MACROECONOMIC CLIMATE – FROM THE WORLD ECONOMY TO THE MOLDOVAN ECONOMY

ANDREI RĂDULESCU
Department of International Economic Analysis
Institute for World Economy
13 September Street, no. 13, Bucharest
ROMANIA
iemradulescu@gmail.com

Abstract: The macroeconomic climate has recently demonstrated strong resilience to the unprecedented changes in trade policy in the United States, the world's largest economy. In July 2025, the world economy expanded at the strongest rate since December 2024, according to the PMI (Purchasing Managers' Index) Composite (manufacturing and services) indicator, an evolution driven by the dynamics of new orders and production. However, one can notice the persistence of the gaps among the largest economies in the world, in terms of annual growth rates of the economic activity, with the remarkable performance of China (the second largest economy in the world). On the other hand, the investment climate has deteriorated in the United States due to the high level of uncertainty and the real financing costs. In Europe, the appreciation of the euro and the increase of trade tariffs by the United States are counterbalanced by the measures launched by the European Commission and by the German Administration since the beginning of the year, with the expectations component of the business climate heading to the highest level since February 2022 (IFO Institute, 2025). The macroeconomic climate has also recently improved in the economy of Moldova, as reflected by the increase in industrial production for the fourth month in a row in June. In this paper, we analyse the recent macroeconomic development, from the world economy to the economy of Moldova, by focusing on the gap between industrial production and its structural component. We implement standard econometric tools (the Hodrick-Prescott filter) and use the databases of the Netherlands Bureau for Economic Policy Analysis (2025) and of the National Bureau of Statistics of the Republic of Moldova (2025) to distinguish between the structural and cyclical components of the volume of the industrial production (from world economy to Moldova), one of the most used indicators as a proxy for the economic activity. At the same time, we estimate the correlation between Moldova (on the one hand) and the largest economies in the world (on the other hand) in terms of the gap between industrial production and its structural component during 2012-2020 (pre-pandemic period), and 2021-2025 (post-pandemic period). The results of our analysis express overall better prospects for the European economy and for the economy of Moldova in the medium run, as the programs under implementation by the European Commission (including Competitiveness Compass and ReArm EU), in conjunction with the expansionary monetary policy, are going to support the investments. Furthermore, there can be noticed an increase in the correlation between the industry of Moldova and the industry of Euroland during the post-pandemic period (2021-2025), an evolution also influenced by the consequences of the geopolitical tensions, including the acceleration of the process of the EU accession.

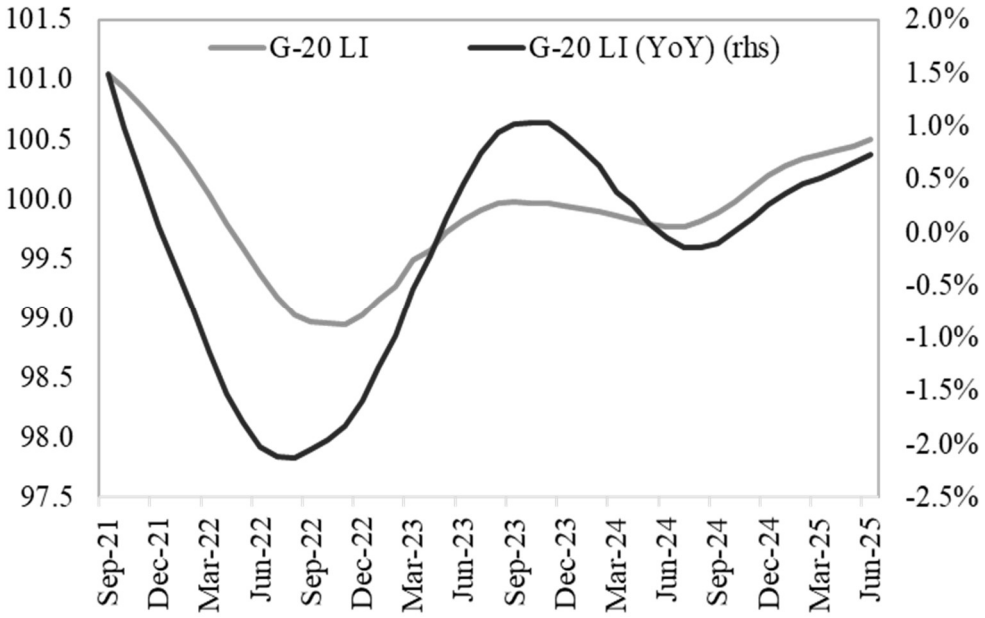
Keywords: - macroeconomic climate, industrial production, Moldova
JEL Classification: C22, E32, O47

1 Introduction

The recent macroeconomic developments indicate a high degree of resilience of economic activity to increased uncertainty (to record highs) and to fundamental changes in trust, driven by trade policy announcements in the United States since the beginning of the year.

The leading indicators estimated by OECD (2025a) for the member countries of G-20 (which contributes by around 80% to the world GDP and by 60% to the global population) rose for the ninth month in a row in June, while the annual rate accelerated to 0.7%, the strongest pace since January 2024, as can be noticed from the following chart (Figure 1). These indicators highlight the prospects for short-term evolution of economic activity. This development indicates prospects for the improvement of the economic activity in the coming quarters, in contrast to the increase in the probability of a global recession after the announcement of the change in the trade policy in the United States at the beginning of April.

