

MALDIVES MONETARY AUTHORITY

ECONOMIC UPDATE

APRIL 2025

VOLUME 7 ISSUE 4



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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 29 April 2025.

Domestic Economic Developments

Real Economy

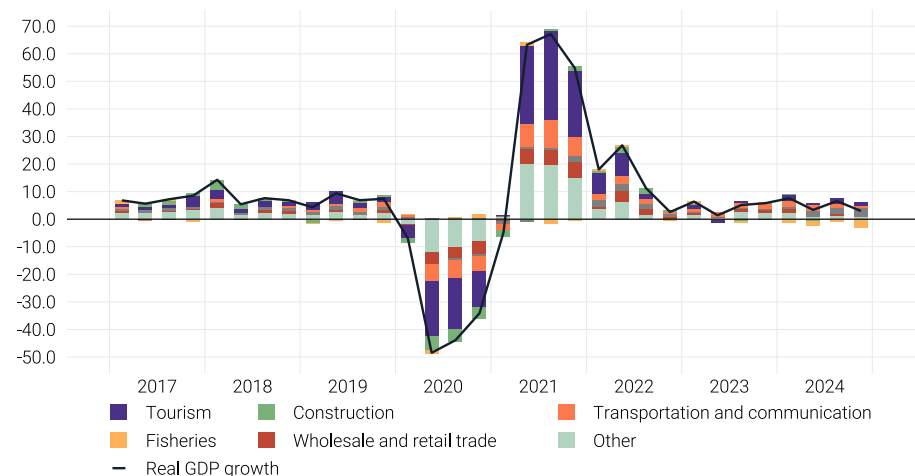
Gross Domestic Product

- According to the advance estimates of the Quarterly National Accounts (QNA) for Q4-2024 released by the Maldives Bureau of Statistics (MBS), real GDP grew by 3.0% in Q4-2024 compared to the corresponding quarter of 2023, which is a deceleration from the growth of 6.6% recorded in Q3-2024.
 - The annual growth in real GDP during Q4-2024 was mainly driven by the expansion in the public administration sector and tourism sector. Additionally, growths were observed in sectors such as transportation and communication, real estate, education, human health and social work activities as well as wholesale and retail trade. In contrast, notable declines were observed in the fisheries and manufacturing sectors.

Annual GDP Growth Forecast

- According to the revised forecasts of October 2024¹, real GDP is projected to grow by 6.4% in 2025. As per the estimates of real GDP released by the Maldives Bureau of Statistics in April 2025, following a growth of 4.7% in 2023, the annual real GDP is estimated to have grown in 2024 by 5.1%—0.4 percentage points lower than the estimate of October 2024. In 2024, real GDP growth was led primarily by the expansion of the transportation and communication sector, together with positive contributions from tourism and public administration sectors.

Contribution to Real GDP Growth by Economic Sectors, 2017 - 2024
(annual percentage change, percentage point contribution)



Source: Maldives Bureau of Statistics

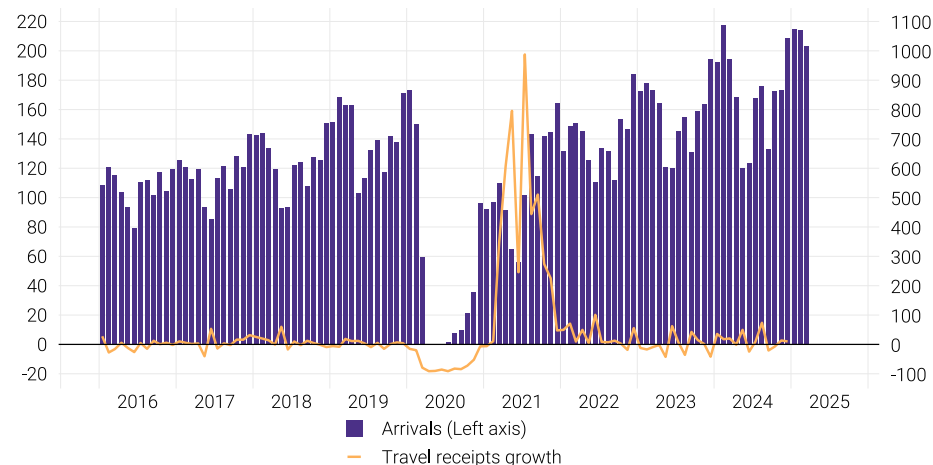
¹According to the growth forecast scenarios estimated jointly by the MMA and the Ministry of Finance and Planning.

Tourism

- In March 2025, total tourist arrivals stood at 203,468, registering an increase of 5% when compared with the corresponding month of 2024. Meanwhile, total tourist bednights declined by 8%, owing to the decline in bednights of resorts, which completely offset the increase in bednights of guesthouses. During the month, resort bednights declined by 16%, whereas that of guesthouses increased by 29%.
 - The annual increase in tourist arrivals largely reflected robust arrivals from India. During the month, the highest number of tourist arrivals were recorded from Russia, the United Kingdom, Italy, Germany and China.
- The operational bed capacity of the tourism industry observed an annual increase of 558 beds in March 2025, while the occupancy rate declined to 64% in March 2025, from 70% in March 2024.
- Overall, for the period January to March 2025, total tourist arrivals rose by 5% in annual terms, while total bednights declined by 2%. During the period, the average stay observed a decline to 6.9 days, from 8.0 days in the corresponding period of 2024.

Tourism, 2016 - 2025

(thousands, annual percentage change)

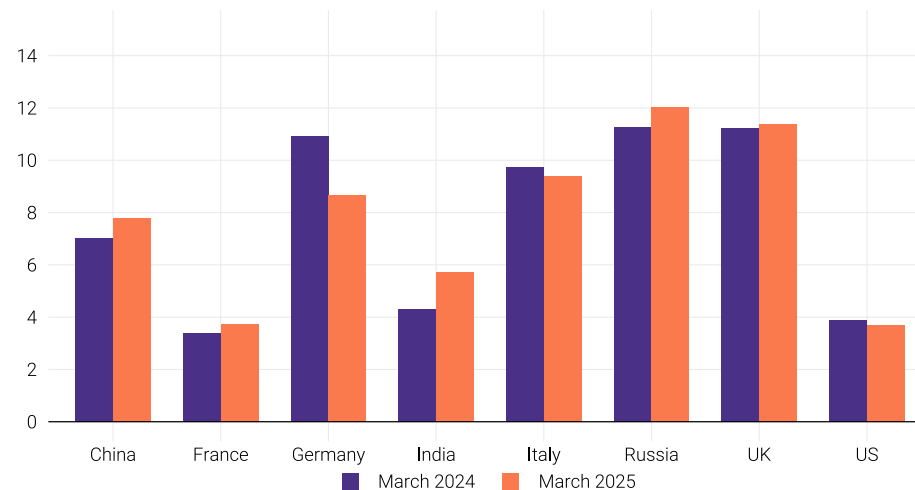


Source: Ministry of Tourism

Note: Tourism receipts available up to February 2025.

