

Quarterly Economic Bulletin

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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 2005. 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 31st March 2006. 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 feedback from our readers.

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Table 1. Key Economic Indicators, 2002 - 2005

	2002		2003		2004		2004		2005		2005	
Gross Domestic Product												
GDP (1995 constant prices) Rf mn. ^{1/}	6,992.8	7,589.9	8,312.3	-	-	-	-	-	-	-	-	-
% change in GDP	6.5	8.5	9.5	-	-	-	-	-	-	-	-	-
Consumer Price Index												
% change in CPI	0.9	-2.9	6.4	3.9	5.4	6.4	6.4	6.4	6.9	5.6	4.4	3.3
Tourism												
Tourist arrivals	484,680	563,593	616,716	52,511	56,656	44,505	153,672	101,974	40,543	44,461	46,849	131,853
Bed night capacity ('000)	5,887	6,092	6,083	511	506	531	1,548	1,279	445	431	492	1,369
Capacity utilization (%)	69.0	77.2	83.9	83.8	87.1	74.5	81.8	69.0	75.3	85.1	74.5	78.3
Fish Production												
Landings('000 MTs) ^{2/}	160.2	152.2	156.0	17.0	15.4	13.3	45.7	36.7	9.5	14.8	16.4	40.7
Total fish exports ('000 MTs) ^{3/}	44.6	69.8	75.4	9.1	8.8	7.6	25.5	14.3	6.3	6.5	9.4	22.3
Total fish exports (US\$ mn.) ^{3/}	49.2	69.1	84.4	7.8	9.8	9.3	26.9	18.7	7.2	6.8	9.9	23.9
Money and Banking (Rf mn)												
Net foreign assets	1,655.3	2,604.3	3,357.1	3,002.7	3,181.8	3,357.1	3,357.1	1,904.0	1,774.9	1,977.5	1,787.7	1,787.7
Domestic credit	3,415.3	3,210.4	4,239.6	4,023.0	4,100.2	4,239.6	4,239.6	6,179.5	6,479.9	6,621.9	6,904.9	6,904.9
Total liquidity	3,936.0	4,507.5	5,983.7	5,543.5	5,768.8	5,983.7	5,983.7	6,266.5	6,341.4	6,631.6	6,685.0	6,685.0
Change in net claims on Government	56.4	-227.9	-419.3	-5.0	15.2	-37.0	-26.9	154.7	35.5	-37.8	66.3	64.0
Balance of Payments (US\$ mn) ^{4/}												
Exports (f.o.b) ^{5/}	132.3	152.0	181.0	17.6	18.1	20.9	56.7	32.5	13.4	13.4	17.7	44.6
Imports (f.o.b)	-344.7	-414.3	-567.3	-51.3	-59.1	-56.9	-167.3	-170.1	-55.7	-56.8	-69.2	-181.7
Trade balance	-212.4	-262.3	-386.4	-33.7	-41.0	-36.0	-110.7	-137.6	-42.3	-43.4	-51.5	-137.1
Current account balance	-35.7	-31.8	-133.9	-	-	-	-	-	-	-	-	-
Non-monetary capital (net)	75.5	106.1	192.7	-	-	-	-	-	-	-	-	-
Overall balance	39.8	74.3	58.8	10.5	14.0	13.7	38.2	-68.2	-10.1	15.8	-14.8	-9.1
Gross International Reserves (US\$ mn) ^{6/}	133.9	160.3	204.4	191.7	199.6	204.4	204.4	202.9	198.5	200.3	187.1	187.1
External Reserves in Months of Imports (cif)	4.1	4.1	3.8	3.8	3.8	3.8	3.8	3.3	3.3	3.3	3.0	3.0
Exchange Rate												
Rufiyaa / US\$ (Period average mid rate)	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80
Rufiyaa / US\$ (End of period mid rate)	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80	12.80

^{1/} GDP figures for 2002 revised on 24 Dec 2003, 2003 and 2004 are revised on February 2006.

^{2/} 2005 July - Dec data are estimates.

^{3/} Excluding live fish.

^{4/} BOP figures for 2003 and 2004 are revised estimates of 15 July 2004 & 31 May 2005 respectively

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

^{6/} Foreign Assets of MMA

Source: MMA, MOFA, MOT, MPND, MOFT, Customs

The overall macroeconomic situation during the last quarter of this year remained weak compared to the fourth quarter of 2004, however signs of recovery from the economic downturn following the tsunami are evident from the developments of some of the major economic activities. The tourism sector which suffered a crippling blow after the December 2004 tsunami is seen to be bouncing back, though both tourist arrival and bed-night showed negative growths compared to the corresponding period of 2004. Compared to the previous quarter both these variables registered positive growth rates in the review quarter. This was partly owing to the low levels registered in the previous quarter, and also due to the seasonal influences, with the review quarter coinciding with the peak season in the sector. In the fisheries sector, total fish landings declined annually, however it showed improvements relative to the previous quarter. Meanwhile, the review quarter experienced a boost in fish exports compared to both the previous as well as the corresponding quarter of 2004. Although some leading indicators of growth in the construction and distribution sectors showed declines during the review quarter, activities in these sectors have been more robust than it was a year ago.

On the fiscal front, the review quarter witnessed a deterioration of the fiscal position, as the increase in total expenditure was much higher than the concurrent growth in revenue. The unfavourable developments in the fiscal sector were reflected in the monetary figures, which indicated a rapid growth in total credit as well as total liquidity of the banking system during the last quarter of 2005. The pace of growth of total credit of the banking system continued to be strong during the review quarter with net credit to government as well as credit to the private sector accelerating sharply as a result of the ongoing tsunami related reconstruction activities. With the higher demand for credit in the economy, commercial banks continued to draw down their net foreign assets.

On the external front, the trade balance continued to be in deficit. However, the deficit during the quarter was slightly less compared to the preceding quarter as the export growth was higher than the growth in imports. Nevertheless, compared to the fourth quarter of 2004 the trade deficit has widened in the review quarter as exports remain much lower while imports stood higher during the period.

2.1 Tourism

Prior to December 2004 tsunami the tourism sector provided strong impetus to the economy and contributed to one third of GDP and government revenue and over 90 percent of the total services receipts of the balance of payments. However, given the vulnerability of the sector towards such exogenous shocks the sector contracted by a third during 2005, and its associated revenues and foreign exchange earnings plummeted.

Notwithstanding the above, tourism statistics for the fourth quarter indicated signs of revival, with strong growth in both tourist arrivals and bed nights, though it is yet to reach the pre-tsunami levels. Vigorous marketing and promotional campaigns organized by the Maldives Tourism Promotion Board with support from industry stakeholders to boost arrivals from key source markets coupled with the onset of the peak sea-

Table 2. Tourism Indicators, 2002 - 2005

	2002	2003	2004	2004				2005			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total visitor arrivals	513.9	594.1	650.9	193.7	137.9	155.6	163.7	95.5	92.3	109.5	142.9
Tourist arrivals	484.7	563.6	616.7	185.4	131.4	146.2	153.7	83.9	77.6	102.0	131.9
Bed capacity ^{1/}	16.1	16.7	16.6	16.8	16.7	16.2	16.8	13.3	13.7	13.9	14.9
Bednights	4066.5	4704.6	5110.6	1528.2	1095.1	1222.8	1264.4	680.0	667.3	883.7	1069.0
Bed capacity utilisation %	69.0	77.2	83.9	99.7	72.0	82.2	81.8	57.0	53.5	69.0	78.3

^{1/} Figures relate to the period average.

Source: Ministry of Tourism

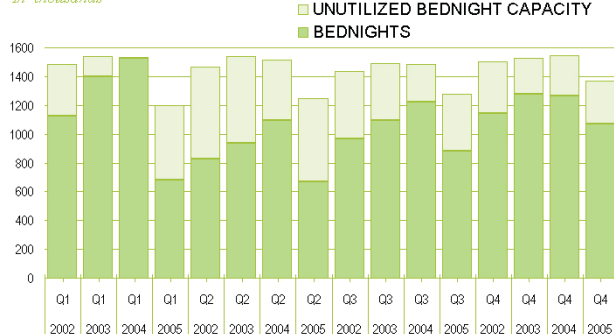
son underpinned this firm rebound in arrivals. As such, tourist arrivals rose by 29 percent to reach 131.9 thousand at the end of the review quarter. Nonetheless, arrivals were considerably lower by 14 percent than the last quarter of 2004. In parallel, albeit not in the same magnitude, total bednights registered a quarterly improvement of 21 percent (to record 1,069 thousand bednights) and weakened by 15 percent annually primarily due to the lower number recorded for average duration of a tourist visit in December 2005 (7.8 days), in contrast to 8.1 days in the last quarter of 2004 and 8.7 days during the third quarter of this year.

As regards the capacity of the industry, a number of resorts closed down following the tsunami, along with some resorts closed for refurbish-

ments, were still not fully operational by the end of the quarter. Accordingly the number of beds in operation at the end of the quarter totalled

Chart I. Tourist Bednights

In thousands



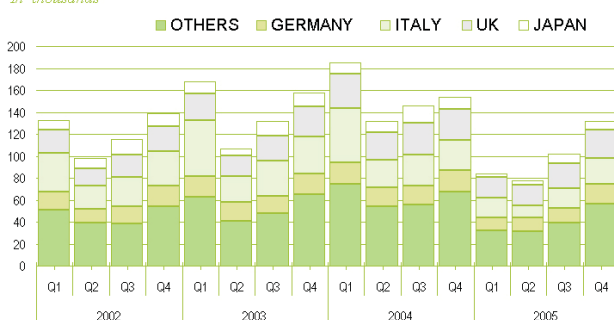
Source: Ministry of Tourism

14,871 beds, an increase of 963 beds compared to the preceding quarter. However, compared to the last quarter of 2004, the bed capacity in the industry still remains lower by 1,953 beds. Moreover, the average occupancy rate edged up from 69 percent in the previous quarter to 78 percent in the review quarter, though lower than the 82 percent registered during the last quarter of 2004.

