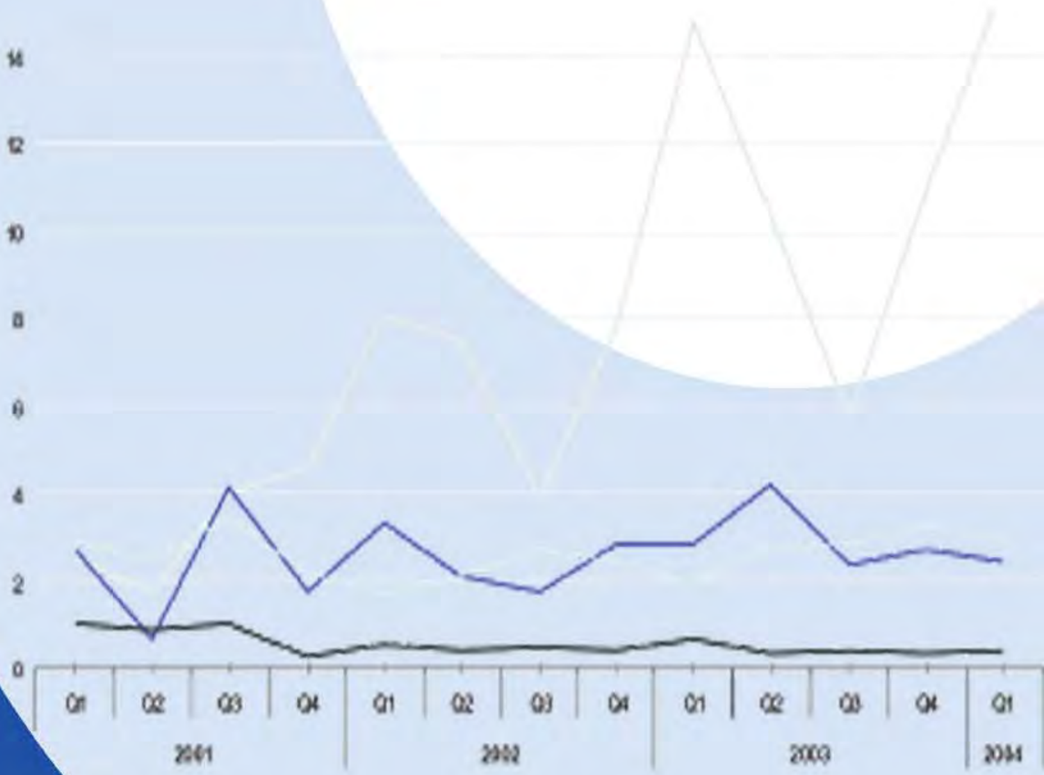
Quarterly Economic Bulletin

June 2004 Volume X, Number 2



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 second quarter of 2004. 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 August 2004. 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, 2001 - June 2004

	2001	2002	2003	2003 Apr	2003 May	2003 Jun	2003 QTR2	2004 QTR1	2004 Apr	2004 May	2004 Jun	2004 QTR2
Gross Domestic Product												
GDP (1995 constant prices) Rf mn. [1/]	6,564.4	6,992.8	7,585.8	-	-	-	-	-	-	-	-	-
% change in GDP	3.5	6.5	8.5	-	-	-	-	-	-	-	-	-
Consumer Price Index												
% change in CPI	0.7	0.9	-2.9	-0.6	-1.9	-2.8	-2.8	-0.8	-0.1	1.0	1.6	1.6
Tourism												
Tourist arrivals	460,984	484,680	563,593	48,742	31,119	26,915	106,776	185,408	55,396	42,197	33,835	131,428
Bed night capacity ('000)	6,015	5,887	6,092	512	529	495	1,537	1,533	507	521	483	1,511
Capacity utilization (%)	65.6	69.0	77.2	80.3	55.8	46.6	60.9	99.7	91.5	68.0	57.4	72.3
Fish Production												
Landings('000 MTs) [2/]	125.0	160.2	152.2	16.4	12.0	11.8	40.2	38.7	10.9	8.6	9.4	28.9
Total fish exports ('000 MTs) [3/]	29.7	44.6	69.8	7.6	4.0	9.6	21.3	22.6	7.0	4.5	3.3	14.7
Total fish exports (US$ mn.) [3/]	35.8	49.2	69.1	7.3	3.2	7.6	18.1	22.4	6.3	4.3	5.1	15.7
Money and Banking (Rf mn)												
Net foreign assets	1,153.0	1,662.9	2,613.4	2,208.4	2,303.5	2,283.1	2,283.1	3,086.6	3,253.2	3,364.2	3,291.7	3,291.7
Domestic credit	3,089.9	3,445.7	3,246.6	3,337.2	3,296.7	3,338.0	3,338.0	3,473.9	3,338.3	3,414.3	3,560.4	3,560.4
Total liquidity	3,324.7	3,966.4	4,543.7	4,322.3	4,321.9	4,277.9	4,277.9	5,020.3	5,109.1	5,240.4	5,360.1	5,360.1
Change in net claims on Government	83.6	55.3	-222.0	15.5	4.2	61.8	81.5	-27.0	-165.4	58.7	-112.1	-218.8
Balance of Payments (US$ mn) [4/]												
Exports (f.o.b) [5/]	110.2	132.3	152.0	14.9	9.7	12.9	37.5	47.6	14.3	12.0	11.3	37.7
Imports (f.o.b)	-346.3	-344.7	-414.3	-34.9	-26.2	-34.9	-96.0	-118.0	-43.4	-45.8	-38.5	-127.7
Trade balance	-236.0	-212.4	-262.3	-20.0	-16.5	-22.0	-58.6	-70.4	-29.1	-33.8	-27.2	-90.1
Current account balance	-58.7	-35.7	-30.4	-	-	-	-	-	-	-	-	-
Non-monetary capital (net)	37.3	75.5	104.7	-	-	-	-	-	-	-	-	-
Overall balance	-21.4	39.8	74.3	12.9	7.4	-1.6	18.7	37.0	13.0	8.7	-5.7	16.0
Gross International Reserves (US$ mn) [6/]	94.3	134.5	161.0	156.7	157.6	160.3	160.3	177.0	183.2	185.9	187.7	187.7
External Reserves in Months of Imports (cif)	2.9	4.1	4.1	4.5	4.5	4.5	4.5	4.2	4.3	4.2	4.2	4.2
Exchange Rate												
Rufiyaa / US$ (Period average mid rate)	12.2421	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000
Rufiyaa / US$ (End of period mid rate)	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000

1/ GDP figures for 2001 -2003 are revised estimates, 2003 revised on April 2004.
2/ Landings excluding EEZ and 2004 figures are estimates.
3/ Excluding live fish.
4/ Figures for 2003 are revised estimates of 15th July 2004.
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

1. Overview

After registering relatively strong performance during the first quarter, reflecting seasonalilty aspects, development trends of key sectors slowed during the second quarter of 2004. On the production front, most key variables of the tourism sector such as arrivals, bednights, and bed capacity utilisation experienced the seasonal slowdown and were lower than the previous quarter. However, all major indicators showed higher levels when compared on an annual basis. As for the fisheries industry, fish landings during the review quarter were lower compared to both the previous quarter as well as the same period of last year. Meanwhile, the volume of fish exported during the review quarter was less on quarterly terms as well as annual terms leading to a decline in fish export earnings during both these periods. As regards the domestic price movements, inflation (as measured by a 12 month moving average of Consumer Price Index, CPI) showed a positive rate at the end of the review quarter after being negative from the beginning of 2003, with the largest increase being recorded in the fish index.

The overall fiscal position improved significantly during the review quarter due to a surge in revenue, while the government expenditure rose at a moderate level. The increase in revenue was due to a growth in both tax and non-tax revenue. On the monetary side, developments during the second quarter of the year were marked by further expansion in the net foreign assets of both the commercial banks and the Maldives Monetary Authority (MMA). Total domestic credit of the banking sector increased marginally owing mainly to the decline in net credit to government, as there was significant rise in credit to the private sector during the quarter. As a result, total liquidity of the banking system increased for the quarter under review both on quarterly and annual terms.

On the international front, the trade account of the balance of payments continued to be in deficit and widened further compared to both the preceding as well as the corresponding quarter of 2003. This was due to lower export earnings coupled with higher imports recorded during the review quarter.