Shares of Key Inbound Markets

(percent)

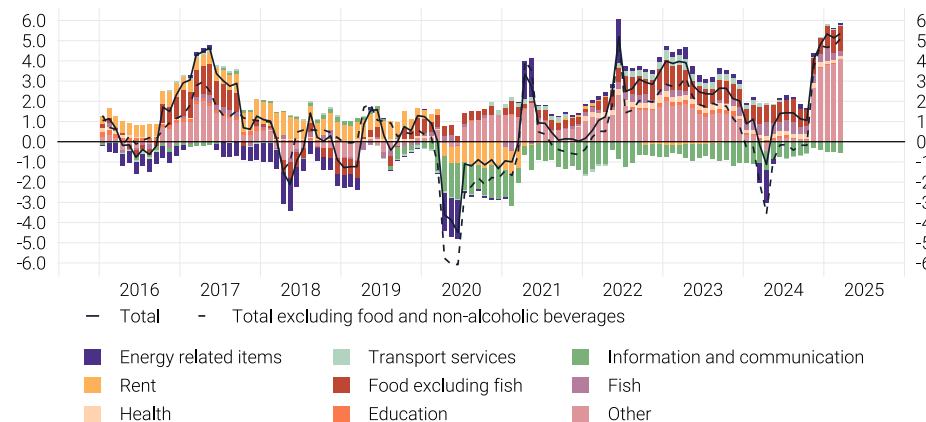


Source: Ministry of Tourism

Inflation

- The rate of inflation, as measured by the annual percentage change in the national CPI, edged up to 5.3% in March 2025, up from 5.1% recorded in February 2025.
 - The largest contribution to the annual rate of inflation during March 2025 came from restaurants and cafés (1.79 percentage points); tobacco (1.78 percentage points); fruits (0.63 percentage points); fish (0.28 percentage points); water supply (0.22 percentage points); vegetables (0.14 percentage points); dairy products (0.14 percentage points); electricity (0.14 percentage points); mobile telephone equipment (-0.18 percentage points) and mobile communication services (-0.34 percentage points).
- The monthly percentage change in the national CPI declined by 0.7% in March 2025, from 0.3% in February 2025.
 - The largest contribution to the monthly rate of inflation came from fruits (0.22 percentage points); fish (0.05 percentage points); food products (0.03 percentage points); water supply (0.01 percentage points); motorcycles (-0.01 percentage points); dairy products (-0.01 percentage points); household appliances (-0.01 percentage points); vegetables (-0.02 percentage points); mobile communication services (-0.06 percentage points) and electricity (-0.90 percentage points).

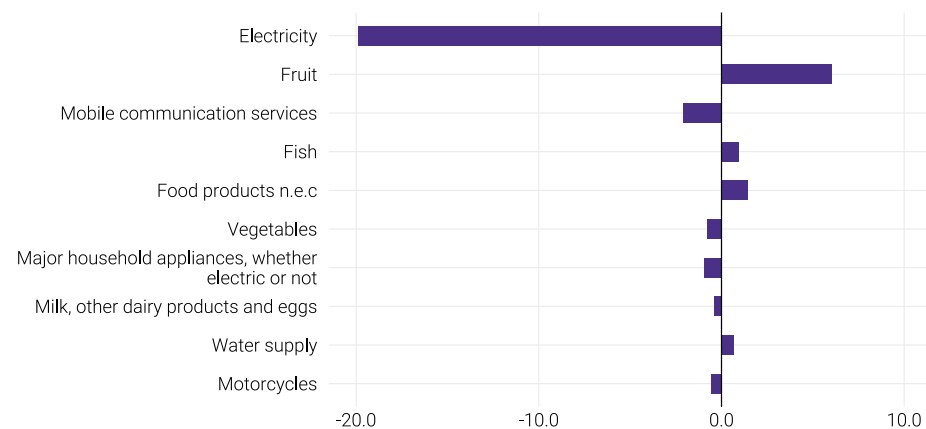
Contribution of Major Categories to CPI Inflation (National), 2016 - 2025
(annual percentage change, percentage point contribution)



Source: Maldives Bureau of Statistics

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

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



Source: Maldives Bureau of Statistics

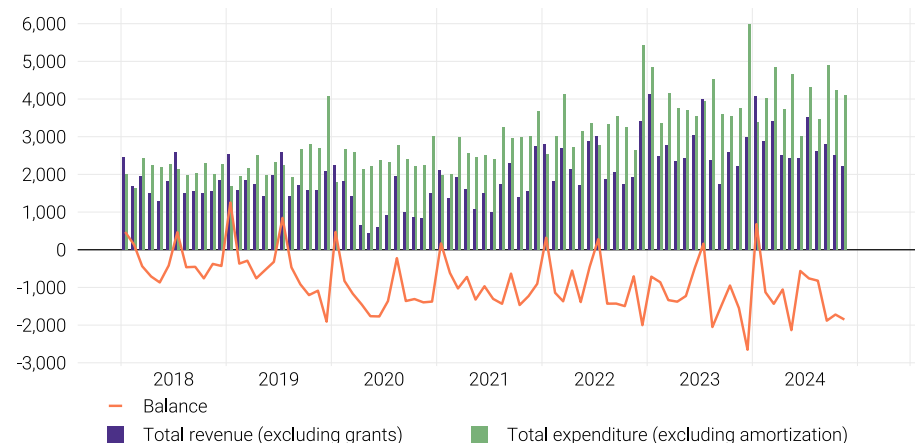
Note: Ordered by the size of the contribution.

Public Finance²

- Total revenue (excluding grants) observed an increase of MVR13.9 million (or 1%) in November 2024 when compared with November 2023, owing to the increase in non-tax revenue, despite the decline in tax revenue. As such, non-tax revenue increased by MVR218.0 million, whereas tax revenue declined by MVR205.7 million.
- Total expenditure (excluding amortisation) increased by MVR326.3 million (or 9%) in November 2024 when compared with November 2023, stemming from the increase in capital expenditure, which rose by MVR522.1 million. However, recurrent expenditure declined by MVR195.7 million in November 2024, when compared with November 2023.
- According to the latest available data, the stock of total government debt (excluding government guaranteed debt) amounted to MVR123.9 billion at the end of Q4-2024, a 3% increase from Q3-2024. Meanwhile, total government debt as a percentage of GDP increased to 114% at the end of Q4-2024, from 110% in Q3-2024.
 - During this period, the increase in government debt was primarily driven by domestic debt.

Government Revenue and Expenditure, 2018 - 2024

(millions of rufiyaa)

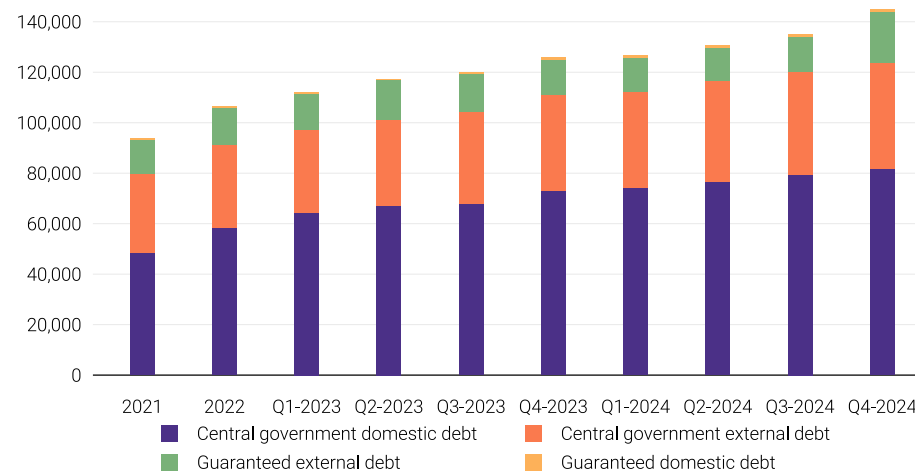


Source: Ministry of Finance

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

Total Outstanding Stock of Public Debt, 2021 - 2024

(millions of rufiyaa)



Source: Ministry of Finance

²Government revenue and expenditure data as of 6 February 2025. These figures might vary due to ongoing data reconciliation.