Figure 1. The Leading Indicators (LI) for G-20



Source: representation of the author based on the databases of OECD (2025a), and MacroMicro (2025)

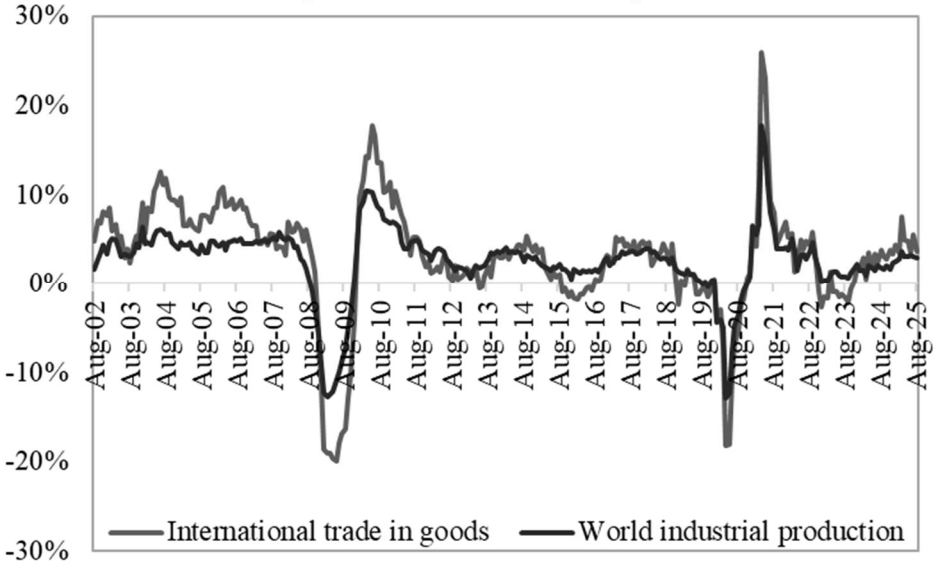
Therefore, in 2Q 2025, the leading indicators for G-20 climbed for the third quarter in a row, by the highest annual rate since 4Q 2023 (0.7%). In 1H 2025, these indicators advanced by an annual rate of 0.5%, an evolution also supported by the positive climate in the international financial markets.

The favourable developments of the leading indicators in the recent quarters determined a similar trend for the coincident indicators. On the one hand, there can be noticed the improvement of the international trade in goods in the first half of 2025, driven by the front-loading and the negotiations before the effective implementation by the United States of the new, increased tariffs on the imports of goods. The volume of the international trade in goods climbed for the 20th month in a row in June 2025, by an annual rate of 3.1% (the slowest since February), but increased by an annual rate of 4.2% in the first half of 2025, the best performance since 2021, according to the estimates of the Netherlands Bureau for Economic Policy Analysis (CPB, 2025). However, there persisted the divergence among the main economies in the world in terms of the annual growth rate of the volume of exports during the first half of 2025, an evolution influenced by structural factors, as well as the recent developments on the FX markets.

China continued to be a leader in terms of the annual rate of the volume of exports, with an increase of 8.6% during January – June 2025, slowing down from 11.8% in 2024. In the United States, the volume of exports of goods advanced by an annual rate of 2.9% in 1H 2025, slightly accelerating from 2.3% in 2024, as the exchange rate of the dollar depreciated by over 10% from the end of 2024 to the end of June 2025. On the other hand, the volume of exports of goods of Euroland (the main component of the European Union) continued the contraction in the first half of 2025, but at a slower annual pace, of 0.9% (compared with 2.6% in 2024 and 3.1% in 2023).

On the other hand, there can be noticed the improvement of industrial production, a widely used proxy indicator for the overall economic activity. This trend has been supported by the improvement of international trade in goods. The statistics recently released by the Netherlands Bureau for Economic Policy Analysis (CPB, 2025) show the increase of the world volume of industrial production by an accelerating annual rate of 3.2% in June (the best performance since March 2025) and by an annual rate of 3.0% during January – June 2025 (higher levels than 1.0% in 2023 and 1.7% in 2024), as represented in the following chart (Figure 2).

Figure 2. International trade in goods vs. world industrial production (volume, annual rate)



Source: representation of the author based on the database of the Netherlands Bureau for Economic Policy Analysis (CPB, 2025)

In this paper, we apply standard econometric tools and use the databases of the Netherlands Bureau for Economic Policy Analysis (2025) and of the Bureau of Statistics of the Republic of Moldova (BNS) (2025) to assess the recent macroeconomic developments, from the world economy to Europe and the Republic of Moldova.

We implement the Hodrick-Prescott filter (one of the most used methodologies, given the high levels of transparency and simplicity) to distinguish between the structural and cyclical components of the volume of the industrial production, a widely used proxy indicator for the overall economic activity in the past decades.

The rest of the paper has the following structure: Section 2 briefly presents the literature review on the recent macroeconomic developments and outlook, with a perspective from the world economy to the Moldova economy; the methodology is described in Section 3; the main results are interpreted in Section 4; the conclusions are drawn in Section 5.

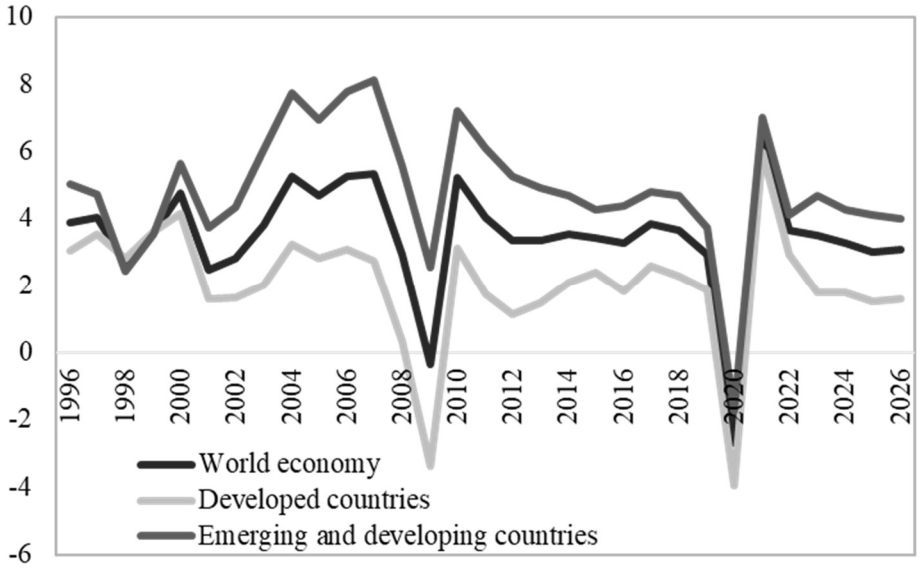
2 Literature Review

The world economy has presented a high degree of resilience in the context of the changes in terms of trade policy in the United States, the largest economy in the world with a nominal GDP above USD 30 trillion, according to the estimates of the U.S. Department of Commerce (BEA, 2025). These changes represent another symmetric shock for the rest of the world, but with asymmetric consequences, as the countries have different exposure to the United States.

