



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

UAE Monthly Monetary Survey - May 2012 -

Previous Monetary Surveys	
- December 2010	- April 2012
- November 2010	- March 2012
- October 2010	- February 2012
- September 2010	- December 2011
- August 2010	- November 2011
- July 2010	- June 2011
- June 2010	- May 2011
- May 2010	- April 2011
- April 2010	- March 2011
- March 2010	- February 2011
- February 2010	- January 2011
- 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 increased from AED 53.6 billion at the end of April 2012 to AED 53.8 billion at the end of May of the same year (0.4%), while M_1 decreased from AED 286.1 billion to AED 281.7 billion (-1.5%), M_2 decreased from AED 859.2 billion to AED 832.1 billion (-3.2%), and M_3 decreased from AED 1,069.8 billion to AED 1,055.7 billion (-1.3%). During the first five months of 2012, M_0 increased by 3.3%, M_1 by 6.7%, M_2 by 0.8% and M_3 by 5.4%.

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 remained at 4.1 at the end of May 2012.

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

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

	December 2011	April 2012	May 2012	Change in May		Change during the first 5 months of 2012		
				In billions of Dirhams	%	In billions of Dirhams	%	Annualized in %
Money Supply M₀	52.1	53.6	53.8	0.2	0.4	1.7	3.3	8.0
-Currency in Circulation	41.6	43.4	43.4	0.0	0.0	1.8	4.3	10.7
-Monetary Deposits(*)	222.5	242.7	238.3	-4.4	-1.8	15.8	7.1	17.9
Money Supply M₁	264.1	286.1	281.7	-4.4	-1.5	17.6	6.7	16.7
-Quasi Monetary Deposits(**)	561.7	573.1	550.4	-22.7	-4.0	-11.3	-2.0	-4.8
Money Supply M₂	825.8	859.2	832.1	-27.1	-3.2	6.3	0.8	1.8
-Government Deposits	175.6	210.6	223.6	13.0	6.2	48.0	27.3	78.6
Money Supply M₃	1,001.4	1,069.8	1,055.7	-14.1	-1.3	54.3	5.4	13.5

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	April 2012	May 2012	Change in May 2012	
				In billions of Dirhams	% change
Monetary Base	197.9	210.3	202.9	-7.4	-3.5
- Currency in Circulation	41.6	43.4	43.4	0.0	0.0
- Reserve Requirements	62.8	65.1	65.7	0.6	0.9
- Banks Current Accounts at CBUAE (Net)	13.5	14.1	11.2	-2.9	-20.6
- Certificates of Deposits (Net of Lending)	80.0	87.7	82.6	-5.1	-5.8
Money Supply (M_1)	264.1	286.1	281.7	-4.4	-1.5
Money Multiplier of M_1 (M_1/Monetary Base)	1.3	1.4	1.4	-	-
Broad Money Supply (M_2)	825.8	859.2	832.1	-27.1	-3.2
Money Multiplier of M_2 (M_2/Monetary Base)	4.2	4.1	4.1	-	-