



Quarterly Economic Bulletin

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Maldives Monetary Authority

This Bulletin is compiled by the Monetary Policy and Research Division (MPRD) of the Maldives Monetary Authority (MMA). It covers developments in the domestic economy during the first quarter 2009. 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 June 2009. Where actual data is not readily available, estimates have been made by MPRD 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 readers.

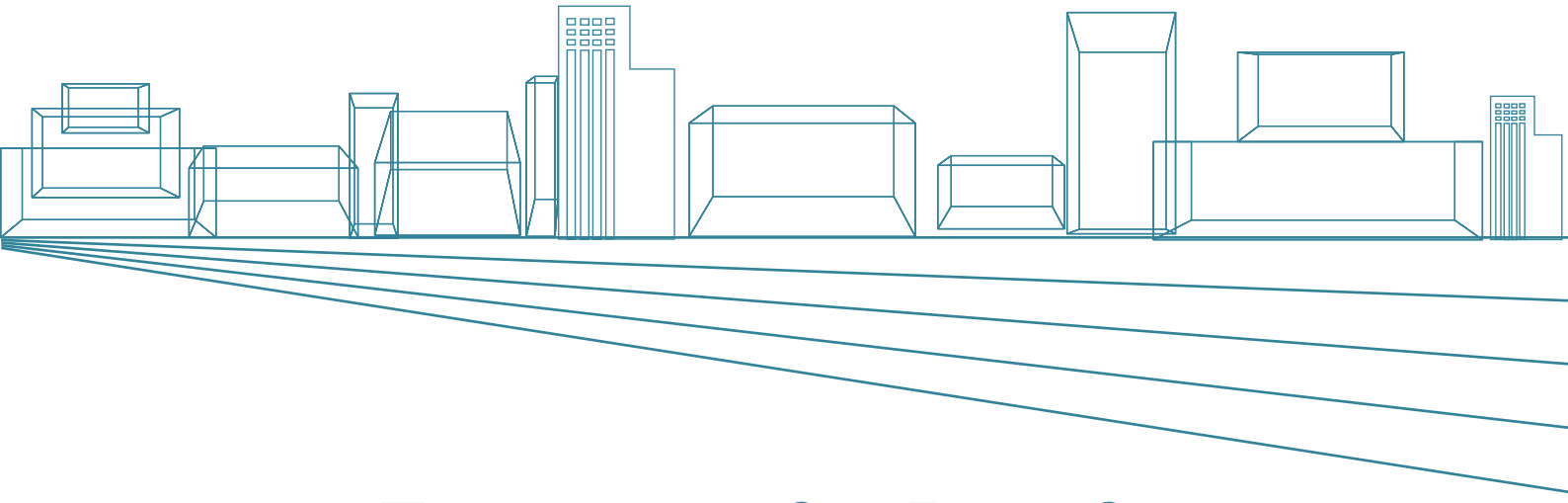
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Economic Review

Table 1. Key Economic Indicators, 2006 - March 2009

	2006	2007			2008			2009					
		Jan	Feb	Mar	Q1	Q4	Jan	Feb	Mar	Q1			
Gross Domestic Product													
Real GDP (1995 constant prices) Rf mn. ^{1/}	9,351.1	10,026.3	10,611.4	-	-	-	-	-	-	-	-		
% change in GDP	18.0	7.2	5.8	-	-	-	-	-	-	-	-		
Consumer Price Inflation (moving average)^{2/}													
National	3.5	7.4	12.3	7.5	8.0	8.8	8.8	12.3	12.3	11.3	11.3		
Male ^{3/}	2.7	6.8	12.0	6.9	7.4	8.2	8.2	12.0	12.0	11.2	11.2		
Atolls	4.1	7.9	12.5	8.1	8.6	9.3	9.3	12.5	12.5	11.5	11.5		
Tourism													
Tourist arrivals	601,923	675,889	683,017	64,621	67,967	71,623	71,623	204,211	176,902	61,531	58,520	62,127	182,178
Tourist bed nights ('000)	4,822.1	5,293.2	5,451.2	537.4	536.2	568.0	568.0	1,641.6	1,381.8	523.3	469.6	495.2	1,488.1
Capacity utilisation (%)	81.7	82.9	78.3	90.0	99.3	96.4	96.4	95.2	78.0	86.5	85.9	81.5	84.6
Fish Production													
Landings('000 MTs) ^{3/}	181.0	141.1	131.7	13.1	9.7	7.7	7.7	30.5	36.6	9.7	9.0	8.8	27.5
Total fish exports ('000 MTs) ^{4/}	111.4	65.8	63.1	10.1	5.9	6.5	6.5	22.5	20.0	5.5	3.1	1.6	10.3
Total fish exports (US\$ mn.) ^{4/}	128.8	102.5	120.7	17.0	11.6	12.1	12.1	40.6	30.8	7.3	5.8	5.5	18.6
Money and Banking (Rf mn)													
Net foreign assets	1,031.6	-458.3	-2,572.4	-687.9	-514.6	-547.1	-547.1	-547.1	-2,572.4	-2,579.5	-2,660.3	-967.7	-967.7
Domestic credit	9,509.1	13,820.2	19,812.5	14,561.9	14,867.6	15,165.4	15,165.4	15,165.4	19,812.5	20,079.1	20,249.8	19,680.2	19,680.2
Claims on private sector	8,191.7	12,219.8	16,247.9	12,562.0	12,884.3	12,957.6	12,957.6	12,957.6	16,247.9	16,179.3	16,002.5	15,751.9	15,751.9
Total liquidity	8,063.3	9,972.0	12,326.4	10,498.5	10,941.8	11,086.1	11,086.1	11,086.1	12,326.4	12,633.6	12,684.3	13,009.4	13,009.4
Change in net claims on government	-208.0	-161.3	1,605.0	322.7	-66.1	204.3	204.3	460.9	441.9	433.1	338.5	-288.3	483.3
Balance of Payments (US\$ mn)^{5/}													
Current Account	-302.0	-437.8	-651.3	-	-	-	-	-	-	-	-	-	-
Balance on goods	-590.1	-736.8	-890.8	-70.4	-113.1	-29.2	-29.2	-212.6	-193.9	-55.3	-45.5	-52.0	-152.8
Goods: credit	225.2	228.0	330.5	35.0	24.1	74.3	74.3	133.4	60.9	18.7	14.2	16.1	49.0
Goods: debit	-815.3	-964.7	-1,221.2	-105.4	-137.1	-103.5	-103.5	-346.0	-254.8	-74.1	-59.7	-68.1	-201.9
Gross International Reserves (US\$ mn)^{6/}	232.2	309.1	241.3	302.6	309.8	310.5	310.5	310.5	241.3	224.6	223.4	269.5	269.5
External Reserves in Months of Imports (cif)	3.0	3.4	2.1	3.2	3.0	3.0	3.0	3.0	2.1	2.0	2.1	2.4	2.4
Exchange Rate													
Rufiyaa / US\$ (period average mid rate)	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8
Rufiyaa / US\$ (end of period mid rate)	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8

1/ Revised on March 2009.

2/ CPI - National and Atolls data not available prior to June 2004. CPI has been rebased on April 2007 (June 2004 = 100).

3/ 2009 figures are estimates.

4/ Excluding live fish.

5/ Revised on March 2009.

6/ Foreign Assets of MMA

Source: MMA, MoFA, MoTAC, DNP, Customs

1 OVERVIEW

Reflecting the deteriorating external conditions domestic economic activity remained depressed in the first quarter of 2009 compared to the first quarter of 2008 with major sectors of the economy performing sluggishly. Although leading indicators of the tourism sector showed improvements compared to the previous quarter—owing to seasonality aspects—both tourist arrivals and bednights registered significant declines when compared annually. As for the fisheries sector, despite having showed some improvement in the previous quarter, both fish catch and exports registered considerable declines in the review quarter when compared both quarterly and annually. However, on quarterly terms the fall in total fish export earnings (excluding live fish) were somewhat lower than the decline in export volume reflecting the slight improvement in unit prices received. Meanwhile, the construction sector, which is expected to be the worst hit by the global crisis due to external financing difficulties, also performed poorly during the review quarter as indicated by its leading indicators such as construction related imports.

Inflation, as measured by the annual percentage change in the 12 month moving average of CPI for Male', continue to trend downwards reflecting the easing of global commodity prices. At the end of the first quarter, inflation stood at 11.2 percent compared with 12.0 percent at the end of the previous quarter. Meanwhile the year-on-year rate of change in CPI fell to 7.7 percent at the end of the review quarter from 8.9 percent in the previous quarter. During the quarter, inflation was mostly influenced by the food group, followed by housing and transport.

On the fiscal front, preliminary cash flow data of the government showed that the fiscal deficit widened further in the review quarter owing to a significant fall in domestic revenue coupled with an increase in government expenditure. As a result net credit to government increased during the quarter. Nonetheless, total domestic credit growth continues to decelerate and registered a decline on quarterly terms reflecting the slow-down in commercial bank credit to the private

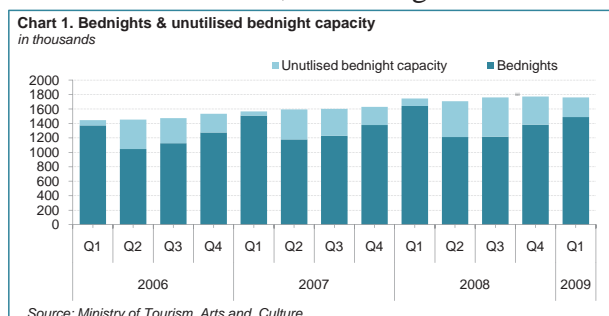
sector. Meanwhile NFA of the banking system improved on quarterly terms reflecting the decline in net foreign liabilities of the commercial banks and the improvement in NFA of MMA while it deteriorated when compared year-on-year. Hence, broad money growth was higher than the previous quarter while it was lower when compared year-on-year.

On the external front, the trade account of the balance of payments continued to be in deficit, but narrowed compared to the previous quarter, as imports fell substantially during the review quarter. However, lower exports earnings coupled with higher imports relative to the first quarter of 2008, resulted in an annual deterioration of the trade deficit.

2 PRODUCTION PRICES AND EMPLOYMENT

2.1 Tourism

Tourism in Maldives follows a seasonal pattern with tourist arrivals peaking in the winter months of Europe and falling during its summer months. Hence, reflecting the seasonal



variations tourist arrivals to the country which totaled 182.2 thousand during the first quarter rose by 3 percent compared to the last quarter of 2008 with bednights registering a growth of 8 percent during the period. Nonetheless, reflecting the global economic downturn tourist arrivals registered a significant drop of 11 percent (or 22.0 thousand) compared to the first quarter of 2008 while bednights declined by a smaller magnitude, by 9 percent, due to the improvement in average length of a tourist visit from 8.0 days to 8.2 days during the period.