On the investments side, in addition to the 11 new resorts (1,600 beds) awarded during the second quarter of 2005, for tourism development, the government announced its intention to develop 35 more resorts (5,000 - 7,000 beds), to sustain the healthy growth of the industry through further expansion of the industry, given that the current shortfall in arrivals and occupancy levels

Chart II. Tourist Arrivals

In thousands



Source: Ministry of Tourism

is only temporary. The additional increase in bed capacity is expected to resolve the bed capacity shortage experienced by a number of resorts

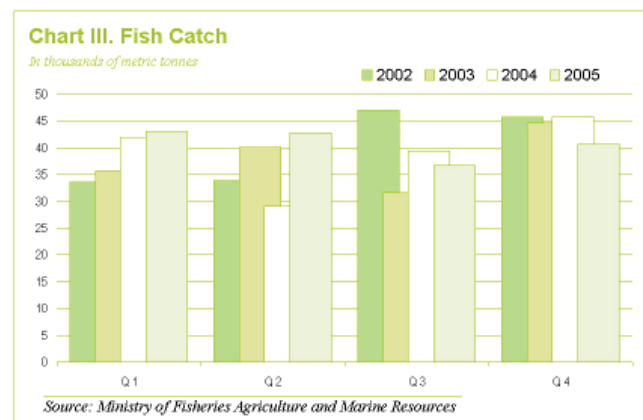
prior to the tsunami, as growth in bed capacity (3 percent) did not match the huge growth in arrivals (8 percent) observed during the past five years.

Given the strong uptrend in visitor arrivals, the key European market (78 percent of total arrivals) strengthened by 37 percent in quarterly terms, although arrivals from the region contracted by 14 percent over the fourth quarter of 2004. Looking at the major markets from the region, UK topped the market (25 percent of total European arrivals) with Italy coming second at 23 percent, followed by Germany at 18 percent. Compared to the previous quarter a 30 percent growth was noted in Italian arrivals, 41 percent growth in German arrivals and an 11 percent growth in British arrivals. Similarly, all these markets registered declines when set against the corresponding quarter of 2004. As for much smaller markets from this region, such as France and Switzerland (accounting for 9 percent and 6 percent respectively), both registered annual declines while strengthening quarterly.

Flow of tourists from Asia fell to 18 percent of total tourist arrivals from the 22 percent registered in the previous quarter, though the number of tourists from the region increased by 9 percent on quarterly terms. On annual terms it declined by 15 percent. As regards the arrivals from Japan and China, the two leading markets from Asian region (33 percent and 17 percent of Asian arrivals) showed contractions both quarterly and annually. Tourist arrivals from South Korea (contributing to 13 percent of Asian arrivals) though weakening by almost 2 percent annually more than doubled compared to previous quarter, largely due to the promotional activities carried out in the first half of the year aimed at restoring arrivals from the Korean market. Meanwhile, tourists from India registered gains when compared to both the previous quarter (31 percent) and the corresponding period a year ago (16 percent).

2.2 Fisheries

The domestic fisheries industry strengthened further in the review quarter compared to the previous quarter of 2005 against the backdrop of December 2004 tsunami and global price fluctuations in fish export market. Fisheries sector contribution to the country's GDP rose from 6.1 percent to 6.8 percent. However, overall fisheries sector was dragged down by 11 percent in terms of total fish landings and total revenue compared to the corresponding quarter of 2004.



The state owned enterprise Maldives Industrial Fisheries Corporation Ltd. (MIFCO) is the key player in domestic fishing market and total fish collection by MIFCO increased to 50 percent (20.6 thousand metric tonnes) of total fish landing compared to 24 percent (8.6 thousands metric tonnes) in previous quarter. Fish collection by the private operators in zone 1 and 3 remained constant at 2 percent of total fish landing.

Domestic fish exports are mainly exported to Asian and the European market, of which 68 percent is to Asia and the rest to Europe. Of the fish exports; fresh, chilled or frozen and canned fish increased in terms of volume and revenue during the fourth quarter, following a contraction in third quarter of 2005. The recovery was boosted by the strong performance in frozen skipjack exported by the private sector and canned fish exported by MIFCO. This positive momentum was carried throughout the fourth quarter with domestic fish exports growing by 56 percent in terms of volume and 28 percent in total revenue, compared to the previous quarter. The low rev-

enue growths compared to quantity was mainly due to fall in unit price per metric tonne of frozen tuna which declined by 22 percent (from US\$797 to US\$625 per metric tonne) compared to the third quarter of 2005.

2.3 Distribution

Robust growth in the tourism, fisheries and construction sectors in recent past has driven distributional activities (mainly wholesale and retail trade) in the country, and the sector is projected to grow by 2.6 percent in 2005, following from a growth of 5.8 percent in 2004. Meanwhile, the contribution to GDP by the sector has remained at around 4 percent over the past four years. Sector indicators include the performance of loans and advances extended to the this sector by commercial banks, which totalled Rf1,007.3 million at the end of the review quarter and registered a substantial growth of 38 percent or Rf276.5 million vis-à-vis the corresponding quarter of 2004. On quarterly terms, such credit grew by 10 percent. Another leading indicator of this sector is private sector imports¹ (excluding tourism imports), which registered negative growth rates when the review quarter is compared to both the preceding quarter as well as the corresponding quarter of 2004. As such, imports by private sector has fallen by US\$8.0 million when compared the preceding quarter and by US\$2.2 million against the fourth quarter of 2004 reflecting a quarterly decline of 9 percent and an annual decline of 3 percent. The annual decline was due to the significant fall in textile imports as a result of the expiration of the Multi-Fibre Agreement at the end of 2004 while the quarterly decline was partly owing to a dip in the petroleum products category namely diesel.

¹ 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.

2.4 Construction

Several public and private sector projects were carried out making the construction sector activities very buoyant during the review quarter. Reconstruction activities continued to be carried out, both in inhabited islands and tourist resorts which were damaged by the tsunami. In addition, other private and public sector construction activities contributed to the expansion of the sector. Indicators of the sector performance that are easily observable include the amount of loans extended by the commercial banks to the sector and the amount of construction material that is imported to the country. Movement of credit to this sector showed an increasing trend throughout 2005 with a year-end credit figure of Rf295.8 million, displaying a quarterly growth of 2 percent and an annual growth of 24 percent. On the other hand, import of construction materials fell quarterly by 20 percent from US\$36.2 million to US\$28.8 million mainly due to a decrease in import of base metal used for construction purposes. However, when compared to the levels of December 2004 construction imports recorded an increase of 22 percent.

2.5 Prices

Consumer price inflation (based on the percentage change in 12 month moving average of the Consumer Price Index (CPI)) decelerated to 3.3 percent in December 2005 after reaching a peak of 8.0 percent at the end of the first quarter.

Given the volatility of fish index (domestic price of fish fluctuates due to temporary factors such as weather) CPI excluding fish index is often used when assessing the price situation as it gives a more accurate picture of the underlying trend. Hence, when the fish index is excluded from the CPI, the growth rate was more moderate at 2.7 percent during the quarter under review, compared to 5.2 percent in the previous quarter and 3.9 percent in the last quarter of 2004.

Moreover, the food index excluding fish, which

Table 3. Consumer Price Index, 2002 - 2005 ^{1/}*Base (June 1995 = 100)*

	2002	2003	2004	2004				2005			
				Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Food beverages and tobacco products excluding fish	125.4	118.3	131.2	119.0	122.7	125.5	131.2	134.1	133.4	134.1	131.4
Fish Index	143.6	132.3	184.3	138.4	155.9	165.2	184.3	192.6	196.0	206.6	201.1
Clothing and footwear	97.7	97.5	95.5	96.9	96.0	95.1	95.5	96.5	97.0	96.5	95.5
Housing, water, fuel and power	106.8	105.9	103.7	104.8	104.0	103.4	103.7	105.0	106.5	108.0	110.0
Furniture, furnishing, household equipment & operation	108.7	106.7	107.0	105.7	105.6	106.1	107.0	107.8	108.6	109.1	109.5
Medical care and health expenses	108.2	106.2	106.6	106.1	106.1	106.3	106.6	106.9	107.1	107.1	106.6
Transport and communication	124.4	121.6	125.4	121.6	121.8	122.1	125.4	128.8	132.3	135.9	137.7
Education	116.2	119.0	120.1	119.5	119.7	119.9	120.1	120.5	121.1	121.6	122.1
Recreation, entertainment, religious and cultural services	100.1	100.1	98.1	99.6	98.9	98.3	98.1	98.0	98.0	98.1	98.2
Personal care	103.4	102.9	106.2	104.0	105.2	105.9	106.2	107.0	107.6	108.5	109.8
Total CPI	116.4	113.1	120.3	113.5	115.5	116.9	120.3	122.5	123.3	124.9	124.3
Total Index excluding fish	114.7	111.9	116.2	111.9	112.9	113.8	116.2	118.0	118.7	119.6	119.4

^{1/} Figures are 12 months moving average.

Source: Ministry of Planning and National Development

has a large weight in the CPI, contributed significantly to the rapid growth seen in inflation during the fourth quarter of 2004 and the first half of 2005, and registered a mere growth of 0.2 percent during the review quarter. Marked growths were noted in the housing, fuel and power index (the second highly weighted component) and transport and communication index during the review quarter. Both indices displayed steady growth rates, against the backdrop of the continued rise in the price of domestic petroleum products reflecting the surge in global oil prices.

