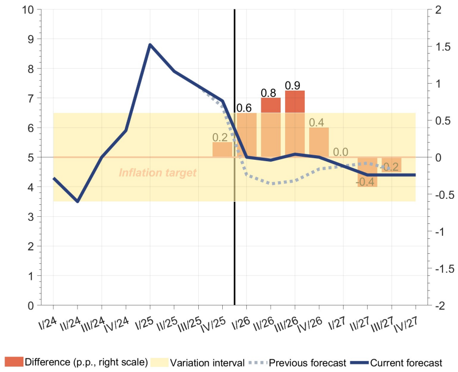
On the other hand, (1) the lower projection for international food prices over the comparable period, (2) weaker aggregate demand over the same period, with the exception of the third quarter of 2027, (3) the lower trajectory of international oil prices starting in the first quarter of 2027, and (4) the lower import price of natural gas in the third quarter of 2027 have revised downward the annual growth rate.

The average annual inflation rate was increased by 0.7 percentage points for 2026 and decreased by 0.1 percentage points for 2027.

The annual core inflation rate rose at the beginning of this year and declined for the remainder of the comparable period (Chart 5.14).

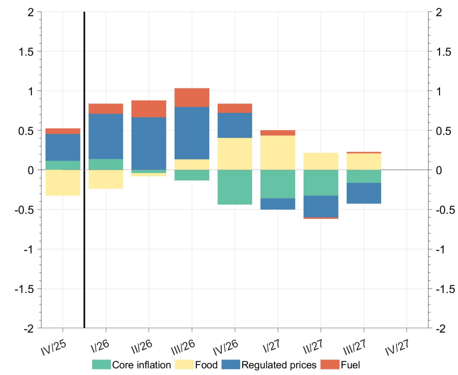
The upward revision of the current forecast compared to the previous one is driven by (1) actual inflation that was higher than anticipated for the previous quarter, (2) a rising short-term forecast for the first quarter of 2026, (3) a more depreciated exchange rate against the single European currency throughout the comparable period, and (4) a higher trajectory of imported inflation over the same period, with the exception of the second quarter of 2026. At the same time, (1) weaker aggregate demand over the comparable period, with the exception of the third quarter of 2027,

Chart 5.12: CPI (%, compared to the previous year, percentage points)



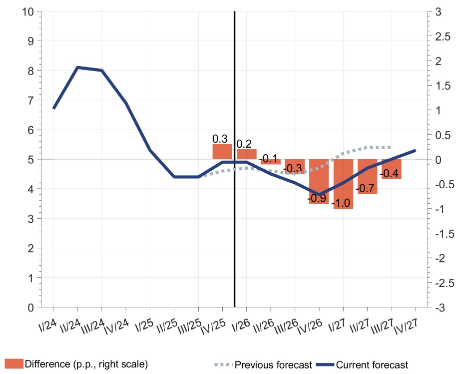
Source: NBS, NBM calculations

Chart 5.13: Decomposition of the difference between forecasts (percentage points)



Source: NBM calculations

Chart 5.14: Core inflation (%, compared to the previous year, percentage points)



Source: NBS, NBM calculations

[66] Inflation Report, November 2025

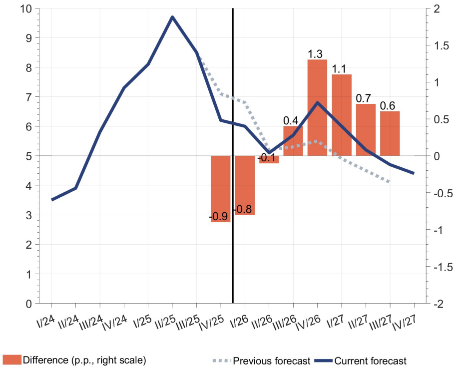
[67] First quarter of 2026 – third quarter of 2027

and (2) lower imported inflation in the second quarter of 2026 have led to a downward revision of the current forecast.

The forecast for the average annual core inflation rate has been lowered by 0.2 percentage points for 2026 and by 0.5 percentage points for 2027.

The annual rate of food prices was revised downward in the first half of 2026 and upward for the remainder of the comparable period (Chart 5.15).

