

MALDIVES MONETARY AUTHORITY

# ECONOMIC UPDATE

**AUGUST 2025**

VOLUME 7 ISSUE 8



[mma.gov.mv](http://mma.gov.mv)

## **About the Economic Update**

Economic Update is a monthly publication produced by the Research Division of MMA presenting a quick overview of current developments in the Maldivian economy. It also includes a chart pack of global economic and financial indicators. The Economic Update will be posted on MMA's website at the end of each month. This Economic Update is based on the latest available data as at 27 August 2025.

# Domestic Economic Developments

## Real Economy

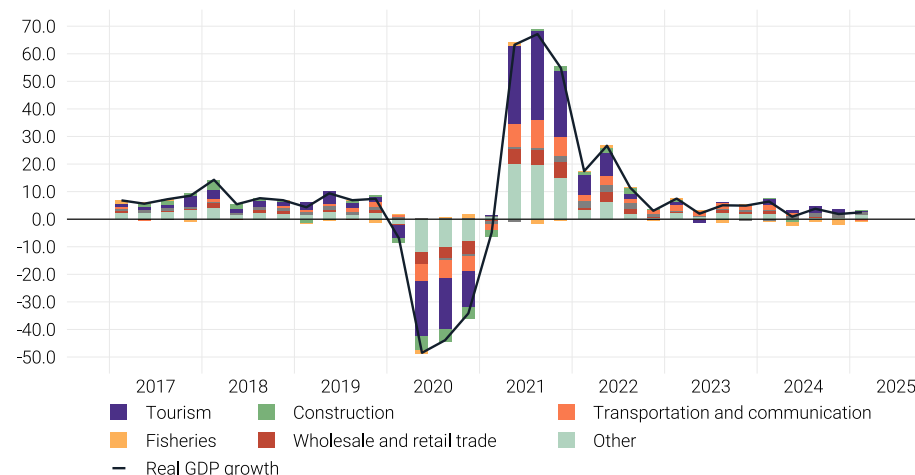
### Gross Domestic Product

- According to the advance estimates of the Quarterly National Accounts (QNA) for Q1-2025 released by the Maldives Bureau of Statistics (MBS), real GDP grew by 2.5% in Q1-2025, compared to the corresponding quarter of 2024. This is an acceleration from the growth of 1.9% recorded in Q4-2024.
  - The annual growth in real GDP during Q1-2025 was mainly driven by the expansion in the public administration and construction sectors. Additionally, growths were observed in sectors such as tourism, wholesale and retail trade, real estate and financial services. In contrast, notable declines were observed in the transportation and communication as well as fisheries sectors.

### Annual GDP Growth Forecast

- According to the growth forecasts of May 2025<sup>1</sup>, real GDP is projected to grow by 4.5% in the baseline scenario and 5.6% in the alternative scenario, in 2025. Growth for 2025 in both scenarios have been revised downwards, compared to the forecasts produced in October 2024. As per the estimates of real GDP released by the Maldives Bureau of Statistics in June 2025, following a growth of 4.9% in 2023, the annual real GDP is estimated to have grown in 2024 by 3.3%—2.2 percentage points lower than the estimate of October 2024. In 2024, real GDP growth was led primarily by the expansion of the tourism sector, together with positive contributions from transportation and communication, public administration and real estate sectors.

Contribution to Real GDP Growth by Economic Sectors, 2017 - 2025  
(annual percentage change, percentage point contribution)



Source: Maldives Bureau of Statistics

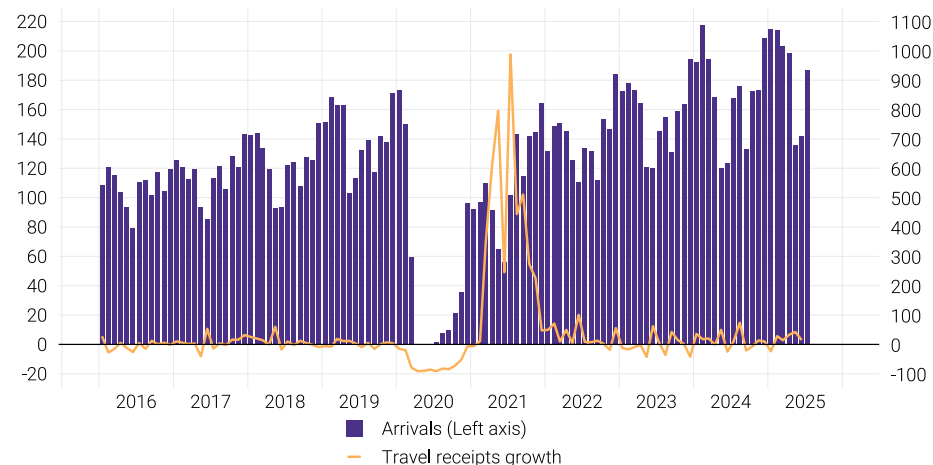
<sup>1</sup>According to the growth forecast scenarios estimated jointly by the MMA and the Ministry of Finance and Planning.

## Tourism

- In July 2025, total tourist arrivals stood at 186,738, registering an increase of 11% when compared with the corresponding month of 2024. Meanwhile, total tourist bednights increased by 9%, primarily owing to the increase in bednights of guesthouses. During the month, guesthouse bednights increased by 55%, while resort bednights increased by 2%.
  - The annual increase in tourist arrivals largely reflected robust arrivals from China as well as the main source markets of Europe. During the month, the highest number of tourist arrivals were recorded from China, Russia, the United Kingdom, Germany, and India.
- The operational bed capacity of the tourism industry observed an annual increase of 3,114 beds in July 2025, while the occupancy rate increased to 59% in July 2025, from 57% in July 2024.
- Overall, for the period January to July 2025, total tourist arrivals rose by 9% in annual terms, while total bednights increased by 1%. During the period, the average stay observed a decline to 6.9 days, from 7.6 days in the corresponding period of 2024.

### Tourism, 2016 - 2025

(thousands, annual percentage change)

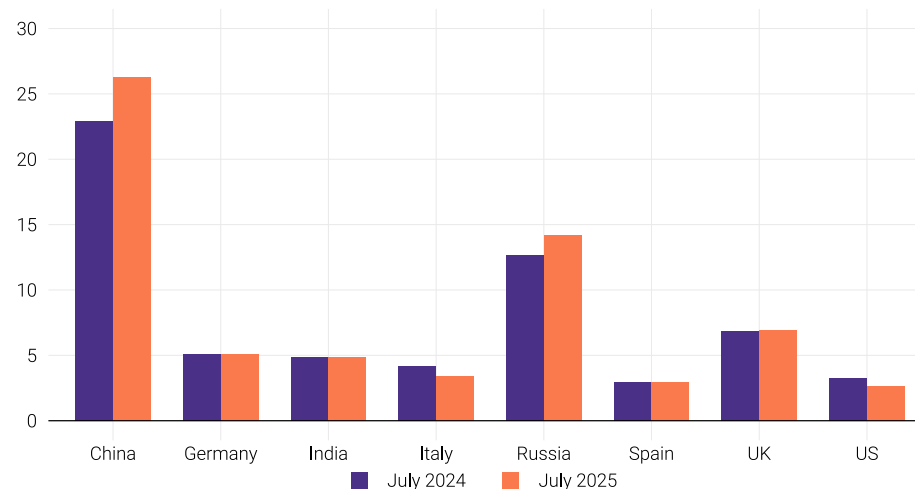


Source: Ministry of Tourism and Environment

Note: Tourism receipts available up to June 2025.