With regard to year on year change in CPI, the quarter registered a 3.4 percent decline over 2004. This decline was mainly attributable to the huge plunge (42.2 percent) in the volatile fish index during the quarter and the 3.4 percent fall in the food index excluding fish, which consequently brought the total index (excluding the fish index) down to 0.8 percent. Except for clothing and foot wear index; and medical care.

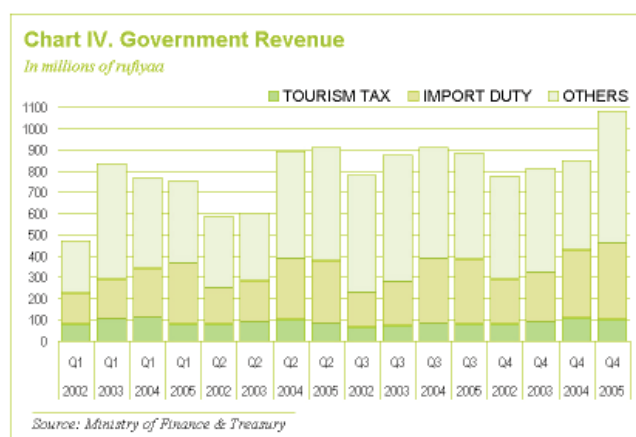
and health expenses index all other categories posted gains of which the most notable was housing, water, fuel and power (8.2) and transport and communication (5.1)

2.6 Employment

With the continued influx of foreign labour into the domestic labour market, average number of expatriate workers in the economy rose to 43,774 workers at the end of the review quarter. The quarterly growth in the number of expatriate workers were modest at 3 percent or 1,470 workers in contrast to the substantial increase of 13 percent or 5,155 workers on annual terms during the same period a year ago. This annual increase is primarily on account of the growth in the number of workers in the construction sector (38 percent) and other community, social work and personal services (26 percent) mostly being employed in elementary occupations.

The fiscal conditions further deteriorated in the fourth quarter of 2005 with a record high deficit for the second consecutive quarter. As such, the deficit increased from a mere Rf35.2 million in the fourth quarter of 2004 to Rf167.0 million in the third quarter of this year to a staggering Rf328.4 million during the review quarter. The large deficit in the review quarter stemmed from the rapid growth in expenditure concurrent with a lesser growth in revenue.

The total domestic revenue (excluding repaid loans, cash grants and fund accounts) during the review quarter totalled Rf1,045.4 million. This amount was 21 percent higher when compared to the previous quarter and 25 percent higher when compared to the corresponding quarter of the 2004. The quarterly improvement in the domestic revenue was attributed to the increase in



non-tax revenue which accounted for about 54 percent of the total domestic revenue. As such, non-tax revenue grew by over 40 percent both on quarterly and annually to register Rf560.4 million at the end of the review quarter. Tax revenue grew by 4 percent on quarterly terms and by 9 percent on annual terms to record Rf477.0 million during the review.

With the higher levels of imports during the review quarter, receipts from import duty accounted for around 75 percent of the tax revenue, and such revenue increased by 18 percent quarterly and 13 percent annually.

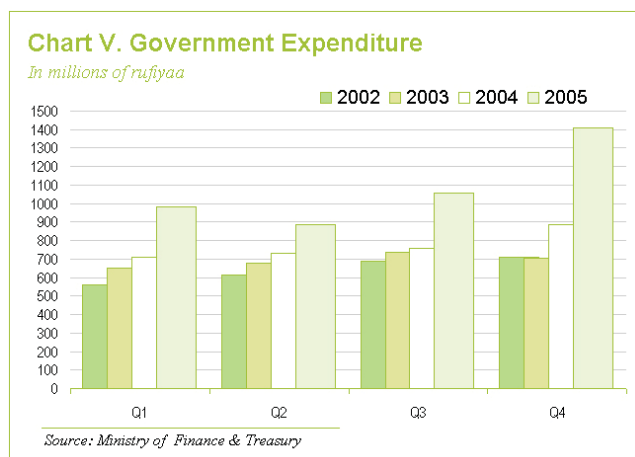
The other main component of the tax revenue is tourist bednight tax and accounted for 21 percent of the tax revenue and 10 percent of total domestic revenue. In the review quarter, Rf101.8 million was collected with a quarterly increase of 28 percent, reflecting the seasonal improvements in the tourism industry. As tourism has still not recovered to pre-tsunami levels, such revenue showed a 6 percent decline from the fourth quarter of 2004.

Apart from the tourism tax, resort lease rent (constituting 45 percent non-tax revenue and 24 percent of the total domestic revenue) is another important source of income for the government from tourism sector. In aggregate Rf355.2 million was received from these two items (tourism tax and resort lease rent) alone during the review quarter and represented 34 percent of the total domestic revenue. In the case of resort lease rent, it more than doubled during the quarter, with an increment of Rf126.7 million. This was largely due to the paying off of earlier lease rent payments, for which a moratorium was given for the resorts that were damaged in the tsunami.

In addition, transfers from public enterprises represented the other major source of revenue among the non-tax revenue components. During the quarter such revenue recorded Rf118.0 million (21 percent of non-tax revenue) and fell by 7 percent compared to previous quarter, but was still higher when compared the same period of 2004. The quarterly decline was due to the fact that profit taxes from most public enterprises are usually paid during the third quarter of the year. Nevertheless, during the review quarter noteworthy transfers were made from State Trading Organization, Maldives Monetary Authority, Maldives Airport Company Ltd, Maldives Post limited and Maldives Transport and Contracting Company.

Total Government expenditure was Rf1,409.7 million during the review quarter and increased by 34 percent and 60 percent against the preceding quarter and the corresponding quarter of

2004, respectively. The total budget expenditure for the year as a whole stood at Rf4,334.4 million, which was 40 percent higher than the previous year and 3 percent more than the estimated expenditure for 2005.



The total expenditure incurred for tsunami relief and reconstruction activities stood at Rf379.9 million as at December 28th 2005. Of this Rf186 million was reimbursed from the Tsunami Relief and Reconstruction Fund (TRRF)² as at December 28th 2005. As a result, the cumulative expenditure for tsunami related relief and redevelopment from the government budget stood at Rf193.9 million as at December 28th 2005.

Following the deterioration of the fiscal situation in 2005 following the tsunami, government's borrowings from MMA increased rapidly during the year, with the government debt stock reaching record high levels at the end of 2005.

² TRRF includes financial assistance received from local, bilateral and multilateral sources

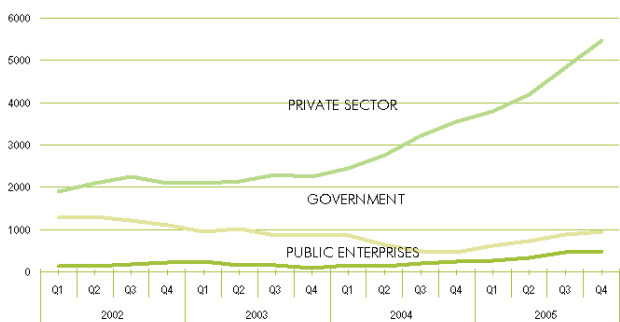
4.1 Money and Credit Developments in the Banking System

With the credit demand in the economy remaining strong, expansion in domestic credit continued in the review quarter, supported partly by large borrowings from abroad by the commercial banks leading to a marked decline in the net foreign assets (NFA) of the banking system. Hence, total liquidity (broad money or M2) in the system remained ample at the end of December 2005, though the rate of growth has decelerated substantially from the end of December 2004.

Movements in total domestic credit during the year reflect the effects of tsunami, as credit

Chart VI. Domestic Credit

In millions of rufiyaa



Source: Maldives Monetary Authority

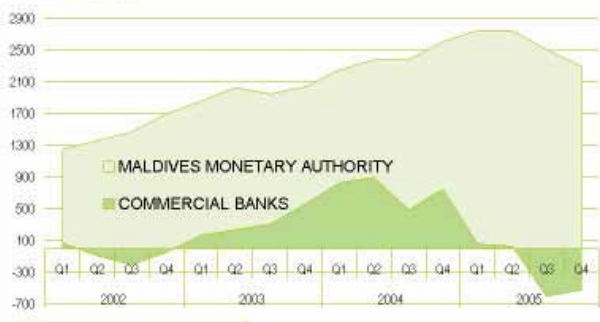
extended to both the private sector as well as to the public sector surged. Hence, the total domestic credit extended during the year expanded by 63 percent to stand at Rf6,904.9 million at the end of the review quarter. In terms of flows this reflected an increase of Rf2,665.3 million. This was in comparison with an increase of Rf1,029.2 million at the end of 2004 which reflected an increase of 32 percent. Quarterly growth represented a 12 percent increase at the end of the three months to December 2005. The strong growth in domestic credit was explained by the rapid expansion in credit to the private sector, (79 percent of the total domestic credit) which grew by 55 percent annually and 14 percent on quarterly terms. This increase was

largely attributed to the increase in credit to the tourism sector to finance the large reconstruction works following the destructions of the December 2004 tsunami. Meanwhile, net credit to government increased by 7 percent on quarterly terms and by over 109 percent on annual terms. This reflected the substantial deterioration of the fiscal accounts during the year resulting from the large revenue shortfall concurrent with the rise in expenditure following the tsunami. Strong growth was also seen in credit to the public enterprises on annual terms, 97 percent, though the quarterly increase was substantially lower at 2 percent.

