MALDIVES MONETARY AUTHORITY

ECONOMIC UPDATE

MARCH 2025

VOLUME 7 ISSUE 3

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 9 April 2025.

Domestic Economic Developments

Real Economy

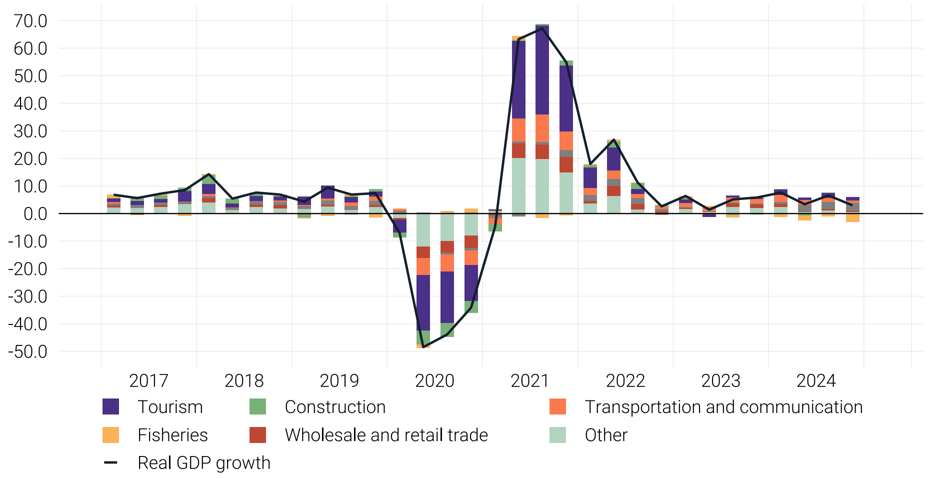
Gross Domestic Product

- 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 2024[1], 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

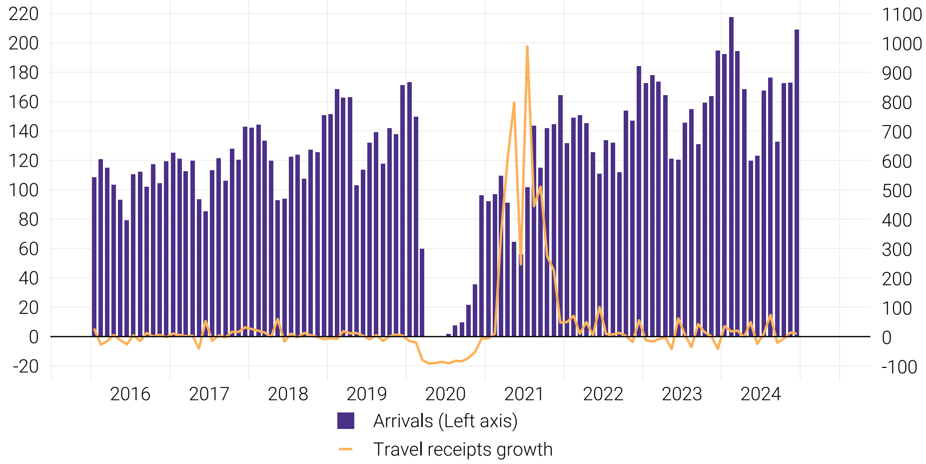
[1]According to the growth forecast scenarios estimated jointly by the MMA and the Ministry of Finance.

Tourism

- In December 2024, total tourist arrivals stood at 208,980, registering an increase of 7% when compared with the corresponding month of 2023. Meanwhile, total tourist bednights increased by 3%, owing to the rise in bednights of resorts, which completely offset the decline in bednights of guesthouses. During the month, resort bednights increased by 11%, whereas that of guesthouses declined by 21%.
  - The annual increase in tourist arrivals largely reflected robust arrivals from the main source markets of Europe. During the month, the highest number of tourist arrivals were recorded from Italy, the United Kingdom, Russia, India and Germany.
- The operational bed capacity of the tourism industry observed an annual increase of 1,568 beds in December 2024, while the occupancy rate remained broadly unchanged at 60% in December 2024, compared with the corresponding period of 2023.
- Overall, for the period January to December 2024, total tourist arrivals increased by 9% in annual terms, while total bednights rose by 3%. Additionally for the period January to September 2024[2], the average stay slightly increased to 7.7 days, from 7.6 days when compared with the corresponding period of 2023.

Tourism, 2016 - 2024

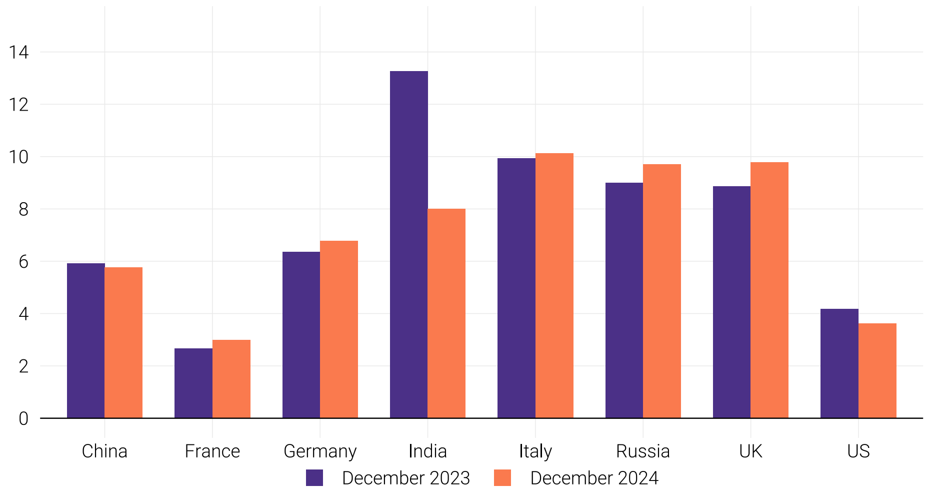
(thousands, annual percentage change)



Source: Ministry of Tourism
Note: Tourism receipts available up to January 2025.

Shares of Key Inbound Markets

(percent)



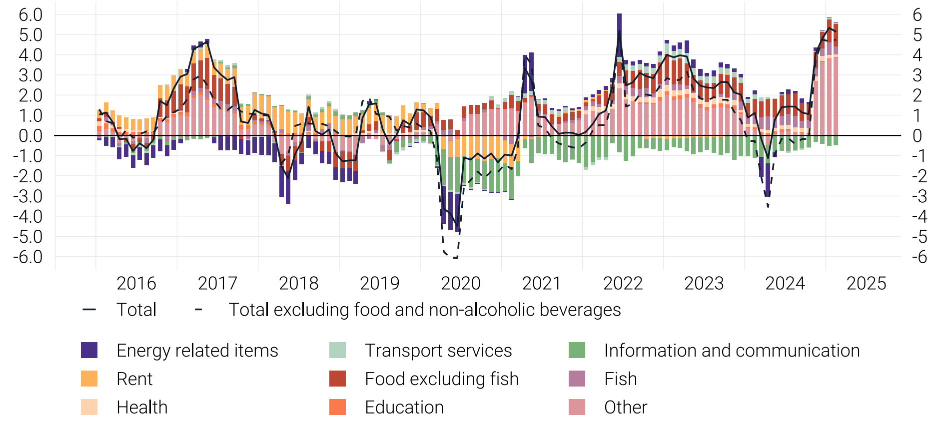
Source: Ministry of Tourism

[2] Updated average stay figures will be published on MMA website (mma.gov.mv/#/statistics/real-sector) and MMA Statistics Database (database.mma.gov.mv) once data is available.