### Shares of Key Inbound Markets

(percent)

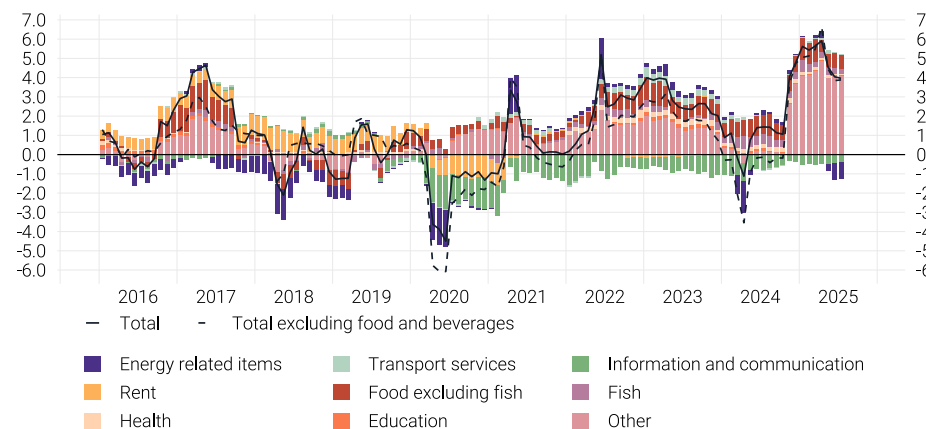


Source: Ministry of Tourism and Environment

# Inflation

- The rate of inflation, as measured by the annual percentage change in the national CPI, remained broadly unchanged in July 2025, from 4.0% recorded in June 2025.
  - The largest contribution to the annual rate of inflation during July 2025 came from tobacco (2.09 percentage points); fruits (0.51 percentage points); restaurants and cafés (0.32 percentage points); fish (0.25 percentage points); dairy products (0.12 percentage points); personal care appliances, articles and products (0.11 percentage points); vegetables (-0.14 percentage points); mobile telephone equipment (-0.15 percentage points); mobile communication services (-0.23 percentage points) and electricity (-0.84 percentage points).
- The monthly percentage change in the national CPI remained broadly unchanged in July 2025, following an increase of 0.2% in June 2025.
  - The largest contribution to the monthly rate of inflation came from vegetables (0.06 percentage points); fish (0.03 percentage points); dairy products (0.02 percentage points); aracanut (0.01 percentage points); personal care appliances, articles and products (0.01 percentage points); garments (-0.01 percentage points); fuels and lubricants for personal transport equipment (-0.01 percentage points); passenger transport by air (-0.02 percentage points); mobile communication services (-0.02 percentage points) and fruits (-0.04 percentage points).

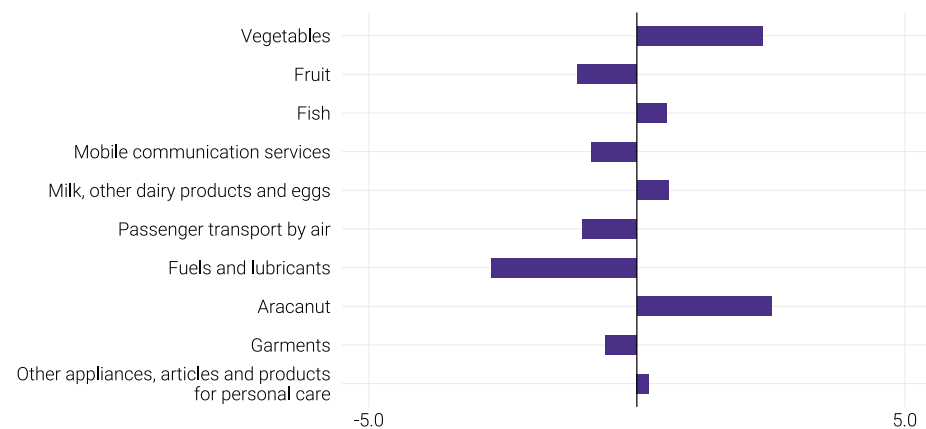
Contribution of Major Categories to CPI Inflation (National), 2016 - 2025  
(annual percentage change, percentage point contribution)



Source: Maldives Bureau of Statistics

Note: Main categories in other are furnishing, personal care, restaurant and accommodation services, tobacco and araca nuts, and water supply.

Monthly Changes of Subcategories of CPI Inflation (National), July 2025  
(monthly percentage change)



Source: Maldives Bureau of Statistics

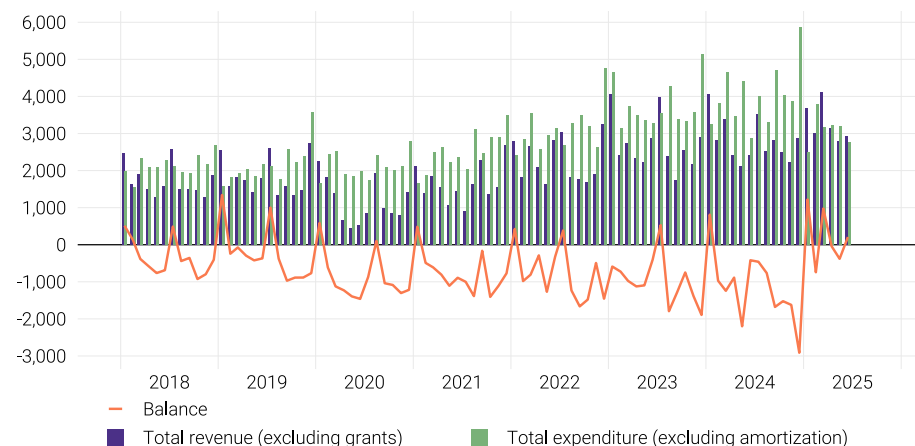
Note: Ordered by the size of the contribution.

# Public Finance<sup>2</sup>

- Total revenue (excluding grants) observed an increase of MVR513.2 million (or 21%) in June 2025, when compared with June 2024, owing to the increase in both tax revenue as well as non-tax revenue. As such, tax revenue increased by MVR291.2 million, while non-tax revenue increased by MVR221.9 million.
- Total expenditure (excluding amortisation) declined by MVR87.8 million (or 3%) in June 2025, when compared with June 2024, stemming from the decline in recurrent expenditure, which decreased by MVR84.1 million. Meanwhile, capital expenditure also registered a decline of MVR3.8 million in June 2025, when compared with June 2024.
- According to the latest available data, the stock of total government debt (excluding government guaranteed debt) amounted to MVR125.3 billion at the end of Q1-2025, a 1% increase from Q4-2024. However, total government debt as a percentage of GDP declined to 104% at the end of Q1-2025, from 114% in Q4-2024.
  - During this period, the increase in government debt was primarily driven by domestic debt.

## Government Revenue and Expenditure, 2018 - 2025

(millions of rufiyaa)

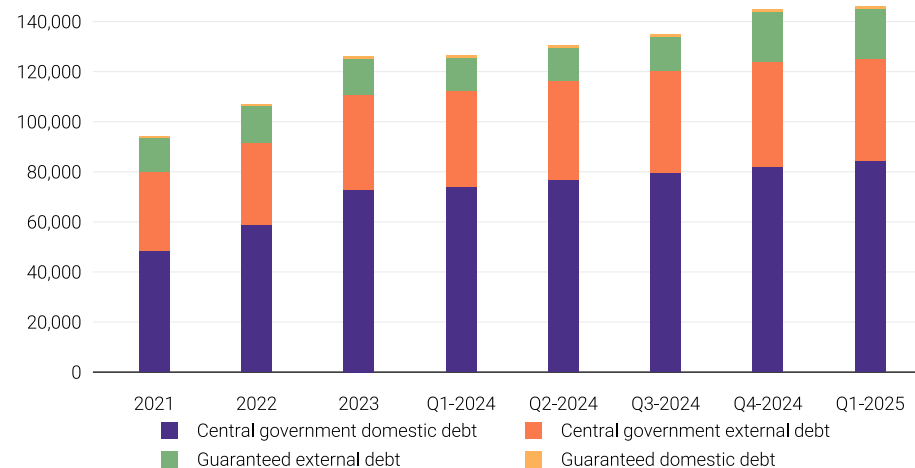


Source: Ministry of Finance and Planning

Note: Figures do not accord with the methodology of IMF's GFS Manual 1986.

## Total Outstanding Stock of Public Debt, 2021 - 2025

(millions of rufiyaa)



Source: Ministry of Finance and Planning

<sup>2</sup>Government revenue and expenditure data as of 25 August 2025. These figures might vary due to ongoing data reconciliation.