Chart 5.15: Food prices (%, compared to the previous year, percentage points)



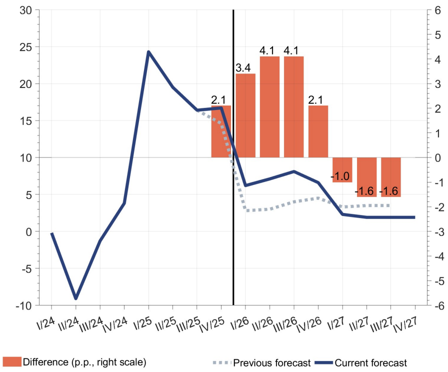
Source: NBS, NBM calculations

The decrease in the current forecast compared to the previous one is driven by (1) actual inflation that was lower than anticipated in the previous quarter, (2) a downward trend in the short-term forecast for the first quarter of 2026, (3) a lower projection for international food prices throughout the comparable period, (4) weaker aggregate demand over the same period, with the exception of the third quarter of 2027, and (5) a lower trajectory for imported inflation through the second quarter of 2026. However, (1) a weaker exchange rate against the US dollar over the comparable period and (2) the higher projection for imported inflation starting in the third quarter of 2026 have lowered the forecast for food prices.

The forecast for the average annual rate of food price inflation has been revised upward by 0.2 percentage points for 2026 and by 0.8 percentage points for 2027.

The annual rate for regulated prices has been increased for the current year and will be reduced starting in the first quarter of 2027 (Chart 5.16).

Chart 5.16: Regulated prices (%, compared to the previous year, percentage points)



Source: NBS, NBM calculations

An upward review of the current forecast compared to the previous one is driven by (1) actual inflation that was higher than anticipated for the previous quarter, (2) an upward trend in the short-term forecast for the first quarter of 2026, (3) a higher projection for international oil prices through the third quarter of 2026, and (4) a higher import price for natural gas in the second and third quarters of 2026. On the other hand, (1) the lower trajectory of international oil prices starting in the first quarter of 2027 and (2) the lower import price of natural gas in the third quarter of 2027 led to a downward revision of the current forecast.

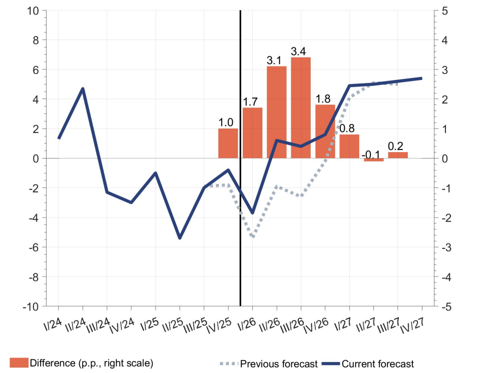
The forecast for the average annual rate of regulated prices was increased by 3.4 percentage points for 2026 and decreased by 1.4 percentage points for 2027.

The annual rate of change in fuel prices has been revised upward for the entire comparable period, with the exception of the second quarter of 2027 (Chart 5.17).

The increase in the current forecast compared to the previous one is due to (1) higher-than-expected actual inflation for the previous quarter, (2) rising short-term inflation projections for the first quarter of 2026, (3) higher projections for international oil prices through the third quarter of 2026, (4) a weaker exchange rate against the US dollar over the comparable period, and (5) the increased impact of the excise tax adjustment in the first quarter of 2027. At the same time, (1) weaker aggregate demand over the comparable period, with the exception of the third quarter of 2027, and (2) a lower trajectory for international oil prices starting in the first quarter of 2027 have led to a downward revision of the current forecast.

The forecast for the average annual fuel price inflation rate has been raised by 2.5 percentage points for 2026 and by 0.4 percentage points for 2027.