Inflation

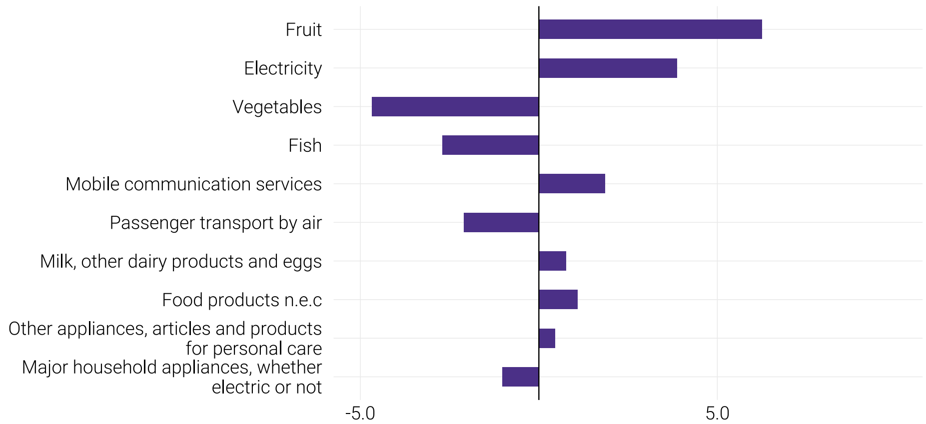
- The rate of inflation, as measured by the annual percentage change in the national CPI, moderated to 5.1% in February 2025, down from 5.3% recorded in January 2025.
  - The largest contribution to the annual rate of inflation during February 2025 came from restaurants and cafés (1.78 percentage points); tobacco (1.76 percentage points); fruits (0.54 percentage points); fish (0.38 percentage points); vegetables (0.17 percentage points); dairy products (0.15 percentage points); other outpatient care services (0.12 percentage points); personal care appliances, articles and products (0.10 percentage points); mobile telephone equipment (-0.18 percentage points) and mobile communication services (-0.29 percentage points).
- The monthly percentage change in the national CPI remained unchanged at 0.3% in February 2025, from January 2025.
  - The largest contribution to the monthly rate of inflation came from fruits (0.21 percentage points); electricity (0.17 percentage points); mobile communication services (0.05 percentage points); dairy products (0.02 percentage points); food products (0.02 percentage points); personal care appliances, articles and products (0.02 percentage points); household appliances (-0.01 percentage points); passenger transport by air (-0.04 percentage points); fish (-0.14 percentage points) and vegetables (-0.14 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, restuarant and accomodation services, tobacco and narcotics, and water supply.

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

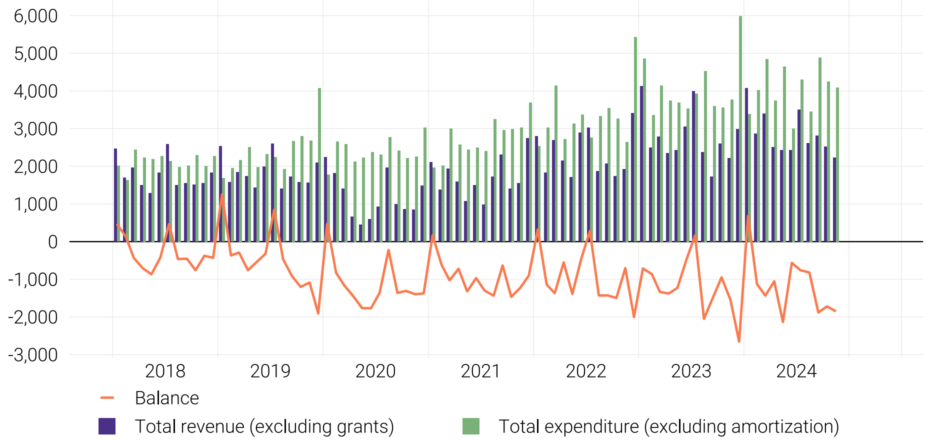


Source: Maldives Bureau of Statistics
Note: Ordered by the size of the contribution.

Public Finance[3]

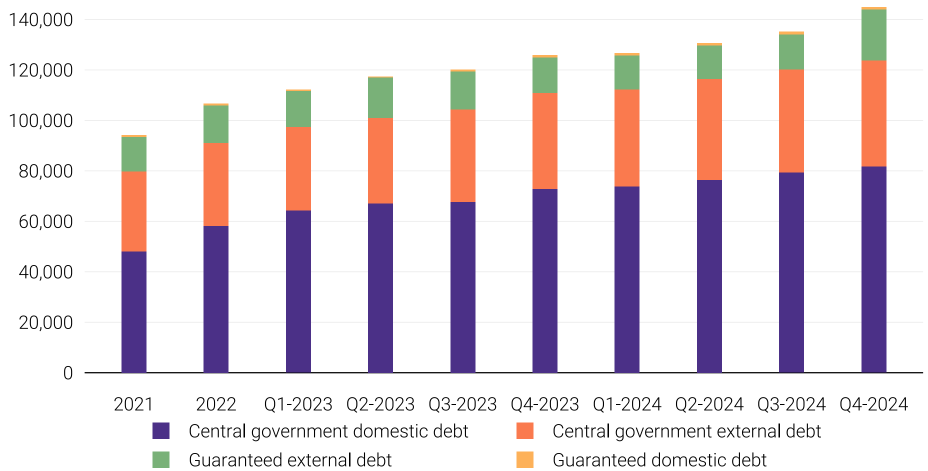
- Total revenue (excluding grants) observed an increase of MVR13.9 million (or 1%) in November 2024 when compared with November 2023, owing to the increase in non-tax revenue, despite the decline in tax revenue. As such, non-tax revenue increased by MVR218.0 million, whereas tax revenue declined by MVR205.7 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

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

Monetary Developments

Reserve Money

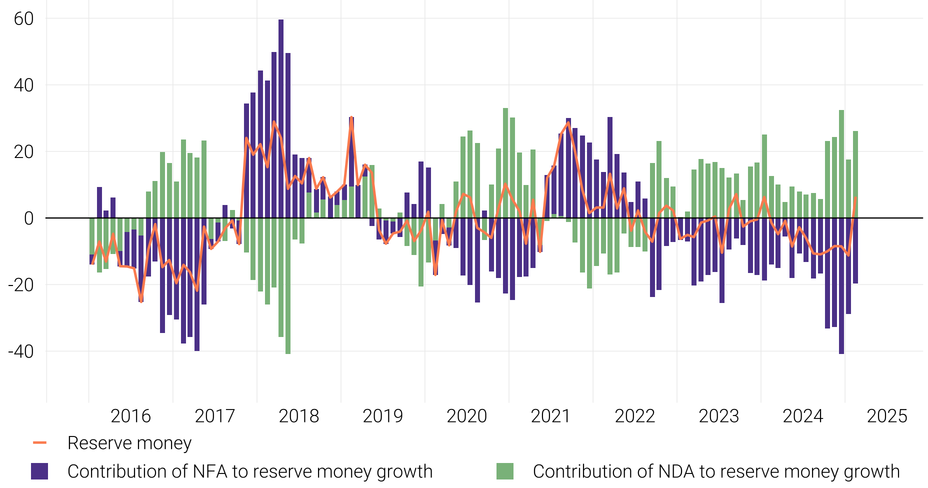
- Reserve money (M0) increased by 6% at the end of February 2025, following the 11% decline registered in January 2025. This mainly reflected the annual increase in net domestic assets, which entirely offset the decline in net foreign assets the during the period.
  - Net domestic assets increased, mainly reflecting the increase in claims on other depository corporations together with the decrease in placements in the overnight deposit facility (ODF). 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 5% at the end of February 2025, after recording a growth of 2% at the end of January 2025.
  - On the components side, the annual increase in broad money reflected the significant increase in time and savings deposits denominated in both local and foreign currency, which entirely offset the decline in the transferable deposits. Meanwhile, currency outside depository corporations rose during the month.
  - As for the sources, the growth in broad money was solely driven by the increase in net domestic assets, primarily 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 declined, largely owing to the increase in foreign liabilities despite the increase in foreign asset accumulation during the period.