# Monetary Developments

## Reserve Money

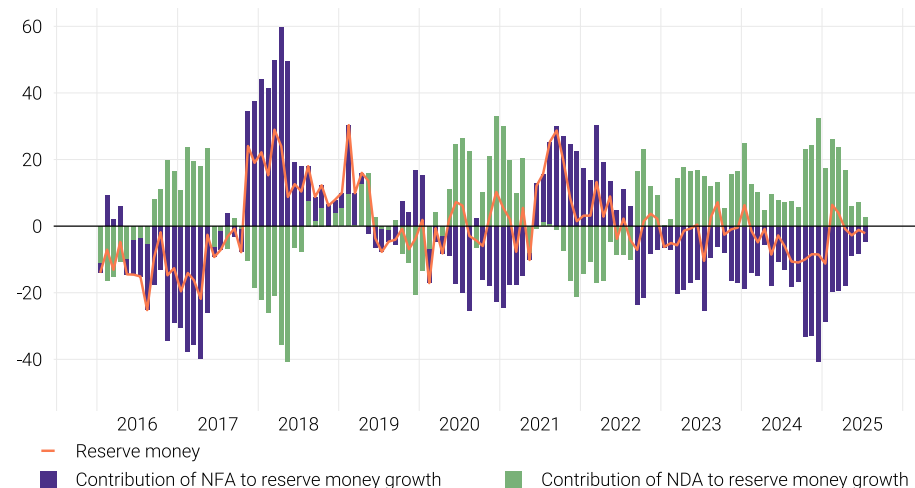
- Reserve money (M0) declined by 2% at the end of July 2025, following the 1% decline registered in June 2025. This mainly reflected the annual decline in net foreign assets, which entirely offset the increase in net domestic assets during the period.
  - Net foreign assets declined, primarily owing to the increase in foreign liabilities, which reflected the US\$400 million swap obtained from the Reserve Bank of India (RBI) in October 2024, despite an increase in foreign asset accumulation during the period. Meanwhile, net domestic assets increased, mainly reflecting the increase in claims on other depository corporations.

## Broad Money

- Broad money (M2) registered a growth of 13% at the end of July 2025, after recording a growth of 11% at the end of June 2025.
  - On the components side, the annual increase in broad money reflected the significant increase in transferable deposits denominated in local currency as well as time deposits denominated in local and foreign currency, followed by savings deposits denominated in local currency. Meanwhile, currency outside depository corporations rose during the month.
  - As for the sources, the growth in broad money was primarily driven by the increase in net domestic assets, mainly owing to the increase in net claims on the central government by the commercial banks, together with the increase in credit to the private sector. Meanwhile, net foreign assets also increased, as the increase in foreign asset accumulation outpaced the increase in foreign liabilities during the period.

Sources of Reserve Money, 2016 - 2025

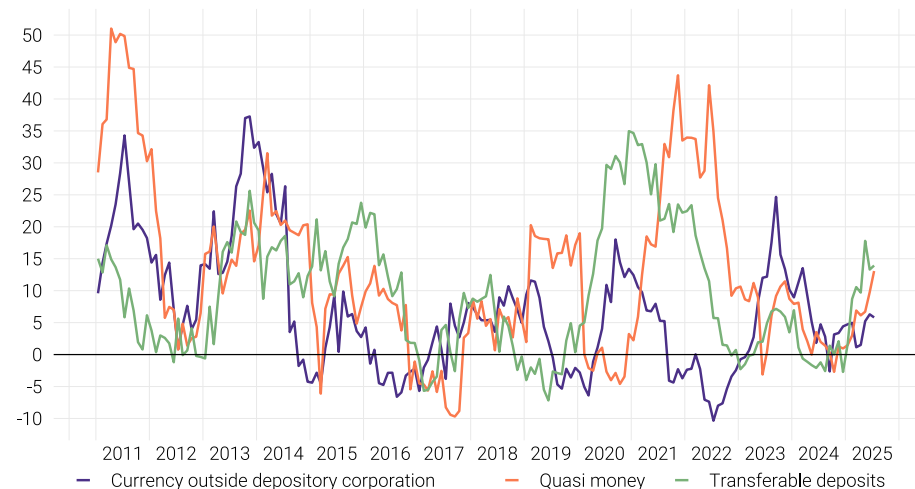
(annual percentage change, contribution percent)



Source: Maldives Monetary Authority

Components of Broad Money, 2011 - 2025

(annual percentage change)



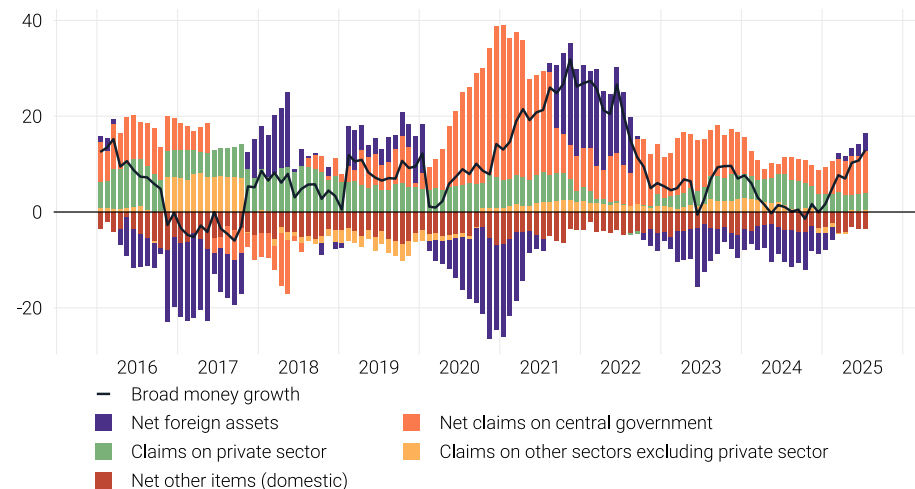
Source: Maldives Monetary Authority

## Credit to Private Sector

- The annual growth rate of credit to the private sector by the commercial banks remained broadly unchanged at the end of July 2025, from 6% in June 2025.
  - As such, credit to major sectors (namely personal loans, real estate and commerce) except construction and tourism sectors continued to expand in July 2025. Personal loans registered the highest growth during the month, with an annual increase of 23%. Meanwhile, the tourism sector continued to account for the largest share of bank credit, despite registering a decline of less than 1%.
  - The annual growth in credit for personal loans was driven by the increase in credit lent in the form of credit cards and consumer durables, while educational loans registered a marginal decline. As for the tourism sector, the marginal annual decline in credit to the sector was driven by the decline in credit lent as working capital, which entirely offset the increase in credit lent for new resort development and renovation of resorts.

### Contribution to Broad Money, 2016 - 2025

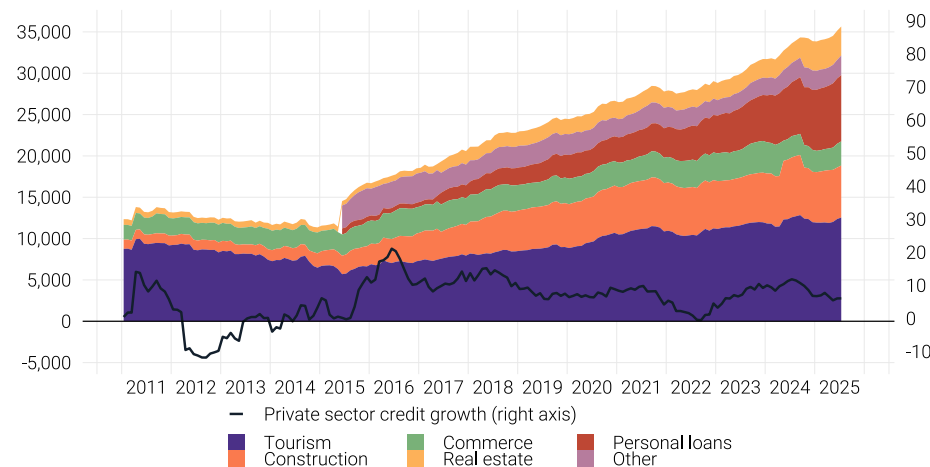
(annual percentage change, percentage point contribution)



Source: Maldives Monetary Authority

### Private Sector Credit, 2011 - 2025

(millions of rufiyaa, annual percentage change)



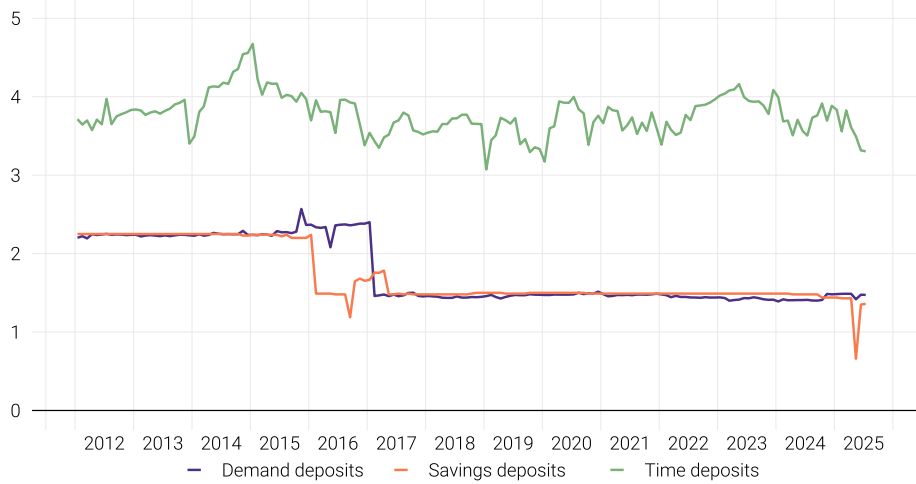
Source: Maldives Monetary Authority

Note: Personal loans were not classified as a separate category prior to June 2015.

