Quarterly Economic Bulletin

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Maldives Monetary Authority

This Bulletin is compiled by the Monetary Policy and Research Division (MPRD) of the Maldives Monetary Authority (MMA). It covers developments in the domestic and international economy during the second quarter of 2012. The analyses are based on information provided by relevant government authorities, commercial banks operating in the country, public enterprises and other private sector sources, as at October 2012. Where actual data is not readily available, estimates have been made by MPRD based on available information. The timely receipt of data is therefore crucial to the compilation of this publication and the analysis contained herein.

We thank all those who have contributed to the information contained in this Bulletin and welcome constructive feedback from readers.

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Abbreviations

ASEAN	Association of Southeast Asian Nations
BPT	Business Profit Tax
CIC	Currency in Circulation
CPI	Consumer Price Index
GST	Goods and Services Tax
M0	Reserve Money or Monetary Base
M1	Narrow Money
M2	Broad Money
MMA	Maldives Monetary Authority
MPAO	Maldives Pension Administration Office
NCG	Net Claims on Central Government
NDA	Net Domestic Assets
NFA	Net Foreign Assets
NPL	Non-performing Loan
ODF	Overnight Deposits Facility
RWA	Risk Weighted Assets
SOE	State Owned Enterprise
Reverse Repo	Reverse Repurchase
SAARC	South Asian Association for Regional Cooperation

T-bills	Treasury Bills
US	United States

Quarterly Economic Review

International Economic Developments

1. Output

After a better-than-expected global output growth during Q1-2012, output slackened in Q2-2012 amid the escalating euro area debt crisis and its spillover effects dampening growth in many advanced and emerging economies. According to the data from the Organization for Economic Co-operation and Development, the expansion of the United States (US) economy remained sluggish at 2.3% (2.4% during Q1-2011). The economy was adversely affected by subdued consumer sentiment which resulted from lower than expected job additions. While retail sales declined, export growth is also expected to decrease in the face of worsening global growth prospects.

Economic activity in the euro area deteriorated further by 0.5% during Q2-2012, following a negative growth of 0.05% in Q1-2012. Amid growing uncertainty surrounding the debt crisis, economic activity in the core and peripheral economies suffered heavily as manufacturing sector contracted together with a decline in exports growth. Meanwhile, in the crisis-affected countries of the region, austerity measures on fiscal spending continued to strain economic growth and unemployment has remained high since mid-2011. After recording a contraction of 0.2% during Q1-2012, the economy of the United Kingdom slipped into recession[1] during Q2-2012. The country's output fell by 0.5% during the review quarter. High levels of household debt and unemployment weakened domestic consumption while the slowdown in export markets and austerity measures worsened the economy further.

The Japanese economy, which rebounded strongly during Q1-2012 driven by strong growth in export sector and expansion in post-disaster reconstruction, recorded a 3.3% growth during Q2-2012. This expansion was

1 In the United Kingdom, a recession is generally defined as two successive quarters of negative growth.

mainly reinforced by continued improvement in exports coupled with increased household spending.

Looking at the emerging economies, China's economic growth moderated during Q2-2012, growing at a slower pace of 7.6% compared to an 8.1% growth during Q1-2012. This moderation mainly reflected the slowdown in manufacturing activity coupled with lower activity in export-oriented industries due to weakening economic prospects of major trading partners like Europe. The Indian economy grew at a slower pace of 4.2% due to lower activity in both the manufacturing and the services sector and poor investment. The economy grew by 5.3% during Q1-2012.

2. Inflation

Headline inflation moderated in most major economies during Q2-2012, mainly due to declining commodity prices as a result of persistently weak global demand. As such, the global inflation level eased to 3.5%, down from 3.9% in Q1-2012. The growth in prices for advanced economies was even lower, at 1.8%. Likewise, the US recorded an inflation rate of 1.9% in Q2-2012, whereas it stood at 2.5% for the euro area. Inflation in emerging and developing countries eased as well, albeit at a higher rate; inflation stood at 6.0%, down from 6.2% in Q1-2012.

Looking at the inflation developments in the major trading partners of the Maldives, India's inflation rate rose to 10.1% during Q2-2012, recording double digits for the first time since Q3-2010. In contrast, Sri Lanka managed to bring down inflation to 4.0% in Q1-2012[2]. However, whereas India has been easing its monetary policy to exploit its output gap, Sri Lanka has been going in the opposite direction by raising its policy rates in order to curtail trade credit.

As for other major trading partners, while Singapore's inflation rate inched up to 5.3% for Q2-2012, bolstered by high costs of housing and food, China's inflation rate stood relatively low at 2.9%.

3. Commodity Prices

Global commodity prices recorded a considerable decline in Q2-2012. This was mainly due to the further deterioration in global demand arising from the slowing growth in China and India, as well as due to the continued slump in the eurozone. The International Monetary Fund (IMF) commodity price index fell by 9% compared to a 3% growth in Q1-2012; since late 2011, the growth in this IMF index had been decelerating and became negative during Q2-2012. It persists on with the decelerating trend observed in the recent quarters. The non-fuel commodity index went down by 15% following a 14% fall in Q1-2012. Notably, the food index has been on a downward trend since Q4-2011; a significant 10% fall in the food and beverages index was observed during Q2-2012 as well. However, pundits forecast food prices to hike up in the near future; the severe drought taking place in the US has led to the destruction of an extensive number of crops, which is likely to cause adverse price

2 Inflation data of Sri Lanka for Q2-2012 was not available at the time of publication of this review.

changes throughout the different stages of the food production process.

Further, energy prices declined by 5% in Q2-2012. This is attributed to an expansion in oil production especially as a result of soaring exports from Iraq, Libya and Saudi Arabia. As such, crude oil prices[3] registered a modest fall in Q2-2012. The quarterly average price for crude oil was recorded at US$100.9 per barrel whereas this figure was at US$110.7 in Q1-2012. It is interesting to note that oil prices have fallen from last year as well; the Q2-2011 figure was US$110.0 per barrel.

4. Exchange Rate

Despite a sluggish growth observed in the US economy, the dollar appreciated against several trading currencies during Q2-2012. This reflects renewed fears about the sovereign debt crisis in the eurozone, especially as concerns about the banking sector of Spain escalates. As such, the US dollar depreciated against the euro and the Sterling pound by 6% and 3%, respectively, on a quarterly basis. Notably, the euro recorded its lowest values against the US dollar for several quarters, depreciating by 13% annually.

The US dollar appreciated against the Chinese yuan and the Indian rupee as well during the review quarter, as growth seems to be slowing down gradually in these emerging economies. The yuan depreciated by less than 1% against the US dollar whereas the rupee recorded a 10% depreciation. However, the dollar depreciated against the Japanese yen by 3% during the quarter although both currencies are benefitting from safe haven flows amid the deteriorating crisis in Europe.

3 In this publication, crude oil prices are taken to be an average of Brent and West Texas Intermediate.

Domestic Economic Developments

1. Overview

Despite a slight moderation in the **tourism sector** reflecting the low season of the industry, the other major production sectors performed well during Q2-2012. In line with the usual seasonal pattern, tourist arrivals plunged in Q2-2012, while it showed a marginal increase from Q2-2011. The quarterly decline in tourist arrivals was largely due to dwindling tourist arrivals from Europe. Although total tourist arrivals recorded an overall decline, tourists from the Asian region continued to grow. Meanwhile, other indicators of the sector also depicted a slight moderation during the quarter. With respect to the developments in the **fisheries sector**, both the volume and earnings showed improvements compared to Q1-2012 and Q2-2011. Meanwhile, the indicators of the construction sector showed varied signals while developments in the distribution sector were favourable during Q2-2012.

Consumer price inflation, measured by the annual percentage change in the 3-month average of the Consumer Price Index (CPI) for Male' decelerated to 11.9% in Q2-2012 from 19.8% in Q1-2012. This mainly reflected lower growth in fish prices during the quarter while other food prices recorded an increase. Moderate price increases were also seen in other categories of CPI such as tobacco, furnishing, household equipment and miscellaneous goods.

The **fiscal deficit** of the government improved in quarterly terms to MVR683.8 million during Q2-2012 from MVR957.5 million in Q1-2012. This improvement came from a decline in government expenditure despite a decline in revenue during the quarter. The decline in government expenditure was due to lower spending on debt repayment, grants, contributions and subsidies and allowance paid to the public sector. Nonetheless, the fiscal deficit worsened compared to Q2-2011, as expenditure increased in annual terms while revenue declined.

With regard to **monetary developments** during the quarter, reserve money (M0) improved in quarterly terms while broad money (M2) recorded a decline. In annual terms, both M0 and M2 increased, although the annual growth rate slowed compared to Q1-2012. The quarterly increment in reserve money can be attributed to an expansion in net domestic assets (NDA) of the Maldives Monetary Authority (MMA), which was partially offset by a contraction in net foreign assets (NFA). A quarterly decline in broad money was due to a significant contraction in NFA of the banking system although NDA of the banking system recorded an increase.

The **merchandise trade deficit** worsened to US$278.4 million in Q2-2012 from US$252.8 million in Q1-2012. This was owing to higher imports in addition to a fall in exports during the quarter. The increase in imports was mainly due to a rise in private sector imports (excluding tourism). Meanwhile, exports fell mainly due to a significant drop in re-exports. The trade balance worsened in annual terms as well, however the quarterly expansion in the trade deficit was smaller compared to the annual expansion in the trade deficit in Q2-2011. Hence, gross international reserves declined to US$320.1 million at the end of June 2012 from US$353.8 million at the end of March 2012. Reserves in terms of months of imports fell to 2.5 months from 2.8 months at the end of Q1-2012, reflecting higher imports during the quarter.

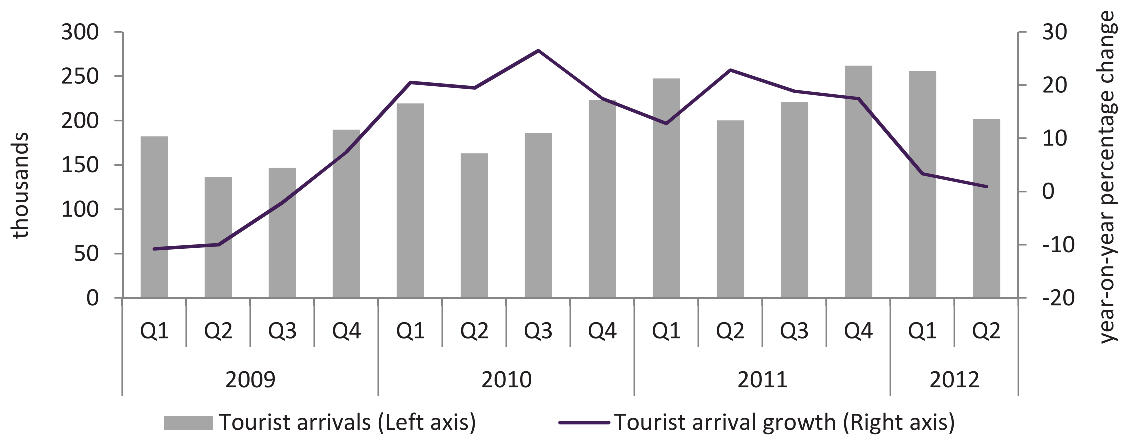
Production and Prices

2.1 Tourism

Activities in the tourism sector experienced a slowdown as evidenced by the main indicators of the sector, as the review quarter coincided with the low season of the tourism industry. Total arrivals for the quarter plunged by 21% from Q1-2012. Additionally, the annual growth, which averaged above 10% for the past two years, depicted a disappointing 1% growth during the review quarter (Figure 1). The low growth in tourist arrivals reflects the weak European market due to the dismal economic conditions in the Eurozone. Despite total tourist arrivals recording an overall decline during the quarter, arrivals from the major emerging markets, such as China remained buoyant.

Analyzing the market composition, the European market, accounting for 53% of all tourist arrivals, retained its position as the leading source market. Notwithstanding, Asia follows as a close second; interestingly, its share has been gradually rising over the past several quarters whereas the European market share has been on the decline. When considering arrivals from specific countries, China continues to lead the list by a substantial 44.5 thousand Chinese tourists visiting the country in Q2-2012 (Figure 2). Arrivals from both India and Korea increased in quarterly terms, with these markets remaining important in the Asian market. As observed in Figure 2, the sluggish economic conditions surrounding the eurozone made its mark on European arrivals; for instance, arrivals from Italy saw a massive 64% decline in quarterly terms and a 31% decline in annual terms. This is not surprising given that the Italian economy contracted by 2.6% in Q2-2012, a shrinkage for the third consecutive quarter. Germany, which seems to be the least distressed by the euro crisis, grew by 1.0% in Q2-2012 – and it is the only major European country to have increased arrivals annually, with a growth of 11%.

