



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

## UAE Monthly Monetary Survey - June 2013 -

### Previous Monetary Surveys

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

### Related Publications

- UAE Central Bank Monthly Statistical Bulletin, April 2013
- UAE Monetary Developments Report, 1<sup>st</sup> Quarter 2013 (Arabic)
- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013

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

Money supply  $M_0$  decreased from AED 60.0 billion at the end of May 2013 to AED 59.4 billion at the end of June of the same year (-1.0%), while  $M_1$  increased from AED 341.4 billion to AED 346.7 billion (1.6%),  $M_2$  increased from AED 917.9 billion to AED 929.8 billion (1.3%) and  $M_3$  increased from AED 1,174.9 billion to AED 1,182.5 billion (0.6%).

During the first six months of 2013,  $M_0$  increased by 2.8%,  $M_1$  by 15.9%,  $M_2$  by 7.8% and  $M_3$  by 9.2%.

## 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  $M_2$  decreased from 3.9 at the end of May 2013 to 3.8 at the end of June 2013, while the multiplier of  $M_3$  decreased from 5.0 to 4.9 during the same period. This was due to an increase in the Monetary Base resulting from an increase in Reserve Requirements by AED 1.5 billion, and an increase in Banks' Current Accounts, at CBUAE, by AED 3.7 billion.

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

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

				Change in June		Change during the year 2013	
	December 2012	May 2013	June 2013	In billions of Dirhams	%	In billions of Dirhams	%
<b>Money Supply M<sub>0</sub></b>	<b>57.8</b>	<b>60.0</b>	<b>59.4</b>	<b>-0.6</b>	<b>-1.0</b>	<b>1.6</b>	<b>2.8</b>
-Currency in Circulation	45.6	48.7	48.3	-0.4	-0.8	2.7	5.9
-Monetary Deposits(*)	253.6	292.7	298.4	5.7	2.0	44.8	17.7
<b>Money Supply M<sub>1</sub></b>	<b>299.2</b>	<b>341.4</b>	<b>346.7</b>	<b>5.3</b>	<b>1.6</b>	<b>47.5</b>	<b>15.9</b>
-Quasi Monetary Deposits(**)	563.2	576.5	583.1	6.6	1.2	19.9	3.5
<b>Money Supply M<sub>2</sub></b>	<b>862.4</b>	<b>917.9</b>	<b>929.8</b>	<b>11.9</b>	<b>1.3</b>	<b>67.4</b>	<b>7.8</b>
-Government Deposits	220.7	257.0	252.7	-4.3	-1.7	32.0	14.5
<b>Money Supply M<sub>3</sub></b>	<b>1,083.1</b>	<b>1,174.9</b>	<b>1,182.5</b>	<b>7.6</b>	<b>0.7</b>	<b>99.4</b>	<b>9.2</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 2012	May 2013	June 2013	Change in June 2013	
				In billions of Dirhams	% change
<b>Monetary Base</b>	<b>223.7</b>	<b>236.7</b>	<b>242.0</b>	<b>5.3</b>	<b>2.2</b>
- Currency in Circulation	45.6	48.7	48.3	-0.4	-0.8
- Reserve Requirements	70.4	77.2	78.7	1.5	2.0
- Banks Current Accounts at CBUAE (Net)	12.3	14.3	18.0	3.7	25.9
- Certificates of Deposits (Net of Lending)	95.4	96.5	97.0	0.5	0.5
Money Supply (M <sub>1</sub> )	299.2	341.4	346.7	5.3	1.6
<b>Money Multiplier of M<sub>1</sub> (M<sub>1</sub>/Monetary Base)</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>-</b>	<b>-</b>
Money Supply (M <sub>2</sub> )	862.4	917.9	929.8	11.9	1.3
<b>Money Multiplier of M<sub>2</sub> (M<sub>2</sub>/Monetary Base)</b>	<b>3.9</b>	<b>3.9</b>	<b>3.8</b>	<b>-</b>	<b>-</b>
Money Supply (M <sub>3</sub> )	1,083.1	1,174.9	1,182.5	7.6	0.7
<b>Money Multiplier of M<sub>3</sub> (M<sub>3</sub>/Monetary Base)</b>	<b>4.8</b>	<b>5.0</b>	<b>4.9</b>	<b>-</b>	<b>-</b>