During the review quarter the average number of operational beds in the tourism industry, increased by 291 beds compared to the previous quarter and by 368 beds compared to the first quarter of 2008 totalling 19,552 beds at the end of the quarter. This coupled with the decline in tourist arrivals led to a fall in capacity utilization in tourist establishments from 95.2 percent

in the first quarter of 2008 to 84.6 percent at the end of the first quarter of 2009.

Looking at market share, Europe continued to lead the market (79 percent of total arrivals), followed by the emerging market of Asia ac-



counting for 17 percent. Growth performance of the main European source markets declined compared to a year ago and with exception of Italy and France, the leading European markets performed sluggishly compared to the previous quarter. Italy and United Kingdom continued to be the leading European markets and compared to the first quarter of 2008 arrivals from both Italy and UK plunged by 17 percent and 21 percent, respectively. Meanwhile, arrivals from France, the third in terms of market share during the quarter, stood more or less the same when compared to the first quarter of 2008 while German arrivals fell by a significant 16 percent. Arrivals from the buoyant Russian market also stood stagnated compared to a year ago and registered a quarterly decline of 17 percent.

As for the key Asian source markets, the Chinese market stood as the leading Asian market, with its market share at 6 percent of the total

Table 2. Tourism Indicators, 2006 - March 2009

In thousands

	2006	2007	2008	2008				2009
				Q1	Q2	Q3	Q4	Q1
Total visitor arrivals	654.7	731.5	757.7	224.2	171.0	168.2	194.4	193.8
Tourist arrivals	601.9	675.9	683.0	204.2	151.7	150.2	176.9	182.2
Bed capacity ^{1/}	16.2	17.5	19.1	19.2	18.8	19.1	19.3	19.6
Bednights	4,822.2	5,293.2	5,451.2	1,641.6	1,211.4	1,216.3	1,381.8	1,488.1
Bed capacity utilisation %	81.7	82.9	78.3	95.2	71.0	69.1	78.0	84.6

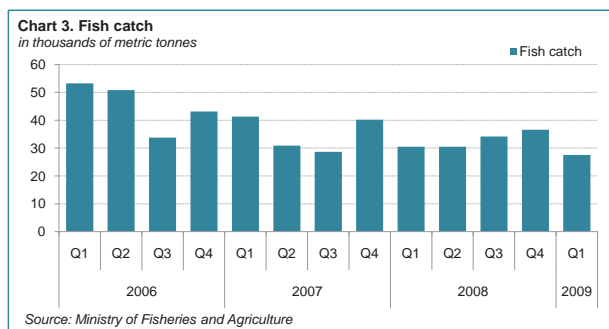
1/ Figures relate to the period average.

Source: Ministry of Tourism, Arts and Culture

tourist arrivals, where arrivals grew by 10 per cent compared to the previous quarter and by 7 percent against the same period a year ago. The performance of the Japanese market, which ranked as the second leading market from the Asian region, at 5 percent, remained weak with arrivals falling by 14 percent on quarterly terms and by 1 percent when compared annually.

2.2 Fisheries

After showing signs of recovery during the last quarter of 2008, the performance of the fisheries sector weakened during the first quarter of 2009



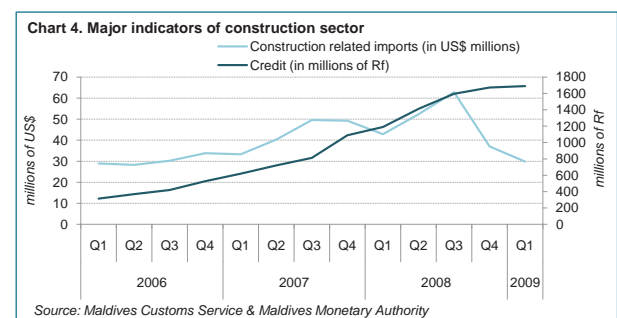
mostly due to the depressed levels of fish catch. According to preliminary fish catch data available from the Ministry of Fisheries and Agriculture, fish landings fell by 25 percent from 36.6 thousand metric tonnes in the previous quarter to 27.5 thousand metric tonnes during the review quarter. Meanwhile, compared to the first quarter of 2008 fish catch registered a decline of 10 percent (or 2.9 metric tonnes)

The decline in landings was also reflected in the activities of the commercial buyers of tuna. Fish purchases made by the state owned Maldives Industrial Fisheries Company (MIFCO), the major buyer of tuna, fell by 53 percent on quarterly terms and by 27 percent compared annually totalling 7.3 thousand metric tonnes at the end of the review quarter. Meanwhile, fish purchases by private companies, licensed to operate in the fisheries zones, which totaled 1.0 thousand metric tones, fell significantly compared to both the previous as well as the corresponding quarter of 2008 by 76 percent and 79 percent, respectively.

On the exports front, total volume of fish exports (excluding live fish) dropped by 54 percent from 22.5 thousand metric tonnes in the first quarter of 2008 and by 48 percent from 19.9 thousand metric tonnes in the previous quarter to 10.3 thousand metric tonnes during the review quarter. Likewise, owing to the declining tuna prices in the international market, the total value of fish exports fell to US\$18.6 million, from US\$30.8 million in the preceding quarter and from US\$40.6 million in the same period of 2008.

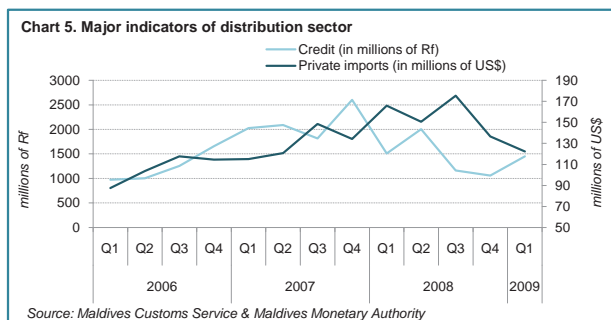
2.3 Construction

Construction sector, which has shown rapid rates of growth over the past five years, showed signs of slowdown during the first quarter of 2009 as indicated by the leading indicator of the sector, namely construction related imports. The main reason for the slowdown stems from the delaying of major tourism resort development projects and the scaling down of government infrastructure projects owing to reduced capital inflows. Construction related imports which totaled US\$29.8 million during the first quarter of 2009, dropped by 20 percent (or US\$7.2 million) compared to the previous quarter while such imports decreased by 30 percent (or US\$ 13.0 million) compared to the first quarter of 2008. Nevertheless, commercial bank credit to the industry which totaled Rf1,689.6 million at the end of the review quarter, stood 1 percent lower than the last quarter of 2008, yet increased by 42 percent (or Rf500.6 million) compared to March 2008.



2.4 Distribution

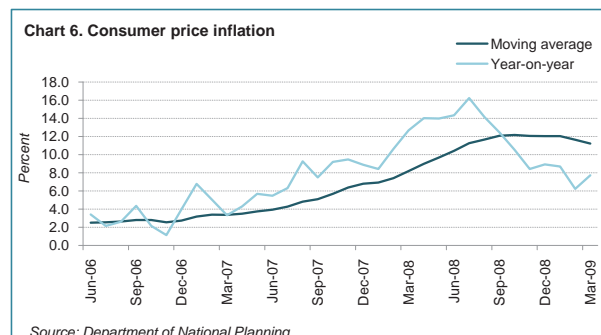
The distribution sector (consisting mainly of wholesale and retail trade), which has close linkages between the key sectors of the econ-



omy performed weakly in the first quarter as indicated by its leading indicators. As such, private sector imports (excluding tourism related imports), which amounted to US\$122.2 million at the end of the review quarter, dropped both on quarterly as well as on annual terms, by 11 percent and 26 percent, respectively. Meanwhile, commercial bank credit granted to the distribution sector, which registered a slight growth of 37 percent (or Rf392.4 million) on quarterly terms fell by 4 percent (or Rf60.4 million) on annual terms and totaled Rf1,449.3 million at the end of March 2009.

2.5 Prices

Consumer price inflation, as measured by the annual percent change in the twelve-month moving average of Consumer Price Index (CPI)



for Male', has been on a downward trend after reaching a peak of 12.2 percent in October 2008. As such inflation fell to 11.2 percent in March 2009, from 12.0 percent in December 2008. Inflation excluding the fish prices fell to 11.5 percent from 12.2 percent at the end of the previous quarter, while inflation excluding all food prices further dropped to 8.5 percent at the end of the review quarter.

Inflation at the end of March 2009 was mostly influenced by the food group, which contributed 5.4 percentage points to inflation. This was followed by the housing, water, electricity, gas and

Table 3. Consumer Price Inflation - Male', 2006 - March 2009 ^{1/}
Index (June 2004 = 100)

	Weight	2006	2007	2008	2008				2009
					Mar	Jun	Sep	Dec	Mar
Food and non-alcoholic beverages	13.39	4.0	16.2	19.1	18.5	22.2	23.2	19.1	17.0
Fish	2.42	-5.9	49.2	9.6	46.9	43.1	32.2	9.6	7.1
Other Food	9.86	6.5	10.2	22.4	13.4	18.7	22.3	22.4	20.3
Non-alcoholic beverages	1.11	1.4	11.8	10.5	12.2	11.9	11.3	10.5	9.8
Tobacco and narcotics	0.93	4.5	1.2	3.4	1.6	2.7	3.2	3.4	3.0
Clothing and footwear	2.45	0.6	-1.4	2.6	-0.2	0.8	1.7	2.6	2.3
Housing, water, electricity, gas and other fuel	12.30	2.7	3.8	11.0	5.6	7.6	9.8	11.0	10.5
Furnishing, household equipment & routine maintenance	2.85	3.2	5.1	3.6	3.4	3.1	2.8	3.6	6.1
Health	2.76	12.2	9.2	20.2	11.2	14.0	16.7	20.2	15.0
Transport	2.92	4.9	4.7	21.1	8.8	12.5	17.3	21.1	18.1
Communications	3.84	-9.6	-9.2	-3.6	-11.1	-8.6	-5.8	-3.6	-1.0
Recreation and culture	2.10	-2.8	1.8	-6.8	-0.5	-3.2	-5.1	-6.8	-5.6
Education	1.51	4.8	2.3	1.8	1.9	1.4	1.8	1.8	4.7
Hotels, cafes and restaurants	0.77	6.4	16.7	15.6	15.1	14.6	14.4	15.6	14.0
Miscellaneous goods and services	2.96	0.6	2.3	6.3	3.2	4.3	4.6	6.3	6.5
Religion	0.11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male'	48.90	2.7	6.8	12.0	8.2	10.4	12.1	12.0	11.2
Total Index, excluding fish	-	3.2	4.9	12.2	6.4	8.8	10.9	12.2	11.5
Total Index, excluding food	-	2.2	3.0	8.9	4.0	5.6	7.3	8.9	8.5

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

Note: CPI - Male' monthly data not available prior to June 2004. Data has been rebased on April 2007 (June 2004 = 100).