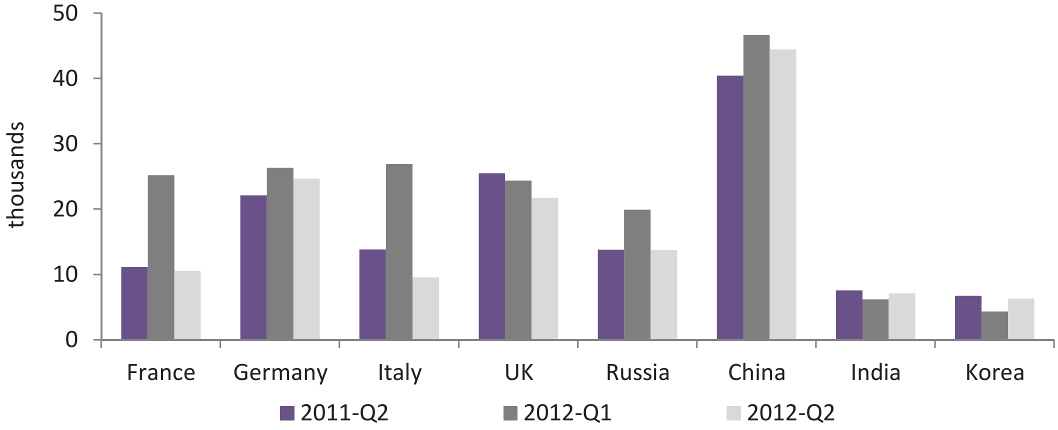
Figure 1: Tourist Arrivals and Tourist Arrival Growth, 2009 - 2012



Source: Ministry of Tourism, Arts and Culture

Turning to other indicators of the sector, despite a minimal increase in bed capacity during the review quarter, the large fall in

Figure 2: Quarterly and Annual Comparison of Tourist Arrivals by Country



Source: Ministry of Tourism, Arts and Culture

Table 1: Indicators of Tourism Industry, Q1-2011 - Q2-2012

	Q1-2011	Q2-2011	Q3-2011	Q4-2011	Q1-2012	Q2-2012
Bednight capacity	2,207,588	2,252,464	2,232,082	2,246,056	2,235,958	2,266,055
Bednights	1,851,676	1,436,728	1,477,846	1,762,891	1,839,855	1,404,011
Occupancy rate (%)	84	64	66	79	82	62
Average length of stay	7.5	7.1	6.7	6.7	7.2	6.9
Tourist arrivals	**247,617**	**200,350**	**221,205**	**262,161**	**255,867**	**202,201**

Source: Ministry of Tourism, Arts and Culture

quarterly tourist arrivals coupled with a decline in the average duration of a visit by a tourist, led tourist bednights to decrease significantly by 24% (Table 1). The average duration of stay fell to 6.9 days in Q2-2012 from 7.2 days in Q1-2012. As a result, the occupancy rate declined from 82% in Q1-2012 to 62% in Q2-2012.

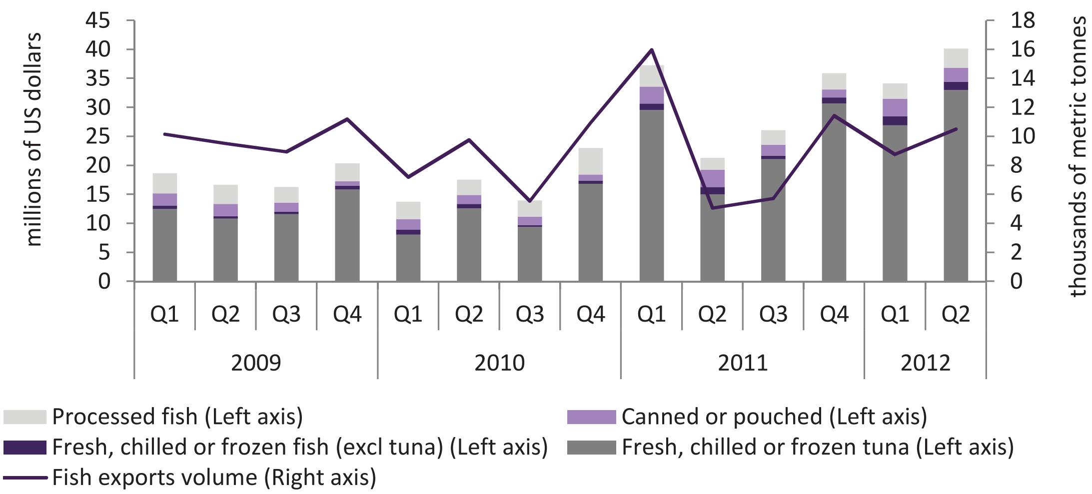
It is certain that, although Maldives is celebrating a successful 40 years of tourism in 2012, there remain crucial challenges facing the sector, especially in the face of changing market composition of tourists to the country. The total tourist arrivals in 2012 by the end of Q2 reached 458.1 thousand; hence, it is ambiguous whether the target of one million arrivals will be attained by the end of the year. Ultimately, it will depend on the performance of the year end high season, amid worsening global economic conditions.

2.2 Fisheries

The fisheries sector performed considerably well in Q2-2012, as both the volume and earnings from fish exports registered modest increases compared to Q1-2012. Particularly, the review quarter recorded the highest quarterly export earnings since Q1-2008, of US$40.1 million – a favourable indicator for a struggling sector. This was a 17% increase over Q1-2012 as well as a notable 88% increase from Q2-2011.

Likewise, fish export volume increased by 20% (1.7 thousand metric tonnes) from Q1-2012, yielding 10.5 thousand metric tonnes in the review quarter. Although exports volume more than doubled from Q2-2011, it should be noted that the quarter a year ago was an exceptionally poor fishing season as evident

Figure 3: Fish Export Volume and Export Earnings, 2009 - 2012



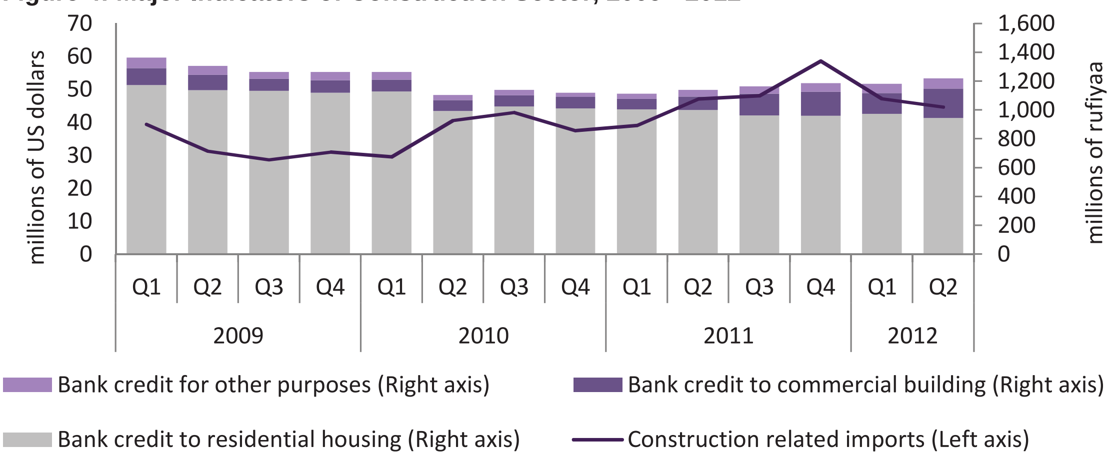
Source: Maldives Customs Service

from Figure 3. Examining the composition of fish exports in terms of export earnings, fresh, chilled or frozen tuna continues to take up a sizeable chunk of total fish exports (83%), whereas canned or pouched fish and processed fish accounts for less than 10% each.

2.3 Construction

The construction sector revealed somewhat mixed developments in the review quarter. The construction related imports (comprising of wood, cement, metal and aggregates) totalled US$44.7 million, declining from US$47.2 million in Q1-2012. This reflects a 5% dip both quarterly and annually. As for bank credit being facilitated to the sector, loans given for construction activities increased by 3% during the quarter to reach MVR1,220.4 million. On annual terms, this indicates an increment of 7%. Analysing the credit extended to the sector for different purposes, it is seen from Figure 4 that credit growth to construction of residential housing have been gradually diminishing, while credit for construction of commercial housing have

Figure 4: Major Indicators of Construction Sector, 2009 - 2012

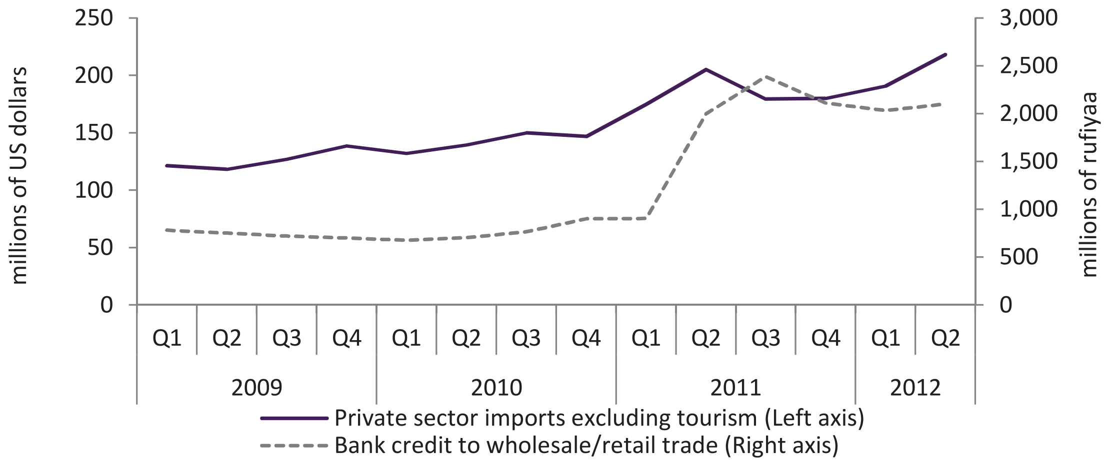


Source: Maldives Customs Service; Maldives Monetary Authority begun to pick up noticeably over the past few years. As such, credit to construction of residential housing declined by 3% to total MVR944.9 million during Q2-2012. Such credit to the commercial housing, accounting for a smaller proportion of the whole, increased by an impressive 40% quarterly and 117% annually to total MVR203.4 million.

2.4 Distribution

As observed by the major indicators of the sector, the performance of the distribution sector showed mild growth during the review quarter. Private sector imports (excluding tourism related imports)[4] rose to US$218.3 million, increasing by 14% (US$27.5 million) from Q1-2012 as can be seen from Figure 5. However, on an annual basis, this figure is only

Figure 5: Major Indicators of Distribution Sector, 2009 - 2012



Source: Maldives Customs Service; Maldives Monetary Authority

an increase of 6%. Meanwhile, loans given to the wholesale and retail trade sector totalled MVR2,100.9 million at the end of Q2-2012 as compared to MVR2,034.0 million at the end of Q1-2012. This modest growth in bank credit, of 3% and 5% on a quarterly and annual basis, respectively, in addition to the other indicators suggests the activities in the sector to be improving, albeit slowly.

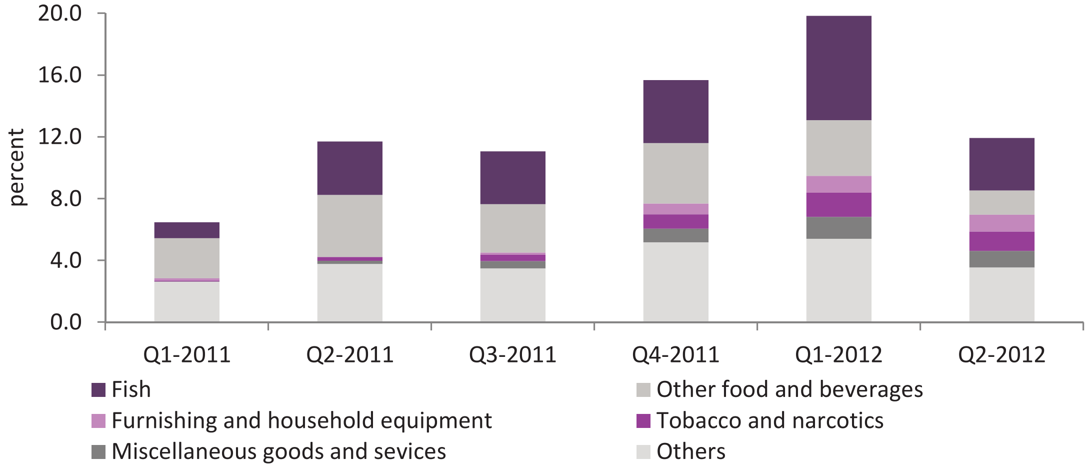
2.5 Inflation

Consumer price inflation, as measured by the annual percentage change in the 3-month average of the CPI for Male' in Q2-2012 moderated to 11.9%. This was a significant deceleration from the 19.8% in Q1-2012, a record high for the country. Similarly, inflation excluding fish and inflation excluding food slowed down by a few percentage points, settling at 9.3% and 10.7%, respectively.

As seen from Figure 6, the largest contributor to inflation remains as food and accounted for 40% of total inflation during the quarter. This was mainly owing to growth in fish prices which contributed 28% to overall inflation in Q2-2012. Inflation in fish stemmed from higher inflation in tuna, smoked fish and other fish products. Inflation in other food

4 Sectoral breakdowns are based on Customs records, which are in turn based on declarations by the importer. For example, if tourist resorts obtain supplies domestically from other private sector sources or from public enterprises, the import of these items would have been classified in the Customs records as goods imported by the original sources. As such, the sectoral analysis will not strictly reflect the total imports consumed by each of these sectors.

Figure 6: Contribution to Inflation by Major Categories, Q1-2011 - Q2-2012



Source: Department of National Planning

was mainly fuelled by increase in prices of bread and cereals, meat, milk and certain types of fruits and vegetables. However, it should be noted that growth in food prices has eased compared to Q1-2012.

It can be observed that the contribution to inflation by categories such as miscellaneous goods (which mainly consist of beauty products and baby care products) as well as furnishing and household equipment has grown over the last several quarters. This reflects the introduction of the Goods and Services Tax (GST) at 3.5% in October 2011 and its subsequent increase to 6% in January 2012. Further, tobacco and narcotics continue to contribute modestly to higher inflation as a result of the increase in its import duty in December 2011.

3. Public Finance

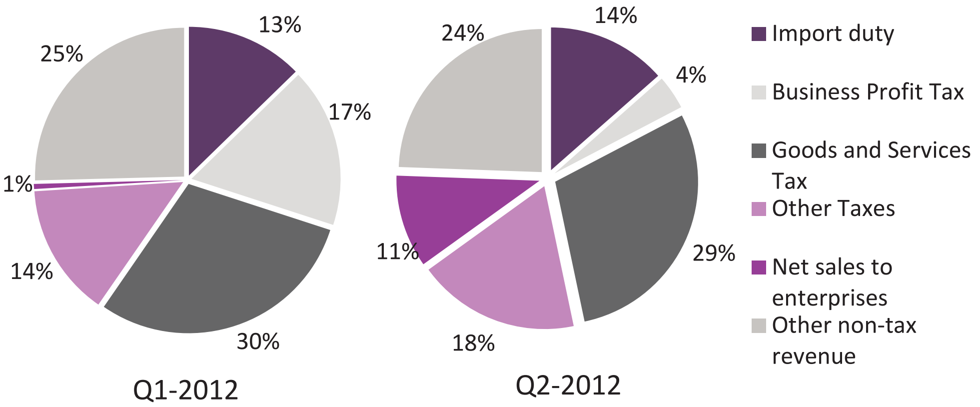
As per the preliminary cash flow statement of the government, the fiscal deficit improved to MVR683.8 million in Q2-2012 from MVR957.5 million in Q1-2012, nonetheless worsened by more than fourfold from Q2-2011. Despite a decline in government revenue during the quarter, the quarterly improvement in the fiscal balance of the government was due to a larger decline in government expenditure. Meanwhile, the substantial widening of the fiscal deficit by MVR547.6 million from Q2-2011 was due to higher expenditure while revenue fell.