2. Production, Prices and Employment

2.1 Tourism

The growth in tourism sector slowed down in the review quarter following exceptional performance during the first quarter of 2004. This reflects the usual seasonal trend in tourism activities where it peaks during the winter months of Europe and slackens during the summer. As such, tourist arrivals during the second quarter of 2004 declined by 29 percent compared to the preceding quarter while increasing by 23 percent against the corresponding period of 2003. In absolute numbers, tourist arrivals stood at 131.4 thousand during the review quarter, 185.4 thousand in the previous quarter and 106.8 thousand in the second quarter of 2003. Growth in tourist bednights also registered a similar trend with 28 percent decline on quarterly terms and a 17 percent increase on annual

Table 2. Tourism Indicators, 2001 - June 2004

In thousands

	2001	2002	2003	2003				2004	
				Q1	Q2	Q3	Q4	Q1	Q2
Total visitor arrivals	492.0	513.9	594.1	175.8	113.9	138.4	166.0	193.7	n/a
Tourist arrivals	461.0	484.7	563.6	167.7	106.8	131.5	157.7	185.4	131.4
Bed capacity 1/	16.5	16.1	16.7	17.1	16.9	16.2	16.6	16.8	16.6
Bednights	3932.7	4066.5	4704.6	1397.0	937.6	1095.3	1274.7	1528.2	1095.1
Bed capacity utilisation %	65.6	69.0	77.2	91.1	60.9	73.4	83.6	99.7	72.3

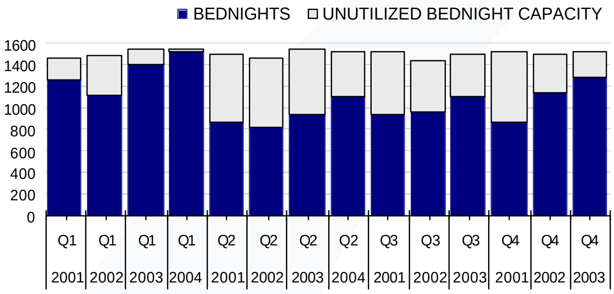
1/ Figures relate to the period average.

Source: Ministry of Tourism

terms. As for the capacity in the tourism industry the average number of beds in operation stood at 16,600 at the end of the review quarter reflecting a decline of 285 beds compared to the same period of 2003 and a decline of 243 beds compared to the previous quarter. Meanwhile the capacity utilisation, which stood at almost 100 percent during the preceding quarter, fell to 72.3 percent during the review quarter. The average duration of a visit meanwhile, shortened from 8.8 days in the corresponding quarter of 2003 to 8.3 days in the review quarter.

Chart I. Tourist Bednights

In thousands



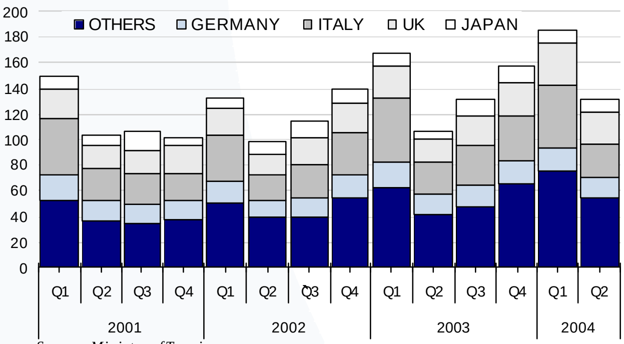
Source: Ministry of Tourism

As in the past quarters, the majority of tourists continue to be from Europe (75 percent of total arrivals during the review quarter) with Italy and United Kingdom being the two main generators of tourism to Maldives. During the review quarter tourists from Europe declined by 35 percent on quarterly terms while such tourists grew by 16 percent annually. Visitor arrivals from Italy, the dominant market since it overtook Germany as the market leader in 1998, accounted for 19 percent of total tourist arrivals (26 percent of European arrivals) during the review quarter. The number of tourists from Italy declined by 48 percent quarterly while it recorded an increase of 7 percent annually to reach 25.6 thousand. The UK market showed impressive growth trends during recent years and accounted for almost 19 percent of total arrivals and 25 percent of total European arrivals. The number of tourists from the country declined by 22 percent compared to the previous quarter and grew by 34 percent compared to the corresponding quarter of 2003. The German market holds the third position in terms of market share (13 percent of total arrivals and 17 percent of total European arrivals) and showed negative growth trends during recent quarters. As such tourist arrivals from Germany declined by 13 percent quarterly and by 2 percent annually.

Arrivals from the Asian region accounted for 21 percent of total arrivals and registered a quarterly decline of less than one percent. On annual terms, however, arrivals from this region increased by 52 percent. Japan, the leading market in the Asian region accounted for 35 percent of total Asian tourists and showed a quarterly decline of 5 percent while the annual increase was 54 percent. The Chinese market (18 percent of Asian arrivals) showed dramatic increases in terms of tourist inflows during recent years. Such tourists registered an annual increase of over 100 percent while declining by 18 percent quarterly. Tourist arrivals from India increased by 21 percent during the review quarter and declined by 14 percent annually, while Koreans increased by 28 percent both on quarterly as well as on annual terms. Indian and Korean tourists account for 11 percent and 9 percent of Asian tourists, respectively.

Chart II. Tourist Arrivals

In thousands



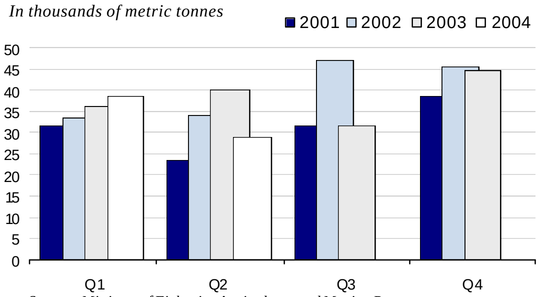
Source: Ministry of Tourism

2.2 Fisheries

The fisheries sector remains important to the country's economy both on the domestic and export front. However, the sector's contribution to GDP has fallen during recent years from 7.1 percent in 2002 to 6.6 percent in 2003. Similarly, the value added to the sector also fell from 23 percent in 2002 to 0.7 percent in 2003 while for 2004 a growth of 3 percent is projected. The lower annual growth in 2003 and 2004 was due to the exceptionally large increase in fish landings in 2002, which led to a record performance of the sector. An analysis of recent fisheries statistics indicates that total fish landings fell from 40.2 thousand metric tonnes in the second quarter of 2003 to 38.7 thousand in the first quarter 2004 to 28.9 thousand in the review quarter. This reflected a quarterly decline of 25 percent (or 9.9 thousand metric tonnes) and an annual decline of 28 percent (11.3 thousand metric tonnes).

Chart III. Fish Catch

In thousands of metric tonnes



Source: Ministry of Fisheries Agriculture and Marine Resources

As regards the activities of the major commercial buyers of fish, 24 percent of national fish catch was bought by MIFCO while the private parties operating in zone 1 and 3 together bought about 9 percent of the national fish catch. The amount of fish purchased by MIFCO during the review quarter showed a 50 percent decline on quarterly terms and a 57 percent decline on annual terms.

During the review quarter, both the volume and value of fish exported (excluding live tropical fish) declined. The lower fish catch could have been one of the main factors which contributed to the lower volume of exports. When analysed on a quarterly basis, total fish exports (excluding live tropical fish) fell by 35 percent or from 22.6 thousand metric tonnes during the preceding quarter to 14.7 thousand metric tonnes during the review quarter. On an annual basis, such exports declined by 31 percent. Gross earnings from fish exports also showed a similar trend. As such earnings from fish exports (excluding live tropical fish) during the review quarter declined by 30 percent or by US$6.7 million to reach US$15.7 million, while on annual terms it fell by 13 percent.

2.3 Distribution

The distribution activities comprise wholesale and retail trade and play a key role in the domestic economy. During 2003 the sector registered a growth of 4.3 percent and it is further projected to grow by almost 5 percent during 2004. However the sector's contribution to GDP has remained the same at around 4 percent during the past five years. Total private sector imports (excluding imports made directly by the tourism sector[1]) used as one of the leading indicators of the sector, increased from US$57.6 million in the second quarter of 2003 to US$75.4 million in the previous quarter, and reached US$75.8 million in the review quarter. These reflected a quarterly growth of 1 percent and an annual increase of 32 percent. Credit extended to this sector during the review quarter stood at US$522.2 million, which is an increase of 14 percent on quarterly terms and an increase of 3 percent on annual terms.

2.4 Construction

The construction sector with its share of GDP increasing from 3.3 percent in 2002 to 3.6 percent in 2003 is further projected to increase to 3.8 percent in 2004. The value added to the sector after registering a negative growth of 0.6 percent in 2002 increased significantly during 2003 to reach 20 percent. This was mainly due to the public sector spending on construction projects, such as the Hulhumale infrastructure development project along with commercial and residential buildings. The growth of this sector is pro-

[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.

jected to increase by 9 percent in 2004.In terms of financial flows, bank credit extended to the sector increased to Rf203.5 million reflecting a year on year growth of 41 percent and a quarterly growth of 16 percent. Meanwhile, construction related imports during the review quarter stood 63 percent higher than the previous quarter and 103 percent higher than the corresponding quarter of 2003.