Source: Department of National Planning

other fuels index which contributed 2.6 percentage points to overall inflation mainly due to the rise in rental price for housing. During the quarter all major groups of CPI showed price increases with the biggest price rises seen in food (17.0 percent), transport (18.1 percent), health (15.0 percent), hotels, cafés and restaurants (14.0 percent) and the housing, water, electricity, gas and other fuels (10.5) indices.

With regard to point-to-point inflation, the year-on-year growth in CPI fell slightly to 7.7 percent from 8.9 percent at the end of December 2008. Meanwhile, the year-on-year inflation excluding fish index fell to 7.1 percent from 10.4 percent at the end of 2008.

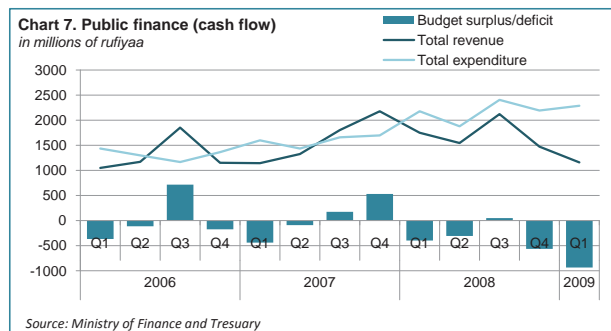
2.6 Employment

There is no quarterly data available on the level of total employment or unemployment in the economy.

According to expatriate employment data available from the Ministry of Employment, Youth and Sports, the average expatriate work force in the country showed a decline of 3 percent compared to the previous quarter and stood at 76,906 during the first quarter of 2009. However, the average number of expatriate workers still remains 8 percent higher when compared to a year ago. The major growth in the expatriate employment was seen in the construction sector, which constituted 42 percent of the total expatriate employment and indicated a growth of 12 percent over the first quarter of 2008. Given that a considerable number of expatriate workers are engaged in the tourism sector and community services, these two categories registered annual increases of 3 percent and 65 percent, respectively.

3 PUBLIC FINANCE

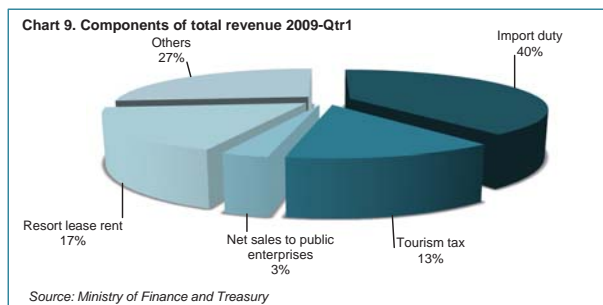
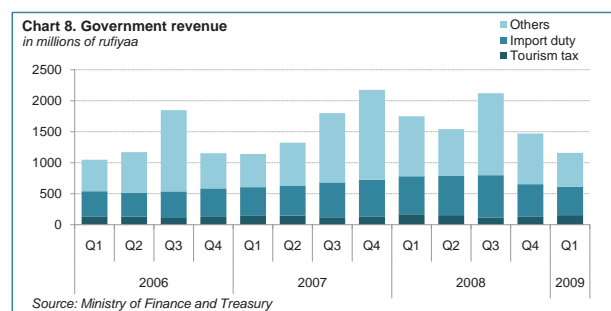
According to preliminary cash flow statements of the government, fiscal deficit rose to Rf937.2 million at the end of first quarter registering a



quarterly increase of Rf373.7 million and an annual increase of Rf539.5 million. This was owing to a significant fall in domestic revenue coupled with an increase in government expenditure.

During the review quarter, total domestic revenue (excluding repaid loans) amounted to Rf1,160.3 million, recording a quarterly decline of 21 percent and a 34 percent decline annually. The decrease in domestic revenue was mainly due to the fall in non-tax revenue owing to a reduction in transfers from state owned enterprises and resort lease rent during compared to the previous quarter and corresponding quarter of 2008.

Total tax revenue in the first quarter was recorded at Rf646.3 million (accounting for 56 percent of total domestic revenue) which decreased by 31.8 million (5 percent) compared to the previous quarter and by Rf165.9 million (20 percent) compared to the corresponding quarter of 2008. Among the sources, import duty continued to remain as the largest contributor to tax revenue (71 percent) totaling Rf461.4 million. As such, it declined by Rf59.1 million (11 percent) compared to the last quarter of 2008 and by Rf151.6 million (25 percent) in annual terms reflecting



the reduction in imports. In contrast, tourism tax which accounts for 24 percent of tax revenue, showed an improvement of Rf20.2 million or 15 percent on quarterly terms as the review quarter coincided with the peak season of the tourism industry. Nonetheless it registered a decline of 8 percent compared to a year due to the drop in tourist arrivals during the period.

Non-tax revenue amounted to Rf510.8 million (accounting for 44 percent of total domestic revenue) in the review quarter and declined by Rf272.9 million (35 percent) on quarterly terms and by 416.8 million (45 percent) compared to the corresponding quarter of 2008. Resort lease rent comprised 40 percent of non-tax revenue and was recorded at Rf202.1 million with a quarterly fall of Rf127.4 million (39 percent) and a significant decline of Rf219.6 million (52 percent) in annual terms. The significant decline in annual terms was due to the high amount of advance payments received for the resort lease rent in 2008. Transfers from SOEs, the second largest component of non-tax revenue (accounting for 7 percent of non-tax revenue) registered a decrease of 186.4 million compared to the previous quarter and reduction of 177.5 million (84 percent) in annual terms as normally enterprises transfer profits during the fourth quarter of the year.

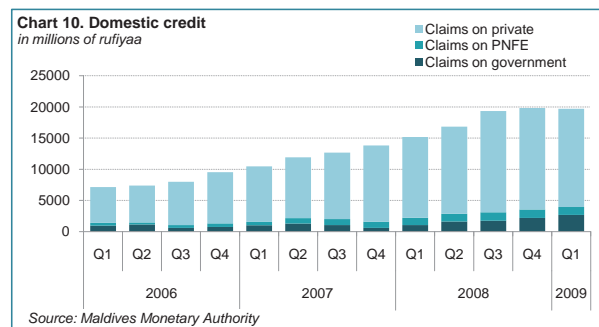
Total expenditure of the government expanded by Rf91.7 million (4 percent) compared to the fourth quarter of 2008 and rose to Rf2,285.4 million during the review quarter. Compared to a year ago total expenditure rose by Rf107.4 million and recorded a growth of 5 percent. As a result, net claims on government reached Rf2,671.9 million and increased by Rf483.4 million (22 percent) on quarterly terms and by Rf1,627.4 million (156 percent) on annual terms.

4 FINANCIAL SECTOR DEVELOPMENTS

4.1 Monetary Sector Development

The monetary policy of the Maldives is aimed at achieving price stability and maintaining an adequate level of external reserve, by using the exchange rate peg with the U.S. dollar as the intermediate target. The main policy instruments currently in use are Minimum Reserve Requirement (MRR), government Treasury Bills (T-Bills) and Re-purchase (Repo) and Re-discount facilities. During the quarter the monetary policy stance remained unchanged with MRR remaining at 25 percent of the total deposits of the commercial banks for both local and foreign currency. Meanwhile, T-Bills continued to be issued on tap without any change in interest rates. Hence, the interest rate on T-Bills with one month maturity remained at 6 percent while T-Bills with three months maturity were left at 6.25 percent during the first quarter of 2009.

Monetary developments during the first three months of 2009 showed an increase in broad money, attributed to an improvement in the net foreign assets of the banking system. This was caused by a decline in foreign liabilities of the commercial banks due to partial settlements of loans taken from their headquarters and other financial institutions abroad. Moreover, due to the global financial crisis, commercial banks operating in Maldives have been finding it difficult to obtain additional borrowings from over-



seas (which are used in lending for the domestic economy). As a result, domestic credit declined during the review quarter.

4.1.1 Reserve Money

Reserve money (M0), which is also called high-powered money consists of currency issued by the central bank and commercial banks' and SOE's deposits with the MMA. It also forms the basis of the expansion in the broad money supply and credit in the economy. In the first quarter of 2009, the reserve money increased by Rf281.8 million or by 5 percent and stood at Rf5,725.4 million compared to an increase of 4 percent or Rf191.6 million during the previous quarter. With regard to the components of reserve money, the growth in M0 was on account of the increase in commercial banks deposits with MMA, which increased by 8 percent after a growth of 5 percent in the previous quarter. Similarly, currency in circulation increased by 2 percent during the review quarter after a

Table 4. Reserve Money, 2006 - March 2009

In millions of rufiyaa

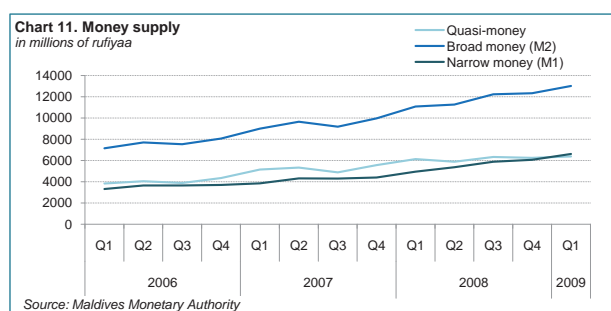
	2006	2007	2008	2008				2009
				Mar	Jun	Sep	Dec	
Currency in issue	1,160.7	1,322.3	1,762.2	1,386.7	1,491.5	1,758.3	1,762.2	1,755.5
Bank deposits with MMA	2,209.8	2,990.5	3,609.5	3,154.3	3,287.7	3,428.4	3,609.5	3,900.2
PNFEs deposits with MMA	53.0	61.2	72.0	74.7	79.5	65.4	72.0	69.7
RESERVE MONEY (M0)	3,423.6	4,374.0	5,443.6	4,615.7	4,858.7	5,252.1	5,443.5	5,725.4
Maldives Monetary Authority Assets	4,810.5	6,038.2	6,756.7	5,830.7	5,713.0	5,947.7	6,756.7	7,585.9
Foreign assets	2,972.8	3,956.9	3,089.2	3,974.9	3,639.4	3,342.8	3,089.2	3,449.6
Claims on Government	1,604.3	1,821.1	3,353.3	1,562.0	1,749.2	2,285.4	3,353.3	3,806.2
Other assets	233.4	260.2	314.2	293.8	324.4	319.5	314.2	330.0
Less								
Remaining liabilities	1,387.0	1,664.1	1,313.1	1,215.0	854.3	695.7	1,313.1	1,860.5
Foreign liabilities	91.4	90.9	61.8	90.8	79.9	69.8	61.8	50.4
Government deposits	504.4	733.2	602.2	439.3	126.0	1.4	602.2	651.9
Capital accounts	180.3	203.1	211.3	248.6	291.8	334.6	211.3	274.8
MMA certificates of deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	611.0	636.9	437.8	436.4	356.6	289.9	437.8	883.5

Source: Maldives Monetary Authority

negative growth of 4 percent recorded in the previous quarter. On an annual basis, growth in M0 during the review quarter accelerated by 24 percent. The major factor that contributed to the annual growth of the reserve money was the expansion of the credit to the government by 85 percent annually.