Sources of Reserve Money, 2016 - 2025

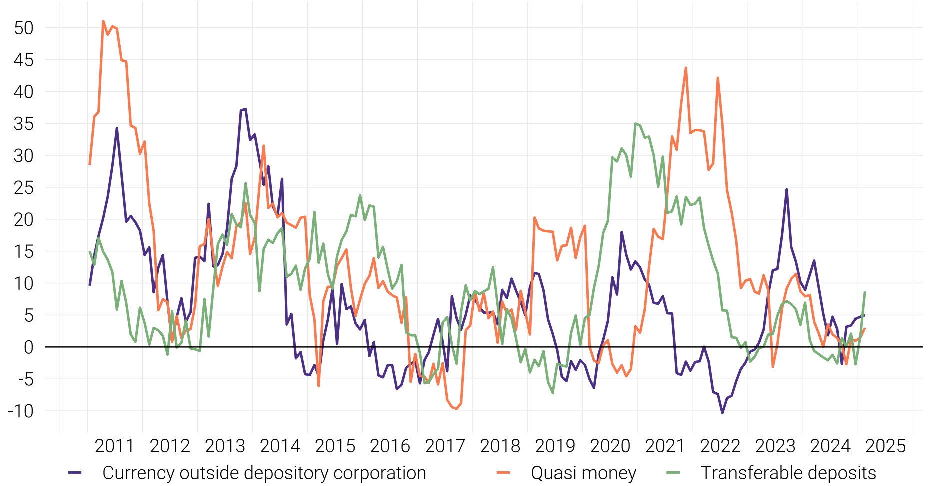
(annual percentage change, contribution percent)



Source: Maldives Monetary Authority

Components of Broad Money, 2011 - 2025

(annual percentage change)



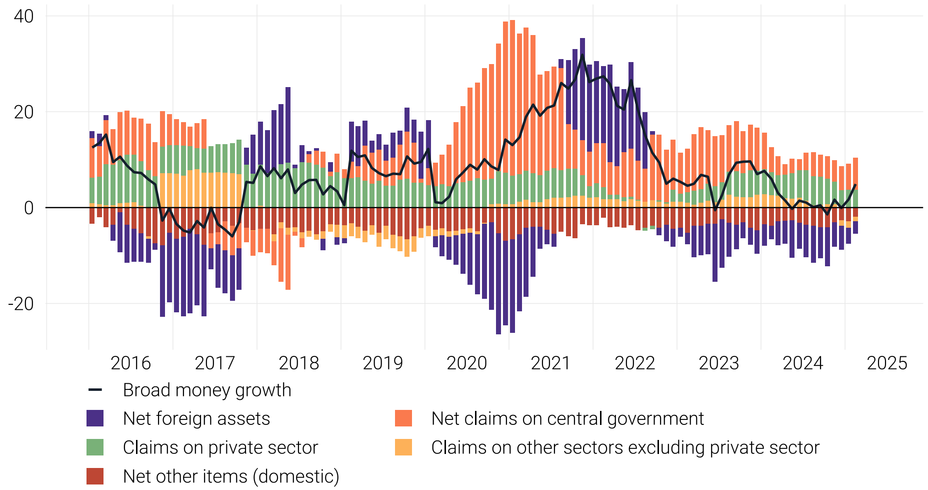
Source: Maldives Monetary Authority

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 February 2025, from 7% in January 2025.
  - As such, credit to major sectors (namely personal loans, real estate, construction and tourism), except for commerce sector, continued to expand in February 2025. Personal loans registered the highest growth during the month, with an annual increase of 28%. Meanwhile, the tourism sector continued to account for the largest share of bank credit and registered an increase of 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, despite the minor decline in educational loans. 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, despite the decline in credit lent for new resort developments.

Contribution to Broad Money, 2016 - 2025

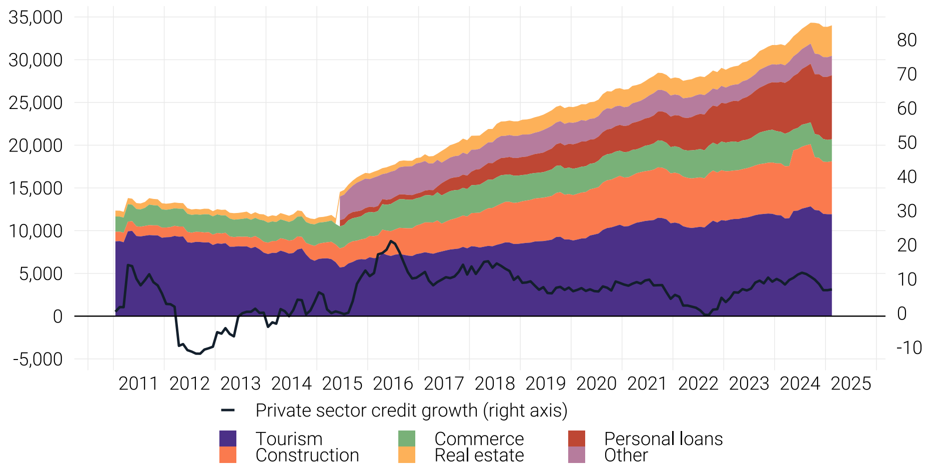
(annual percentage change, percentage point contribution)



Source: Maldives Monetary Authority

Private Sector Credit, 2011 - 2025

(millions of rufiyaa, annual percentage change)