2.5 Prices

Table 3. Consumer Price Index, 2001 - June 2004 b/

Base (June 1995 = 100)

	2001	2002	2003	2003				2004	
				Mar	Jun	Sep	Dec	Mar	Jun
Food bevarages and tobacco products excluding fish	118.5	125.4	118.3	121.4	119.4	118.9	118.3	119.0	122.7
Fish Index	151.9	143.6	132.3	134.6	134.6	136.7	132.3	138.4	155.9
Clothing and footwear	101.6	97.7	97.5	96.7	96.6	97.3	97.5	96.9	96.0
Housing, water, fuel and power	108.4	106.8	105.9	106.3	106.2	106.2	105.9	104.8	104.0
Furniture, furnishing, household equipment & operation	110.4	108.7	106.7	108.4	107.7	107.4	106.7	105.7	105.6
Medical care and health expenses	107.9	108.2	106.2	107.8	107.2	106.7	106.2	106.1	106.1
Transport and communication	123.1	124.4	121.6	123.9	123.3	122.4	121.6	121.6	121.8
Education	115.7	116.2	119.0	116.6	117.2	117.9	119.0	119.5	119.7
Recreation, entertainment, religious and cultural services	98.3	100.1	100.1	100.3	100.7	100.7	100.1	99.6	98.9
Personal care	104.6	103.4	102.9	102.4	102.0	102.3	102.9	104.0	105.2
Total CPI	**115.4**	**116.4**	**113.1**	**114.4**	**113.6**	**113.6**	**113.1**	**113.5**	**115.5**
Total Index excluding fish	113.0	114.7	111.9	113.1	112.3	112.2	111.9	111.9	112.9

b/ Figures are 12 months moving average.

Source: Ministry of Planning and National Development

Domestic fish and imports contribute to a large part of the consumption basket in Maldives. As such the consumer price index (CPI) is very volatile (reflecting the seasonal changes in fish catch) and sensitive to the price developments in the source country of imports. The percentage change in CPI, expressed as the inflation rate, edged up from a negative 3.3 percent in the second quarter of 2003 and a negative 0.8 percent in the preceding quarter to reach a positive 1.6 percent in the review quarter. This was mainly attributed to the sharp increase in the fish index coupled with the significant increase in the food index. The fish index which has been rising during the past quarters, reached a record high figure of 15.8 percent during the review quarter. This was in contrast to a negative 2.7 percent recorded in the corresponding quarter of 2003. The food index too has shown a rising trend during the past quarters and it grew to 2.8 percent during the review quarter. This was after a decline of 7.0 percent and 1.9 percent in the second quarter of 2003 and the first quarter of 2004, respectively.

2.6 Employment

There is no quarterly data on the level of total employment or earnings. However, according to the expatriate employment data from the Ministry of Employment and Labour, the expatriate labour force averaged around 34,850 at the end of the review quarter reflecting a rise of 2 percent when compared to the previous quarter and 8 percent compared to the corresponding quarter of 2003. In absolute number this was on average an increase of 585 expatriates during the review quarter and 2,653 expatriates when compared to June 2003. The bulk of the expatriate labour force is concentrated in the private sector, especially in the tourism and construction sectors, which together contributes to over 45 percent of the total expatriate labour force. Of the quarterly increase, construction sector contributed the majority followed by business activities and other community, social work and personal service sectors.

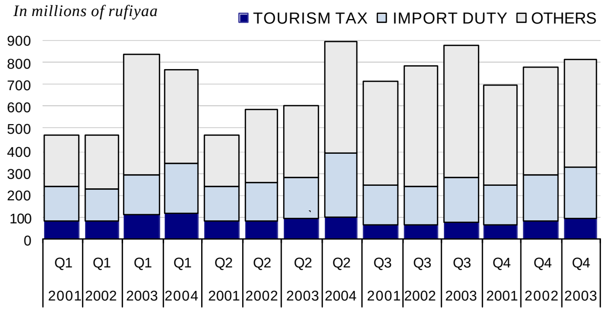
3. Public Finance

Based on preliminary data, the overall fiscal position improved considerably in the quarter under review. The government budget surplus grew significantly relative to the previous quarter as well as the corresponding quarter of 2003. It had increased from Rf60.4 million in the previous quarter to Rf163.3 million in the quarter under review. When compared to corresponding period of 2003, it showed a remarkable increase of Rf239.3, as the overall position recorded during the second quarter of 2003 was a deficit of Rf76.0 million. The improvement was mainly due to the increase in the non-tax revenue (particular profit transfers from state owned enterprises) coupled with moderate expenditure growth.

Total domestic revenue[2] increased considerably in the review quarter compared to the previous quarter, increasing from Rf769.0 million to Rf893.0 million, reflecting a growth of 16 percent. Similarly, when compared to the corresponding quarter of 2003, it showed a significant increase of 48 percent from Rf603.7 million. Moreover, revenue received was 37 percent more than the forecasted level for the period. Of the components of the total domestic revenue, non-tax revenue accounted for almost 53 percent, while the remaining 47 percent comprised of tax revenue.

Chart IV. Government Revenue

In millions of rufiyaa



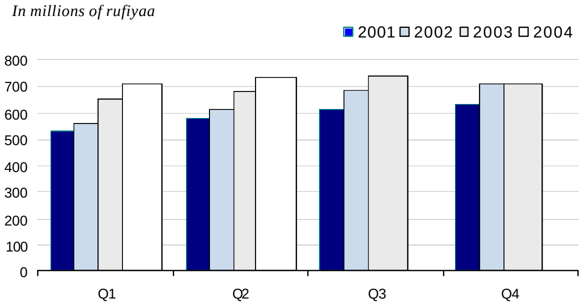
Source: Ministry of Finance & Treasury

Tax revenue stood at Rf423.3 million for the quarter, increasing by almost 11 percent from the previous quarter with a considerable growth of 37 percent when set against the corresponding quarter of 2003. This was entirely due to the large increase in import duty, which accounted for more than 68 percent of tax revenue. With the surge in merchandise imports, of more than 8 percent on a quarterly basis, import duty revenues increased by almost 26 percent compared to the previous quarter, while such revenues increased by 49 percent on an annual basis. Tourism tax is the second largest component of tax revenue and accounted for about 24 percent. Such revenue showed a 9 percent decline on quarterly terms, but registered a growth of 14 percent when compared to the corresponding quarter of 2003. The quarterly decline in tourism tax receipts was mainly due to the seasonal variation in the tourism industry while import duty revenues corresponded to the significant increase in private sector imports.

Non tax revenue, which accounted for 53 percent of total domestic revenue, showed a significant rise, increasing from Rf385.7 million in the previous quarter to Rf469.7 million in the quarter under review, a growth of 22 percent. Likewise, on annual terms such revenue increased substantially by almost 60 percent. This was mainly due to the increase in transfers by state enterprises, particularly due to higher transfers from Dhiraagu in the current quarter. Resort lease rent accounting for 28 percent of non-tax revenue and 15 percent of total domestic revenue also increased moderately by almost 7 percent when compared to the previous quarter. However, such revenues showed a slight decline of about 1 percent when compared to the corresponding quarter of 2003.

Chart V. Government Expenditure

In millions of rufiyaa



Source: Ministry of Finance & Treasury

Total expenditure stood at Rf729.7 million during the quarter under review while during the preceding quarter it stood at Rf708.5 million. In terms of growth rates, these reflect an increase of 3 percent during the quarter under review following a slight

[2] The total domestic revenue used in this analysis excludes cash grants and fund accounts

growth of less than 1 percent in the previous quarter. On annual terms, total expenditure increased by almost Rf50.0 million, an increase of 7 percent. When compared to the forecasted budget amounts, total expenditure was 7 percent lower than the forecasts for the quarter.

With the favourable overall budgetary position registered in the review quarter, there was a significant reduction in the government's borrowings from MMA, and hence, net credit to government declined by 36 percent on annual terms and by 25 percent on quarterly terms.

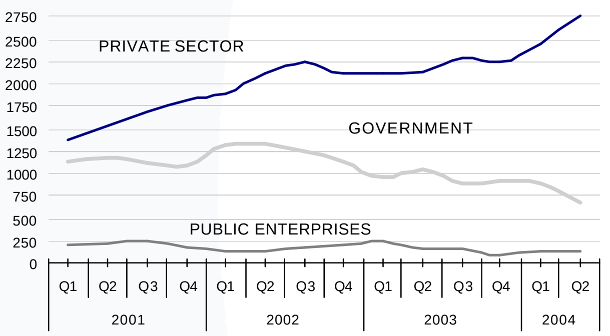
4. Financial Sector

4.1 Money and credit developments in the banking system

The monetary and credit developments during the second quarter of the year were marked by further improvements in the net foreign assets (NFA) of both the commercial banks and the MMA, and a slight increase in total domestic credit extended to the domestic economy. With the large increase in NFA, the total liquidity of the banking system also increased in the review quarter.

Chart VI. Domestic Credit

In millions of rufiyaa

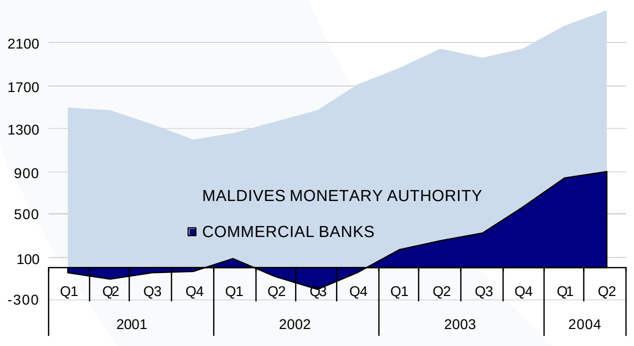


Source: Maldives Monetary Authority

Total domestic credit (TDC) of the banking system after increasing by 7 percent in the previous quarter grew moderately by 2 percent in the quarter under review to record Rf3,560.4 million at the end of the period. The deceleration in growth was explained by the decline in net credit to the government, which declined by 25 percent compared to a 3 percent decline in the previous quarter. Moreover, on annual terms such credit declined by 36 percent. In contrast, credit to the private sector, contributing to about 77 percent of the total domestic credit, increased by Rf305.9 million or by 13 percent following a 9 percent growth in the previous quarter. On annual terms an increase of 29 percent was recorded compared to a growth of less than 2 percent in the year to June 2003. The low growth in 2003 was attributable to the uncertainty surrounding the Land law (in terms of creditor rights in the event of foreclosure), which constrained the credit to private sector by the commercial banks during the year 2003. As regards public enterprises, following a 59 percent increase in the previous quarter such credit declined by Rf0.7 million or 0.5 percent. On annual terms, a further 9 percent decline was recorded compared to a growth of 15 percent in the year to June 2003.