Total revenue of the government declined to MVR2,120.5 million during Q2-2012. The quarterly decline in revenue during the quarter was mainly due to a fall in tax revenue, while non-tax revenue recorded a quarterly improvement. The annual decline in total government revenue was mostly due to lower non-tax revenue.

Tax revenue which totalled MVR1,373.9 million in Q2-2012, showed a quarterly decline although it improved compared to Q2-2011. The quarterly decline in tax revenue was owing to a fall in revenue from the major sources of tax such as GST, import duty and Business Profit Tax (BPT). Revenue from GST declined due to lower tax revenue from the tourism sector as it was the low season of the industry. Meanwhile, import duty which has remained as the largest contributor to tax revenue up until the end of 2011, decreased due to the abolishment of majority of import duties in January 2012. Revenue from BPT also recorded a lower amount during the review quarter, as the bi-annual payment periods for BPT falls into the first and the third quarter of every year.

Non-tax revenue totalled MVR738.0 million during the quarter, largely contributed by the increase in net sales to State Owned Enterprises (SOEs) and resort lease rent. Notably, transfers from SOEs to the government rose by a substantial MVR207.7 million in Q2-2012 (Figure 7).

Figure 7: Composition of Current Revenue, Q1-2012 - Q2-2012



Source: Ministry of Finance and Treasury

Total expenditure of the government totalled MVR2,739.9 million, registering a quarterly decline of 20%[5]. Current expenditure, which constitutes over 80% of total expenditure, went down slightly owing to a decrease in spending on grants, contributions and subsidies and allowances paid to the public sector. Spending on grants and subsidies fell by 16% due to the tight budgetary position of the government while public sector allowances went down by 8%. Despite the quarterly decline, total government expenditure still stood higher than Q2-2011. The annual increase mainly reflected higher spending on subsidies with the introduction of Aasandha, the medical insurance scheme initiated by the government in January 2012.

5 The quarterly decline in expenditure was largely due to lower debt repayments, which fell by 78% compared to Q1-2012. The decline in debt repayment during Q2-2012 reflected the repayment of the State Bank of India bond in February 2012; however, it was rolled over during the same month. If this amount is excluded, the total expenditure of the government totals MVR2,670.4 million for Q1-2012, and hence total expenditure for Q2-2012 would be 3% higher than Q1-2012.

4. Monetary Sector

4.1 Monetary Policy

The monetary policy framework and the instruments used for MMA monetary operations remained unchanged during Q2-2012. As such, reserve money (M0)[6] continues to be used as an operational target while exchange rate is used as the intermediary target in order to achieve the final objective of price stability.

Currently, the main monetary policy instruments used are Minimum Reserve Requirements (MRR), Open Market Operations (OMO), and MMA standing facilities which consist of the Overnight Deposit Facility (ODF) and the Overnight Lombard Facility (OLF).

4.2 Monetary Developments

On a quarterly basis, M0 showed a slight increase while broad money (M2)[7] declined. On annual terms, both M0 and M2 recorded positive growth rates in Q2-2012, although at a slower pace compared to Q1-2012. The quarterly growth in reserve money during the review quarter was mainly due to an expansion in NDA of MMA, which was partially offset by the contraction in NFA of MMA. As for the quarterly decline in broad money, it reflects a significant contraction in NFA of the banking system, while the NDA recorded a slight improvement during the quarter.

6 Reserve money (M0), also known as monetary base or high-powered money, supports the expansion of broad money and credit. Reserve money consists of currency in circulation (CIC) and liabilities to other depository corporations and liabilities to other sectors

7 Broad money (M2) is the total money supply and the broadest measure of money supply which includes narrow money or M1 (currency and demand deposits) and quasi money (time deposits, savings deposits and securities).

4.3 Reserve Money

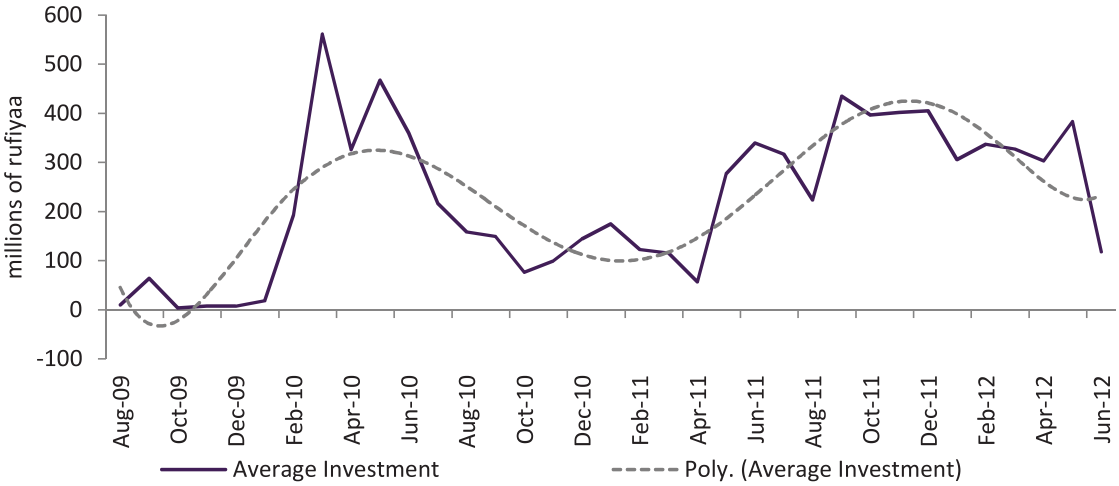
In Q2-2012, M0 stood at MVR7,583.4 million with an annualized growth rate of 3%. The review quarter saw a slight quarterly growth of 1% after recording a decline of less than 1% in Q1-2012. As indicated earlier, the improvement in NDA is one major factor for the quarterly rise in reserve money. NDA increased mainly due to an improvement in the liabilities of MMA. The liabilities of MMA improved as a result of a decline in monetary operations and a transfer of profits to the central government.

With regard to the components of reserve money, the quarterly increase in reserve money stemmed from the growth in currency in circulation (CIC) which recorded an increment of MVR92.0 million. Yet, the contraction in the liabilities to other sectors by MVR71.8 million nearly offset the increment in CIC, leading to a slight rise in the reserve money.

Monetary Operations

During the review quarter, monetary operations declined from MVR488.0 million in Q1-2012 to MVR323.0 million in Q2-2012. With regard to some of the

Figure 8: Average Investment in Reverse Repos, 2009 - 2012



Source: Maldives Monetary Authority

Table 2: Average Investment in ODF by Commercial Banks, 2010 - 2012
(in millions of rufiyaa; end of period)

	2010				2011				2012	
	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12
Average investment in ODF	389.3	419.3	309.5	413.8	481.1	266.3	320.0	258.1	253.6	279.1
Quarterly changes (%) [1/]	-	8	-26	34	16	-45	20	-19	-2	10

[1/] ODF was introduced in March 2010.

Source: Maldives Monetary Authority

instruments used in the monetary operations, it was observed that average investment in reverse repurchases (reverse repos) declined from MVR320.4 million in Q1-2012 to MVR268.5 million in Q2-2012 (Figure 8).

Contrary to the dwindling investment in reverse repos by commercial banks, average investment in ODF by the commercial banks grew on a quarterly basis, by 10% in Q2-2012, after a slight quarterly decline in Q1-2012. It is seen in Table 2 that the average amount of investment in ODF increased from an average of MVR253.6 million in Q1-2012 to MVR279.0 million in Q2-2012. However, this increase in average investment in ODF was fully offset by the substantial fall in average investment on reverse repos.

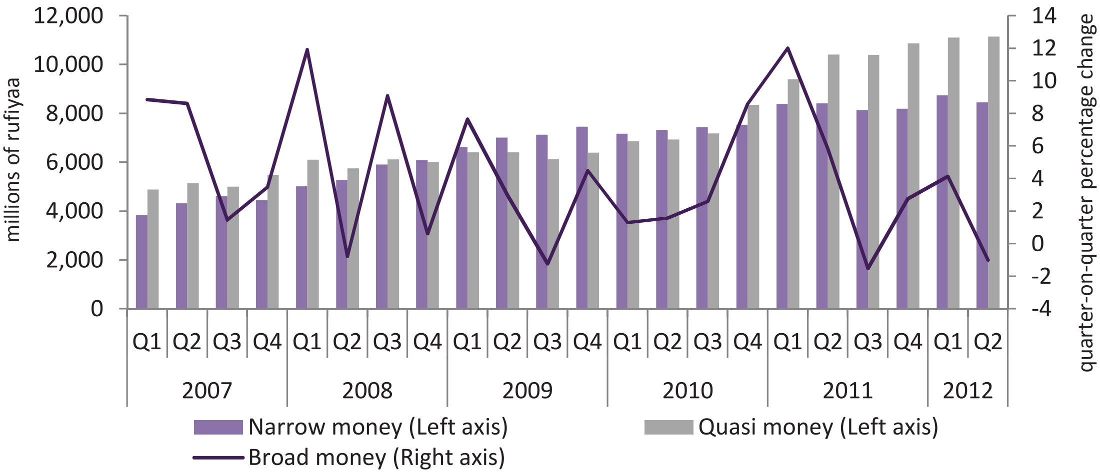
4.4 Broad Money (M2)

M2 which consists of narrow money[8] and quasi money[9], registered a quarterly decline of 1% at the end of Q2-2012 in contrast to a quarterly increment of 4% in Q1-2012 (Figure 9). As noted earlier, M2 showed a positive annual growth rate, yet its pace decelerated significantly from 12% in Q1-2012 to 4% in Q2-2012. The strong annual growth in M2 during Q1-2012 can be largely attributed to the depreciation of the Rufiyaa in April 2011.

8 Narrow money (M1) comprises of currency outside depository corporations, demand deposits of public non-financial corporations with the MMA in national currency, and demand deposits of public non-financial corporations, other financial corporations, and private sector with commercial banks in national currency.

9 Quasi money comprises of demand deposits of non-financial corporations at the MMA in foreign currency, and savings and time deposits of non-financial corporations, other financial corporations, and private sector at commercial banks in national and foreign currency.

Figure 9: Broad Money, 2007 - 2012



Source: Maldives Monetary Authority

The quarterly developments in M2 from the liabilities side of the banking system depicted a marginal growth in quasi money (57% of M2) while narrow money (43% of M2) declined slightly.

Further, the annual growth rate of quasi money registered 7% at the end of June 2012, much lower relative to its annual growth of 18% at the end of March 2012. Notably, the annual growth recorded at the end of March 2012 was largely due to the above mentioned depreciation effect of the local currency. Similarly, the pace of quarterly growth rate in quasi money reduced from 2% in Q1-2012 to less than 1% in Q2-2012. The sluggish growth in the second quarter reflects the seasonal decline in the tourism sector which diminished the foreign currency inflows to the economy. This is further evident from the quarterly decline in the foreign currency deposits (83% of quasi money) of the banking sector which dipped by 3% during Q2-2012 compared to a 1% growth in Q1-2012.

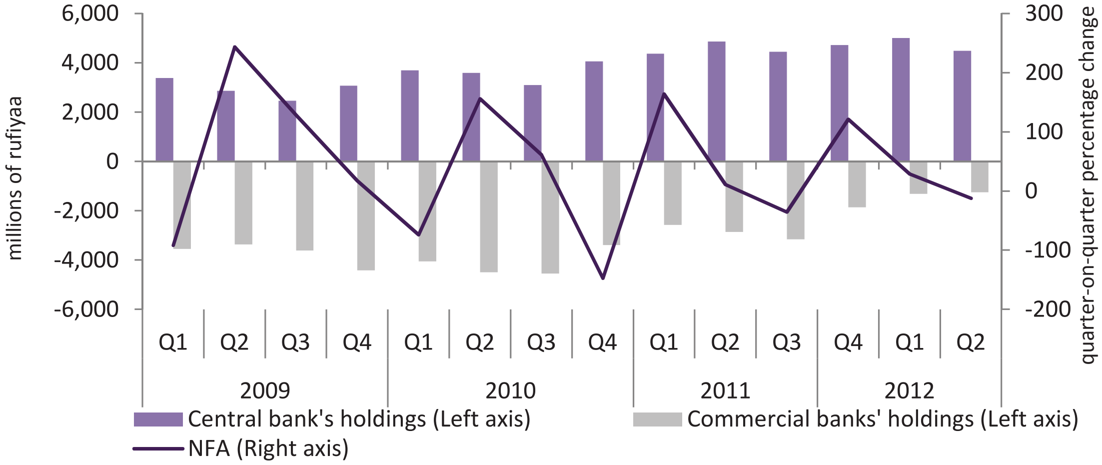
With respect to the developments in narrow money, it stood at MVR8,461.6 million at the end of Q2-2012 with a quarterly decline of 3% in contrast to the quarterly increase of 7% during Q1-2012. The dip in narrow money reflects the fall in local currency transferable deposits which declined by 5% during the review quarter. Such deposits accounted for 77% of the narrow money.

4.5 Determinants of Money Supply

On the assets side, there was a significant contraction in NFA of the banking system during the review quarter, which contributed to the decline in M2, although the expansion in NDA of the banking sector helped to partially offset this decline.

