

Quarterly Economic Bulletin

March 2002 ■ Volume - VIII, Number - 1



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 first quarter of 2002. 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 August 2002. Where actual data is not readily available, estimates have been made by ERSD based on available information. The timely receipt of data is therefore crucial to the compilation of this publication and the analysis contained herein.

We thank all those who have contributed to the information contained in this Bulletin and welcome constructive comments from our readers.

Contents

| | |
|---|----|
| 1. Overview | 5 |
| 2. Production, Prices and Labour Force | 6 |
| 3. Public Finance | 10 |
| 4. Money and Credit Developments | 11 |
| A. Operations of the Commercial Banks | 13 |
| B. Interest Rate Developments | 15 |
| 5. External Sector Developments | 15 |
| A. International Trade | 15 |
| B. Balance of Trade | 18 |
| C. External Assets | 18 |
| D. Exchange Rate | 19 |

Text Tables

| | |
|---|----|
| Table 1. Key Economic Indicators | 4 |
| Table 2. Tourism Indicators | 6 |
| Table 3. Consumer Price Index | 9 |
| Table 4. Commercial Bank Interest Rates | 15 |

Charts

| | |
|-------------------------------------|----|
| Chart I. Tourist Bednights | 6 |
| Chart II. Tourist Arrivals | 7 |
| Chart III. Fish Catch | 7 |
| Chart IV. Government Revenue | 10 |
| Chart V. Government Expenditure | 11 |
| Chart VI. Domestic Credit | 11 |
| Chart VII. Net Foreign Assets | 12 |
| Chart VIII. Money Supply | 12 |
| Chart IX. Sectoral Credit | 14 |
| Chart X. Total Deposits | 14 |
| Chart XI. Domestic Exports | 16 |
| Chart XII. Fish Export Earnings | 16 |
| Chart XIII. Major Fish Exports | 17 |
| Chart XIV. Imports by Sectors | 18 |
| Chart XV. Merchandise Trade | 18 |
| Chart XVI. Bilateral Exchange Rates | 19 |

Statistical Appendix

| | |
|---|----|
| Table 1. Monetary Survey, 1999- March 2002 | 23 |
| Table 2. Assets and Liabilities of Maldives Monetary Authority, 1999- March 2002 | 23 |
| Table 3. Assets and Liabilities of Commercial Banks, 1999- March 2002 | 24 |
| Table 4. Distribution of Commercial Bank Credit to Private Sector by Major Sectors, 1999- March 2002 | 24 |
| Table 5. Commercial Bank Deposits Distributed by Type, 1999- March 2002 | 25 |
| Table 6. Composition of Domestic Exports (f.o.b.), 1999- March 2002 | 25 |
| Table 7. Merchandise Imports by (c.i.f) Sector and Product Category (c.i.f.), 1999- March 2002 | 26 |
| Table 8. Exchange Rates, 1999- March 2002 | 27 |

Table 1. Key Economic Indicators, 1999 - March 2002

| | 1999 | | | 2000 | | | 2001 | | | 2002 | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Jan | Feb | Mar | Jan | Feb | Mar | QTR1 | QTR4 | Jan | Feb | Mar | QTR1 |
| Gross Domestic Product | | | | | | | | | | | | |
| GDP (1995 constant prices) Rf mn. ^{1/} | 5,989.1 | 6,263.9 | 6,393.9 | - | - | - | - | - | - | - | - | - |
| % change in GDP | 7.4 | 4.6 | 2.1 | - | - | - | - | - | - | - | - | - |
| Consumer Price Index | | | | | | | | | | | | |
| % change in CPI | 3.0 | -1.2 | 0.7 | -1.1 | -0.7 | -0.3 | -0.3 | 0.7 | 1.7 | 2.1 | 2.6 | 2.6 |
| Tourism | | | | | | | | | | | | |
| Tourist arrivals | 429,666 | 467,154 | 460,984 | 50,459 | 48,987 | 50,488 | 149,934 | 101,976 | 36,211 | 47,024 | 49,280 | 132,515 |
| Bed night capacity ('000) | 5,348 | 5,788 | 6,015 | 500 | 452 | 510 | 1,463 | 1,529 | 510 | 461 | 512 | 1,483 |
| Capacity utilization (%) | 69.7 | 68.2 | 65.6 | 86.6 | 89.9 | 83.3 | 86.6 | 56.5 | 67.1 | 81.8 | 79.2 | 76.0 |
| Fish Production | | | | | | | | | | | | |
| Landings('000 MTs) ^{2/} | 123.3 | 115.4 | 125.0 | 12.0 | 9.4 | 10.0 | 31.4 | 38.4 | 11.0 | 7.9 | 10.0 | 28.9 |
| Total fish exports ('000 MTs) ^{3/} | 37.6 | 28.3 | 29.7 | 3.2 | 0.7 | 4.2 | 8.0 | 8.1 | 6.3 | 3.1 | 4.9 | 14.3 |
| Total fish exports (US\$ mn.) ^{3/} | 34.4 | 34.0 | 35.8 | 3.3 | 1.1 | 4.3 | 8.8 | 8.9 | 5.5 | 3.4 | 4.8 | 13.7 |
| Money and Banking (Rf mn) | | | | | | | | | | | | |
| Net foreign assets | 1,405.4 | 1,312.2 | 1,153.0 | 1,406.2 | 1,284.2 | 1,413.1 | 1,413.1 | 1,153.0 | 1,177.0 | 1,255.9 | 1,322.0 | 1,322.0 |
| Domestic credit | 2,259.3 | 2,586.8 | 3,089.9 | 2,638.7 | 2,767.4 | 2,731.0 | 2,731.0 | 3,089.9 | 3,160.3 | 3,216.7 | 3,345.7 | 3,345.7 |
| Total liquidity | 2,929.8 | 3,049.8 | 3,324.7 | 3,207.8 | 3,246.2 | 3,302.7 | 3,302.7 | 3,324.7 | 3,453.8 | 3,461.5 | 3,622.9 | 3,622.9 |
| Change in net claims on Government ^{4/} | 87.1 | 234.8 | 83.6 | 39.4 | 79.9 | 24.2 | 143.5 | -28.2 | 90.1 | 75.8 | 65.0 | 230.9 |
| Balance of Payments (US\$ mn) | | | | | | | | | | | | |
| Exports (f.o.b) ^{5/} | 91.5 | 108.7 | 110.2 | 12.2 | 8.0 | 10.4 | 30.6 | 26.5 | 12.9 | 8.8 | 12.0 | 33.8 |
| Imports (f.o.b) | -353.9 | -342.0 | -348.0 | -34.8 | -29.6 | -28.2 | -92.7 | -86.7 | -25.6 | -24.6 | -28.3 | -78.5 |
| Trade balance | -262.4 | -233.3 | -237.8 | -22.7 | -21.6 | -17.8 | -62.1 | -60.2 | -12.7 | -15.8 | -16.2 | -44.7 |
| Current account balance | -81.6 | -53.0 | -61.3 | - | - | - | - | - | - | - | - | - |
| Services (net) | 203.6 | 208.8 | 206.1 | - | - | - | - | - | - | - | - | - |
| Non-monetary capital (net) | 74.3 | 45.1 | 39.9 | - | - | - | - | - | - | - | - | - |
| Overall balance | -7.2 | -7.9 | -21.4 | 8.0 | -10.4 | 10.9 | 10.9 | -0.9 | 1.9 | 6.2 | 5.2 | 13.2 |
| Gross International Reserves (US\$ mn) ^{6/} | 128.5 | 124.1 | 94.3 | 125.6 | 123.4 | 126.6 | 126.6 | 94.3 | 92.6 | 95.3 | 98.7 | 98.7 |
| External Reserves in Months of Imports (cif) Exchange Rate | 3.8 | 3.8 | 2.9 | 3.8 | 3.7 | 3.9 | 3.9 | 2.9 | 2.9 | 3.1 | 3.2 | 3.2 |
| Rufiyaa / US\$ (Period average mid rate) | 11.7700 | 11.7700 | 12.2421 | 11.7700 | 11.7700 | 11.7700 | 11.7700 | 12.8000 | 12.8000 | 12.8000 | 12.8000 | 12.8000 |
| Rufiyaa / US\$ (End of period mid rate) | 11.7700 | 11.7700 | 12.8000 | 11.7700 | 11.7700 | 11.7700 | 11.7700 | 12.8000 | 12.8000 | 12.8000 | 12.8000 | 12.8000 |

1/ GDP figures for 1999 -2001 are revised estimates of 20th December 2001

2/ Not included EEZ.

3/ Excluding live tropical fish.

4/ BOP figures for 1999 - 2001 are revised estimates.

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

Overview

The overall macroeconomic situation during the first quarter of this year (January-March, 2002) remains weak compared to the first quarter of 2001, with the economy still in the process of recovery from the adverse global developments following the September 11th incident in 2001. However, improvements in some economic activities were seen relative to the previous quarter. On the production side, the fisheries, tourism, commerce and construction sectors account for more than 45 percent of total GDP. In the tourism sector, both tourist arrivals and bed-nights show negative growth compared to the corresponding period of last year, but the magnitude of decline has narrowed relative to the last quarter of 2001. Both these variables registered growth rates of around 30 percent in the review quarter when set against the preceding quarter. This was partly owing to the low levels registered in the previous quarter, but 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 both quarterly and annually, while registering good growth performance in fish exports. Activities in the commerce and construction sectors, which are highly and positively related to developments and performance in the tourism and fisheries sectors, also were poor during the review quarter.

