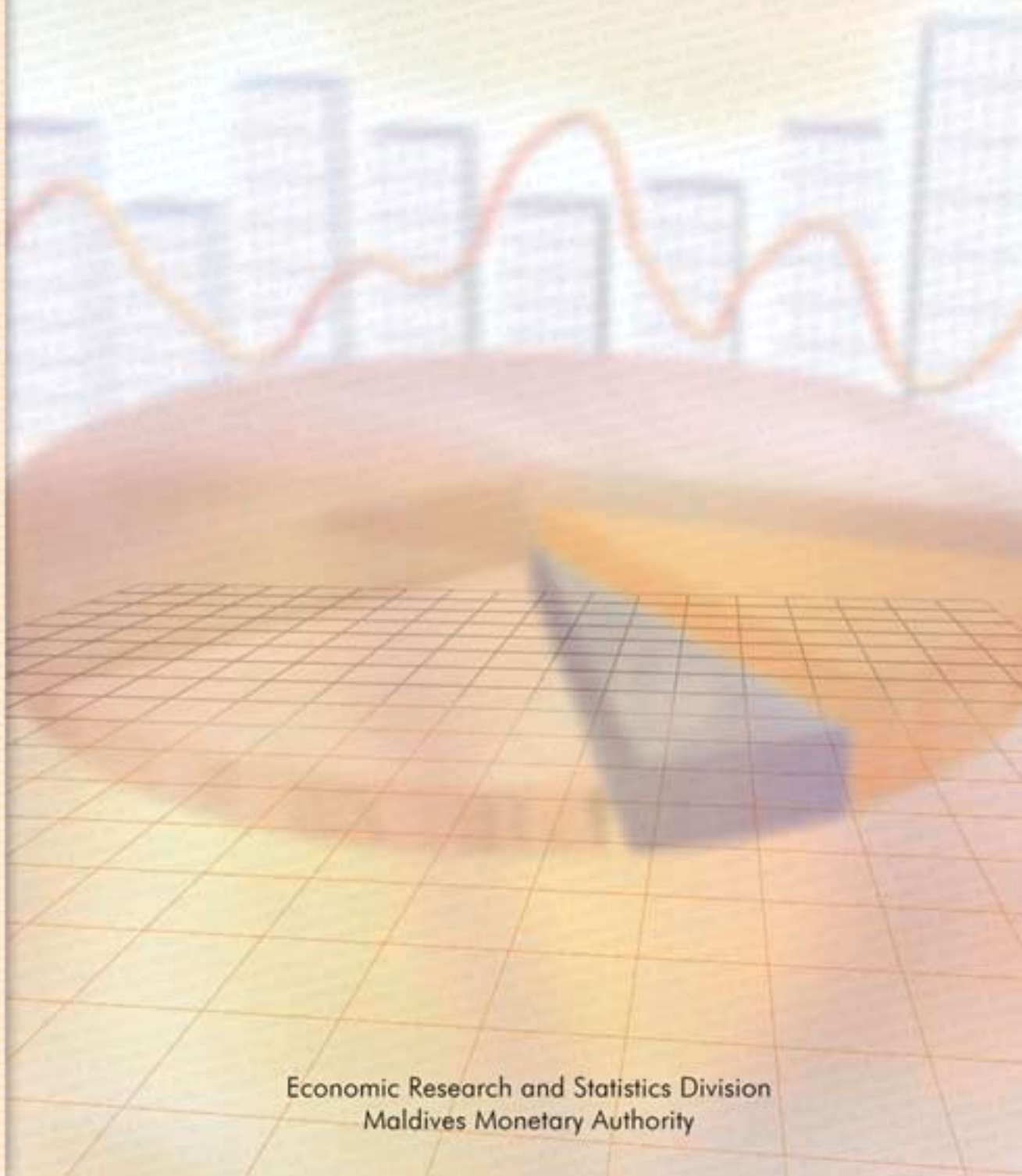


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Economic Research and Statistics Division
Maldives Monetary Authority

This Bulletin is compiled by the Economic Research and Statistics Division (ERSD) of the Maldives Monetary Authority (MMA). It covers developments in the domestic economy during the fourth quarter of 2001. 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 15th February 2002. Where actual data is not readily available, estimates have been made by ERSD 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 comments from our readers.

Contents

1. Overview	5
2. Production, Prices and Labour Force	6
3. Public Finance	11
4. Money and Credit Developments	12
A. Operations of the Commercial Banks	14
B. Interest Rate Developments	17
5. External Sector	17
A. International Trade	17
B. Balance of Trade	21
C. External Assets	21
D. Exchange Rate	22

Text Tables

Table 1. Key Economic Indicators	4
Table 2. Tourism Indicators	6
Table 3. Consumer Price Index	10
Table 4. Commercial Bank Interest Rates	17

Charts

Chart I. Tourist Bednights	6
Chart II. Tourist Arrivals	7
Chart III. Fish Catch	8
Chart IV. Government Revenue	11
Chart V. Government Expenditure	11
Chart VI. Domestic Credit	12
Chart VII. Money Supply	13
Chart VIII. Net Foreign Assets	14
Chart IX. Sectoral Credit	15
Chart X. Total Deposits	16
Chart XI. Domestic Exports	18
Chart XII. Fish Export Earnings	18
Chart XIII. Major Fish Exports	19
Chart XIV. Imports by Sectors	20
Chart XV. Merchandise Trade	21
Chart XVI. Bilateral Exchange Rates	22

Statistical Appendix

Table 1. Monetary Survey, 1998-2001	24
Table 2. Assets and Liabilities of Maldives Monetary Authority, 1998-2001	24
Table 3. Assets and Liabilities of Commercial Banks, 1998-2001	25
Table 4. Distribution of Commercial Bank Credit to Private Sector by Major Sectors, 1998-2001	25
Table 5. Commercial Bank Deposits Distributed by Type, 1998-2001	26
Table 6. Composition of Domestic Exports (f.o.b.), 1998-2001	26
Table 7. Merchandise Imports by (c.i.f) Sector and Product Category (c.i.f.), 1998-2001	27
Table 8. Exchange Rates, 1998-2001	27

Table 1. Key Economic Indicators, 1998 - 2001

	1998	1999	2000	2001				2000				2001					
				Oct	Nov	Dec	QTR4	QTR3	Oct	Nov	Dec	QTR4	QTR3	Oct	Nov	Dec	QTR4
Gross Domestic Product																	
GDP (1995 constant prices) Rf mn. ^{1/}	5,575.9	5,989.1	6,263.9	6,393.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Percentage change in GDP	8.2	7.4	4.6	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer Price Index																	
Percentage change in CPI (12 month moving average)	-1.4	3.0	-1.2	0.7	-0.4	-0.7	-1.2	-1.2	-1.8	-1.1	-0.1	0.7	0.7	0.7	0.7	0.7	0.7
Tourism																	
Tourist arrivals	395,725	429,666	467,154	460,984	39,078	38,985	44,449	122,512	105,931	31,209	30,341	40,426	101,976	31,209	30,341	40,426	101,976
Bed night capacity ('000)	4,546	5,348	5,788	6,015	497	480	501	1,479	1,520	515	499	515	1,529	515	499	515	1,529
Capacity utilization (%)	76.2	69.7	68.2	65.6	64.0	70.8	71.2	68.7	62.4	53.8	55.5	60.2	56.5	53.8	55.5	60.2	56.5
Fish Production																	
Landings('000 MTs) ^{2/}	115.1	123.3	115.4	125.0	8.6	9.5	10.6	28.7	31.6	10.2	12.0	16.2	38.4	10.2	12.0	16.2	38.4
Total fish exports ('000 MTs) ^{3/}	29.8	37.6	28.3	29.7	1.6	0.7	1.3	3.5	9.2	1.6	1.8	4.7	8.1	1.6	1.8	4.7	8.1
Total fish exports (US\$ mn.) ^{3/}	51.9	34.4	34.0	35.8	3.2	1.4	2.1	6.7	12.4	2.2	2.4	4.4	8.9	2.2	2.4	4.4	8.9
Money and Banking (Rf mn)																	
Net foreign assets	1,490.5	1,405.4	1,312.2	1,153.0	1,301.5	1,385.5	1,312.2	1,312.2	1,280.4	1,216.9	1,164.3	1,153.0	1,153.0	1,216.9	1,164.3	1,153.0	1,153.0
Domestic credit	2,091.4	2,259.3	2,586.8	3,089.9	2,766.5	2,755.5	2,586.8	2,586.8	3,033.4	3,017.3	3,077.6	3,089.9	3,089.9	3,017.3	3,077.6	3,089.9	3,089.9
Change in net claims on Government	9.5	87.1	234.8	83.6	32.3	4.4	-130.4	-93.7	-76.6	-15.4	-14.1	1.3	-28.2	-15.4	-14.1	1.3	-28.2
Total liquidity	2,828.7	2,929.8	3,049.8	3,324.7	3,148.0	3,196.2	3,049.8	3,049.8	3,262.7	3,240.9	3,280.3	3,324.7	3,324.7	3,240.9	3,280.3	3,324.7	3,324.7
Balance of Payments (US\$ mn) ^{4/}																	
Exports (f.o.b.) ^{5/}	95.6	91.5	108.7	106.8	12.5	8.3	8.0	28.8	29.6	7.6	8.2	11.0	26.8	7.6	8.2	11.0	26.8
Imports (f.o.b)	-311.5	-353.9	-342.0	-348.8	-30.1	-28.7	-28.2	-87.0	-82.5	-34.0	-27.2	-25.4	-86.7	-34.0	-27.2	-25.4	-86.7
Trade balance	-215.9	-262.4	-233.3	-242.0	-17.7	-20.4	-20.1	-58.2	-52.9	-26.5	-19.1	-14.4	-59.9	-26.5	-19.1	-14.4	-59.9
Services (net)	204.3	203.6	208.8	210.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-monetary capital (net)	52.3	74.3	45.1	36.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Overall balance	29.1	-7.2	-7.9	-26.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross International Reserves (US\$ mn) ^{6/}	119.9	128.5	124.1	94.3	124.7	123.0	124.1	124.1	106.1	100.4	98.9	94.3	94.3	106.1	100.4	98.9	94.3
External Reserves in Months of Imports (cif)	4.1	3.8	3.8	2.9	3.7	3.7	3.8	3.8	3.2	3.1	3.1	2.9	2.9	3.2	3.1	3.1	2.9
Exchange Rate																	
Rufiyaa / US\$ (Period average mid rate)	11.7700	11.7700	11.7700	12.2421	11.7700	11.7700	11.7700	11.7700	12.6283	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000
Rufiyaa / US\$ (End of period mid rate)	11.7700	11.7700	11.7700	12.8000	11.7700	11.7700	11.7700	11.7700	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000

1/ GDP figures are revised estimates (revised on 20th Dec, 2001).