## Interest rates

### Interest Rate on National Currency Deposits, 2012 - 2025

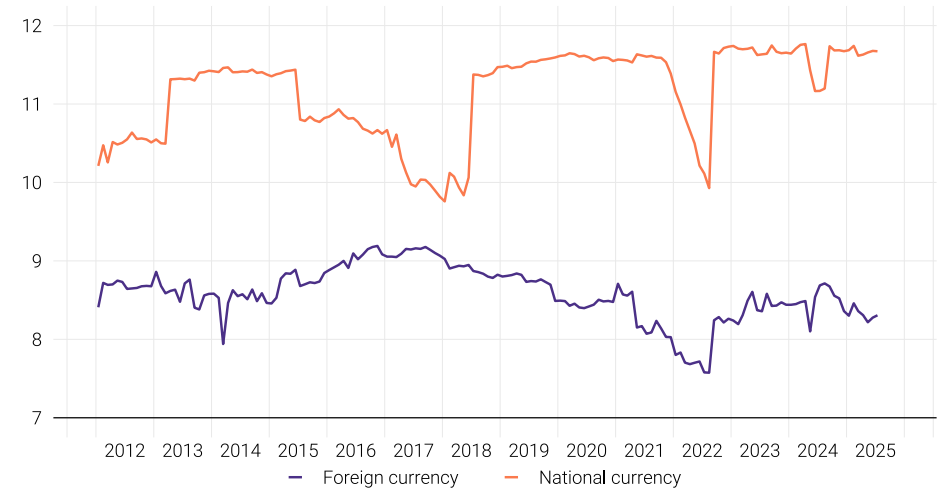
(weighted average)



Source: Maldives Monetary Authority

### Interest Rate on Private Sector Loans and Advances, 2012 - 2025

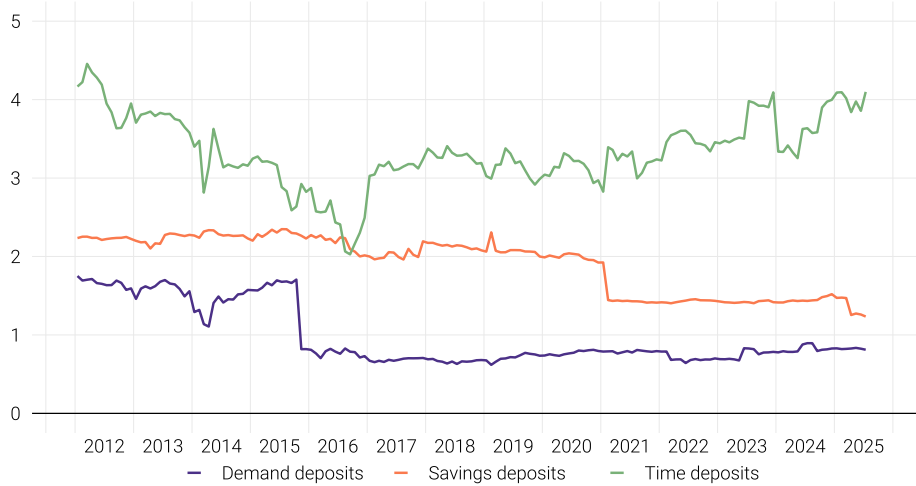
(weighted average)



Source: Maldives Monetary Authority

### Interest Rate on Foreign Currency Deposits, 2012 - 2025

(weighted average)



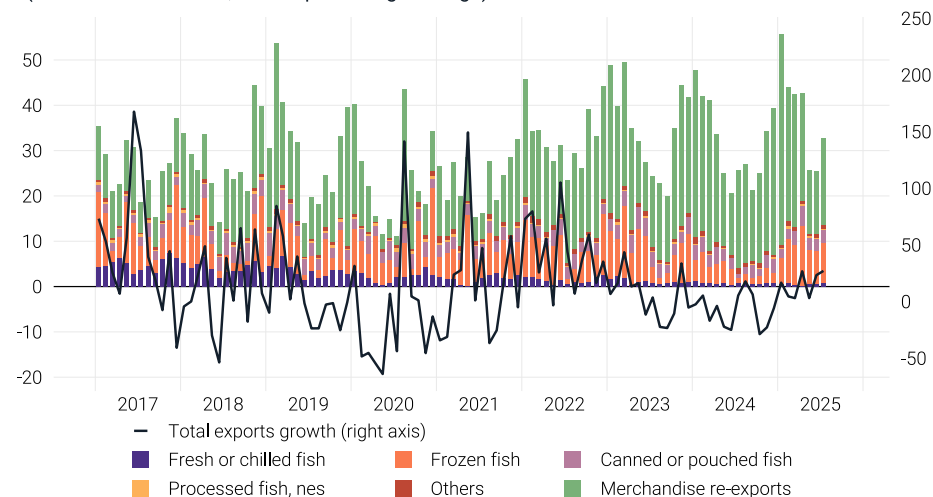
Source: Maldives Monetary Authority

# External Trade

- Total exports (f.o.b) increased by 27% in July 2025, when compared with July 2024, while total imports (c.i.f) registered a marginal increase of less than 1% during the same period.
  - The annual increase in total exports stemmed primarily from the significant increase in domestic exports, largely owing to higher earnings from frozen skipjack tuna. In contrast, re-exports declined during the period, which reflected lower earnings from re-exports of diesel and other re-exports category which completely offset the increase in earnings from re-exports of jet fuel.
  - The annual increase in import expenditure stemmed mainly from the increase in imports of petroleum products and construction-related items, which largely offset the declines in imports of electrical and electronic machinery and equipment and parts.
- Overall, for the period January to July 2025, total exports increased by 14%, while total imports declined by 1% when compared with the corresponding period of 2024.

## Total Exports, 2017 - 2025

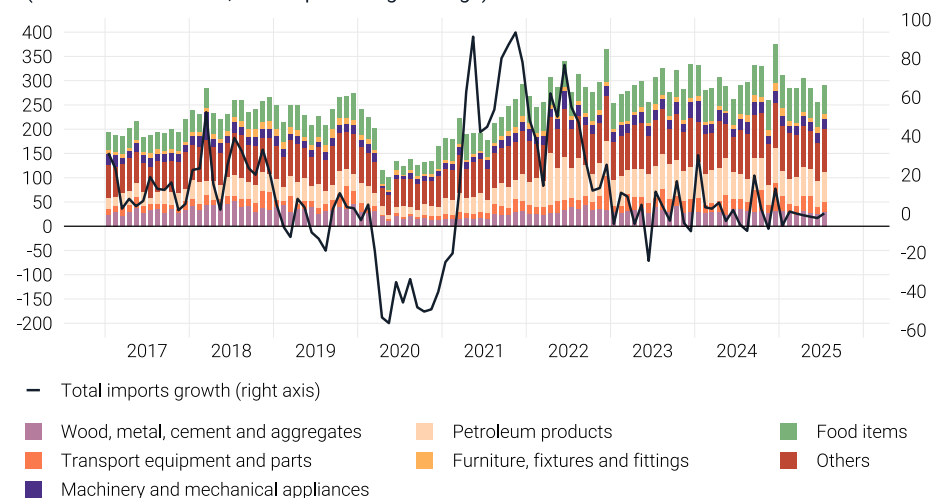
(millions of US dollars, annual percentage change)