Chart VII. Net Foreign Assets

In millions of rufiyaa



Source: Maldives Monetary Authority

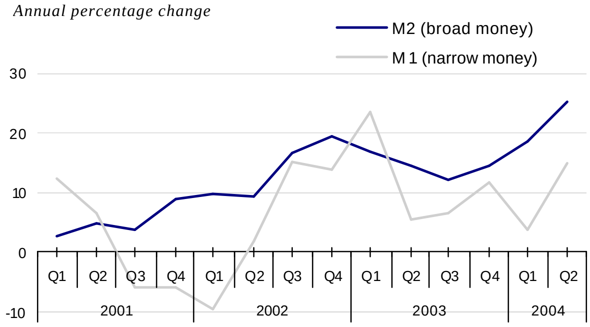
Helped by the favourable economic conditions of the country NFA of the banking system increased from Rf3,086.6 million at the end of the first quarter of 2004 to Rf3,291.7 million by the end of the quarter under review. In terms of flows, this was an increase of Rf205.1 million during the period showing a 7 percent growth rate. On annual terms, an increase of Rf1,008.6 million was recorded from June 2003 to June 2004, reflecting a growth rate of 44 percent during the period. This growth was mainly due to the favourable trend of the foreign assets of MMA, which grew by 6 percent on quarterly terms and by

17 percent on annual terms. NFA of the commercial banks have been also increasing since its turnover from a net liability to a net asset position from the beginning of 2003. The improvement has been on account of the increase in foreign assets, which increased by 11 percent on quarterly terms and by a substantial 95 percent on annual terms.

Total liquidity (M2) increased from Rf5,020.3 million at the end of the first quarter of 2004 to Rf5,360.1 million at the end of June 2004, reflecting a growth of 7 percent during the quarter under review compared to a growth of around 10 percent in the preceding quarter. On an annual basis, M2 increased by around 25 percent, from Rf4,277.9 million at the end of June 2003. Of the components of M2, narrow money accounted for about 44 percent of the total liquidity stock at the end of June 2004. It consists of rufiyaa demand deposits and currency in circulation, and increased by 10 percent in the three months to June 2004. This was following an increase of 1 percent in the three months to March 2004. On an annual basis, narrow money showed a growth of 15 percent in the year to June 2004 as opposed to an increase of 4 percent in the year to March 2004. Meanwhile, quasi money which constituted about 56 percent of M2 (comprised of mainly time and savings deposits held in rufiyaa and foreign currency deposits) increased by 4 percent in the three months to June 2004 after a 19 percent growth in the previous three months. Moreover, the growth rate was much higher on annual terms, at 35 percent.

Chart VIII. Money Supply

Annual percentage change



Source: Maldives Monetary Authority

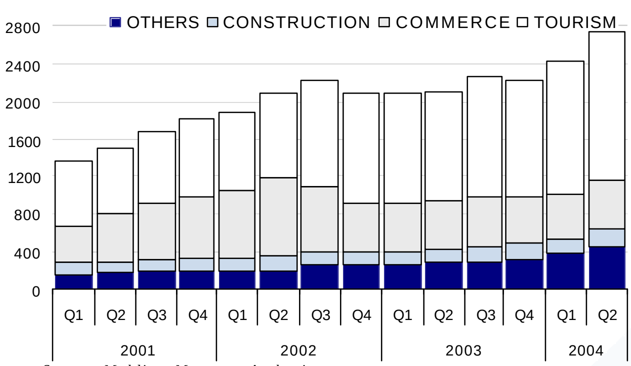
4.1.1 Operations of the Commercial Banks

Total assets and liabilities of the commercial banks operating in the country expanded from Rf6,047.3 million at the end of March 2004 to Rf6,543.9 million at the end of June 2004. In terms of quarterly percentage changes, these reflect a growth of 8 percent during the review quarter following a 13 percent increase during the first quarter of 2004. The rise on an annual basis was around 22 percent at the end of June 2004 as opposed to a 16 percent growth during the year to June 2003.

On the assets side, total reserves constituted 33 percent of total assets and grew by about 3 percent in the three months to June 2004, after registering a 2 percent growth in the previous three months. In the year to June 2004, total reserves showed a decline of 4 percent.

Chart IX. Sectoral Credit

In millions of rufiyaa



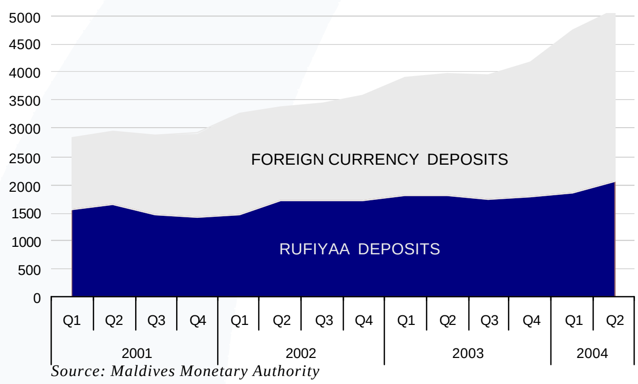
Source: Maldives Monetary Authority

The stock of credit of the commercial banks (accounting for about 45 percent of total assets) registered a 12 percent increase during the review quarter following an 11 percent growth in the first quarter of 2004. As regards the annual movements in commercial banks' credit, after a slow down of 3 percent in the year to June 2003, such credit increased significantly by 26 percent in the year to June 2004. With respect to commercial bank lending to various sectors of the economy during the review quarter, about 95 percent was extended to the private sector while the rest was to public enterprises and the government. Credit to private sector increased by 13 percent on quarterly terms and by 29 percent on annual terms. Meanwhile, credit to the public enterprises by the commercial banks declined by 0.5 percent in the three months to June 2004 after a 60 percent increase in the previous three months. On an annual basis claims on public enterprises declined by 9 percent at the end of June 2004 after increasing by 15 percent at the end of June 2003.

In terms of the sectoral allocation of credit during the quarter, credit to the tourism sector accounted for the largest share of total credit to the private sector (58 percent). Such credit increased by Rf160.1 million, or by 11 percent during the three months to June 2004. This was compared with an increase of 14 percent during the previous quarter. Credit to the commerce sector holds the second largest share (19 percent) of the private sector credit portfolio. After a decline of 6 percent in the first quarter of 2004, such credit increased by 14 percent during the review quarter. As regards the annual movements in credit to both these sectors, the tourism sector showed a strong growth of over 34 percent, whilst the commerce sector recorded a growth of 3 percent in the year to June 2004. Credit to the fisheries sector accounted for 7 percent of the private sector credit portfolio and recorded a quarterly increase of 6 percent during the three months to June 2004 compared to a 21 percent growth during the previous quarter. On an annual basis, credit to the sector increased strongly by 51 percent during the year to June 2004 following a 73 percent increase in the year to June 2003. Credit to the construction sector accounted for 7 percent of total credit and grew by 16 percent at the end of the review quarter after a 4 percent increase during the previous quarter. On annual terms, credit to this sector increased by 41 percent.

Chart X. Total Deposits

In millions of rufiyaa



Source: Maldives Monetary Authority

On the liabilities side, quarterly growth of total deposits with commercial banks increased by 8 percent. This was on account of a rise in rufiyaa deposits, from 5 percent at the end of the first quarter of 2004 to 11 percent during the review quarter. In absolute terms, total deposits, accounting for 78 percent of total liabilities, increased by Rf370.0 million to record Rf5,104.0 million at the end of the second quarter of 2004. Meanwhile, foreign currency deposits of the commercial banks also grew by 6 percent during the review quarter. This was following an increase of 18 percent and 10 percent in the first quarter of 2004 and the fourth quarter of 2003 respectively. With the robust performance of the tourism sector, foreign currency deposits continued to increase and improved by 38 percent in the year to March 2004 and by a further 39 percent in the year to June 2004.

In terms of structural composition of deposits, the growth of demand deposits, the bulk of total deposits (74 percent at the end of the review quarter) slowed down to 7 percent in the three months to June 2004, following a growth rate of 16 percent in the previous three months. However, demand deposits registered a 34 percent increase during the year to June 2004 following a 21 percent increase in the year to June 2003 and a 9 percent increase in the year to June 2002. Time and saving deposits, on the other hand, after decreasing by 5 percent during the first quarter of 2004, increased by 11 percent at the end of the review quarter. On an annual basis, such deposits increased by around 14 percent during the year to June 2004.