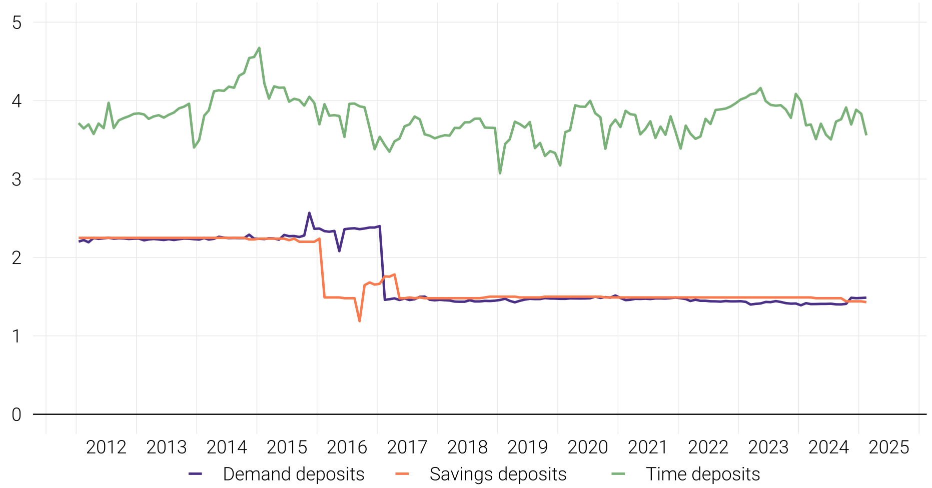


Source: Maldives Monetary Authority

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

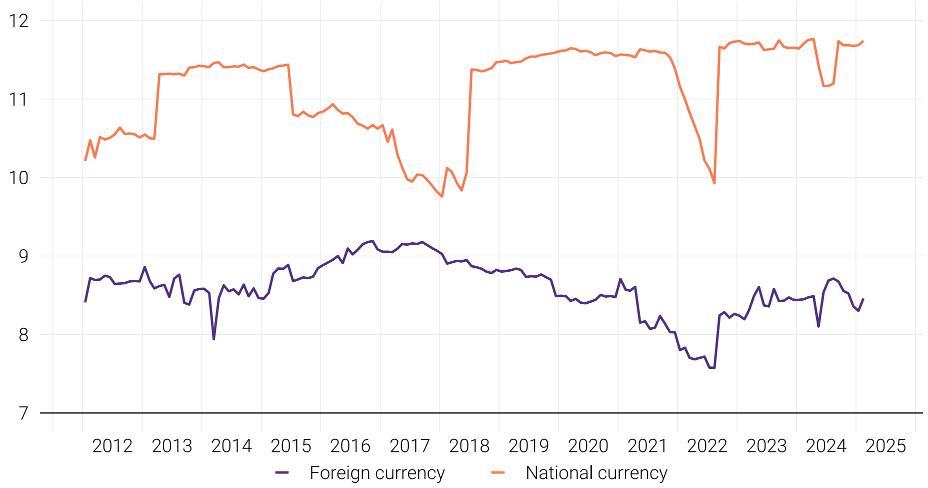
Interest rates

Interest Rate on National Currency Deposits, 2012 - 2025
(weighted average)



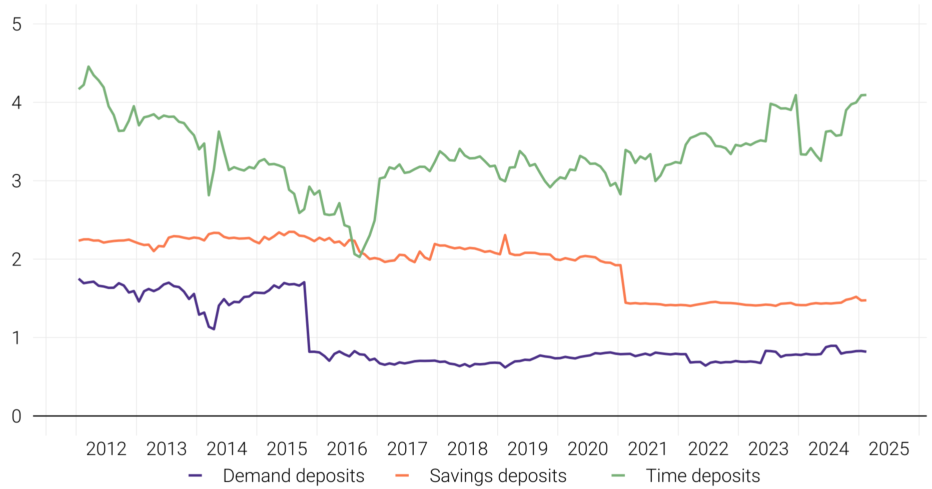
Source: Maldives Monetary Authority

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)



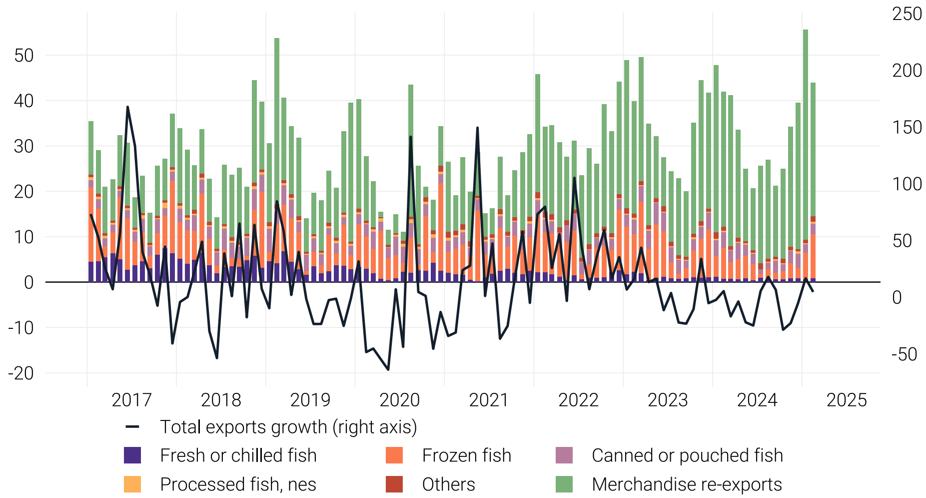
Source: Maldives Monetary Authority

External Trade

- Total exports (f.o.b) increased by 5% in February 2025, when compared with February 2024, while total imports (c.i.f) increased by 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 construction related items, food items as well as furniture, fixtures and fittings. In contrast, declines were observed in imports of petroleum products; electrical and electronic machinery equipment and parts; machinery and mechanical appliances and parts; and tobacco and tobacco accessories.
- Overall, for the period January to February 2025, total exports increased by 11%, whereas total imports increased by 1%, when compared with the corresponding period of 2024.

Total Exports, 2017 - 2025

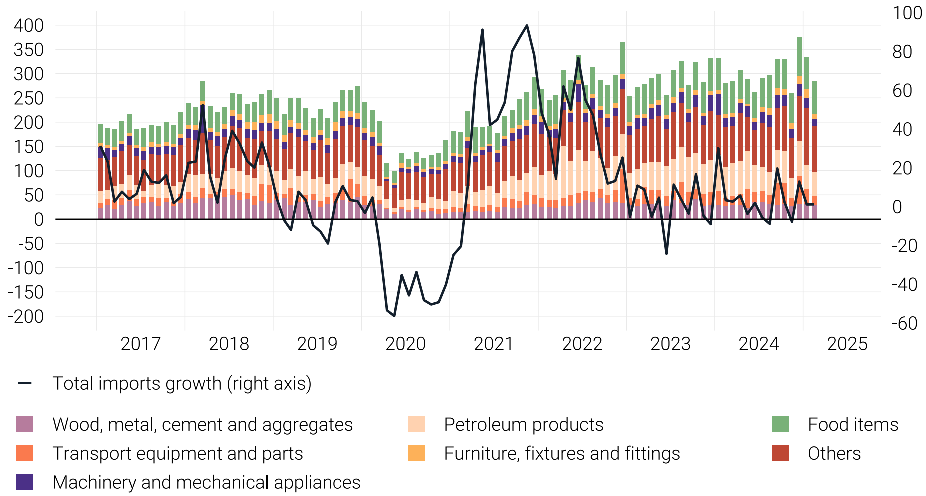
(millions of US dollars, annual percentage change)



Source: Maldives Customs Service

Total Imports, 2017 - 2025

(millions of US dollars, annual percentage change)



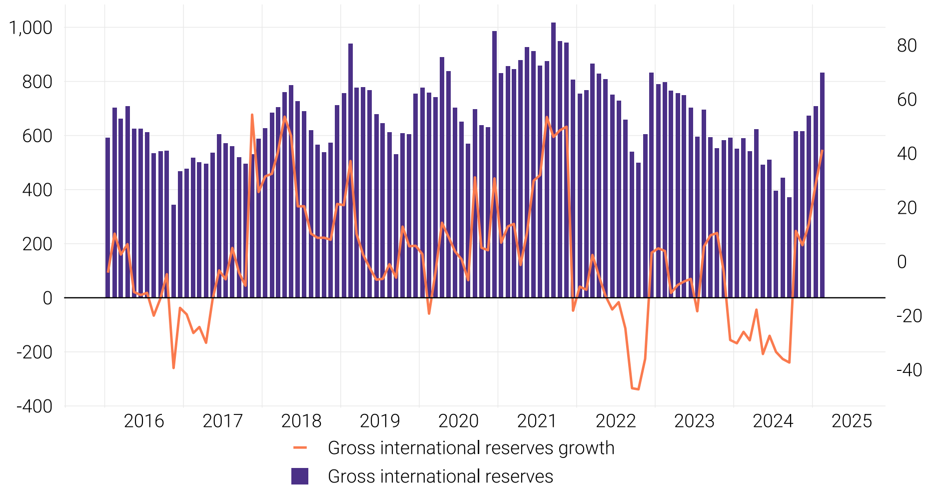
Source: Maldives Customs Service

Gross International Reserves

- Gross international reserves[4] (official reserve assets) increased to US$832.1 million at the end of February 2025, from US$708.1 million at the end of January 2025. This also depicted a growth of US$243.3 million from the US$588.8 million recorded at the end of February 2024.
  - In terms of growth rates, significant increases of 41% and 18% were registered when compared with February 2024 and January 2025, respectively.

