



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

## UAE Monthly Monetary Survey - May 2013 -

### Previous Monetary Surveys

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

### Related Publications

- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013
- 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, March 2013
- UAE Monetary Developments Report, 3<sup>rd</sup> 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

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

Money supply  $M_0$  increased from AED 58.8 billion at the end of April 2013 to AED 60.0 billion at the end of May of the same year (2.0%), while  $M_1$  increased from AED 336.0 billion to AED 341.4 billion (1.6%),  $M_2$  increased from AED 909.0 billion to AED 917.9 billion (1.0%) and  $M_3$  increased from AED 1,173.6 billion to AED 1,174.9 billion (0.1%).

During the first five months of 2013,  $M_0$  increased by 3.8%,  $M_1$  by 14.1%,  $M_2$  by 6.4% and  $M_3$  by 8.5%.

## 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  $M_2$  remained at 3.9 i.e., at the same level of the previous month, while the multiplier of  $M_3$  decreased from 5.1 at the end of April 2013 to 5.0 at the end of May 2013, due to an increase in  $M_3$  lower than the increase in the Monetary Base.

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

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

				Change in May		Change during the year 2013	
	December 2012	April 2013	May 2013	In billions of Dirhams	%	In billions of Dirhams	%
<b>Money Supply M<sub>0</sub></b>	<b>57.8</b>	<b>58.8</b>	<b>60.0</b>	<b>1.2</b>	<b>2.0</b>	<b>2.2</b>	<b>3.8</b>
-Currency in Circulation	45.6	48.0	48.7	0.7	1.5	3.1	6.8
-Monetary Deposits(*)	253.6	288.1	292.7	4.6	1.6	39.1	15.4
<b>Money Supply M<sub>1</sub></b>	<b>299.2</b>	<b>336.0</b>	<b>341.4</b>	<b>5.4</b>	<b>1.6</b>	<b>42.2</b>	<b>14.1</b>
-Quasi Monetary Deposits(**)	563.2	573.0	576.5	3.5	0.6	13.3	2.4
<b>Money Supply M<sub>2</sub></b>	<b>862.4</b>	<b>909.0</b>	<b>917.9</b>	<b>8.9</b>	<b>1.0</b>	<b>55.5</b>	<b>6.4</b>
-Government Deposits	220.7	264.6	257.0	-7.6	-2.9	36.3	16.5
<b>Money Supply M<sub>3</sub></b>	<b>1,083.1</b>	<b>1,173.6</b>	<b>1,174.9</b>	<b>1.3</b>	<b>0.1</b>	<b>91.8</b>	<b>8.5</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	April 2013	May 2013	Change in May 2013	
				In billions of Dirhams	% change
<b>Monetary Base</b>	<b>223.7</b>	<b>231.4</b>	<b>236.7</b>	<b>5.3</b>	<b>2.3</b>
- Currency in Circulation	45.6	48.0	48.7	0.7	1.5
- Reserve Requirements	70.4	76.1	77.2	1.1	1.5
- Banks Current Accounts at CBUAE (Net)	12.3	8.5	14.3	5.8	68.2
- Certificates of Deposits (Net of Lending)	95.4	98.8	96.5	-2.3	-2.3
Money Supply (M <sub>1</sub> )	299.2	336.0	341.4	5.4	1.6
<b>Money Multiplier of M<sub>1</sub> (M<sub>1</sub>/Monetary Base)</b>	<b>1.3</b>	<b>1.5</b>	<b>1.4</b>	-	-
Money Supply (M <sub>2</sub> )	862.4	909.0	917.9	8.9	1.0
<b>Money Multiplier of M<sub>2</sub> (M<sub>2</sub>/Monetary Base)</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	-	-
Money Supply (M <sub>3</sub> )	1,083.1	1,173.6	1,174.9	1.3	0.1
<b>Money Multiplier of M<sub>3</sub> (M<sub>3</sub>/Monetary Base)</b>	<b>4.8</b>	<b>5.1</b>	<b>5.0</b>	-	-