4.1.2 Interest Rate Developments

During the review quarter the dollar as well as the rufiyaa denominated term and savings deposits rates remained unchanged from the previous quarter. The dollar and rufiyaa denominated term deposit rates remained at 1.50-6.50 percent and 2.25-6.50 percent respectively, while dollar savings deposit rates ranged

Table 4. Commercial Bank Interest Rates

In percent

	LENDING RATES		DEPOSIT RATES			
			SAVING		TERM	
	Rf	*US$*	*Rf*	*US$*	*Rf*	*US$*
March 2003	9-14	8.5 - 15	3.25 - 5	2.5 - 5.5	3.25 - 7.5	2.5- 7.5
June 2003	9-14	7.5 - 14	3.25 - 5.0	2.5 - 5.0	3.25-7.5	2.5-7.5
September 2003	9-14	7.5 - 14	2.75 - 5.0	2.0 - 4.5	2.75-7.5	2.0-7.5
December 2003	9-14	7.5 - 14	2.5 - 5.0	2.0 - 4.5	2.75-7.5	2.0-7.5
March 2004	8.5-14	7.5 - 14	2.25-3.0	1.50-3.0	2.25-6.50	1.50-6.50
June 2004	8-13	7.75-13	2.25-3.0	1.50-3.0	2.25-6.50	1.50-6.50

Source: Maldives Monetary Authority

between 1.50-3.00 percent and that for rufiyaa ranged between 2.25-3.00 percent . However, the dollar lending rates showed an increase in the minimum and a decline in maximum rates from 7.50-14.00 percent at the end of the previous quarter to 7.75-13.00 percent at the end of the review quarter. Similar movements were observed in the rufiyaa lending rates, with a reduction in rates from 8.50-14.00 in the first quarter of 2004 to 8.00-13.00 at the end of June 2004.

4.2 Activities of Non-Bank Financial Institutions

In recent years non-bank financial activities has been increasing though the banking sector continues to dominate the financial sector. Currently two insurance companies, a finance leasing company and several development finance activities channelled through the Ministry of Finance and Treasury continue to dominate the non-bank financial activities of the country.

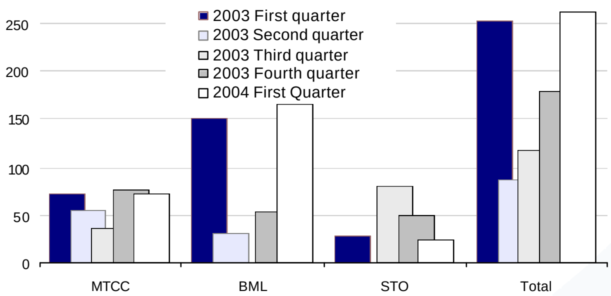
The Maldives Finance Leasing Company (MFLC), provides short to medium-term equipment financing to various economic sectors. During the review quarter MFLC financed Rf8.0 million worth of capital equipment, which was about 19 percent lower than the disbursements during the previous quarter, but 12 percent more than the corresponding quarter of 2003. During the review quarter 61 percent was extended to the transportation sector, 17 percent to fisheries and agriculture and the rest by other sectors.

4.3 Capital Market

The trading activities of the Securities Trading Floor (STF) increased during the period under review registering a record trading turnover of Rf329,296 compared to the past 8 consecutive quarters. The trading turnover rose by 26 percent against the previous record of Rf261,141 and by 280 percent compared to the corresponding period of 2003. Bank of Maldives Ltd. (BML) accounted for 78 percent of the total trading turnover while Maldives Transport and Contracting Company (MTCC) and State Trading Organisation (STO) accounted for 12 percent and 10 percent respectively. The average daily trading turnover stood high at Rf5,311.2 during the review quarter compared to Rf4,352.4 recorded in the preceding quarter.

Chart XI. Securities Trading Floor Turnover

In thousands of rufiyaa



Source: Maldives Monetary Authority

During the quarter under review a sum of 522 shares were transacted, reflecting a decline of 5 percent compared to the previous quarter where a total of 552 shares had been traded. On the other hand, it showed a 100 percent increase in comparison to the corresponding quarter of 2003. Meanwhile, a total of 286 shares of BML were transacted during this period with 183 shares of MTCC and 53 shares of STO.

It has been observed that the degree of share price volatility of each of the three companies showed a different trend throughout the period under review. BML share prices fluctuated within a price band of Rf750 to Rf1000 and was seen to be the most volatile share-trading pattern among the three companies. STO showed a rising trend of the share prices within a range of Rf575 to Rf700 while the MTCC stock prices stabilised within a band of Rf205 to Rf250.

Furthermore, similar to the previous quarter, a record high sum of 68 trades was concluded during the review period. This showed an increase of around 27 percent against the previous record. The trades comprised of 46 trades of MTCC, 14 trades of BML and 8 trades of STO. It also showed an increase of 209 percent against the total trades executed during the same period of last year.

The market capitalisation as at 30th June 2004 was recorded at Rf940,028,600 compared to Rf739,167,750 registered during the corresponding period of 2003, an increase of 27 percent during the period.

5. External Sector

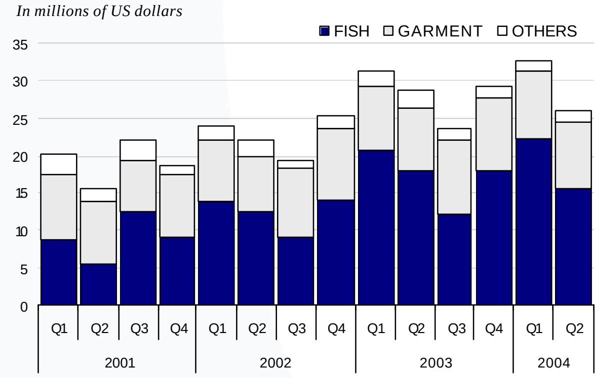
5.1 International Trade

The merchandise trade balance continues to be in deficit during the period under review, registering an excess of imports over exports to the value of US$90.1 million.

According to statistics from Maldives Custom Service, merchandise exports fell by 21 percent during the review quarter. This was following exceptionally strong exports in the recent quarters. Nevertheless, on annual terms an increase of 1 percent was noted. In terms of composition, 69 percent of merchandise exports comprised of domestic exports and 31 percent, of re-exports. The quarterly decrease in total merchandise exports was largely contributed by a 23 percent decline in re-exports, coupled with a 20 percent fall in domestic exports.

Chart XII. Domestic Exports

In millions of US dollars

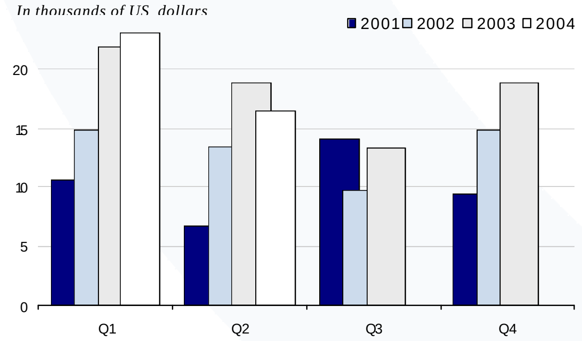


Source: Maldives Customs Service

During the review quarter, domestic exports stood at US$26.1 million, which is a decline of US$6.6 million from the previous quarter and US$2.6 million from the corresponding quarter of 2003. These reflect declines of 20 percent on quarterly terms and 9 percent annually. Earnings from fish exports (excluding live tropical fish) constituted 60 percent of domestic exports. Of the fish exports category, frozen non-reef fish, canned fish and dried fish together account for over 95 percent of the total fish export volume as well as earnings. During the review quarter, the quantity of and earnings from fish exports (excluding live tropical fish) declined by 35 percent and 30 percent to reach 14,727.2 metric tonnes and US$15.7 million respectively. The decline in fish export earnings was primarily on account of the lower volume of fish exported, as unit prices received for major types of fish exports during the quarter under review was better.

Chart XIII. Fish Export Earnings

In thousands of US dollars



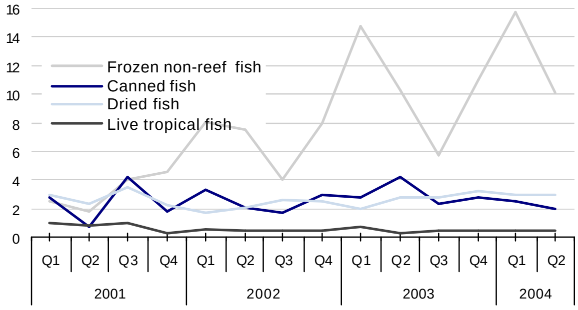
Source: Maldives Customs Service

Export of frozen non-reef fish earnings, after experiencing significant increases in the past two quarters (43 percent in first quarter of 2004 and 91 percent in fourth quarter of 2003) declined by 35 percent from US$15.7 million to US$10.2 million in the second quarter of 2004. On an annual basis a decline of 2 percent was registered. Likewise, the quantity of this category, after witnessing substantial growths in the preceding two quarters declined by 39 percent or 7,180.3 metric tonnes. Moreover, compared to the second quarter of 2003, frozen non-reef fish exports declined by 32 percent or 5,271.2 metric tonnes, to record 11,199.1 metric tonnes in the quarter under review. This trend indicates an increase in the unit price, both quarterly and annually by 6 percent and 44 percent, respectively.