Gross International Reserves, 2016 - 2025

(millions of US dollars, annual percentage change)



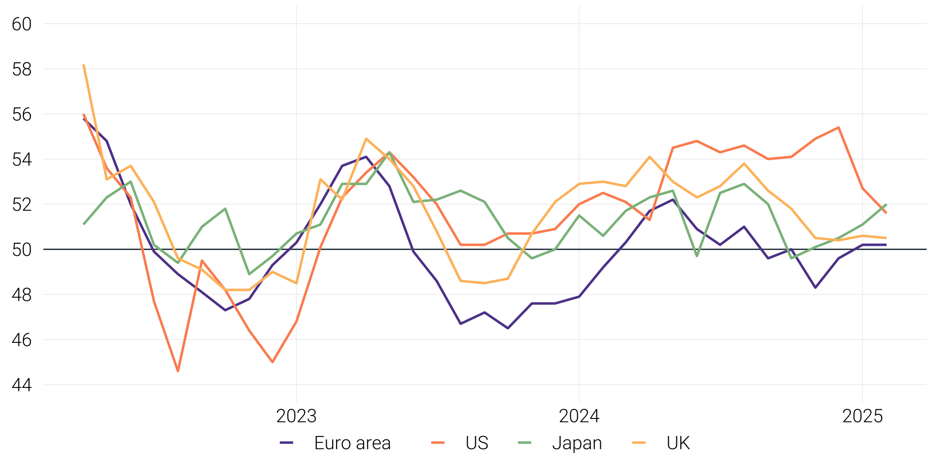
Source: Maldives Monetary Authority

[4]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

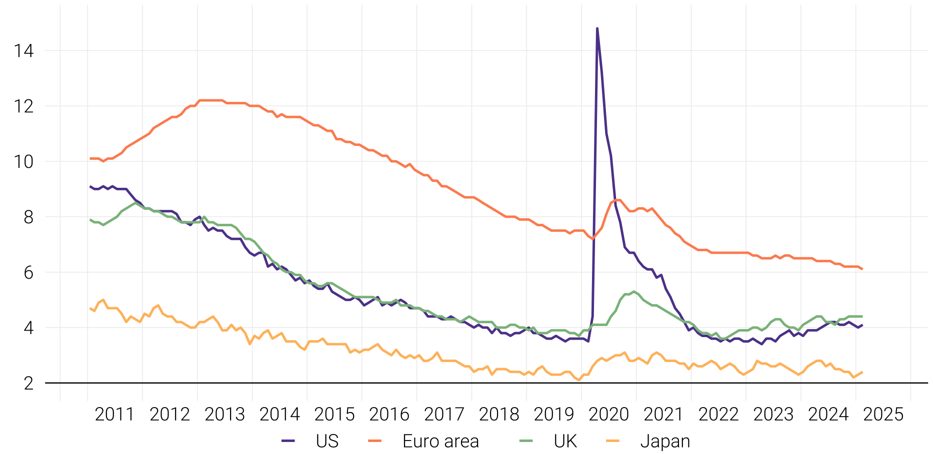
Global Output

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



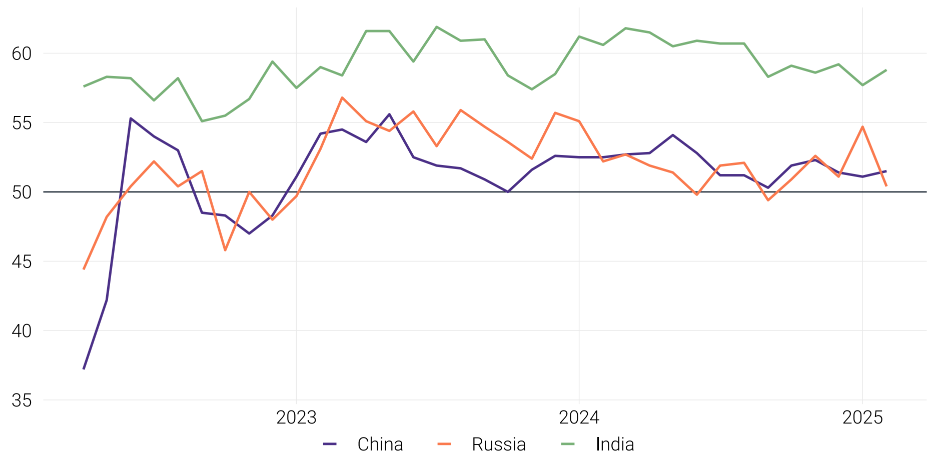
Source: Bloomberg Database

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



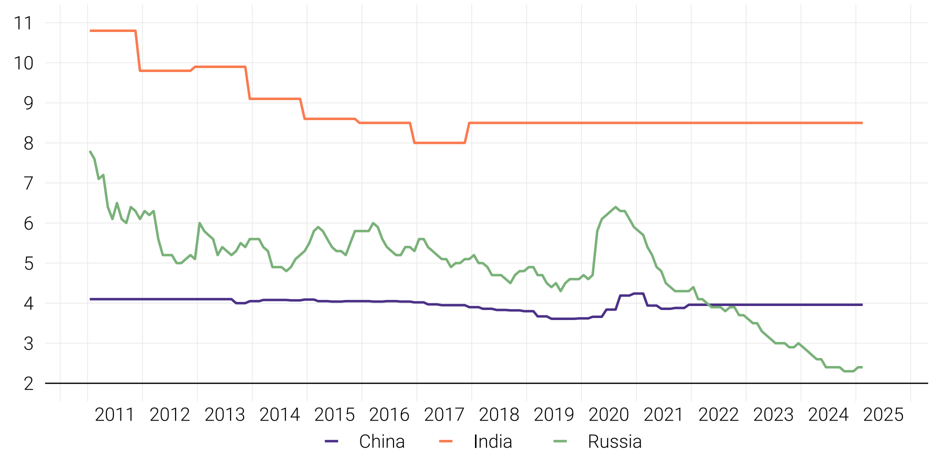
Source: Bloomberg Database

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



Source: Bloomberg Database

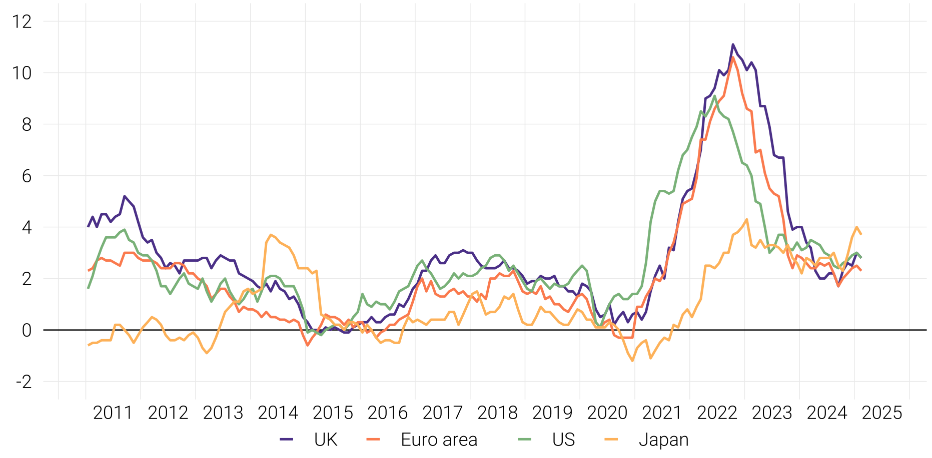
Unemployment in the Emerging Economies, 2011 - 2025
(percent)



