



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

UAE Monthly Monetary Survey - August 2013 -

Previous Monetary Surveys	
- December 2012	- July 2013
- November 2012	- June 2013
- October 2012	- May 2013
- September 2012	- April 2013
- August 2012	- March 2013
- July 2012	
- June 2012	
- May 2012	
- April 2012	
- March 2012	
- February 2012	

Related Publications
- UAE Central Bank Monthly Statistical Bulletin, June 2013
- UAE Monetary Developments Report, 2 nd Quarter 2013 (Arabic)
- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013

Monetary Developments ^(*)

Money supply M_0 decreased from AED 61.2 billion at the end of July 2013 to AED 60.7 billion at the end of August of the same year (-0.8%), while M_1 increased from AED 344.7 billion to AED 348.0 billion (1.0%), M_2 increased from AED 931.3 billion to AED 939.5 billion (0.9%) and M_3 increased from AED 1,179.5 billion to AED 1,197.2 billion (1.5%).

During the first eight months of 2013, M_0 increased by 5.0%, M_1 by 16.3%, M_2 by 8.9% and M_3 by 10.5%.

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).

The multiplier of M_1 remained unchanged at 1.5 while the multiplier of M_2 increased from 3.9 at the end of July 2013 to 4.0 at the end of August 2013 and the multiplier of M_3 increased from 5.0 to 5.1. This increase in the money multipliers of M_2 and M_3 was due to an increase in these aggregates as well as a decrease in the Monetary Base resulting from a decrease in Currency in Circulation by AED 0.6 billion and a decrease in Certificates of Deposits (Net of Lending) by AED 2.7 billion.

(*) The monetary aggregates are defined in footnote of Table 1

**Table 1. UAE Monthly Monetary Survey (August 2013)
(End of period, billions of Dirhams)**

				Change in August		Change during the year 2013	
	December 2012	July 2013	August 2013	In billions of Dirhams	%	In billions of Dirhams	%
Money Supply M ₀	57.8	61.2	60.7	-0.5	-0.8	2.9	5.0
Currency in Circulation	45.6	49.3	48.7	-0.6	-1.2	3.1	6.8
Monetary Deposits(*)	253.6	295.4	299.4	4.0	1.4	45.8	18.1
Money Supply M ₁	299.2	344.7	348.0	3.3	1.0	48.8	16.3
Quasi Monetary Deposits(**)	563.2	586.6	591.4	4.8	0.8	28.2	5.0
Money Supply M ₂	862.4	931.3	939.5	8.2	0.9	77.1	8.9
Government Deposits	220.7	248.2	257.7	9.5	3.8	37.0	16.8
Money Supply M ₃	1,083.1	1,179.5	1,197.2	17.7	1.5	114.1	10.5

N.B. Data for 2013 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 2012	July 2013	August 2013	Change in August 2013	
				In billions of Dirhams	% change
Monetary Base	223.7	236.8	235.0	-1.8	-0.8
- Currency in Circulation	45.6	49.3	48.7	-0.6	-1.2
- Reserve Requirements	70.4	81.4	82.9	1.5	1.8
- Banks Current Accounts at CBUAE (Net)	12.3	12.0	12.0	0.0	0
- Certificates of Deposits (Net of Lending)	95.4	94.1	91.4	-2.7	-2.9
Money Supply (M ₁)	299.2	344.7	348.0	3.3	1.0
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.5	1.5	-	-
Money Supply (M ₂)	862.4	931.3	939.5	8.2	0.9
Money Multiplier of M₂ (M₂/Monetary Base)	3.9	3.9	4.0	-	-
Money Supply (M ₃)	1,083.1	1,179.5	1,197.2	17.7	1.5
Money Multiplier of M₃ (M₃/Monetary Base)	4.8	5.0	5.1	-	-