Chart 5.17: Fuel prices (%, compared to the previous year)



Source: NBS, NBM calculations

5.4 Risks and uncertainties

External sector

- ***The progress of peace negotiations regarding the war in Ukraine.*** Peace negotiations regarding the war in Ukraine have been ongoing for nearly a year, but with no visible results. However, in the fall of 2025, prompted by positive signs, financial and commodity markets reacted by driving down European natural gas prices and causing the Euro to appreciate. Negotiations are still ongoing, with the latest developments coming from the Davos summit. Given the uncertainty surrounding these negotiations, any new information that emerges will be a source of volatility in the foreign market (uncertainty).
- ***Reduction in public spending in the euro area and the EU.*** Due to the rise in budget deficits in many European countries, such as Romania, Poland, France, and Belgium, the need for fiscal austerity measures has once again come under discussion. Twelve EU countries have exceeded the 3.0% threshold for the budget deficit as a percentage of GDP[68]. This would reduce the potential for economic growth in these countries, as well as in the EU as a whole. Another issue could be the decline in public sector wages and the rise in the unemployment rate, which would reduce the population's disposable income and, consequently, affect domestic demand (disinflationary).
- ***The continuing fragmentation of international trade.*** The back-and-forth of trade tariffs between the US and other economies continues. In the latest round, the US president threatened to impose, starting February 1, 2026, additional 10% tariffs on all products from the eight European countries that sent troops to Greenland, tariffs that were subsequently set to rise to 25% as of July 1, 2026. The measure prompted the European Union to consider a possible trade response targeting approximately EUR 93 billion worth of American products. A breaking news update is that, on January 22, 2026, at the Davos summit, the US president

[68] EUROPEAN COMMISION. *Euro area and EU government deficit at 3.1% of GDP* Online (October 21, 2025). Available:https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-21102025-ap

withdrew his threat to impose tariffs on certain European NATO member countries, announcing a framework agreement regarding control of Greenland (uncertainty, inflationary).

- ***The development of the US dollar in the context of the US Federal Reserve's monetary policy.*** In 2025, the US dollar depreciated by an average of 10% against other international currencies, and this trend continued into January 2026. In addition to the retaliatory effect of the trade tariffs imposed by the US president, the US dollar will also be affected by the Federal Reserve's monetary policy. Although the Federal Reserve has cut interest rates three times since September 2025, tensions between the presidential administration and the monetary authority are creating uncertainty regarding the evolution of interest rates in the US in 2026 (uncertainty, disinflationary).

- ***The continued increase in the oil surplus.*** Forecasts from international organisations indicate that the oil surplus will continue to grow, given OPEC+ policy, recent changes in Venezuela's oil production policy, and the easing of tensions in Iran and the Middle East. At the same time, several unofficial sources report that oil and petroleum product inventories in China are at maximum capacity, which reduces the demand prospects for one of the largest consumers. This oil surplus will downwardly influence the trajectory of oil prices, which will only be counterbalanced by the increase in geopolitical risk premiums (disinflationary).

- ***Geopolitical tensions and distortions.*** The international political arena does not offer the most favourable conditions for the harmonious development of the global economy. Although we are observing a gradual economic recovery following the successive crises of COVID-19, the war in Ukraine, and geopolitical tensions in the Middle East, this recovery will be overshadowed by the deterioration of international trade, the breakdown of long-standing economic ties, and a decline in the quality of life for the population (disinflationary).

- ***The rise in the price of gold and other precious metals.*** As described in Box 2 of the present report, the price of gold and other precious metals has risen significantly amid mounting economic and geopolitical risks. The current situation represents a clear continuation of this trend, which may affect financial markets (inflationary).

Real sector

- ***Uncertainties regarding the timing and magnitude of tariff adjustments to regulated services.*** The medium-term inflation forecast is based on a trajectory for regulated service prices that corresponds to certain assumptions regarding international and regional energy prices, as well as other indicators relevant to the sector. Given the significant fluctuations in international energy prices, as well as future weather conditions, the timing and magnitude of tariff adjustments cannot be estimated with sufficient confidence. At the same time, the reduction in the natural gas tariff for residential consumers was unexpected and was not factored into the forecast of regulated tariffs (uncertainty).

- ***The vulnerability of domestic fruit and vegetable prices to weather conditions in the coming period.*** According to experience in recent years, prices for domestic fruits and vegetables are significantly affected by adverse weather conditions such as frost, heavy rainfall, and drought, both due to obstacles in their cultivation and due to the costs associated with harvesting, transporting, storing, and marketing them in the country's marketing points. The recording of temperatures deviating from the norm could lead to food prices rising above forecasts in the coming period (inflationary).