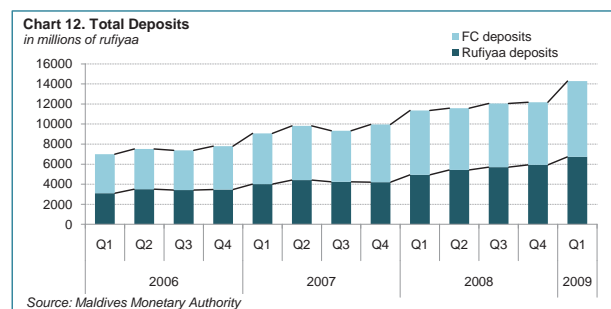
4.1.2 Monetary Aggregates

The total liquidity growth as measured by the broad money aggregate or M2 increased by Rf683.1 million or by 6 percent, to reach



Rf13,009.4 million at the end of the review quarter. This compares with a growth of 1 percent or Rf105.1 million recorded in the previous quarter. On annual terms M2 increased by 17 percent in the review quarter compared with a growth of 24 percent recorded in the previous quarter. This increase in M2 was largely due to the increase in narrow money

Hence, narrow money supply (M1), increased by Rf542.2 million and totaled Rf6,624.3 million at the end of the first quarter of 2009. This growth was mainly attributed by the expansion in demand deposits (accounts for 77 percent of the narrow money) by 11 percent as the transaction motive for holding demand deposits increased given the rise in the economic activ-

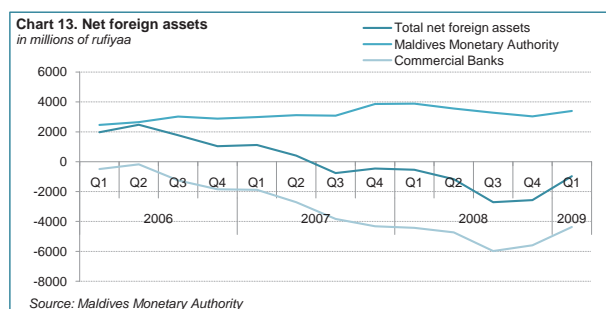


ity, during the quarter. In addition, currency in circulation increased and as a result, the annual growth of narrow money remained high, in both the last quarter of 2008 and the first quarter of 2009, at 38 percent and 34 percent respectively.

In contrast, quasi money, which consists of time and saving deposits plus the foreign currency deposits, showed a growth of Rf140.9 million or 2 percent during the quarter under review, after a negative growth of 1 percent recorded in the previous quarter. This was strongly linked to the performance of the tourism sector, as the review quarter coincided with the high season of the tourism industry in Maldives, which positively contributed to the growth in foreign currency deposits which contributes about 94 percent of the quasi money. However, the year-on-year growth in quasi money has declined from 12 percent to 4 percent, reflected by a deceleration in the growth rate of foreign currency deposits (which is component of quasi money) in the banking system from 10 percent to 2 percent. Hence, despite the huge growth in broad money, the slow-down in the growth of quasi money shows that the demand for money for transaction purposes is increasing while precautionary demand for money (the balances in foreign currency time and saving deposits) is falling.

4.1.3 Counterparts of Monetary growth

From the asset perspective of broad money, the expansion was led by an improvement in Net Foreign Assets (NFA) of the banking system (this has been on a net liability position since the beginning of the third quarter of 2007), which offsets the decline in the Net Domestic Assets (NDA). At the end of the review quarter the net



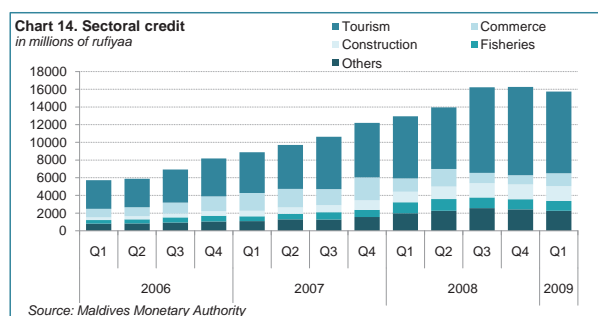
foreign liability position of the banking system was reduced by Rf1,604.7 million and was at Rf967.7 million at the end of March 2009 compared to Rf2,572.4 million at the end of December 2008. This was due to a fall in commercial banks' net foreign liabilities coupled with a rise in MMA's net foreign assets. As such, the net foreign liabilities of the commercial banks declined by 22 percent in the review quarter resulting from an increase in their foreign assets (by 132 percent or Rf1,017.2 million) together with a decline in their foreign liabilities (by 3 percent). Meanwhile the NFA of MMA increased by 12 percent during the review quarter compared with a decline of 8 percent recorded in the previous quarter. The increase in the foreign assets was largely due to the loan of US\$100 million that was received from the Indian government of which half was given as cash. Despite the above, on annual terms the net foreign liabilities of the banking system increased by Rf420.6 million or by 77 percent at the end of March 2009 as the NFA of MMA declined by Rf484.9 million or by 12 percent.

Total domestic credit of the banking system amounted to Rf19,680.2 million at the end of March 2009 registering a decline of Rf132.3 million or 1 percent during the review quarter, followed by an increase of 3 percent in the previous quarter. Similarly, year-on-year domestic credit growth rate slowed down from 43 percent at the end of December 2008 to 30 percent at the end of March 2009. This was due to the difficulties faced by the commercial banks in obtaining additional borrowing from abroad to lend in the domestic economy caused by the global financial crisis. Similarly, the banks have been repaying some of their loans granted by banks abroad, which resulted in a decline in foreign liabilities, by Rf215.7 million during the review quarterly. In addition, the banks have slowed down their lending activities given the negative economic growth projected for the year.

Credit extended to the private sector, which accounts for 80 percent of the total domestic credit, declined by Rf496.0 million or 3 percent on

quarterly terms while on annual terms the rate of growth decelerated to 22 percent compared to annual growth of 33 percent in the fourth quarter of 2008. In contrast, credit extended to the public sector continued to expand and increased quarterly by Rf363.6 million or 10 percent during the review period and annually by Rf1,720.5 million or 78 percent. Of the public sector credit, net claims on government increased by Rf483.3 million on quarterly terms while it increased by Rf1,627.4 million on annual terms. This was due to deterioration in the fiscal accounts during the quarter owing to the rise in government expenditure coupled with a decline in revenue. In order to finance the budget deficit, T-Bills worth Rf2,735.0 million was issued, representing an 8 percent increase during the review quarter, while Rf1,639.0 million remained outstanding at the end of March 2009. As such, commercial banks subscription (accounting for 93 percent of the total) increased from Rf2,100.0 million in previous quarter to Rf2,548.0 million (an increase of 21 percent) in the review quarter, while Rf1,546.0 million was outstanding at the end of March 2009. In the meantime, the remaining Rf187.0 million issued during the review quarter was mainly purchased by state owned enterprises (6 percent).

With the decline in private sector credit, tourism sector which accounts for the major share of private sector credit (59 percent), recorded a negative growth of 7 percent and totaled Rf9,229.9 million at the end of March 2009. Similarly, the year-on-year rate of growth decelerated from 62 percent in the previous quarter to 32 percent in the review period. However, this was to some extent offset by the 37 percent increase in credit



to the commerce sector (9 percent of the total private sector credit) during the review quarter. On annual terms, credit to commerce registered a negative growth of 4 percent which compares with a 59 percent decline in the previous quarter. In contrast, credit extended to the construction sector (11 percent) recorded a sluggish growth of 1 percent, while fisheries sector (7 percent) recorded a decline of 1 percent during the review quarter.

4.2 Activities of non-bank Financial Institutions

Non-bank financial institutions in the country consists of a leasing company, a housing finance institution, insurance companies, insurance brokers and financial auxiliaries involved in the transfer of money.

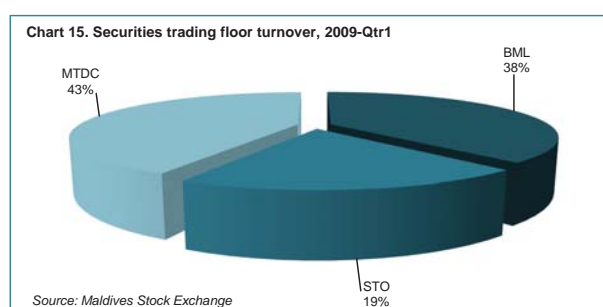
The Maldives Finance Leasing Company, the only player in the finance leasing market, continues to cater for the strong credit demand by providing a wide range of medium to long term equipment financing to all sectors of the economy. At the end of March 2009, the company had a total outstanding lease of Rf299.7 million, which was a decline of 5 percent compared to the fourth quarter of 2008. In the meantime, the annual outstanding lease declined by Rf48.0 million at the end of the review period followed by a Rf1.5 million growth recorded previously. Similarly there was a 16 percent decline in new lease executed during the review quarter. The major recipient of this financing was the transportation sector (accounting for 72 percent), followed by 20 percent to fisheries and 6 percent to construction sector.

The Housing Development Finance Corporation (HDFC) incorporated in 2004, was registered as a public company in 2006. The shareholders agreement for privatization was signed in 2008 and HDFC re-entered the market for mortgage loans for housing after the re-structure of its capital in 2009. According to the new shareholding structure, 49 percent is owned by the Government of Maldives and the remaining 51

percent is among the International Finance Corporation (18 percent), Asian Development Bank (18 percent) and HDFC Investments – India (15 percent). HDFC, the only specialized housing finance institution offering long repayment terms in the market, had a total outstanding loan portfolio of Rf152.7 million at the end of March 2009. This was a decline of 2 percent compared to the fourth quarter of 2008 and an 11 percent reduction when compared year-on-year, which was mainly due to the repayment of the existing loan executed to the housing market.

4.3 Capital Market

The capital market development activities in Maldives have grown rapidly with good prospect for the future. Following a downturn in the previous quarter, the statistics of Maldives Stock Exchange (MSE) shows that, the trading turnover increased by 49 percent in the review quarter. Consequently, the total volume of shares traded during the quarter amounted to 5,056 registering an increase of 66 percent, while the Weighted Average Trading Price (WATP) of all the companies was Rf213. In contrast, the market capitalization as at the end of March 2009 totaled at Rf2,181.9 million which was a decline of 3 percent.