2/ Figures for 2001 data revised on 18th March 2002

3/ Excluding live tropical fish.

4/ BOP figures for 1998-2000 are revised estimates and 2001 are estimates of 19th December 2001.

5/ Exports have been adjusted to include re-exports (jet fuel plus other)

6/ Foreign Assets of MMA

Source: Maldives Monetary Authority, Ministry of Fisheries Agriculture and Marine Resources, Ministry of Tourism, Ministry of Planning and National Development, Ministry of Finance and Treasury, Maldives Customs Services

1. Overview

Macroeconomic developments during the final quarter of 2001 were less favourable than in the corresponding period of the previous year. The tourism industry, which contributes a large part to the Maldivian economy, was still witnessing the negative effects that followed the terrorist attack on the Sri Lankan airport in July 2001, and the subsequent September 11th attacks in the USA. In spite of the last few months of the year usually being the 'high' season for tourism, and historically witnessing increasing trends in indicators, tourist arrivals and hence bednights fell quite drastically during the quarter in comparison with the same months of 2000. Even the modest improvement in fisheries sector indicators were not able to bring about positive developments in the rest of the economy. As a result, economic growth is expected to have fallen to around 2 percent during the year, according to estimates released by the Ministry of Planning and National Development in December 2001. Estimates for 2000 indicate a growth in GDP of 5 percent, while the earlier forecasts for 2001 (published in May 2001) were also around 5 percent. Developments in the construction sector also slowed down, while the distribution sector remained relatively buoyant, perhaps in relation to the pick up in demand that usually occurs prior to Ramadan, which coincided with the latter part of the quarter. The results of the overall slowdown were also seen in the expatriate labour force numbers, which witnessed monthly declines since September, largely in the tourism and construction sectors.

On the fiscal front, given the lower than expected receipts on account of the decline in tourism, the position was less favourable than in corresponding periods in the past. Nevertheless, a quarterly surplus was recorded on the overall accounts. As a result, monetary indicators showed a decline in net credit to government. This was coupled with a decline in net credit to the public enterprises, while credit to the private sector followed the trend started in the previous quarter, and grew strongly during the fourth quarter as well. Meanwhile, net foreign assets of the banking system fell, on account of a weakening in the foreign assets of the MMA, while the commercial banks moved from a net foreign liability position to a net asset position after almost three years. Consequently, the total liquidity position of the banking system increased slightly during the year.

With regard to the external accounts, the merchandise trade deficit reflected deterioration, both in comparison with the preceding quarter as well as the same period of 2000, although the magnitude was larger when compared with

the preceding three months. As a result of the growth in imports during the quarter, coupled with the weakening in the foreign assets of the MMA, gross external reserves in terms of months of imports fell to 2.9 months of imports by the end of 2001.

2. Production, Prices and Employment

The negative impacts on the **tourism** industry following the bomb blasts at the international airport in Sri Lanka in July 2001, and the subsequent September 11th terrorist attacks in the United States continued throughout the fourth quarter of the year. During the quarter, the tourism sector, (which has backward and forward linkages with the rest of the economy) showed major contractions, sending ripple effects throughout the economy.

Seasonal trends have shown that in past years, tourism activities normally slacken during the second quarter of the year and pick up in the third and fourth quarters. However, data for the second half of 2001 revealed a

downturn in tourism activity during this period, after normal seasonal patterns witnessed in the first six months. Tourism statistics show that, compared to the corresponding months of 2000, tourist arrivals declined by 20 percent in

October 2001, dipped further by 22 percent in November 2001 and by 9 percent in December 2001. As a result, tourist arrivals in the fourth quarter of 2001 registered a staggering decline of around 17 percent compared to

the corresponding quarter of 2000 and around 4 percent against the previous quarter. In terms of absolute numbers tourist arrivals stood around 102.0 thousand during the review quarter, around 122.5 thousand during the corresponding period in 2000, and 105.9 thousand during the previous quarter of this year. Average length of stay, meanwhile, has increased from 8.3 days in the fourth quarter of 2000 to 8.6 days in the review quarter. Nevertheless, with the decline in tourist

Table 2. Tourism Indicators, 1998 - 2001

In thousands

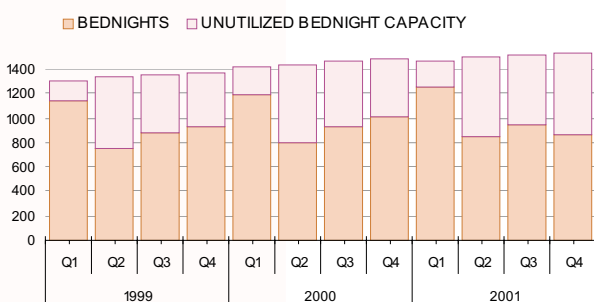
	1998	1999	2000	2001	2000				2001			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total visitor arrivals	419.8	456.0	496.1	492.0	147.9	102.1	117.4	128.7	159.9	111.3	113.4	107.3
Tourist arrivals	395.7	429.7	467.2	461.0	139.7	94.5	110.5	122.5	149.9	103.1	105.9	102.0
Bed capacity 1/	12.5	14.7	15.8	16.5	15.5	15.7	15.9	16.1	16.2	16.5	16.5	16.6
Bednights	3466.5	3718.2	3936.7	3932.7	1187.9	803.7	929.6	1015.6	1264.5	854.7	949.0	864.5
Bed capacity utilisation %	76.2	69.7	68.2	65.6	84.1	56.4	63.5	68.7	86.6	56.9	62.4	56.5

1/ Figures relate to the period average.

Source: Ministry of Tourism

Chart I. Tourist Bednights

In thousands



Source: Ministry of Tourism

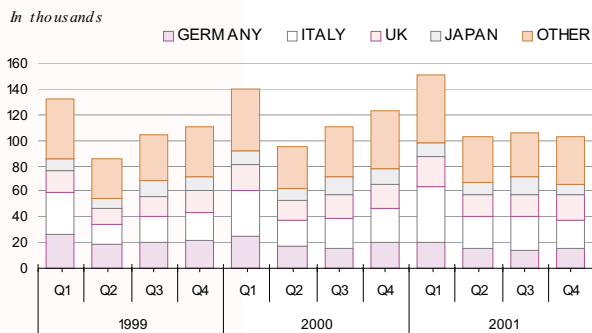
arrivals in the review quarter, growth in total tourist bednights deteriorated by 15 percent compared with the same period a year ago, and by 9 percent relative to the third quarter of this year. As regards the capacity of the industry, with the opening of a new resort in February 2001, bed capacity during the third and fourth quarter of 2001 stood at 16,518 and 16,619 beds, respectively. Bed capacity utilisation in the industry slumped to 56.5 percent in the review quarter, down from 68.7 percent in the corresponding quarter of 2000, and 62.4 percent in the third quarter of 2001.

As in the past quarters, the largest number of visitors continued to be from Europe, constituting about 79 percent of tourist arrivals. In growth terms, the number of European tourists was 2 percent higher on a quarterly basis; however, there was a decline of 15 percent on annual terms. The number of Italian

tourists who visited the country declined both on quarterly and annual terms, recording 21.5 thousand during the quarter under review, (accounting for 21 percent of tourist arrivals) down from 26.0 thousand in the preceding quarter (24 percent of tourist arrivals) and 26.7 thousand in the corresponding period of 2000, (22 percent of tourist arrivals). In percentage terms this represents a quarterly decrease of 17 percent and an annual decrease of 20 percent. However, arrivals from Germany and the United Kingdom registered

positive growth rates of 11 percent and 19 percent respectively on quarterly basis, and arrivals from the United Kingdom increased (by 9 percent) on annual terms as well. German tourists started declining steadily from year 2000 and shrank by 23 percent in the quarter on an annual basis. Meanwhile, arrivals from smaller markets such as France, Sweden and Switzerland, which together comprise just under 15 percent of the market, registered positive growth rates from the preceding quarter, but negative rates when compared to the corresponding quarter of 2000. The flow of tourists from Asia has also declined, with a 22 percent drop in arrivals in the review quarter in comparison with the previous quarter, with the region accounting for about 17 percent of the market. This drop is mainly attributable to a sharp decline in Japanese visitors from 14.3 thousand to 7.5 thousand during the review period, (which translates to a quarterly decline of 47 percent and an annual decline of 38 percent); this perhaps was a result of the adverse economic conditions in Japan coupled with the terrorist attacks in Sri Lanka and the USA.

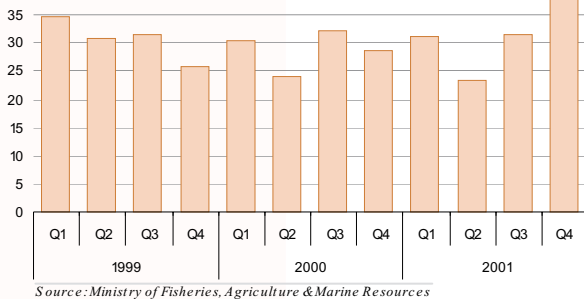
Chart II. Tourist Arrivals



Source: Ministry of Tourism

Chart III. Fish Catch

In thousands of metric tonnes



Source: Ministry of Fisheries, Agriculture & Marine Resources

The contribution of the **fisheries** sector to the country's Gross Domestic Product¹ has declined from over 10 percent of GDP in the early 1990s to an estimated 6 percent in 2001. The sector, after registering a negative growth of 1.8 percent in 2000, is estimated to improve slightly by 0.6 percent in 2001 as international tuna prices recovered during the year 2001. According to the leading indicators, fisheries activities picked up in the review quarter, with fish landings totaling 38.4 thousand metric tonnes, compared with 31.6 thousand metric tonnes in the preceding quarter. This reflected an increase of 22 percent, while on annual terms the increase was higher at 34 percent. MIFCO, the largest commercial buyer of fish in the country bought about 33 percent of the total catch in the review quarter. As a result, the volume of fish bought by MIFCO was higher by 6,912 metric tons during this period and by 5,339 metric tons higher on annual terms.