Source: Bloomberg Database

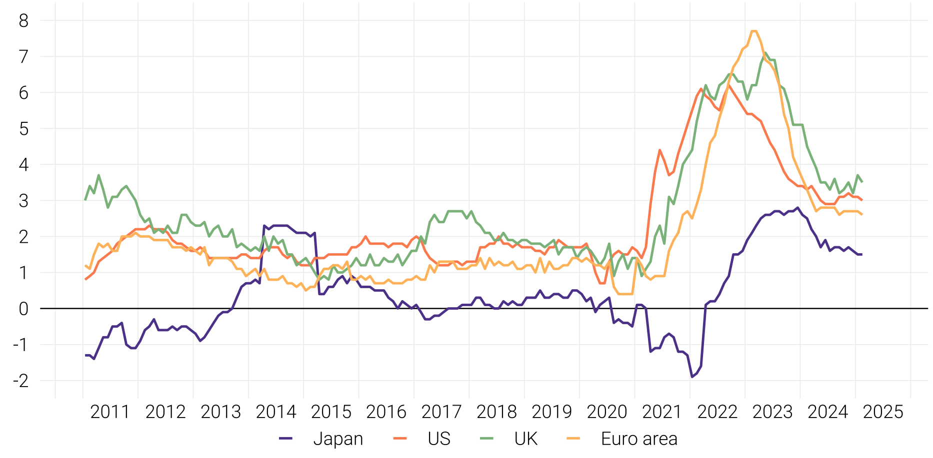
Global Inflation

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



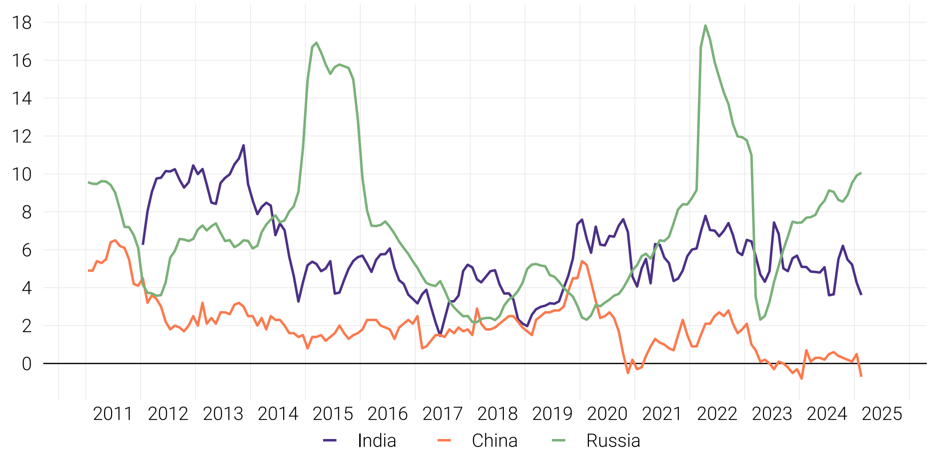
Source: Bloomberg Database

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



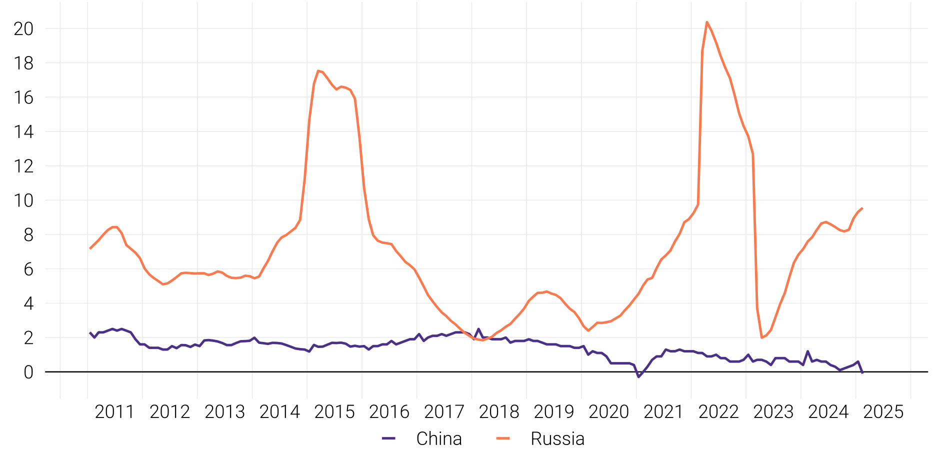
Source: Bloomberg Database

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



Source: Bloomberg Database

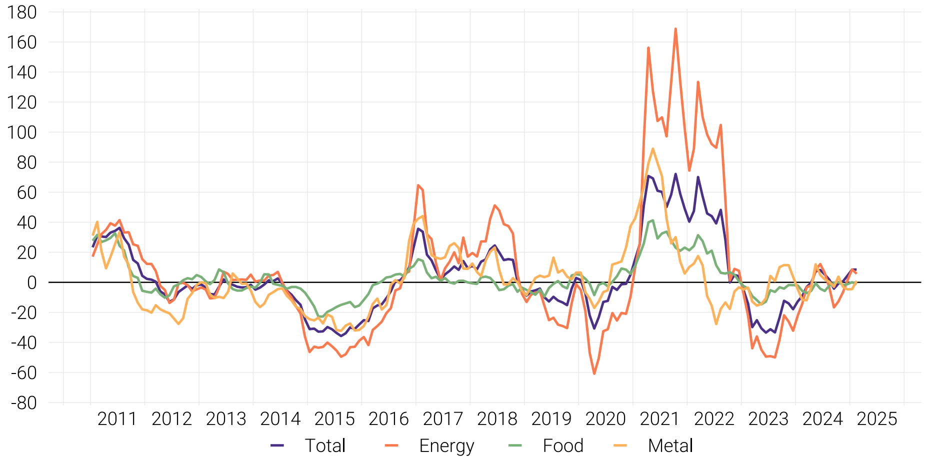
Core Inflation in the Emerging Economies, 2011 - 2025
(percent)