5 EXTERNAL SECTOR DEVELOPMENTS

5.1 International trade

Trade statistics for the first quarter of 2009 showed that the value of merchandise exports deteriorated significantly compared to the previous as well as the corresponding quarter of 2008. As such, the value of merchandise exports which totaled US\$133.4 million in the first quarter of 2008 fell to US\$49.0 million during the review quarter registering an annual decline of 63 percent owing to a reduction in both re-exports and domestic exports. Meanwhile, on a quarterly basis merchandise exports fell by 19 percent or US\$11.9 million as a result of the decline in domestic exports.

During the review quarter re-export earnings constituted 60 percent of total merchandise exports while domestic exports constituted the

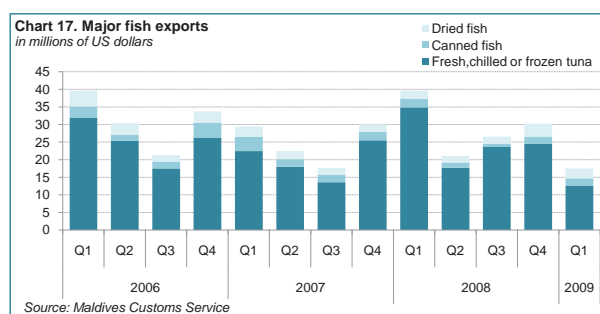


remaining 40 percent. Total re-export earnings stood almost the same as in the previous quarter and totaled US\$29.3 million during the review quarter with sale of jet fuel accounting for the major share of re-exports (over 80 percent of total re-export earnings). Reflecting the sharp decline in global oil prices since mid-2008 and the sluggish performance of the tourism sector during the quarter, total re-exports earnings registered a substantial decline of 68 percent or US\$62.3 million compared to the corresponding quarter of 2008.

Domestic exports, which comprise mainly of marine exports, fell to US\$19.7 million during the review quarter from US\$31.9 million in the previous quarter and US\$42.1 million a year ago due to the decline in fish exports. Of the total marine exports, revenue from total fish exports (excluding live fish) constituted 94 percent

of domestic exports and registered a significant decline of 40 percent compared to the previous quarter. This was largely reflecting the poor fish catch during the review quarter. Exports of fresh, chilled or frozen tuna accounted for the bulk of fish exports and totaled US\$12.6 million during the quarter which reflected a quarterly decline of 48 percent and annual decline of 64 percent.

Dried fish and canned tuna exports together accounted for 26 percent of total fish export revenue during the review quarter. The value



of canned tuna exports totaled US\$2.1 million in the review quarter and registered a decline of 2 percent on quarterly terms while the volume of such exports increased by 9 percent. This fall in export revenue while the quantity exported increased owes to the decline in unit price received for exports of canned tuna. In contrast on annual terms the value of canned tuna exports declined by 16 percent while the quantity exported declined by 22 percent. Export earnings of dried fish during the quarter totaled US\$2.8 million which was a decline of 23 percent when compared to the previous quarter and a 23 percent increase when compared to the corresponding quarter of 2008.

Total merchandise imports (c.i.f) during the review quarter stood at US\$229.4 million. This was a decline of 21 percent when compared to the previous quarter and a 42 percent decline when compared to the corresponding quarter of 2008.

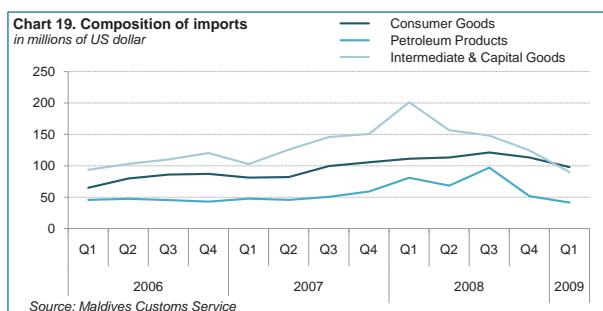
Maldivian imports are mainly classified into private sector imports and public sector imports. Private sector imports include imports by tour-



ism sector while public sector imports include imports by public enterprises and government. Private sector imports totaled US\$174.7 million in the review quarter representing 76 percent of total import (c.i.f.). Of the private sector imports 30 percent was tourism related. Public sector imports totalling US\$54.7 million represented 24 percent of the total imports (c.i.f.) of which 92 percent was imports made by the public sector enterprises while the remainder was made directly by the government.

Total private sector imports decreased by 13 percent in the review quarter and by 27 percent when compared to the corresponding quarter of 2008. Tourism related imports decreased by 19 percent in the review quarter and by 28 percent when compared to the corresponding quarter of 2008. Imports by the public sector showed a decline of 38 percent compared to the previous quarter and 65 percent when compared to the same quarter of last year. Of this, imports by the public enterprises declined 37 percent in the review quarter and by 43 percent on annual terms to record US\$50.5million at the end of the review quarter. The value of government imports declined by 52 percent in the review quarter and by 94 percent when compared to the corresponding quarter of 2008. The value of government imports during the quarter was US\$4.2 million.

In terms of composition of imports, consumer goods accounted for 43 percent of total imports (c.i.f) which totalled US\$97.9 million in the review quarter. The total value of consumer goods imported declined by 13 percent in the review quarter and by 12 percent when compared to the corresponding quarter of 2008. This fol-

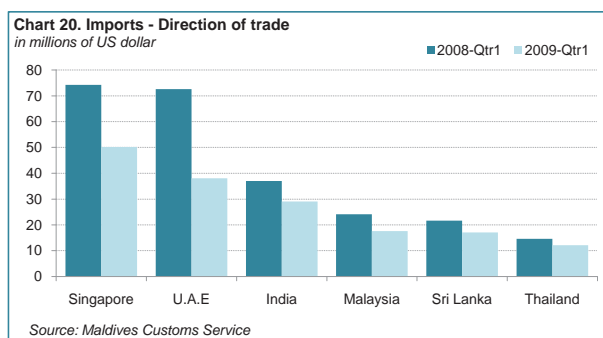


lows the declining trend in imports made by the government, private, public and tourism sectors seen in the last quarter of 2008.

Petroleum products which accounted for 18 percent of total imports (c.i.f) decreased by 20 percent compared to the previous quarter and by 49 percent when compared to the corresponding quarter of 2008. Intermediate and capital goods accounting for 39 percent of total imports (c.i.f.), decreased by 28 percent when compared to the previous quarter and by 55 percent when compared to the corresponding quarter of 2008. The main component of intermediate and capital goods was the import of construction materials which comprised 33 percent of total intermediate and capital goods. The value of construction materials imported declined by 20 percent in the review quarter and by 30 percent when compared to the same quarter of 2008. The decline in construction imports reflects the slowdown in construction related activity in the economy.

5.1.1 Direction of Trade

Imports to Maldives mainly come from Asia and during the quarter imports from Asia accounted for 65 percent of the total imports. This was a decline of 19 percent compared to the previous quarter and a decline of 25 percent compared to the corresponding quarter of 2008. Of the



Asian imports the major share was from Singapore which constituted 34 percent followed by India with 20 percent. The other main trading destinations include Middle Eastern countries accounting for 17 percent of the total imports in the review quarter which registered a decline of 10 percent on quarterly terms. Of the Middle Eastern countries the main trading partner was U.A.E with almost 98 percent of the total value of imports from the region. Imports from the E.U region accounted for 8 percent of total imports. Of the E.U region, Germany accounted for 24 percent, each Italy and U.K 11 percent and France 13 percent in the review quarter.

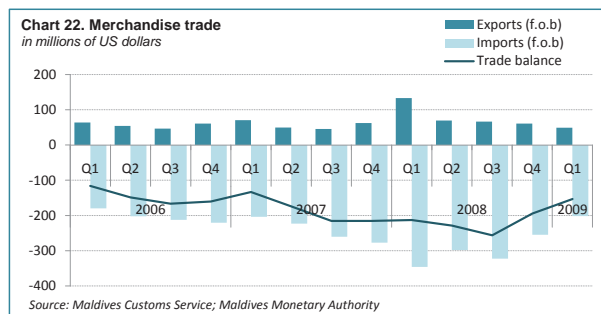
Unlike the previous quarters, the major exporting destination in the review quarter was Europe with 51 percent of total exports followed



by Asia with 35 percent. Of the Asian countries, exports to Thailand (29 percent of total exports) decreased by 99 percent in the review quarter while exports to Sri Lanka (16 percent of total exports) declined by 34 percent. This fall reflected the decline of fish catch during the review quarter as fresh, chilled and frozen fish accounts for the bulk of exports to Thailand while dried fish comprise the bulk of exports to Sri Lanka. Of the European countries, UK accounted for 18 percent of exports to the region, while France and Italy accounted for 25 percent and 33 percent, respectively.

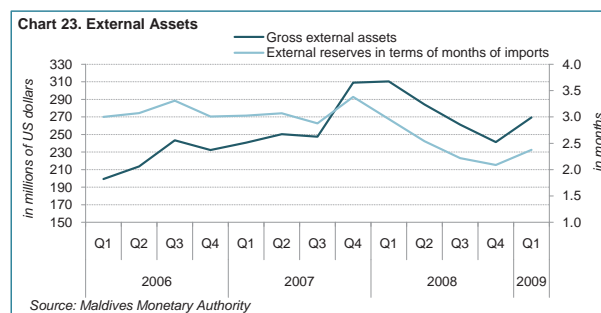
5.2 Balance of Trade

Owing to a significant reduction in imports the balance of trade narrowed to US\$152.8 million from US\$212.6 million a year ago. Compared to the previous quarter the trade deficit registered a decline of US\$41.1 million.



5.3 External Assets

The NFA of the banking system continues to be negative and recorded US\$75.6 million at the end of the review quarter. Compared to the pre-



vious quarter the NFA of the banking system showed an improvement of US\$125.4 million while compared to the first quarter of 2008 it showed a decline of US\$32.9 million. The quarterly improvement was due to a decline in net foreign liabilities of commercial banks and also due the increase in NFA of MMA. The increase in NFA of MMA reflects the US\$28.2 million increase in foreign assets of MMA. As a result, gross international reserves increased from US\$241.3 in the previous quarter to US\$269.5 million in the review quarter. This was equivalent to 2.4 month of imports which compares with 2.1 months of imports in the previous quarter.

