



مصرف الإمارات العربية المتحدة المركزي
Central Bank of the United Arab Emirates

UAE Monthly Monetary Survey
- March 2011 -

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

Related Publications
- 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, November 2010
- UAE Monetary Developments Report, 3 rd Quarter 2010 (Arabic)

Monetary Developments ^(*)

Money supply M0 increased from AED 48.0 billion at the end of February 2011 to AED 49.6 billion at the end of March of the same year (3.3%), while M1 increased from AED 242.7 billion to AED 251.6 billion (3.7%), M2 from AED 818.3 billion to AED 834.7 billion (2.0%) and M3 from AED 1,017.7 billion to AED 1,048.9 billion (3.1%). During the first quarter of 2011, M0 increased by 3.8%, M1 by 8.0%, M2 by 6.1% and M3 by 6.5%.

The Money Multiplier

The money multiplier indicates by how much the money supply (M2) will grow following an increase of 1 billion Dirhams in the monetary base (currency in circulation + banks' reserves at the Central Bank + certificates of deposits).

This multiplier decreased from 4.1 at the end of December 2010 to 3.8 at the end of March 2011, which was due mainly to an increase by AED 17.3 billion in the Central Bank's Certificates of Deposits purchased by banks.

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

Table 1. UAE Monthly Monetary Survey (March 2011)
(End of period, billions of Dirhams)

	December 2010	February 2011	March 2011	Change in March		Change during the first 3 months of 2011		
				In billions of Dirhams	%	In billions of Dirhams	%	Annualized in %
Money Supply M0	47.8	48.0	49.6	1.6	3.3%	1.8	3.8%	15.9%
-Currency in Circulation	38.5	39.7	39.1	-0.6	-1.5%	0.6	1.6%	6.4%
-Monetary Deposits(*)	194.4	203.0	212.5	9.5	4.7%	18.1	9.3%	42.8%
Money Supply M1	232.9	242.7	251.6	8.9	3.7%	18.7	8.0%	36.2%
-Quasi Monetary Deposits(**)	553.5	575.6	583.1	7.5	1.3%	29.6	5.3%	23.2%
Money Supply M2	786.4	818.3	834.7	16.4	2.0%	48.3	6.1%	26.9%
-Government Deposits	198.8	199.4	214.2	14.8	7.4%	15.4	7.7%	34.8%
Money Supply M3	985.2	1,017.7	1,048.9	31.2	3.1%	63.7	6.5%	28.5%

N.B. Data for December 2010 and 2011 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* 2010	February* 2011	March* 2011	Change in March 2011	
				In billions of Dirhams	% change
Monetary Base	192.9	209.5	219.2	9.7	4.6%
- Currency in Circulation	38.5	39.7	39.1	-0.6	-1.5%
- Reserve Requirements	54.0	54.7	56.3	1.6	2.9%
- Banks Current Accounts at CBUAE (Net)	6.4	10.9	12.5	1.6	14.7%
- Certificates of Deposits (Net of Lending)	94.0	104.2	111.3	7.1	6.8%
Money Supply (M1)	232.9	242.7	251.6	8.9	3.7%
Money Multiplier of M1 (M1/Monetary Base)	1.2	1.2	1.1	-	-
Broad Money Supply (M2)	786.4	818.3	834.7	16.4	2.0%
Money Multiplier of M2 (M2/Monetary Base)	4.1	3.9	3.8	-	-

* Data are estimates subject to revision