



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

UAE Monthly Monetary Survey - July 2013 -

Previous Monetary Surveys

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|------------------|--------------|
| - December 2012 | - June 2013 |
| - November 2012 | - May 2013 |
| - October 2012 | - April 2013 |
| - September 2012 | - March 2013 |
| - 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, 1st Quarter 2013 (Arabic)
- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013

Monetary Developments ^(*)

Money supply M_0 increased from AED 59.4 billion at the end of June 2013 to AED 61.2 billion at the end of July of the same year (3.0%), while M_1 decreased from AED 346.7 billion to AED 344.7 billion (-0.6%), M_2 increased from AED 929.8 billion to AED 931.3 billion (0.2%) and M_3 decreased from AED 1,182.5 billion to AED 1,179.5 billion (-0.3%).

During the first seven months of 2013, M_0 increased by 5.9%, M_1 by 15.2%, M_2 by 8.0% and M_3 by 8.9%.

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 increased from 1.4 at the end of June 2013 to 1.5 at the end of July 2013, while the multiplier of M_2 increased from 3.8 to 3.9 and the multiplier of M_3 increased from 4.9 to 5.0, during the same period. This increase in the money multipliers was mainly due to a decrease in the Monetary Base resulting from a decrease in Banks Current Accounts at CBUAE (Net) by AED 6.0 billion and a decrease in Certificates of Deposits (Net of Lending) by AED 2.9 billion.

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

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

				Change in July		Change during the year 2013	
	December 2012	June 2013	July 2013	In billions of Dirhams	%	In billions of Dirhams	%
Money Supply M₀	57.8	59.4	61.2	1.8	3.0	3.4	5.9
-Currency in Circulation	45.6	48.3	49.3	1.0	2.1	3.7	8.1
-Monetary Deposits(*)	253.6	298.4	295.4	-3.0	-1.0	41.8	16.5
Money Supply M₁	299.2	346.7	344.7	-2.0	-0.6	45.5	15.2
-Quasi Monetary Deposits(**)	563.2	583.1	586.6	3.5	0.6	23.4	4.2
Money Supply M₂	862.4	929.8	931.3	1.5	0.2	68.9	8.0
-Government Deposits	220.7	252.7	248.2	-4.5	-1.8	27.5	12.5
Money Supply M₃	1,083.1	1,182.5	1,179.5	-3.0	-0.3	96.4	8.9

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	June 2013	July 2013	Change in July 2013	
				In billions of Dirhams	% change
Monetary Base	223.7	242.0	236.8	-5.2	-2.1
- Currency in Circulation	45.6	48.3	49.3	1.0	2.1
- Reserve Requirements	70.4	78.7	81.4	2.7	3.4
- Banks Current Accounts at CBUAE (Net)	12.3	18.0	12.0	-6.0	-33.3
- Certificates of Deposits (Net of Lending)	95.4	97.0	94.1	-2.9	-3.0
Money Supply (M ₁)	299.2	346.7	344.7	-2.0	-0.6
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.4	1.5	-	-
Money Supply (M ₂)	862.4	929.8	931.3	1.5	0.2
Money Multiplier of M₂ (M₂/Monetary Base)	3.9	3.8	3.9	-	-
Money Supply (M ₃)	1,083.1	1,182.5	1,179.5	-3.0	-0.3
Money Multiplier of M₃ (M₃/Monetary Base)	4.8	4.9	5.0	-	-