Source: Maldives Customs Service

## Total Imports, 2017 - 2025

(millions of US dollars, annual percentage change)



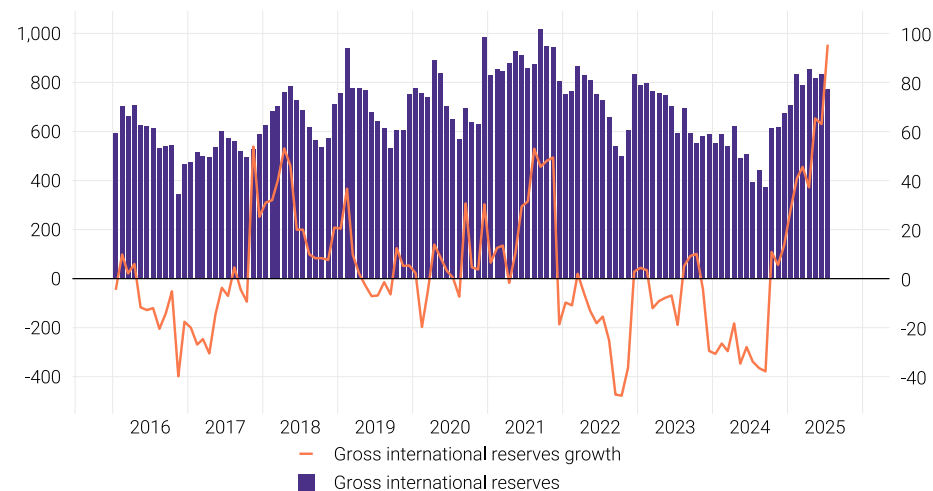
Source: Maldives Customs Service

## Gross International Reserves

- Gross international reserves<sup>3</sup> (official reserve assets) declined to US\$774.5 million at the end of July 2025, from US\$832.4 million at the end of June 2025. However, this depicted a growth of US\$379.1 million from the US\$395.4 million recorded at the end of July 2024.
- In terms of growth rates, an increase of 96% and a decline of 7% were registered when compared with July 2024 and June 2025, respectively.

### Gross International Reserves, 2016 - 2025

(millions of US dollars, annual percentage change)



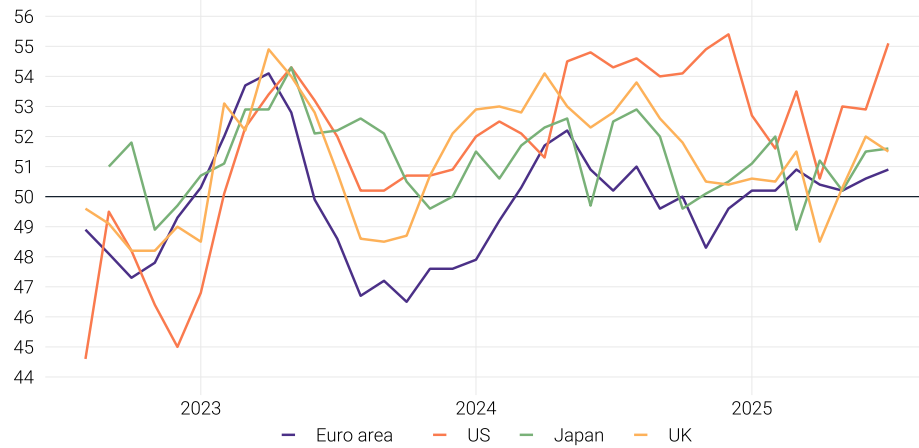
Source: Maldives Monetary Authority

<sup>3</sup>Comprises foreign currency deposits of the MMA and the government, commercial banks' US dollar reserve accounts and Maldives' reserve position at the IMF.

# International Economic Developments

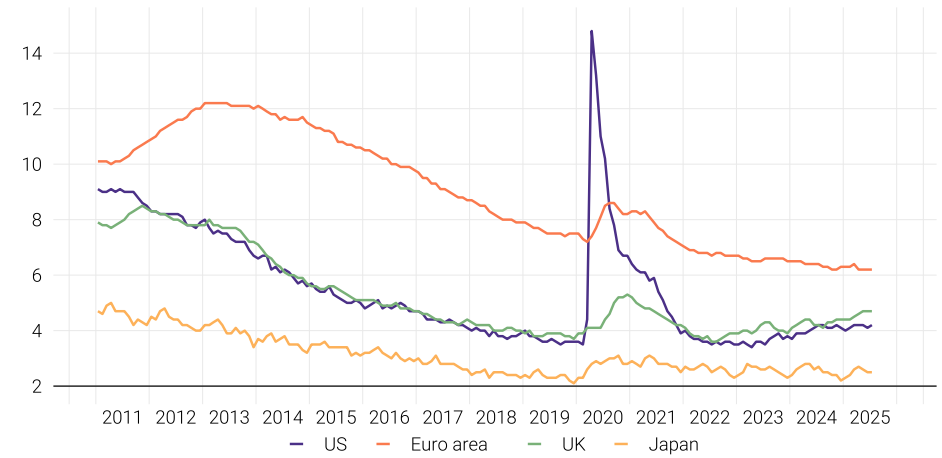
## Global Output

Purchasing Manager's Index in the Advanced Economies, 2022 - 2025  
(index points)



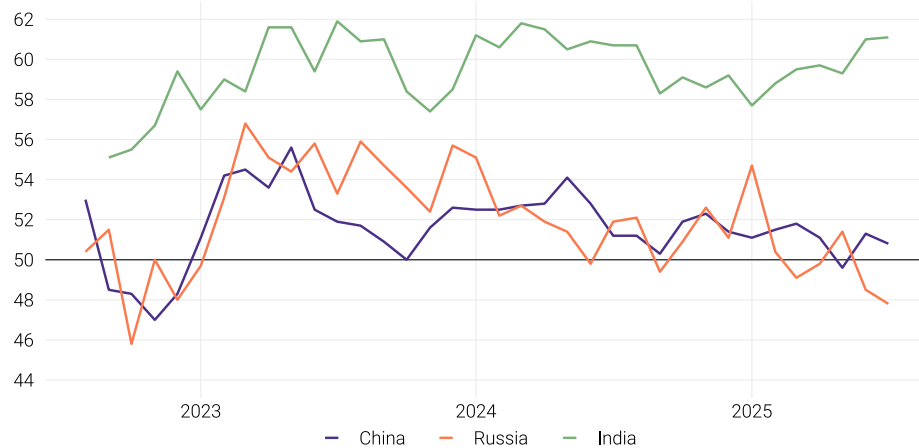
Source: Bloomberg Database

Unemployment in the Advanced Economies, 2011 - 2025  
(percent)



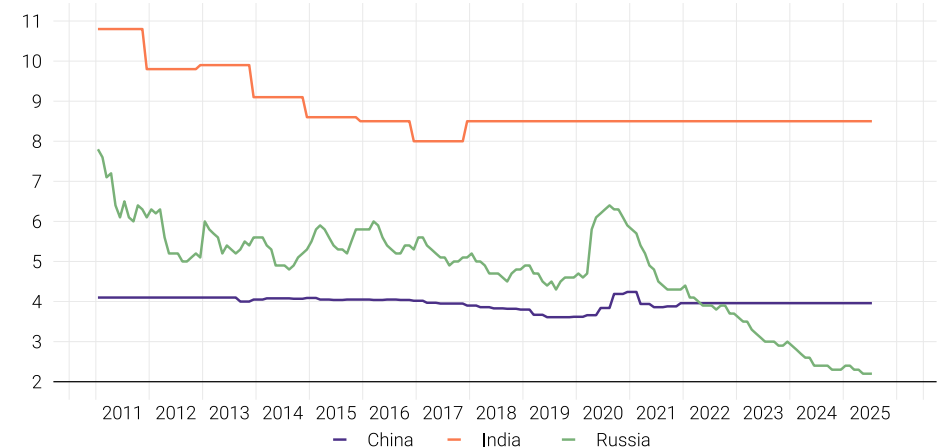
Source: Bloomberg Database

Purchasing Manager's Index in the Emerging Economies, 2022 - 2025  
(index points)