Monetary Developments

Reserve Money

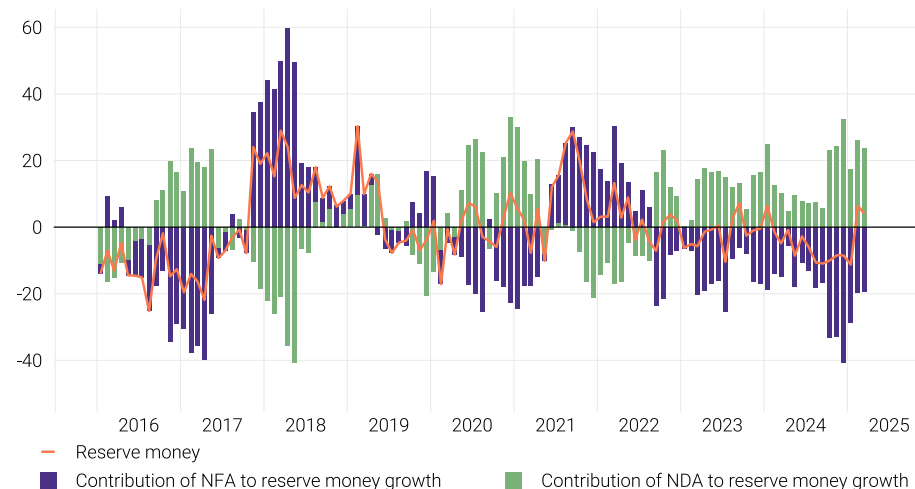
- Reserve money (M0) increased by 4% at the end of March 2025, following the 6% growth registered in February 2025. This mainly reflected the annual increase in net domestic assets, which entirely offset the decline in net foreign assets the during the period.
 - Net domestic assets increased, mainly reflecting the increase in claims on other depository corporations. Meanwhile, 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.

Broad Money

- Broad money (M2) registered a growth of 8% at the end of March 2025, after recording a growth of 5% at the end of February 2025.
 - On the components side, the annual increase in broad money reflected the significant increase in transferable deposits denominated in local currency, time and savings deposits denominated in both local and foreign currency. This entirely offset the decline in the transferable deposits denominated in foreign 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

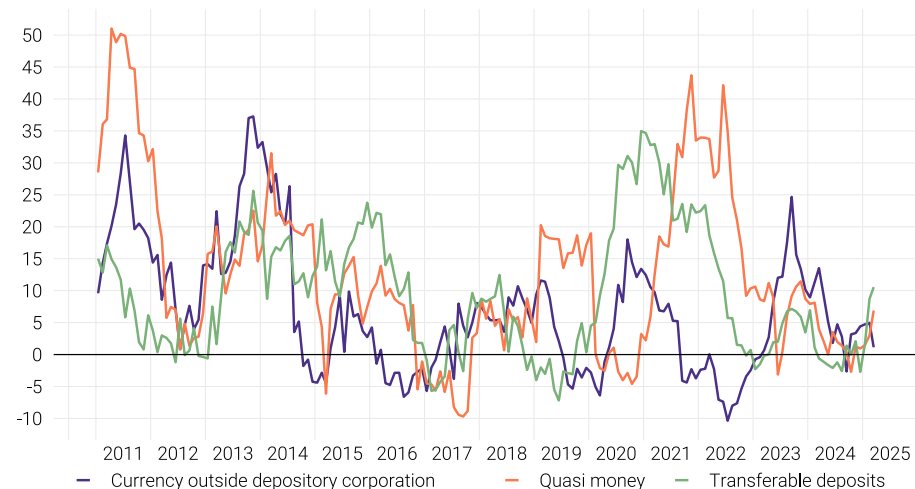
(annual percentage change, contribution percent)



Source: Maldives Monetary Authority

Components of Broad Money, 2011 - 2025

(annual percentage change)



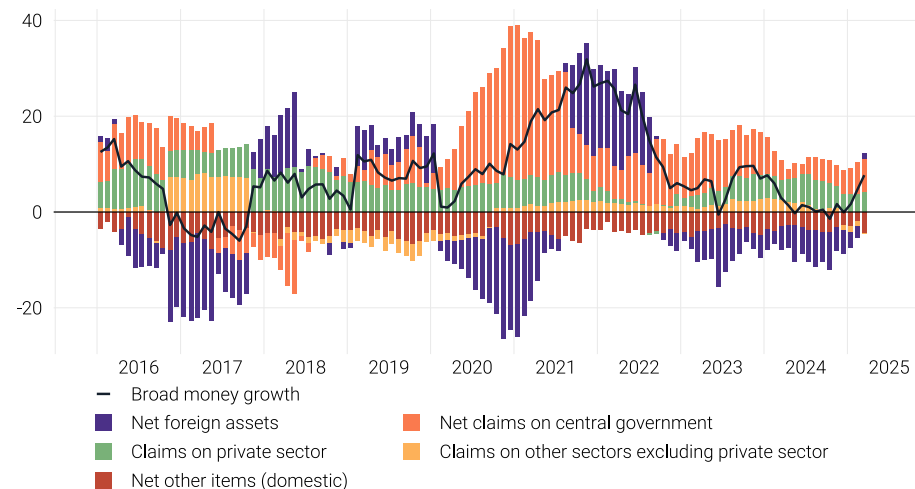
Source: Maldives Monetary Authority

Credit to Private Sector

- The annual growth rate of credit to the private sector by the commercial banks slightly picked up to 8% at the end of March 2025, from 7% in February 2025.
 - As such, credit to major sectors (namely tourism, personal loans, construction and real estate), except for commerce sector, continued to expand in March 2025. Personal loans registered the highest growth during the month, with an annual increase of 26%. Meanwhile, the tourism sector continued to account for the largest share of bank credit and registered an increase of 5%.
 - 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 growth. As for the tourism sector, the annual increase in credit to the sector was largely driven by the increase in credit lent for renovation of resorts and working capital.

Contribution to Broad Money, 2016 - 2025

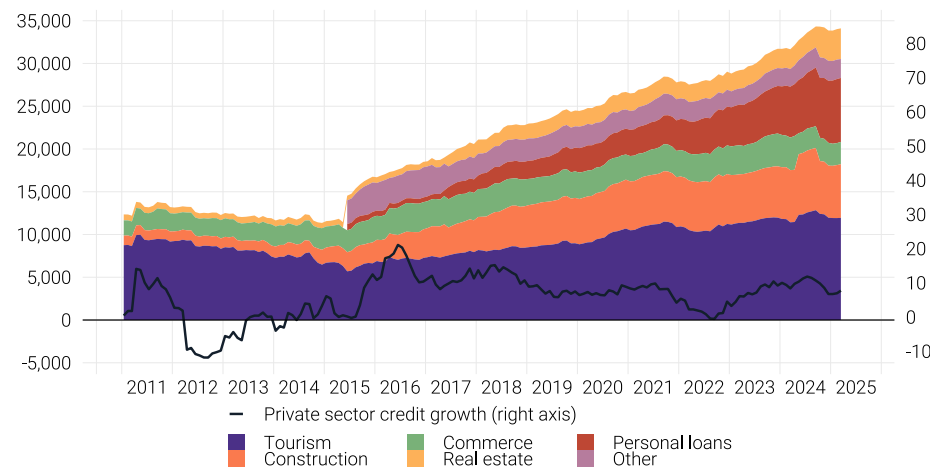
(annual percentage change, percentage point contribution)



Source: Maldives Monetary Authority

Private Sector Credit, 2011 - 2025

(millions of rufiyaa, annual percentage change)