As shown in Figure 10, the total NFA of the banking system which amounted to MVR3,251.2 million at the end of June 2012 registered a quarterly decline of 12% (MVR459.4 million). The quarterly decline in NFA was due to a fall in net foreign liabilities of commercial banks by 5% (MVR59.0 million) as well as a fall in the NFA holdings of MMA by 10% (MVR518.5

Figure 10: Net Foreign Assets, 2009 - 2012

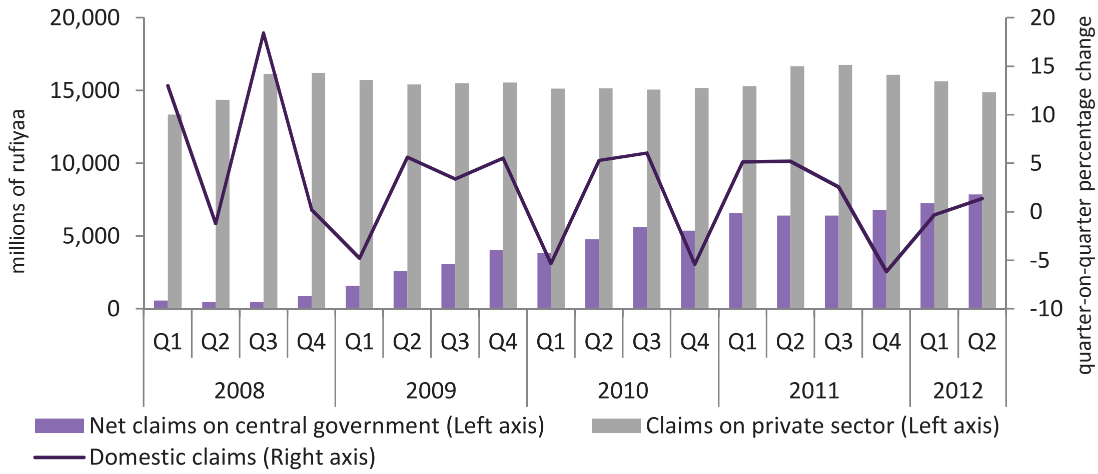


Source: Maldives Monetary Authority

million). This indicates an outflow of funds from the country amounting to US$29.8 million. Figure 10 shows the NFA position of the MMA as well as the commercial banks, and it is seen that MMA has maintained a net asset position whereas the commercial banks have experienced a net liability position in the recent years. However, the net liability position of the commercial banks decreased for the third straight quarter, partly due to foreign loan repayments.

As for the NDA of the banking sector, it stood at MVR16,356.0 million with a quarterly increment of 1% at the end of Q2-2012, compared to an almost stagnant quarterly growth in the previous quarter. The quarterly increase can be attributed to the progressive expansion in net claims on central government (NCG) (Figure 11), which accelerated by 8% in Q2-2012, up from 7% in Q1-2012. Despite this strong quarterly growth in NCG, the contraction in claims on private sector (60% of domestic claims) by 5% significantly hampered the growth in NDA.

Figure 11: Net Domestic Assets, 2008 - 2012



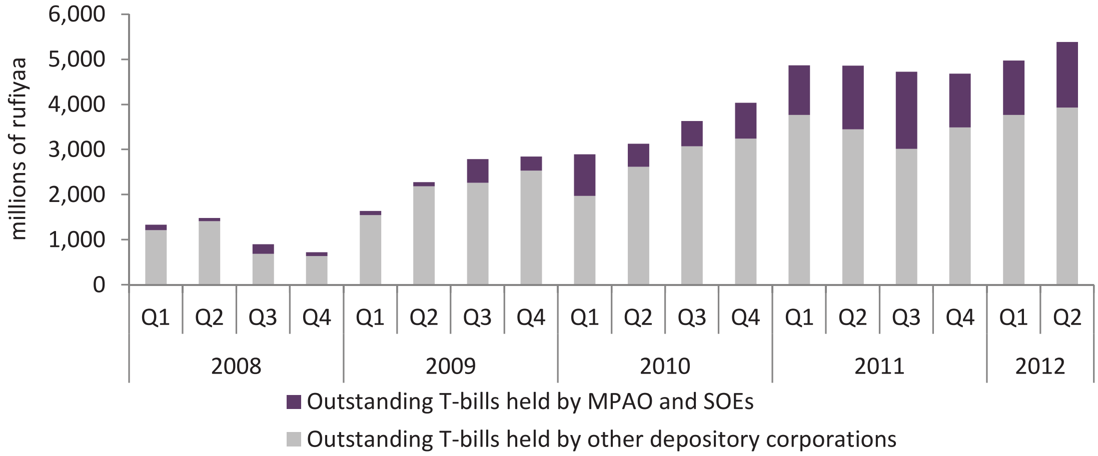
Source: Maldives Monetary Authority

Net Claims on Central Government

With regard to the developments in NCG, it is observed that the pace of annual growth of NCG more than doubled in Q2-2012 compared to Q1-2012. The gradual increase in NCG is clearly evident from Figure 11, which has come about as a result of the growing financing need of the government to support the large budget deficit created in recent periods.

A further analysis reveals that outstanding Treasury bills (T-bills), one of the key indicators of fiscal expenditure, grew on quarterly basis, by 8% from MVR4,975.5 million in Q1-2012 to MVR5,384.5 million in Q2-2012 (Figure 12). While the commercial banks continue to hold the majority of government T-bills, the recent increase in investment in T-bills has come mainly from Maldives Pension Administration Office (MPAO) and SOEs.

Figure 12: Outstanding T-bills, 2008 - 2012

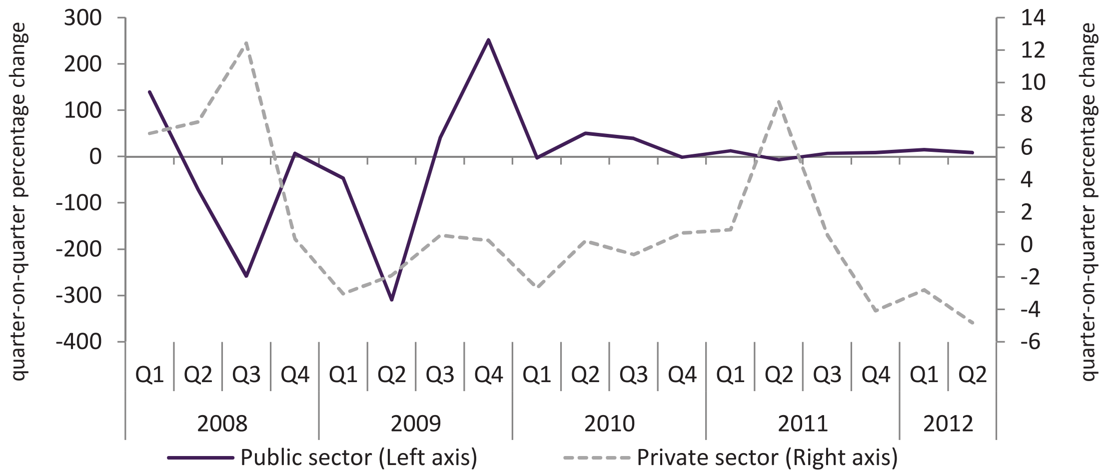


Source: Maldives Monetary Authority

Credit to Private Sector

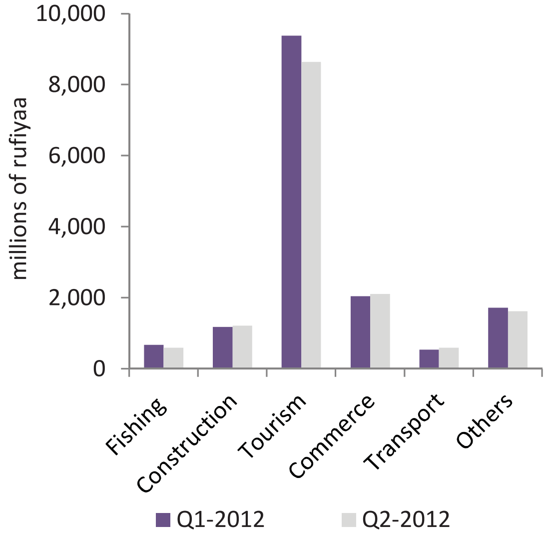
Commercial banks' credit to the private sector declined annually by 11% in Q2-2012 in contrast to the annual growth of 2% for

Figure 13: Loans and Advances to Public Sector and Private Sector, 2008 - 2012



Source: Maldives Monetary Authority

Figure 14: Loans and Advances to Key Sectors, Q1-2012 - Q2-2012



Source: Maldives Monetary Authority

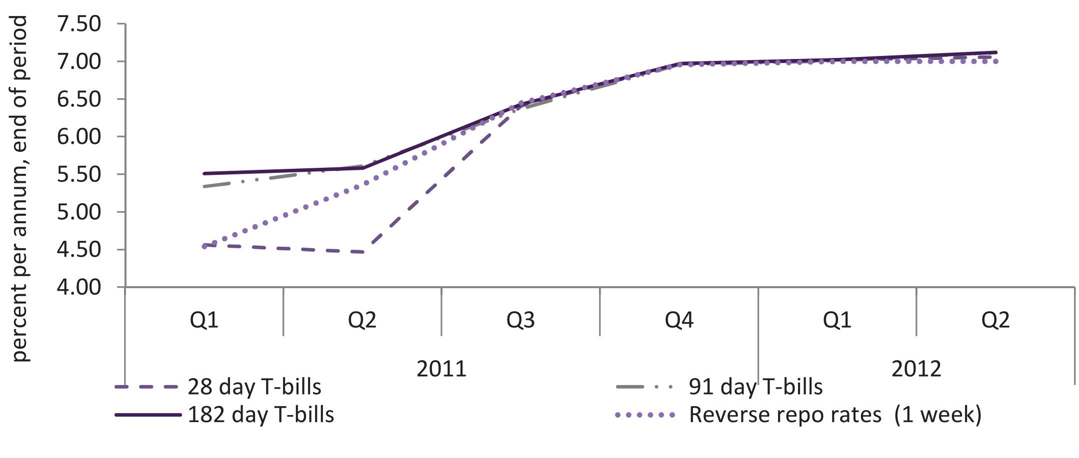
Q1-2012. On a quarterly basis, credit to the private sector registered a 5% decline in the review quarter. The depressed private sector credit market may reflect the high level of non-performing loans (NPLs) and the restructuring of banks' lending activities. As shown in Figure 13, credit extended to the private sector has been falling, while credit lent to the public sector comprising of central government and public non-financial has been on the rise for the last several quarters.

With regard to the composition of loans extended to the key sectors of the economy, it can be seen from Figure 14 that credit extended to the construction, commerce and transport sectors registered marginal increases during the review quarter. However, credit extended to the remaining sectors declined during the period. More importantly, credit extended to tourism sector, which accounts for the largest share of outstanding private sector loans, registered a quarterly decline of 8% amounting to MVR740.5 million.

4.6 Interest Rates

The indicative monetary policy rate has remained unchanged since 29th May 2011. Reflecting this, the reverse repo rates also remained fixed at the ceiling rate of 7% for Q2-2012. However, the movements in T-bill rates showed a slight quarterly development during the second quarter of 2012. As depicted in Figure 15, the T-bill rates (for the three maturity periods – 28 days, 91 days and 182 days) edged up slightly at the end of Q2-

Figure 15: Reverse Repo Rates and T-bill Rates, 2011 - 2012



Source: Maldives Monetary Authority

Table 3: Interest Rates on Loans and Advances, 2011 - 2012

(in percent; end of period)

	2011				2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Public non-financial corporations						
Weighted avg. national currency	8.74	8.74	8.73	8.71	6.48	6.68
Weighted avg. foreign currency	10.04	9.98	9.56	9.73	9.89	9.89
Private sector						
Weighted avg. national currency	10.13	10.14	10.17	10.17	10.26	10.51
Weighted avg. foreign currency	8.30	8.18	8.22	8.42	8.69	8.73

Source: Maldives Monetary Authority

Table 4: Interest Rate on Deposits, 2011 - 2012

(in percent; end of period)

	2011				2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Transferable deposits						
Weighted avg. national currency	2.18	2.21	2.20	2.22	2.19	2.24
Weighted avg. foreign currency	1.77	1.70	1.70	1.74	1.70	1.65
Saving deposits						
Weighted avg. national currency	2.25	2.25	2.25	2.25	2.25	2.25
Weighted avg. foreign currency	2.32	2.23	2.22	2.22	2.25	2.21
Time deposits (2 to 3 years)						
Weighted avg. national currency	3.81	3.62	4.08	4.10	4.10	4.12
Weighted avg. foreign currency	4.94	4.93	4.85	5.00	5.00	5.00

Source: Maldives Monetary Authority

2012, recording 7.06%, 7.12%, and 7.12%, respectively. Notably, the upward movement in T-bill rates reflects the rising government financing needs.

The borrowing cost of the economy showed mixed results on both an annual and quarterly basis (Table 3). Quarterly, it can be seen that weighted average lending rates offered by the commercial banks to the private sector rose for loans denominated in both local currency and foreign currency. Meanwhile, public non-financial corporations also observed an increase in the borrowing cost for local currency denominated loans but saw no changes in the borrowing costs for foreign currency denominated loans. On an annual basis, the weighted average lending rates for the private sector loans showed modest increases while the borrowing costs eased slightly for the public non-financial corporations.

With regard to interest rates on deposits, the weighted average rates for local currency transferable deposits and time deposits (with a maturity from 2 to 3 years) edged up slightly from Q1-2012 to Q2-2012 (Table 4). Meanwhile, the deposit rates for transferable deposits and saving deposits denominated in foreign currency, registered a slight decline for the same period. It can be seen from Table 4 that the annual rates for deposits held in local currency were higher than the foreign currency denominated deposits.