According to the International Monetary Fund (IMF, 2025), in the first quarter of 2025, the annual growth pace of the world economic activity stood above the forecasts, on the back of the increase in international trade and investments, evolutions determined by the front-loading process, before the implementation of the higher trade tariffs by the United States. Furthermore, the effective average trade tariffs following the negotiations with the trade partners are lower compared with the level resulting from the announcement by the United States at the beginning of April (the White House, 2025).

In this context, in the Summer 2025 update of the World Economic Outlook, released by the IMF (2025) at the end of July, the experts of the international financial institution based in Washington revised on the upside the forecasts for the annual rate of the world economic activity in 2025 (from 2.8% to 3.0%) and 2026 (from 3.0% to 3.1%), as represented in the following chart (Figure 3). However, these forecasted annual growth rates for the world GDP are lower compared with the dynamics in 2024 (3.3%) and the average dynamics recorded during the pre-pandemic decades (3.7%). Overall, the IMF (2025) forecasts a slowdown in the annual growth pace of the world economy in 2025 and a consolidation in 2026.

Figure 3. The economic activity (volume, annual rate)



Source: representation of the author considering the database of the International Monetary Fund (IMF, 2025)

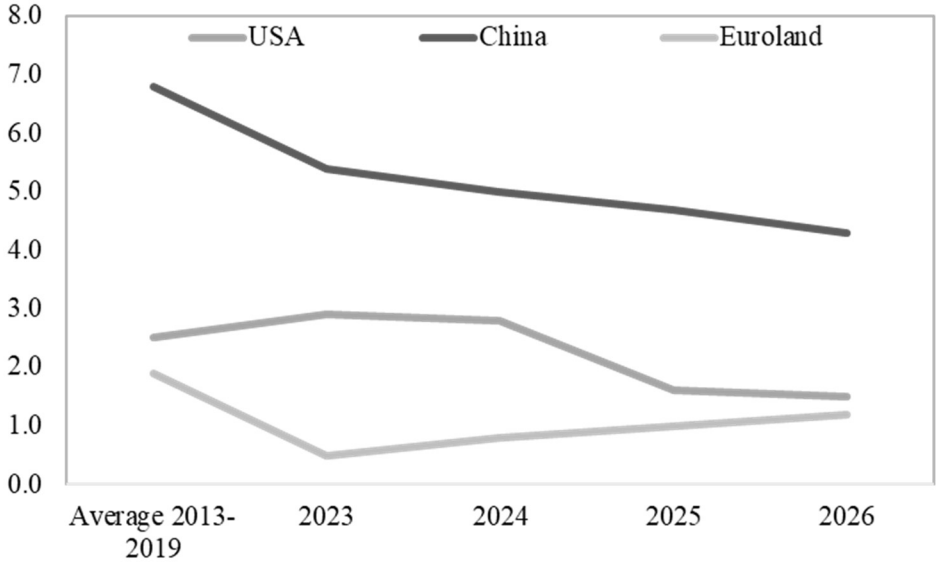
In the Summer updated macroeconomic scenario of the IMF (2025), the annual growth rate for the economic activity in the developed (advanced) economies was upwardly revised by 0.1 percentage points to 1.5% in 2025 and 1.6% in 2026, below the level of 1.8% recorded in 2023 and 2024. One can notice the upward revision of the annual growth rate for the emerging market and developing economies, by 0.4 percentage points to 4.1% in 2025, and by 0.1 percentage points to 4.0% in 2026, below the levels in 2023 (4.7%) and 2024 (4.3%).

According to the Summer report of the IMF (2025), the economy of the United States would increase by annual rates of 1.9% in 2025 and 2.0% in 2026, upwardly revised by 0.1pps, and 0.3pps, respectively. For economic activity in the Eurozone, the experts of the international financial institution forecast an acceleration of the annual growth rate, from 0.9% in 2024 to 1.0% in 2025 (upward revision by 0.2pps), and 1.2% in 2026. Last, but not least, the forecasts for the annual growth rate of the Chinese economy were upwardly revised by the IMF (2025), by 0.8 percentage points to 4.8% in 2025, and by 0.2 percentage points to 4.2% in 2026.

OECD (2025b) also forecasted in June a slowing down of the annual growth rate of the world economy, from 3.3% in 2024 to 2.9% in 2025 and 2026, due to the increase in trade barriers and high level of economic policy uncertainty. According to the Summer 2025 macroeconomic report of the Paris-based institution, the economic activity in the developed countries would increase by annual rates of 1.4% in 2025 and 1.5% in 2026. In this macroeconomic scenario, the economic activity in emerging and developing economies would increase by slowing down annual rates from 4.5% in 2024 to 4.1% in 2025 and 3.9% in 2026.

In the OECD (2025b) macroeconomic scenario, the economic activity in the United States is forecasted to increase by annual rates, slowing down from 2.8% in 2024 to 1.6% in 2025 and 1.5% in 2026. Furthermore, the annual growth rate of the Chinese GDP would slow down from 5.0% in 2024 to 4.7% in 2025 and 4.3% in 2026. On the other hand, the GDP of Euroland would advance by annual rates accelerating from 0.8% in 2024 to 1.0% in 2025, and 1.2% in 2026, as can be noticed in the following chart (Figure 4).