NFA of the banking system declined by 47 percent in the year to December 2005 to stand at Rf1,787.7 million, while quarterly movements show a decline of 6 percent. The deterioration in NFA position reflected declines in both the positions of commercial banks and MMA. Foreign assets of commercial banks declined by 40 percent, while foreign liabilities grew by over 300 percent in the period, in response to the increased credit

Chart VII. Net Foreign Assets

In millions of rufiyaa

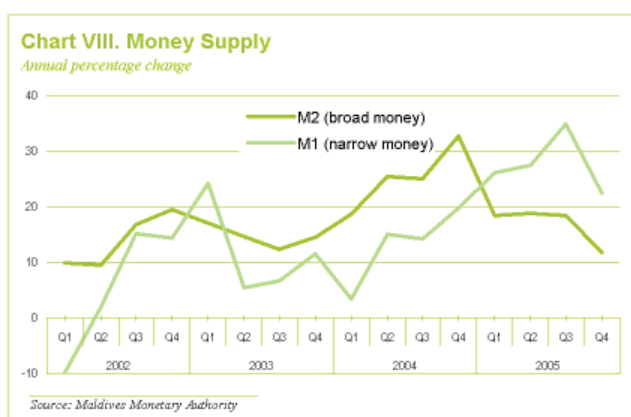


Source: Maldives Monetary Authority

activities in the economy. As regards the foreign assets of MMA, it showed a decline of 8 percent, while foreign liabilities increased substantially during the year reflecting the government's purchase of SDR4.1 million (equivalent to Rf79.6 million) under the IMF's policy on emergency natural disaster assistance, following the tsunami disaster.

The annual growth in M2 of the banking system at the end of December 2005 showed a marked deceleration from the past quarters with the

growth in M2 slowing down from 33 percent at the end of December 2004 to around 15 percent at the end of June and September 2005, further to 12 percent at the end of December 2005. On quarterly terms, the growth in M2 has been more subdued at 7 percent. Of the components of M2, narrow money accounting for 45 percent of M2, grew by 22 percent annually, while having increased by less than 1 percent on quarterly terms. Quasi money, constituting 55 percent of M2, increased by 4 percent on annual terms and by 13 percent on quarterly terms. The strong quarterly growth in quasi money reflected the



increase in foreign currency deposits emanating from the favourable quarterly developments in the tourism sector. Depicting these trends, dollarisation ratio (foreign currency deposits as a percent of broad money) at the end of December 2005 stood at 51 percent lower compared to the 56 percent at the end of December 2004, but higher than the 49 percent at the end of September 2005.

4.1.1 Operations of the Commercial Banks

The consolidated balance sheets of the five commercial banks in the country showed a 6 percent increase in total assets and liabilities in the three months to December 2005 to stand at Rf9,045.5 million. On annual terms, this grew by 27 percent compared to a 33 percent increase at the end of December 2004.

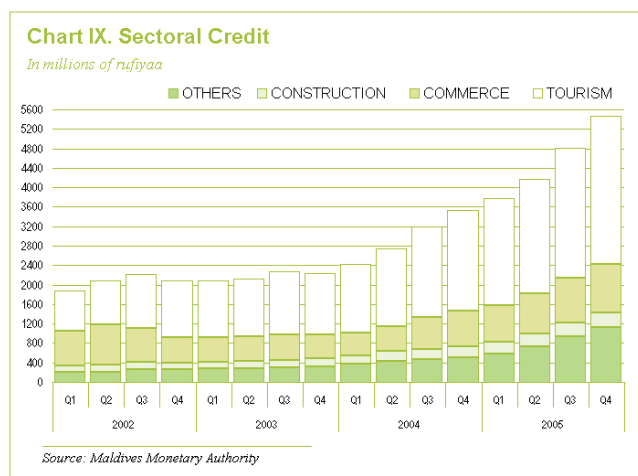
On the assets side, total reserves contributing 24

percent of the total assets, stood at Rf2,179.8 million, registering a 10 percent quarterly decline, but a 4 percent annual increase. The decline in quarterly growth was explained by the decline in investment in securities (mainly consisting of MMA CDs) which accounted for about 14 percent of total reserves. Such securities declined by 35 percent at the end of the quarter. Required reserves held with MMA grew by 3 percent annually, while having declined by 4 percent on quarterly terms. This was explained by the large deposit base of commercial banks which grew by 5 percent on quarterly terms.

Foreign assets of commercial banks, accounting for 7 percent of the total assets, was generally on a declining trend in 2005, falling from Rf1,010.6 million at the end of December 2004 to Rf603.3 million at the end of December 2005, although the latter figure is an improvement from the Rf517.9 million recorded at the end of September 2005. In terms of growth rates these reflect an annual decline of 40 percent and a quarterly increase of 16 percent. Total stock of credit at the end of December 2005 stood at Rf5,964.8 million at the end of December 2005 (66 percent of the total assets), which was 57 percent higher than December 2004 and 12 percent higher than the previous quarter. Of the total credit, private sector contributes 92 percent, and increased by 55 percent annually and 14 percent quarterly at the end of December 2005. Credit to the public enterprises increased by 99 percent on annual terms while having increased by 2 percent on quarterly terms.

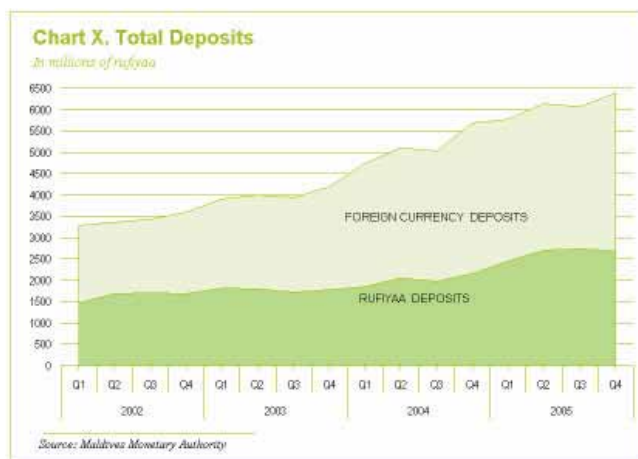
Commercial banks' lending to private sector continued to concentrate on tourism sector (accounts for 56 percent) and commerce sector (accounts for 18 percent). Of the other important sectors of the economy, fisheries sector received 7 percent of the total credit while the construction sector accounts for 5 percent. At the end of December 2005, the stock of outstanding credit to the tourism sector stood at Rf3,048.1 million, registering an annual growth of 48 percent following a 64 percent growth at the end of December 2004. On a quarterly basis, credit to the sector grew by 14 percent. As mentioned before the rapid increase in credit to the tourism sector

reflected the resort reconstruction activities following the destruction of several resorts in the tsunami. Meanwhile, credit to commerce sector grew annually by 38 percent and by 21 percent on a quarterly basis. In recent periods, with the lib-



eralisation of the fisheries sector, private sector investments in the sector has been increasing, and commercial banks have also increased the amount of credit extended to the sector. Hence, such credit which stood at around Rf150.8 million at the end of 2003 and Rf222.3 million at the end of 2004 increased to Rf357.3 million at the end of 2005. In terms of growth rates, these reflect annual increases of 31 percent at the end of 2003, 47 percent at the end of 2004 and 61 percent at the end of 2005. On a quarterly basis, credit to the fisheries sector increased by 16 percent at the end of the review quarter.

On the liabilities side, deposits of the commercial banks accounting for 71 percent of the total liabilities showed an annual increase of 13 percent and reached Rf6,397.7 million at the end of December 2005. On a quarterly basis this grew by 5 percent. Analysis of deposits by currency showed



that rufiyaa deposits consisted of 42 percent of total deposits and grew by 24 percent annually. Foreign currency deposits, accounting for 58 percent of the total deposits, grew moderately by 5 percent, reflecting the poor performance of the tourism sector (the major source of foreign currency deposits). With regard to deposits by type, demand deposits continue to hold the bulk of the total deposits with 73 percent, while time and savings deposits accounted for 16 percent. Demand deposits increased by 19 percent annually and by 9 percent on a quarterly basis. As around 80 percent of time and savings deposits are denominated in foreign currency, these deposits declined during the year, with 18 percent annually and 8 percent quarterly.

4.1.2 Interest Rate Developments

Deposit interest rates of both the dollar and rufiyaa denominations remained unchanged when compared to the preceding quarter as well as the same period of last year. Hence, rufiyaa denominated saving deposits rates ranged between 2.50-5.00 percent at the end of December 2005. Whilst dollar denominated saving deposit rates remained at 1.50-3.00 percent.

As regards the lending rates, the rufiyaa lending rates remained at 8.00-13.00 percent at the end of December 2005, whilst the dollar lending rates edged down slightly from 7.75-13.00 percent at the end of September 2005 to 7.50-13.00 percent at the end of December 2005.

Table 4. Commercial Bank Interest Rates, 2004 - 2005

In percent

	LENDING RATES		DEPOSIT RATES			
	Rf	US\$	SAVING		TERM	
			Rf	US\$	Rf	US\$
March 2004	8.50-14.00	7.50-14.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50
June 2004	8.00-13.00	7.75-13.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50
September 2004	8.00-13.00	7.75-13.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50
December 2004	8.00-13.00	7.75-13.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50
March 2005	8.00-13.00	7.75-13.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50
June 2005	8.00-13.00	7.75-13.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50
September 2005	8.00-13.00	7.75-13.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50
December 2005	8.00-13.00	7.75-13.00	2.25-3.00	1.50-3.00	2.25-6.50	1.50-6.50

4.2 Activities of Non-Bank Financial Institutions

Non-bank financial institutions in the country consist of a local insurance company and overseas insurance companies operating in the Maldives through their appointed agents; a finance leasing company; a specialized housing finance institution; and money transfer services businesses.