5. Financial Sector

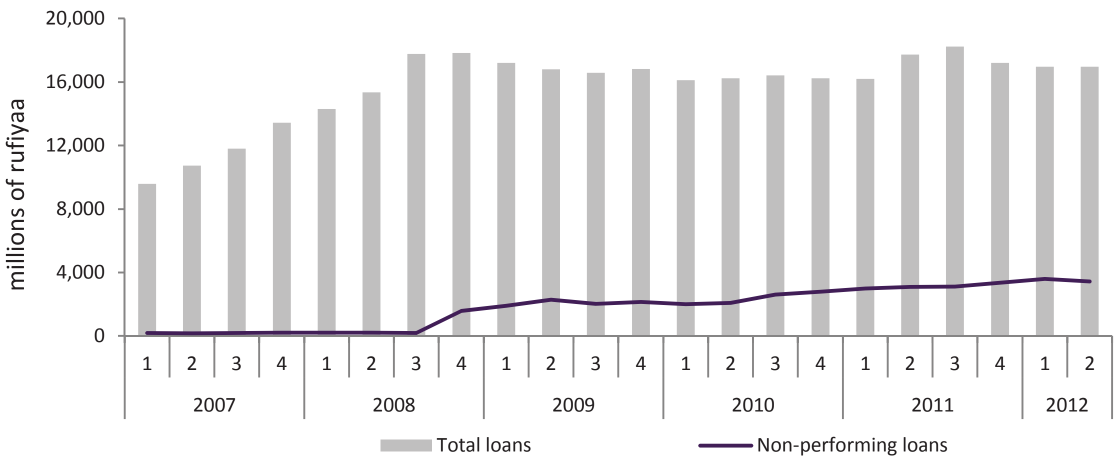
5.1 Banking Sector

The banking sector continues to face a high level of NPLs and a corresponding need for higher loan loss reserves. With stagnant lending activities and writing off of severely overdue loans, total bank assets declined slightly during Q2-2012 compared to Q1-2012. The earnings of the sector shows signs of stabilization given that the banks have already made bulk of the provisioning requirements in the previous quarters. Capital adequacy was maintained around the same level with the banks retaining capital funds without distributing them. This was to comply with certain prudential regulatory limits such as single borrower limits and foreign currency exposure limits. While liquidity in the banks was adequate in local currency, some banks had concerns about the level of their foreign currency liquidity.

Total Assets

The total assets of the banks in the country totalled MVR28,127.4 million at the end of Q2-2012, which is 4% lower than the previous quarter and 6% lower than Q2-2011. Similarly, net loans (gross loans net of provisions) also fell by 5% compared to Q1-2012 and 13% compared to Q2-2011. The decline in net loans and assets reflects the continued increase in provisioning for the high number of non-preforming and other poor quality loans and write-off of some large NPLs during the quarter. Since the second half of 2008, lending activities of the banks have remained stagnant hampered by the current tight global financial markets coupled with the deterioration of the domestic asset quality in the banking sector. This has resulted in greater cautiousness by the banking sector in terms of new lending. Further, the banks have also strengthened loan recovery efforts and improved identification and writing off of severely overdue loans to reflect a more accurate reporting of the banks' assets. In addition, increased compliance by the banks on lending limits has also contributed to stalled growth in loan portfolio of the banks.

Figure 16: Non-performing Loans, 2007 - 2012



Source: Commercial Banks

With the slowdown in lending, banks have increased their investment in risk free assets such as T- bills, which showed an increase of 6% and 4% in the review quarter compared to Q1-2012 and Q2-2011, respectively.

Non-performing Loans (NPLs)

NPLs have been on an increasing trend since Q3-2008 and totalled MVR3,441.1 million in absolute value (Figure 16) at the end of Q2-2012 and accounts for about 20% of total loans. While the average level of NPLs in the banking system has fallen by 5% compared to the previous quarter, it still remains 11% higher than a year ago. The increase in NPLs was partly related to the poor performance of over-leveraged borrowers, especially in the tourism sector after the global financial crisis. NPL numbers have also increased due to better recognition of poor quality assets. It was noted that banks have improved credit standards for new loans, strengthened credit underwriting and administration, and are more aggressive in collection efforts. However, loan recovery through litigation takes time under the current legal system and the ultimate outcomes are very uncertain. Reflecting this, banks are increasing their efforts to recover debts out of the court system by negotiating with the borrowers, which had seen some good progress towards that end.

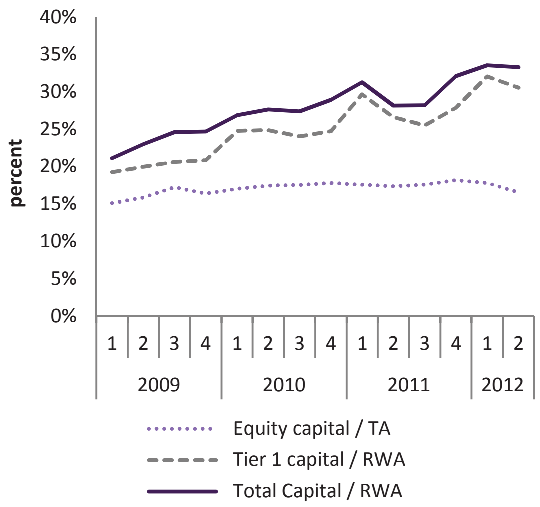
Profitability

Banks reported a net income before tax of MVR358.0 million for Q2-2012 which is a 3% growth compared to Q2-2011. Despite the high NPLs and the corresponding high provisions, net interest income also rose in the quarter by 30% (MVR56.3 million) compared to Q2-2011. Despite the decline in net loans, net interest income rose as a result of the increase in investment on T-bills and its interest rates. It has been observed that banks are now able to better recognize non-performing or poor quality assets and the bulk of the required provisioning has been made in the previous quarters; hence, income has started to smoothen. The increase in loan loss provisions reflected more appropriate amount of provisioning being made for the increase in poor quality assets, resulting in a more accurate reporting of earnings and capital of the banks.

Capital Levels

Capital ratios for the industry were satisfactory, with a slight decrease but appear well above the minimum requirements set by the MMA. Equity capital/total assets (TA), tier 1 capital[10]/risk weighted assets (RWA) and total capital/RWA were 17%, 31% and 33%, respectively (Figure 17). Banks' high provisioning requirement, due to poor asset quality, has affected the capital ratios. However, capital adequacy has been

Figure 17: Capital Ratios, 2009 - 2012



Source: Commercial Banks

10 Tier 1 (core) capital includes permanent shareholders' equity plus disclosed reserves plus minority interests in the equity of consolidated subsidiaries, less goodwill and other intangible assets, loan loss provisions and all other asset revaluation reserves, future income tax benefits, losses carried forward, and encumbered assets. The Tier 1 risk-based capital ratio is calculated by dividing Tier 1 capital by total risk-weighted assets.

maintained as most banks had retained capital funds without distributing to shareholders or remitting to home countries in order to comply with prudential regulatory limits such as single borrower limits and foreign currency exposure limits.

Local Currency Liquidity

Total liquidity in the banking system was adequate in the review quarter, with the basic liquidity ratio (liquid assets as a percentage of deposits plus borrowed funds) in the industry at 30% at the end of Q2-2012. This stems from commercial banks' holdings of short-term securities such as T-bills and the decrease in lending activities. However, foreign currency liquidity (mainly in US dollars) was still strained in most banks. Overall foreign currency liquidity ratio for the industry stood at 12% at the end of Q2-2012, but some individual banks' foreign currency liquidity ratio was as low as 5%.

5.2 Non-Bank Financial Sector

Finance Companies

During the review quarter, loans and advances comprised 89% of total assets. Loans and advances increased slightly by 2% to MVR897.2 million and increased significantly by 32% when compared to Q1-2012 and a year ago respectively.

Money Remittance Companies

There are six money remittance companies in the country. Given the large expatriate population in the country, the outward remittance from the economy remains considerably high. The estimated outward remittances during 2011 amounted to US$73.0 million, which is about 4% of GDP. During the review quarter the value of outward remittances amounted to US$46.9 million which is a 12% decrease from the previous quarter and a 22% increase from a year ago. In contrast, the inward remittances through money remittance companies are relatively lower averaging around US$2.0 million annually. During the review quarter such remittances totalled US$0.6 million, an increase of 74% from a year ago.

5.3 Capital Market

During Q2-2012, the stock market appeared to be stable based on market capitalisation. The total market capitalisation of all the listed companies recorded the same value as Q1-2012. The respective figure for both quarters was MVR8,552.5 million. Despite this, there was a significant rise in the volume of shares traded during the quarter stemming from the increased tradings of the newly listed companies, Amana Takaful and Dhiraagu. As such, the volume of shares traded increased from 958 in Q1-2012 to 13,003 in Q2-2012. However, the weighted average trading price fell from MVR77.3 in Q1-2012 to MVR20.2 in Q2-2012.

6. External Sector

6.1 Merchandise Trade

Merchandise exports declined by 22%, recording US$73.7 million during Q2-2012. This decline was mainly due to a 46% plunge in re-exports despite a 17% improvement in domestic exports. As for merchandise imports, a marginal increase was registered during the review quarter to record US$381.9 million for Q2-2012.This is totally on account of the growth in imports by the private sector (excluding tourism), which accounts for half of the total imports into the country, as imports by all the other sectors registered declines.

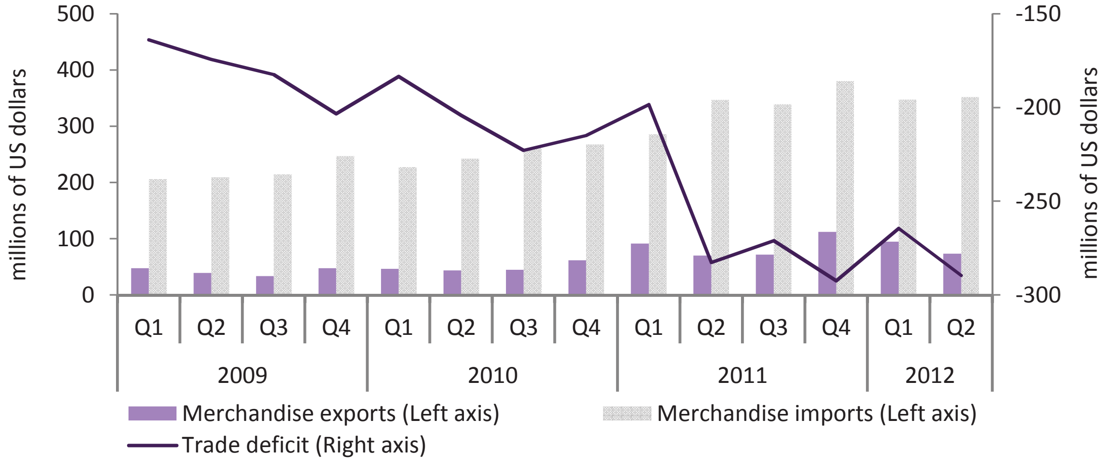
Overall, the trade balance worsened, from US$252.8 during Q1-2012 to US$278.4 in Q2-2012 (Figure 18), due to the higher level of imports into the country during the review quarter together with lower exports. However, this deterioration was marginally less severe compared to the worsening of the trade balance from Q1-2011 to Q2-2011.

6.2 Composition of Exports

A significant decline was recorded for merchandise exports during the review quarter chiefly due to the notable decline in re-exports, as mentioned before. Re-exports, which mainly constitute jet-fuel sold to foreign carriers at Ibrahim Nasir International Airport, accounted for 43% of merchandise exports during Q2-2012.

As depicted in Table 5, the majority of domestic exports constitute of fish exports (96% during the review quarter). Fish export earnings recorded US$40.1 million during Q2-2012 which was a 17% quarterly increase. This was mainly due to a 23% rise in earnings from fresh, chilled or frozen tuna (which constituted 83% of fish exports during Q2-2012) when compared to Q1-2012.

Figure 18: Trade Balance, 2009 - 2012



Source: Maldives Customs Service

Table 5: Annual and Quarterly Comparisons of Export Composition
(in millions of US dollars)

	Q2-2011	Q1-2012	Q2-2012
MERCHANDISE EXPORTS	**70.2**	**95.0**	**73.8**
Domestic Exports	**23.0**	**35.7**	**41.8**
Marine products	21.9	34.8	40.8
Fish exports	21.3	34.2	40.2
Fresh, chilled or frozen tuna	*15.0*	*26.9*	*33.0*
Fresh, chilled or frozen fish (excluding tuna)	*1.3*	*1.6*	*1.5*
Canned or pouched	*3.0*	*3.0*	*2.4*
Other fish exports	*2.7*	*3.3*	*4.0*
Other exports	1.0	1.0	0.9
Re-exports	**47.3**	**59.2**	**32.0**

Source: Maldives Customs Service

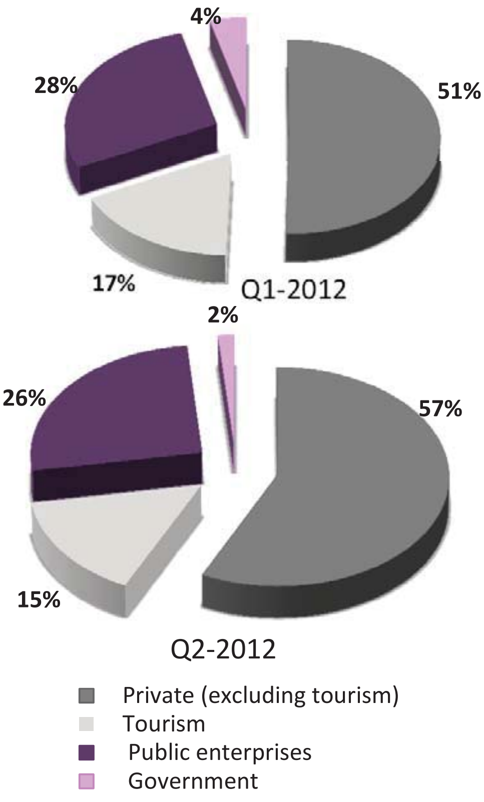
6.3 Composition of Imports

Figure 19 depicts the share of imports by each of the four major sectors during Q2-2012. Private sector imports (excluding tourism sector imports)[11] which have consistently dominated import composition over the past decade, continued to be the leading sector, accounting for 57% of total imports in Q2-2012.

The main categories of imports are given in Table 6. Similar to the past two quarters, the most dominant component of imports during Q2-2012 was petroleum products with 32%, followed by food items with 20%. Wood, metal, cement and aggregates accounted for 9% of imports while machinery and mechanical appliances accounted for 5%.

Compared to the previous quarter, the most notable deviation observed during Q2-2012 was a 31% decline in imports of transport equipment. Additionally, imports of electrical and electronic machinery and equipment increased by 20% while imports of machinery and mechanical appliances increased by 18%.

