



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

UAE Monthly Monetary Survey - January 2013 -

Previous Monetary Surveys

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

Related Publications

- Governor's Speech on "Recent Policy Developments For Strengthening The Resilience of The Financial Sector" – Abu Dhabi, 27 November 2012
- UAE Central Bank Monthly Statistical Bulletin, October 2012
- UAE Monetary Developments Report, 3rd Quarter 2012 (Arabic)
- Governor's Speech on "Corporate Governance" – Abu Dhabi, 14 March 2012

Monetary Developments^(*)

Money supply M_0 decreased from AED 57.8 billion at the end of December 2012 to AED 57.9 billion at the end of January 2013 (0.2%), while M_1 increased from AED 299.2 billion to AED 306.0 billion (2.3%), M_2 increased from AED 862.4 billion to AED 875.1 billion (1.5%) and M_3 increased from AED 1,083.1 billion to AED 1,104.8 billion (2.0%).

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 remained at 1.3, i.e., at the same level of the previous month, while the multiplier of M_2 decreased from 3.9 to 3.7 and the multiplier of M_3 decreased from 4.8 to 4.7, during the same period. This decrease in the money multipliers of M_2 and M_3 was mainly due to an increase in the Monetary Base resulting from an overall increase in Currency in Circulation by AED 1.3 billion, Certificates of Deposit (Net of Lending) by AED 7.4 billion and Reserve Requirements by AED 1.6 billion.

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

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

			Change in January 2013	
	December 2012	January 2013	In billions of Dirhams	%
Money Supply M₀	57.8	57.9	0.1	0.2
-Currency in Circulation	45.6	46.9	1.3	2.9
-Monetary Deposits(*)	253.6	259.1	5.5	2.2
Money Supply M₁	299.2	306.0	6.8	2.3
-Quasi Monetary Deposits(**)	563.2	569.1	5.9	1.0
Money Supply M₂	862.4	875.1	12.7	1.5
-Government Deposits	220.7	229.7	9.0	4.1
Money Supply M₃	1,083.1	1,104.8	21.7	2.0

N.B. Data for 2013 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 2012	January 2013	Change in January 2013	
			In billions of Dirhams	% change
Monetary Base	223.7	234.8	11.1	5.0
- Currency in Circulation	45.6	46.9	1.3	2.9
- Reserve Requirements	70.4	72.0	1.6	2.3
- Banks Current Accounts at CBUAE (Net)	12.3	10.7	-1.6	-13.0
- Certificates of Deposits (Net of Lending)	95.4	102.8	7.4	7.8
Money Supply (M ₁)	299.2	306.0	6.8	2.3
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.3	-	-
Money Supply (M ₂)	862.4	875.1	12.7	1.5
Money Multiplier of M₂ (M₂/Monetary Base)	3.9	3.7	-	-
Money Supply (M ₃)	1,083.1	1,104.8	21.7	2.0
Money Multiplier of M₃ (M₃/Monetary Base)	4.8	4.7	-	-