Allied Insurance Company of the Maldives, Sri Lanka Insurance Corporation and five regional insurers have been operating under a temporary license given under Article 4 of the Insurance Regulations introduced in September 2004. During the review quarter, this transition arrangement was extended for one financial year by the Board of Directors of MMA and their temporary license will now expire on 31st December 2006.

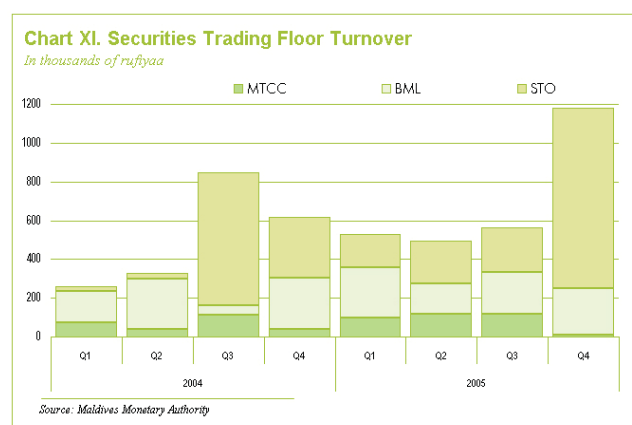
The Maldives Finance Leasing Company Pvt. Ltd (MFLC) had total outstanding leases of Rf143.0 million at the end of the review quarter. During this period the company financed Rf17.5 million worth of capital equipments to various economic sectors, of which 14 percent was extended to the fisheries sector, 49 percent to the transport sector, 30 percent to the tourism sector and 6 percent to non specified areas.

Housing Development Finance Corporation Ltd (HDFC) had an outstanding loan portfolio of Rf171.6 million as at end of December 2005. This registers a 225 percent increase on an annual basis.

During the review quarter, the combined outward transfers of Western Union, Xpress Money services and Money Gram International amounted to US\$5.2 million. This amounted to a total of 13,707 transactions. Transfers amounting to US\$0.5 million, from a total of 474 transactions, were received in the Maldives by the three companies. Of these receipts, Western Union accounted for 94 percent.

4.3 Capital Market

The trading performance of the quarter was exceptional compared to the previous quarters of the year. A turnover of Rf1,182 thousand was posted in the quarter, registering a record trading turnover over the past consecutive quarters. A breakdown of this reflected that State Trading Organization Plc (STO) holds the majority share of around 79 percent, while Bank of Maldives Plc (BML) and Maldives Transport and Contracting Company Ltd. (MTCC) account for 20 percent and 1 percent, respectively. Moreover, the average daily trading turnover for the quarter increased to Rf19 thousand from Rf9 thousand recorded in the previous quarter. The trading turnover for the quarter also showed a massive increase of 109 percent against the preceding quarter and a 91 percent increase compared to the corresponding quarter of the last year.



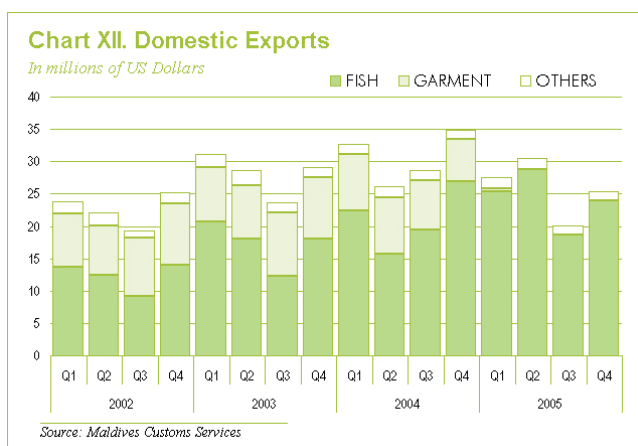
The volume of shares traded during the review quarter increased to 1,380 shares from 804 shares in the previous quarter. This consisted of 1,184 shares of STO, 152 shares of BML and 44 shares of MTCC. STO shares continue to be seen as the most popular among the investors, as it accounted for 86 percent of the total shares traded in the quarter. Unlike the previous quarter, the weighted average traded price (WATP) of MTCC fell to Rf252 from Rf256 in the previous quarter while BML's WATP declined to Rf1,569 compared to Rf1,580 recorded the preceding quarter. Meanwhile, the STO WATP was Rf787, registering a significant fall over the previous quarter's prices.

With the dip in the share price of STO, the company with the highest number of shares issued, the market capitalization for the period fell to Rf1,113.3 million registering a 20 percent decline compared to Rf1,396.3 million recorded in the previous quarter. A breakdown of the market capitalization showed that STO contributed Rf862.1 million while BML and MTCC contributed Rf188.7 million and Rf62.5 million respectively.

5.1 International Trade

Maldives depends heavily on imports from various countries due to lack of domestic production. Almost everything is imported into the country. In return, the volume of exports to other trading partners is very limited compared to the total imports. As a result, imports of goods typically outweigh exports of goods by a factor of between three and four.

According to the statistics from the Maldives Customs Service, the total merchandise exports (f.o.b) stood at US\$44.6 million in the review quarter from US\$32.5 million in the third quarter of 2005 registering a growth of 37 percent. On the other hand such exports witnessed a fall of 21 percent when compared to the same period of 2004. Total domestic exports (f.o.b) comprised 57 percent of total merchandise exports whilst re-exports accounted for 43 percent. Earnings from re-exports witnessed around 55 percent rise in the review quarter increasing the amount to US\$19.2 million from US\$12.4 million in the third quarter of 2005. The growth was mainly due to the increase in the jet fuel exports as jet fuel accounted for 93 percent of total re-exports.

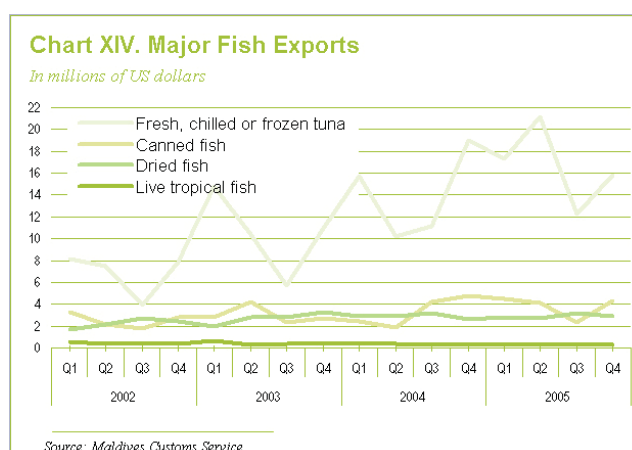


Domestic exports recorded an increase of US\$5.3 million in review quarter from US\$20.1 million to US\$25.4. On a year on year basis, however, domestic exports witnessed a fall of 28 percent. Marine exports accounted to 99 percent of total domestic exports and showed a slight improvement from US\$19.8 million in the previous

quarter to US\$25.0 million in the review quarter. When compared to the same period of 2004, marine exports fell by 11 percent. The annual decline was due to the fall in the fish exports (excluding live fish) category which contributed to about 96 percent of total marine exports and more than half of total exports. During the review quarter both the quantity and earnings from fish exports (excluding live fish) increased



by 56 percent to reach 22.3 thousand metric tonnes and US\$23.9 million respectively. During the review quarter fish exports, fresh, chilled or frozen tuna increased by 7.5 thousand metric tonnes or US\$3.5 million when compared to previous quarter. This increase was due to the rise in skipjack tuna which witnessed an excellent performance by doubling both the level of



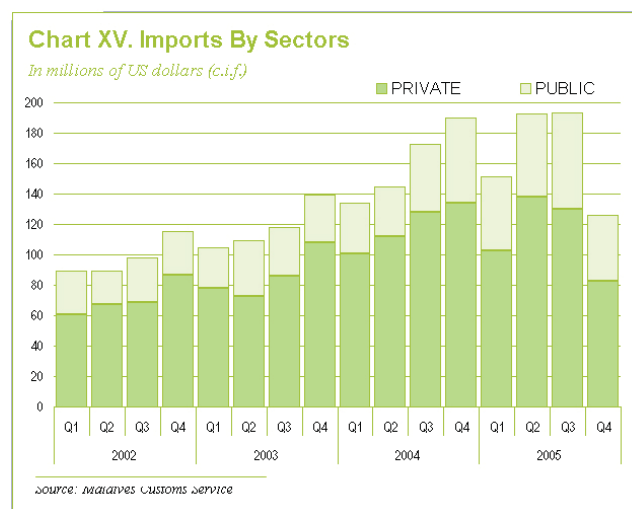
the export volume and earnings. However, when compared to the corresponding quarter of 2004, the volume of fish exports fell by 13 percent or 3.2 thousand metric tonnes of which, the fresh, chilled and frozen tuna category plunged by 15

percent or 3.2 thousand metric tonnes owing to declines in both skipjack and yellow fin tuna. Likewise earnings followed the same trend with a decline of 11 percent or US\$3.2 million in fish exports with the fresh, chilled and frozen category declining by 17 percent or US\$3.2 million.

Canned fish, the second largest contributor during the quarter, accounted for 18 percent of fish export earnings and grew by 86 percent against the preceding quarter while it declined by 9 percent annually. Similarly the volume of canned fish registered an increase of 89 percent and annual decline of 13 percent. As such the unit value of such exports increased by 2 percent quarterly while it fell by 5 percent against the corresponding quarter of 2004. Export earning from dried fish accounted for 12 percent of fish export earnings and both the volume and value fell by 18 percent and 9 percent respectively on quarterly basis. On an annual basis the volume of such exports fell by 1 percent while in value terms a growth of 10 percent was recorded. Meanwhile, both the value and volume of salted fish exported declined when compared to the preceding quarter, however, on annual terms such exports increased by 0.4 thousand metric tonnes with earnings increasing by US\$0.3 million.