Source: Bloomberg Database

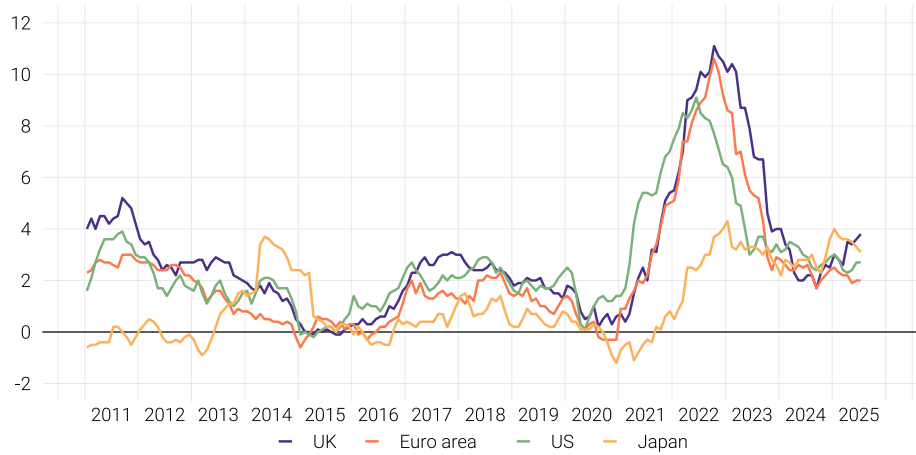
Unemployment in the Emerging Economies, 2011 - 2025  
(percent)



Source: Bloomberg Database

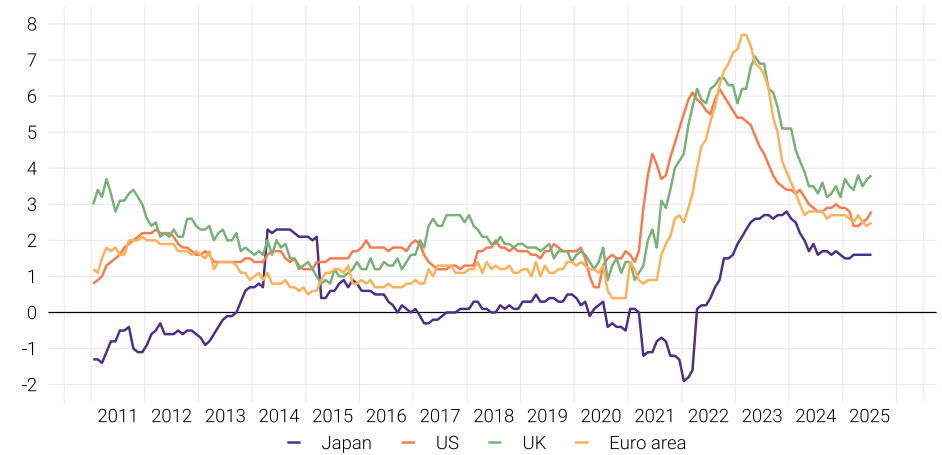
# Global Inflation

**Inflation in the Advanced Economies, 2011 - 2025**  
(percent)



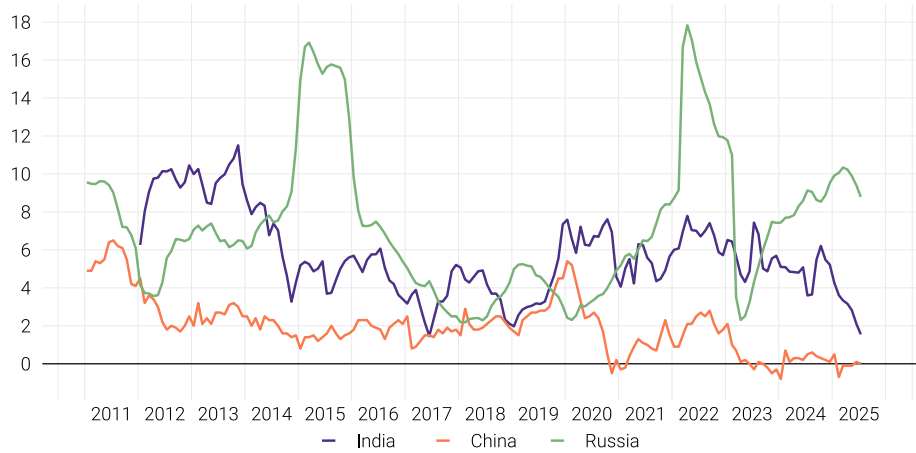
Source: Bloomberg Database

**Core Inflation in the Advanced Economies, 2011 - 2025**  
(percent)



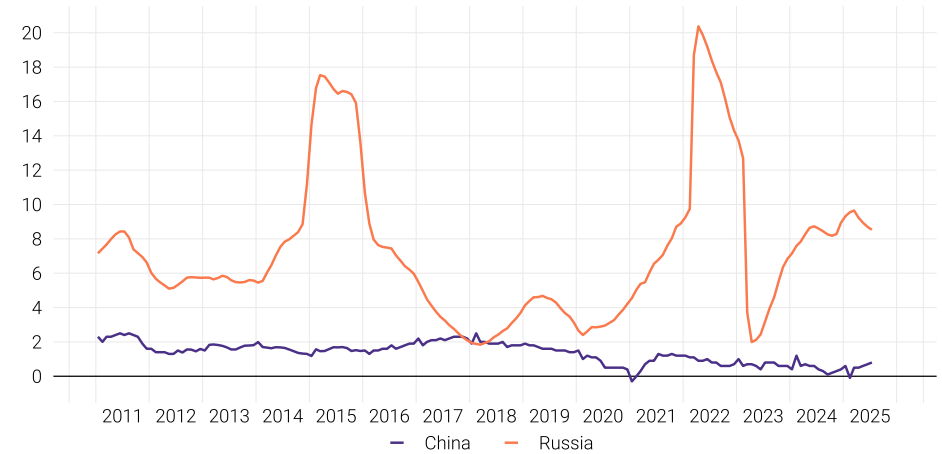
Source: Bloomberg Database

**Inflation in the Emerging Economies, 2011 - 2025**  
(percent)



Source: Bloomberg Database

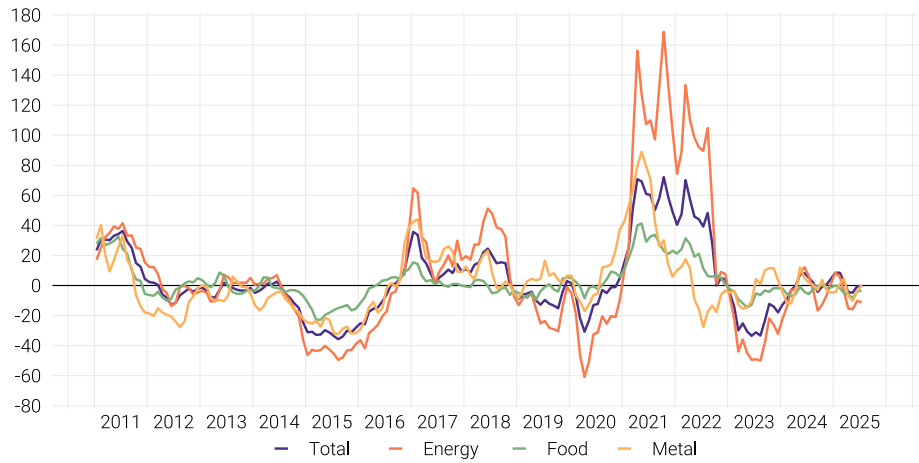
**Core Inflation in the Emerging Economies, 2011 - 2025**  
(percent)



