



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

UAE Monthly Monetary Survey - April 2012 -

Previous Monetary Surveys	
- December 2010	- March 2012
- November 2010	- February 2012
- October 2010	- December 2011
- September 2010	- November 2011
- August 2010	- June 2011
- July 2010	- May 2011
- June 2010	- April 2011
- May 2010	- March 2011
- April 2010	- February 2011
- March 2010	- January 2011
- February 2010	
- January 2010	

Related Publications
- Governor's Speech on "Corporate Governance" – Abu Dhabi, 14 March 2012
- Governor's Speech First Annual World Islamic Banking Conference - Singapore, 14 June 2010
- Governor's Speech on "The Regulatory Partnerships for Sustained Growth in MENASA AREA" - Dubai, 24 May 2010
- UAE Central Bank Monthly Statistical Bulletin, December 2011
- UAE Monetary Developments Report, 3 rd Quarter 2011 (Arabic)

Monetary Developments ^(*)

Money supply M_0 remained at AED 53.6 billion at the end of April 2012, while M_1 increased from AED 280.2 billion at the end of March to AED 286.1 billion (2.1%) at the end of April, M_2 decreased from AED 880.4 billion to AED 859.2 billion (-2.4%), and M_3 decreased from AED 1,078.2 billion to AED 1,066.3 billion (-1.1%). During the first four months of 2012, M_0 increased by 2.9%, M_1 by 8.3%, M_2 by 4.0% and M_3 by 6.5%.

The Money Multiplier

The money multiplier indicates by how much the money supply will grow following an increase of 1 billion Dirhams in the monetary base (currency in circulation + commercial banks' reserves at the Central Bank + certificates of deposit).

This multiplier of M_2 decreased slightly from 4.2 at the end of March 2012 to 4.1 at the end of April 2012, which was due mainly to an increase in Banks Current Accounts at CBUAE (Net) in the amount of AED 1.8 billion.

(*) Monetary aggregates are defined in footnote of Table 1

Table 1. UAE Monthly Monetary Survey (April 2012)
(End of period, billions of Dirhams)

	December 2011	March 2012	April 2012	Change in April		Change during the first 4 months of 2012		
				In billions of Dirhams	%	In billions of Dirhams	%	Annualized in %
Money Supply M₀	52.1	53.6	53.6	0.0	0.0%	1.5	2.9%	8.9
-Currency in Circulation	41.6	43.3	43.4	0.1	0.2%	1.8	4.3%	13.6
-Monetary Deposits(*)	222.5	236.9	242.7	5.8	2.4%	20.2	9.1%	29.8
Money Supply M₁	264.1	280.2	286.1	5.9	2.1%	22.0	8.3%	27.1
-Quasi Monetary Deposits(**)	561.7	600.2	573.1	-27.1	-4.5%	11.4	2.0%	6.2
Money Supply M₂	825.8	880.4	859.2	-21.2	-2.4%	33.4	4.0%	12.6
-Government Deposits	175.6	197.8	207.1	9.3	4.7%	31.5	17.9%	64.0
Money Supply M₃	1,001.4	1,078.2	1,066.3	-11.9	-1.1%	64.9	6.5%	20.7

N.B. Data for December 2011 and 2012 are estimates subject to revision

M₀ = Currency in Circulation + Currency at Banks

M₁ = Currency in Circulation + Monetary Deposits

M₂ = M₁ + Quasi Monetary Deposits

M₃ = M₂ + Government Deposits

(*) Monetary Deposits: all short-term deposits on which bank customer can withdraw without prior notice

() Quasi-Monetary Deposits: Resident Time and Savings Deposits in Dirham + Commercial Prepayments in Dirham + Resident Deposits in foreign currencies**

**Table 2. Money Multiplier in the UAE
(End of period, billions of Dirhams)**

	December 2011	March 2012	April 2012	Change in April 2012	
				In billions of Dirhams	% change
Monetary Base	197.9	208.0	210.3	2.3	1.1
- Currency in Circulation	41.6	43.3	43.4	0.1	0.2
- Reserve Requirements	62.8	64.3	65.1	0.8	1.2
- Banks Current Accounts at CBUAE (Net)	13.5	12.3	14.1	1.8	14.6
- Certificates of Deposits (Net of Lending)	80.0	88.1	87.7	-0.4	-0.5
Money Supply (M ₁)	264.1	280.2	286.1	5.9	2.1
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.3	1.4	-	-
Broad Money Supply (M ₂)	825.8	880.4	859.2	-21.2	-2.4
Money Multiplier of M₂ (M₂/Monetary Base)	4.2	4.2	4.1	-	-