Both the volume and earnings from canned fish exports declined significantly on quarterly as well as annual terms. As such, earnings from such exports fell by 54 percent annually and by 23 percent quarterly. This is from US$4.2 million in the second quarter of 2003 and US$2.5 million in the first quarter of 2004 to USS$1.9 million in the review quarter. Furthermore, the volume of canned fish exported in the review quarter fell by 22 percent or by 3,04.7 metric tonnes when compared against the preceding quarter and by 55 percent or 1,324.0 metric tonnes when compared to the corresponding quarter of 2003. As regards the export of dried fish, a 4 percent growth in both value and volume was registered when compared to the second quarter of 2003. Such exports increased by 3 percent when compared to the preceding quarter, from 1,753.1 metric tonnes to 1,801.4 metric tonnes, while its value declined slightly (by less than 1 percent) to record US$2.9 million. This indicates a quarterly unit price decline of 4 percent. Salted fish exports showed declines of over 41 percent in the review quarter, in both volume and value terms. However, these exports increased by 9 percent annually, while a slight decline of 2 percent was noted in earnings over the period.

Chart XIV. Major Fish Exports

In millions of US dollars

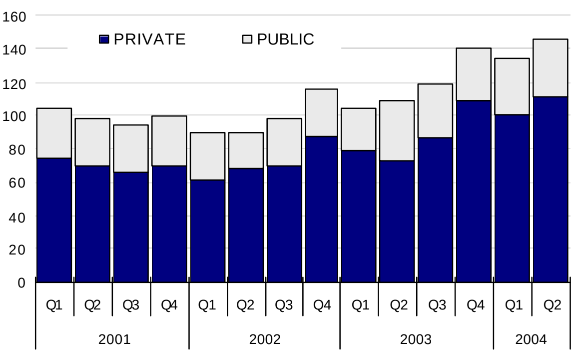


Source: Maldives Customs Service

Garment exports and its earnings registered a slight increase (less than 1 percent) in the review quarter in spite of only three factories operating in the garment industry during the quarter. However, such exports increased by 19 percent from 10,190 pieces to 12,083 pieces when compared to the second quarter of 2003. Likewise earnings increased from US$8.3 million in the second quarter of 2003 to US$8.9 million in the review quarter, registering a 7 percent growth.

Chart XV. Imports By Sectors

In millions of US dollars (c.i.f.)



Source: Maldives Customs Service

Merchandise imports (c.i.f) stood at US$145.2 million during the quarter under review, increasing by US$11.1 million or 8 percent from the preceding quarter. On a year-on-year basis, the growth was much bigger at 33 percent. Of the total, more than three fourth of the goods were imported by private sector (including tourism-related imports[3]). Such imports increased by 11 percent when compared to the preceding quarter to record US$111.6 million. When compared to the second quarter of 2003 the growth was even higher, at 53 percent. Imports declared to be tourism-related, constituted 32 percent of private sector imports and 25 percent of total imports, were 43 percent higher than the preceding quarter and registered US$35.8 million. Moreover, when compared to the corresponding quarter of 2003 such imports increased significantly by US$20.5 million or by 135 percent. Total public sector imports however declined both quarterly and annually by 0.3 percent and 8 percent respectively to reach

[3] Please refer to footnote 1

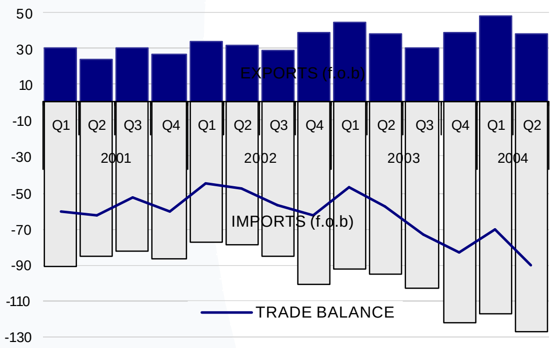
US$33.5 million. Likewise, government imports declined by 22 percent and 30 percent against the respective periods. Meanwhile, PNFE imports, which had witnessed an increasing trend since third quarter of 2003, registered US$28.2 million in the review quarter, a growth of 5 percent. However, when compared to the second quarter of 2003 a slight decline of 2 percent was witnessed.

As regards the composition of imports, consumer goods accounted for over 37 percent of the total merchandise imports (c.i.f.), while petroleum products accounted for 11 percent and the intermediate and capital goods accounted the rest. Food imports accounted for 47 percent of consumer goods and 17 percent of total imports, with staples (wheat flour, rice and sugar) comprising 12 percent of food products. Payments on food imports declined on quarterly basis by 10 percent while on annual terms an increase of 14 percent was recorded. Similarly expenditure on petroleum products declined by 26 percent on quarterly terms while a growth of 11 percent was recorded annually. The quarterly decline was due to the fall in all items under this category. Under petroleum imports, diesel (marine gas oil) accounted for over 82 percent of total petroleum products, while petrol constituted around 6 percent and aviation gas, 4 percent. Imports under intermediate and capital goods increased both quarterly and annually by 28 percent and 47 percent respectively. Of this category construction related imports accounted for 31 percent, textiles for 12 percent, transport, equipment and parts for 13 percent and other intermediate and capital goods, 35 percent. All imports in these sub categories (except for textiles) increased on a quarterly and annual basis.

5.2 Balance of Trade

Chart XVI. Merchandise Trade

In millions of US dollars



Source: Maldives Customs Service, Maldives Airports Company Ltd.

The merchandise trade deficit in the review quarter stood at US$90.1 million. This was an increase of US$19.7 million or 28 percent compared to the preceding quarter. Similarly, compared to the second quarter of 2003, the deficit widened by US$31.5 million or by 54 percent. The deterioration in the trade balance was due to higher imports coupled with a decline in exports during the quarter. Merchandise imports (f.o.b) during the review quarter registered US$127.7 million while merchandise exports (f.o.b) recorded US$37.7 million.

5.3 External Assets

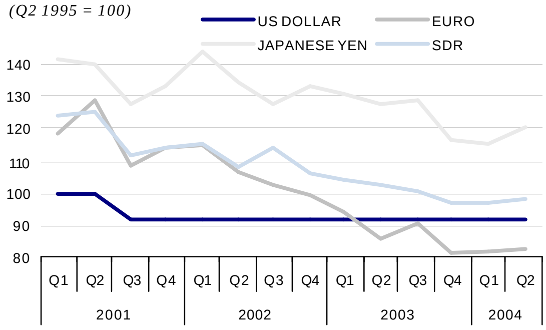
Due to the increase in foreign assets of both the MMA and commercial banks, the NFA of the banking system remained high, recording US$257.2 million (Rf3,291.7 million) in the review quarter. On quarterly terms this was an increase of US$16.0 million or 7 percent while annually it increased by US$78.8 million or by 44 percent. Foreign assets of commercial banks almost doubled annually, recording US$98.2 million (a 95 percent increase) while on quarterly terms an increase of US$9.4 million (11 percent) was noted. The gross external reserves of MMA increased by US$10.7 million (Rf136.3 million) to reach US$187.7 million (Rf2402.8 million) at the end of the review quarter. On annual terms, these assets increased further by US$27.4 million (Rf350.8 million), reflecting a growth of 17 percent. In terms of months of imports, gross international reserves provided an import cover of 4.2 months (on the basis of past twelve months imports) at the end of the review quarter, the same as in the first quarter of 2004, but lower than the 4.5 months registered at the end of the same period in 2003. This was due to the higher import bill registered during the review quarter.

5.4 Exchange Rate

The rufiyaa has remained unchanged against the US dollar at Rf 12.80 (with the buying and selling rates at 12.75 and 12.85 respectively), since the 8.8 percent devaluation in July 2001. However, the rufiyaa appreciated against the currencies of major trading partners, and major internationally traded currencies during the second quarter of 2004. During the review quarter rufiyaa appreciated by 4 percent against the Japanese yen, 2 percent against the Sri Lankan rupee, 1 percent against the Singapore dollar, euro and Indian rupee and 0.3 percent against the Sterling pound. However, on an annual basis, rufiyaa depreciated against almost all the above-mentioned currencies except for the Sri Lankan rupee against which the rufiyaa had appreciated by 2 percent. Compared to the second quarter of 2003, rufiyaa depreciated by 11 percent against the Sterling pound, 6 percent against the Japanese yen, 4 percent against euro and Indian rupee and 1 percent against Singapore dollar.