- ***Uncertainties regarding agricultural production in 2026-2027.*** This year's agricultural harvest and domestic food prices in 2026 depend, to a large extent, on the agrometeorological conditions during that period. As a result, developments in the agricultural sector and, consequently, the trajectory of food prices for 2026 continue to be marked by uncertainty. A more moderate agricultural harvest will generate greater inflationary pressures on food prices (uncertainty).

- ***Decrease in the number of consumers in the Republic of Moldova.*** The military conflict in Ukraine has led to a massive outflow of refugees from Ukraine. Some of them are currently in the Republic of Moldova, which is directly contributing to an increase in domestic consumption. Their return to their country of origin or their departure to other regions would lead to lower demand in the domestic market (uncertainty, disinflationary).

Monetary and public sectors

- ***Evolution of the effective exchange rate of NEER/REER.*** The appreciation in nominal and real effective terms of the national currency represents a stimulating factor on imports and has the potential to affect the net exports of the Republic of Moldova. Combined with the recent rise in prices for goods and services on the international market, the trade balance deficit will continue to show a negative trend, fuelling downward pressure on the Moldovan leu (inflationary).

- ***External financing and fiscal impulse.*** For 2026, it is expected that the flow of external loans and grants will increase, which will facilitate the implementation of reforms in the national economy and create additional upward pressure on inflation. At the same time, external financing will drive the continued growth of excessive liquidity in the banking system, which will have a short-term positive impact on aggregate demand and the exchange rate of the national currency and will certainly generate additional inflationary pressures (inflationary).

- ***Implementation of the Economic Growth Plan for the Republic of Moldova.*** In the event that, during the years 2026-2027, for certain reasons the planned reforms are not implemented to the extent and within the timeframes set, and the funds allocated for investments in the national economy are not utilised, subsequent forecasts will be adjusted to reflect a decline in aggregate demand and inflation (disinflationary).

Chapter 6

Monetary policy decisions

Summary
of the meeting of the Executive Board of the National Bank of Moldova of May 12, 2025
on the monetary policy promotion

The meeting chaired by: Anca-Dana Dragu, Governor – Chairman of the Executive Board
In attendees: Executive Board members – Petru Rotaru, First Deputy Governor – Deputy Chairman of the Executive Board, Tatiana Ivanicichina – Deputy Governor, Constantin Șchendra – Deputy Governor, Mihnea Constantinescu – Deputy Governor
Rapporteur: Radu Cuhal – Head of the Monetary Policy Department
Guests: Renata Țurcanu – Deputy Head of Department – Head of Risk Monitoring and Reporting Division, Financial Markets Department, Valentina Rusu – Head of Legal Department, Natan Garștea – Head of Financial Stability Department, Andrei Rotaru – Head of Economic and Applied Research Department, Eugeniu Aftene – Head of the Reporting and Statistics Department, Diana Avtudov – Head of the Banking Supervision Department, Alina Boboc – Head of the Financial Education and Communication Division, Ciprian Bucur, Simona-Gabriela Tărtăcuță, Veaceslav Negruța, Alexandru Savva – Advisers to the Governor, Diana Ceauș – Head of the Governor's Cabinet, Alin-Samir Orgoan – Head of the Governor's Control Unit

At the Executive Board meeting on monetary policy promotion, Radu Cuhal presented the latest macroeconomic developments, both domestic and external, the medium-term inflation forecast, as well as the risks and uncertainties identified at the time of drafting Inflation Report, May 2025, Radu Cuhal emphasised that the current forecast generally confirms the trends previously anticipated.

Regarding recent inflation trends, it was noted that annual inflation stood at 8.8% in March 2025, up by 0.2 percentage points compared to February, remaining above the upper limit of the ±1.5 percentage points variation range from the 5.0% inflation target. It was emphasised that the increase in the annual inflation rate in the first quarter of 2025 was driven by certain adverse sectoral developments, including the dynamics of regulated prices, in the context of adjustments to tariffs for network gas, heat, and electricity, as well as rising food prices resulting from the drought conditions of the previous summer. Among the factors that exerted a disinflationary impact on the annual inflation rate were low domestic demand and international oil prices. Consequently, it was found that in the first quarter of 2025, the average annual inflation rate stood at 8.8% and was slightly higher than anticipated in the forecast accompanying the Inflation Report, February 2025, primarily due to the upward deviation recorded for regulated prices and food prices.