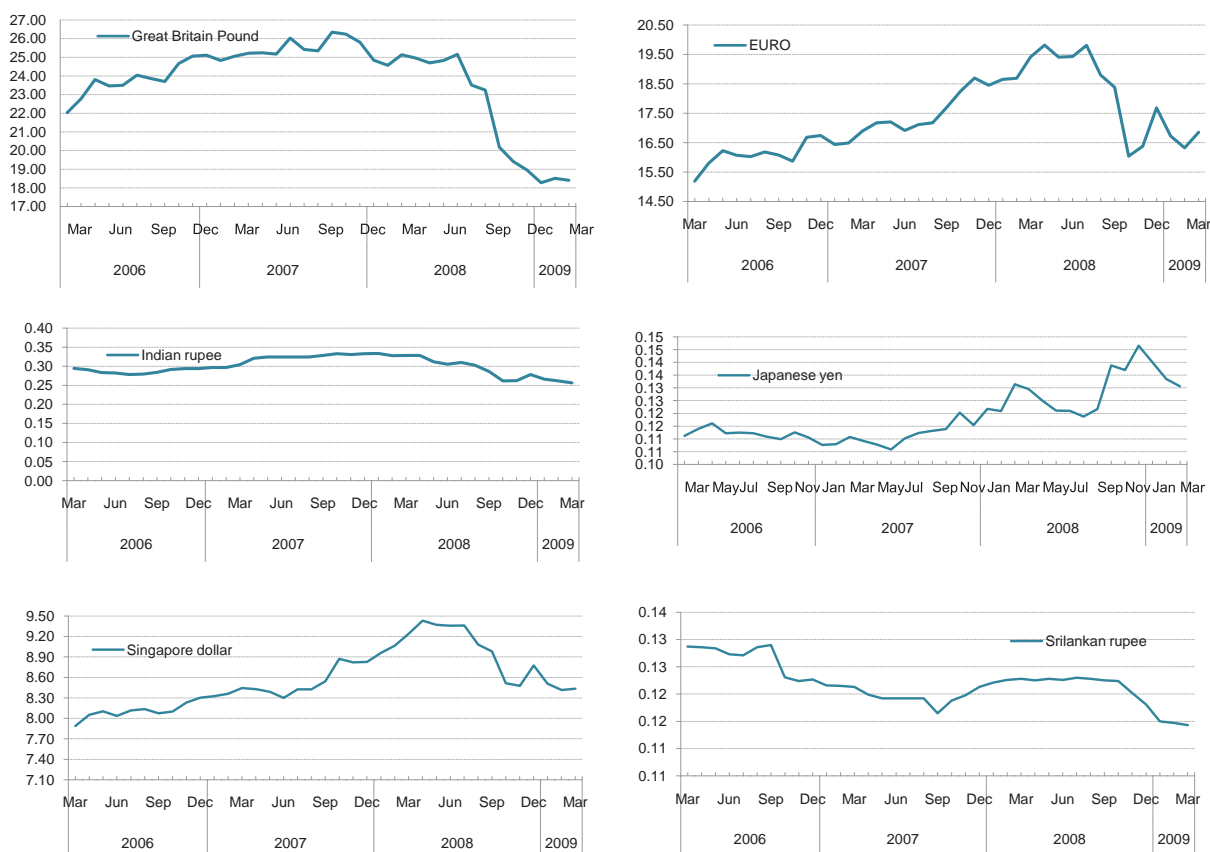
5.4 Exchange Rate

The rufiyaa which has been pegged to the U.S. dollar remained unchanged since the 9 percent devaluation in July 2001, with buying and selling rates remaining at 12.75 and 12.85 respectively.

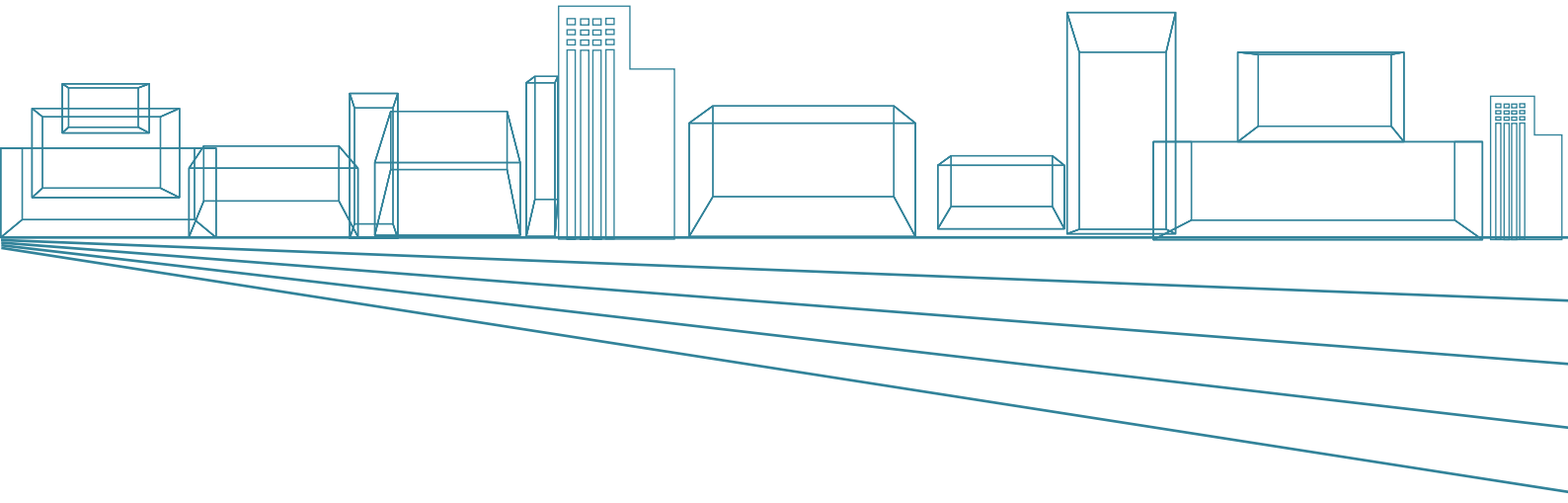
With the strengthening of U.S. dollar against the currencies of Maldives' main trading partners, the rufiyaa appreciated against all these currencies during the review quarter. The rufiyaa appreciated mostly against the Japanese yen, by 11 percent and 8 percent against the Indian rupee and 5 percent against the euro. During the quarter the rufiyaa also appreciated by 4 percent against the Singapore dollar and by 3 percent against the sterling pound and the Sri Lankan rupee, respectively.

When compared to the first quarter of 2008, rufiyaa appreciated by 27 percent against the sterling pound, 22 percent against the Indian rupee, 13 percent against the euro, 9 percent against the Singapore dollar, 7 percent against the Sri Lankan rupee and 1 percent against the Japanese yen.

Chart 24. Exchange rate of rufiyaa per foreign currency



Source: Maldives Monetary Authority



Statistical tables

Table 1. Consumer Price Inflation - National, 2006 - March 2009 ^{1/}*(Index 2004 = 100)*

	weights	2006	2007	2008	2008				2009
					Mar	Jun	Sep	Dec	Mar
Food and non- alcoholic beverages	33.3	4.7	16.0	17.8	18.5	22.1	22.9	17.8	15.2
<i>Fish</i>	4.6	-6.7	58.9	10.1	57.2	52.0	37.8	10.1	5.9
<i>Other Food</i>	25.7	6.8	10.7	19.8	13.6	18.4	21.3	19.8	17.4
<i>Non-alcoholic beverages</i>	3.0	1.7	10.8	13.6	12.1	13.7	14.3	13.6	12.1
Tobacco and narcotics	2.8	7.0	2.3	5.6	2.6	3.8	4.7	5.6	4.5
Clothing & footwear	6.0	0.7	3.9	3.0	4.8	5.2	4.6	3.0	2.0
Housing, water, electricity, gas & other fuels	19.5	4.8	4.2	11.5	5.1	7.2	9.8	11.5	11.7
Furnishing, household equipments & routine maintenance of	5.3	4.4	5.6	7.7	5.1	5.4	6.6	7.7	8.8
Health	5.4	10.0	7.2	16.8	9.2	11.4	13.8	16.8	13.1
Transport	5.1	6.2	2.8	19.8	6.2	10.2	15.7	19.8	17.3
Communication	5.8	-7.7	-8.9	-2.8	-9.5	-7.4	-4.7	-2.8	-0.9
Recreation & culture	4.9	-2.8	-1.5	-3.0	-2.3	-2.6	-3.0	-3.0	-2.9
Education	3.2	2.3	4.3	1.5	1.9	1.5	1.5	1.5	4.0
Hotels, cafes & restaurants	0.8	6.4	16.7	15.6	15.1	14.6	14.4	15.6	14.0
Miscellaneous goods & services	7.9	0.4	4.3	4.6	4.7	4.7	3.9	4.6	5.1
Religion	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total CPI	100.0	3.5	7.4	12.3	8.8	11.1	12.9	12.3	11.3
Total Index excluding fish	-	3.9	5.4	12.4	6.8	9.3	11.6	12.4	11.7
Total Index, excluding food	-	2.8	2.9	9.0	3.6	5.2	7.3	9.0	9.0

1/ CPI - Male' data not available prior to June 2004.

Source: Department of National Planning

Table 2. Consumer Price Inflation - Atolls, 2006 - March 2009 ^{1/}*(Index 2004 = 100)*

	weights	2006	2007	2008	2008				2009
					Mar	Jun	Sep	Dec	Mar
Food and non-alcoholic bevarages	19.9	4.9	15.9	16.8	18.6	21.9	22.5	16.8	13.8
<i>Fish</i>	2.1	-9.4	70.8	10.8	69.5	62.4	44.1	10.8	4.6
<i>Other Food</i>	15.9	6.9	11.0	18.0	13.9	18.1	20.4	18.0	15.3
<i>Non-alcoholic beverages</i>	1.9	1.9	10.2	15.4	12.0	14.7	16.0	15.4	13.4
Tobacco and narcotics	1.8	8.2	2.9	6.6	3.1	4.4	5.5	6.6	5.2
Clothing and footwear	3.5	0.7	8.2	3.0	8.2	8.0	6.4	3.0	2.8
Housing, water, electricity, gas and other fuel	7.2	8.4	4.8	12.9	4.4	6.6	10.1	12.9	14.2
Furnishing, household equipments & routine maintenance of	2.4	5.7	6.8	13.4	7.1	7.8	10.6	13.4	14.5
Health	2.7	6.0	1.8	13.1	4.3	6.4	9.7	13.1	12.4
Transport	2.1	7.9	0.0	18.0	2.5	6.8	13.7	18.0	16.4
Communications	2.0	-4.2	-8.3	-1.5	-6.7	-5.4	-2.8	-1.5	-0.8
Recreation and culture	2.8	-2.6	-3.5	-0.3	-3.2	-2.3	-1.6	-0.3	-1.4
Education	1.6	0.0	5.6	1.8	1.3	1.6	1.6	1.8	2.7
Miscellaneous goods and sevices	5.0	0.2	5.4	3.6	5.5	4.9	3.5	3.6	4.3
Atolls	51.1	4.1	7.9	12.5	9.3	11.8	13.6	12.5	11.5
Total Index, excluding fish	-	4.7	5.8	12.5	7.2	9.8	12.2	12.5	11.9
Total Index, excluding food	-	3.7	2.7	9.3	3.2	5.0	7.5	9.3	9.7

1/ CPI - Atolls data not available prior to June 2004. Data has been rebased on April 2007 (June 2004 = 100).