On the fiscal front, the review quarter witnessed a deterioration of the fiscal position, largely reflecting the decline in total revenue received by the government during the period. However, it should be noted that the quarterly revenue is influenced by the seasonal pattern prevalent in the dominant sources of revenue (such as tourism), coupled with the timing of non-tax revenues, (particularly transfers from public entities). In addition, the government has given a moratorium on the lease-rent payments by the tourism sector, due to the negative impact to the sector following the September 11th incident. 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 first quarter of 2002, after a slight slow-down in the previous quarter. This reflects the increased growth in net credit to Government as well as the continued increase in credit to the private sector since August 2001. However, net foreign assets of the banking system improved at the end of the review quarter. On the external front, while the country normally registers a significant deficit on the merchandise trade account, the size of the deficit contracted during the review period. Such development is explained by the improved performance in exports coupled with a drop in imports.

Production Prices and Labour Force

Tourism

Tourism activities remained subdued during the first quarter of 2002, although the decline in the activity was markedly less pronounced than that registered in the final quarter of 2001, immediately following the September 11th incident in the USA. The number of arrivals during the quarter stood at 132,515 compared to 149,934 in the same period of 2001. On an annual basis this indicates a 12 percent reduction in tourist arrivals in 2002 for the period under review, compared to a 7 percent growth in 2001. Bednights also experienced a similar trend with total bednights during the review quarter falling by 11 percent, compared to a growth of 6 percent during the first quarter of 2001.

Table 2. Tourism Indicators, 1999 - March 2002

In thousands

| | 1999 | 2000 | 2001 | | | | 2002 |
|----------------------------|--------|--------|--------|-------|-------|-------|--------|
| | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| Total visitor arrivals | 456.0 | 496.1 | 159.9 | 111.3 | 113.4 | 107.3 | 140.7 |
| Tourist arrivals | 429.7 | 467.2 | 149.9 | 103.1 | 105.9 | 102.0 | 132.5 |
| Bed capacity 1/ | 14.7 | 15.8 | 16.2 | 16.5 | 16.5 | 16.6 | 16.5 |
| Bednights | 3718.2 | 3936.7 | 1264.5 | 854.7 | 949.0 | 864.5 | 1124.8 |
| Bed capacity utilisation % | 69.7 | 68.2 | 86.6 | 56.9 | 62.4 | 56.5 | 76.0 |

1/ Figures relate to the period average.

Source: Ministry of Tourism

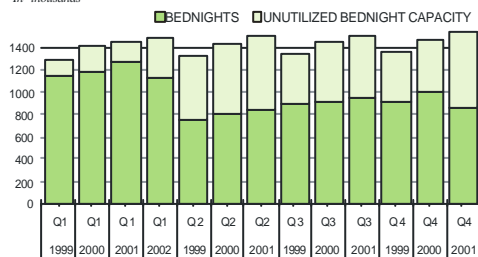
Total bednights for the first three months of 2002 was 1,124,827 whilst for same period in 2001 was 1,264,465. However, with the review quarter coinciding with the peak season, tourist arrivals and bednights both increased by 30 percent in comparison to the final quarter of 2001. In terms of bed capacity of the tourist resorts and hotels, there was a decline of 141 beds in the review quarter. Hence, with the higher growth in bednights and a decline in bed capacity, the occupancy rate rose from 57 percent in the preceding quarter to 76 percent in the review quarter, yet this was the lowest capacity utilisation rate recorded for a first-quarter since 1986. The average length of stay meanwhile increased slightly from 8.4 days in the first quarter of 2001 to 8.5 days in the review quarter.

As in the past quarters, tourist arrivals from Europe remained strong, with the region holding an 81 percent share of the market. Italy, the largest source market from Europe

accounting for 33 percent of quarterly arrivals registered a growth of 66 percent in the review period, while a decline of 18 percent was noted against the corresponding period of 2001. United Kingdom accounting for 20 percent and Germany accounting for 15 percent of European arrivals, showed similar trends with quarterly growths of 3 percent and 5 percent, respectively. On annuals terms, visitors from United Kingdom dropped by 6 percent and Germans by 21 percent. Tourists

Chart I. Tourist Bednights

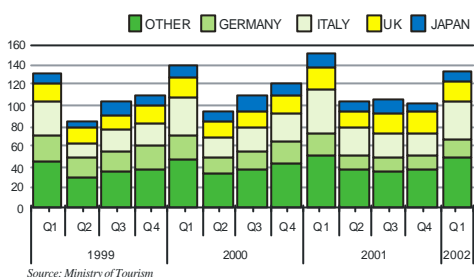
In thousands



Source: Ministry of Tourism

Chart II. Tourist Arrivals

In thousands



Source: Ministry of Tourism

from France, accounting for about 10 percent of European market, was twice as much as the previous quarter, showing an 84 percent growth in the review quarter, while registering an annual decline of 23 percent. However, Swiss tourists who visited the country, accounting for about 8 percent of European arrivals have increased both on a quarterly and year-on-year basis.

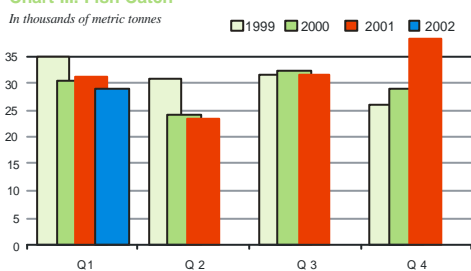
The flow of tourists from Asia, accounting for about 16 percent of the total arrivals in the review quarter, also increased by 22 percent on quarterly terms and by 1 percent annually. Japanese tourists (41percent of Asian tourists) increased by 16 percent from the previous quarter, but fell by 23 percent when compared with the corresponding period of 2001. Meanwhile, Indians and tourists from other Asian countries (excluding Japanese and Sri Lankans) have been on an increasing trend with combined arrivals accounting for 20 percent of the Asian market. In terms of growth such arrivals were higher by 22 percent and 36 percent, respectively, compared to the previous quarter.

Fisheries

The fisheries sector is projected to grow only slightly in 2002 (by about 0.1 percent) following the low growth rates of 0.6 percent in 2001 and a negative 1.8 percent in 2000¹. Developments in the fisheries sector during the review quarter have been characterized by a reduction in fish landings and an increase in fish exports, both in

Chart III. Fish Catch

In thousands of metric tonnes



Source: Ministry of Fisheries, Agriculture & Marine Resources

value and quantity. Total fish landings in the review quarter totalled 28.9 thousand metric tonnes, which compares with 31.4 thousand metric tonnes recorded in the corresponding quarter of 2001. This reflects a decline of about 8 percent during the period. Moreover, due to the high level of fish landings in the previous quarter, the review quarter registered a decline of over 24 percent on a quarterly basis.

Despite the poor fish landings, export activities in the sector improved significantly in the review quarter. According to Customs statistics, total fish exported during the quarter (excluding live tropical fish) increased substantially both in terms of volume and earnings, when set against the preceding quarter as well as the corresponding quarter of 2001. The volume of exports (excluding live tropical fish) increased from just a little over 8.0 thousand metric tonnes in the first and the lastquarters of 2001 to

¹ Based on the GDP estimates of 20th December 2001.

14.3 thousand metric tonnes in the review quarter. Similarly, earnings from fish exports (excluding live tropical fish) increased from US\$8.8 million and US\$8.9 million tonnes in the first and the last quarters of 2001, respectively, to US\$13.7 million in the review quarter, reflecting growth rates of over 50 percent both on annual as well as on quarterly terms. However, the unit prices of some varieties of fish such as dried fish and salted reef fish fell compared to the previous quarter and the corresponding quarter of 2001. *Please see the section on International Trade (page 15) for further details on exports.*

Construction

The construction sector, accounting for about 3 percent of GDP, is estimated to have grown by about 6 percent in 2001 and is projected to grow further by about 5 percent this year. However, the first quarter statistics on the sector² show that construction activities have been somewhat slow. In this regard, import of construction materials into the country during the review quarter stood 4 percent lower compared to the first quarter of 2001 and 7 percent lower than the last quarter of 2001. Similarly, credit extended to the sector during the review quarter was 3 percent lower than the previous quarter, but showed an increase of 3 percent on annual terms. The number of expatriates working in the sector at the end of the review quarter totalled 4,893 which is 3 percent higher than the previous quarter.

Distribution

The distribution sector (including wholesale-retail trade) plays a key role in the domestic economy, and has close linkages with the developments in the tourism, fisheries and the construction sectors. The sector has accounted for around 5 percent of GDP in recent years and has witnessed an annual growth rate of around 3 percent during the period 1998-2000, while registering a negative growth of 0.4 percent in 2001. A negative growth of 0.2 percent is projected for 2002. These growth rates reflect the slow down in aggregate demand due to the poor performance of the tourism sector following the September 11th terrorist attack of 2001 on the United States. First quarter indicators for 2002 signalled a slight slowdown in developments in the sector, with total private sector imports (excluding imports made directly by the tourism sector³) declining from

² Indicators of the sector performance that are easily observable include the amount of construction material imported to the country, the amount of loans extended by the commercial banks to the sector and the number of expatriates working in the sector, who occupy the vast majority of construction related jobs.