Figure 19: Import Composition, Q1-2012 - Q2-2012



Source: Maldives Customs Service

11 Refer to footnote 4 in Section 2.4.

Table 6: Annual and Quarterly Comparisons of Import Composition

(in millions of US dollars)

	Q2-2011	Q1-2012	Q2-2012
o/w Food items	74.6	78.2	76.1
Petroleum Products	91.3	117.4	122.9
Wood, Metal, Cement & Aggregates	47.1	47.2	44.7
Machinery and Mechanical Appliances	19.5	17.1	20.3
Electrical and Electronic Machinery Equipments	17.6	11.0	13.3
Transport Equipment	48.6	24.3	16.8
Total Imports	**374.3**	**375.5**	**381.9**

Source: Maldives Customs Service

6.4 Direction of Trade

During Q2-2012, export destinations seem to have shifted again. As such, while exports to the Association of Southeast Asian Nations (ASEAN) region more than nearly tripled, exports to the "Other Asia" category declined significantly during the review quarter as a substantial increase in exports of fresh, chilled or frozen tuna to China was observed during Q1-2012 (Table 7). In contrast, the majority of fresh, chilled or frozen tuna exports went to Thailand during the review quarter. The European region remained as the leading export destination in Q2-2012 and a significant increase in exports to the region was noted. Majority of exports to the region comprised of fresh, chilled or frozen tuna.

As seen in Table 7, United Arab Emirates (UAE), Singapore and the South Asian Association for Regional Cooperation

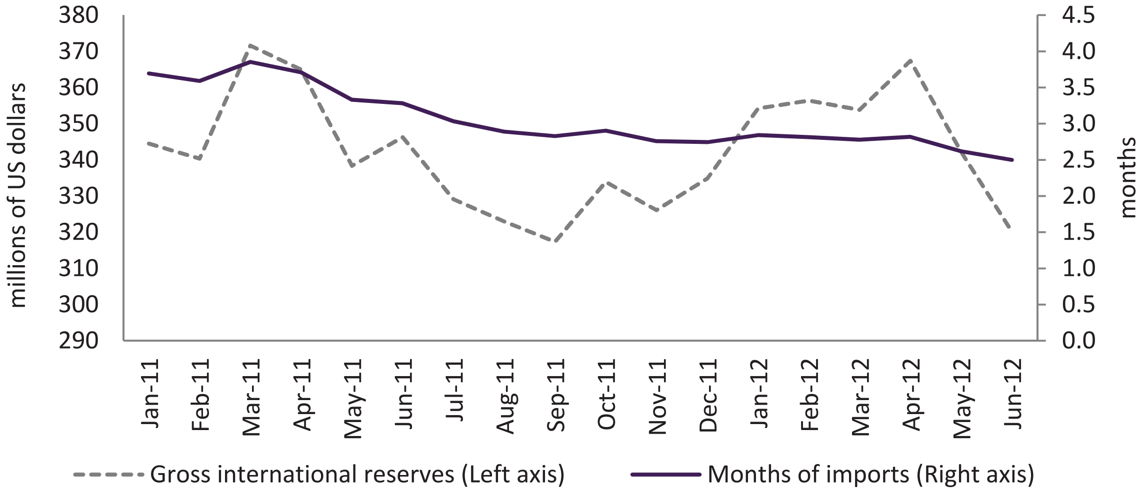
Table 7: Major Origins of Export and Import

(as a percentage of total)

Exports	Q2-2011	Q1 2012	Q2-2012
o/w ASEAN	16	12	35
SAARC	13	12	11
Middle-East	1	2	2
Other Asia	14	18	5
Europe	56	52	43
Total Exports (in millions of US dollars)	**23.0**	**35.7**	**41.7**
Imports			
o/w Singapore	23	20	16
UAE	21	31	32
SAARC	17	16	15
Other Asia	6	7	5
Europe	11	8	7
Total Imports (in millions of US dollars)	**374.3**	**375.5**	**381.9**

Source: Maldives Customs Service

Figure 20: Gross International Reserves, 2011 - 2012



Source: Maldives Monetary Authority

(SAARC) region were the largest source countries for imports during Q2-2012. Imports from the UAE were primarily petroleum products (79% during the review quarter).

6.5 Gross International Reserves

Figure 20 illustrates the movements of gross international reserves from the beginning of 2011 through Q2-2012. Reserves declined from US$353.8 million at the end of Q1-2012 to US$320.1 million at the end of Q2-2012. Reserves in terms of months of imports, decreased from 2.8 months at the end of Q1-2012 to 2.5 months during the review quarter.

6.6 Exchange Rate

In contrast to the developments in the previous quarter, the rufiyaa appreciated against most of the major trading partner currencies. It appreciated against the Indian rupee by 10%, the euro by 5%, the Sri Lankan rupee by 3%, the Singapore dollar by 2% and the Sterling pound by 1% compared to Q1-2012. The rufiyaa, however, depreciated against the Japanese yen by 5% during this period.

Appendix

List of Statistical Tables

Table 1: Consumer Price Inflation - National, 2009 - 2012 [1/]

(Index 2004 = 100)

	weights	2009	2010	2011	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
Food and non-alcoholic beverages	*33.3*	0.2	8.3	28.8	9.7	19.0	21.5	27.5	31.8	16.0
Fish	*4.6*	*-27.7*	*32.2*	*127.8*	*28.3*	*76.8*	*65.3*	*106.2*	*165.8*	*49.4*
Other food	*25.7*	*4.0*	*6.3*	*16.0*	*8.1*	*10.8*	*14.1*	*16.8*	*12.2*	*7.3*
Non-alcoholic beverages	*3.0*	*5.6*	*2.4*	*24.3*	*2.2*	*9.0*	*15.9*	*22.8*	*24.2*	*16.5*
Tobacco and narcotics	*2.8*	-3.2	0.0	96.9	4.0	15.3	31.0	61.5	93.3	69.5
Clothing and footwear	*6.0*	5.8	1.1	19.9	1.6	10.3	14.8	20.9	21.8	15.1
Housing, water, electricity, gas and other fuels	*19.5*	9.1	4.0	2.9	5.1	2.0	1.4	2.6	3.3	3.7
Furnishing, household equipment and routine maintenance	*5.3*	9.9	7.0	17.3	6.5	5.7	7.9	17.5	20.0	20.0
Health	*5.4*	2.0	10.7	12.2	4.7	8.5	10.2	13.2	7.0	3.1
Transport	*5.1*	2.0	2.2	21.3	4.5	13.1	14.9	20.7	20.5	10.4
Communication	*5.8*	-0.2	0.0	-0.5	0.0	0.4	0.2	-0.5	-0.5	-0.9
Recreation and culture	*4.9*	8.4	3.3	1.5	4.9	0.1	1.5	3.2	-1.7	0.5
Education	*3.1*	29.3	3.5	14.5	18.6	14.5	14.5	14.5	13.8	13.8
Hotels, cafes and restaurants	*0.8*	1.5	2.1	37.8	1.4	10.6	16.2	34.0	41.0	28.2
Miscellaneous goods and services	*7.9*	5.7	4.3	17.0	2.9	6.0	9.2	16.2	20.7	15.7
Religion	*0.1*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National	***100.0***	**4.0**	**6.9**	**20.9**	**6.3**	**10.8**	**14.5**	**19.5**	**19.1**	**11.5**
Total Index excluding fish	-	5.6	6.1	16.3	5.4	7.5	11.5	15.6	12.1	8.5
Total Index excluding food	-	6.4	6.1	16.0	4.4	5.9	10.1	14.7	11.4	8.6

[1/] The inflation rate for a specific year represents the annual percentage change in the CPI for December whereas the inflation rate for a specific quarter represents the annual percentage change in the 3 month average of the CPI for the respective period.

Source: Department of National Planning

Table 2: Consumer Price Inflation - Male', 2009 - 2012 [1/]

(Index 2004 = 100)

	weights	2009	2010	2011	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
Food and non-alcoholic beverages	*13.4*	0.8	14.3	23.9	11.6	23.7	19.6	24.2	31.8	14.1
Fish	*2.4*	*-20.2*	*27.8*	*102.0*	*23.1*	*66.7*	*58.6*	*83.8*	*132.0*	*43.8*
Other food	*9.9*	*4.7*	*13.3*	*10.3*	*10.5*	*15.7*	*11.0*	*13.1*	*12.0*	*5.0*
Non-alcoholic beverages	*1.1*	*4.3*	*2.3*	*23.3*	*1.5*	*10.5*	*15.3*	*23.6*	*26.0*	*13.7*
Tobacco and narcotics	*0.9*	-1.4	2.1	112.7	3.7	15.8	27.1	62.0	102.1	77.7
Clothing and footwear	*2.4*	5.8	-0.2	24.9	0.8	9.8	15.0	26.1	27.4	20.7
Housing, water, electricity, gas and other fuels	*12.3*	9.6	4.5	2.1	4.1	4.0	1.6	2.0	2.5	1.8
Furnishing, household equipment and routine maintenance	*2.9*	10.5	4.9	13.2	2.7	-0.7	2.6	12.2	19.3	21.2
Health	*2.8*	2.4	5.2	16.1	4.7	10.6	10.9	15.9	15.4	8.7
Transport	*2.9*	-0.3	3.1	22.9	4.1	13.1	15.6	22.0	20.0	8.1
Communication	*3.8*	-0.3	0.0	-0.5	0.0	0.7	0.8	-0.5	-0.4	-1.1
Recreation and culture	*2.1*	9.8	1.9	-1.4	1.9	-2.9	-6.0	-1.4	-1.2	2.9
Education	*1.5*	42.4	5.1	16.9	22.9	16.9	16.9	16.9	16.6	16.6
Hotels, cafes and restaurants	*0.8*	1.5	2.1	37.8	1.4	10.6	16.2	34.0	41.0	27.7
Miscellaneous goods and services	*3.0*	7.1	2.6	17.9	0.3	3.7	8.9	16.6	27.1	21.0
Religion	*0.1*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National	***48.9***	**5.4**	**6.9**	**16.7**	**6.5**	**11.7**	**11.1**	**15.7**	**19.8**	**11.9**
Total Index excluding fish		6.8	6.1	12.5	5.7	8.7	8.1	12.2	13.8	9.3
Total Index excluding food		7.7	3.5	13.0	4.1	6.1	6.8	11.5	14.1	10.7

[1/] The inflation rate for a specific year represents the annual percentage change in the CPI for December whereas the inflation rate for a specific quarter represents the annual percentage change in the 3 month average of the CPI for the respective period.

Source: Department of National Planning

Table 3: Consumer Price Inflation - Atolls, 2009 - 2012 [1/]

(Index 2004 = 100)

	weights	2009	2010	2011	2011				2012	
					Q1	Q2	Q3	Q4	Q1	Q2
Food and non-alcoholic beverages	*19.9*	0.2	4.2	32.6	8.3	15.7	22.8	30.0	31.8	17.7
Fish	*2.1*	*-35.5*	*38.1*	*158.9*	*34.7*	*87.6*	*72.5*	*133.2*	*204.8*	*58.6*
Other food	*15.9*	*4.0*	*1.8*	*20.2*	*6.5*	*7.6*	*16.1*	*19.6*	*12.5*	*8.7*
Non-alcoholic beverages	*1.9*	*6.4*	*2.4*	*24.9*	*2.7*	*8.1*	*16.2*	*22.4*	*23.1*	*17.9*
Tobacco and narcotics	*1.8*	-4.1	-0.9	88.9	4.2	15.0	32.9	61.2	89.0	68.3
Clothing and footwear	*3.5*	7.4	2.7	14.6	2.2	6.8	13.2	15.7	16.5	11.4
Housing, water, electricity, gas and other fuel	*7.2*	7.8	3.7	3.0	7.1	-2.1	-0.1	2.4	3.5	5.3
Furnishing, household equipment and routine maintenance	*2.4*	4.7	8.9	9.1	7.7	4.6	8.7	11.2	11.6	14.0
Health	*2.7*	0.0	37.4	8.9	5.5	5.5	13.7	12.4	-23.1	-23.1
Transport	*2.1*	6.8	0.2	19.2	6.8	13.7	14.0	19.1	19.2	10.7
Communications	*2.0*	0.0	0.0	-0.6	0.0	0.0	-0.6	-0.6	-0.6	-0.6
Recreation and culture	*2.8*	-1.5	1.7	4.5	3.3	4.0	6.2	6.8	1.4	0.2
Education	*1.6*	12.0	0.0	2.5	2.5	2.5	2.5	2.5	0.0	0.0
Miscellaneous goods and services	*5.0*	4.6	5.2	16.1	4.5	7.2	9.1	15.7	16.6	13.0
Atolls	***51.1***	**2.7**	**6.9**	**24.8**	**6.1**	**9.9**	**17.6**	**23.1**	**18.4**	**10.9**
Total Index excluding fish	-	4.5	6.0	19.8	5.2	6.5	14.7	18.8	10.5	7.2
Total Index excluding food	-	4.7	9.0	19.2	4.6	5.7	13.7	18.1	8.4	5.5

[1/] The inflation rate for a specific year represents the annual percentage change in the CPI for December whereas the inflation rate for a specific quarter represents the annual percentage change in the 3 month average of the CPI for the respective period.