In terms of exports of the fisheries sector, the review quarter registered a decline in volume of fish (excluding live tropical fish) exported, from 9.0 thousand metric tonnes in the preceding quarter to 8.1 thousand metric tonnes. However, there was a significant increase from the 3.5 thousand metric tonnes exported during the corresponding quarter of 2000. Earnings from fish exports also followed the same pattern. Exports of canned and frozen fish, which together accounted for around 74 percent of fish exports during the quarter registered a decline in volume of 64 percent and an increase of 45 percent respectively, with earnings showing the same trend. The balance of fish exports were on account of dried fish (25 percent of total) and salted fish (2 percent of total). *Please see section on International Trade (page 17) for further details on exports.*

The **distribution** sector, which mainly consists of wholesale-retail trade, is closely linked to the developments in the tourism, fisheries and the construction sectors. This sector is estimated to have contributed around 4 percent to GDP in 2001, and has witnessed an annual average growth of around 3.2 percent during the past five years. After the downturn in tourism activities and the resultant slow down in aggregate demand in the third quarter of 2001, imports by the private sector² (excluding imports made directly by the

¹ The GDP figures used in this Bulletin are those published by MPND in Dec. 2001. It should also be noted that fish processing activities are not included under the 'fisheries' category in GDP composition. They are classified as 'manufacturing' activities.

² In the absence of any aggregate financial data on the sector, variables such as imports and bank credit to the sector are used to assess the sector developments.

tourism sector) registered a slight growth in the review quarter increasing from US\$50.9 to US\$54.4 million in the review quarter. This increase may have been on account of a rise in demand for imported food items that occur prior to Ramadan; food imports increased by 13 percent in the review quarter, while the annual increase was lower at only 0.4 percent. In annual terms, however, private (non-tourism) imports fell by 3 percent. Credit to this sector on a quarterly basis, indicated a moderate growth compared to the previous quarter from a 17 percent growth during the third quarter to a 10 percent growth during the fourth quarter of 2001. By contrast, on an annual basis credit to commerce had increased by 68 percent, from Rf392.0 million to Rf659.2 million.

The **construction** sector accounting for about 3 percent of GDP has showed improvements in year 2001 after the decline of 24 percent in 2000 (which in large part was owing to the completion of construction activities under the first phase of the Second Tourism Master Plan). Activities in this sector during 2001 are estimated to have grown at 6 percent according to GDP estimates of December 2001. During the review quarter however, due to the decline in the tourism sector and the economic downturn, import of construction materials (mainly cement, steel and timber) into the country was 11 percent lower than the previous quarter. As such, although such imports during the first nine months of this year revealed a 6 percent increase when compared with corresponding period of 2000, it registered a 8 percent increase on an annual basis. Similarly a slight drop was also noted in the total amount of expatriates working in this sector declining from 4,959 at the end of previous quarter to 4,728 at the end of review quarter. Meanwhile, credit extended to the sector grew during the review quarter increasing by about 8 percent relative to the previous quarter and by 17 percent relative to the corresponding quarter of 2000.

Inflation as measured by the changes in the consumer price index (CPI) is strongly influenced by price movements of imports into the country and by the domestic demand and supply of fish. The twelve-month moving average rate of inflation rose slightly by 0.7 percent in the review period after remaining negative from September 2000 onwards. CPI excluding fish, increased by 3 percent during the fourth quarter of 2001 compared with 0.3 percent growth during the previous quarter and 3 percent decline during the corresponding period of 2000. The increase in quarterly inflation was attributable to the growth in food prices (excluding fish), which had shown a substantial increase of 10 percent in the review quarter after 1 percent increase during the preceding quarter. The increase in food prices may have been influenced by two key factors; i.e., the devaluation of the rufiyaa in July 2001 and the increase in freight and insurance charges

following the attacks on the Sri Lanka airport and the September 11th incident. However, fish prices declined markedly during the past two consecutive quarters - by 19 percent and 21 percent respectively during the third and fourth quarter of 2001. This is compared with a 6 percent increase during the fourth quarter of 2000.

The point-to-point inflation rate registered an increase of 7 percent during the year to December 2001 after a 4 percent increase during the year to September 2001. As regards the quarterly trends, fish prices, following the massive drop of 49 percent during the three months to September 2001, moderated to a decline of 18 percent during the review quarter. Meanwhile,

food prices increased by 11 percent (same growth rate as that of the previous quarter) resulting in a quarterly inflation rate of 2 percent at the end of the three months to December 2001 as opposed to a negative 3 percent during the previous three

months. The point-to-point change in CPI excluding fish, increased by 4 percent both during the previous quarter as well as during the three months to December 2001.

There is no quarterly data on the level of total employment or earnings. However, the data on expatriate labour force from the Ministry of Human Resources, Employment and Labour shows that the expatriate workforce grew by 5 percent on an annual basis from 27,716 at the end of 2000 to 29,201 at the end of this year. However, following the economic downturn and decline in the tourism sector and the negative effects on the rest of the economy, expatriate employment has fallen considerably during the quarter. These numbers started declining from September, falling from 30,137 to 29,998 at the end of October to 29,771 in November and to 29,201 expatriate workers at the end of December. This reflect a 3 percent decline with 4 percent of the decline seen in the tourism sector and about 5 percent in the construction sector, during the review quarter.

Table 3. Percentage change in CPI (12 month moving average), 1998 - 2001

Base (June 1995 = 100)

	1998	1999	2000	2001	2000				2001			
					Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Total	-1.4	3.0	-1.2	0.7	2.1	0.7	1.0	-1.2	-0.3	-1.5	-1.8	0.7
Index excluding fish	1.9	3.1	-2.8	3.1	1.4	-0.4	-1.7	-2.8	-2.5	-1.7	0.3	3.1
1 - Food beverages and tobacco products excluding fish	3.9	5.1	-10.5	10.2	-0.4	-5.4	-8.3	-10.5	-8.3	-4.8	1.1	10.2
2 - Fish index	-22.4	-4.2	16.2	-21.1	10.3	12.5	31.8	16.2	24.1	0.0	-19.4	-21.1
3 - Clothing and footwear	7.7	-3.0	-2.9	-1.0	-1.8	-2.0	-2.4	-2.9	-3.6	-2.6	-1.4	-1.0
4 - Housing, water, fuel & power	-0.9	6.2	2.9	1.7	7.0	5.7	4.3	2.9	2.3	2.1	1.9	1.7
5 - Furniture, furnishing, equipmnt & oprtn	4.9	4.1	-0.2	-3.8	1.7	-0.3	-0.1	-0.2	-0.7	-1.3	-2.6	-3.8
6 - Medical care & health expenses	-2.6	-5.6	7.0	0.5	-1.7	2.3	5.6	7.0	4.8	3.1	1.6	0.5
7 - Transport & communication	-1.5	-0.7	3.3	0.2	0.5	2.6	3.0	3.3	1.5	-1.0	-0.3	0.2
8 - Education	-0.9	7.5	1.5	0.5	6.7	5.1	3.1	1.5	1.0	0.6	0.5	0.5
9 - Recreation, entertainment, rel. & cultural services	-0.4	3.1	0.1	-2.4	2.4	1.7	0.8	0.1	-0.3	-1.1	-1.8	-2.4
10 - Personal care	-1.3	-1.2	0.0	0.5	-0.8	-0.3	0.5	0.0	0.0	0.2	0.0	0.5

Source: Ministry of Planning and National Development

3. Public Finance

The government's overall fiscal position while still recording a surplus during the fourth quarter of 2001, compared less favourably with the corresponding quarters of previous years. This is explained by the fact that revenue from tourism

was negatively affected as a result of the attack on the Sri Lankan airport as well as the fallout from the September 11th incident in the USA. In addition, some leeway was given to the tourism sector by the Government by allowing resort owners to stagger their resort lease payments. As a result, receipts from tourism during the fourth quarter of 2001 were less than the usual level seen in the corresponding periods of previous years. Preliminary data on revenue suggests that 92 percent

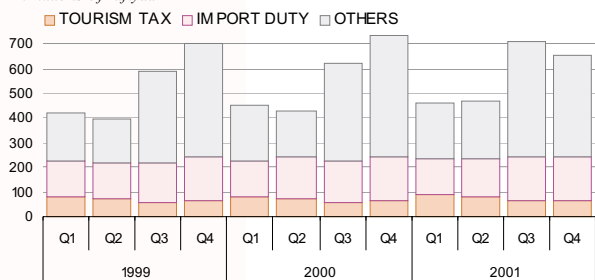
of total budgeted revenue was achieved during 2001 while data on expenditure shows that around 70 percent was achieved.

Total domestic revenue (excluding cash grants and fund accounts) stood at Rf691.9 million during the fourth quarter of 2001 compared to Rf706.7 million during the previous quarter. In terms of percentage changes this indicates a drop of 2 percent compared to the previous quarter of 2001 while compared to the corresponding quarter of 2000 a 9 percent decline was recorded. Revenues received from taxes stood lower when compared to the previous quarter, while recording a slight growth when set against the corresponding quarter of 2000. Non-tax revenue registered an increment when compared to that of the previous quarter while dropping substantially when compared to the corresponding period of 2000.

Total tax receipts stood at Rf 264.4 million during the fourth quarter of 2001, indicating a decline of 14 percent when compared to the third quarter of 2001 while registering a marginal growth of 1 percent when compared to that of the fourth quarter of 2000. Revenues received from import duty, accounting for over 65 percent of tax revenue during the review quarter, stood 1 percent higher when set against the fourth quarter of 2000 while that from tourism tax registered a fall of 4 percent.