³ 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

US\$56.3 million and US\$54.4 in the first and last quarters of 2001 to US\$47.0 million in the review quarter. These reflect a quarterly decline of 14 percent and an annual decline of 16 percent.

Prices

Retail prices in the country are heavily influenced by price movements in the source country of imports and fluctuations in fish prices, as imports and fish have the largest share of the consumption basket. As regards the price developments in the review quarter,

Table 3. Consumer Price Index, 1999 - March 2002 ^{1/}

Base (June 1995 = 100)

| | 1999 | 2000 | 2001 | | | | 2002 |
|--|-------|-------|-------|-------|-------|-------|-------|
| | | | Mar | Jun | Sep | Dec | Mar |
| Food beverages and tobacco products excluding fish | 120.1 | 107.5 | 106.9 | 107.7 | 111.7 | 118.5 | 125.0 |
| Fish Index | 165.8 | 192.6 | 198.7 | 180.7 | 161.1 | 151.9 | 155.5 |
| Clothing and footwear | 105.6 | 102.6 | 101.9 | 102.0 | 102.2 | 101.6 | 101.0 |
| Housing, water, fuel and power | 103.6 | 106.6 | 107.3 | 107.6 | 108.0 | 108.4 | 108.5 |
| Furniture, furnishing, household equipment & operation | 114.9 | 114.7 | 113.8 | 112.7 | 111.5 | 110.4 | 110.3 |
| Medical care and health expenses | 100.4 | 107.4 | 107.2 | 107.3 | 107.5 | 107.9 | 108.3 |
| Transport and communication | 118.9 | 122.9 | 121.9 | 121.1 | 122.2 | 123.1 | 124.0 |
| Education | 113.4 | 115.2 | 115.4 | 115.5 | 115.6 | 115.7 | 115.7 |
| Recreation, entertainment, religious and cultural services | 100.7 | 100.7 | 100.4 | 99.7 | 99.0 | 98.3 | 98.4 |
| Personal care | 104.1 | 104.1 | 104.2 | 104.3 | 104.3 | 104.6 | 104.8 |
| Total CPI | 116.0 | 114.6 | 114.6 | 113.7 | 113.8 | 115.4 | 117.7 |
| Total Index excluding fish | 112.8 | 109.6 | 109.2 | 109.4 | 110.8 | 113.0 | 115.2 |

1/ Figures are 12 months moving average.

Source: Ministry of Planning and National Development

end of the review quarter. However, fish prices have been declining steadily since July 2001. By the end of September 2001, fish prices fell by 19 percent; by the end of December 2001 it was 21 percent and fell further to 22 percent by the end of March 2002. Nevertheless, when compared with the first quarter of 2001 fish prices show a 24 percent increase.

Employment

There is no quarterly data on the level of employment or earnings. However, according to the 2000 census, the total labour force in the country was estimated at 87,987 with 30 percent employed in the government sector. Of the total labour force 11,081 are employed in manufacturing, 9,294 in fishing, 7,653 in tourism, 5,858 in distribution and 3,691 in the construction sector.

According to the data on expatriate workforce from the Ministry of Human Resources,

Employment and Labour, there were 29,525 expatriate workers in the country at the end of the review quarter. Though this was just slightly higher than at the end of December 2001, the expatriate workforce expanded by 5 percent, adding 1,333 expatriates to the workforce, in the year to March 2002. The greatest increases in the number of expatriates were seen in the tourism, construction and education sectors. These three sectors together employ 61 percent of the expatriate labour force.

Public Finance

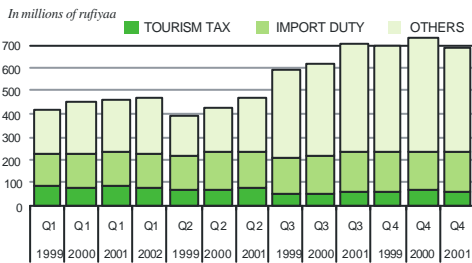
On the fiscal front, quarterly (provisional) estimates of Government's fiscal data shows a deterioration of the overall fiscal performance during the first quarter of 2002. When compared with the first quarter of 2001 both total domestic revenue (excluding cash grants and Fund accounts) and total expenditure recorded increases, with the latter increasing at a greater magnitude. As regards the forecasted budget figures, both the actual revenue and expenditure during the quarter stood lower than the forecasted levels for the period. It should be noted that the quarterly revenue is influenced by the seasonal pattern prevalent in the dominant sources of revenue (such as tourism), coupled with the timing of non-tax revenues, (particularly transfers from public entities). Hence, this is partly the reason for the large turn-around in the fiscal position from a surplus in the previous quarter to a deficit in the review quarter.

Total domestic revenue (excluding Fund accounts and cash grants), during the quarter under review, stood at Rf471.4 million, reflecting a growth of 2 percent over the corresponding quarter of 2001. However, this was 32 percent lower than the fourth quarter of 2001, mainly attributed to the lower non-tax revenue in the review quarter. Tax revenues, which accounts for 53 percent of total revenue, totaled Rf251.8 million in the first

quarter of 2002 compared with Rf261.4 million and Rf264.4 million in the first and last quarters of 2001. As in the past quarters, the largest contribution to tax revenue was from import duty, forming around 58 percent of total tax revenue and 31 percent of total domestic revenue. However, this stood at Rf147.2 million in the review quarter, lower by Rf26 million or 15 percent from the previous quarter and less than Rf3.0 million or 2 percent from the

first quarter of 2001. Tourism tax revenue (accounting for around 32 percent of tax revenue and 17 percent of total domestic revenue) declined by 7 percent on annual terms reflecting the slow-down in tourism activities following the terrorist incidents in the United States and Sri Lanka in the latter half of 2001. Partly reflecting the seasonality aspect of tourist arrivals, and therefore tourist bednights, there has been a 21 percent

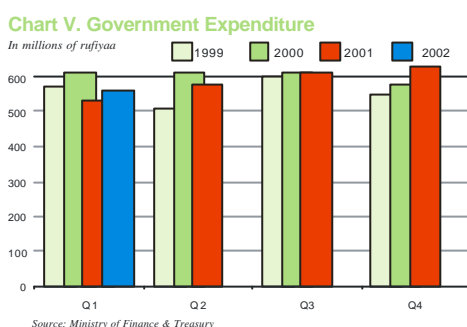
Chart IV. Government Revenue



Source: Ministry of Finance & Treasury

increase in such revenue when compared with the previous quarter. Meanwhile, receipts from non-tax revenue decreased from Rf427.5 million during the last quarter of 2001 to Rf219.6 million during the review quarter, falling by 49 percent during the period. This decline would also reflect the lower resort lease-rent payments during the review quarter due to the moratorium given on these payments during this period, following the adverse effects to the tourism sector after the September 11th incident. However, non-tax revenue recorded a 9 percent increase when set against the corresponding quarter of 2001.

Total expenditure during the review quarter amounted to Rf559.0 million as opposed to Rf530.9 million during the first three months of 2001, reflecting a 5 percent increase

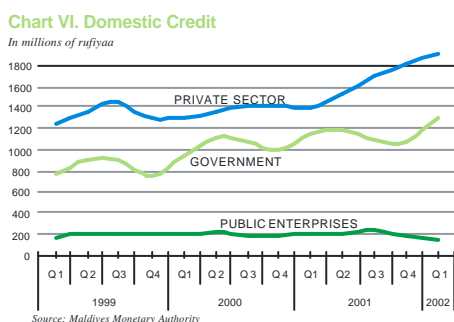


during the period. However, compared to the previous quarter, total expenditure fell by about 12 percent. Despite the contraction in expenditure during the review period from the previous quarter, the overall fiscal position registered a deficit of Rf87.6 million, from a deficit of Rf67.3 million in the first quarter of 2001 and from a surplus of Rf57.9 million in the last quarter of that year. As a result, at the end of the review quarter, net claims on the Government from the banking system rose by Rf230.9 million or 21 percent over

the outstanding stock at the end of 2001. However, the overall fiscal position for the year may be significantly better than the position registered during the first quarter, as revenues from some sources, particularly profit transfers from public entities, are made during the last quarters of the year.

Money and Credit Developments

Monetary figures indicated rapid growth in total credit as well as total liquidity of the banking system during the first quarter of 2002. The pace of growth of total credit of the



banking system, while having abated slightly during the previous quarter, picked up strongly during the quarter under review. This was mainly the result of increased growth in net credit to Government and also due to the continued increase in credit to the private sector since August 2001. Meanwhile, net foreign assets of the banking system also improved during the quarter under review.

