

METHODOLOGICAL STANDARDS ON THE INTERNATIONAL INVESTMENT POSITION OF THE REPUBLIC OF MOLDOVA

The International Investment Position (IIP) of the Republic of Moldova is worked out in accordance with standards recommended by the International Monetary Fund in the *Balance of Payments Manual* (fifth edition).

International Investment Position of a country shows, at a particular point, the stock of external financial assets and liabilities.

The IIP comprises the whole set of claims and liabilities of different types on/to non-residents in different sectors of an economy: monetary authorities, general government, banks and other sectors. Main items of this document are identical to those of financial account of the balance of payments: direct investment, portfolio investment, financial derivatives, other investment: trade credits, loans, currency and deposits, other; and reserve assets.

The difference between an economy's financial assets and liabilities is economy's net international investment position. Thus IIP can be net debtor or net creditor.

The international investment position is worked out in the form of table containing additional details:

	Position at end of previous period	Changes in position reflecting:				Position at end of reporting period
		flows from the BOP	price changes	exchange rate changes	other adjustments	
Net international investment position						
Assets						
Liabilities						

Thus international investment position at the end of the period (quarter, year) consists of the stock at the end of the previous period, adjusted by the BOP flows and by exchange rate changes of other currencies against US dollar, valuation changes and other adjustments that occurred during the period.

Effective transactions represent the flows registered in the financial account of the BOP.

Other adjustments comprise corrections, reclassifications and changes required by the methodology of the IIP compilation.

The data sources used for the compilation of the IIP are identical to those used for the compilation of BOP financial account.