Chart IV. Government Revenue

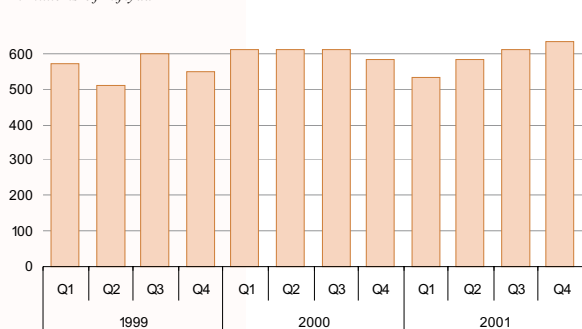
In millions of rufiyaa



Source: Ministry of Finance & Treasury

Chart V. Government Expenditure

In millions of rufiyaa



Source: Ministry of Finance & Treasury

On the expenditure side, **total expenditure**, which recorded Rf634.0 million during the fourth quarter of 2001, had increased by 3 percent compared to the corresponding quarter of 2000 as well as to that of the previous quarter. Consequently, the overall fiscal position registered a surplus of Rf57.9 million during the review quarter. Nevertheless, as was mentioned earlier, the position is not as positive as that recorded in the corresponding quarters of the past years as well as the overall surplus position of the third quarter of 2001.

4. Money and Credit Developments

Monetary developments during the final quarter of 2001 were characterized by a sharp decline in the net foreign assets of the banking system, while both domestic credit as well as total liquidity showed modest growths. On annual terms, on account of increased growth in credit to the private sector, total credit and consequently, total liquidity of the banking system expanded rapidly during the year 2001. Meanwhile, during the same time, the net foreign assets of the banking system further deteriorated.

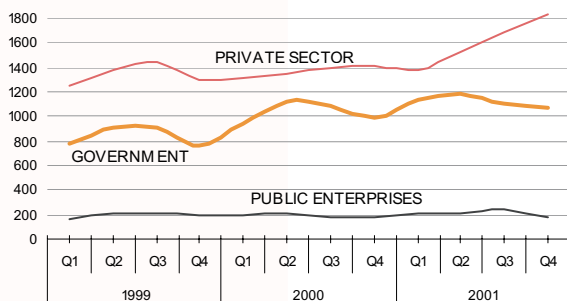
Total domestic credit (TDC) of the banking system increased by 2 percent, or by Rf56.5 million in the three months to December, after increasing by 4 percent during the previous quarter. The net credit to the Government continued to trend downwards since the second quarter of 2001 which usually coincides with the payment of dividends by the public enterprises. The current quarter recorded a decline of 3 percent to total Rf1,078.6 at the end of

December 2001. Credit to public enterprises, also showed a quarterly decline of 24 percent after an 11 percent growth during the previous quarter. Meanwhile, credit to private sector, constituting more than half of the total credit stock at the end of December 2001, continued to grow unabated since mid 2001 and recorded a 8 percent growth during the quarter under review. Annually, as a result of the significant expansion in private sector credit, total credit of the banking system increased by 19 percent at the end of 2001 as opposed to a 14 percent growth

during the previous year. The growth in net credit to the Government stood significantly lower than the previous year recording an 8 percent growth at the end of 2001, as opposed to a 31 percent growth during the previous

Chart VI. Domestic Credit

In millions of rufiyaa



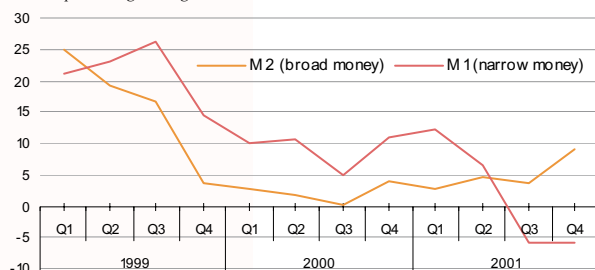
Source: Maldives Monetary Authority

year. Credit to the public enterprises declined during the last two years, recording declines of 6 percent at the end of December 2000 and 0.4 percent at the end of December 2001. In contrast, credit to private sector rose significantly by around 30 percent at the end of December 2001 marking the highest annual growth rate since 1997. This increase is mostly attributed to the abolition of credit ceiling on 1 July 2001 as can be seen by the rapid expansion of credit to the private sector during the latter half of the year.

The **total liquidity** of the banking system (or broad money) increased slightly by 2 percent after a decline of 5 percent during the previous quarter. In actual terms, the stock of liquidity increased by Rf62.0 million to stand at Rf3,324.7 million at the end of December 2001. On annual terms, led by increased growth in private sector credit, total liquidity increased significantly by 9 percent

Chart VII. Money Supply

Annual percentage change



Source: Maldives Monetary Authority

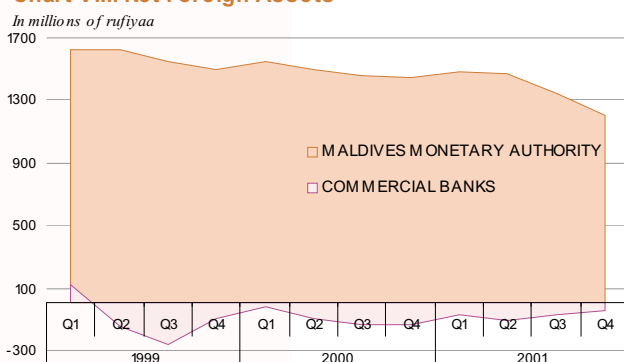
during the year to December 2001 while surpassing the growth rates of the previous two years. Narrow money, accounting for almost half of the total liquidity stock, showed a modest increase of 2 percent during the quarter under review. This is compared with a decline of 15 percent during the previous quarter. Amongst the components of this variable, currency in circulation showed declines during all four quarters of the year, while demand deposits, slightly increased by 1 percent after a

decline of 16 percent during the previous quarter. Meanwhile, quasi money constituting to the other 50 percent of the liquidity stock, and consisting of time and savings deposits and all foreign currency deposits, after expanding rapidly during the third quarter of 2001, decelerated to a 2 percent growth during the quarter under review. Annually, though, on account of the continuing build up of foreign currency deposits during most parts of 2001, led to a significant expansion in quasi money during the year to December 2001. The variable, after recording declines during the previous two years, recorded an annual increase of 29 percent at the end of December 2001. The dollarisation ratio (foreign currency deposits as a percentage of broad money) rose markedly from 36 percent at the end of 2000 to 45 percent in 2001. Meanwhile, narrow money, recorded an annual decline of 6 percent at the end of December 2001, compared with a growth of 11 percent during the previous year.

Net foreign assets (NFA) of the banking system declined during the last three consecutive quarters. During the quarter under review, total NFA fell by 10 percent from Rf1,280.4 million at the end of September to Rf1,153.0 million at

the end of December 2001. The movement of the NFA position of the banking system is largely influenced by the foreign assets position of MMA. Such

Chart VIII. Net Foreign Assets



assets, recorded a decline of 11 percent during the fourth quarter of 2001 compared with a decline of 8 percent during the previous quarter. In terms of annual movements, as a result of the continued decline in the foreign assets position of MMA since May 1999, total NFA deteriorated even further by 12 percent or by Rf159.1 million during the year to December 2001 compared with a decline of 7 percent or by Rf93.3 million during the previous year. The commercial banks have had a net liability's position since May 1999. However, during the quarter under review,

their net position improved, somewhat, from a net liability of Rf66.9 million at the end of September to Rf43.9 million at the end of December 2001. This improvement has been on account of increases in their foreign assets position coupled with a decline in their foreign liabilities. On annual terms, the improvement has been significant as a result of the decline in borrowings from abroad combined with a better inflow of foreign exchange into the banks. Thus, while commercial banks foreign assets position improved by 24 percent, their foreign liabilities position declined by 8 percent leading to a 68 percent fall in their net liabilities position during the year to December 2001.

A. Operations of the Commercial Banks

Commercial banks' activities fell slightly in the review quarter, with **total assets and liabilities** declining by 1 percent in the three months to December 2001, following a decline of 2 percent in the previous quarter. On annual terms, however, growth in total assets and liabilities accelerated slightly to 10 percent in the year to December 2001 from 8 percent in the year to December 2000.

Commercial banks continued to hold a substantial part of their assets in the form of reserves and as such, reserves as a proportion of total assets stood at around 39 percent at the end of December 2001. During the final quarter of 2001, **total reserves** declined by 6 percent compared with a 15 percent decline during the previous quarter. On annual terms as well, largely on account of the decline in the banks' investments in MMA Certificate of Deposits

(CDs), total reserves of commercial banks registered a decline of 8 percent during the year to December 2001, compared with a 9 percent increase during the year to December 2000. Commercial banks investments in MMA CD's at the end of December 2000 stood at Rf666.9 million while at the end of December 2001 their investments fell to Rf299.9 million. This fall is mainly explained by the removal of credit ceiling during mid 2001.

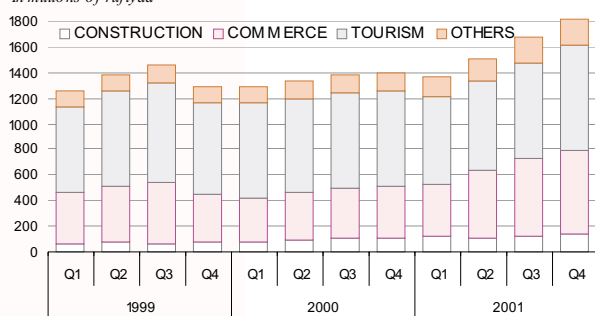
The stock of **credit outstanding** stood at Rf2,009.8 million at the end of December 2001, recording a growth of 4 percent during the quarter under review, compared to 11 percent growth during the third quarter of 2001. Annually, the increase in growth was significant, registering over a 26 percent growth during the year to December 2001, compared with a 6 percent growth during the previous year. Of the outstanding credit stock, over 90 percent of the credit was extended to the private sector while the rest was credited to the public enterprises. Credit to public enterprises, recorded declines of 5 percent and 0.3 percent respectively during 2000 and 2001. On the other hand, credit to the private sector grew significantly, recording a 30 percent growth during the year 2001, compared to a 8 percent growth during the previous year.