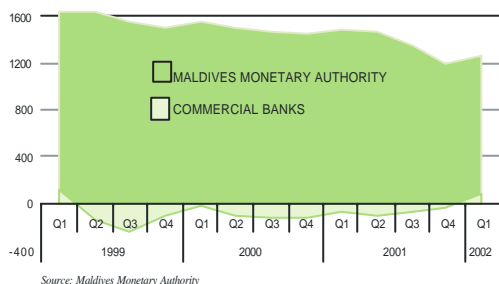
The total domestic credit stock of the banking system increased by Rf255.9 million to stand at Rf3345.7 million at the end of March 2002. In terms of quarterly growth rates, total credit expanded by 8 percent indicating a faster growth rate than that of the previous quarter as well as the corresponding quarter of 2001. Yearly growth rate in total credit stood at 23 percent at the end of March 2002, the highest since September 1999. These developments were influenced by the rise in trend of credit to private sector as well as net credit to government. Net credit to government that stood at a stock of Rf1078.6 million at the end of 2001 increased by Rf230.9, or by 21 percent, during the first three months of 2002. This compares with a 15 percent growth during the corresponding period of 2001 and a decline of 3 percent during the previous quarter. Meanwhile, growth in credit to the private sector that had risen strongly during the past three quarters (quarterly average of 10 percent) moderated to 4 percent during the review quarter. Annual growth in credit to the private sector stood exceptionally high recording 37 percent at the end of March 2002 compared with a 6 percent growth during the corresponding period of the previous year. Credit to the Public Enterprises, contracted by 24 percent during the last two consecutive quarters while declining by 33 percent during the year to March 2002.

The net foreign assets position of both the MMA as well as commercial banks improved during the first quarter of 2002. Net foreign assets of MMA increased by Rf55.9 million

to stand at Rf1,252.8 or US\$97.9 million at the end of March 2002. Commercial banks position improved from the net liabilities position that had persisted since 1999, to a net assets position of Rf69.2 million at the end of March 2002. Consequently, the overall net foreign assets position of the banking system, after successive reduction during the past three quarters, rose by 15 percent to Rf1,322.0 million at the end of first quarter of 2002. On annual terms, though, this variable continued with the contractionary trend that began in June 1999. During the

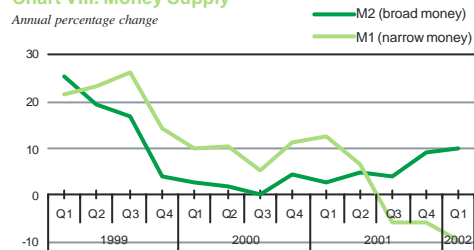
year to March 2002, the net foreign assets of the banking system contracted by 6 percent compared with an 8 percent decline during the year to March 2001.

Chart VII. Net Foreign Assets
In millions of rufiyaa



Following the growth in domestic credit combined with improvements in the net foreign assets position, the total liquidity position of the banking system rose strongly during the first quarter of 2002. This variable stood at Rf3622.9 million at the end of March 2002, recording a growth rate of 9 percent during the first quarter of 2002, compared with a 2 percent growth during the previous quarter and 8 percent growth during the corresponding period of the previous quarter. Annual growth in total liquidity (broad money) also

Chart VIII. Money Supply



Source: Maldives Monetary Authority

showed a steep rise from a 3 percent growth during the year to March 2001 to a 10 percent growth during the year to March 2002. The components of broad money consist of narrow money and quasi money. Narrow money, consisting of currency in circulation and demand deposits and accounting for 46 percent of broad money at the end of March 2002, grew by less than 1 percent during the quarter under review, after a 2 percent growth during the previous quarter. This is the result of the decline in currency in circulation by 4 percent while demand deposits showed a modest increase of 4 percent during the period under review. Quasi money, which consist of time, saving and foreign currency deposits, on the other hand, rose strongly during the quarter, recording over 17 percent growth compared with a 2 percent growth during the previous quarter and a 13 percent growth during the corresponding period of the previous year. On annual terms, narrow money contracted by 10 percent at the end of March 2002 as opposed to a growth of 12 percent during the year to March 2001. Quasi money, on the other hand, trended upwards by 34 percent during the year to March 2002 compared to a decline of 7 percent during the corresponding period of the previous year. The rise in quasi money, during these periods, reflects the increasing trend in the foreign currency deposits of the commercial banks. As a result, the dollarisation ratio (the proportion of US dollars in the total money supply) picked up from 38 percent at the end of March 2001 to 49 percent at the end of March 2002.

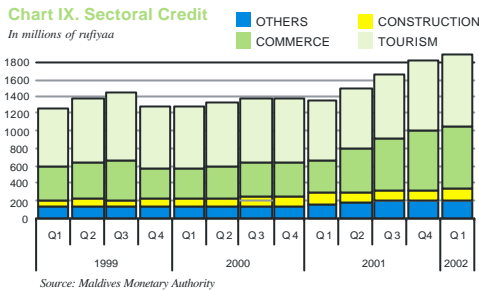
Operations of the commercial banks

The total assets and liabilities of the commercial banks, after declining during the third and fourth quarter of 2001, accelerated during the first quarter of 2002. In actual terms, total assets and liabilities grew by Rf388.3 million to Rf4439.9 million at the end of March 2002 indicating a growth of 10 percent after a contraction of 1 percent during the previous quarter and an 8 percent growth during the corresponding period of the previous year. Similarly, when compared with the growth rates of the past year, significant increases are noted this year, from a 4 percent growth at the end of March 2001 to a 12 percent growth during the year to March 2002. On the assets side, most of the increases during the review quarter were led by accelerated growths in reserves and total credit of the banking system. On the liabilities side, total deposits of the commercial banks increased significantly during the quarter under review.

Reserves, which accounted for 42 percent of total assets at the end of March 2002, grew significantly during the quarter under review. It increased from Rf1,563.4 million at the end of December 2001 to Rf1,868.6 million at the end of March 2002, recording over a 19 percent growth compared with a growth of 13 percent and a decline of 6 percent

during the first and last quarter of 2001, respectively.

Total credit stock of the commercial banks stood at Rf2,034.7 million at the end of March 2002, of which lending to the private sector stood at 93 percent of the total credit portfolio. The rate of growth in total credit decelerated to 1 percent in the review quarter, after

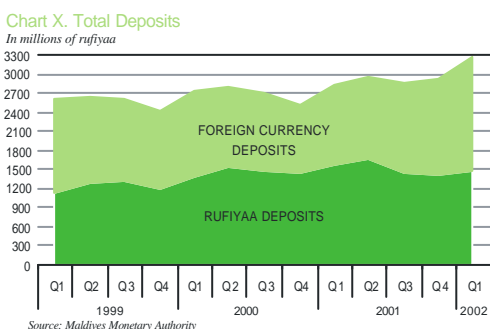


a 4 percent growth during the final quarter of 2001. This basically explains the movement of bank lending to the private sector, which after growing strongly during the past three quarters subsided to a 4 percent growth during the first quarter of 2002. Nevertheless, annual developments indicates a strong upward movement in bank lending to the private sector after the removal of credit ceiling in August 2001, thereby contributing to the rise in total lending by

the commercial banks. As was mentioned earlier, total credit to the private sector increased by 37 percent during the year to March 2002 as opposed to a 6 percent growth during the corresponding period of the previous year. Credit to the public sector, on the other hand, dropped both during the review quarter, by 24 percent, as well as during the year to March 2002, by 33 percent.

Foreign assets position of the commercial banks improved substantially during the first quarter of 2002 from Rf318.5 million at the end of December 2001 to Rf370.7 million. As such, growth rate of this variable improved considerably from that of the last quarter of 2001, while remaining lower compared to the corresponding period of the previous year. During the first quarter of 2002, foreign assets of the commercial banks increased by 16 percent as opposed to a decline of 4 percent during the previous quarter and 18 percent during the corresponding period of the previous year. Annual developments indicate a welcome improvement of 18 percent during the year to March 2002 as opposed to a decline of 15 percent during the previous year.

On the liabilities side, total deposits of the commercial banks accounting for 74 percent of the total liabilities at the end of March 2002, increased from Rf2,925.3 million at the end of December 2001 to Rf3,277.7 million at the end of March 2002. In terms of growth rate, this represents a 12 percent increase, indicating a slower rate compared to that of



the corresponding period of the previous year (15 percent) while increasing significantly when compared with that of the previous quarter (2 percent). Most of the increase in total deposits during the quarter under review was led by a rapid rise in the foreign currency deposits of the commercial banks. Rufiyaa deposits, on the other hand, whilst showing a declining trend since mid 2001 increased

slightly by 5 percent during the review quarter. As a result of the continued build up of foreign currency deposits since 2001, its ratio over total deposits rose from 38 percent at the end of March 2001 to 49 percent at the end of the corresponding period of the following year. The composition of deposits in terms of demand and time and savings indicated that those under demand rose by 10 percent compared to a growth of 1 percent during the previous quarter. Time and savings deposits, on the other hand, trended up significantly recording over a 16 percent growth compared to a 5 percent growth during the previous quarter.