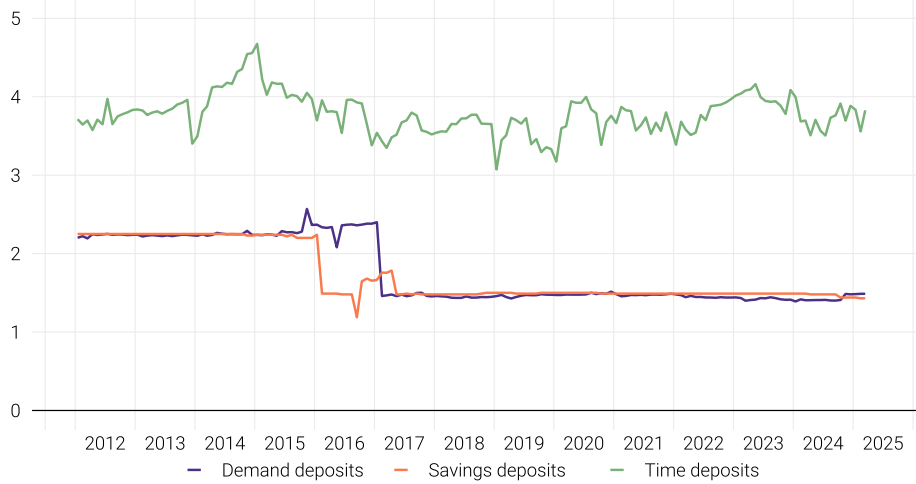
Source: Maldives Monetary Authority

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

Interest rates

Interest Rate on National Currency Deposits, 2012 - 2025

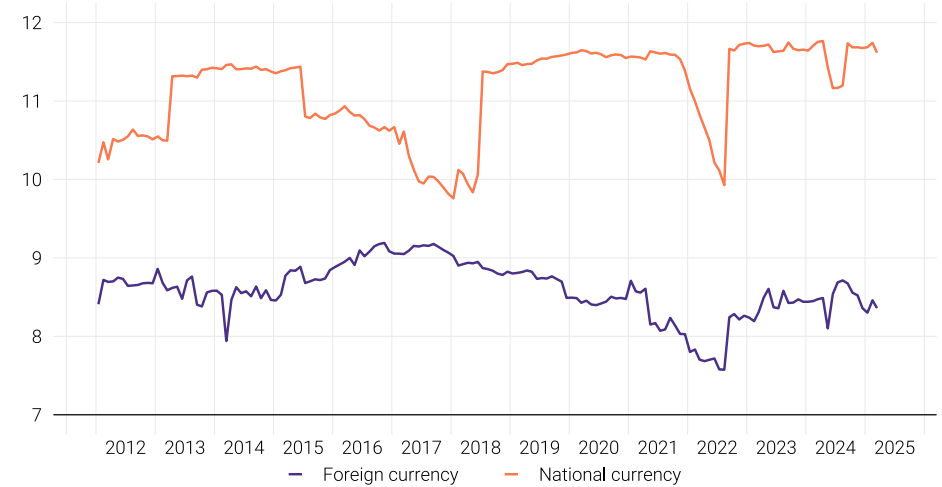
(weighted average)



Source: Maldives Monetary Authority

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

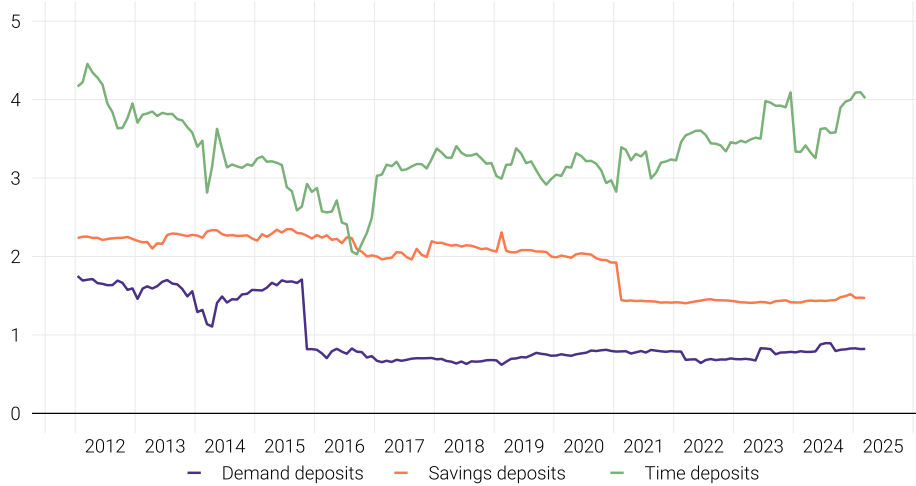
(weighted average)



Source: Maldives Monetary Authority

Interest Rate on Foreign Currency Deposits, 2012 - 2025

(weighted average)



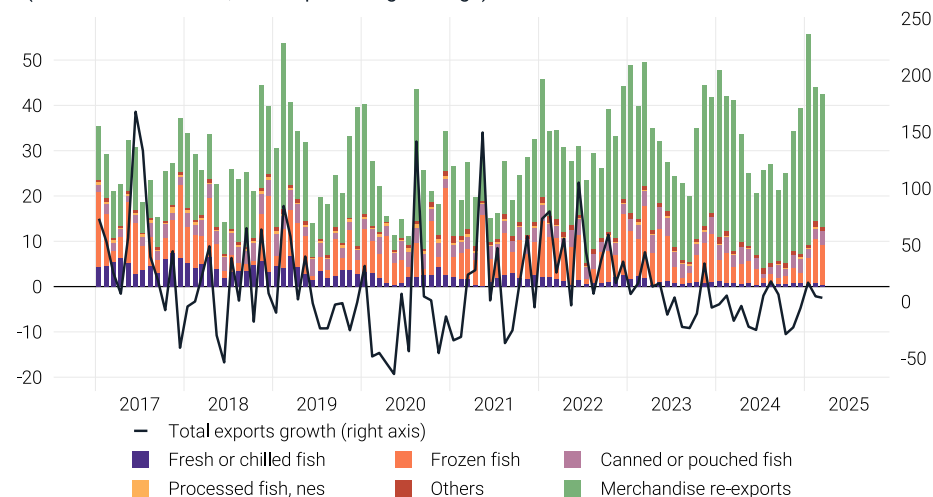
Source: Maldives Monetary Authority

External Trade

- Total exports (f.o.b) increased by 3% in March 2025, when compared with March 2024, while total imports (c.i.f) increased by less than 1% during the same period.
 - The annual increase in total exports stemmed from the increase in domestic exports, largely owing to higher earnings from frozen skipjack and yellowfin tuna. In contrast, re-exports declined during the period, which reflected lower earnings from re-exports of jet fuel.
 - The annual increase in import expenditure stemmed mainly from the increase in imports of food items as well as electrical and electronic machinery, equipment and parts. In contrast, declines were observed in imports of petroleum products as well as furniture, fixtures and fittings.
- Overall, for the period January to March 2025, total exports increased by 9%, while total imports increased by 1%, when compared with the corresponding period of 2024.

Total Exports, 2017 - 2025

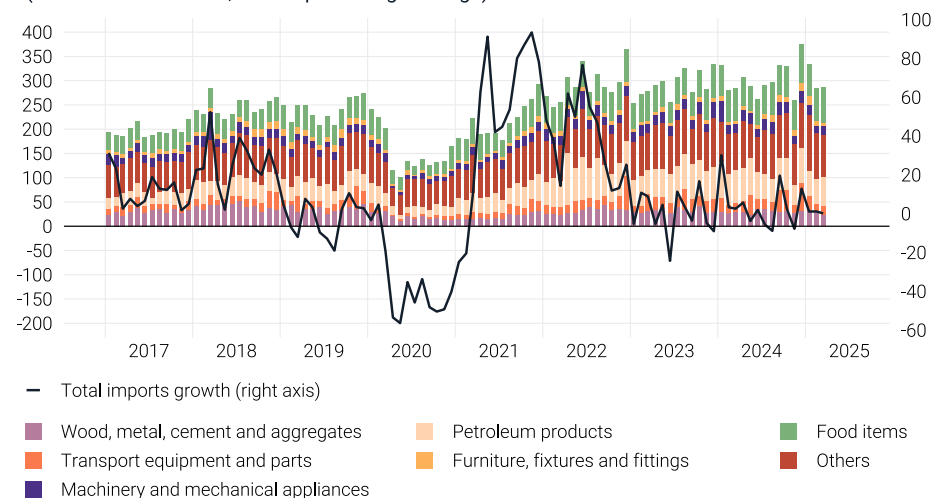
(millions of US dollars, annual percentage change)