Source: Bloomberg Database

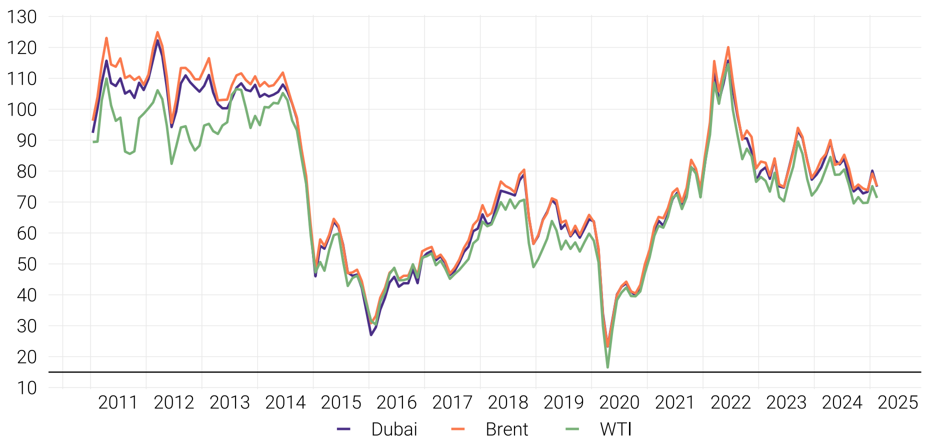
Commodity Prices

Commodity prices, 2011 - 2025
(annual percentage change)



Source: IMF

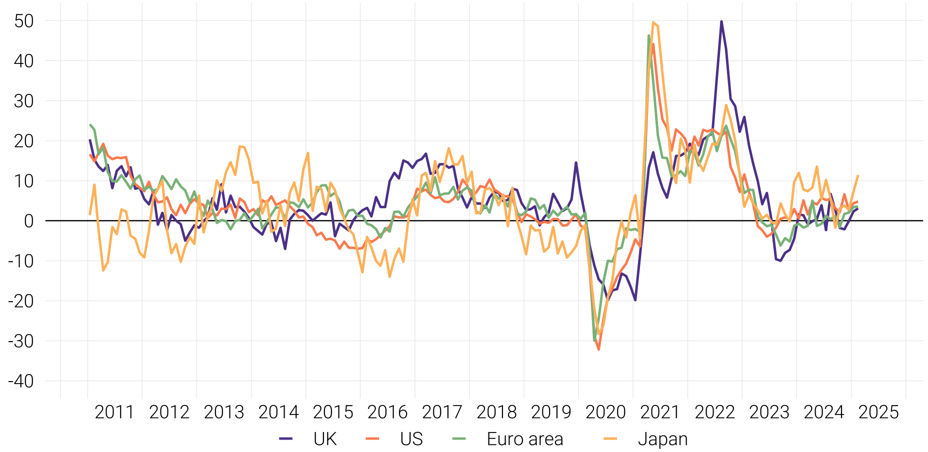
Oil prices, 2011 - 2025
(dollars per barrel)



Source: Bloomberg Database

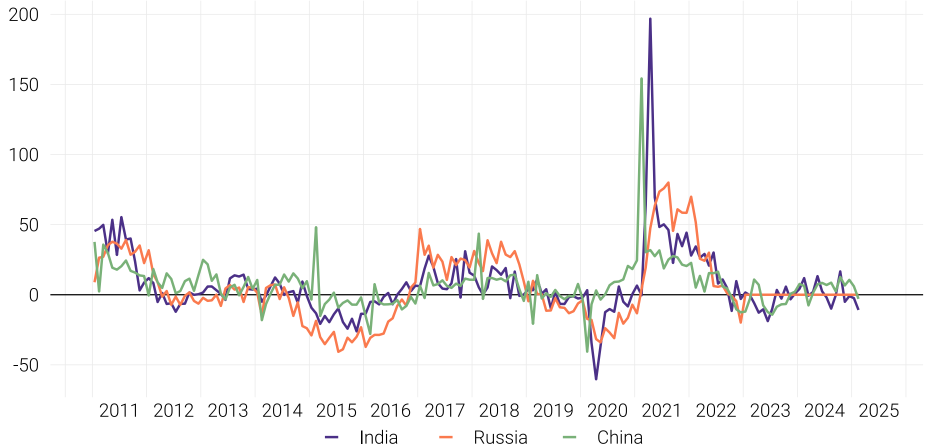
Global Trade

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



Source: Bloomberg Database

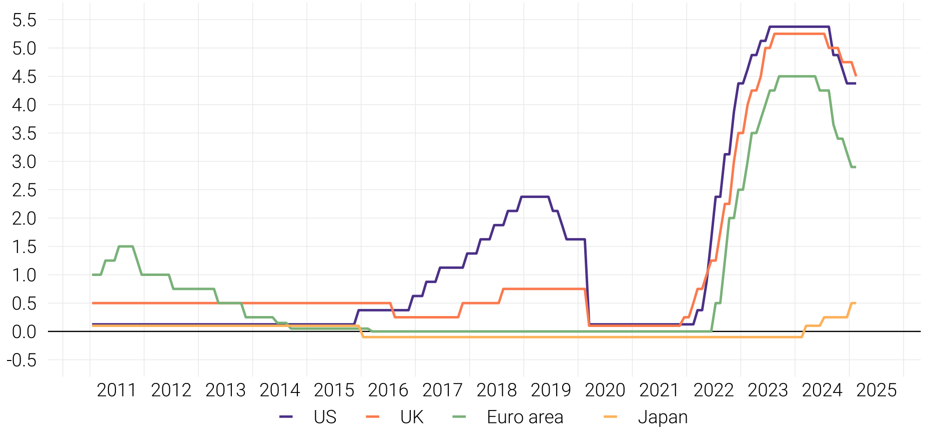
Exports in the Emerging Economies, 2011 - 2025
(annual percentage change)



Source: Bloomberg Database

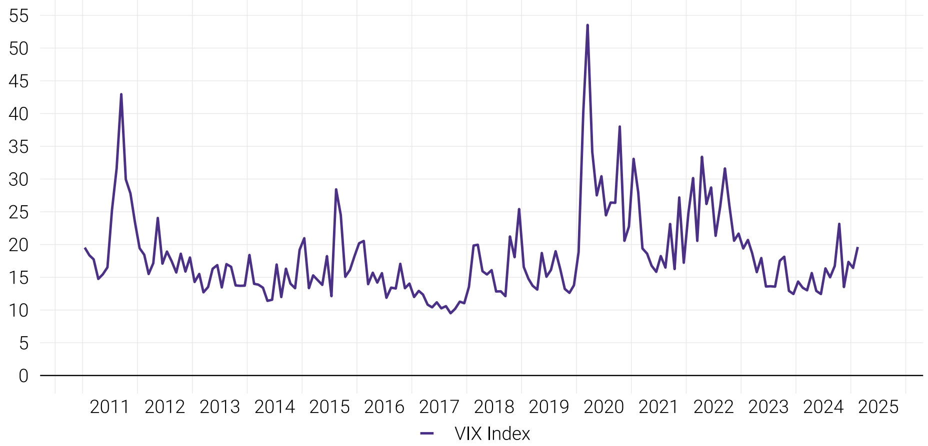
Global Financial Markets

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



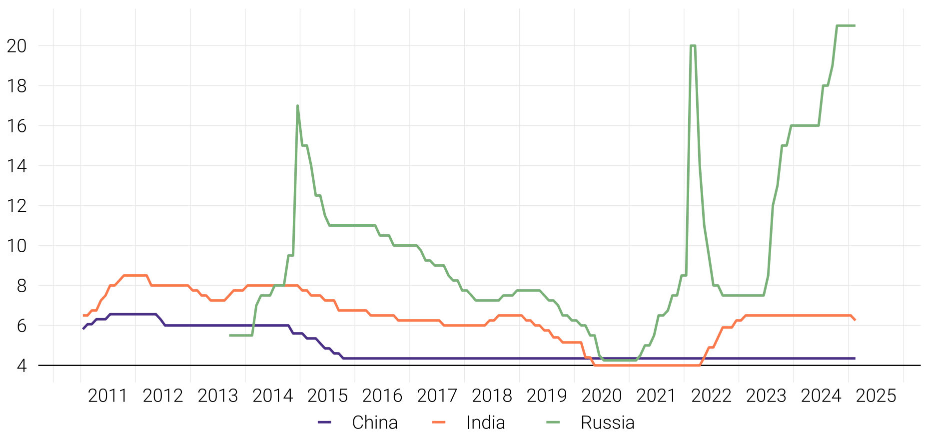
Source: Bloomberg Database

Volatility Index, 2011 - 2025
(percent)