Chart XVII. Bilateral Exchange Rates

(Q2 1995 = 100)



Source: Maldives Monetary Authority

Statistical Appendix

Statistical Appendix
Statistical Appendix

Table 1. Monetary Survey, 2001 - June 2004

(In millions of rufiyaa; end of period)

	2001	2002	2003				2004	
			Mar	Jun	Sep	Dec	Mar	Jun
Net foreign assets	**1153.03**	**1662.87**	**2043.47**	**2283.06**	**2266.80**	**2613.38**	**3086.59**	**3291.68**
Monetary authorities (net)	**1196.90**	**1711.68**	**1869.05**	**2041.83**	**1957.00**	**2050.30**	**2255.98**	**2391.86**
Foreign assets	1207.05	1721.83	1879.30	2051.99	1967.16	2060.46	2266.15	2402.81
Foreign liabilities	-10.15	-10.15	-10.25	-10.16	-10.16	-10.16	-10.16	-10.96
Commercial banks (net)	**-43.87**	**-48.81**	**174.43**	**241.24**	**309.80**	**563.08**	**830.60**	**899.82**
Foreign assets	318.49	411.23	515.09	643.58	529.16	775.67	1136.47	1257.38
Foreign liabilities	-362.36	-460.04	-340.66	-402.35	-219.36	-212.59	-305.87	-357.56
Domestic assets (net)	**2171.67**	**2303.55**	**2185.69**	**1994.85**	**1999.35**	**1930.36**	**1933.68**	**2068.40**
Domestic credit	**3089.86**	**3445.69**	**3308.42**	**3337.98**	**3346.44**	**3246.63**	**3473.92**	**3560.42**
Public sector	1262.62	1344.91	1208.24	1205.70	1060.37	1002.21	1028.65	809.23
Central Govt (net)	1078.58	1133.88	966.50	1048.05	895.06	911.85	884.88	666.13
Gross claims on Govt.	1584.46	1704.26	1726.33	1678.37	1704.62	1542.83	1563.48	1586.58
Govt. deposits	505.88	570.38	759.84	630.33	809.56	630.98	678.60	920.46
Public enterprises	184.04	211.03	241.74	157.65	165.31	90.37	143.76	143.10
Private sector	1827.24	2100.78	2100.18	2132.28	2286.07	2244.42	2445.28	2751.19
Other items (net)	**918.19**	**1142.14**	**1122.73**	**1343.13**	**1347.09**	**1316.27**	**1540.24**	**1492.03**
Broad money	**3324.70**	**3966.42**	**4229.16**	**4277.92**	**4266.15**	**4543.75**	**5020.26**	**5360.07**
Narrow money	1655.92	1886.71	2055.09	2044.77	1996.00	2105.35	2130.42	2349.59
Currency in circulation	566.52	569.88	577.74	587.97	590.95	624.90	642.17	673.45
Demand deposits and Govt. Rf deposits	1089.39	1316.83	1477.36	1456.80	1405.05	1480.45	1488.26	1676.14
Quasi money	1668.79	2079.71	2174.07	2233.14	2270.15	2438.39	2889.84	3010.49
o.w. FC. deposits	1484.71	1870.85	2058.04	2106.43	2134.06	2320.34	2755.53	2895.26

Source: Maldives Monetary Authority

Table 2. Assets and Liabilities of Maldives Monetary Authority, 2001 - June 2004

(In millions of rufiyaa: end of period)

	2001	2002	2003				2004	
			Mar	Jun	Sep	Dec	Mar	Jun
Foreign assets	**1207.05**	**1721.83**	**1879.30**	**2051.99**	**1967.16**	**2060.46**	**2266.15**	**2402.81**
Claims on government	**1584.46**	**1704.26**	**1726.33**	**1652.78**	**1679.02**	**1517.24**	**1537.88**	**1560.99**
Claims on PNFE	**1.48**	**1.48**	**1.48**	**1.48**	**1.48**	**1.48**	**1.48**	**1.48**
Claims on commercial banks	**0.00**	**0.00**	**0.00**	**0.00**	**70.00**	**0.00**	**0.00**	**0.00**
Other assets	**71.92**	**47.43**	**158.33**	**24.68**	**32.51**	**29.85**	**30.76**	**157.94**
Total assets	2864.91	3475.00	3765.45	3730.93	3750.18	3609.04	3836.27	4123.22
Total liabilities	2864.91	3475.00	3765.45	3730.93	3750.18	3609.04	3836.27	4123.22
Reserve Money	**2194.49**	**2778.37**	**2943.04**	**3058.25**	**2869.67**	**2865.78**	**3150.55**	**3251.20**
Currency in circulation	566.52	569.88	577.74	587.97	590.95	624.90	642.17	673.45
Cash with com. banks	43.32	54.45	45.59	59.79	61.09	52.17	36.11	45.04
Com. banks deposits	1184.23	1520.89	1651.79	1746.49	1347.46	1412.91	1535.41	1720.48
PNFE and Loc. Govt. Depos	77.40	78.75	75.97	102.68	119.76	91.70	98.85	113.55
MMA Certificate of deposits	323.01	554.40	591.95	561.32	750.41	684.11	838.02	698.69
Foreign liabilities	**10.15**	**10.15**	**10.25**	**10.16**	**10.16**	**10.16**	**10.16**	**10.96**
Government deposits	**283.80**	**310.58**	**456.17**	**300.46**	**487.33**	**338.72**	**316.62**	**487.65**
Other liabilities *(including capital account)*	**376.47**	**375.90**	**355.99**	**362.05**	**383.02**	**394.36**	**358.94**	**373.42**

Source: Maldives Monetary Authority

Table 3. Assets and Liabilities of Commercial Banks, 2001 - June 2004

(In millions of rufiyaa; end of period)

	2001	2002	2003				2004	
			Mar	Jun	Sep	Dec	Mar	Jun
Reserves	**1563.42**	**2094.32**	**2195.91**	**2265.09**	**1990.15**	**2062.01**	**2112.57**	**2168.95**
Foreign assets	**318.49**	**411.23**	**515.09**	**643.58**	**529.16**	**775.67**	**1136.47**	**1257.38**
Claims on public sector	**182.55**	**209.55**	**240.26**	**181.77**	**189.42**	**114.48**	**167.88**	**167.22**
Government	0.00	0.00	0.00	25.60	25.60	25.60	25.60	25.60
PNFE	182.55	209.55	240.26	156.17	163.83	88.88	142.28	141.62
Claims on private sector	**1827.24**	**2100.78**	**2100.18**	**2132.28**	**2286.07**	**2244.42**	**2445.28**	**2751.19**
Unclassified assets	**159.97**	**150.01**	**183.76**	**162.86**	**182.95**	**162.60**	**185.09**	**199.13**
Total assets	4051.68	4965.89	5235.19	5385.59	5177.76	5359.17	6047.28	6543.87
Total liabilities	4051.68	4965.89	5235.19	5385.59	5177.76	5359.17	6047.28	6543.87
Demand deposits 1/	**1022.15**	**1252.96**	**1417.91**	**1367.21**	**1295.87**	**1398.76**	**1404.98**	**1578.21**
Time and saving dep. f/c dep. 2/	**1658.63**	**2064.84**	**2157.54**	**2220.05**	**2259.57**	**2428.39**	**2874.27**	**2994.87**
Government deposits	**222.08**	**259.80**	**303.67**	**329.87**	**322.24**	**292.26**	**361.98**	**432.81**
Foreign liabilities	**362.36**	**460.04**	**340.66**	**402.35**	**219.36**	**212.59**	**305.87**	**357.56**
Other liabilities	**786.47**	**928.25**	**1015.41**	**1066.11**	**1080.72**	**1027.17**	**1100.19**	**1180.42**
Memorendum items:								
Foreign currency deposits	1519.77	1898.08	2085.14	2188.27	2215.46	2426.80	2873.15	3043.54

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, 2001 - June 2004

(In millions of rufiyaa; end of period)

	2001	2002	2003				2004	
			Mar	Jun	Sep	Dec	Mar	Jun
Fisheries								
Value	75.71	115.25	133.07	128.65	125.63	150.85	182.80	193.91
Percent	4.18	5.53	6.38	6.08	5.54	6.77	7.52	7.09
Tourism								
Value	823.96	1160.00	1155.63	1179.28	1284.62	1248.37	1423.12	1583.17
Percent	45.48	55.63	55.44	55.72	56.64	56.01	58.58	57.88
Commerce 1/								
Value	659.23	529.40	515.44	509.43	525.83	489.18	458.13	522.23
Percent	36.39	25.39	24.73	24.07	23.18	21.95	18.86	19.09
Construction								
Value	135.01	136.06	136.45	144.74	155.92	169.08	175.28	203.45
Percent	7.45	6.53	6.55	6.84	6.87	7.59	7.21	7.44
Manufacturing								
Value	30.00	14.62	14.58	26.92	41.00	39.95	56.18	62.77
Percent	1.66	0.70	0.70	1.27	1.81	1.79	2.31	2.29
Transport and communication								
Value	31.23	36.97	37.15	36.07	37.83	31.14	32.06	59.86
Percent	1.72	1.77	1.78	1.70	1.67	1.40	1.32	2.19
Other								
Value	56.36	92.74	92.13	91.45	97.19	100.11	101.96	110.06
Percent	3.11	4.45	4.42	4.32	4.29	4.49	4.20	4.02
TOTAL CREDIT								
Value	1811.50	2085.04	2084.43	2116.54	2268.02	2228.67	2429.53	2735.45
Percent	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, 2001 - June 2004

(In millions of rufiyaa; end of period)