Source: Maldives Customs Service

Total Imports, 2017 - 2025

(millions of US dollars, annual percentage change)



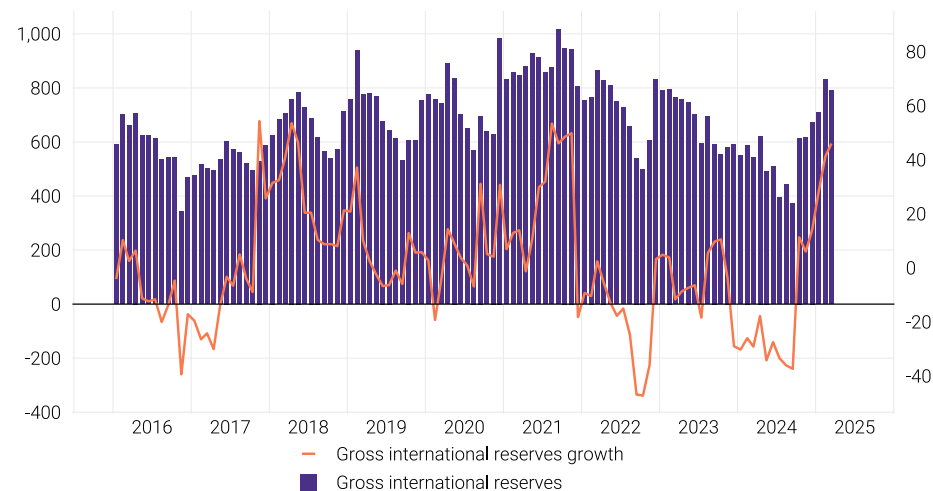
Source: Maldives Customs Service

Gross International Reserves

- Gross international reserves³ (official reserve assets) declined to US\$791.0 million at the end of March 2025, from US\$832.1 million at the end of February 2025. However, this depicted a growth of US\$249.2 million from the US\$541.8 million recorded at the end of March 2024.
 - In terms of growth rates, an increase of 46% and a decrease of 5% was registered when compared with March 2024 and February 2025, respectively.

Gross International Reserves, 2016 - 2025

(millions of US dollars, annual percentage change)



