



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

UAE Monthly Monetary Survey - November 2012 -

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

Related Publications
- UAE Central Bank Monthly Statistical Bulletin, September 2012
- UAE Monetary Developments Report, 3 rd 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
- Governor's Speech on "The Regulatory Partnerships for Sustained Growth in MENASA AREA" - Dubai, 24 May 2010

Monetary Developments ^(*)

Money supply M_0 decreased from AED 57.2 billion at the end of October 2012 to AED 56.7 billion at the end of November of the same year (0.9%), while M_1 decreased from AED 293.8 billion to AED 293.6 billion (0.1%). M_2 increased during the same period from AED 844.7 billion to AED 867.5 billion (2.7%), while M_3 increased from AED 1,079.7 billion to AED 1,097.4 billion (1.6%). During the first eleven months of 2012, M_0 increased by 8.8%, M_1 by 11.2%, M_2 by 5.0% and M_3 by 9.6%.

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 and M_3 remained at 3.9 and 5.0, respectively, at the end of November 2012, i.e., at the same level of the previous month.

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

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

	December 2011	October 2012	November 2012	Change in November		Change during the first 11 months of 2012		
				In billions of Dirhams	%	In billions of Dirhams	%	Annualized in %
Money Supply M₀	52.1	57.2	56.7	-0.5	-0.9	4.6	8.8	9.7
-Currency in Circulation	41.6	45.8	45.8	0.0	0.0	4.2	10.1	11.1
-Monetary Deposits(*)	222.5	247.6	247.8	0.2	0.1	25.3	11.4	12.5
Money Supply M₁	264.1	293.8	293.6	-0.2	-0.1	29.5	11.2	12.2
-Quasi Monetary Deposits(**)	561.7	551.0	573.9	22.9	4.2	12.2	2.2	2.4
Money Supply M₂	825.8	844.7	867.5	22.8	2.7	41.7	5.0	5.5
-Government Deposits	175.6	235.0	229.8	-5.2	-2.2	54.2	30.9	34.1
Money Supply M₃	1,001.4	1,079.7	1,097.4	17.7	1.6	96.0	9.6	10.5

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	October 2012	November 2012	Change in November 2012	
				In billions of Dirhams	% change
Monetary Base	197.9	214.7	220.8	6.1	2.8
- Currency in Circulation	41.6	45.8	45.8	0.0	0.0
- Reserve Requirements	62.8	69.9	69.6	-0.3	-0.4
- Banks Current Accounts at CBUAE (Net)	13.5	16.7	14.9	-1.8	-10.8
- Certificates of Deposits (Net of Lending)	80.0	82.3	90.5	8.2	10.0
Money Supply (M ₁)	264.1	293.8	293.6	-0.8	-0.1
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.4	1.3	-	-
Money Supply (M ₂)	825.8	844.7	867.5	22.8	2.7
Money Multiplier of M₂ (M₂/Monetary Base)	4.2	3.9	3.9	-	-
Money Supply (M ₃)	1,001.4	1,079.7	1,097.4	17.7	1.6
Money Multiplier of M₃ (M₃/Monetary Base)	5.1	5.0	5.0	-	-