Figure 4. The economic activity (volume, annual rate)



Source: representation of the author considering the database of the OECD (2025b)

The increase in trade tariffs and the high level of economic policy uncertainty are the main factors that led the experts of the World Bank (2025) to cut the forecasts for the annual growth rate of economic activity in 2025 and 2026, in the summer edition of the Global Economic Prospects. The revised macroeconomic scenario of the Washington-based institution points to the slowing down of the world GDP annual growth pace from 2.8% in 2024 to 2.3% in 2025, the worst performance since the pandemic year 2020. The annual growth rate of the world economy is forecasted to slightly accelerate afterwards, to 2.4% in 2026 and 2.6% in 2027. The World Bank (2025) is pointing out that the average annual growth pace of the world economy during this decade would be 2.5%, the weakest performance since the 1960s.

In this scenario of the World Bank (2025), the economic activity in the advanced economies would increase by annual rates of 1.2% in 2025 (down from 1.7% in 2024), 1.4% in 2026, and 1.5% in 2027. The GDP of the emerging market and developing economies is forecasted to increase by annual rates of 3.8% in 2025 (down from 4.2% in 2024) and 2026, and 3.9% in 2027.

As regards the macroeconomic performance in the largest economies in the world, the World Bank (2025) forecasts point to the increase of the United States' GDP by annual rates of 1.4% in 2025 (down from 2.8% in 2024), 1.6% in 2026, and 1.9% in 2027. The annual growth rate of the Chinese economy is forecasted to slow down from 5.0% in 2024 to 4.5% in 2025, 4.0% in 2026, and 3.9% in 2027. On the other hand, the economic activity in the Eurozone would increase by annual rates of 0.7% in 2025 (down from 0.9% in 2024), 0.8% in 2026, and 1.0% in 2027.

Last, but not least, the summer forecasts of the World Bank (2025) indicate prospects for the economy of the Republic of Moldova to increase by accelerating annual rates from 0.1% in 2024 to 0.9% in 2025, 2.4% in 2026, and 4.4% in 2027.

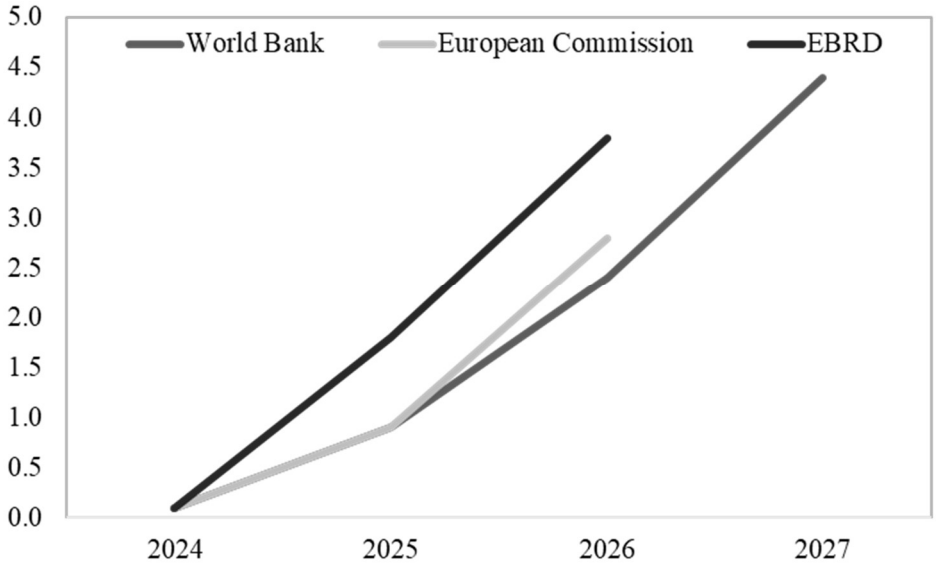
In the Spring Regional Macroeconomic Report, the experts of the European Bank for Reconstruction and Development (EBRD) (2025) forecasted an improvement of the annual growth pace of the economic activity in the Republic of Moldova from 0.1% in 2024 to 1.8% in 2025, and 3.8% in 2026, a scenario also supported by the implementation of the Growth Plan for Moldova approved by the European Commission (2024) (EUR 1.9bn, out of which EUR 385 million in grants for the period 2025 – 2027).

Furthermore, the European Commission (2025a) also revised on the downside the forecasts for the annual rate of economic activity in 2025 and 2026, due to the intensifying trade tensions and the high level of uncertainty. In the Spring macroeconomic scenario of the Brussels-based institution, the world economy would increase by annual rates of 2.9% in 2025 (slowing down from 3.3% in 2024), and 3.0% in 2026. According to these forecasts, the developed economies would increase by annual rates of 1.5% in 2025 and 1.7% in 2026 (lower than 1.9% in 2024). For the emerging and developing economies, the experts of the European Commission (2025a) forecast an increase in economic activity by annual rates of 3.9% in 2025 and 4.0% in 2026 (lower than 4.3% in 2024).

As regards the main economies in the world, the European Commission (2025a) forecasts an increase in the United States' GDP by an annual rate of 1.6% in both 2025 and 2026, slowing down from 2.8% in 2024. The

annual growth pace of the Chinese economy is forecasted to decelerate from 5.0% in 2024 to 4.1% in 2025 and 4.0% in 2026. In this macroeconomic scenario, the GDP of Euroland may increase by annual rates in consolidation at 0.9% in 2025 and in acceleration to 1.4% in 2026. Last, but not least, the economy of the Republic of Moldova is forecasted to increase by annual rates accelerating from 0.1% in 2024 to 0.9% in 2025, and 2.8% in 2026 (downwardly revised from 2.6%, 3.8%, and 4.2%), as represented in the following chart.