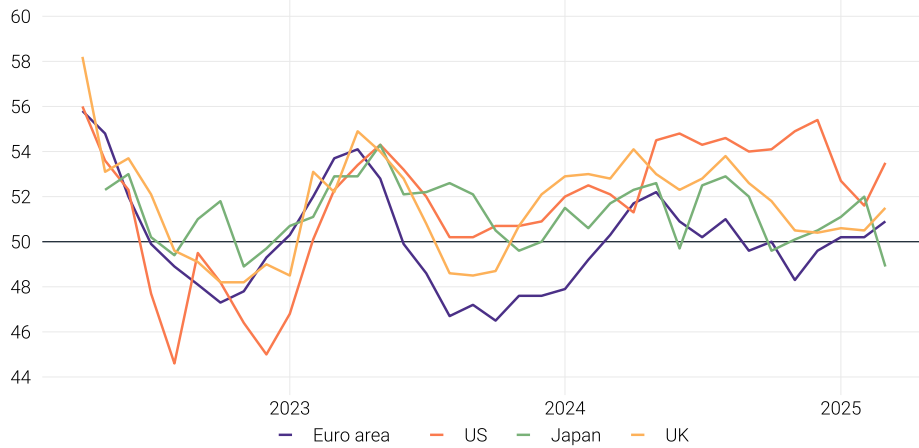
Source: Maldives Monetary Authority

³Comprises 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

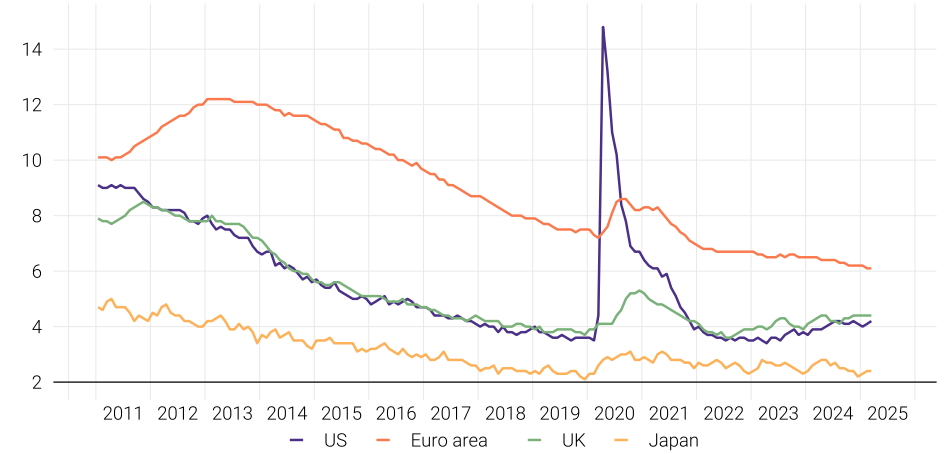
Global Output

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



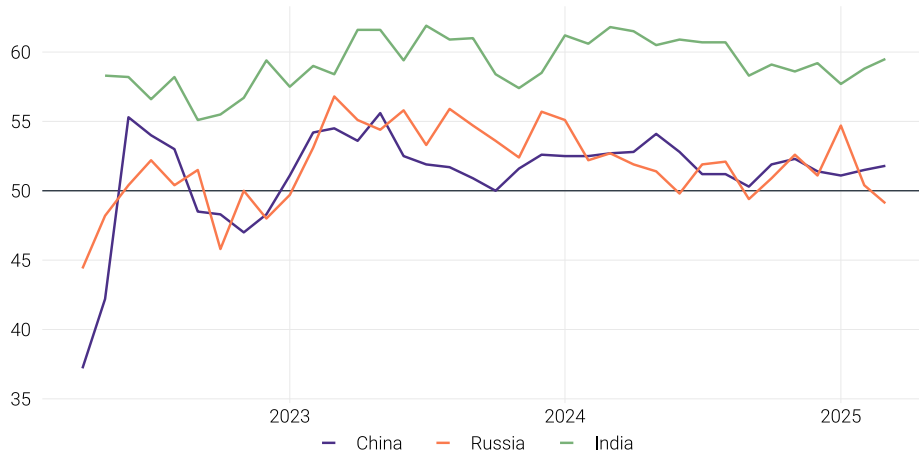
Source: Bloomberg Database

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



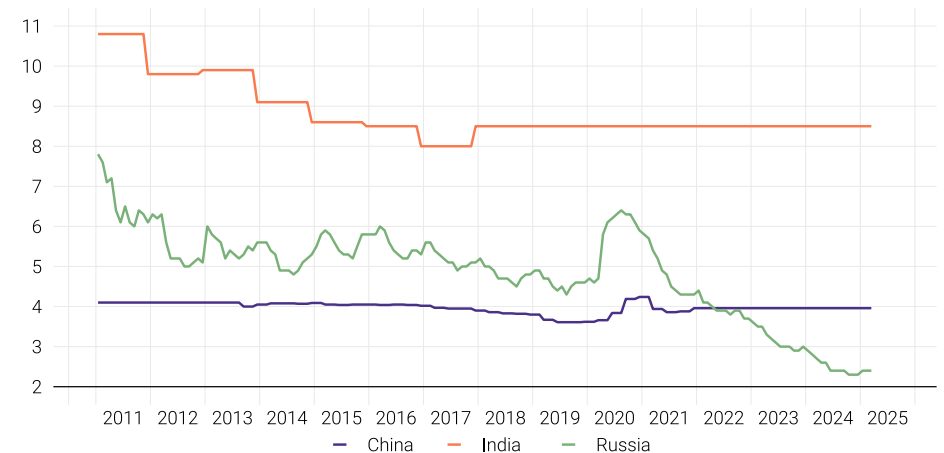
Source: Bloomberg Database

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



Source: Bloomberg Database

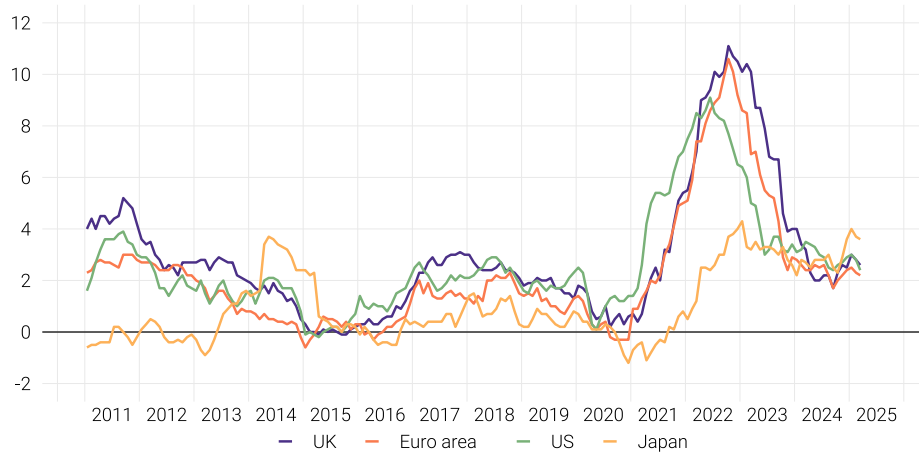
Unemployment in the Emerging Economies, 2011 - 2025
(percent)



Source: Bloomberg Database

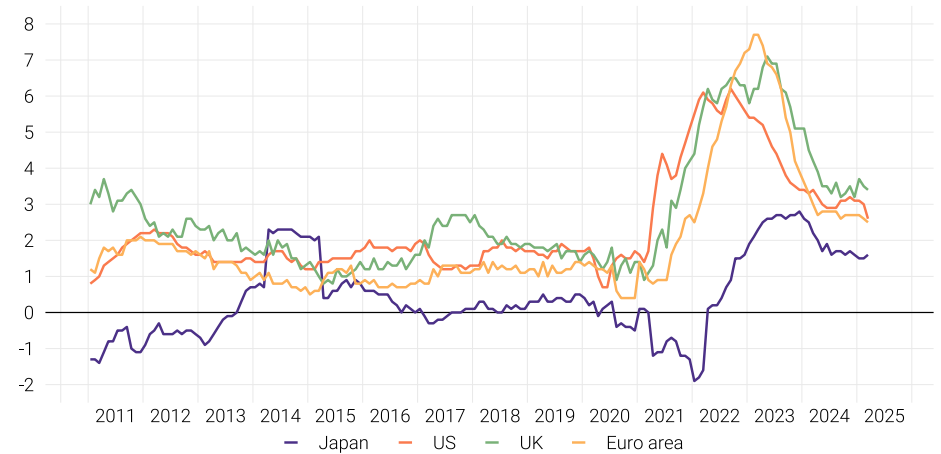
Global Inflation

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



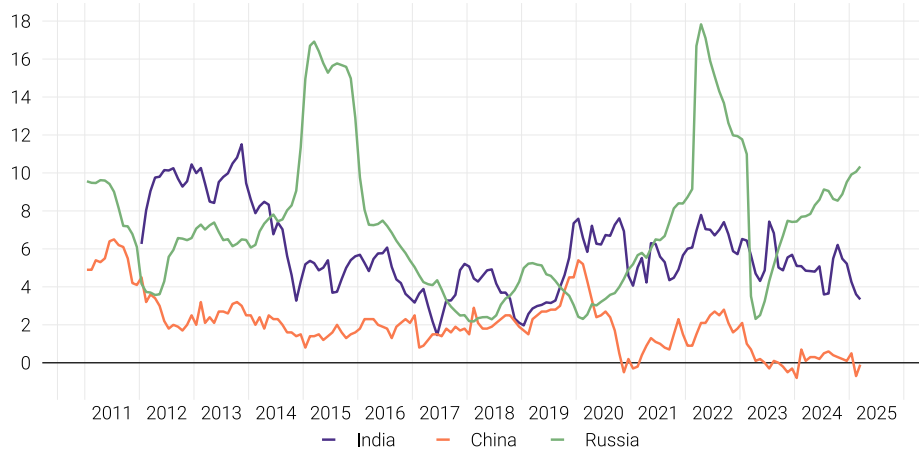
Source: Bloomberg Database

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



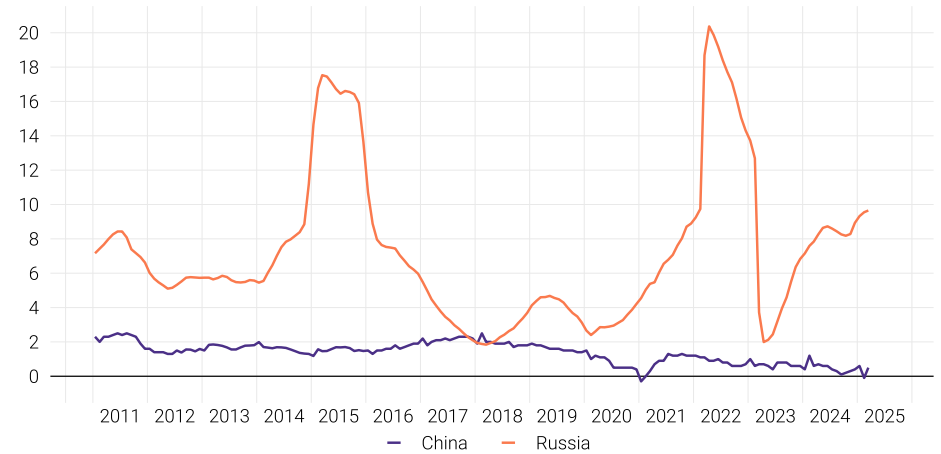
Source: Bloomberg Database

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



Source: Bloomberg Database

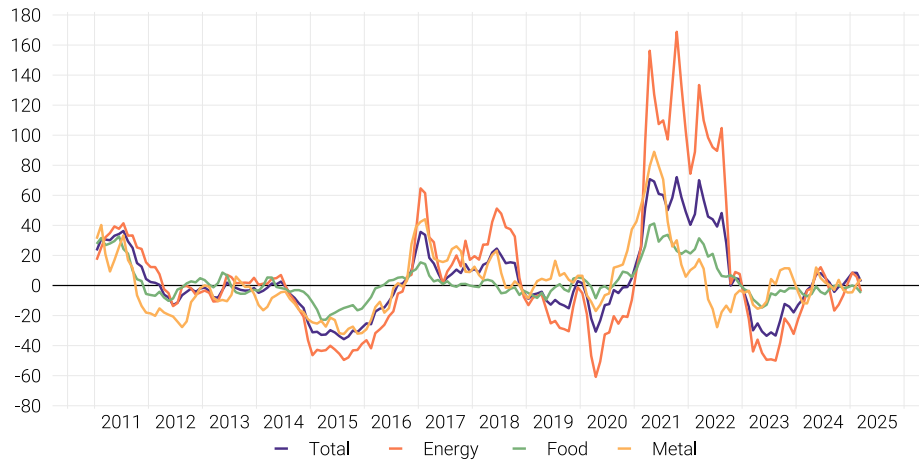
Core Inflation in the Emerging Economies, 2011 - 2025
(percent)