During the quarter under review merchandise imports (c.i.f) stood at US\$206.5 million increasing by US\$13.2 million or 7 percent from the preceding quarter. On year-on-year basis, the growth was slightly higher by US\$16.3 million. Of the total, imports by the private sector (including tourism-related imports) accounted for more than 64 percent. Such imports increased by 2 percent to record US\$132.5 million in the review quarter while a slight decline of 1 percent was noted when compared to the fourth quarter of 2004. Imports declared to be tourism-related constituted about 40 percent of private sector imports and 26 percent of total imports, and was 25 percent higher than the preceding quarter to record US\$52.9 million. Moreover, when compared to the corresponding quarter of 2004 such imports grew by 2 percent. Meanwhile, total public sector imports increased by 17 percent quarterly and 31 percent on a year on

year basis, to reach US\$74.0 million on account of higher import bill from both the government and the PNFs (Public non-financial enterprises). Imports by the public sector accounted for 36 percent of total merchandise imports, with government imports accounting for 9 percent and imports by PNFs for 27 percent. PNFE imports rose 13 percent from the third quarter of 2005 and 25 percent compared to the fourth quarter of 2004, while government imports increased by 30 percent and 55 percent against the respective periods.



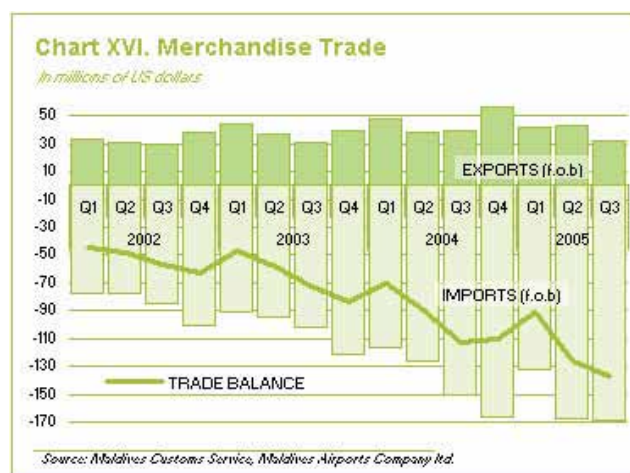
In terms of composition, consumer goods accounted for 34 percent of total merchandise imports during the quarter, while petroleum products accounted for 17 percent and intermediate and capital goods for 49 percent. Of the consumer goods category food items accounted for 47 percent and stood at US\$32.6 million during the quarter compared to US\$31.4 million during the same quarter of 2004, and US\$29.3 million in the preceding quarter. Of the food items imported, staples (rice, wheat flour and sugar) accounted to 12 percent and declined quarterly by 5 percent and grew 4 percent annually. Of the petroleum products, 78 percent of petroleum imports were brought into the country by PNFs, mostly for resale. In terms of the expenditure on various types of petroleum products, 70 percent of expenditure was on the import of diesel or marine gas oil, while petrol accounted for 15 percent, and aviation gas for 5 percent. Intermediate and capital goods increased by 2 percent quarterly and 10 percent annually. During the quarter under review, construction related

imports accounted for 28 percent of total intermediate and capital goods and increased by 22 percent compared to the corresponding period of last year and declined by 20 percent against the preceding quarter. The construction sector accounted for the bulk of intermediate and capital imports, while the transport, equipment and parts accounted for 14 percent.

According to the direction of trade statistics to and from Maldives during the review quarter, Asian countries dominated trade with the Maldives. In this regard, during the review quarter 68 percent of exports from Maldives were received by Asian countries, with Thailand and Japan both accounting for 17 percent and Sri Lanka for 15 percent of total exports. Of the balance, the United Kingdom received 17 percent of total exports and Germany 6 percent. Merchandise imports sourced from Asia constituted 60 percent of total imports, with Singapore accounting for 22 percent, India for 11 percent, Malaysia for 8 percent and Sri Lanka for 7 percent. European countries accounted for 14 percent of total imports, with France and Italy being the largest importing partner from this region, accounting for 3 percent of total imports. The Middle East, in particular the United Arab Emirates accounted for about 20 percent of imports into the country, while Australia and New Zealand together constituted 3 percent and 0.3 percent, respectively.

5.2 Balance of Trade

The merchandise trade balance continues to be in deficit in the review quarter, but showed a slight improvement in the review quarter of less than 1 percent. The improvement in the review quarter was due to the higher receipts received from merchandise exports (37 percent) than the growth in payments on merchandise imports (7 percent) for the quarter. However, when compared to the corresponding quarter of 2004 a much steeper deteriorated was seen with the deficit widening by 23 percent. Over this period, the 21 percent fall in export performance coupled with an 8 percent growth in imports resulted in the widening of the deficit.

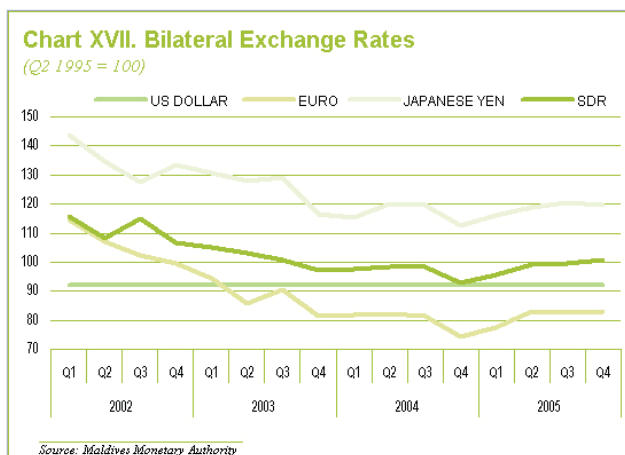


5.3 External Assets

The net foreign assets (NFA) position of the banking system continue to deteriorate for the fourth consecutive quarter. The NFA fell from US\$148.8 million (Rf 1,904.0 million) at the end of September 2005 to US\$139.7 million (Rf 1,787.7 million) at the end of December 2005, recording a decline of 6 percent or US\$9.1 million. On annual terms the decline in NFA was smaller by less than 1 percent. Meanwhile, NFA of MMA showed an 8 percent fall relative to the previous quarter and by 1 percent against the corresponding quarter of 2004, with gross external reserves (foreign assets of MMA) lowering to US\$187.1 million from US\$204.4 at the end of 2004. Consequently the gross international reserves in months of imports fell from 3.8 month in the corresponding quarter of 2004 and 3.3 months in the third quarter of 2005 to 3.0 months in the review quarter, on account of the higher imports.

5.4 Exchange Rate

As in the previous quarters, the rufiyaa remained unchanged against the US dollar at Rf12.80 in the review quarter. On a quarterly basis, rufiyaa appreciated against the Sterling pound by 1 percent while depreciating against all the other major trading currencies. The most significant changes were the 5 percent depreciation of rufi-



yaa against the Sri Lankan rupee and the 3 percent against the Singapore dollar. The rufiyaa also weakened slightly by one percent against the Indian rupee and the Japanese yen while it remained unchanged against the euro. However, on annual terms the rufiyaa appreciated notably against major trading currencies except for the Sri Lankan and the Indian rupee. Rufiyaa strengthened by 11 percent against the Euro, 8 percent against the Sterling pound and 6 percent against the Japanese yen. Against the Sri Lankan and the Indian rupee, the rufiyaa depreciated by 8 percent and 1 percent respectively. There was no change seen against the euro on an annual basis.

STATISTICAL
APPENDIX

Table 1. Monetary Survey, 2002 - 2005

(In millions of rufiyaa; end of period)

	2002	2003	2004				2005			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Net foreign assets	1655.29	2604.29	3077.49	3282.58	2868.49	3357.12	2807.85	2776.36	1904.02	1787.73
Monetary authorities (net)	1704.10	2041.21	2246.89	2382.76	2378.06	2605.11	2746.98	2748.41	2506.26	2303.48
Foreign assets ^{1/}	1714.25	2051.37	2257.05	2393.72	2389.01	2616.07	2837.69	2839.82	2597.66	2394.89
Foreign liabilities	-10.15	-10.16	-10.16	-10.96	-10.96	-10.96	-90.72	-91.41	-91.41	-91.41
Commercial banks (net)	-48.81	563.08	830.60	899.82	490.43	752.00	60.87	27.94	-602.24	-515.75
Foreign assets	411.23	775.67	1136.47	1257.38	811.09	1010.57	589.26	629.17	517.87	603.30
Foreign liabilities	-460.04	-212.59	-305.87	-357.56	-320.66	-258.57	-528.39	-601.22	-1120.11	-1119.05
Domestic assets (net)	2280.75	1903.18	1907.56	2041.43	2423.31	2626.58	3094.03	3549.16	4362.49	4897.23
Domestic credit	3415.31	3210.35	3438.71	3524.37	3887.33	4239.60	4679.87	5269.29	6179.53	6904.93
Public sector	1314.53	965.94	993.43	773.18	676.98	698.26	883.96	1074.23	1357.75	1430.87
Central Govt (net)	1103.50	875.57	849.67	630.07	483.12	456.26	626.00	734.31	888.97	952.95
Gross claims on Govt.	1704.26	1542.83	1563.48	1586.58	1580.05	1312.75	1569.68	1863.26	1783.36	1630.52
Govt. deposits ^{2/}	600.76	667.26	713.81	956.51	1096.93	856.49	943.68	1128.95	894.39	677.57
Public enterprises	211.03	90.37	143.76	143.10	193.86	242.00	257.96	339.92	468.78	477.92
Private sector	2100.78	2244.42	2445.28	2751.19	3210.36	3541.34	3795.90	4195.07	4821.78	5474.05
Other items (net)	1134.56	1307.17	1531.15	1482.93	1464.03	1613.02	1585.84	1720.13	1817.04	2007.70
Broad money	3936.04	4507.47	4985.05	5324.02	5291.79	5983.70	5901.88	6325.52	6266.51	6684.96
Narrow money	1856.33	2069.07	2095.21	2313.53	2244.38	2476.91	2642.87	2948.07	3027.15	3033.30
Currency in circulation	569.88	624.90	642.17	673.45	720.98	762.54	810.80	826.10	869.71	883.25
Demand deposits and Govt. Rf deposits	1286.45	1444.18	1453.04	1640.08	1523.40	1714.37	1832.07	2121.97	2157.43	2150.05
Quasi money	2079.71	2438.39	2889.84	3010.49	3047.42	3506.79	3259.01	3377.45	3239.36	3651.66
o.w. FC. deposits	1870.85	2320.34	2755.53	2895.26	2895.26	3344.34	3084.61	3197.05	3075.95	3441.17

1/ Series revised on 23rd Jan 2006 - to exclude gold and silver coin from foreign assets.