During discussions on the external environment, Radu Cuhal noted that the global economy is evolving amid growing economic and political uncertainties, as well as high volatility in financial markets. Thus, heightened trade tensions between the US and Canada, China, and the European Union have persisted as a result of the mutual imposition of import tariffs, which will have a negative impact on international trade, innovation, and competitiveness in the long term. In this context, it was noted that the International Monetary Fund anticipates slower global economic growth for 2025, lowering its forecast from 3.3% to 2.8%. It was also noted that international food prices showed insignificant fluctuations during the first quarter of 2025, while international energy prices moderated.

During the meeting, information regarding national economic activity was presented, highlighting that the data published by the National Bureau of Statistics (NBS) for the first two months of the first quarter of 2025 indicate a decline in exports and an increase in imports. It was noted that part of this negative trend in exports is attributed to the sharp contraction in agri-food exports caused by the severe drought in the summer of 2024, which affected the agricultural harvest. It was noted that the revival of domestic consumption, along with the substantial increase in electricity imports from Romania, contributed significantly to the acceleration of imports during this period. Thus, in January-February 2025, the annual rate of export stood at -14.8%, while the annual rate of imports continued its positive trend, reaching 16.0%.

Next, monetary conditions were presented, specifying that the restrictive monetary policy measures implemented at the beginning of 2025 and the resulting situation in the money and foreign exchange markets led to an increase in interest rates on new loans and deposits in MDL during the first quarter of 2025. Thus, the weighted average interest rate on new loans stood at 8.47% per annum, and that on deposits at 4.14% per annum, up by 0.21 and 0.98 percentage points, respectively, compared to the fourth quarter of 2024. It was found that a slight increase in interest rates in the banking sector since the beginning of this year has led to a slowdown in the lending process.

Subsequently, the medium-term inflation forecast was presented, emphasising that the balance of risks to the inflation forecast is balanced, with a disinflationary bias through the end of the forecast horizon. The main uncertainties surrounding the medium-term inflation forecast were discussed. Thus, it was reiterated that these remain pronounced. Among the main sources listed were uncertainties regarding this year's agricultural production, the vulnerability of domestic fruit and vegetable prices to weather conditions in the coming period, the adjustment of utility rates, ensuring sufficient fiscal stimulus to revive economic activity, external financial assistance, as well as the tense situation in the region and the fragmentation of international trade.

During the meeting, a draft decision on the NBM's actions to promote monetary policy was presented. The measures proposed by Radu Cuhal were to maintain the base rate and interest rates on standing facilities, the rate on repo operations, as well as the required reserve ratio from funds attracted in MDL and in non-convertible currency, as well as from funds attracted in freely convertible currency, at their current levels.

Accordingly, based on the analysis of the information and findings, the Executive Board of the NBM decided, by unanimous vote, to maintain the base rate applied to the main short-term monetary policy operations at 6.50% per annum, the interest rates on overnight loans and overnight deposits at the level of 8.50 and 4.50% per annum, respectively, and the rate on repo operations at the level of 6.75% per annum. At the same time, the required reserve ratio from funds attracted in MDL and in non-convertible currency was maintained at the current level of 22.0% of the calculation base, and the required reserve ratio from funds attracted in freely convertible currency was maintained at the current level of 31.0% of the calculation base.

The Executive Board emphasised that this decision aims to anchor inflation expectations and to bring inflation back, and keep it within, the variation range of ±1.5 percentage points fromd the inflation target of 5.0% over the medium term. At the same time, EB members noted that domestic economic activity and inflation continue to be influenced by the effects of supply shocks, particularly as a result of the increase in regulated tariffs over the past two quarters and the decline in agricultural production affected by adverse weather conditions.

In addition, the members of the Executive Board reiterated that the NBM's decision comes against the backdrop of moderating inflationary pressures, as confirmed by the latest forecast, and the ongoing impact of previously adopted restrictive monetary policy measures, the effects of which will continue to be felt, given the lags in their transmission.

At the same time, during the meeting, the Executive Board of the NBM approved the Inflation Report, May 2025 for publication.