As regards the credit allocated to the various sectors of the economy at the end of December 2001, tourism sector continue to hold the largest share of the credit stock to the private sector, its percentage share dropped during the last two years from 55 percent at the end of December 1999 to 45 percent at the end of December 2001. Meanwhile, share of credit to the commerce sector

rose from 28 percent at the end of December 2000 to 36 percent at the end of December 2001. As regards the quarterly developments, credit to tourism sector accelerated slightly from 6 percent growth during the third quarter to a 10 percent growth during the fourth quarter of 2001. Credit extended to all the other sectors decelerated; that to the commerce sector decelerated from 17 percent growth during the third quarter to 10 percent growth during the fourth quarter of 2001.

Chart IX. Sectoral Credit

In millions of rufiyaa



Source: Maldives Monetary Authority

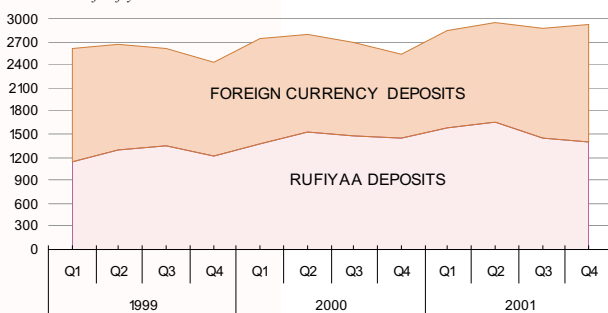
Meanwhile, during the same period, credit extended to the construction sector decelerated slightly from 9 percent to 8 percent growth respectively. On an annual basis, credit to the tourism sector, after a rapid growth during 1997-1999 (72 percent, 50 percent, 17 percent respectively) decelerated to a 4 percent growth in 2000, on account of the winding down of tourism investment activities and the repayment of loans. During the current year, credit extended

to this sector accelerated slightly by 11 percent to stand at a stock of Rf824.0 million at the end of 2001. Credit extended to the commerce sector, meanwhile, rose markedly by 68 percent to Rf659.2 million at the end of 2001, compared with 6 percent growth during the previous year. Credit to the construction sector, accounting for 7 percent of the credit portfolio, after rapid growth of 62 percent during 2000 moderated to 17 percent growth during the year to December 2001. The manufacturing sector, while holding only 2 percent of the credit portfolio, showed significant increases during 2001 from a negative growth of 29 percent during the year 2000 to 70 percent growth during the year 2001. In terms of flows, this represents Rf 12.4 million during 2001 as opposed to a decline of Rf7.0 million during the corresponding period of the previous year. Credit to all other sectors also increased on annual basis, with the fisheries sector registering 10 percent increase in stock, while that to the transport sector increased by 30 percent.

On the liabilities side, **total deposits** of the commercial banks totaled Rf2,925.3 million at the end of the review quarter. The quarterly growth in total deposits stood at 2 percent during the fourth quarter of 2001 compared to a decline of 3 percent during the previous quarter. Annually, though, total deposits expanded rapidly by 16 percent during the year to December 2001

Chart X. Total Deposits

In millions of rufiyaa



Source: Maldives Monetary Authority

compared to 4 percent growth during the corresponding period of the previous year. The acceleration in growth is the result of rapid expansion in foreign currency deposits during the year, recording almost 40 percent growth, compared to a decline of 10 percent during the year to December 2000. On the other hand, rufiyaa deposits of the commercial banks recorded a decline of 2 percent during the year to Dec. 2001, compared to a 19 percent growth during the previous year. As a result, the

proportion of rufiyaa deposits in total deposits fell from 57 percent at the end of December 2000 to 48 percent at the end of December 2001. The composition of deposits in terms of demand, time and savings indicated that both demand as well as time and savings deposits accelerated during the year to December 2001. Demand deposits increasing from 9 percent during the year to December 2000 to 13 percent during the following year. Similarly, during the same period, time and savings deposits increases from a negative 5 percent to 22 percent respectively. On a quarterly basis, demand deposits increased slightly by 1 percent during the fourth quarter of 2001 compared

to a decline of 7 percent during the previous quarter while time and savings deposits increased by 5 percent compared to a 9 percent growth during the third quarter of 2001.

B. Interest Rate Developments

In the review quarter no developments have taken place either in terms of commercial banks' lending rates or deposit rates³. Banks, by and large operated under the same interest rate structure as in the past quarters. US dollar lending

rates have been above rufiyaa rates, and have ranged between 12-15 percent while rufiyaa rates have ranged between 12 -13 percent. As for deposit rates, interest rates paid on savings deposits denominated in foreign currency ranged between 5 to 6 percent while that for fixed deposit stood between 5.5 - 7.5 percent. Savings deposit denominated in Rf ranged between 5-6 percent while for term deposits the minimum rate stood at 5 percent and the maximum stood at 7.5 percent.

Table 4. Commercial Bank Interest Rates

In percent

	LENDING RATES		DEPOSIT RATES			
	Rf	US\$	SAVING		TERM	
			Rf	US\$	Rf	US\$
December 2000	12 - 13	12 - 15	5 - 6	5 - 6	5 - 7.5	5.5-7.5
March 2001	12 - 13	12 - 15	5 - 6	5 - 6	5 - 7.5	5.5-7.5
June 2001	12 - 13	12 - 15	5 - 6	5 - 6	5 - 7.5	5.5-7.5
September 2001	12 - 13	12 - 15	5 - 6	5 - 6	5 - 7.5	5.5-7.5
December 2001	12 - 13	12 - 15	5 - 6	5 - 6	5 - 7.5	5.5-7.5

Source: Maldives Monetary Authority

5. External Sector

A. International Trade

International trade continues to play a significant role in the domestic economy with the trade in goods as a share of GDP estimated at around 81 percent in 2001⁴. In the quarter under review, the value of merchandise exports f.o.b. fell in comparison with both the preceding quarter and the corresponding quarter of the previous year, by about 11 percent and 8 percent respectively. Meanwhile, merchandise imports f.o.b, was 5 percent higher in the review quarter than in the preceding quarter and marginally (0.3 percent) less than the final quarter of 2000.

During the last quarter of 2001, **merchandise exports** (f.o.b) recorded a quarterly decline of 11 percent in its earnings, reaching US\$26.5 million, according to Customs statistics. In comparison with exports of US\$28.8 million registered during the last quarter of 2000, this amounted to a fall of 8 percent. Total

³ Interest rates have been revised from 1999 onwards.

⁴ GDP estimates of December 2001

domestic exports (f.o.b) comprised 70 percent of total merchandise exports whilst re-exports accounted for 30 percent of the export bill. Earnings from re-exports witnessed around a 5 percent increase in the review quarter, increasing the amount to US\$8.0 million from US\$7.6 million in the third quarter of 2001. This growth is mainly due to the increase in the jet fuel exports, as jet fuel accounted for 94 percent of total re-exports.

Domestic exports witnessed a negative trend both on quarterly and annual terms, declining from US\$19.1 million in the final quarter of 2000 and

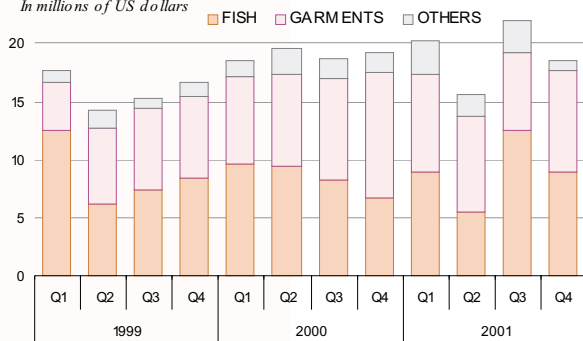
US\$22.0 million in the third quarter of 2001, to US\$18.5 million in the review quarter. Of the components of domestic exports, earnings from fish and fish products declined by 33 percent during the quarter to total US\$9.4 million and accounted for 51 percent of total domestic exports. Earnings from fish exports (excluding live tropical fish) which showed a quarterly increase of 125 percent last quarter, fell by more than 28 percent during the final quarter of 2001 to reach US\$8.9 million, while an annual increase in earnings of

34 percent was registered. Exports of canned fish constituted 20 percent of total fish exports. Such exports witnessed a decline of 64 percent (in volume terms) compared to the third quarter of 2001, while in value terms, they declined by about 57 percent. Reflecting the increase in international prices for canned tuna to the levels witnessed in early 2001, the trend was similar even on a year-on-year basis, with the volume of canned fish exported falling by 33 percent, while the value fell by around 19 percent, to record US\$1.8 million during the quarter under review. Frozen non-reef fish contributed around 52 percent of total fish exports. On a quarterly basis, earnings from frozen non-reef fish exports showed an increase from US\$4.0 million to

US\$4.6 million (16 percent), while the volume exported grew by around 50 percent. On annual terms, however, such earnings increased by 162 percent from US\$1.8 million in the last quarter of 2000, while the volume of frozen non-reef fish rose from 347.6 metric tonnes in the fourth quarter of 2000 to 5,386.1 metric tonnes in the review quarter. Dried fish export earnings, on the other hand, showed a decrease of 36 percent compared to the third quarter of 2001, to record US\$2.2 million in

Chart XI. Domestic Exports

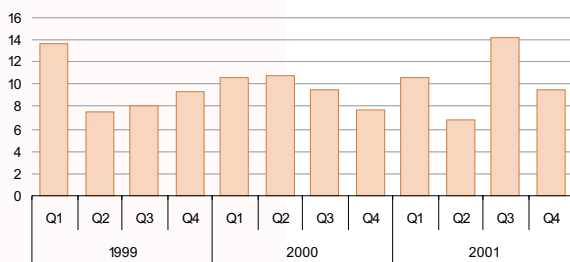
In millions of US dollars



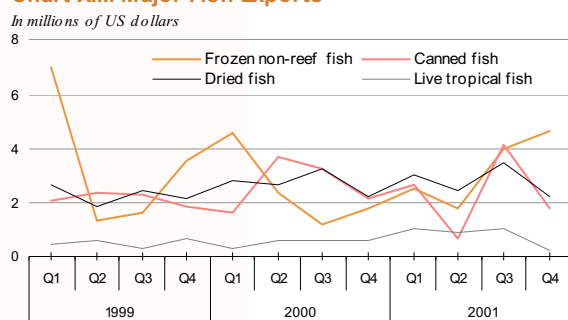
Source: Maldives Customs Service

Chart XII. Fish Export Earnings

In thousands of US dollars



Source: Maldives Customs Service

Chart XIII. Major Fish Exports


Source: Maldives Customs Service

the review quarter, while the quantity of dried fish exported fell by 30 percent. On a year-on-year basis, earnings from dried fish exports remained at around the same level, while volumes had increased by 8 percent. Export earnings from live tropical fish as well as volume exported, reflected a negative trend, both on a quarterly and annual basis - by 75 percent and 58 percent respectively on a quarterly basis, while on annual terms a decrease of 55 percent was recorded in the value of such exports and the volume

fell by 36 percent.