Interest Rate Developments

Table 4. Commercial Bank Interest Rates

In percent

| | LENDING RATES | | DEPOSIT RATES | | | |
|---------------|---------------|---------|---------------|-------|---------|-----------|
| | Rf | US\$ | SAVING | | TERM | |
| | Rf | US\$ | Rf | US\$ | Rf | US\$ |
| December 2001 | 12 - 13 | 12 - 15 | 5 - 6 | 5 - 6 | 5 - 7.5 | 5.5 - 7.5 |
| March 2002 | 12 - 13 | 12 - 15 | 5 - 6 | 5 - 6 | 5 - 7.5 | 5.0 - 7.5 |

Source: Maldives Monetary Authority

Some developments have been observed in the interest rate structure of the commercial banks operating in the Maldives during the first quarter of 2002. With respect to the banks' deposit rates, the dollar denominated savings rates, which had ranged between 5 to 6 percent during the earlier periods was brought down to 5-5.5 percent at the end of

the first quarter of 2002. Rufiyaa denominated savings deposits rates also declined from a range of 5-6 percent to 5 percent during the review period. Similarly, the range of interest rates paid on dollar denominated time deposits widened with the minimum rate now standing at 5 percent (earlier 5.5 percent). The maximum rate still stands at 7.5 percent. As for the time deposits denominated in rufiyaa, the rates stood the same as in previous years with the rates ranging between 5 percent and 7.5 percent.

With respect to lending rates, no further developments occurred during the review period. The dollar lending rates remained higher than Rufiyaa rates and ranged between 12-15 percent, as in previous years. Rufiyaa rates ranged between 12-13 percent.

External Sector Developments

International Trade

Maldives has an open economy, with a narrow export base but a strong import demand. Consequently, foreign trade normally records a large deficit. Domestic exports range between 16-19 percent of GDP and consists primarily of fish and fish products and

garments. Reflecting the narrow resource base and the limited opportunities for substitution by domestic production, imports are equivalent to around 70 percent of GDP.

According to trade statistics, export activities showed improvements in the review quarter. The value of merchandise exports f.o.b totalled US\$33.8 million in the review quarter, rising from US\$26.5 million in the preceding quarter and US\$30.6 million in the corresponding quarter of 2001. These reflect growth rates of around 27 percent from the previous quarter and around 10 percent from the corresponding quarter of 2001.

Total merchandise exports constituted 70 percent domestic exports and 30 percent re-exports in the review quarter. Re-exports are largely dominated by the sale of jet fuel, and such sales have close links with the developments in the tourism sector.

Of the domestic exports 65 percent consisted of marine exports – of which over 95 percent were fish and fish products – and 34 percent garment exports, in the review

quarter. With regard to fish exports, though some varieties of fish exports showed negative growths, the total volume of fish exports (excluding live tropical fish) increased significantly compared to both the preceding quarter and the corresponding quarter of 2001, by about 77 percent in quantity and by over 50 percent in value terms. As such the volume of such exports increased from around 8.0 thousand metric tonnes in the first and the last quarters of 2001, to 14.3 thousand metric tonnes in the review

quarter. Similarly, earnings from fish exports (excluding live tropical fish) rose from around US\$9.0 million in the first and last quarters of 2001 to US\$13.7 million in the review quarter.

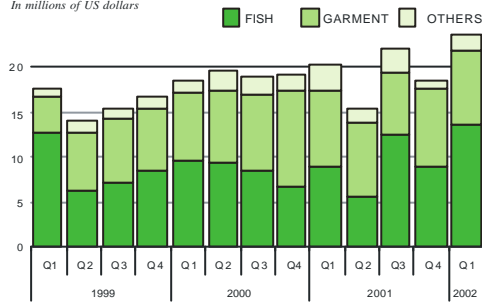
Of the major categories, export volume of frozen non-reef fish recorded 10.9 thousand metric tonnes in the review quarter, with earnings of US\$8.1 million. On a quarterly

basis, this reflects a 102 percent increase in volume, but a 75 percent increase in earnings as the unit price of such exports registered a 13 percent drop during this period. On annual terms, exports of non-reef fish registered a 173 percent growth in volume, with a massive 221 percent in earnings. In the review quarter the unit price of such exports showed a 17 percent increase over the corresponding quarter of 2001.

During the review quarter, the volume of canned fish exports stood at 1.9 thousand

Chart XI. Domestic Exports

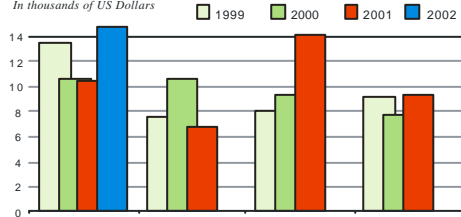
In millions of US dollars



Source: Maldives Customs Service

Chart XII. Fish Export Earnings

In thousands of US Dollars

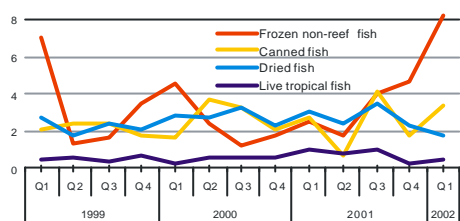


Source: Maldives Customs Service

metric tonnes, compared to 1.1 thousand metric tonne in the preceding quarter and 2.1 thousand metric tonne in the corresponding quarter of 2001. Earnings from such exports reached US\$3.3 million in the review quarter, reflecting a quarterly increase of over 88 percent and an annual increase of 21 percent. Hence, the average unit price of canned fish during the review quarter showed a 13 percent increase from the previous quarter and a 34 percent increase from the first quarter of 2001.

In contrast, with the unit price of dried fish exports dipping to a 3-year low of about US\$1,514 per metric tonne in the review quarter, the quantity of dried fish exported

Chart XIII. Major Fish Exports
In millions of US dollars



Source: Maldives Customs Service

stood 12 percent lower than the preceding quarter and 30 percent lower than the corresponding quarter of 2001. Hence, income from such exports during the review quarter stood at US\$1.7 million, reflecting a quarterly decline of 23 percent and an annual decline of 42 percent. Export earnings from live tropical fish registered a 107 percent increase from the previous quarter, resulting from a 51 percent increase in quantity and a 37 percent increase in the unit prices during the

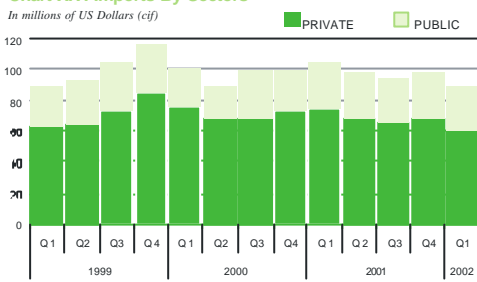
period. However, both earnings and volume of live tropical fish declined by over 40 percent compared to a year ago

The volume of garments exported during the review quarter showed annual as well as quarterly increases, although earnings from these exports remained low compared to these periods. Meanwhile, export earnings from garments increased from US\$8.6 million in the first quarter of 2001 to US\$8.7 million in the last quarter of 2001 and dropped to US\$8.2 million in the review quarter. In terms of percentage changes these reflect negative growths of about 6 percent from the preceding quarter and 5 percent from the corresponding quarter of 2001. The quantity of garments exported during the review quarter, meanwhile, increased by 6 percent relative to the preceding quarter and by 10 percent relative to the corresponding quarter of 2001.

Payments on merchandise imports c.i.f. declined by 9 percent from the preceding quarter, recording US\$89.2 million in the review quarter. This compares with US\$98.5 million and US\$105.4 million in the previous quarter and the corresponding quarter of 2001, respectively. The decrease over the quarter is on account of the decline in the private sector imports which fell from US\$68.9 million in the previous quarter to US\$60.6 million in the review quarter, registering a negative growth of about 12 percent. Such imports also showed an 18 percent decline from the corresponding quarter of 2001. Tourism-related imports, which constituted about 22 percent of the private sector imports and 15 percent of total imports, continues its declining trend which has been prevalent since the second quarter of 2001, totalling US\$13.6 million in the review

quarter. In terms of growth rates, a 7 percent decline from the previous quarter and a 24 percent decline from the corresponding quarter of 2001 were registered. Similarly, imports by the public sector registered negative growth rates of 3 percent and 8 percent, on quarterly and annual terms, respectively, totaling US\$28.6 million in the review quarter. Of the public sector imports, the value of imports by the public non-financial enterprises (PNFEs) stood at US\$21.9 million, compared to US\$25.0 million and US\$19.9 million in the first and last quarters of 2001. These reflect a quarterly increase of 10 percent and an annual decline of 13 percent. In contrast, imports by the government stood 30 percent lower than the previous quarter but 10 percent higher than the corresponding quarter of 2001.