Source: Bloomberg Database

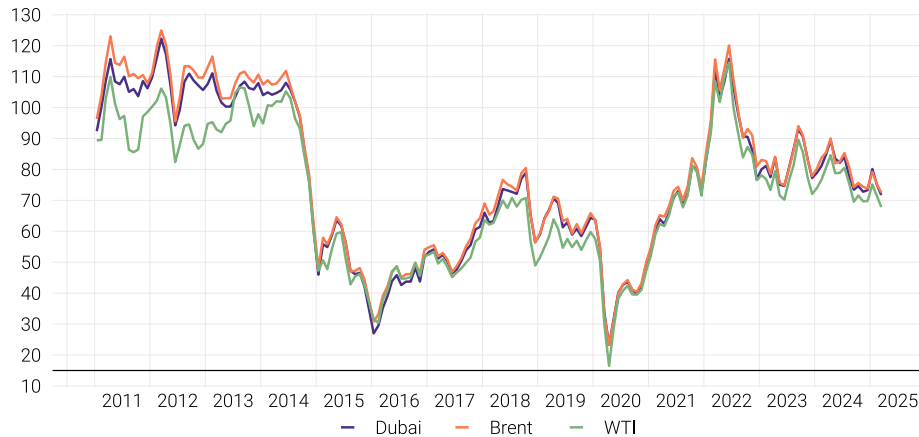
Commodity Prices

Commodity prices, 2011 - 2025
(annual percentage change)



Source: IMF

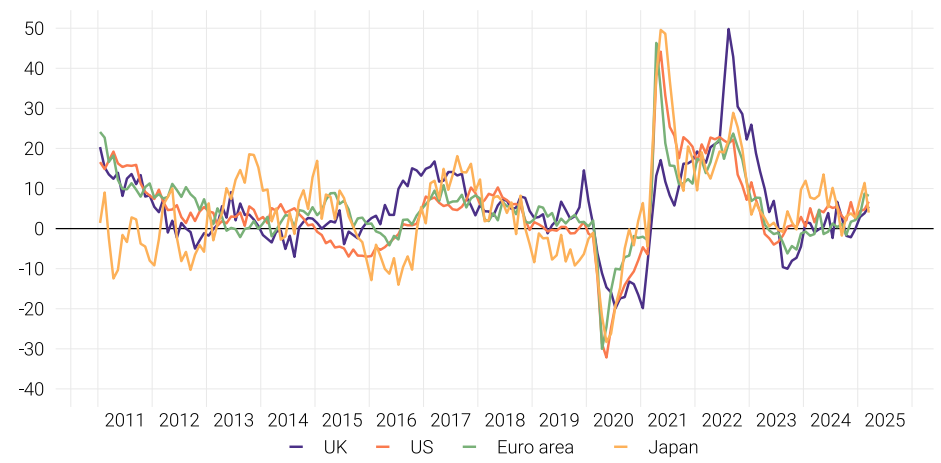
Oil prices, 2011 - 2025
(dollars per barrel)



Source: Bloomberg Database

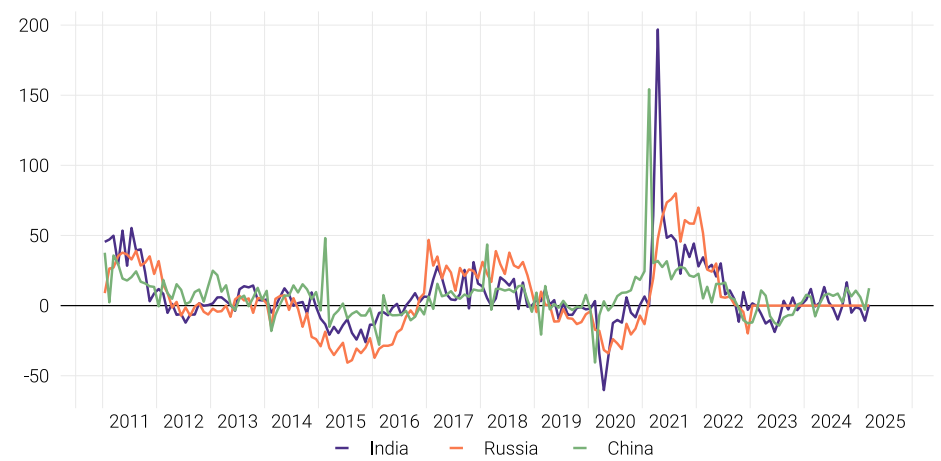
Global Trade

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



Source: Bloomberg Database

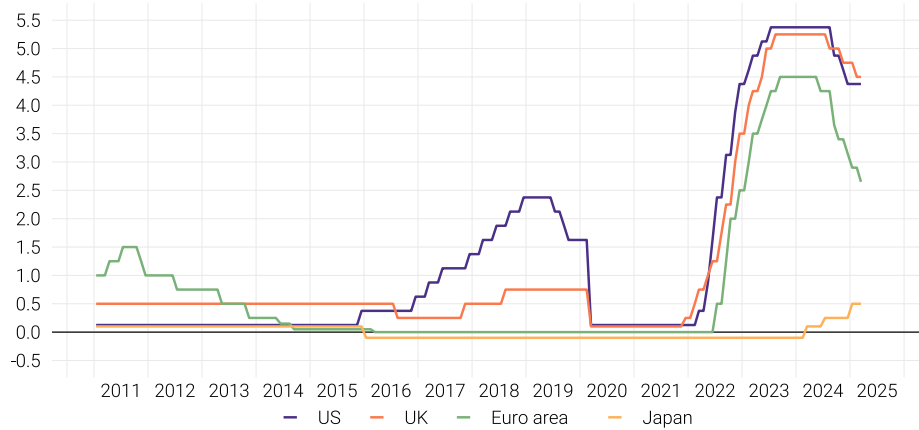
Exports in the Emerging Economies, 2011 - 2025
(annual percentage change)



Source: Bloomberg Database

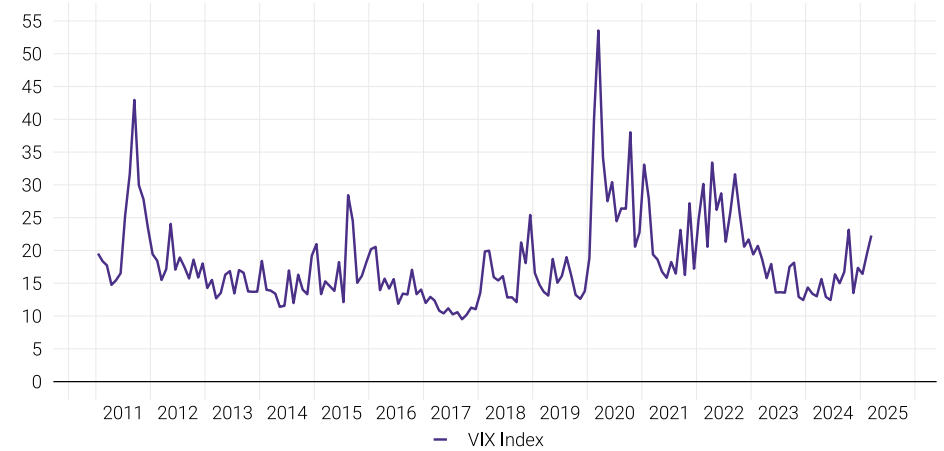
Global Financial Markets

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



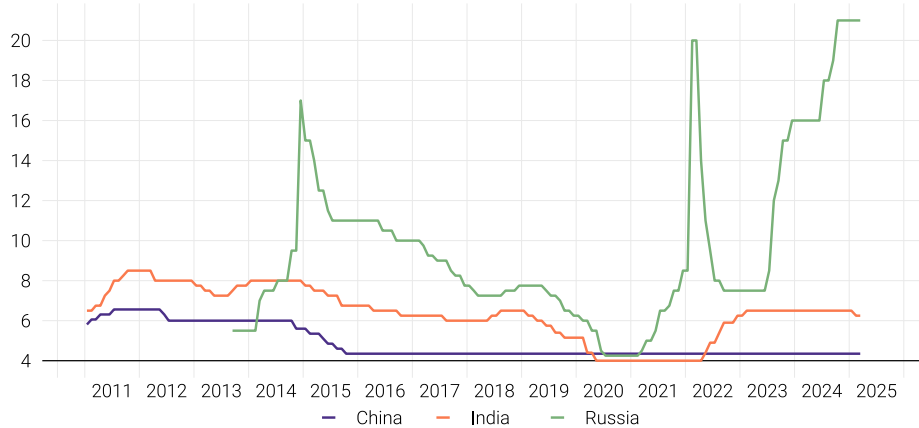
Source: Bloomberg Database

Volatility Index, 2011 - 2025
(percent)