Figure 5. The economic activity in the Republic of Moldova (volume, annual rate)



Source: representation of the author considering the databases of the World Bank (2025), European Commission (2025a), and EBRD (2025)

In other words, the forecasts of the international institutions indicate a difficult and challenging macroeconomic climate in the world economy in the coming quarters. At the same time, the gaps in terms of the annual growth pace among the largest economic blocs in the world economy may persist at high levels in the short and medium run, due to the structural forces. These forecasts express the fact that the economy of the European Union would continue to underperform the developments in the United States and China.

On the other hand, according to the forecasts of the international institutions, the macroeconomic climate in the Republic of Moldova may gradually improve, after the weak developments in the previous years, determined by the consequences of the regional geopolitical tensions.

We point out that the economy of Moldova has been increasingly integrating with the European economy and world economy circuits in the past decade, since the signature of the EU–Moldova Association Agreement, as emphasized by the analysis of the European Parliament (2025). In fact, in 2024, the EU was the main trading partner of Moldova, with 54% of the total trade in goods, according to the European Commission (2025b). This degree of integration is expected to improve in the future, due to the implementation of the Programme launched by the European Commission (2024).

3 Methodology

In this paper standard econometric tools (the Hodrick-Prescott filter) are implemented and the databases of the Netherlands Bureau for Economic Policy Analysis (2025) and the National Bureau of Statistics of the Republic of Moldova (2025) are used (monthly observations) to distinguish between the structural and the cyclical components of the volume of the industrial production, from world economy, to the United States, China, Eurozone and the Republic Moldova.

Afterwards, we estimate the correlation between Moldova (on the one hand) and the largest economic blocs (on the other hand) in terms of the gap between industrial production and its trend component for two intervals: 2012-2020 (pre-pandemic period), and 2021-2025 (post-pandemic period).

The volume of industrial production has been one of the most used proxy macroeconomic indicators for the overall economic activity in the past decades. Using this indicator presents several advantages, including the fact that it is released on a monthly basis.

As regards the Hodrick-Prescott filter, this is one of the most implemented methods in the literature over the past decades in order to distinguish between the cyclical and the structural components of the macroeconomic variables, due to its transparency and simplicity. This method is based on the following formula:

$$\textbf{Min} \sum_{t=1}^{T} (\ln Y_t - \ln Y_t^*)^2 + \lambda \sum_{t=2}^{T-1} ((\ln Y_{t+1}^* - \ln Y_t^*) - (\ln Y_t^* - \ln Y_{t-1}^*))^2 \quad \textbf{(1)}$$

In relation (1), Y_t, Y_t^* and λ represent the macroeconomic variable (in our case the volume of the industrial production in the world, the United States, China, Euroland, and the Republic of Moldova), its structural component (the trend), and a smoothness parameter.

This smoothness parameter has the following characteristic: the lower its value, the closer the macroeconomic indicator is to its trend component.

In this paper, we worked with monthly observations: therefore, we considered a value of 14400, as recommended by Hodrick and Prescott (1997).

On the other hand, we underline the main shortcomings of the Hodrick-Prescott filter, including the arbitrariness, imposition of symmetry on the gap, and the end-of-sample bias, as emphasized by de Castro Souza (2005).

In this paper we considered the annual rate of the volume of the industrial production (12 months moving average), with data for world, the United States, China, and Euroland for the period December 2012 – June 2025 from the Netherlands Bureau for Economic Policy Analysis (2025) and statistics for the Republic of Moldova from the National Bureau of Statistics of the Republic of Moldova (2025).

The econometric software E-Views was used in this analysis.

4 Results

According to the results of our econometric analysis, the world industrial production grew for the sixth month in a row in June 2025 by an annual rate above its potential, as represented in the following chart.

This evolution was determined by the acceleration of the world industrial production in recent months, a consequence of the front-loading process, before the full implementation of the new trade tariffs for the imports of goods by the United States.

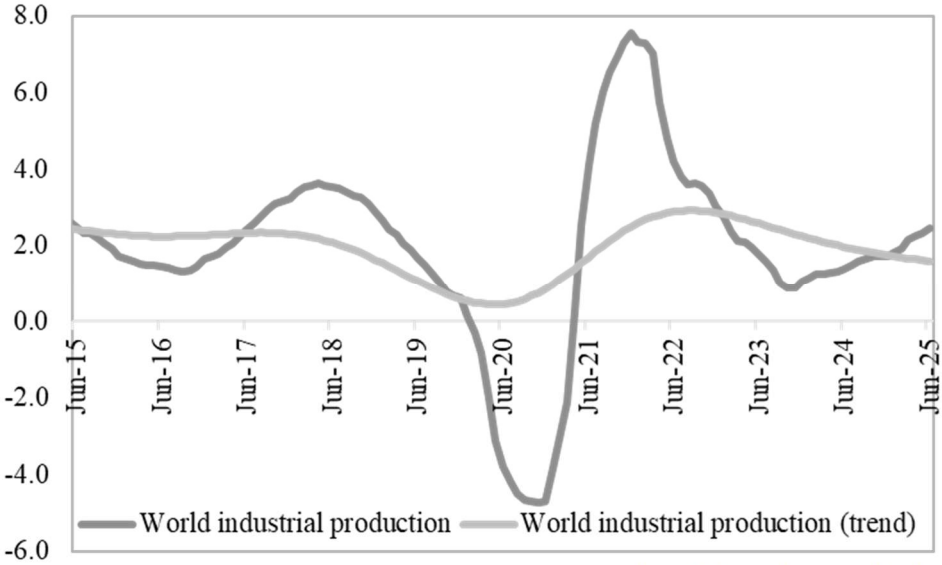
On the other hand, our econometric estimates indicate the continuity of the downward trend for the annual potential growth rate of the volume of the world industrial production, in the month of June 2025, recording the weakest rate since May 2021 (1.6%), as can be noticed from Figure 6.