Export earnings from garments accounted for 47 percent of total domestic exports. After reflecting a decline in the earlier three quarters, the value of garments exports increased by 27 percent to record US\$8.7 million in the review quarter, while the volume increased by around 0.6 million pieces in the current quarter after falling by around 0.5 million pieces in the preceding quarter. However, on an annual basis, both quantity exported and earnings had decreased (by 22 percent and 20 percent respectively), registering US\$8.7 million for the export of 6.7 million pieces during the quarter under review.

Total **merchandise imports** (c.i.f) registered US\$98.5 million during the fourth quarter of 2001. On a quarterly basis imports witnessed an increase of 5 percent, while on annual terms a fall of 0.3 percent was witnessed. In terms of sector⁵, approximately 70 percent were imported by private sector, with imports by the tourism sector constituting 21 percent of private sector imports. Total private sector imports increased by 4 percent or US\$2.8 million to record US\$68.9 million in the last quarter of 2001, while against the same period of 2000, there was a decline of 6 percent. Imports by the tourism sector constituted 15 percent of total imports registering US\$14.5 million, and declining by 5 percent in the review quarter. When compared to the corresponding quarter of 2000 there was a decline of 14 percent. Private sector non-tourism imports showed a quarterly increase of 7 percent to record US\$54.4 million, but on annual terms showed a 3 percent decline. Public sector imports recorded US\$29.6 million during the final quarter of 2001 increasing by 7 percent compared with the third quarter of the year. In comparison with a year ago, this was 15 percent increase. Imports by public non-financial enterprises (PNFEs) constituted 67

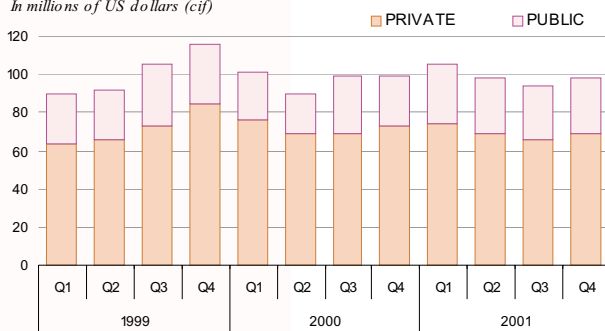
⁵ Sectoral breakdowns are made on the basis of Customs records, which are in turn based on declarations by the importer. Therefore, for example, if tourist resorts obtain supplies domestically from other private sector sources or from public enterprises, the imports of these items would have been classified in 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.

percent of total public sector imports during the review quarter, registering US\$19.9 million, and declining by US\$5.1 million over the quarter, and by US\$1.9 million on an annual basis. Imports by the government totaled US\$9.7 million, and accounted for 33 percent of total public sector imports. Imports by this sector reflected a quarterly growth of US\$7 million (259 percent) while on annual terms, growth totaled US\$5.7 million (approximately 142 percent). The large increase during the quarter was mainly attributable to the increase in import of transport related items, which accounted for 69 percent of government imports during the quarter, whereas this proportion stood at 21 percent during the preceding quarter, and 25 percent during the fourth quarter of 2000.

As regards the composition of imports, consumer goods accounted for around

Chart XIV. Imports by Sectors

In millions of US dollars (cif)



Source: Maldives Customs Service

46 percent of total imports (c.i.f.), while intermediate and capital goods accounted for around 45 percent, and petroleum products for around 10 percent. Food items accounted for around half of the consumer goods imported, and around 23 percent of total merchandise imports (c.i.f.), while staples (rice, wheat flour and sugar) constituted 17 percent of food items. The petroleum products category largely constituted of diesel (marine gas oil), which accounted for over 80 percent of this category during the fourth quarter of 2001. This category witnessed a year-

on-year decline of around 26 percent with all sub-categories showing declines. Imports under the intermediate and capital goods category grew by around 10 percent when set against the fourth quarter of 2000. Within this category, construction related imports accounted for around 21 percent, while transport equipment and parts accounted for around 28 percent, and textiles, for around 14 percent during the quarter under review.

In terms of **direction of trade**, with the USA being the receiving country of the greater part of the garments exported from the Maldives⁶ (mainly by resident foreign direct investor owned factories), the United States continues to be the largest export market, accounting 44 percent of total domestic exports. The next largest export receivers during the quarter were Sri Lanka and

⁶ In Maldives, foreign direct investors own almost the entire garments industry. In many of these cases, only the finishing is done in the Maldives after partly stitched garments are imported into the country from neighbouring countries where the cost of production is lower. The major attraction for investments in garment production in Maldives is the quota that is currently available to Maldives to export garments without incurring duties in the importing country, on account of Maldives being an LDC.

Thailand, each accounting for 17 percent of total domestic exports, followed by the United Kingdom, with 9 percent. Imports into the country were mainly from Asia (68 percent), of which 24 percent was from the SAARC region. Europe accounted for 17 percent, while North America and Oceania each accounted for more than 3 percent. In terms of individual countries, imports from Singapore were 24 percent of the merchandise imports, while imports from Sri Lanka and India accounted for 12 and 11 percent respectively, and Malaysia accounts to 8 percent.

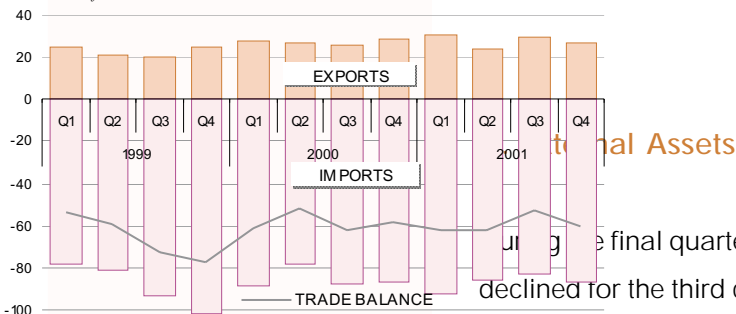
B. Balance of Trade

The quarterly trade deficit increased by 14 percent during the fourth quarter of 2001, following a decrease in the preceding quarter, while in value terms this

reflected a move from US\$52.9 million to US\$60.2 million. This trade deficit deterioration was due to the 11 percent decline in the value of merchandise exports, while imports recorded a growth of 5 percent during the quarter. On a year-on-year basis there was a less steep growth of 3 percent in the trade deficit, as a result of the negative growth in imports (albeit very small at 0.3 percent) coupled with a 8 percent decline in merchandise exports.

Chart XV. Merchandise Trade

In millions of US dollars



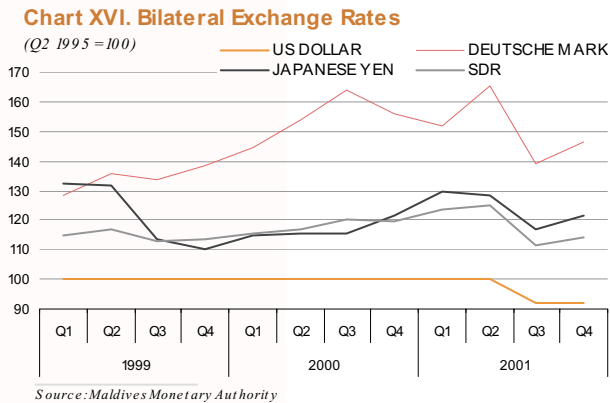
Source: Maldives Customs Service, Maldives Airports Company Ltd.

In the final quarter of 2001, net foreign assets (NFA) of the banking system declined for the third consecutive quarter. The NFA of the banking system fell to

Rf1,153.0 million at the end of the review quarter, from Rf1,280.4 million in the end of the previous quarter and Rf 1,312.2 million in the at the corresponding quarter of 2000. The deterioration in the NFA in the review quarter is attributable to the decline in the net foreign assets of MMA. The net foreign liability position of the commercial banks registered significant improvements, both quarterly (34 percent) and annually (68 percent), at the end of the review quarter. The gross international reserves in terms of month of imports reflect 2.9 months of merchandise imports at the end of December 2001, which was 3.2 months of merchandise imports at the end of September 2001. On the correspondent quarter of 2000 it was 3.8 months of merchandise imports.

D. Exchange Rate

After the devaluation of the rufiyaa by 9 percent against the US dollar on July 25, 2001, the rufiyaa remained unchanged at the mid rate of 12.80, where the buying and selling rate was separated by a margin of 10 laaries, with the buying and selling rates for the US dollar at 12.75 rufiyaa and 12.85 rufiyaa, respectively.



As regards the movements of rufiyaa against other major foreign currencies, on a quarterly basis the rufiyaa depreciated against all the major trading currencies except for an appreciation of one tenth of a percent against the Indian rupee. The rufiyaa showed a 5 percent depreciation against the Singapore dollar, Deutsche mark and the Euro, by 4 percent against the Japanese yen and 3 percent against both the Sri Lankan rupee and the Sterling pound. On an annual basis, the rufiyaa appreciated against the Euro and the

Deutsche mark by 7 percent, against the Indian rupee by 6 percent, against the Sterling pound by 5 percent, and against the Singapore dollar by 3 percent. Against the Sri Lankan rupee, the rufiyaa depreciated by 6 percent on annual terms, while against the Japanese yen, there was no change.



