



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

## UAE Monthly Monetary Survey - December 2012 -

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

Related Publications
- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013
- Governor's Speech on "Recent Policy Developments For Strengthening The Resilience of The Financial Sector" – Abu Dhabi, 27 November 2012
- UAE Central Bank Monthly Statistical Bulletin, October 2012
- UAE Monetary Developments Report, 3 <sup>rd</sup> Quarter 2012 (Arabic)
- Governor's Speech on "Corporate Governance" – Abu Dhabi, 14 March 2012
- Governor's Speech: First Annual World Islamic Banking Conference - Singapore, 14 June 2010

## Monetary Developments <sup>(\*)</sup>

Money supply  $M_0$  increased from AED 56.7 billion at the end of November 2012 to AED 57.8 billion at the end of December of the same year (1.9%), while  $M_1$  increased by the same rate, from AED 293.6 billion to AED 299.2 billion.  $M_2$  decreased during the same period by 0.6%, from AED 867.5 billion to AED 862.4 billion, and  $M_3$  decreased from AED 1,097.4 billion to AED 1,083.1 billion (1.3%).

During the year 2012,  $M_0$  increased by 10.9%,  $M_1$  by 13.3%,  $M_2$  by 4.4% and  $M_3$  by 8.2%.

## 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  $M_2$  remained at 3.9 i.e., at the same level of the previous month, while the multiplier of  $M_3$  decreased from 5.0 at the end of November 2012 to 4.8, at the end of December, due to an increase in Certificates of Deposit by AED 4.9 billion.

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

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

				Change in December		Change during the year 2012	
	December 2011	November 2012	December 2012	In billions of Dirhams	%	In billions of Dirhams	%
<b>Money Supply M<sub>0</sub></b>	<b>52.1</b>	<b>56.7</b>	<b>57.8</b>	<b>1.1</b>	<b>1.9</b>	<b>5.7</b>	<b>10.9</b>
-Currency in Circulation	41.6	45.8	45.6	-0.2	-0.4	4.0	9.6
-Monetary Deposits(*)	222.5	247.8	253.6	5.8	2.3	31.1	14.0
<b>Money Supply M<sub>1</sub></b>	<b>264.1</b>	<b>293.6</b>	<b>299.2</b>	<b>5.6</b>	<b>1.9</b>	<b>35.1</b>	<b>13.3</b>
-Quasi Monetary Deposits(**)	561.7	573.9	563.2	-10.7	-1.9	1.5	0.3
<b>Money Supply M<sub>2</sub></b>	<b>825.8</b>	<b>867.5</b>	<b>862.4</b>	<b>-5.1</b>	<b>-0.6</b>	<b>36.6</b>	<b>4.4</b>
-Government Deposits	175.6	229.8	220.7	-9.1	-4.0	45.1	25.7
<b>Money Supply M<sub>3</sub></b>	<b>1,001.4</b>	<b>1,097.4</b>	<b>1,083.1</b>	<b>-14.3</b>	<b>-1.3</b>	<b>81.7</b>	<b>8.2</b>

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

M<sub>0</sub> = Currency in Circulation + Currency at Banks

M<sub>1</sub> = Currency in Circulation + Monetary Deposits

M<sub>2</sub> = M<sub>1</sub> + Quasi Monetary Deposits

M<sub>3</sub> = M<sub>2</sub> + 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	November 2012	December 2012	Change in December 2012	
				In billions of Dirhams	% change
<b>Monetary Base</b>	<b>197.9</b>	<b>220.8</b>	<b>223.7</b>	<b>2.9</b>	<b>1.3</b>
- Currency in Circulation	41.6	45.8	45.6	-0.2	-0.4
- Reserve Requirements	62.8	69.6	70.4	0.8	1.2
- Banks Current Accounts at CBUAE (Net)	13.5	14.9	12.3	-2.6	-17.5
- Certificates of Deposits (Net of Lending)	80.0	90.5	95.4	4.9	5.4
Money Supply (M <sub>1</sub> )	264.1	293.6	299.2	5.6	1.9
<b>Money Multiplier of M<sub>1</sub> (M<sub>1</sub>/Monetary Base)</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	-	-
Money Supply (M <sub>2</sub> )	825.8	867.5	862.4	-5.1	-0.6
<b>Money Multiplier of M<sub>2</sub> (M<sub>2</sub>/Monetary Base)</b>	<b>4.2</b>	<b>3.9</b>	<b>3.9</b>	-	-
Money Supply (M <sub>3</sub> )	1,001.4	1,097.4	1,083.1	-14.3	-1.3
<b>Money Multiplier of M<sub>3</sub> (M<sub>3</sub>/Monetary Base)</b>	<b>5.1</b>	<b>5.0</b>	<b>4.8</b>	-	-