Source: Bloomberg Database

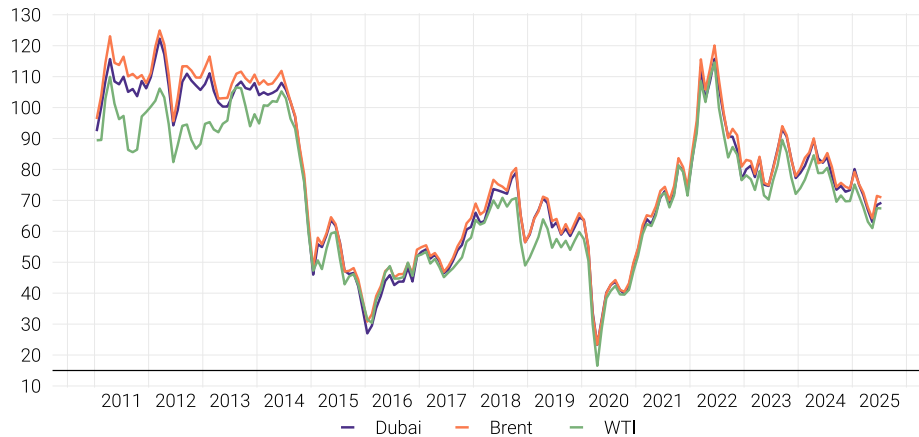
# Commodity Prices

Commodity prices, 2011 - 2025  
(annual percentage change)



Source: IMF

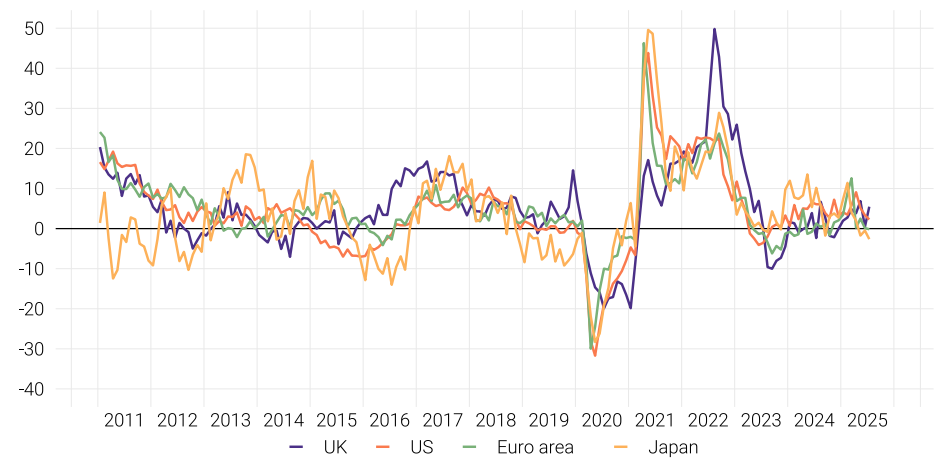
Oil prices, 2011 - 2025  
(dollars per barrel)



Source: Bloomberg Database

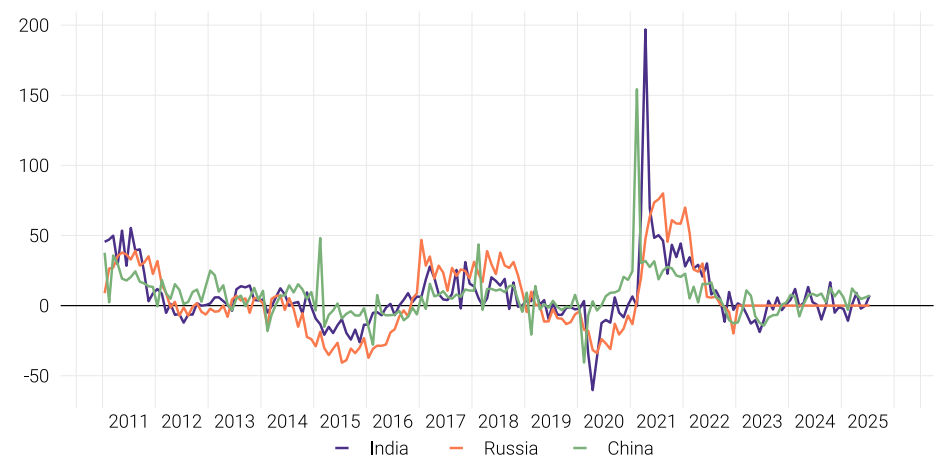
# Global Trade

Exports in the Advanced Economies, 2011 - 2025  
(annual percentage change)



Source: Bloomberg Database

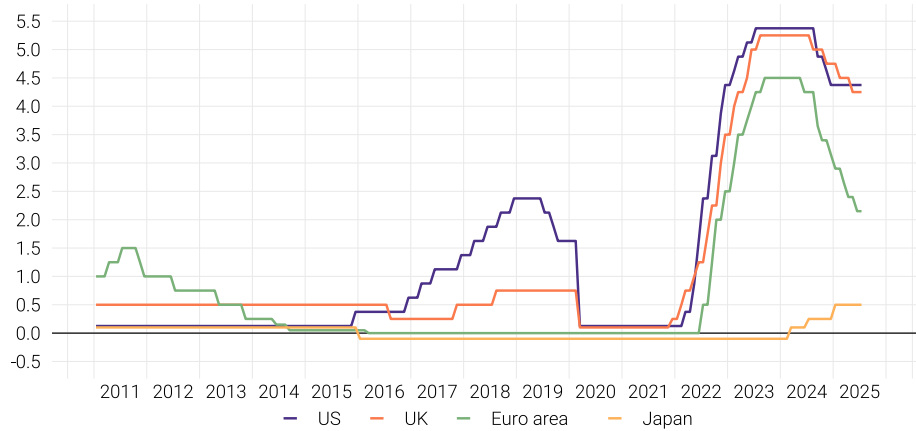
Exports in the Emerging Economies, 2011 - 2025  
(annual percentage change)



Source: Bloomberg Database

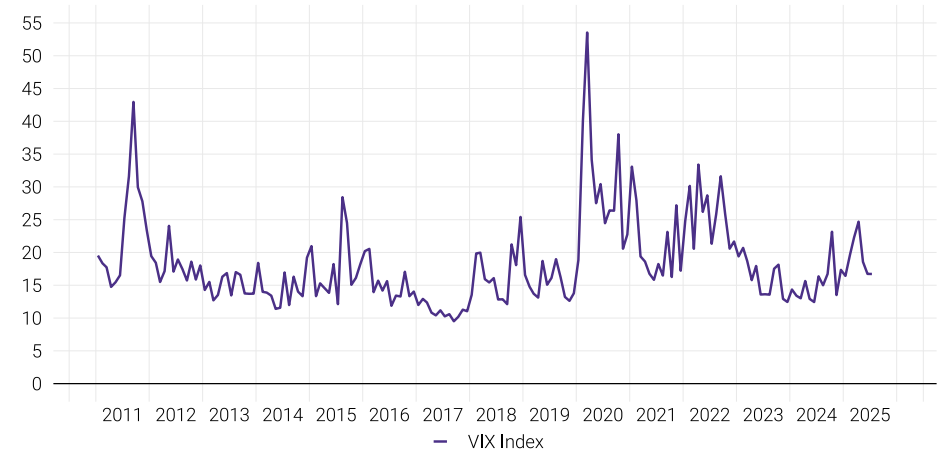
# Global Financial Markets

Monetary Policy Rates in the Advanced Economies, 2011 - 2025  
(percent)



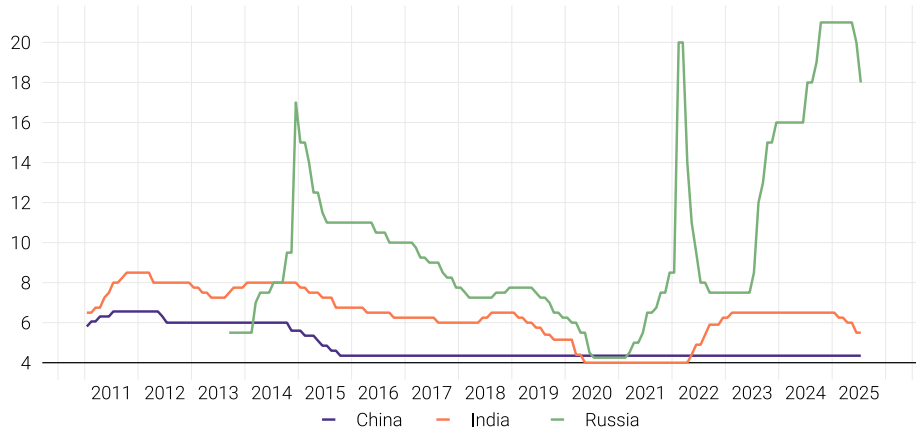
Source: Bloomberg Database

Volatility Index, 2011 - 2025  
(percent)