Statistical Appendix

Statistical Appendix

Statistical Appendix

Statistical Appendix

Statistical Appendix

Table 1. Monetary Survey, 1998 - 2001

(In millions of rufiyaa; end of period)

	1998	1999	2000				2001			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Net foreign assets	1490.54	1405.45	1527.61	1401.66	1324.71	1312.17	1413.06	1351.71	1280.38	1153.03
Monetary authorities (net)	1401.46	1502.23	1548.95	1500.73	1455.31	1450.39	1479.42	1465.79	1347.33	1196.90
Foreign assets	1411.58	1512.37	1559.09	1510.88	1465.46	1460.54	1489.57	1475.94	1357.48	1207.05
Foreign liabilities	-10.12	-10.14	-10.14	-10.15	-10.15	-10.15	-10.15	-10.15	-10.15	-10.15
Commercial banks (net)	89.07	-96.78	-21.34	-99.07	-130.60	-138.22	-66.36	-114.08	-66.94	-43.87
Foreign assets	278.38	224.67	368.66	342.77	201.24	257.47	313.08	329.31	333.01	318.49
Foreign liabilities	-189.31	-321.45	-390.00	-441.85	-331.84	-395.68	-379.44	-443.39	-399.95	-362.36
Domestic assets (net)	1338.12	1524.35	1685.59	1864.85	1819.77	1737.66	1889.63	2067.42	1982.28	2171.67
Domestic credit	2091.37	2259.25	2450.55	2692.27	2670.62	2586.80	2730.95	2927.15	3033.38	3089.86
Public sector	838.20	956.45	1142.34	1341.68	1267.05	1179.73	1346.63	1401.92	1348.58	1262.62
Central Govt (net)	673.11	760.17	944.29	1122.77	1088.66	995.01	1138.50	1183.40	1106.77	1078.58
Gross claims on Govt.	1024.37	1156.14	1267.20	1528.52	1585.92	1409.00	1606.22	1692.37	1684.29	1584.46
Govt. deposits	351.26	395.97	322.91	405.75	497.25	413.99	467.72	508.97	577.53	505.88
Public enterprises	165.09	196.28	198.05	218.91	178.39	184.72	208.13	218.52	241.81	184.04
Private sector	1253.18	1302.80	1308.20	1350.59	1403.56	1407.08	1384.32	1525.23	1684.80	1827.24
Other items (net)	753.26	734.90	764.96	827.42	850.85	849.14	841.32	859.73	1051.10	918.19
Broad money	2828.66	2929.80	3213.20	3266.51	3144.47	3049.83	3302.69	3419.13	3262.66	3324.70
Narrow money	1384.24	1585.19	1642.40	1789.29	1734.95	1760.43	1845.19	1908.19	1631.04	1655.92
Currency in circulation	524.93	593.35	577.46	581.42	590.92	618.13	600.93	597.99	570.96	566.52
Demand deposits and Govt. Rf deposits	859.31	991.84	1064.94	1207.87	1144.03	1142.30	1244.26	1310.20	1060.08	1089.39
Quasi money	1444.42	1344.61	1570.80	1477.22	1409.52	1289.40	1457.49	1510.94	1631.62	1668.79
o.w. FC. deposits	1302.11	1211.58	1340.56	1253.11	1178.85	1087.01	1245.51	1274.25	1395.81	1484.71

Source: Maldives Monetary Authority

Table 2. Assets and Liabilities of Maldives Monetary Authority, 1998 - 2001

(In millions of rufiyaa; end of period)

	1998	1999	2000				2001			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Foreign assets	1411.58	1512.37	1559.09	1510.88	1465.46	1460.54	1489.57	1475.94	1357.48	1207.05
Claims on government	1024.37	1156.14	1267.20	1528.52	1585.92	1409.00	1606.22	1692.37	1684.29	1584.46
Claims on PNFE	3.20	2.48	6.23	2.55	3.15	1.57	1.48	9.15	1.48	1.48
Claims on commercial banks	1.42	1.43	1.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other assets	68.02	91.31	96.39	96.05	99.67	93.14	100.76	97.00	96.52	71.92
Total assets	2508.59	2763.73	2930.35	3138.00	3154.20	2964.25	3198.03	3274.46	3139.78	2864.91
Total liabilities	2508.59	2763.73	2930.35	3138.00	3154.20	2964.25	3198.03	3274.46	3139.78	2864.91
Reserve Money	2020.76	2220.29	2461.10	2571.96	2471.85	2400.39	2592.01	2625.68	2322.80	2194.49
Currency in circulation	524.93	593.35	577.46	581.42	590.92	618.13	600.93	597.99	570.96	566.52
Cash with com. banks	18.40	42.79	25.87	34.24	31.11	38.92	34.41	31.21	35.05	43.32
Com. banks deposits	842.88	932.77	1209.43	1224.24	1103.66	971.20	1187.54	1171.84	1248.82	1184.23
PNFE and Loc. Govt. Depos	154.56	82.41	93.46	95.92	85.33	105.23	92.48	122.31	71.79	77.40
MMA Certificate of deposits	480.00	568.99	554.88	636.15	660.84	666.91	676.64	702.33	396.20	323.01
Foreign liabilities	10.12	10.14	10.14	10.15	10.15	10.15	10.15	10.15	10.15	10.15
Government deposits	225.19	235.02	136.41	211.59	299.44	231.84	256.84	282.60	355.02	283.80
Other liabilities (including capital account)	252.52	298.27	322.70	344.30	372.76	321.87	339.03	356.03	451.80	376.47

Source: Maldives Monetary Authority.

Table 3. Assets and Liabilities of Commercial Banks, 1998 - 2001

(In millions of rufiyaa; end of period)

	1998	1999	2000				2001			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Reserves	1346.55	1553.47	1802.63	1911.77	1806.81	1695.23	1912.84	1958.27	1666.12	1563.42
Foreign assets	278.38	224.67	368.66	342.77	201.24	257.47	313.08	329.31	333.01	318.49
Claims on public sector	161.89	193.80	191.82	216.36	175.24	183.15	206.65	209.37	240.33	182.55
Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PNFE	161.89	193.80	191.82	216.36	175.24	183.15	206.65	209.37	240.33	182.55
Claims on private sector	1253.18	1302.80	1308.20	1350.59	1403.56	1407.08	1384.32	1525.23	1684.80	1827.24
Unclassified assets	143.40	131.00	144.58	151.17	167.93	144.54	149.76	157.55	153.05	159.97
Total assets	3183.40	3405.74	3815.90	3972.65	3754.78	3687.47	3966.66	4179.72	4077.30	4051.68
Total liabilities	3183.40	3405.74	3815.90	3972.65	3754.78	3687.47	3966.66	4179.72	4077.30	4051.68
Demand deposits 1/	725.45	935.95	983.64	1121.64	1067.34	1074.43	1164.82	1202.07	1009.11	1022.15
Time and saving dep. f/c dep. 2/	1423.73	1318.10	1558.63	1467.53	1400.88	1252.04	1444.45	1496.76	1610.81	1658.63
Government deposits	126.08	160.95	186.50	194.16	197.82	182.15	210.88	226.37	222.51	222.08
Foreign liabilities	189.31	321.45	390.00	441.85	331.84	395.68	379.44	443.39	399.95	362.36
Other liabilities	718.84	669.29	697.12	747.48	756.90	783.16	767.06	811.14	834.93	786.47
Memorandum items:										
Foreign currency deposits	1310.53	1211.50	1356.11	1272.87	1210.85	1085.95	1270.41	1301.18	1419.59	1519.77

1/ Rufiyaa demand deposits only

2/ Time and saving deposits and all foreign currency deposits

Source: Maldives Monetary Authority

Table 4. Distribution of Commercial Bank Credit to Private Sector by Major Sectors, 1998 - 2001

(In millions of rufiyaa; end of period)

	1998	1999	2000				2001			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Fisheries										
Value	58.5	69.2	68.7	70.0	69.5	68.7	72.6	75.8	77.1	75.7
Percent	4.7	5.3	5.3	5.2	5.0	4.9	5.3	5.0	4.6	4.2
Tourism										
Value	609.5	714.4	731.8	728.4	753.5	742.5	692.1	701.7	746.7	824.0
Percent	48.5	55.2	56.6	54.6	54.3	53.4	50.6	46.5	44.7	45.5
Commerce 1/										
Value	406.2	371.1	348.4	370.5	386.1	392.0	395.0	513.6	600.9	659.2
Percent	32.3	28.7	27.0	27.8	27.8	28.2	28.9	34.0	36.0	36.4
Construction										
Value	74.1	71.2	77.7	93.9	103.3	115.4	127.8	115.4	125.4	135.0
Percent	5.9	5.5	6.0	7.0	7.4	8.3	9.3	7.6	7.5	7.5
Manufacturing										
Value	26.1	24.6	25.0	24.6	24.3	17.6	17.0	28.2	30.8	30.0
Percent	2.1	1.9	1.9	1.8	1.8	1.3	1.2	1.9	1.8	1.7
Transport and communication										
Value	17.0	24.1	20.3	24.3	24.8	24.0	26.0	34.3	34.0	31.2
Percent	1.4	1.9	1.6	1.8	1.8	1.7	1.9	2.3	2.0	1.7
Other										
Value	65.3	20.0	20.5	23.3	26.3	31.2	38.0	40.6	54.2	56.4
Percent	5.2	1.5	1.6	1.7	1.9	2.2	2.8	2.7	3.2	3.1
TOTAL CREDIT										
Value	1256.6	1294.7	1292.2	1334.8	1387.8	1391.3	1368.6	1509.5	1669.1	1811.5
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Wholesale and retail trade, import and export trade.

Source: Maldives Monetary Authority.