2/ Series revised on 23rd Jan 2006 - to include atoll deposits.

Source: Maldives Monetary Authority

Table 2. Assets and Liabilities of Maldives Monetary Authority, 2002 - 2005

(In millions of rufiyaa; end of period)

	2002	2003	2004				2005			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Foreign assets ^{1/}	1714.25	2051.37	2257.05	2393.72	2389.01	2616.07	2837.69	2839.82	2597.66	2394.89
Claims on government	1704.26	1517.24	1537.88	1560.99	1554.45	1291.42	1548.35	1846.20	1766.29	1617.73
Claims on PNFE	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	0.00
Claims on commercial banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other assets ^{2/}	55.01	38.95	39.86	167.03	55.95	31.79	97.62	106.29	112.01	209.79
Total assets	3475.00	3609.04	3836.27	4123.22	4000.91	3940.76	4485.15	4793.79	4477.45	4222.40
Total liabilities	3475.00	3609.04	3836.27	4123.22	4000.91	3940.76	4485.15	4793.79	4477.45	4222.40
Reserve Money ^{3/}	2747.99	2829.51	3115.34	3215.14	2898.85	3119.70	3608.83	3524.32	3423.85	3196.44
Currency in circulation	569.88	624.90	642.17	673.45	720.98	762.54	810.80	826.10	869.71	883.25
Cash with com. banks	54.45	52.17	36.11	45.04	45.24	65.49	53.89	70.52	58.31	63.94
Com. banks deposits	1520.89	1412.91	1535.41	1720.48	1585.49	1815.98	2018.87	1835.98	1902.17	1867.25
PNFE and Loc. Govt. Deposits	48.36	55.42	63.63	77.49	60.00	99.31	74.00	56.87	38.01	68.48
MMA Certificate of deposits ^{4/}	554.40	684.11	838.02	698.69	487.14	376.38	651.28	734.84	555.64	313.51
Foreign liabilities	10.15	10.16	10.16	10.96	10.96	10.96	90.72	91.41	91.41	91.41
Government deposits ^{5/}	340.96	375.00	351.83	523.70	692.54	431.55	336.53	559.28	329.31	174.37
Other liabilities (including capital account)	375.90	394.36	358.94	373.42	398.55	378.55	449.08	618.79	632.89	760.18

1/ Series has been revised on 23rd Jan 2006 - to exclude gold and silver coin.

2/ An MMA claim on Govt. (which is written off when compiling the monetary survey) has been taken from other Assets included in other Liabilities. Series has been revised on 23rd Jan 2006 - to include gold and silver coin.

3/ Series has been revised on 23rd Jan 2006 - to exclude deposits of atolls

4/ MMA CD'S were first issued during June 1995.

5/ Series has been revised on 23rd Jan 2006 - to include deposits of atolls

Source: Maldives Monetary Authority

Table 3. Assets and Liabilities of Commercial Banks, 2002 - 2005*(In millions of rufiyaa; end of period)*

	2002	2003	2004				2005			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Reserves	2094.32	2062.01	2112.57	2168.95	1969.82	2086.65	2509.55	2559.91	2421.12	2179.76
Foreign assets	411.23	775.67	1136.47	1257.38	811.09	1010.57	589.26	629.17	517.87	603.30
Claims on public sector	209.55	114.48	167.88	167.22	217.97	261.84	277.81	355.50	484.36	490.72
Government	0.00	25.60	25.60	25.60	25.60	21.33	21.33	17.06	17.06	12.80
PNFE	209.55	88.88	142.28	141.62	192.38	240.51	256.48	338.43	467.30	477.92
Claims on private sector	2100.78	2244.42	2445.28	2751.19	3210.36	3541.34	3795.90	4195.07	4821.78	5474.05
Unclassified assets	150.01	162.60	185.09	199.13	225.81	228.89	298.58	317.95	318.03	297.69
Total assets	4965.89	5359.17	6047.28	6543.87	6435.04	7129.30	7471.10	8057.59	8563.15	9045.52
Total liabilities	4965.89	5359.17	6047.28	6543.87	6435.04	7129.30	7471.10	8057.59	8563.15	9045.52
Demand deposits ^{1/}	1252.96	1398.76	1404.98	1578.21	1494.43	1662.46	1806.30	2087.11	2135.59	2105.75
Time and saving dep. f/c dep. ^{2/}	2064.84	2428.39	2874.27	2994.87	3016.39	3459.38	3210.78	3355.43	3223.19	3627.48
Government deposits	259.80	292.26	361.98	432.81	404.39	424.93	607.15	569.68	565.08	503.20
Foreign liabilities	460.04	212.59	305.87	357.56	320.66	258.57	528.39	601.22	1120.11	1119.05
Other liabilities	928.25	1027.17	1100.19	1180.42	1199.18	1323.95	1318.48	1444.15	1519.19	1690.04
Memorandum items:										
Foreign currency deposits	1898.08	2426.80	2873.15	3043.54	3056.98	3519.30	3314.80	3443.96	3324.15	3710.07

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, 2002 - 2005*(In millions of rufiyaa; end of period)*

	2002	2003	2004				2005			
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Fisheries										
Value	115.25	150.85	182.80	193.91	211.92	222.31	238.85	244.01	306.95	357.34
Percent	5.53	6.77	7.52	7.09	6.63	6.31	6.32	5.84	6.39	6.53
Tourism										
Value	1160.00	1248.37	1423.12	1583.17	1865.10	2053.01	2210.20	2348.14	2663.55	3048.11
Percent	55.63	56.01	58.58	57.88	58.38	58.23	58.52	56.18	55.42	55.68
Commerce ^{1/}										
Value	529.40	489.18	458.13	522.23	644.15	730.87	746.99	837.65	912.68	1007.34
Percent	25.39	21.95	18.86	19.09	20.16	20.73	19.78	20.04	18.99	18.40
Construction										
Value	136.06	169.08	175.28	203.45	219.97	238.62	245.85	263.36	289.41	295.78
Percent	6.53	7.59	7.21	7.44	6.89	6.77	6.51	6.30	6.02	5.40
Manufacturing										
Value	14.62	39.95	56.18	62.77	49.10	48.23	69.74	83.00	77.84	87.40
Percent	0.70	1.79	2.31	2.29	1.54	1.37	1.85	1.99	1.62	1.60
Transport and communication										
Value	36.97	31.14	32.06	59.86	80.90	88.89	105.21	134.02	206.03	248.24
Percent	1.77	1.40	1.32	2.19	2.53	2.52	2.79	3.21	4.29	4.53
Other										
Value	92.74	100.11	101.96	110.05	123.59	143.67	160.29	269.19	349.62	430.55
Percent	4.45	4.49	4.20	4.02	3.87	4.08	4.24	6.44	7.27	7.86
TOTAL CREDIT										
Value	2085.04	2228.67	2429.53	2735.44	3194.73	3525.60	3777.11	4179.37	4806.08	5474.75
Percent	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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

Source: Maldives Monetary Authority

Table 5. Commercial Bank Deposits Distributed By Type, 2002 - 2005

(In millions of rufiyaa; end of period)

	2002		2003		2004								2005							
	No. of A/cs	Amt.	No. of A/cs	Amt.	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.
1. Current deposits	20204	1143.4	23718	1478.7	25197	1848.7	26838	1962.0	26478	1700.9	32446	2164.4	26717	2112.5	27184	2232.6	28454	2297.7	29435	2605.5
2. Call deposits	4	30.4	4	0.4	2	0.3	2	0.3	2	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
3. Other deposit accounts	39	11.1	41	4.9	38	5.0	44	6.6	48	5.6	27	5.0	46	17.9	61	20.0	69	10.7	64	6.2
4. Savings deposits	101784	1278.0	115136	1572.2	121723	1684.7	127686	1815.1	134919	1872.2	135782	2079.6	144202	2276.9	148715	2353.0	154734	2398.0	159231	2452.4
5. Fixed (or term) deposits	1142	1132.4	1142	1141.7	1233	1195.5	1325	1320.0	1268	1453.0	1454	1446.1	1451	1372.0	1495	1552.4	1404	1378.3	1314	1346.4
(a) Up to 3 months	250	392.8	168	347.9	161	343.5	223	292.9	152	362.7	296	393.3	427	566.8	296	490.0	299	422.2	297	391.9
(b) Over 3 to 6 months	182	134.1	216	159.6	322	225.6	310	263.2	356	311.8	254	330.6	156	273.1	340	351.3	308	318.4	265	290.0
(c) Over 6 months to 1 year	664	566.6	696	509.8	679	523.4	725	535.3	694	537.7	787	583.8	801	518.0	759	598.3	698	509.8	660	580.2
(d) Over 1 to 2 years	25	32.7	40	92.2	55	96.3	44	199.8	44	229.2	93	128.4	44	10.5	70	95.4	70	114.3	71	74.0
(e) Over 2 to 3 years	6	0.3	7	25.9	5	4.8	9	26.7	9	9.7	9	7.8	8	1.5	14	15.1	12	11.3	6	7.8
(f) Over 3 to 5 years	13	5.8	15	6.3	11	1.9	14	2.0	13	2.0	15	2.2	15	2.2	16	2.3	16	2.3	14	2.5
(g) Over 5 years	2	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.0	1	0.0
TOTAL	123173	3595.4	140041	4197.9	148193	4734.2	155895	5104.0	162715	5031.9	169709	5695.1	172416	5779.3	177455	6158.1	184661	6084.7	190044	6410.5