These results, corroborated with the prospects for the deterioration of the international trade in goods in the short run, indicate the persistence of the difficult climate in the world industry in the coming months, in a context also characterised by a high level of real financing costs.

In this respect, we point out that according to the database of the Federal Reserve (2025), the real interest rate for the long-run maturity (10 years) in the United States hovered around the highest levels since the period before the outbreak of the Great Financial Crisis.

However, unless other shocks occur in the world economy and/or on the international financial markets, the annual potential growth pace of the world industrial production is expected to initiate an upward trend by the summer of next year, when the impact of the increased trade tariffs by the United States is going to fade out.

Figure 6. The world industrial production vs. its trend component (volume, annual rate, %, MA12)

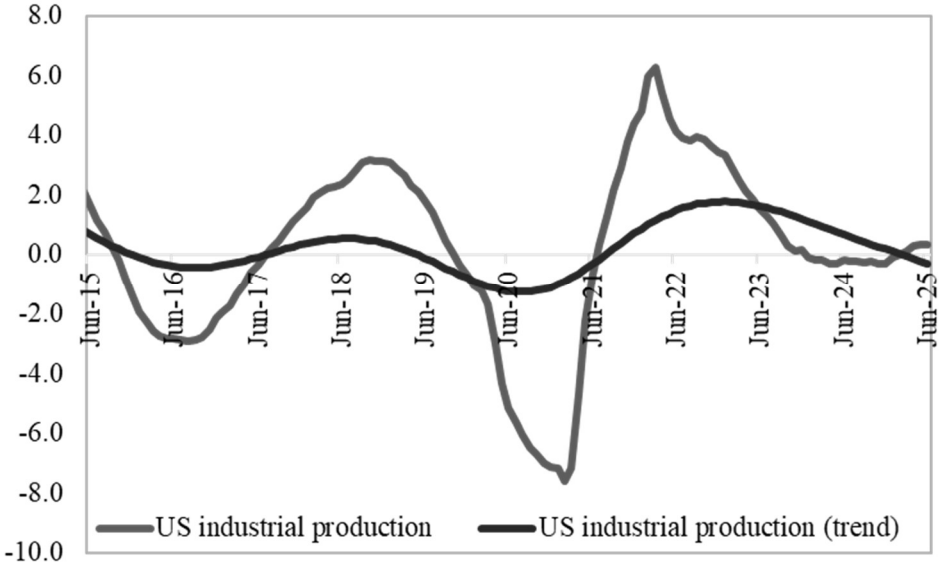


Source: representation of the author considering the econometric estimates, considering the database of the Netherlands Bureau for Economic Policy Analysis (2025)

In the United States, the volume of industrial production presented an annual rate above its trend component for the fourth month in a row in June 2025, according to the results of our econometric analysis, as reflected in the following chart.

However, we point out that the annual potential growth pace for the volume of the industrial production in the largest economy in the world has hovered around 0% in recent months. Our results indicate that in June 2025, this structural component hit the lowest level since May 2021.

Figure 7. The industrial production vs. its trend in the United States (volume, annual rate, %, MA12)



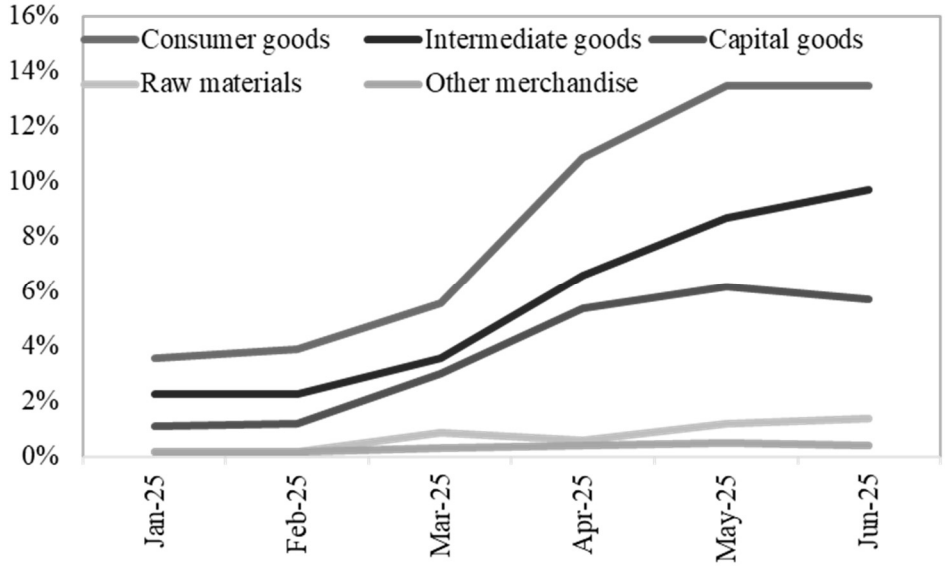
Source: representation of the author considering the econometric estimates, considering the database of the Netherlands Bureau for Economic Policy Analysis (2025)

The recent increase in trade tariffs and the dependence on the imports of intermediate goods are factors expressing a high probability for the deterioration of the climate in the United States industry, as emphasized by the Washington Centre for Equitable Growth (2025).

In this respect, we point out that the tariff revenue as a percentage of total value of imports for the intermediate goods rose from 2.3% in January – February 2025 to 3.6% in March, 6.6% in April, 8.7% in May and 9.7% in June 2025, according to the estimates of the Peterson Institute for International Economics (2025),

represented in the following chart (Figure 9). At the same time, in the case of capital goods, the tariff revenue as a percentage of the total value of imports climbed from 1.2% in January – February 2025 to 5.7% in June 2025. Last, but not least, in the case of consumer goods, this indicator rose from 3.6% in January to 13.5% in June 2025.