Source: Department of National Planning

Table 3. Monetary Survey, 2006 - March 2009*(In millions of rufiyaa; end of period)*

	2006	2007	2008	2008				2009
				Mar	Jun	Sep	Dec	
Net foreign assets ^{1/}	1,031.6	-458.3	-2,572.4	-547.1	-1,174.2	-2,710.9	-2,572.4	-967.7
Monetary Authorities (net)	2,881.4	3,866.0	3,027.4	3,884.1	3,559.4	3,273.1	3,027.4	3,399.3
Foreign assets	2,972.8	3,956.9	3,089.2	3,974.9	3,639.4	3,342.8	3,089.2	3,449.6
Foreign liabilities	-91.4	-90.9	-61.8	-90.8	-79.9	-69.8	-61.8	-50.4
Commercial banks (net) ^{1/}	-1,849.8	-4,324.3	-5,599.9	-4,431.3	-4,733.6	-5,983.9	-5,599.9	-4,367.0
Foreign assets	871.2	1,054.2	768.1	1,225.0	948.5	824.4	768.1	1,785.3
Foreign liabilities	-2,721.0	-5,378.5	-6,367.9	-5,656.2	-5,682.1	-6,808.3	-6,367.9	-6,152.3
Domestic assets (net)	7,031.7	10,430.4	14,898.8	11,633.2	12,439.0	14,932.2	14,898.8	13,977.2
Domestic credit	9,509.1	13,820.2	19,812.5	15,165.4	16,827.5	19,314.5	19,812.5	19,680.2
Public sector	1,317.5	1,600.5	3,564.6	2,207.8	2,859.9	3,096.2	3,564.6	3,928.3
Central govt. (net)	745.0	583.7	2,188.7	1,044.5	1,607.4	1,746.7	2,188.7	2,671.9
Gross claims on govt	1,934.7	2,361.4	4,151.5	2,873.2	3,299.4	3,140.4	4,151.5	6,140.3
Govt. deposits	-1,189.7	-1,777.7	-1,962.8	-1,828.6	-1,691.9	-1,393.7	-1,962.8	-3,468.4
Public enterprises	572.5	1,016.8	1,376.0	1,163.2	1,252.5	1,349.5	1,376.0	1,256.3
Private sector	8,191.7	12,219.8	16,247.9	12,957.6	13,967.6	16,218.2	16,247.9	15,751.9
Other items (net)	-2,477.4	-3,389.9	-4,913.7	-3,532.2	-4,388.5	-4,382.3	-4,913.7	-5,703.0
Broad money	8,063.3	9,972.0	12,326.4	11,086.1	11,264.8	12,221.3	12,326.4	13,009.4
Narrow money	3,707.2	4,404.7	6,082.2	4,950.8	5,374.9	5,882.7	6,082.2	6,624.3
Currency in circulation	1,067.8	1,141.6	1,509.9	1,228.3	1,323.5	1,566.3	1,509.9	1,536.2
Public ent. deposits (Rf)	14.7	41.8	10.5	33.6	26.0	5.3	10.5	6.3
Demand deposits	2,624.7	3,221.4	4,561.8	3,688.9	4,025.4	4,311.2	4,561.8	5,081.8
Quasi money	4,356.1	5,567.3	6,244.2	6,135.3	5,890.0	6,338.6	6,244.2	6,385.1
(Twelve month percentage change)								
Net foreign assets	-42.3	-144.4	461.3	-149.2	-389.0	258.0	461.3	76.9
Monetary Authorities (net)	25.1	34.2	-21.7	30.0	14.3	6.4	-21.7	-12.5
Commercial banks (net)	258.7	133.8	29.5	136.2	74.9	56.1	29.5	-1.5
Domestic credit	37.6	45.3	43.4	44.9	41.5	52.5	43.4	29.8
Public sector	-7.9	21.5	122.7	41.1	32.0	54.3	122.7	77.9
Central govt. (net)	-21.8	-21.6	275.0	3.4	25.8	68.3	275.0	155.8
Private sector	49.5	49.2	33.0	45.5	43.6	52.2	33.0	21.6
Broad money	20.6	23.7	23.6	23.1	16.7	33.1	23.6	17.3
Narrow money	22.2	18.8	38.1	28.3	24.2	36.8	38.1	33.8
Currency in circulation	20.9	6.9	32.3	25.6	26.1	42.1	32.3	25.1
Memorandum items:								
Foreign currency deposits	4,031.9	5,304.8	5,866.4	5,869.6	5,653.7	5,943.0	5,866.4	6,003.3
Dollarization ratio ^{2/}	50.0	53.2	47.6	52.9	50.2	48.6	47.6	46.1

1/ Since July 2007, Net foreign assets represent a net liability position (due to the net liability position of commercial banks).

2/ Foreign currency deposits (includes foreign currency deposits of commercial banks and MMA, excluding government and non-residence deposits) in percent of broad money.

Source: Maldives Monetary Authority

Table 4. Assets and Liabilities of Maldives Monetary Authority, 2006 - March 2009*(In millions of rufiyaa: end of period)*

	2006	2007	2008	2008				2009 Mar
				Mar	Jun	Sep	Dec	
Total assets	4,810.5	6,038.2	6,756.7	5,830.7	5,713.0	5,947.7	6,756.7	7,585.9
Foreign assets	2,972.8	3,956.9	3,089.2	3,974.9	3,639.4	3,342.8	3,089.2	3,449.6
Claims on government	1,604.3	1,821.1	3,353.3	1,562.0	1,749.2	2,285.4	3,353.3	3,806.2
Claims on Public enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on commercial banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Other assets	233.4	260.2	314.2	293.8	324.4	319.5	314.2	330.0
Total liabilities	4,810.5	6,038.2	6,756.7	5,830.7	5,713.0	5,947.7	6,756.7	7,585.9
Reserve money	3,423.6	4,374.0	5,443.6	4,615.7	4,858.7	5,252.1	5,443.6	5,725.4
Currency outside banks	1,067.8	1,141.6	1,509.9	1,228.3	1,323.5	1,566.3	1,509.9	1,536.2
Currency with commercial banks	92.9	180.7	252.3	158.4	167.9	192.0	252.3	219.3
Public enterprises deposits	53.0	61.2	72.0	74.7	79.5	65.4	72.0	69.7
Commercial Banks' deposits	2,209.8	2,990.5	3,609.5	3,154.3	3,287.7	3,428.4	3,609.5	3,900.2
Foreign liabilities	91.4	90.9	61.8	90.8	79.9	69.8	61.8	50.4
Government deposits	504.4	733.2	602.2	439.3	126.0	1.4	602.2	651.9
Capital accounts	180.3	203.1	211.3	248.6	291.8	334.6	211.3	274.8
MMA certificates of deposit (CD's) ^{1/}	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	611.0	636.9	437.8	436.4	356.6	289.9	437.8	883.5
(Twelve month percentage change)								
Reserve money	18.8	27.8	24.5	27.2	19.1	33.7	24.5	24.0
Currency outside banks	20.9	6.9	32.3	25.6	26.1	42.1	32.3	25.1
Commercial Banks' deposits	18.3	35.3	20.7	30.3	16.6	30.3	20.7	23.6
Government deposits	189.2	45.4	-17.9	-20.5	-79.8	-99.8	-17.9	48.4
Memorandum items:								
Foreign assets of MMA, gross (U.S. dollar millions)	232.2	309.1	241.3	310.5	284.3	261.2	241.3	269.5
Foreign assets of MMA, net (U.S. dollar millions)	225.1	302.0	236.5	303.4	278.1	255.7	236.5	265.6
Exchange rate (Rufiyaa per U.S. dollar)	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8

1/ All the CD's issued matured on 2nd Oct, 2006. These were replaced with the issue of Treasury bills on 11th Sep, 2006.

Source: Maldives Monetary Authority

Table 5. Assets and Liabilities of Commercial Banks, 2006 - March 2009*(In millions of rufiyaa; end of period)*

	2006	2007	2008	2008				2009 Mar
				Mar	Jun	Sep	Dec	
Total assets	12,724.6	18,569.9	23,516.0	20,474.9	21,631.7	23,454.7	23,516.0	25,765.6
Reserves	2,433.7	3,250.6	3,858.3	3,324.2	3,469.3	3,656.0	3,858.3	4,133.0
Cash	92.9	180.7	252.3	158.4	167.9	192.0	252.3	219.3
Balance with MMA ^{1/}	2,262.1	2,991.3	3,512.3	3,087.1	3,207.7	3,370.3	3,512.3	3,820.1
Investment in CD's & capital bal. with MMA ^{2/}	78.7	78.7	93.7	78.7	93.7	93.7	93.7	93.7
Foreign assets	871.2	1,054.2	768.1	1,225.0	948.5	824.4	768.1	1,785.3
Claims on public sector	902.9	1,557.1	2,174.1	2,474.4	2,802.6	2,204.5	2,174.1	3,590.4
Government	330.4	540.3	798.1	1,311.1	1,550.1	855.0	798.1	2,334.1
Public enterprises	572.5	1,016.8	1,376.0	1,163.2	1,252.5	1,349.5	1,376.0	1,256.3
Claims on private sector	8,191.6	12,219.8	16,247.9	12,957.6	13,967.6	16,218.2	16,247.9	15,751.9
Unclassified assets	325.2	488.2	467.6	493.7	443.7	551.6	467.6	505.0
Total liabilities	12,724.6	18,569.9	23,516.0	20,474.9	21,631.7	23,454.7	23,516.0	25,765.5
Demand deposits	5,453.1	6,848.9	8,349.3	7,748.8	7,535.9	8,090.6	8,349.3	9,312.2
Local currency	2,624.7	3,221.4	4,561.8	3,688.9	4,025.4	4,311.2	4,561.8	5,081.8
Foreign currency	2,828.4	3,627.6	3,787.5	4,059.8	3,510.5	3,779.4	3,787.5	4,230.5
Time and savings deposits	1,489.4	1,920.3	2,395.2	2,034.3	2,326.0	2,499.0	2,395.2	2,091.2
Local currency	324.2	262.5	377.8	265.6	236.2	395.5	377.8	381.8
Foreign currency	1,165.2	1,657.7	2,017.5	1,768.7	2,089.7	2,103.5	2,017.5	1,709.5
Foreign liabilities	2,721.0	5,378.5	6,367.9	5,656.2	5,682.1	6,808.3	6,367.9	6,152.3
Banks abroad	2,563.0	5,235.7	6,288.2	5,476.0	5,530.9	6,726.9	6,288.2	6,077.5
Nonresident's deposits	158.0	142.8	79.8	180.2	151.2	81.4	79.8	74.8
Government deposits	685.4	1,044.6	1,360.6	1,389.3	1,565.9	1,392.2	1,360.6	2,816.5
Capital account	1,656.9	2,468.3	3,788.7	2,611.9	3,424.2	3,746.1	3,788.7	3,844.8
Credit from MMA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	718.8	909.3	1,254.2	1,034.4	1,097.6	918.4	1,254.2	1,548.4
Memorandum items:								
Total deposits	7,785.9	9,956.6	12,184.9	11,352.6	11,579.0	12,063.3	12,184.9	14,294.8
Local currency	3,465.4	4,188.1	5,931.8	4,937.4	5,415.1	5,705.8	5,931.8	6,722.7
Foreign currency	4,320.5	5,768.5	6,253.1	6,415.2	6,163.9	6,357.5	6,253.1	7,572.1
Total treasury bill outstanding	363.0	543.0	727.0	1,335.0	1,485.0	905.0	727.0	1,639.0
O.W. Commercial Banks	323.0	463.0	639.0	1,217.0	1,415.0	692.0	639.0	1,546.0
O.W. Others	40.0	80.0	88.0	118.0	70.0	213.0	88.0	93.0

1/ This includes required reserves and excess reserves held in MMA.