Source: Maldives Monetary Authority

Table 6. Composition of Domestic Exports (f.o.b.), 2002 - 2005

(In millions of US dollars)

	2002	2003	2004				2005			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Domestic exports	90.38	112.52	32.68	26.11	28.66	34.90	27.53	30.49	20.09	25.30
Total marine exports	55.75	76.17	23.72	17.13	20.93	28.13	26.75	30.26	19.79	24.94
Fish and fish products(including live fish)	52.74	72.77	22.99	16.38	20.35	27.74	26.24	29.63	19.36	24.70
Fish exports (excluding tropical live fish)	49.16	69.12	22.36	15.66	19.42	26.94	25.30	28.72	18.70	23.89
Fresh, chilled or frozen tuna	27.45	41.82	15.68	10.18	11.19	18.98	17.28	21.20	12.28	15.81
Skipjack	14.85	20.42	7.86	5.10	3.76	9.23	7.91	12.21	4.69	8.77
Yellowfin tuna	10.70	17.13	6.14	3.20	7.03	8.27	7.41	6.35	6.96	5.80
Frozen reef fish	1.69	2.24	0.54	0.27	0.33	0.24	0.40	0.31	0.25	0.25
Canned fish	10.03	12.11	2.47	1.91	4.21	4.77	4.46	4.10	2.34	4.35
Dried fish	8.99	10.85	2.94	2.91	3.17	2.62	2.80	2.71	3.18	2.90
Salted fish	0.35	1.33	0.46	0.27	0.35	0.19	0.22	0.31	0.49	0.47
Salted Reef fish	0.64	0.76	0.27	0.13	0.17	0.14	0.14	0.10	0.15	0.11
Live tropical fish	1.75	1.74	0.38	0.39	0.25	0.36	0.31	0.36	0.32	0.25
Fish products	1.82	1.92	0.26	0.33	0.68	0.44	0.62	0.54	0.35	0.56
Other marine products	3.02	3.39	0.72	0.75	0.58	0.39	0.51	0.64	0.42	0.24
Garments	34.53	35.99	8.83	8.85	7.60	6.55	0.60	0.00	0.00	0.00
Other	0.10	0.37	0.14	0.13	0.13	0.22	0.18	0.22	0.30	0.36

Source: Maldives Customs Service

Table 7. Merchandise Imports (c.i.f.) by Sector and Product, 2002 - 2005*(In millions of US dollars)*

	2002	2003	2004				2005			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total merchandise imports (by sector)	391.72	470.78	134.03	144.84	172.79	190.16	151.60	192.42	193.28	206.49
Private sector imports	283.64	345.08	100.41	111.88	128.13	133.81	102.75	137.69	129.84	132.53
Private imports (excluding tourism)	223.30	264.17	75.29	76.12	85.70	81.80	72.38	102.46	87.59	79.61
Tourism imports	60.34	80.91	25.12	35.76	42.43	52.01	30.37	35.23	42.25	52.92
Public sector imports	108.08	125.70	33.61	32.96	44.67	56.35	48.85	54.73	63.44	73.96
PNFEs imports	90.30	97.44	26.83	27.62	36.61	45.02	38.45	44.88	49.91	56.39
Government imports	17.78	28.26	6.79	5.33	8.05	11.33	10.40	9.85	13.53	17.57
Total merchandise imports (by product category)	391.72	470.78	134.03	144.84	172.79	190.16	151.60	192.42	193.28	206.49
Consumer Goods	172.40	190.55	53.57	53.84	60.19	72.22	55.67	55.72	64.32	69.21
Food Items	83.83	93.64	27.74	25.06	27.21	31.40	24.63	23.31	29.32	32.58
Rice	4.48	4.19	1.68	1.25	1.51	1.83	1.63	1.86	1.76	1.45
Wheat	3.10	4.20	1.50	0.63	1.21	1.20	1.85	0.89	1.31	1.59
Sugar	2.87	2.70	0.72	1.11	0.80	0.84	1.36	0.79	1.16	0.98
Beverages	10.93	11.86	3.42	3.35	2.81	4.10	2.42	2.58	3.10	3.72
Other food items	62.46	70.69	20.43	18.71	20.87	23.44	17.37	17.19	21.98	24.84
Tobacco	5.12	5.32	1.56	1.54	1.85	1.34	1.77	1.62	1.57	1.43
Pharmaceuticals	3.86	4.25	1.25	1.23	1.25	1.23	1.71	1.46	1.41	1.45
Other consumer goods	79.59	87.34	23.02	26.01	29.88	38.24	27.56	29.33	32.03	33.75
Petroleum Products	50.79	55.17	22.10	16.21	26.49	25.64	19.91	30.16	29.63	35.94
Petrol	3.69	3.77	2.54	0.91	1.99	2.69	2.29	1.99	1.16	5.28
Diesel (Marine gas oil)	39.71	43.69	16.06	13.35	22.07	18.56	14.99	24.89	25.75	25.28
Aviation gas	2.44	2.85	1.10	0.74	1.37	1.52	1.31	1.21	1.30	1.90
Other petroleum product (Lubricating oil, Kerosene)	4.95	4.86	2.39	1.21	1.06	2.88	1.31	2.08	1.43	3.48
Intermediate & Capital Goods	168.54	225.07	58.36	74.79	86.11	92.30	76.03	106.54	99.33	101.34
Construction	41.80	49.98	14.34	23.39	24.62	23.62	19.78	30.92	36.19	28.80
Cement & Cement products	4.92	5.22	1.72	1.96	2.13	1.37	2.23	2.14	2.20	2.64
Wood for construction purposes	9.91	14.75	3.60	8.73	9.39	8.18	6.23	8.18	11.89	10.84
Base metal & articles of base metal for construction purposes	9.92	13.56	3.27	7.30	6.01	6.10	5.68	11.82	9.29	6.39
Other construction related	17.05	16.45	5.75	5.40	7.09	7.97	5.65	8.78	12.81	8.92
Paper	1.63	1.84	0.44	0.51	0.49	0.63	0.35	0.41	0.67	0.60
Medical / Surgical supplies	1.46	2.13	0.32	0.42	1.30	0.74	0.70	1.01	0.83	0.96
Computer equipments and supplies	4.75	6.78	1.73	2.21	2.18	2.40	2.71	4.76	3.10	2.24
Machinery & mechanical appliances	5.84	7.62	1.98	2.17	3.38	3.61	6.18	2.95	3.22	4.38
Textiles	30.25	32.90	9.96	8.70	9.48	7.28	1.48	1.42	1.40	1.80
Chemicals & chemical products	2.79	3.33	1.01	1.05	1.05	1.16	1.21	1.24	1.02	1.24
Transport equipments and parts	26.52	50.41	9.03	10.11	15.09	12.69	10.36	10.75	15.25	13.86
Other Intermediate and Capital goods	53.50	70.06	19.54	26.23	28.54	40.16	33.24	53.08	37.66	47.46

Source: Maldives Customs Service

Table 8. Exchange Rates, 2002 - 2005*(Rufiyaa per foreign currency; end of period mid rate)*

		U.S. dollar	Japanese yen	Singapore dollar	Indian rupee	Sri Lanka rupee	Great Britain Pound	Euro	SDR
2002	March	12.8000	0.0945	6.8434	0.2567	0.1317	17.8940	10.9873	15.9604
	June	12.8000	0.1008	7.0255	0.2558	0.1304	18.3984	11.7751	17.0299
	September	12.8000	0.1064	7.1894	0.2583	0.1303	19.2928	12.2920	16.0707
	December	12.8000	0.1018	7.1140	0.2601	0.1297	19.7971	12.6607	17.3386
2003	March	12.8000	0.1038	7.0946	0.2632	0.1294	19.7318	13.3393	17.5793
	June	12.8000	0.1062	7.2542	0.2679	0.1290	20.7165	14.6753	17.9310
	September	12.8000	0.1051	7.1656	0.2736	0.1293	19.8999	13.8800	18.3013
	December	12.8000	0.1164	7.3452	0.2753	0.1298	21.9020	15.4782	19.0204
2004	March	12.8000	0.1175	7.4286	0.2792	0.1285	23.1237	15.3991	18.9505
	June	12.8000	0.1129	7.3370	0.2776	0.1261	23.0497	15.3075	18.7676
	September	12.8000	0.1135	7.4142	0.2731	0.1211	22.6006	15.4405	18.8031
	December	12.8000	0.1207	7.6358	0.2861	0.1201	24.2576	16.9684	19.8785
2005	March	12.8000	0.1170	7.6061	0.2865	0.1262	23.5113	16.2144	19.3386
	June	12.8000	0.1143	7.4734	0.2880	0.1257	22.8540	15.1720	18.6446
	September	12.8000	0.1127	7.4730	0.2857	0.1237	22.6434	15.2461	18.5674
	December	12.8000	0.1134	7.6634	0.2880	0.1295	22.4039	15.1736	18.2947

Source: Maldives Monetary Authority



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