Source: Department of National Planning

Table 4: Depository Corporations Survey, 2009 - 2012 1/

(In millions of rufiyaa; end of period)

	2009	2010	2011	2011				2012	
				Mar	Jun	Sep	Dec	Mar	Jun
Net foreign assets 2/	**(1,338.7)**	**685.6**	**2,873.0**	**1,809.7**	**2,012.6**	**1,298.1**	**2,873.0**	**3,710.7**	**3,251.2**
Central bank	3,071.7	4,067.6	4,725.5	4,373.8	4,863.0	4,447.8	4,725.5	5,016.7	4,498.2
Claims on non-residents	3,349.5	4,491.3	5,169.6	4,765.3	5,333.1	4,893.8	5,169.6	5,460.2	4,941.4
Liabilities to non-residents	(277.8)	(423.6)	(444.1)	(391.6)	(470.1)	(446.0)	(444.1)	(443.5)	(443.2)
Other depository corporations	(4,410.4)	(3,382.0)	(1,852.5)	(2,564.1)	(2,850.4)	(3,149.6)	(1,852.5)	(1,306.0)	(1,247.0)
Claims on non-residents	888.4	1,034.1	1,755.6	1,583.7	2,035.7	1,720.6	1,755.6	2,091.4	1,579.2
Liabilities to non-residents	(5,298.8)	(4,416.2)	(3,608.1)	(4,147.8)	(4,886.1)	(4,870.2)	(3,608.1)	(3,397.4)	(2,826.2)
Domestic claims	**21,187.4**	**22,181.2**	**24,662.3**	**23,404.3**	**24,599.6**	**25,210.1**	**24,662.3**	**24,998.2**	**24,851.0**
Net claims on central government	4,062.7	5,380.7	6,811.4	6,602.7	6,427.9	6,415.4	6,811.4	7,286.9	7,880.6
Claims on central government	7,564.7	8,586.9	9,102.6	9,027.8	8,988.4	8,659.0	9,102.6	9,339.4	9,806.3
Liabilities to central government	(3,502.0)	(3,206.2)	(2,291.2)	(2,425.2)	(2,560.5)	(2,243.5)	(2,291.2)	(2,052.5)	(1,925.6)
Claims on other sectors	17,124.7	16,800.5	17,850.9	16,801.6	18,171.6	18,794.6	17,850.9	17,711.3	16,970.4
Claims on other financial corporations	172.0	144.5	98.8	150.1	184.5	178.4	98.8	52.3	48.9
Claims on public non-financial corporations	1,398.9	1,465.0	1,668.1	1,324.0	1,310.9	1,840.9	1,668.1	2,014.2	2,030.4
Claims on private sector	15,553.8	15,191.0	16,084.0	15,327.5	16,676.2	16,775.3	16,084.0	15,644.9	14,891.0
Broad money	**13,855.3**	**15,884.0**	**19,056.8**	**17,790.9**	**18,828.7**	**18,545.5**	**19,056.8**	**19,845.3**	**19,607.2**
Narrow money	7,456.6	7,538.7	8,186.9	8,396.4	8,414.9	8,145.7	8,186.9	8,742.7	8,461.6
Currency outside depository corporations	1,541.4	1,571.0	1,857.6	1,700.1	1,800.4	1,814.4	1,857.6	1,845.9	1,926.9
Transferable deposits	5,915.2	5,967.7	6,329.4	6,696.3	6,614.5	6,331.3	6,329.4	6,896.8	6,534.7
Quasi money	6,398.7	8,345.2	10,869.9	9,394.5	10,413.8	10,399.8	10,869.9	11,102.6	11,145.6
In national currency	681.5	856.3	1,443.3	1,265.0	1,533.3	1,600.2	1,443.3	1,548.2	1,872.1
In foreign currency	5,717.1	7,489.0	9,426.6	8,129.5	8,880.5	8,799.6	9,426.6	9,554.4	9,273.5
Securities other than shares included in broad money	-	-	-	-	-	-	-	-	-
Deposits excluded from broad money	**218.5**	**302.6**	**336.9**	**285.6**	**336.3**	**405.1**	**336.9**	**303.5**	**299.9**
Securities other than shares excluded from broad money	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Shares and other equity	**4,682.5**	**5,111.3**	**6,349.1**	**5,407.3**	**6,092.7**	**6,010.4**	**6,349.1**	**6,445.9**	**5,694.0**
Other items (net)	**1,092.5**	**1,568.9**	**1,792.6**	**1,730.1**	**1,354.3**	**1,547.2**	**1,792.6**	**2,114.0**	**2,501.1**
(Twelve month percentage change)									
Net foreign assets	**(22.7)**	**(151.2)**	**319.0**	**(620.8)**	**(326.0)**	**(190.2)**	**319.0**	**105.0**	**61.5**
Central bank	1.6	32.4	16.2	18.3	35.3	43.6	16.2	14.7	(7.5)
Other depository corporations	(7.2)	(23.3)	(45.2)	(36.6)	(36.5)	(30.6)	(45.2)	(49.1)	(56.3)
Domestic claims	**14.0**	**4.7**	**11.2**	**15.1**	**15.0**	**12.5**	**11.2**	**6.8**	**1.0**
Net claims on central government	353.3	32.4	26.6	70.9	34.0	14.2	26.6	10.4	22.6
Claims on other sectors	(3.2)	(1.9)	6.3	2.0	9.6	12.0	6.3	5.4	(6.6)
Claims on private sector	(4.1)	(2.3)	5.9	1.2	9.9	11.2	5.9	2.1	(10.7)
Broad money	**14.4**	**14.6**	**20.0**	**26.8**	**32.1**	**26.8**	**20.0**	**11.5**	**4.1**
Narrow money	22.3	1.1	8.6	17.2	14.9	9.5	8.6	4.1	0.6
Currency outside depository corporations	2.1	1.9	18.2	17.4	28.4	19.6	18.2	8.6	7.0
Quasi money	6.4	30.4	30.3	36.8	50.2	44.7	30.3	18.2	7.0
Memorandum items:									
Dollarization ratio 3/	41.3	47.1	49.5	45.7	47.2	47.4	49.5	48.1	47.3

1/ New format is based on IMF Monetary and Financial Statistics Manual 2000 (MFSM 2000).

2/ Since July 2007 to Oct 2010, net foreign assets represent a net liability position (due to the net liability position of commercial banks)

3/ Foreign currency deposits (including foreign currency deposits of commercial banks and MMA, excluding government and non-residence deposits) are in per cent of broad money.

NOTES:

1/"Claims on" represent all claims including loans and advances to and holdings of securities, shares and other equity issued by the respective sector

2/"Claims on" represent all liabilities issued by the banking system to the respective sector.

Source: Maldives Monetary Authority

Table 5: Central Bank Survey, 2009 - 2012 [1/]

(In millions of rufiyaa: end of period)

	2009	2010	2011	2011				2012	
				Mar	Jun	Sep	Dec	Mar	Jun
Net foreign assets	**3,071.7**	**4,067.6**	**4,725.5**	**4,373.8**	**4,863.0**	**4,447.8**	**4,725.5**	**5,016.7**	**4,498.2**
Claims on non-residents	3,349.5	4,491.3	5,169.6	4,765.3	5,333.1	4,893.8	5,169.6	5,460.2	4,941.4
Liabilities to non-residents	-277.8	-423.6	-444.1	-391.6	-470.1	-446.0	-444.1	-443.5	-443.2
Claims on other depository corporations	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Net claims on central government	**3,419.2**	**2,725.0**	**3,527.4**	**3,289.4**	**3,414.8**	**3,613.1**	**3,527.4**	**3,524.0**	**3,658.6**
Claims on central government	4,213.0	3,921.5	3,920.2	3,833.4	3,842.2	3,934.1	3,920.2	3,894.2	3,901.5
Liabilities to central government	-793.8	-1,196.5	-392.8	-544.0	-427.4	-321.0	-392.8	-370.3	-242.9
Claims on other sectors	**4.8**	**5.9**	**4.7**	**4.7**	**4.3**	**4.8**	**4.7**	**5.4**	**5.1**
Claims on other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on public non-financial corportations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on private sector	4.8	5.9	4.7	4.7	4.3	4.8	4.7	5.4	5.1
Monetary base	**6,143.9**	**6,064.3**	**7,551.3**	**6,722.4**	**7,334.4**	**7,098.8**	**7,551.3**	**7,518.7**	**7,583.4**
Currency in circulation	1,799.7	1,871.1	2,196.7	1,977.8	2,108.0	2,117.3	2,196.7	2,204.0	2,296.0
Liabilities to other depository corporations	4,308.5	4,182.6	5,294.2	4,732.5	5,209.3	4,976.0	5,294.2	5,235.1	5,279.5
Liabilities to other sectors	35.7	10.5	60.4	12.1	17.1	5.5	60.4	79.7	7.8
Other liabilities to other depository corporations	**15.7**	**496.7**	**85.3**	**620.2**	**390.3**	**594.3**	**85.3**	**493.3**	**328.3**
Deposits and securities other than shares excluded from monetary base	**0.1**	**10.1**	**10.1**	**10.1**	**10.1**	**10.1**	**10.1**	**10.0**	**10.0**
Deposits included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	0.1	10.1	10.1	10.1	10.1	10.1	10.1	10.0	10.0
Securities other than shares excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Shares and other equity	**432.7**	**349.8**	**752.1**	**388.0**	**680.0**	**591.0**	**752.1**	**735.9**	**462.4**
Other items (net)	**-96.6**	**-122.2**	**-141.3**	**-72.8**	**-132.7**	**-228.6**	**-141.3**	**-212.0**	**-222.2**
(Twelve month percentage change)									
Net foreign assets	**1.6**	**32.4**	**16.2**	**18.3**	**35.3**	**43.6**	**16.2**	**14.7**	**-7.5**
Claims on non-residents	8.4	34.1	15.1	17.9	34.1	40.3	15.1	**14.6**	**-7.3**
Liabilities to non-residents	313.1	52.5	4.8	13.2	23.2	14.4	4.8	13.3	-5.7
Net claims on central government	**29.5**	**-20.3**	**29.4**	**7.0**	**11.0**	**19.6**	**29.4**	**7.1**	**7.1**
Claims on central government	25.2	-6.9	0.0	-8.0	-6.7	1.3	0.0	1.6	1.5
Monetary base	**14.1**	**-1.3**	**24.5**	**28.3**	**29.2**	**23.8**	**24.5**	**11.8**	**3.4**
Currency in circulation	2.1	4.0	17.4	18.9	26.0	18.0	17.4	11.4	8.9
Liabilities to other depository corporations	19.4	-2.9	26.6	34.1	33.9	27.7	26.6	10.6	1.3

1/ New format is based on IMF Monetary and Financial Statistics Manual 2000 (MFSM 2000).

NOTES:

1/"Claims on" represent all claims including loans and advances to and holdings of securities, shares and other equity issued by the respective sector.

2/ "Claims to" represent all liabilities issued by the central bank to the respective sector.

Source: Maldives Monetary Authority

Table 6: Other Depository Corporations Survey, 2009 - 2012 [1/]

(In millions of rufiyaa; end of period)

	2009	2010	2011	2011				2012	
				Mar	Jun	Sep	Dec	Mar	Jun
Net foreign assets	**-4,410.4**	**-3,382.0**	**-1,852.5**	**-2,564.1**	**-2,850.4**	**-3,149.6**	**-1,852.5**	**-1,306.0**	**-1,247.0**
Claims on non-residents	888.4	1,034.1	1,755.6	1,583.7	2,035.7	1,720.6	1,755.6	2,091.4	1,579.2
Liabilities to non-residents	-5,298.8	-4,416.2	-3,608.1	-4,147.8	-4,886.1	-4,870.2	-3,608.1	-3,397.4	-2,826.2
Claims on central bank	**4,638.6**	**4,979.6**	**5,696.4**	**5,646.1**	**5,894.2**	**5,859.1**	**5,696.4**	**6,109.0**	**5,930.6**
Currency	258.3	300.1	339.1	277.6	307.6	302.9	339.1	358.1	369.1
Deposits	4,370.2	4,587.5	5,357.3	5,192.3	5,201.5	5,556.3	5,357.3	5,750.9	5,451.4
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other claims	10.0	92.0	0.0	176.1	385.1	0.0	0.0	0.0	110.1
Net claims on central government	**643.5**	**2,655.7**	**3,284.1**	**3,313.3**	**3,013.1**	**2,802.4**	**3,284.1**	**3,762.9**	**4,222.0**
Claims on central government	3,351.7	4,665.4	5,182.5	5,194.5	5,146.2	4,724.9	5,182.5	5,445.1	5,904.7
Liabilities to central government	-2,708.2	-2,009.7	-1,898.4	-1,881.2	-2,133.1	-1,922.5	-1,898.4	-1,682.2	-1,682.7
Claims on other sectors	**17,119.9**	**16,794.5**	**17,846.2**	**16,796.9**	**18,167.3**	**18,789.8**	**17,846.2**	**17,705.9**	**16,965.2**
Claims on other financial corporations	172.0	144.5	98.8	150.1	184.5	178.4	98.8	52.3	48.9
Claims on public non-financial corporations	1,398.9	1,465.0	1,668.1	1,324.0	1,310.9	1,840.9	1,668.1	2,014.2	2,030.4
Claims on private sector	15,549.0	15,185.0	16,079.3	15,322.8	16,671.9	16,770.5	16,079.3	15,639.5	14,885.9
Liabilities to central bank	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Transferable deposits included in broad money	**9,923.0**	**10,942.5**	**13,105.7**	**12,275.3**	**12,558.6**	**12,352.1**	**13,105.7**	**14,014.3**	**13,524.4**
Other deposits included in broad money	**2,355.2**	**3,359.9**	**4,033.1**	**3,808.0**	**4,459.2**	**4,437.4**	**4,033.1**	**3,945.3**	**4,257.4**
Securities other than shares included in broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Deposits excluded from broad money	**218.5**	**292.6**	**326.8**	**275.5**	**326.2**	**395.0**	**326.8**	**293.5**	**289.9**
Securities other than shares excluded from broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Loans	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Shares and other equity	**4,249.8**	**4,761.5**	**5,597.0**	**5,019.3**	**5,412.8**	**5,419.4**	**5,597.0**	**5,710.0**	**5,231.6**
Other items (net)	**1,245.1**	**1,691.4**	**1,911.7**	**1,814.0**	**1,467.5**	**1,697.8**	**1,911.7**	**2,308.6**	**2,567.6**
(Twelve month percentage change)									
Net foreign assets	**-7.2**	**-23.3**	**-45.2**	**-36.6**	**-36.5**	**-30.6**	**-45.2**	**-49.1**	**-56.3**
Claims on nonresidents	19.3	16.4	69.8	29.6	204.9	121.2	69.8	32.1	-22.4
Liabilities to nonresidents	-3.6	-16.7	-18.3	-21.2	-5.2	-8.4	-18.3	-18.1	-42.2
Claims on central bank	**20.5**	**7.4**	**14.4**	**11.7**	**18.2**	**32.3**	**14.4**	**8.2**	**0.6**
Currency	2.5	16.2	13.0	29.1	13.6	8.9	13.0	29.0	20.0
Deposits	21.5	5.0	16.8	31.9	16.7	38.0	16.8	10.8	4.8
Claims on central government	**319.4**	**39.2**	**11.1**	**51.9**	**25.9**	**4.5**	**11.1**	**4.8**	**14.7**
Liabilities to central government	**6.5**	**-25.8**	**-5.5**	**-28.5**	**-9.8**	**0.0**	**-5.5**	**-10.6**	**-21.1**
Claims to other sectors	**-3.2**	**-1.9**	**6.3**	**2.0**	**9.6**	**12.0**	**6.3**	**5.4**	**-6.6**
Claims on other financial corporations	75.9	-16.0	-31.6	18.5	40.2	37.6	-31.6	-65.2	-73.5
Claims on public non-financial corporations	1.6	4.7	13.9	9.9	2.3	16.9	13.9	52.1	54.9
Claims on private sector	-4.1	-2.3	5.9	1.2	9.9	11.2	5.9	2.1	-10.7

1/ New format is based on IMF Monetary and Financial Statistics Manual 2000 (MFSM 2000).