	2001		2002		2003								2004			
					Mar		Jun		Sep		Dec		Mar		Jun	
	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	**17171**	**972.2**	**20204**	**1143.4**	**20905**	**1508.8**	**21303**	**1442.2**	**21823**	**1323.1**	**23718**	**1478.7**	**25197**	**1848.7**	**26838**	**1962.0**
2. Call deposits	**2**	**0.4**	**4**	**30.4**	**4**	**21.9**	**4**	**17.5**	**4**	**25.5**	**4**	**0.4**	**2**	**0.3**	**2**	**0.3**
3. Other deposit accounts	**24**	**1.8**	**39**	**11.1**	**37**	**11.5**	**36**	**11.4**	**42**	**8.8**	**41**	**4.9**	**38**	**5.0**	**44**	**6.6**
4. Savings deposits	**89058**	**1032.5**	**101784**	**1278.0**	**105436**	**1305.0**	**107581**	**1375.9**	**110616**	**1441.0**	**115136**	**1572.2**	**121723**	**1684.7**	**127686**	**1815.1**
5. Fixed (or term) deposits	**1010**	**918.4**	**1142**	**1132.4**	**1178**	**1050.5**	**1178**	**1139.7**	**1185**	**1145.1**	**1142**	**1141.7**	**1233**	**1195.5**	**1325**	**1320**
(a) Up to 3 months	204	341.1	250	392.8	349	384.0	321	418.5	278	444.5	168	347.9	161	339.3	223	292.9
(b) Over 3 to 6 months	129	160.1	182	134.1	194	169.6	226	214.6	156	150.0	216	159.6	322	227.0	310	263.2
(c) Over 6 months to 1 year	636	387.8	664	566.6	593	479.0	589	476.0	711	510.1	696	509.8	679	523.6	725	535.3
(d) Over 1 to 2 years	23	22.6	25	32.7	19	11.1	19	23.8	19	33.8	40	92.2	55	98.9	44	199.8
(e) Over 2 to 3 years	8	1.6	6	0.3	6	0.4	6	0.4	4	0.3	7	25.9	5	4.8	9	26.7
(f) Over 3 to 5 years	8	5.2	13	5.8	15	6.3	15	6.3	15	6.3	15	6.3	11	1.9	14	2.0
(g) Over 5 years	2	0.1	2	0.1	2	0.1	2	0.1	2	0.1	0	0.0	0	0.0	0	0.0
TOTAL	**107265**	**2925.3**	**123173**	**3595.4**	**127560**	**3897.7**	**130102**	**3986.7**	**133670**	**3943.5**	**140041**	**4197.9**	**148193**	**4734.2**	**155895**	**5104.0**

Source: Maldives Monetary Authority

Table 6. Composition of Domestic Exports (f.o.b.), 2001 - June 2004

(In millions of US dollars)

	2001	2002	2003				2004	
			Q1	Q2	Q3	Q4	Q1	Q2
Domestic exports	**76.18**	**90.38**	**31.19**	**28.69**	**23.59**	**29.05**	**32.68**	**26.11**
Total marine exports	**43.70**	**55.75**	**22.71**	**20.33**	**13.74**	**19.38**	**23.72**	**17.13**
Fish and fish products(including live fish)	40.86	52.74	21.77	18.88	13.28	18.84	22.99	16.38
Fish exports (excluding tropical live fish)	35.76	49.16	20.71	18.07	12.30	18.03	22.36	15.66
Frozen non-reef fish	12.87	27.45	14.78	10.36	5.74	10.93	15.68	10.18
Frozen reef fish	1.78	1.69	0.80	0.33	0.66	0.45	0.54	0.27
Canned fish	9.32	10.03	2.83	4.18	2.38	2.72	2.47	1.91
Dried fish	11.03	8.99	1.95	2.80	2.85	3.25	2.94	2.91
Salted fish	0.08	0.35	0.17	0.21	0.48	0.47	0.46	0.27
Salted Reef fish	0.67	0.64	0.18	0.20	0.19	0.19	0.27	0.13
Live tropical fish	3.14	1.75	0.67	0.31	0.40	0.36	0.38	0.39
Fish products	1.96	1.82	0.40	0.49	0.58	0.45	0.26	0.33
Other marine products	2.85	3.02	0.94	1.45	0.46	0.55	0.72	0.75
Garments	**32.28**	**34.53**	**8.47**	**8.28**	**9.78**	**9.46**	**8.83**	**8.85**
Other	**0.19**	**0.10**	**0.01**	**0.08**	**0.07**	**0.21**	**0.14**	**0.13**

Source: Maldives Customs Service

Table 7. Merchandise Imports (c.i.f.) by Sector and Product, 2001 - June 2004

(In millions of US dollars)

	2001	2002	2003				2004	
			Q1	Q2	Q3	Q4	Q1	Q2
Total merchandise imports (by sector)	**393.47**	**391.72**	**104.47**	**109.14**	**117.80**	**139.38**	**134.11**	**145.16**
Private sector imports	278.22	283.64	78.28	72.83	85.84	108.13	100.46	111.61
Private imports (excluding tourism)	214.91	223.30	58.79	57.60	67.39	80.39	75.39	75.84
Tourism imports	63.30	60.34	19.48	15.23	18.45	27.74	25.07	35.77
Public sector imports	115.26	108.08	26.19	36.30	31.97	31.25	33.65	33.54
PNFEs imports	93.13	90.30	21.42	28.67	24.44	22.92	26.83	28.20
Government imports	22.12	17.78	4.77	7.64	7.53	8.32	6.82	5.34
Total merchandise imports (by product category)	**393.47**	**391.72**	**104.47**	**109.14**	**117.80**	**139.38**	**134.11**	**145.16**
Consumer Goods	**168.59**	**172.40**	**45.00**	**43.52**	**45.50**	**56.52**	**53.60**	**53.90**
Food Items	84.91	83.83	23.07	21.99	21.60	26.98	27.76	25.07
Rice	5.15	4.48	0.74	1.51	1.12	0.83	1.68	1.25
Wheat	3.99	3.10	1.27	0.91	0.88	1.14	1.50	0.63
Sugar	3.16	2.87	0.77	0.86	0.32	0.76	0.72	1.11
Beverages	11.43	10.93	3.00	2.58	2.70	3.58	3.42	3.35
Other food items	61.17	62.46	17.30	16.14	16.58	20.67	20.45	18.72
Tobacco	4.56	5.12	1.24	1.44	1.38	1.26	1.56	1.54
Pharmaceuticals	3.81	3.86	1.05	1.05	1.10	1.05	1.25	1.23
Other consumer goods	75.31	79.59	19.65	19.04	21.43	27.22	23.03	26.06
Petroleum Products	**45.78**	**50.79**	**14.04**	**14.85**	**12.84**	**13.44**	**22.10**	**16.42**
Petrol	2.90	3.69	1.00	0.69	0.84	1.27	2.54	0.91
Diesel (Marine gas oil)	34.02	39.71	11.10	11.71	10.39	10.49	16.06	13.56
Aviation gas	5.21	2.44	0.81	0.81	0.51	0.72	1.10	0.74
Other petroleum product (Lubricating oil, Kerosene)	3.66	4.95	1.12	1.64	1.10	0.97	2.39	1.21
Intermediate & Capital Goods	**179.10**	**168.54**	**45.42**	**50.77**	**59.46**	**69.42**	**58.41**	**74.84**
Construction	40.14	41.80	7.41	11.52	15.92	15.13	14.34	23.33
Cement & Cement products	4.71	4.92	0.90	1.34	1.28	1.70	1.72	1.96
Wood for construction purposes	12.40	9.91	1.72	3.04	5.02	4.97	3.60	8.67
Base metal & articles of base metal for construction pu	10.74	9.92	2.45	3.08	4.54	3.49	3.27	7.30
Other construction related	12.29	17.05	2.34	4.07	5.08	4.96	5.75	5.41
Paper	1.86	1.63	0.50	0.50	0.42	0.43	0.44	0.51
Medical / Surgical supplies	1.37	1.46	0.62	0.50	0.51	0.51	0.32	0.43
Computer equipments and supplies	4.32	4.75	1.54	1.57	1.31	2.36	1.73	2.21
Machinery & mechanical appliances	5.81	5.84	1.73	1.42	1.72	2.74	1.98	2.17
Textiles	24.61	30.25	8.40	6.64	9.96	7.91	9.96	8.82
Chemicals & chemical products	2.83	2.79	0.78	0.84	0.86	0.85	1.01	1.05
Transport equipments and parts	41.33	26.52	12.75	9.45	10.98	17.23	9.02	10.09
Other Intermediate and Capital goods	56.82	53.50	11.70	18.33	17.78	22.26	19.60	26.23

Source: Maldives Customs Service

Table 8. Exchange Rates, 2001 - June 2004

(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
2001	March	11.7700	0.0960	6.5486	0.2478	0.1349	16.7690	10.6178	14.8379
	June	11.7700	0.0967	6.3644	0.2445	0.1254	16.2486	9.7674	14.6613
	September	12.8000	0.1064	7.2167	0.2612	0.1392	18.4109	11.6108	16.4993
	December	12.8000	0.1020	6.8312	0.2615	0.1357	17.8251	11.0299	16.0719
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

Source: Maldives Monetary Authority

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