Chart XIV. Imports By Sectors

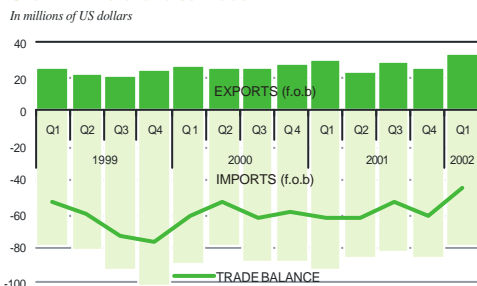


Source: Maldives Customs Service

Import payments on consumer goods (accounting for 44 percent of total) declined by 13 percent or from US\$44.6 million to US\$39.0 million during the first quarters of 2001 and 2002, respectively. Such imports also fell by the same magnitude when set against the last quarter of 2001. Import of food items, which constitute over 50 percent of consumer goods and 24 percent of total imports, declined relative to the preceding as well as the corresponding quarter of 2001, by 6 percent and 12 percent, respectively. Of petroleum products, 78 percent of expenditure was on the import of diesel (marine gas oil), while petrol accounted for 7 percent, and aviation gas for 6 percent. Import payments on this category registered a 38 percent increase from the preceding quarter, but declined by 20 percent from the first quarter of 2001. Intermediate and capital goods declined by 16 percent both quarterly and annually during the quarter under review, with construction related items (accounting for 23 percent of total intermediate and capital goods) showing a negative 7 percent, on a quarterly basis, and a negative 4 percent on an annual basis.

Balance of Trade

Chart XV. Merchandise Trade



Source: Maldives Customs Service, Maldives Airports Company Ltd.

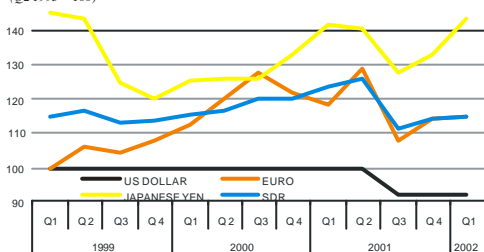
As a result of the improvement in fish export earnings, coupled with the low levels of imports during the review quarter, the quarterly trade deficit narrowed by 26 percent relative to the previous quarter and by 28 percent relative to the first quarter of 2001. In value terms, the trade deficit declined from US\$62.1 million in the first quarter of 2001 to US\$60.2 million in the fourth quarter of 2001 to US\$44.7 million in the review quarter.

External Assets

After the declining trend in the net foreign assets (NFA) position registered in the preceding three quarters, the review quarter witnessed an improvement in NFA of the banking system. At the end of the review quarter, NFA of the banking system rose to Rf1,322.0 million, registering a 15 percent increase from the previous quarter. However, NFA still remains low compared to the first quarter of 2001, by about 6 percent. The quarterly improvement in NFA is largely attributed to the improvement of commercial bank's position from the net liabilities position, which they have been holding mostly since 1999, to a net assets position of Rf69.2 million at the end of March 2002. Meanwhile, MMA's NFA position improved by Rf55.9 million with gross external assets increasing to Rf1,262.9 million at the end of the review quarter. On annual terms, gross external assets declined by Rf226.6 million, reflecting a negative growth of 15 percent. External reserves in terms of months of imports stood at 3.2 months at the end of the review quarter compared with 2.9 months at the end of the previous quarter and 3.9 months at the end of the corresponding quarter of 2001.

Exchange Rate

Chart XVI. Bilateral Exchange Rates
(Q2 1995 = 100)



Source: Maldives Monetary Authority

The rufiyaa remained unchanged against the US dollar at the mid rate of Rf12.80, since the 9 percent devaluation in July 2001, while fluctuating against other major trading currencies. Relative to the fourth quarter of 2001, rufiyaa depreciated by about 7 percent against the Japanese yen, close to 3 percent against the Sri Lankan rupee, around 2 percent against the Indian rupee and just slightly by 0.4 percent against the Euro. The rufiyaa showed slight

appreciations of less than 1 percent against the Sterling pound and Singapore dollar. Compared with the first quarter of 2001, with the exception of the Japanese yen and Sri Lankan rupee against which rufiyaa depreciated by about 2 percent, the rufiyaa appreciated against other countries. As such rufiyaa appreciated by 7 percent against Sterling pound, 5 percent against the Singapore dollar, 4 percent against the Indian rupee and 3 percent against the Euro.

Statistical Appendix IX

21
3

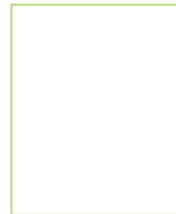
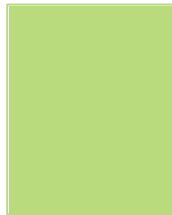


Table 1. Monetary Survey, 1999 - March 2002*(In millions of rufiyaa; end of period)*

| | 1999 | 2000 | 2001 | | | | 2002 Mar |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | Mar | Jun | Sep | Dec | |
| Net foreign assets | 1405.45 | 1312.17 | 1413.06 | 1351.71 | 1280.38 | 1153.03 | 1322.05 |
| Monetary authorities (net) | 1502.23 | 1450.39 | 1479.42 | 1465.79 | 1347.33 | 1196.90 | 1252.80 |
| Foreign assets | 1512.37 | 1460.54 | 1489.57 | 1475.94 | 1357.48 | 1207.05 | 1262.95 |
| Foreign liabilities | -10.14 | -10.15 | -10.15 | -10.15 | -10.15 | -10.15 | -10.15 |
| Commercial banks (net) | -96.78 | -138.22 | -66.36 | -114.08 | -66.94 | -43.87 | 69.25 |
| Foreign assets | 224.67 | 257.47 | 313.08 | 329.31 | 333.01 | 318.49 | 370.70 |
| Foreign liabilities | -321.45 | -395.68 | -379.44 | -443.39 | -399.95 | -362.36 | -301.45 |
| Domestic assets (net) | 1524.35 | 1737.66 | 1889.63 | 2067.42 | 1982.28 | 2171.67 | 2300.86 |
| Domestic credit | 2259.25 | 2586.80 | 2730.95 | 2927.15 | 3033.38 | 3089.86 | 3345.75 |
| Public sector | 956.45 | 1179.73 | 1346.63 | 1401.92 | 1348.58 | 1262.62 | 1449.90 |
| Central Govt (net) | 760.17 | 995.01 | 1138.50 | 1183.40 | 1106.77 | 1078.58 | 1309.52 |
| Gross claims on Govt. | 1156.14 | 1409.00 | 1606.22 | 1692.37 | 1684.29 | 1584.46 | 1775.63 |
| Govt. deposits | 395.97 | 413.99 | 467.72 | 508.97 | 577.53 | 505.88 | 466.10 |
| Public enterprises | 196.28 | 184.72 | 208.13 | 218.52 | 241.81 | 184.04 | 140.37 |
| Private sector | 1302.80 | 1407.08 | 1384.32 | 1525.23 | 1684.80 | 1827.24 | 1895.85 |
| Other items (net) | 734.90 | 849.14 | 841.32 | 859.73 | 1051.10 | 918.19 | 1044.88 |
| Broad money | 2929.80 | 3049.83 | 3302.69 | 3419.13 | 3262.66 | 3324.70 | 3622.91 |
| Narrow money | 1585.19 | 1760.43 | 1845.19 | 1908.19 | 1631.04 | 1655.92 | 1666.93 |
| Currency in circulation | 593.35 | 618.13 | 600.93 | 597.99 | 570.96 | 566.52 | 541.41 |
| Demand deposits and Govt. Rf deposits | 991.84 | 1142.30 | 1244.26 | 1310.20 | 1060.08 | 1089.39 | 1125.51 |
| Quasi money | 1344.61 | 1289.40 | 1457.49 | 1510.94 | 1631.62 | 1668.79 | 1955.98 |
| o.w. FC. deposits | 1211.58 | 1087.01 | 1245.51 | 1274.25 | 1395.81 | 1484.71 | 1780.03 |

*Source: Maldives Monetary Authority.***Table 2. Assets and Liabilities of Maldives Monetary Authority, 1999 - March 2002***(In millions of rufiyaa; end of period)*

| | 1999 | 2000 | 2001 | | | | 2002 Mar |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | Mar | Jun | Sep | Dec | |
| Foreign assets | 1512.37 | 1460.54 | 1489.57 | 1475.94 | 1357.48 | 1207.05 | 1262.95 |
| Claims on government | 1156.14 | 1409.00 | 1606.22 | 1692.37 | 1684.29 | 1584.46 | 1775.63 |
| Claims on PNFE | 2.48 | 1.57 | 1.48 | 9.15 | 1.48 | 1.48 | 1.48 |
| Claims on commercial banks | 1.43 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other assets | 91.31 | 93.14 | 100.76 | 97.00 | 96.52 | 71.92 | 47.38 |
| Total assets | 2763.73 | 2964.25 | 3198.03 | 3274.46 | 3139.78 | 2864.91 | 3087.44 |
| Total liabilities | 2763.73 | 2964.25 | 3198.03 | 3274.46 | 3139.78 | 2864.91 | 3087.44 |
| Reserve Money | 2220.29 | 2400.39 | 2592.01 | 2625.68 | 2322.80 | 2194.49 | 2494.55 |
| Currency in circulation | 593.35 | 618.13 | 600.93 | 597.99 | 570.96 | 566.52 | 541.41 |
| Cash with com. banks | 42.79 | 38.92 | 34.41 | 31.21 | 35.05 | 43.32 | 45.33 |
| Com. banks deposits | 932.77 | 971.20 | 1187.54 | 1171.84 | 1248.82 | 1184.23 | 1497.77 |
| PNFE and Loc. Govt. Depos | 82.41 | 105.23 | 92.48 | 122.31 | 71.79 | 77.40 | 79.05 |
| MMA Certificate of deposits | 568.99 | 666.91 | 676.64 | 702.33 | 396.20 | 323.01 | 330.98 |
| Foreign liabilities | 10.14 | 10.15 | 10.15 | 10.15 | 10.15 | 10.15 | 10.15 |
| Government deposits | 235.02 | 231.84 | 256.84 | 282.60 | 355.02 | 283.80 | 211.99 |
| Other liabilities <i>(including capital account)</i> | 298.27 | 321.87 | 339.03 | 356.03 | 451.80 | 376.47 | 370.75 |

Source: Maldives Monetary Authority.