NOTES:

1/ "Claims on'' represent all claims including loans and advances to and holdings of securities, shares and other equity issued by the respective sectoı

2/ ''Claims to'' represent all liabilities issued by ODCs to the respective sector.

Source: Maldives Monetary Authority

Table 7: Other Depository Corporations Private Sector Loans and Advances by Economic Group, 2009 - 2012 1/

(In millions of rufiyaa; end of period)

	2009	2010	2011	2011				2012	
				Mar	Jun	Sep	Dec	Mar	Jun
Total 2/	**15,403.6**	**15,094.2**	**15,963.7**	**15,248.9**	**16,579.0**	**16,675.0**	**15,963.7**	**15,542.8**	**14,786.0**
Agriculture	31.3	28.7	25.0	27.6	27.1	25.8	25.0	24.7	23.9
Fishing	960.5	896.0	772.3	871.2	936.2	876.9	772.3	672.0	594.2
Manufacturing	532.0	493.1	492.0	804.2	518.5	507.4	492.0	331.5	323.9
Construction	1,264.0	1,119.7	1,187.4	1,114.6	1,139.4	1,163.6	1,187.4	1,182.3	1,220.4
Residential/housing	1,121.0	1,011.3	961.5	1,004.6	1,000.2	962.7	961.5	973.3	944.9
Commercial building	84.7	80.0	165.8	73.7	93.8	150.2	165.8	145.1	203.4
Other	58.3	28.4	60.0	36.3	45.4	50.6	60.0	63.9	72.1
Real estate	357.8	691.2	721.1	676.8	694.6	748.8	721.1	678.2	649.0
Residential/housing	291.4	218.2	109.3	212.1	224.3	107.1	109.3	105.8	102.3
Commercial building	66.4	335.6	481.3	337.5	346.8	494.7	481.3	454.7	445.0
Other	0.0	137.4	130.5	127.3	123.4	147.0	130.5	117.7	101.7
Tourism	9,148.9	8,698.3	9,170.3	7,899.4	9,373.3	9,483.5	9,170.3	9,387.1	8,646.6
New resort development	4,790.9	4,986.8	6,040.2	5,109.3	5,717.0	6,201.8	6,040.2	5,999.1	5,416.5
Renovation of resorts	1,388.1	898.5	784.2	835.0	911.4	833.6	784.2	962.3	771.0
Yacht safari buildings	733.9	830.3	186.4	116.4	274.6	183.9	186.4	187.3	230.5
Working capital	2,235.9	1,982.7	2,159.5	1,838.6	2,470.3	2,264.3	2,159.5	2,238.4	2,228.5
Commerce	1,587.9	1,774.3	2,131.1	1,766.3	2,022.3	2,408.0	2,131.1	2,045.6	2,112.2
Wholesale and retail	701.5	902.2	2,112.7	904.9	1,999.4	2,385.2	2,112.7	2,034.0	2,100.9
Restaurants and cafes	886.4	872.1	18.4	861.4	22.9	22.7	18.4	11.6	11.3
Transport and communication	814.5	677.7	614.0	1,071.5	673.5	683.2	614.0	535.6	589.6
Transport	774.9	644.6	585.6	1,040.2	643.4	654.2	585.6	508.5	563.5
Communication	39.6	33.1	28.4	31.3	30.1	29.0	28.4	27.1	26.0
Electricity, gas, water and sanitary services	3.8	7.7	241.0	3.7	4.3	242.3	241.0	0.8	1.8
Other loans and advances not adequately described	702.9	707.5	609.5	1,013.5	1,189.9	535.6	609.5	685.0	624.4
(In per cent of total; end of period)									
Fishing	6.2	5.9	4.8	5.7	5.6	5.3	4.8	4.3	4.0
Construction	8.2	7.4	7.4	7.3	6.9	7.0	7.4	7.6	8.3
Tourism	59.4	57.6	57.4	51.8	56.5	56.9	57.4	60.4	58.5
Commerce	10.3	11.8	13.3	11.6	12.2	14.4	13.3	13.2	14.3
Transport and Communication	5.3	4.5	3.8	7.0	4.1	4.1	3.8	3.4	4.0
(Twelve month percentage change)									
Total	**-4.5**	**-2.0**	**5.8**	**1.8**	**10.1**	**11.4**	**5.8**	**1.9**	**-10.8**
Fishing	-11.8	-6.7	-13.8	-7.8	0.7	-2.0	-13.8	-22.9	-36.5
Construction	-7.7	-11.4	6.0	-11.8	3.2	2.1	6.0	6.1	7.1
Tourism	-1.8	-4.9	5.4	-9.7	5.8	7.9	5.4	18.8	-7.8
Commerce	-13.6	11.7	20.1	16.6	33.3	48.4	20.1	15.8	4.4
Transport and Communication	3.5	-16.8	-9.4	38.8	-9.3	-4.0	-9.4	-50.0	-12.5

1/ New format is based on IMF Monetary and Financial Statistics Manual 2000 (MFSM 2000).
2/ Includes total loans and advances to private sector excluding accrued interest receivable and accounts receivables.

Source: Maldives Monetary Authority

Table 8: Composition of Exports, 2009 - 2012

(In millions of US dollars)

	2009	2010	2011	2011				2012	
				Q1	Q2	Q3	Q4	Q1	Q2
Merchandise exports (f.o.b)	**169.0**	**197.5**	**346.4**	**91.5**	**70.2**	**72.1**	**112.6**	**95.0**	**73.8**
Domestic exports	**76.4**	**73.9**	**127.4**	**39.2**	**23.0**	**27.7**	**37.6**	**35.7**	**41.7**
Total marine exports	73.7	70.3	122.9	37.8	21.9	26.7	36.5	34.8	40.8
Fish exports	72.0	68.3	120.6	37.3	21.3	26.1	35.9	34.2	40.1
Fresh, chilled or frozen tuna	50.7	46.9	96.3	29.5	15.0	21.1	30.7	26.9	33.1
Skipjack	*17.5*	*18.4*	*31.5*	*13.6*	*3.4*	*3.3*	*11.2*	*5.5*	*8.7*
Yellowfin tuna	*32.8*	*28.2*	*64.5*	*16.0*	*11.6*	*17.6*	*19.4*	*21.3*	*24.2*
Other Tuna	*0.4*	*0.3*	*0.4*	*0.0*	*0.0*	*0.2*	*0.1*	*0.1*	*0.2*
Fresh, chilled or frozen fish	2.2	2.5	4.0	1.1	1.3	0.6	1.0	1.6	1.3
Canned or pouched	6.5	5.8	9.2	3.0	3.0	1.9	1.4	3.0	2.4
Processed fish, nes	12.6	13.1	11.1	3.7	2.1	2.5	2.8	2.7	3.3
o/w Processed tuna, nes	12.0	12.5	10.3	3.4	1.9	2.3	2.6	2.4	3.0
Fish Products	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Sea Food	0.3	0.6	1.0	0.3	0.3	0.2	0.2	0.2	0.2
Marine products, nes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Live fish	1.3	1.4	1.3	0.3	0.3	0.3	0.4	0.4	0.4
Other exports	2.7	3.6	4.4	1.4	1.0	1.0	1.0	1.0	0.9
Re- exports	**92.7**	**123.6**	**219.0**	**52.3**	**47.3**	**44.4**	**75.0**	**59.2**	**32.0**

Source: Maldives Customs Service

Table 9: Composition of Imports, 2009 - 2012

(In millions of US dollars)

	2009	2010	2011	2011				2012	
				Q1	Q2	Q3	Q4	Q1	Q2
Total imports c.i.f.	**962.5**	**1,090.9**	**1,465.3**	**311.8**	**374.3**	**366.5**	**412.7**	**375.5**	**381.9**
Private imports	**687.6**	**779.8**	**1,010.9**	**236.0**	**266.1**	**245.6**	**263.2**	**255.0**	**276.3**
Private (excluding tourism)	504.7	568.1	739.2	174.8	205.1	179.3	180.0	190.8	218.3
Tourism	182.9	211.6	271.7	61.2	61.0	66.3	83.1	64.2	58.0
Total public imports	**274.9**	**311.1**	**454.4**	**75.8**	**108.2**	**120.9**	**149.6**	**120.5**	**105.6**
Public enterprises	246.7	263.9	347.0	68.9	85.9	87.2	104.9	105.4	99.9
Government	28.3	47.2	107.4	6.9	22.3	33.6	44.7	15.2	5.8
Total imports c.i.f.	**962.5**	**1,090.9**	**1,465.3**	**311.8**	**374.3**	**366.5**	**412.7**	**375.5**	**381.9**
Food Items	206.3	236.0	296.9	63.6	74.6	81.9	76.8	78.2	76.1
Price administered staples	28.3	28.1	23.5	2.4	6.6	8.7	5.9	4.8	5.1
Vegetables, rootcrops and spices	28.3	33.2	47.8	10.4	12.6	12.6	12.3	12.9	11.4
Fruit, nuts and seeds	23.2	26.7	32.4	7.9	7.6	8.3	8.5	8.8	9.0
Meat, fish and seafood	29.4	38.5	54.8	11.1	11.4	15.4	16.9	15.4	12.5
Dairy and egg	27.4	32.4	41.6	9.1	9.6	14.2	8.7	10.0	10.4
Beverages and confectionaries	46.1	50.9	61.1	14.4	17.0	13.9	15.9	16.1	16.6
Other food items	23.6	26.2	35.9	8.5	9.8	8.9	8.8	10.1	11.1
Furniture, fixtures and fittings	37.6	36.3	50.8	10.9	10.6	12.6	16.8	11.0	11.9
Electronic and electrical appliances	33.8	37.3	39.3	8.7	10.2	10.8	9.6	8.0	9.4
Petroleum products	198.6	250.6	366.4	93.4	91.3	81.8	99.9	117.4	122.9
Petrol	19.0	24.3	33.4	9.0	9.2	7.0	8.3	10.8	9.2
Diesel (Marine gas oil)	153.2	198.9	289.3	72.4	73.5	66.2	77.2	90.3	78.7
Aviation gas	14.0	11.9	25.2	7.3	4.4	4.7	8.8	13.4	27.9
Other petroleum products	12.5	15.5	18.4	4.7	4.3	3.9	5.6	2.9	7.1
Transport equipment and parts	65.7	68.7	110.5	16.7	48.6	24.9	20.4	24.3	16.8
Wood, metal, cement and aggregates	96.9	111.2	140.6	29.0	35.3	38.4	37.8	34.4	33.2
Machinery and mechanical appliances and parts, nes	61.2	64.3	81.4	16.3	19.5	24.4	21.3	17.1	20.3
Electrical and electronic machinery and equipment and parts, nes	59.8	66.3	96.8	13.9	17.6	27.2	38.1	11.0	13.3
Other Items	202.7	220.2	282.6	59.4	66.7	64.5	92.1	74.2	78.0

Source: Maldives Customs Service

Table 10: Exchange Rates, 2009 - 2012

(Rufiyaa per foreign currency; end of period mid rate)

		U.S. dollar [1/]	Japanese yen	Singapore dollar	Indian rupee	Sri Lankan rupee	Sterling pound	Euro	SDR
2009	March	12.8000	0.1360	8.3184	0.2589	0.1159	18.5195	17.0007	19.1369
	June	12.8000	0.1354	8.8378	0.2585	0.1141	20.4967	17.2718	19.8685
	September	12.8000	0.1732	9.0290	0.2914	0.1203	20.6650	18.7034	20.2799
	December	12.8000	0.1713	9.1807	0.3005	0.1213	20.8479	18.9506	20.0664
2010	March	12.8000	0.1406	9.0982	0.3048	0.1221	18.7504	16.7437	19.4335
	June	12.8000	0.1410	9.1118	0.2966	0.1221	18.1840	14.9497	18.9299
	September	12.8000	0.1506	9.6955	0.3025	0.1239	20.0025	17.1221	19.9192
	December	12.8000	0.1568	9.8057	0.2861	0.1239	19.4329	16.4776	19.7124
2011	March	12.8000	0.1593	10.0783	0.2869	0.1239	20.2316	17.6542	20.2944
	June [2/]	15.2100	0.1895	12.3136	0.3432	0.1402	24.2029	21.6083	24.3428
	September	15.2100	0.1999	12.0766	0.3214	0.1392	23.7197	20.5231	23.7522
	December	15.2100	0.1985	11.8028	0.2910	0.1352	23.7940	19.7321	23.3515
2012	March	15.2100	0.1855	12.1731	0.3032	0.1188	24.2292	20.1246	23.5617
	June	15.2100	0.1949	11.9727	0.2720	0.1152	23.8707	19.0398	23.0819

1/ Refers to the MMA daily reference exchange rate, which is the mid point of the weighted average buying and selling rates of all commercial banks. All other rates (except US dollar) refers to the exchange rate from Bank of Maldives plc.

2/ In April 2011, the exchange rate regime was changed from a fixed rate regime to a band of 20 per cent around a central parity of MVR12.85 per US dollar

Source: Maldives Monetary Authority; Bank of Maldives; International Monetary Fund

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