Figure 8. Tariff revenue as % of the total value of imports of goods by category in the United States



Source: representation of the author based on the data of the Peterson Institute for International Economics (PIIE, 2025)

In the case of China (the second largest economy in the world, with a nominal dimension forecasted above USD 19 trillion this year by the IMF (2025)), the results of our econometric analysis indicate an evolution of the industrial production by an annual rate above its potential for the 17th month in a row in June 2025.

At the same time, the annual potential growth rate of the volume of the industrial production in China has presented an upward trend recently, in June 2025 reaching a level of 5.4%. This is the highest level since October 2022, as represented in the following chart.

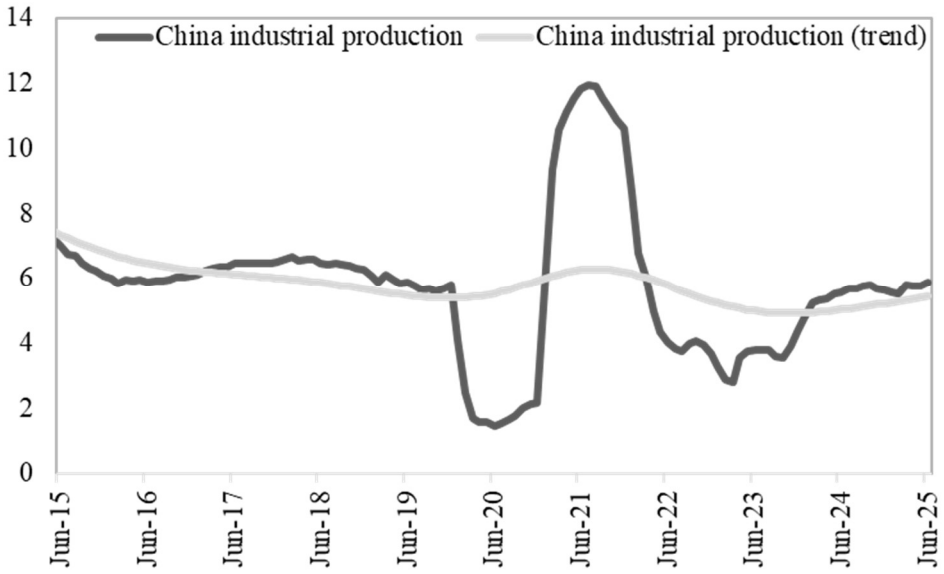
The improvement of the industrial production in China in the recent quarters was supported by several factors, including the structural transformations of the economic growth model, with a strong focus on innovation (especially after the outbreak of the Great Financial Crisis), as reflected by the significant increase of the R&D expenditure, which contributed to the expansion of the innovative capacity, according to Ates and Jeon (2025).

Furthermore, since 2023, China's focus on the new quality productive forces has contributed to the improvement of the resilience of the industrial chains, especially if corroborated with the implementation of digital finance, according to Zhu *et al.*, (2025).

Last, but not least, the Belt and Road Initiative (launched more than 10 years ago) supported the industrialisation of China, through innovation, market integration, and improvement of the industrial structure, as emphasized by Wei *et al.*, (2025).

These developments express prospects for a strong degree of resilience of the Chinese industry to the increase of trade tariffs on imports in goods in the largest economy in the world, in our view.

Figure 9. The industrial production vs. its trend in China (volume, annual rate, %, MA12)



Source: representation of the author considering the econometric estimates, considering the database of the Netherlands Bureau for Economic Policy Analysis (2025)

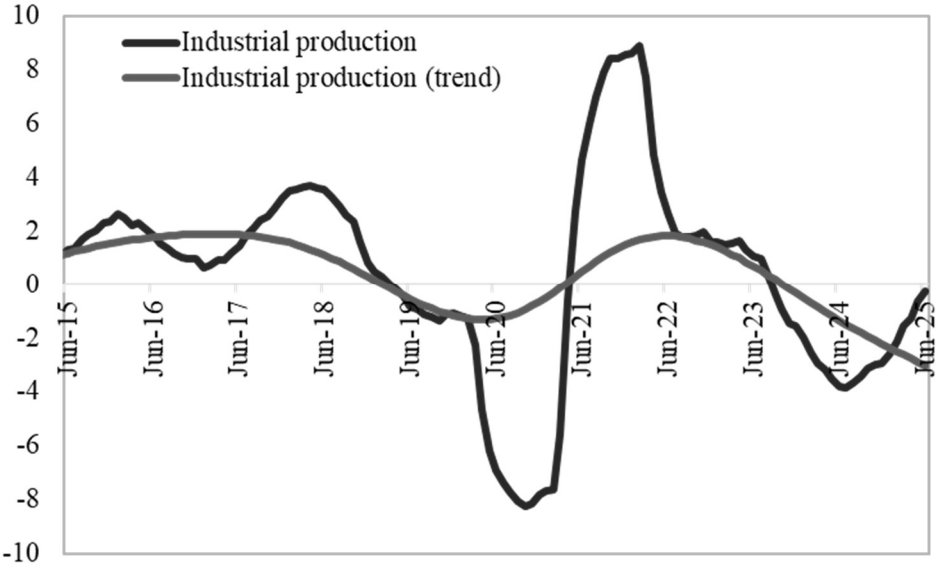
In Euroland, the volume of the industrial production also recorded an annual rate above its potential in the recent months (for the fifth month in a row in June 2025), according to the results of our econometric estimates, represented in the following chart (Figure 10).

On the other hand, we point out that the annual potential rate of the volume of the industrial production in this region continued on the downward trend in the recent months (in June 2025, reaching the lowest level since March 2010).

According to our results, this downward trend for the volume of the industrial production in the Eurozone started in the Spring of 2022, due to the consequences of the intensifying geopolitical tensions following the outbreak of the crisis in Ukraine.