Decision adopted by the Executive Board of the NBM by unanimous vote:

1. **The base rate applied to the main short-term monetary policy operations is maintained at 6.50% annually.**

2. **Interest rates are maintained:**

   a) **on overnight loans, at the current level of 8.50% annually;**

   b) **on repo operations, at the current level of 6.75% annually;**

   c) **on overnight deposits, at the current level of 4.50% annually.**

3. **The required reserve ratio from funds attracted in MDL and in non-convertible currency is maintained at the current level of 22.0% of the calculation base.**

4. **The required reserve ratio from funds attracted in freely convertible currencies is maintained at the current level of 31.0% of the calculation base.**

Voting results of EB members

For – 5 Against – 0

Chairman of the Executive Board **Secretary of the Executive Board**

Anca-Dana DRAGU **Sergiu SURDU**

Summary
of the meeting of the Executive Board of the National Bank of Moldova of June 19, 2025
on monetary policy promotion

The meeting chaired by: Anca-Dana Dragu, Governor – Chairman of the Executive Board
In attendees: Executive Board members – Tatiana Ivanicichina – Deputy Governor, Constantin Șchendra – Deputy Governor, Mihnea Constantinescu – Deputy Governor
Rapporteur: Radu Cuhal – Head of the Monetary Policy Department
Guests: Daniel Savin – Head of the Financial Markets Department, Andrei Velicev – Head of the Legal Approval and Litigation Division, Legal Department, Natan Garștea – Head of Financial Stability Department, Andrei Rotaru – Head of the Economic and Applied Research Department, Victor Ababii – Head of the Data Collection and Processing Division, Statistics and Data Department, Diana Avtudov – Head of the Banking Supervision Department, Alina Boboc – Head of the Financial Education and Communication Division, Simona-Gabriela Tărtăcuță, Alexandru Savva – Advisors to the Governor, Alin-Samir Orgoan – Head of the Governor's Control Unit

The Executive Board meeting on monetary policy promotion began with remarks by Mr. Radu Cuhal, who presented the latest macroeconomic data – both of the internal and external environment – included in the Report on the assessment of the rise of deviation of the inflation forecast.

During discussions regarding inflation trends, it was highlighted that in May 2025, the annual inflation rate stood at 7.9%, 0.1 percentage points higher than in April and remaining above the upper limit of the ±1.5 percentage points variation range from the 5.0% inflation target. It was noted that the most recent macroeconomic data largely confirm the validity of the latest forecast. EB members noted that actual inflation has followed a trajectory similar to that anticipated in the Inflation Report, May 2025. In this regard, it was found that this trend was driven primarily by the positive impact of food prices. At the same time, it was noted that the positive deviation was partially offset by the decline in fuel and regulated prices. According to estimates, aggregate demand continued to exert a disinflationary impact on prices during the reference period.

Regarding the external environment, Radu Cuhal mentioned that it has undergone significant changes compared to the assumptions presented in the Inflation Report, May 2025. It was pointed out that although trade tensions have eased somewhat, they persist, maintaining a high degree of uncertainty. In this context, estimates for global economic growth have been revised downward. It was emphasised that oil prices have risen amid the recent easing of trade tensions and the resumption of dialogue among the world's major economies. Regarding the energy market, it was observed that the continuation of Russia's war against Ukraine has led to an upward adjustment in European natural gas prices. At the same time, a marginal increase in international food prices is anticipated in 2025 and 2026.

Radu Cuhal then presented data on national economic activity, emphasising that it contracted by 1.2% in the first quarter of 2025 compared to the first quarter of 2024, amid negative net external demand. It was discussed that this trend was driven by negative contributions from the sectors of industry, professional, scientific, and technical activities, as well as agriculture, forestry, and fishing. At the same time, their negative impact was partially offset by positive developments in the following sectors: construction, information and communications, financial and insurance activities, education, health and social assistance, public administration and defence, and compulsory social insurance. It was found that, from the demand side, household final consumption and gross fixed capital formation increased during this period. It was noted that the net export of goods and services continued its downward trend. Thus, from January through April, the annual rate of exports stood at -11.3%, while the annual rate of imports increased by 16.2%. Analysing the sources of consumption financing, the participants noted that the wage fund in the first quarter of 2025 rose by 12.1% in nominal terms, while cash transfers to individuals contracted by 2.0% year over year in March 2025. Consequently, domestic demand partially mitigated the impact of negative net external demand.

