



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

## UAE Monthly Monetary Survey - November 2013 -

### Previous Monetary Surveys

- |                  |                  |
|------------------|------------------|
| - December 2012  | - October 2013   |
| - November 2012  | - September 2013 |
| - October 2012   | - August 2013    |
| - September 2012 | - July 2013      |
| - August 2012    | - June 2013      |
| - July 2012      | - May 2013       |
| - June 2012      | - April 2013     |
| - May 2012       | - March 2013     |
| - April 2012     |                  |
| - March 2012     |                  |
| - February 2012  |                  |

### Related Publications

- UAE Central Bank Monthly Statistical Bulletin, September 2013
- UAE Monetary Developments Report, 3<sup>rd</sup>Quarter 2013 (Arabic)
- Governor's Speech on Strengthening Financial Sector Supervision and Current Regulatory Priorities (MENA Region) - 2013, Abu Dhabi, November 2013
- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013

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

Money supply  $M_0$  increased from AED 62.8 billion at the end of October 2013 to AED 63.4 billion at the end of November of the same year (1.0%), while  $M_1$  increased from AED 361.5 billion to AED 373.3 billion (3.3%),  $M_2$  increased from AED 1,003.5 billion to AED 1,036.8 billion (3.3%), and  $M_3$  decreased from AED 1,223.1 billion to AED 1,217.2 billion (-0.5%).

During the first eleven months of 2013,  $M_0$  increased by 9.7%,  $M_1$  by 24.8%,  $M_2$  by 20.2% and  $M_3$  by 12.4%.

## 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).

The multiplier of  $M_1$  and  $M_2$  remained unchanged at 1.5 and 4.1, respectively at the end of November 2013, i.e., at the same level of the previous month while the multiplier of  $M_3$  decreased from 5.0 to 4.8 during the same period. This decrease in the money multiplier of  $M_3$  was mainly due to a decrease in the Money Supply  $M_3$  in the amount of AED 5.9 billion.

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

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

|                             | December<br>2012 | October<br>2013 | November<br>2013 | Change in November        |             | Change during the first<br>eleven months of 2013 |             |
|-----------------------------|------------------|-----------------|------------------|---------------------------|-------------|--|-------------|
|                             |                  |                 |                  | In billions<br>of Dirhams | %           | In billions<br>of Dirhams                        | %           |
| Money Supply M <sub>0</sub> | <b>57.8</b>      | <b>62.8</b>     | <b>63.4</b>      | <b>0.6</b>                | <b>1.0</b>  | <b>5.6</b>                                       | <b>9.7</b>  |
| Currency in Circulation     | 45.6             | 49.9            | 51.1             | 1.2                       | 2.4         | 5.5  | 12.1        |
| Monetary Deposits(*)        | 253.6            | 311.6           | 322.2            | 10.6                      | 3.4         | 68.6   | 27.1        |
| Money Supply M <sub>1</sub> | <b>299.2</b>     | <b>361.5</b>    | <b>373.3</b>     | <b>11.8</b>               | <b>3.3</b>  | <b>74.1</b>                                      | <b>24.8</b> |
| Quasi Monetary Deposits(**) | 563.2            | 641.9           | 663.5            | 21.6                      | 3.4         | 100.3  | 17.8        |
| Money Supply M <sub>2</sub> | <b>862.4</b>     | <b>1,003.5</b>  | <b>1,036.8</b>   | <b>33.3</b>               | <b>3.3</b>  | <b>174.4</b>                                     | <b>20.2</b> |
| Government Deposits         | 220.7            | 219.6           | 180.4            | -39.2                     | -17.9       | -40.3  | -18.3       |
| Money Supply M <sub>3</sub> | <b>1,083.1</b>   | <b>1,223.1</b>  | <b>1,217.2</b>   | <b>-5.9</b>               | <b>-0.5</b> | <b>134.1</b>                                     | <b>12.4</b> |

**N.B. Data for 2013 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<br>2012 | October<br>2013 | November<br>2013 | Change in November 2013   |             |
|--|------------------|-----------------|------------------|---------------------------|-------------|
|  |                  |                 |                  | In billions of<br>Dirhams | %<br>Change |
| <b>Monetary Base</b>   | <b>223.7</b>     | <b>245.4</b>    | <b>251.5</b>     | <b>6.1</b>                | <b>2.5</b>  |
| - Currency in Circulation  | 45.6             | 49.9            | 51.1             | 1.2                       | 2.4         |
| - Reserve Requirements   | 70.4             | 82.9            | 84.7             | 1.8                       | 2.2         |
| - Banks Current Accounts at CBUAE (Net)                                | 12.3             | 13.0            | 16.1             | 3.1                       | 23.8        |
| - Certificates of Deposit (Net of Lending)                             | 95.4             | 99.6            | 99.6             | 0.0                       | 0.0         |
| Money Supply (M <sub>1</sub> )   | 299.2            | 361.5           | 373.3            | 11.8                      | 3.3         |
| <b>Money Multiplier of M<sub>1</sub> (M<sub>1</sub>/Monetary Base)</b> | <b>1.3</b>       | <b>1.5</b>      | <b>1.5</b>       | -                         | -           |
| Money Supply (M <sub>2</sub> )   | 862.4            | 1,003.5         | 1,036.8          | 33.3                      | 3.3         |
| <b>Money Multiplier of M<sub>2</sub> (M<sub>2</sub>/Monetary Base)</b> | <b>3.9</b>       | <b>4.1</b>      | <b>4.1</b>       | -                         | -           |
| Money Supply (M <sub>3</sub> )   | 1,083.1          | 1,223.1         | 1,217.2          | -5.9                      | -0.5        |
| <b>Money Multiplier of M<sub>3</sub> (M<sub>3</sub>/Monetary Base)</b> | <b>4.8</b>       | <b>5.0</b>      | <b>4.8</b>       | -                         | -           |

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