Table 3. Assets and Liabilities of Commercial Banks, 1999 - March 2002

(In millions of rufiyaa; end of period)

| | 1999 | 2000 | 2001 | | | | 2002 Mar |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | Mar | Jun | Sep | Dec | |
| Reserves | 1553.47 | 1695.23 | 1912.84 | 1958.27 | 1666.12 | 1563.42 | 1868.57 |
| Foreign assets | 224.67 | 257.47 | 313.08 | 329.31 | 333.01 | 318.49 | 370.70 |
| Claims on public sector | 193.80 | 183.15 | 206.65 | 209.37 | 240.33 | 182.55 | 138.89 |
| Government | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PNFE | 193.80 | 183.15 | 206.65 | 209.37 | 240.33 | 182.55 | 138.89 |
| Claims on private sector | 1302.80 | 1407.08 | 1384.32 | 1525.23 | 1684.80 | 1827.24 | 1895.85 |
| Unclassified assets | 131.00 | 144.54 | 149.76 | 157.55 | 153.05 | 159.97 | 165.92 |
| Total assets | 3405.74 | 3687.47 | 3966.66 | 4179.72 | 4077.30 | 4051.68 | 4439.93 |
| Total liabilities | 3405.74 | 3687.47 | 3966.66 | 4179.72 | 4077.30 | 4051.68 | 4439.93 |
| Demand deposits 1/ | 935.95 | 1074.43 | 1164.82 | 1202.07 | 1009.11 | 1022.15 | 1064.78 |
| Time and saving dep. f/c dep. 2/ | 1318.10 | 1252.04 | 1444.45 | 1496.76 | 1610.81 | 1658.63 | 1937.66 |
| Government deposits | 160.95 | 182.15 | 210.88 | 226.37 | 222.51 | 222.08 | 254.11 |
| Foreign liabilities | 321.45 | 395.68 | 379.44 | 443.39 | 399.95 | 362.36 | 301.45 |
| Other liabilities | 669.29 | 783.16 | 767.06 | 811.14 | 834.93 | 786.47 | 881.92 |
| Memorandum items: | | | | | | | |
| Foreign currency deposits | 1211.50 | 1085.95 | 1270.41 | 1301.18 | 1419.59 | 1519.77 | 1806.36 |

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, 1999 - March 2002

(In millions of rufiyaa; end of period)

| | 1999 | 2000 | 2001 | | | | 2002 Mar |
|------------------------------------|--------|--------|--------|--------|--------|--------|-------------|
| | | | Mar | Jun | Sep | Dec | |
| Fisheries | | | | | | | |
| Value | 69.2 | 68.7 | 72.6 | 75.8 | 77.1 | 75.7 | 77.0 |
| Percent | 5.3 | 4.9 | 5.3 | 5.0 | 4.6 | 4.2 | 4.1 |
| Tourism | | | | | | | |
| Value | 714.4 | 742.5 | 692.1 | 701.7 | 746.7 | 824.0 | 831.3 |
| Percent | 55.2 | 53.4 | 50.6 | 46.5 | 44.7 | 45.5 | 44.2 |
| Commerce 1/ | | | | | | | |
| Value | 371.1 | 392.0 | 395.0 | 513.6 | 600.9 | 659.2 | 713.7 |
| Percent | 28.7 | 28.2 | 28.9 | 34.0 | 36.0 | 36.4 | 38.0 |
| Construction | | | | | | | |
| Value | 71.2 | 115.4 | 127.8 | 115.4 | 125.4 | 135.0 | 131.4 |
| Percent | 5.5 | 8.3 | 9.3 | 7.6 | 7.5 | 7.5 | 7.0 |
| Manufacturing | | | | | | | |
| Value | 24.6 | 17.6 | 17.0 | 28.2 | 30.8 | 30.0 | 32.9 |
| Percent | 1.9 | 1.3 | 1.2 | 1.9 | 1.8 | 1.7 | 1.7 |
| Transport and communication | | | | | | | |
| Value | 24.1 | 24.0 | 26.0 | 34.3 | 34.0 | 31.2 | 32.7 |
| Percent | 1.9 | 1.7 | 1.9 | 2.3 | 2.0 | 1.7 | 1.7 |
| Other | | | | | | | |
| Value | 20.0 | 31.2 | 38.0 | 40.6 | 54.2 | 56.4 | 61.1 |
| Percent | 1.5 | 2.2 | 2.8 | 2.7 | 3.2 | 3.1 | 3.2 |
| TOTAL CREDIT | | | | | | | |
| Value | 1294.7 | 1391.3 | 1368.6 | 1509.5 | 1669.1 | 1811.5 | 1880.1 |
| Percent | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

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

Source: Maldives Monetary Authority.

Table 5. Commercial Bank Deposits Distributed By Type, 1999 - March 2002*(In millions of rufiyaa; end of period)*

| | 1999 | | 2000 | | Mar | | 2001 | | Sep | | Dec | | 2002 | |
|------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 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 | 14130 | 825.2 | 15988 | 874.6 | 16546 | 1162.3 | 18601 | 1198.3 | 16933 | 1014.3 | 17171 | 972.2 | 17836 | 1135.2 |
| 2. Call deposits | 2 | 0.6 | 2 | 0.5 | 2 | 0.5 | 2 | 0.5 | 2 | 0.4 | 2 | 0.4 | 2 | 0.4 |
| 3. Other deposit accounts | 14 | 3.4 | 25 | 4.0 | 24 | 5.1 | 21 | 2.7 | 25 | 2.0 | 24 | 1.8 | 20 | 5.3 |
| 4. Savings deposits | 63461 | 803.0 | 76335 | 893.1 | 78484 | 908.9 | 78940 | 940.4 | 85396 | 970.3 | 89058 | 1032.5 | 92100 | 1076.6 |
| 5. Fixed (or term) deposits | 867 | 900.4 | 837 | 754.3 | 918 | 761.7 | 959 | 805.2 | 1069 | 878.5 | 1010.0 | 918.4 | 983 | 1060.1 |
| (a) Up to 3 months | 110 | 139.6 | 153 | 280.9 | 231 | 266.5 | 200 | 249.5 | 213.0 | 266.9 | 204 | 341.1 | 258 | 382.5 |
| (b) Over 3 to 6 months | 94 | 241.7 | 83 | 105.3 | 74 | 89.1 | 90 | 108.6 | 98.0 | 147.7 | 129 | 160.1 | 82 | 75.8 |
| (c) Over 6 months to 1 year | 559 | 492.0 | 562 | 341.4 | 579 | 390.0 | 626 | 415.4 | 722.0 | 438.7 | 636 | 387.8 | 605 | 572.0 |
| (d) Over 1 to 2 years | 76 | 12.0 | 20 | 23.8 | 20 | 13.4 | 27 | 28.6 | 23.0 | 23.1 | 23 | 22.6 | 21 | 23.0 |
| (e) Over 2 to 3 years | 10 | 11.2 | 5 | 1.0 | 2 | 1.0 | 4 | 1.0 | 2.0 | 0.0 | 8 | 1.6 | 6 | 1.5 |
| (f) Over 3 to 5 years | 12 | 1.5 | 11 | 1.8 | 8 | 1.7 | 8 | 1.9 | 9.0 | 2.1 | 8 | 5.2 | 9 | 5.2 |
| (g) Over 5 years | 6 | 2.5 | 3 | 0.1 | 4 | 0.2 | 4 | 0.2 | 2.0 | 0.1 | 2 | 0.1 | 2 | 0.1 |
| TOTAL | 78474 | 2532.6 | 93187 | 2526.4 | 95974 | 2838.6 | 98523 | 2947.0 | 103425 | 2865.6 | 107265 | 2925.3 | 110941 | 3277.7 |