With regard to monetary conditions, it was highlighted that the effect of the transmission mechanism for monetary policy decisions since the beginning of 2025, along with the situation in the money and foreign exchange markets, led to gradual increases in the weighted average interest rates on new loans and deposits in MDL in May 2025.

An analysis of weekly statistical data revealed that average interest rates in the first week of June 2025 rose more sharply for new loans granted in MDL by licensed banks. Thus, the weighted average interest rate on new loans granted in MDL rose to 9.17% annually during the reference week. In the segment of term deposits in MDL, the weighted average interest rate showed a downward trend, falling to 4.14% annually.

At the same time, it was emphasised that the upward trend in the volume of loans and deposits in MDL continued throughout May 2025. However, during the first week of June 2025, there was a decline in the volume of loans and deposits compared to the first week of May.

Subsequently, the risks of inflation forecast deviation were discussed, with the emphasis that the balance of risks to the inflation forecast is balanced, with a slightly disinflationary trend through the end of the forecast horizon. Among the main sources, the EB members noted the uncertainties regarding agricultural production this year and next, the volume of consumption, investment, and remittances associated with the escalation of the situation in the region, population migration, and more moderate regional demand associated with the sanctions imposed on one another by countries in the region.

In this context, the measures included in the draft decision on the NBM's actions to promote monetary policy, proposed by Radu Cuhal, were to maintain the base rate and interest rates on standing facilities, the rate on repo operations, as well as the required reserve ratio from funds attracted in MDL and non-convertible currency, as well as from funds attracted in freely convertible currency, at their current levels.

Consequently, following deliberations, the Executive Board of the NBM decided, by unanimous vote, to maintain the base rate applied to the main short-term monetary policy operations at 6.50% per annum, interest rates on overnight loans and deposits at 8.50 and 4.50% per annum, respectively, and on repo operations at 6.75% per annum. At the same time, the required reserve ratio from funds attracted in MDL and in non-convertible currency was maintained at 22.0% of the calculation base, and that from funds attracted in freely convertible currency at 31.0% of the calculation base.

EB members noted that the National Bank of Moldova's decision aims to anchor inflation expectations, bring inflation back and keep it within the variation range of ±1.5 percentage points from the medium-term inflation target of 5.0%.

The Executive Board emphasised that the NBM's decision comes amid a moderation in inflation and the ongoing impact of previously adopted restrictive monetary policy measures, the effects of which will continue to be felt, given the lags in their transmission.

In addition, the EB members revealed that inflation will continue its downward trend through the end of this year, supported by aggregate demand remaining below its potential – which will continue to exert a disinflationary impact on price dynamics – and by the moderation of inflation expectations. Under these circumstances, EB members discussed the likelihood that the NBM will conclude the current restrictive monetary policy cycle in the coming periods.

At the end of the meeting, the Executive Board emphasised the need for continuous monitoring of the domestic and external macroeconomic situation, as well as the risks and uncertainties associated with short- and medium-term inflation developments, so that, at the appropriate time, it can intervene by adjusting monetary policy instruments to achieve the fundamental objective of ensuring and maintaining price stability.

Decision adopted by the Executive Board of NBM by unanimous vote:

1. **The base rate applied to the main short-term monetary policy operations is maintained at 6.50% annually.**
2. **Interest rates are maintained:**
   a) **on overnight loans, at the current level of 8.50% annually;**
   b) **on repo operations, at the current level of 6.75% annually;**
   c) **on overnight deposits, at the current level of 4.50% annually.**
3. **The required reserve ratio from funds attracted in MDL and in non-convertible foreign currency is maintained at the current level of 22.0% of the calculation base.**
4. **The required reserve ratio from funds attracted in freely convertible currency is maintained at the current level of 31.0% of the calculation base.**

Voting results of EB members

For – 4 Against – 0

Chairman of the Executive Board **Secretary of the Executive Board**

Anca-Dana DRAGU **Sergiu SURDU**

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