Source: Bloomberg Database

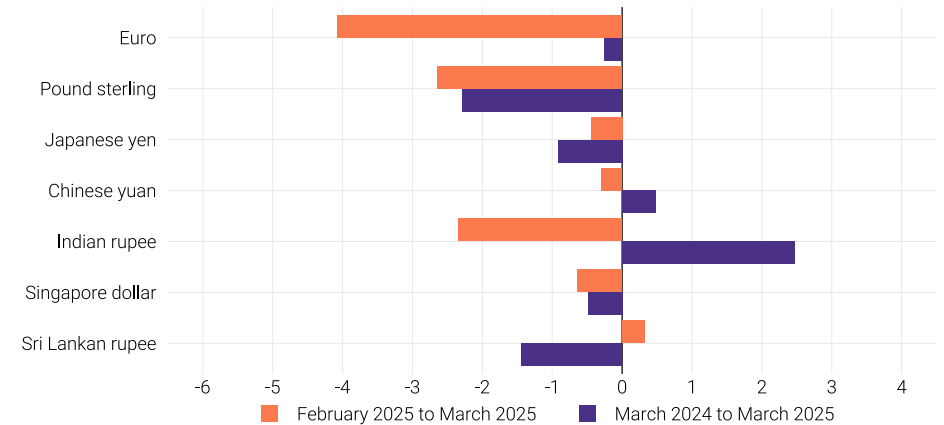
Monetary Policy Rates in the Emerging Economies, 2011 - 2025
(percent)



Source: Bloomberg Database

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

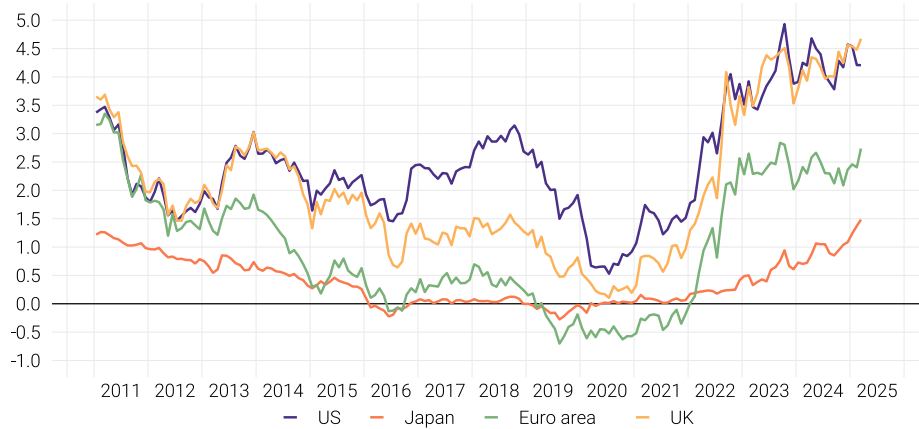
Exchange Rate of US Dollar against Currencies of Major Trading Partners, March 2025
(percentage change)



Source: Bloomberg Database

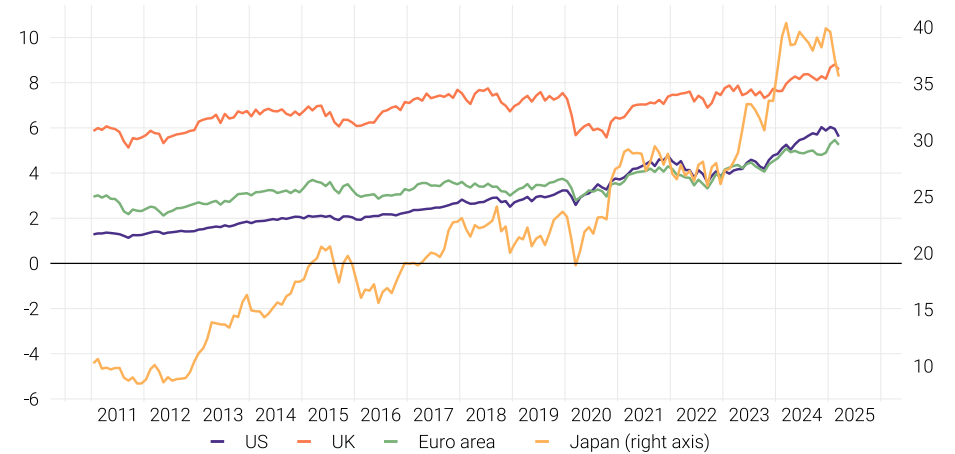
Global Financial Markets

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



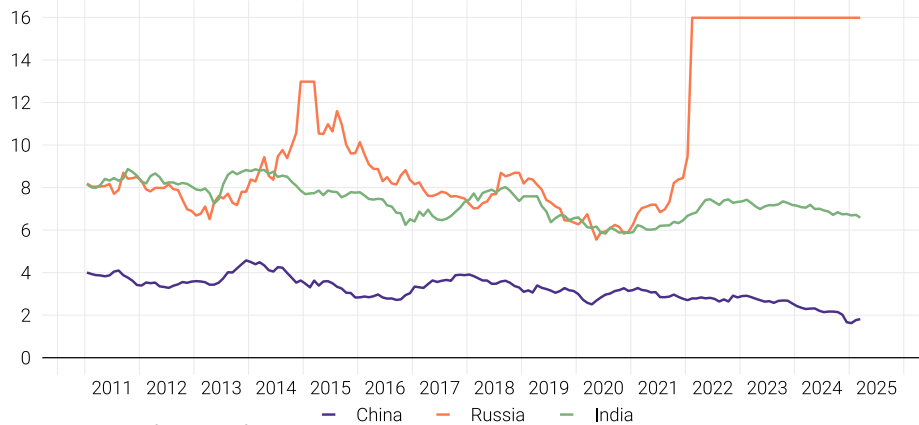
Source: Bloomberg Database
Note: 10-Year Sovereign Bond Yields.

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



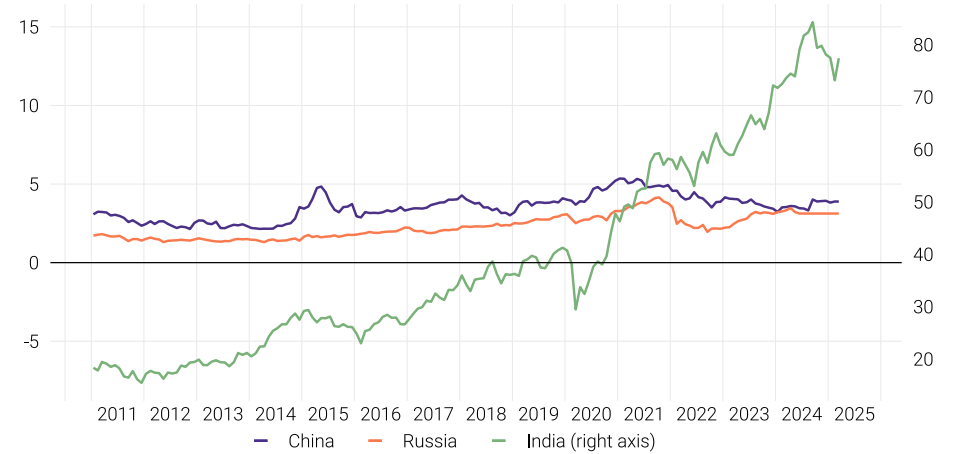
Source: Bloomberg Database

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



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