Source: Bloomberg Database

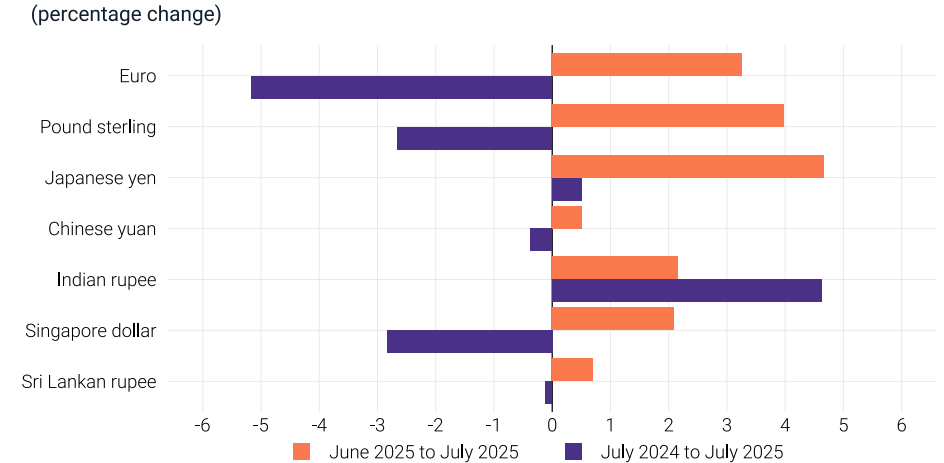
Monetary Policy Rates in the Emerging Economies, 2011 - 2025  
(percent)



Source: Bloomberg Database

Note: Policy rate for China indicates the 1-Year Benchmark Lending Rates.

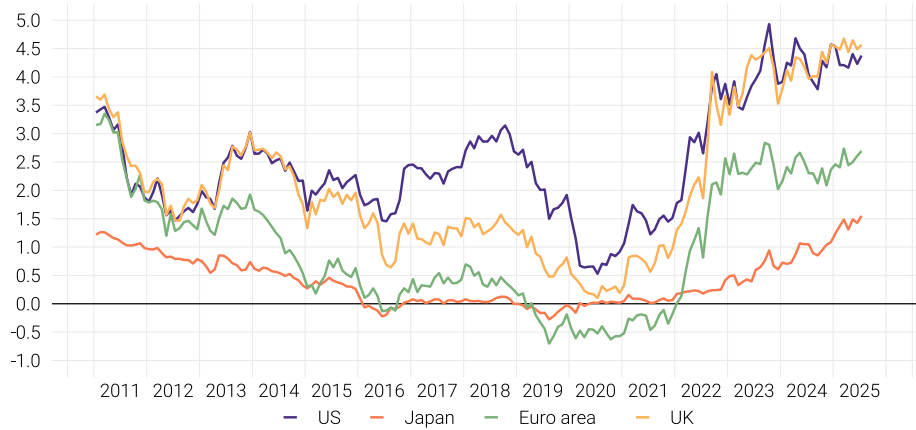
Exchange Rate of US Dollar against Currencies of Major Trading Partners, July 2025  
(percentage change)



Source: Bloomberg Database

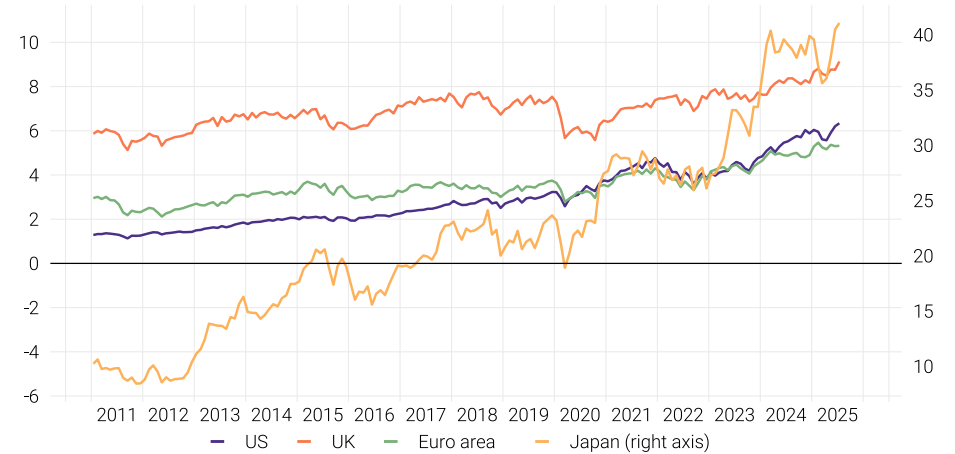
# Global Financial Markets

Sovereign Bond Yield in the Advanced Economies, 2011 - 2025  
(percent)



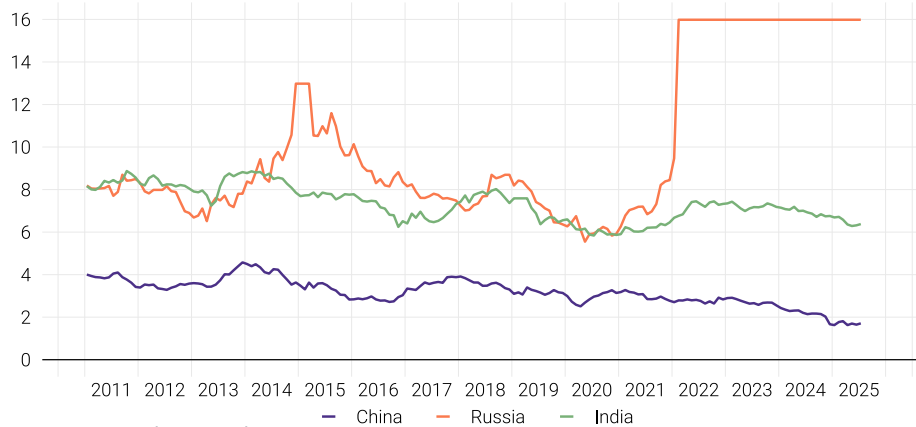
Source: Bloomberg Database  
Note: 10-Year Sovereign Bond Yields.

Share Price Index in the Advanced Economies, 2011 - 2025  
(price index, in thousands)



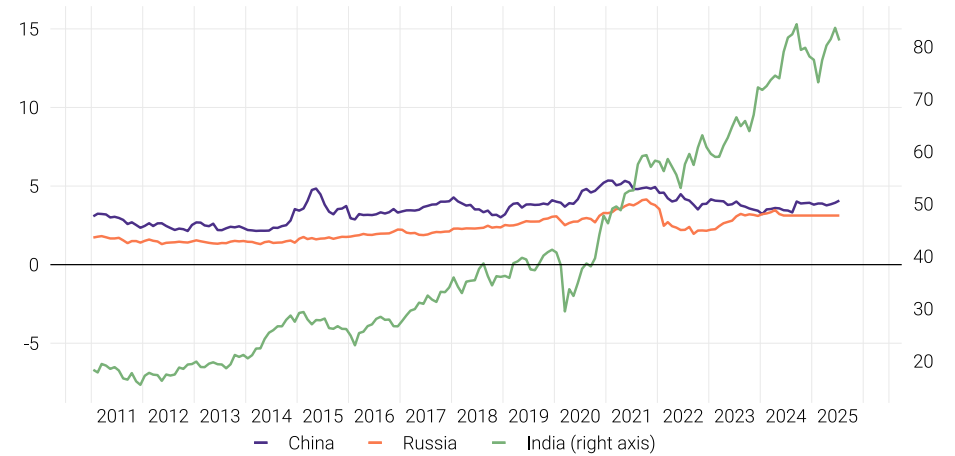
Source: Bloomberg Database

Sovereign Bond Yield in the Emerging Economies, 2011 - 2025  
(percent)



Source: Bloomberg Database  
Note: 10-Year Sovereign Bond Yields.

Share Price Index in the Emerging Economies, 2011 - 2025  
(price index, in thousands)



Source: Bloomberg Database



Boduthakurufaanu Magu

Male' - 20182

Republic of Maldives

Tel: (960) 3312343

Fax: (960) 3323862

Email: [mail@mma.gov.mv](mailto:mail@mma.gov.mv)

Website: [www.mma.gov.mv](http://www.mma.gov.mv)