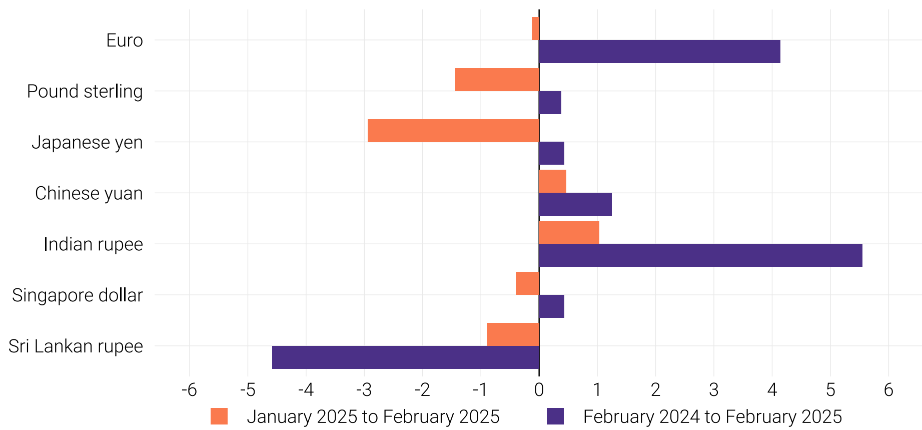
Source: Bloomberg Database

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.

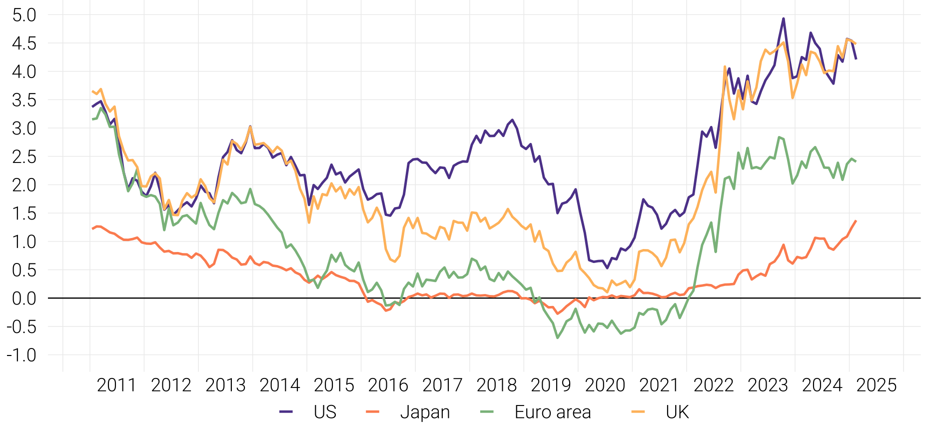
Exchange Rate of US Dollar against Currencies of Major Trading Partners, February 2025
(percentage change)



Source: Bloomberg Database

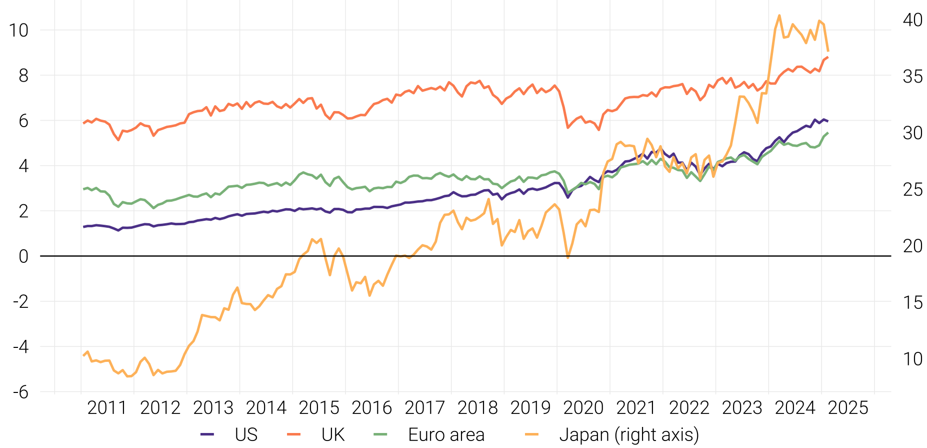
Global Financial Markets

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



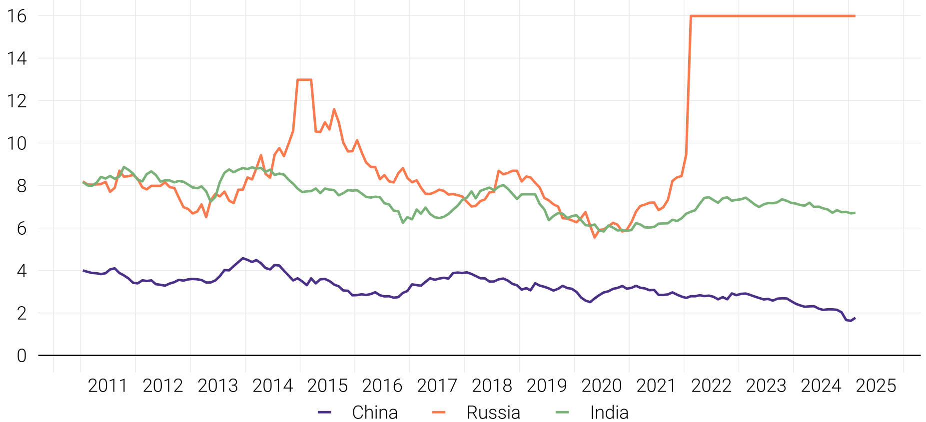
Source: Bloomberg Database
Note: 10-Year Sovereign Bond Yields.

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



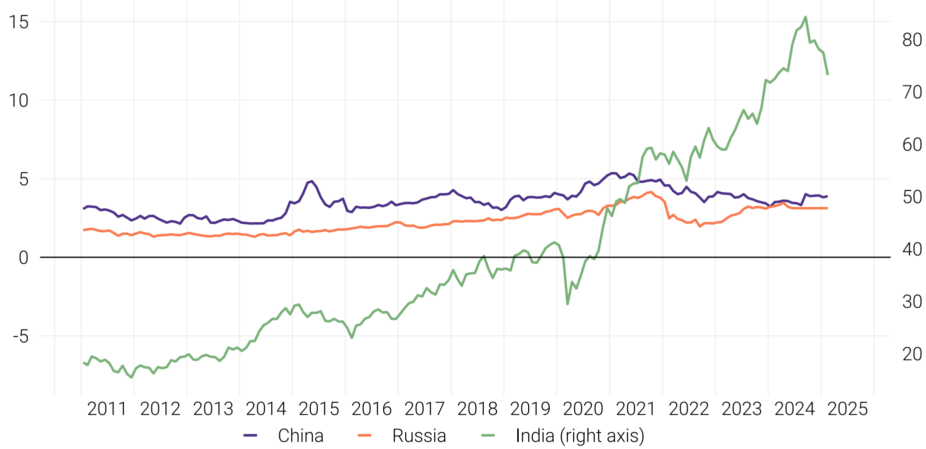
Source: Bloomberg Database

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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