*Source: Maldives Monetary Authority***Table 6. Composition of Domestic Exports (f.o.b), 1999 - March 2002***(In millions of US dollars)*

| | 1999 | 2000 | 2001 | | | | 2002 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| Domestic exports | 63.68 | 75.87 | 20.17 | 15.53 | 22.00 | 18.47 | 23.74 |
| Total marine exports | 38.78 | 40.75 | 11.58 | 7.25 | 15.08 | 9.79 | 15.55 |
| Fish and fish products(including live fish) | 38.34 | 38.29 | 10.50 | 6.79 | 14.14 | 9.43 | 14.75 |
| Fish exports (excluding tropical live fish) | 34.43 | 33.99 | 8.84 | 5.53 | 12.44 | 8.95 | 13.71 |
| Frozen non-reef fish | 13.44 | 9.91 | 2.53 | 1.74 | 3.98 | 4.63 | 8.10 |
| Frozen reef fish | 1.97 | 1.74 | 0.41 | 0.49 | 0.68 | 0.21 | 0.33 |
| Canned fish | 8.59 | 10.75 | 2.74 | 0.69 | 4.13 | 1.76 | 3.31 |
| Dried fish | 9.02 | 10.89 | 2.95 | 2.43 | 3.45 | 2.21 | 1.71 |
| Salted non-reef fish | 0.74 | 0.04 | 0.00 | 0.01 | 0.03 | 0.05 | 0.07 |
| Salted reef fish | 0.67 | 0.66 | 0.21 | 0.17 | 0.18 | 0.10 | 0.19 |
| Live tropical fish | 1.94 | 1.99 | 1.00 | 0.87 | 1.01 | 0.25 | 0.52 |
| Fish products | 1.97 | 2.32 | 0.65 | 0.39 | 0.68 | 0.23 | 0.52 |
| Other marine products | 0.45 | 2.46 | 1.09 | 0.46 | 0.94 | 0.36 | 0.80 |
| Garments | 24.78 | 35.01 | 8.56 | 8.24 | 6.83 | 8.65 | 8.17 |
| Other | 0.12 | 0.11 | 0.03 | 0.04 | 0.09 | 0.03 | 0.02 |

Source: Maldives Customs Services

Table 7. Merchandise Imports(c.i.f) by Sector and Product Category, 1999 - March 2002*(In millions of US dollars)*

| | 1999 | 2000 | 2001 | | | | 2002 |
|---|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| | | | Q1 | Q2 | Q3 | Q4 | Q1 |
| Total merchandise imports (by sector) | 402.2 | 388.6 | 105.4 | 97.8 | 93.8 | 98.5 | 89.2 |
| Private sector imports | 286.3 | 286.0 | 74.2 | 69.0 | 66.1 | 68.9 | 60.6 |
| Private imports (excluding tourism) | 198.8 | 219.4 | 56.3 | 53.4 | 50.9 | 54.4 | 47.0 |
| Tourism imports | 87.6 | 66.6 | 17.9 | 15.6 | 15.2 | 14.5 | 13.6 |
| Public sector imports | 115.8 | 102.6 | 31.2 | 28.8 | 27.7 | 29.6 | 28.6 |
| PNFEs imports | 94.4 | 89.9 | 25.0 | 25.1 | 25.0 | 19.9 | 21.9 |
| Government imports | 21.4 | 12.7 | 6.1 | 3.6 | 2.7 | 9.7 | 6.8 |
| Total merchandise imports (by product category) | | 388.6 | 105.4 | 97.8 | 93.8 | 98.6 | 89.2 |
| Consumer Goods | | 173.1 | 44.7 | 41.3 | 37.6 | 45.0 | 39.0 |
| Food Items | | 87.2 | 23.9 | 20.0 | 18.6 | 22.5 | 21.1 |
| Rice | | 5.8 | 1.0 | 1.2 | 1.1 | 1.8 | 0.9 |
| Wheat | | 3.4 | 1.5 | 0.5 | 0.6 | 1.4 | 1.4 |
| Sugar | | 2.7 | 1.1 | 1.0 | 0.3 | 0.8 | 0.9 |
| Beverages | | 11.8 | 3.4 | 3.0 | 2.3 | 2.7 | 2.8 |
| Other food items | | 63.5 | 16.9 | 14.2 | 14.2 | 15.8 | 15.1 |
| Tobacco | | 4.9 | 1.3 | 1.1 | 1.4 | 0.8 | 1.3 |
| Pharmaceuticals | | 3.8 | 0.9 | 1.0 | 1.1 | 0.8 | 0.9 |
| Other consumer goods | | 77.2 | 18.6 | 19.2 | 16.6 | 20.9 | 15.6 |
| Petroleum Products | | 45.2 | 16.3 | 10.9 | 11.2 | 9.4 | 12.9 |
| Petrol | | 2.6 | 0.8 | 0.9 | 1.0 | 0.2 | 0.9 |
| Diesel (Marine gas oil) | | 35.6 | 9.8 | 8.0 | 8.6 | 7.6 | 10.1 |
| Aviation gas | | 2.2 | 2.8 | 0.7 | 0.5 | 0.6 | 0.8 |
| Other petroleum product (Lubricating oil, Kerosene) | | 4.8 | 2.9 | 1.2 | 1.2 | 0.9 | 1.1 |
| Intermediate & Capital Goods | | 170.3 | 44.4 | 45.6 | 45.0 | 44.1 | 37.3 |
| Construction | | 37.1 | 8.9 | 11.8 | 10.3 | 9.2 | 8.5 |
| Cement & Cement products | | 4.6 | 1.4 | 1.0 | 1.1 | 1.2 | 1.0 |
| Wood for construction purposes | | 9.9 | 2.5 | 4.2 | 3.4 | 2.4 | 1.8 |
| Base metal & articles of base metal for construction purposes | | 8.7 | 2.8 | 2.8 | 2.8 | 2.5 | 1.8 |
| Other construction related | | 13.9 | 2.3 | 3.8 | 3.0 | 3.2 | 4.0 |
| Paper | | 1.4 | 0.5 | 0.4 | 0.5 | 0.5 | 0.3 |
| Medical / Surgical supplies | | 1.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.3 |
| Computer equipments and supplies | | 3.8 | 1.3 | 1.0 | 0.9 | 1.0 | 1.3 |
| Machinery & mechanical appliances | | 5.5 | 1.5 | 1.3 | 1.5 | 1.5 | 1.3 |
| Textiles | | 29.2 | 7.1 | 6.2 | 5.1 | 6.3 | 5.8 |
| Chemicals & chemical products | | 2.9 | 0.9 | 0.7 | 0.7 | 0.6 | 0.7 |
| Transport equipments and parts | | 37.8 | 10.9 | 11.8 | 6.5 | 12.2 | 5.6 |
| Other Intermediate and Capital goods | | 51.3 | 13.1 | 12.2 | 19.1 | 12.4 | 13.4 |

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

Source: Maldives Customs Services

Table 8. Exchange Rates, 1999 - March 2002*(Rufiyaa per foreign currency; end of period mid rate)*

| | | U.S. dollar | Japanese yen | Singapore dollar | Deutsche mark 1/ | Indian rupee | Sri Lanka rupee | Great Britain Pound | Euro | SDR |
|-------------|-----------|----------------|-----------------|---------------------|---------------------|-----------------|--------------------|------------------------|---------|---------|
| 1999 | March | 11.7700 | 0.0937 | 6.6716 | 6.4352 | 0.2715 | 0.1669 | 18.5725 | 12.5863 | 15.9818 |
| | June | 11.7700 | 0.0946 | 6.7643 | 6.0843 | 0.2672 | 0.1630 | 18.3463 | 11.8997 | 15.7407 |
| | September | 11.7700 | 0.1092 | 6.7556 | 6.1845 | 0.2648 | 0.1619 | 18.9879 | 12.0958 | 16.2421 |
| | December | 11.7700 | 0.1127 | 6.8805 | 5.9751 | 0.2654 | 0.1601 | 18.7329 | 11.6863 | 16.1544 |
| 2000 | March | 11.7700 | 0.1084 | 6.7104 | 5.7232 | 0.2648 | 0.1579 | 18.1202 | 11.1936 | 15.8527 |
| | June | 11.7700 | 0.1076 | 6.6543 | 5.3751 | 0.2624 | 0.1561 | 17.0771 | 10.5128 | 15.7398 |
| | September | 11.7700 | 0.1077 | 6.6010 | 5.0300 | 0.2517 | 0.1488 | 16.1459 | 9.8378 | 15.2762 |
| | December | 11.7700 | 0.1025 | 6.6436 | 5.2896 | 0.2468 | 0.1443 | 16.9721 | 10.3454 | 15.3353 |
| 2001 | March | 11.7700 | 0.0960 | 6.5486 | 5.4288 | 0.2478 | 0.1349 | 16.7690 | 10.6178 | 14.8379 |
| | June | 11.7700 | 0.0967 | 6.3644 | 4.9940 | 0.2445 | 0.1254 | 16.2486 | 9.7674 | 14.6613 |
| | September | 12.8000 | 0.1064 | 7.2167 | 5.9365 | 0.2612 | 0.1392 | 18.4109 | 11.6108 | 16.4993 |
| | December | 12.8000 | 0.1020 | 6.8312 | 5.6395 | 0.2615 | 0.1357 | 17.8251 | 11.0299 | 16.0719 |
| 2002 | March | 12.8000 | 0.0945 | 6.8434 | - | 0.2567 | 0.1317 | 17.8940 | 10.9873 | 15.9604 |

1/ Deutsche mark taken out of circulation on 14th March 2002 following the introduction of euro currency

Source: Maldives Monetary Authority



Economic Research and Statistics Division
Maldives Monetary Authority
Umar Shopping Arcade - 3rd Floor, Chandhanee Magu,
Malé, 20-02, Republic of Maldives
Tel: (960) 32 2268, (960) 32 3648. Fax: (960) 31 7604
Email: ersd@mma.gov.mv