On the other hand, the EU policymakers have recently implemented several measures that would support the industrial production in the region in the medium run, in our view, including the Competitiveness Compass and the program ReArm EU. However, in the short run, the industrial production in Euroland would be affected by the increase in trade tariffs on imports of goods in the United States.

Figure 10. The industrial production vs. its trend in the Euroland (volume, annual rate, %, MA12)

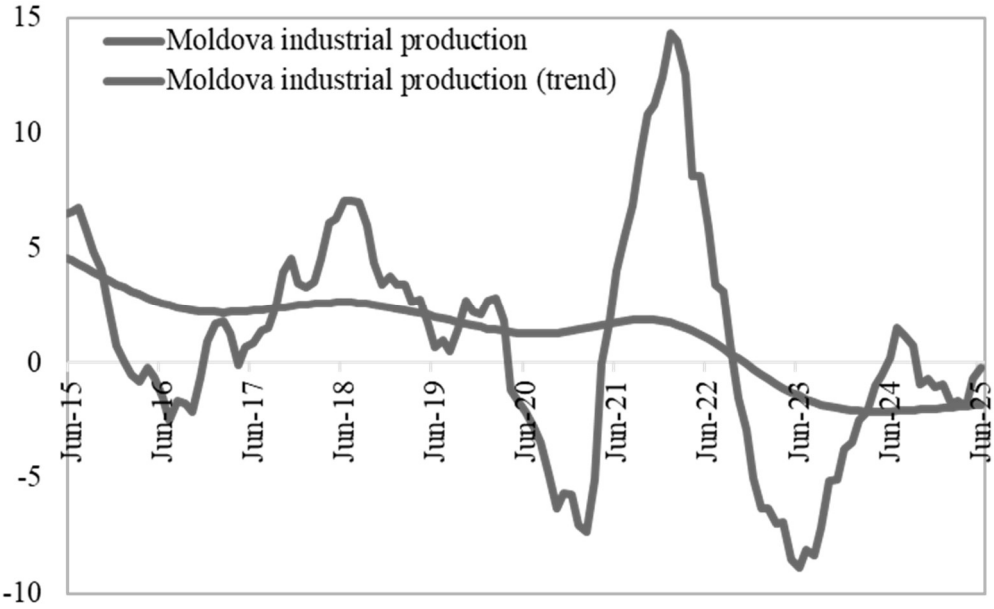


Source: representation of the author considering the econometric estimates, considering the database of the Netherlands Bureau for Economic Policy Analysis (2025)

In the Republic of Moldova, the results of our econometric estimates indicate an evolution of the volume of the industrial production above its potential for the second month in a row in June 2025, as represented in the following chart (Figure 11).

This evolution was determined by the recent improvement of industrial production in the European Union/Euroland, the main economic partner of the Republic of Moldova.

Figure 11. The industrial production vs. its trend in the Republic of Moldova (volume, annual rate, %, MA12)



Source: representation of the author considering the econometric estimates, considering the database of the Netherlands Bureau for Economic Policy Analysis (2025)

At the same time, according to the results of our analysis, the annual potential growth rate of the industrial production in Moldova has recently improved, in June 2025 reaching the highest level since August 2023.

In our view, these evolutions express a high probability for the industry of the Republic of Moldova to be at the beginning of a new cycle, following the severe adjustment determined by the consequences of the intensification of the regional geopolitical tensions, including the significant increase in the prices of energy.

This scenario is consistent with the recently updated forecasts of the international financial institutions and is further supported by the implementation of the EUR 1.9 billion programme agreed with the European Commission for the period 2025–2027 (European Commission, 2024).

Furthermore, the results of our analysis indicate an increase in the correlation of the industry of Moldova with the industry of Euroland in the post-pandemic period, compared to the pre-pandemic period. As mentioned in the methodology section, we estimated the correlation between Moldova (on the one hand) and the largest economic blocs in the world (on the other hand) in terms of the gap between industrial production and its trend component. According to the results, the coefficient of correlation between Moldova and the Euroland for this indicator increased from 51.1% in the period 2012-2020 to 65.5% during 2021-2025.

On the other hand, the coefficient of correlation between Moldova and the United States in terms of the gap between industrial production and its trend component declined from 66.5% in the interval 2012-2020 to 61.6% in the period 2021-2025.

Last, but not least, the coefficient of correlation between Moldova and China in terms of the gap between industrial production and its trend component diminished from 58.1% in the interval 2012-2020 to 56.3% in the period 2021-2025.

These results confirm the fact that the industry of Moldova has been increasingly integrating with the European industry. This trend is expected to continue, given the implementation of the Programme launched by the European Commission in 2024.

5 Conclusion

In this paper, we analysed the macroeconomic climate, from the world economy to the Moldovan economy, by focusing on the developments in terms of the volume of industrial production, one of the most used proxy indicators for overall economic activity.

This analysis is very important nowadays, as the economy of Moldova is increasingly more dependent on the developments in the EU economy (the main economic partner). The moment of this research is also important, given the efforts of Moldova to join the EU in the future, as emphasized at the EU–Moldova summit in July 2025 (European Council, 2025).

According to the results of our econometric analysis, the volume of industrial production recorded an annual rate above potential in recent months, at the world level, but also in the United States, China, Euroland, and the Republic of Moldova.

However, these results also emphasize the divergent evolutions of the structural component of the volume of industrial production in recent months. On the one hand, there can be noticed the downward trend at the world level, in the United States, and in the Eurozone, more pronounced in Europe, where the economy is the most affected by the recent global shocks (including the geopolitical tensions) and their consequences. On the other hand, the trend of the volume of industrial production has recently improved in China (given the implementation of the new industrial policy, focus on the new quality productive forces), and in the Republic of Moldova (following a severe adjustment induced by the consequences of the crisis in Ukraine).

Last, but not least, we point out the increasing correlation between the industry of Moldova and the industry of Euroland in the post-pandemic cycle, an evolution strongly supported by the efforts of the Eastern European country to join the European Union.

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