Table 5. Commercial Bank Deposits Distributed By Type, 1998 - 2001

(In millions of rufiyaa; end of period)

	1998		1999		2000								2001							
					Mar		Jun		Sep		Dec		Mar		Jun		Sep		Dec	
	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.
1. Current deposits	14351	822.1	14130	825.2	14525	1049.0	15577	1062.7	15667	934.4	15988	874.6	16546	1162.3	18601	1198.3	16933	1014.3	17171	972.2
2. Call deposits	3	16.9	2	0.6	2	0.6	2	0.6	2	0.5	2	0.5	2	0.5	2	0.5	2	0.4	2	0.4
3. Other deposit accounts	127	82.3	14	3.4	18	3.1	17	3.7	22	4.3	25	4.0	24	5.1	21	2.7	25	2.0	24	1.8
4. Savings deposits	59775	664.1	63461	803.0	68146	848.2	72610	932.5	74958	926.0	76335	893.1	78484	908.9	78940	940.4	85396	970.3	89058	1032.5
5. Fixed (or term) deposits	733	709.6	867	900.4	987	836.3	847	794.1	848	824.0	837	754.3	918	761.7	959	805.2	1069	878.5	1010.0	918
(a) Up to 3 months	9	33.4	110	139.6	247	291.7	113	215.5	115	221.9	153	280.9	231	266.5	200	249.5	213.0	266.9	204	341.1
(b) Over 3 to 6 months	64	110.9	94	241.7	98	72.6	92	121.5	115	156.9	83	105.3	74	89.1	90	108.6	98.0	147.7	129	160.1
(c) Over 6 months to 1 year	603	542.3	559	492.0	604	447.1	605	430.0	579	416.1	562	341.4	579	390.0	626	415.4	722.0	438.7	636	387.8
(d) Over 1 to 2 years	20	3.7	76	12.0	19	21.1	18	21.7	22	24.5	20	23.8	20	13.4	27	28.6	23.0	23.1	23	22.6
(e) Over 2 to 3 years	15	17.4	10	11.2	8	1.6	8	3.4	7	3.9	5	1.0	2	1.0	4	1.0	2.0	0.0	8	1.6
(f) Over 3 to 5 years	19	1.8	12	1.5	6	0.7	6	0.7	6	0.7	11	1.8	8	1.7	8	1.9	9.0	2.1	8	5.2
(g) Over 5 years	3	0.1	6	2.5	5	1.3	5	1.3	4	0.1	3	0.1	4	0.2	4	0.2	2.0	0.1	2	0.1
TOTAL	74989	2295.0	78474	2532.6	83678	2737.1	89053	2793.6	91497	2689.3	93187	2526.4	95974	2838.6	98523	2947.0	103425	2865.6	107265	2925

Source: Maldives Monetary Authority

Table 6. Composition of Domestic Exports (f.o.b), 1998 - 2001

(In millions of US dollars)

	1998	1999	2000				2001			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Domestic exports	74.31	63.68	18.48	19.49	18.77	19.13	20.17	15.53	22.00	18.47
Total marine exports	56.47	38.78	10.88	11.57	10.04	8.25	11.58	7.25	15.08	9.79
Fish and fish products (including live fish)	56.11	38.34	10.53	10.66	9.43	7.67	10.50	6.79	14.14	9.43
Fish exports (excluding tropical live fish)	51.86	34.43	9.62	9.43	8.26	6.67	8.84	5.53	12.44	8.95
Frozen non-reef fish	23.04	13.44	4.60	2.34	1.21	1.76	2.53	1.74	3.98	4.63
Frozen reef fish	0.64	1.97	0.37	0.53	0.44	0.40	0.41	0.49	0.68	0.21
Canned fish	16.65	8.59	1.66	3.71	3.22	2.16	2.69	0.69	4.13	1.76
Dried fish	9.16	9.02	2.81	2.63	3.23	2.22	3.00	2.43	3.45	2.21
Salted non-reef fish	1.16	0.74	0.00	0.02	0.00	0.01	0.00	0.01	0.03	0.05
Salted reef fish	1.22	0.67	0.18	0.19	0.17	0.12	0.21	0.17	0.18	0.10
Live tropical fish	2.30	1.94	0.26	0.61	0.55	0.56	1.00	0.87	1.01	0.25
Fish products	1.95	1.97	0.65	0.62	0.61	0.44	0.65	0.39	0.68	0.23
Other marine products	0.35	0.45	0.35	0.91	0.61	0.58	1.09	0.46	0.94	0.36
Garments	17.76	24.78	7.59	7.90	8.72	10.80	8.56	8.24	6.83	8.65
Other	0.08	0.12	0.01	0.02	0.00	0.08	0.03	0.04	0.09	0.03

Source: Maldives Customs Services

Table 7. Merchandise Imports (c.i.f) by Sector and Product Category, 1998 - 2001

(In millions of US dollars)

	1998	1999	2000				2001			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total merchandise imports (by sector)	354.0	402.2	100.8	89.4	99.5	98.8	105.4	97.8	93.8	98.5
Private sector imports	262.2	286.3	75.9	68.7	68.4	73.0	74.2	69.0	66.1	68.9
Private imports (excluding tourism)	177.1	198.8	56.6	52.2	54.4	56.1	56.3	53.4	50.9	54.4
Tourism imports	85.1	87.6	19.4	16.5	13.9	16.9	17.9	15.6	15.2	14.5
Public sector imports	91.8	115.8	24.8	20.8	31.2	25.8	31.2	28.8	27.7	29.6
Government imports	25.3	21.4	19.3	19.3	29.6	21.8	25.0	25.1	25.0	19.9
PNFEs imports	66.5	94.4	5.6	1.5	1.6	4.0	6.1	3.6	2.7	9.7
Total merchandise imports (by product category)			100.8	89.4	99.5	98.8	105.4	97.8	93.8	98.6
Consumer Goods			45.5	40.1	41.6	45.9	44.7	41.3	37.6	45.0
Food Items			23.2	20.0	21.2	22.8	23.9	20.0	18.6	22.5
Rice			1.6	1.1	1.9	1.2	1.0	1.2	1.1	1.8
Wheat			0.8	0.6	1.1	0.8	1.5	0.5	0.6	1.4
Sugar			0.8	0.7	0.4	0.8	1.1	1.0	0.3	0.8
Beverages			3.2	3.1	2.5	3.0	3.4	3.0	2.3	2.7
Other food items			16.8	14.5	15.3	16.9	16.9	14.2	14.2	15.8
Tobacco			1.7	1.3	1.0	0.9	1.3	1.1	1.4	0.8
Pharmaceuticals			1.0	0.9	1.1	0.9	0.9	1.0	1.1	0.8
Other consumer goods			19.6	18.0	18.3	21.3	18.6	19.2	16.6	20.9
Petroleum Products			7.8	8.6	16.1	12.7	16.3	10.9	11.2	9.4
Petrol			0.4	0.6	1.2	0.5	0.8	0.9	1.0	0.2
Diesel (Marine gas oil)			5.7	6.8	12.8	10.3	9.8	8.0	8.6	7.6
Aviation gas			0.6	0.4	0.5	0.7	2.8	0.7	0.5	0.6
Other petroleum product (Lubricating oil, Kerosene)			1.1	0.8	1.6	1.3	2.9	1.2	1.2	0.9
Intermediate & Capital Goods			47.5	40.7	41.8	40.2	44.4	45.6	45.0	44.1
Construction			8.7	11.4	9.0	8.0	8.9	11.8	10.3	9.2
Cement & Cement products			1.2	1.5	1.0	0.9	1.4	1.0	1.1	1.2
Wood for construction purposes			2.4	3.1	2.5	2.0	2.5	4.2	3.4	2.4
Base metal & articles of base metal for construction purposes			1.7	1.7	2.9	2.3	2.8	2.8	2.8	2.5
Other construction related			3.4	5.1	2.7	2.8	2.3	3.8	3.0	3.2
Paper			0.3	0.4	0.4	0.3	0.5	0.4	0.5	0.5
Medical / Surgical supplies			0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.4
Computer equipments and supplies			0.7	1.0	1.0	1.0	1.3	1.0	0.9	1.0
Machinery & mechanical appliances			1.8	1.1	1.1	1.5	1.5	1.3	1.5	1.5
Textiles			7.4	6.2	7.8	7.9	7.1	6.2	5.1	6.3
Chemicals & chemical products			0.7	0.9	0.7	0.6	0.9	0.7	0.7	0.6
Transport equipments and parts			12.6	7.4	10.3	7.5	10.9	11.8	6.5	12.2
Other Intermediate and Capital goods			15.0	11.9	11.3	13.0	13.1	12.2	19.1	12.4

Note: Composition of imports data for years prior to 2000 are not available on a comparable basis.

Source: Maldives Customs Services

Table 8. Exchange Rates, 1998 - 2001

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

		U.S. dollar	Japanese yen	Singapore dollar	Deutsche mark	Indian rupee	Sri Lanka rupee	Great Britain Pound	Euro	SDR
1998	March	11.7700	0.0881	7.1713	6.2942	0.2918	0.1849	19.1621	-	15.7723
	June	11.7700	0.0838	6.9931	6.4210	0.2703	0.1788	19.2383	-	15.6722
	September	11.7700	0.0876	6.7143	6.8002	0.2713	0.1747	19.3825	-	16.1404
	December	11.7700	0.0942	6.9910	6.9201	0.2726	0.1725	19.3075	-	16.5725
1999	March	11.7700	0.0937	6.6716	6.4352	0.2715	0.1669	18.5725	12.5863	15.9818
	June	11.7700	0.0946	6.7643	6.0843	0.2672	0.1630	18.3463	11.8997	15.7407
	September	11.7700	0.1092	6.7556	6.1845	0.2648	0.1619	18.9879	12.0958	16.2421
	December	11.7700	0.1127	6.8805	5.9751	0.2654	0.1601	18.7329	11.6863	16.1544
2000	March	11.7700	0.1084	6.7104	5.7232	0.2648	0.1579	18.1202	11.1936	15.8527
	June	11.7700	0.1076	6.6543	5.3751	0.2624	0.1561	17.0771	10.5128	15.7398
	September	11.7700	0.1077	6.6010	5.0300	0.2517	0.1488	16.1459	9.8378	15.2762
	December	11.7700	0.1025	6.6436	5.2896	0.2468	0.1443	16.9721	10.3454	15.3353
2001	March	11.7700	0.0960	6.5486	5.4288	0.2478	0.1349	16.7690	10.6178	14.8379
	June	11.7700	0.0967	6.3644	4.9940	0.2445	0.1254	16.2486	9.7674	14.6613
	September	12.8000	0.1064	7.2167	5.9365	0.2612	0.1392	18.4109	11.6108	16.4993
	December	12.8000	0.1020	6.8312	5.6395	0.2615	0.1357	17.8251	11.0299	16.0719

Source: Maldives Monetary Authority.



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