2/ Since September 2006, this includes only capital balance with MMA.

Source: Maldives Monetary Authority

Table 6. Commercial Banks Loans and Advances by Major Economic Sectors, 2006 - March 2009 ^{1/}*(In millions of rufiyaa; end of period)*

	2006	2007	2008	2008				2009 Mar
				Mar	Jun	Sep	Dec	
Total	8,184.8	12,210.6	16,256.2	12,943.3	13,958.5	16,233.1	16,256.2	15,747.7
Fishing	641.3	809.9	1,135.5	1,251.1	1,312.0	1,207.4	1,135.5	1,119.4
Tourism	4,297.9	6,158.0	9,958.5	7,009.5	6,962.4	9,692.6	9,958.5	9,229.9
Hotels and restaurant	386.3	392.4	1,054.0	391.7	149.6	1,047.7	1,054.0	1,037.2
Development of tourism	3,911.6	5,765.6	8,904.5	6,617.8	6,812.8	8,644.9	8,904.5	8,192.6
Agriculture	17.2	49.5	49.2	51.3	51.3	50.7	49.2	47.0
Construction	525.9	1,087.9	1,671.0	1,189.0	1,410.8	1,595.3	1,671.0	1,689.6
Housing	439.4	837.9	1,408.4	994.8	1,148.5	1,327.3	1,408.4	1,446.6
Others	86.5	250.1	262.6	194.2	262.3	268.0	262.6	243.0
Manufacturing	140.0	223.5	465.6	355.2	368.6	441.4	465.6	461.0
Commerce ^{2/}	1,655.4	2,601.4	1,056.9	1,509.8	2,001.6	1,162.8	1,056.9	1,449.3
Electricity, gas water and sanitary services	1.2	0.6	0.1	11.9	9.2	8.4	0.1	2.3
Transport, storage and communication	367.3	670.6	1,084.6	891.0	1,049.3	1,150.4	1,084.6	1,076.4
Services	177.8	265.7	253.7	212.9	308.8	302.9	253.7	196.5
Professional and community	76.7	131.6	135.7	126.4	140.7	142.1	135.7	120.5
Personal non-business, loans to individual	101.1	134.1	118.0	86.5	168.1	160.8	118.0	76.0
Employees, and activities not adequately described	360.9	343.5	581.1	461.7	484.5	621.1	581.1	476.2

1/ Includes total loans and advances to private sector excluding private sector bills purchased and discounted.

2/ Includes wholesale and retail trade, import and export trade.

Source: Maldives Monetary Authority

Table 7. Commercial Bank Deposits Distributed By Type, 2006 - March 2009*(In millions of rufiyaa; end of period)*

	2006		2007		2008		2009 Mar	
	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.	No. of A/cs	Amt.
1. Current deposits	35,292	3,030.1	44,043	4,029.3	51,194	5,158.9	52,473	7,313.0
2. Call deposits	0	0.0	0	0.0	0	0.0	0	0.0
3. Other deposit accounts	67	66.8	46	42.6	51	33.3	60	34.7
4. Savings deposits	181,648	2,926.6	209,337	3,460.1	236,006	3,973.3	241,160	4,108.9
5. Fixed (or term) deposits	1,469	1,762.4	1,463	2,424.6	1,259	3,019.3	1,243	2,838.1
(a) Up to 3 months	608	1,014.8	683	1,423.0	446	1,582.5	287	952.2
(b) Over 3 to 6 months	135	230.1	116	380.7	132	282.6	223	818.5
(c) Over 6 months to 1 year	680	494.9	638	613.5	630	902.7	653	796.0
(d) Over 1 to 2 years	25	12.9	20	4.6	36	214.7	53	93.3
(e) Over 2 to 3 years	9	1.2	3	2.6	3	0.3	14	141.5
(f) Over 3 to 5 years	11	8.5	1	0.2	10	36.4	11	36.5
(g) Over 5 years	1	0.0	2	0.1	2	0.1	2	0.0
TOTAL	218,476	7,785.9	254,889	9,956.6	288,510	12,184.9	294,936	14,294.8

Source: Maldives Monetary Authority

Table 8. Composition of Exports , 2006 - March 2009*(In millions of US dollars)*

	2006	2007	2008	2008				2009
				Q1	Q2	Q3	Q4	Q1
Merchandise Exports (f.o.b)	225.2	228.0	330.5	133.4	69.7	66.5	60.9	49.0
Domestic exports	135.1	107.8	125.9	42.1	23.4	28.6	31.9	19.7
Total marine exports	133.1	105.6	123.9	41.5	22.9	28.1	31.4	19.4
Fish and fish products	132.1	104.8	123.3	41.3	22.7	28.0	31.3	19.3
Fish exports (excluding live fish)	128.8	102.5	120.7	40.6	21.9	27.3	30.8	18.6
Fresh, Chilled or Frozen Tuna	100.9	79.5	100.8	34.8	17.7	23.8	24.4	12.6
<i>Skipjack</i>	59.3	42.0	54.6	18.5	8.0	13.7	14.3	3.1
<i>Yellowfin Tuna</i>	35.9	35.4	43.4	14.6	9.1	9.8	9.9	8.7
Frozen reef fish	1.3	1.5	1.6	0.5	0.5	0.3	0.3	0.6
Canned	11.4	10.8	6.9	2.5	1.5	0.8	2.2	2.1
Dried Fish	12.7	9.2	9.8	2.3	1.9	2.0	3.7	2.8
Salted tuna	1.7	1.0	1.6	0.5	0.4	0.4	0.2	0.4
Salted Reef fish	0.7	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Live fish	1.5	1.1	1.4	0.4	0.6	0.4	0.1	0.4
Fish products	1.8	1.2	1.1	0.3	0.2	0.3	0.3	0.3
Other marine products	1.0	0.8	0.6	0.2	0.2	0.1	0.1	0.1
Garments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.0	2.1	2.0	0.5	0.5	0.5	0.5	0.4
Re- exports	90.2	120.2	204.6	91.3	46.4	37.9	29.0	29.3

Source: Maldives Customs Service

Table 9. Composition of Imports, 2006 - March 2009*(In millions of US dollars)*

	2006	2007	2008	2008				2009
				Q1	Q2	Q3	Q4	Q1
Total imports c.i.f.	926.5	1,096.3	1,387.5	393.2	338.4	366.4	289.5	229.4
Private imports	617.5	782.2	916.7	239.0	225.2	251.5	201.0	174.7
Private (excluding tourism)	423.4	518.4	628.3	165.9	150.5	175.3	136.6	122.2
Tourism	194.1	263.8	288.4	73.0	74.7	76.2	64.4	52.5
Total public imports	309.0	314.1	470.8	154.2	113.2	114.9	88.5	54.7
Public enterprises	247.0	266.5	375.3	88.3	102.4	104.8	79.7	50.5
Government	62.0	47.6	95.5	65.9	10.8	10.1	8.8	4.2
Total imports c.i.f.	926.5	1,096.3	1,387.5	393.2	338.4	366.4	289.5	229.4
Consumer Goods	317.7	368.2	458.6	111.2	113.1	121.1	113.1	97.9
Food Items	141.2	175.0	211.3	54.4	49.2	55.5	52.0	47.9
Rice	7.5	9.7	14.2	3.9	2.8	3.9	3.6	2.8
Wheat	5.7	7.8	13.5	4.4	2.4	4.2	2.4	2.7
Sugar	6.1	5.0	4.5	0.9	0.7	2.0	1.0	0.5
Beverages	15.8	20.2	21.9	5.7	5.2	5.0	6.0	5.3
Other food items	106.0	132.4	157.2	39.6	38.0	40.5	39.1	36.5
Tobacco	7.2	7.2	8.7	2.1	2.0	2.3	2.3	2.3
Pharmaceuticals	6.9	7.5	10.7	2.8	2.4	2.9	2.6	2.3
Other consumer goods	162.4	178.4	227.9	51.8	59.5	60.4	56.3	45.4
Petroleum Products	181.4	202.9	298.2	80.8	68.5	97.1	51.7	41.5
Petrol	15.8	20.5	23.1	6.7	4.9	8.0	3.5	3.4
Diesel (Marine gas oil)	145.2	166.5	234.5	50.4	59.2	80.3	44.7	29.8
Aviation gas	9.0	7.2	22.4	14.4	1.7	4.5	1.7	5.7
Other petroleum product (Lubricating oil, Kerosene)	11.5	8.7	18.2	9.3	2.7	4.3	1.8	2.5
Intermediate & Capital Goods	427.4	525.2	630.8	201.1	156.7	148.2	124.7	90.0
Construction	121.2	172.3	194.9	42.8	52.3	62.8	37.0	29.8
Cement & Cement products	13.6	16.1	20.3	3.9	5.3	5.0	6.1	2.9
Wood for construction purposes	44.4	58.8	64.6	12.7	17.4	21.6	12.9	9.0
Base metal & articles of base metal for construction purposes	31.8	42.0	51.0	12.2	12.9	17.5	8.3	6.6
Other construction related	31.4	55.3	58.9	14.0	16.6	18.7	9.7	11.2
Paper	2.4	2.9	3.5	0.8	1.1	0.9	0.7	0.7
Medical / Surgical supplies	5.7	4.8	5.2	1.6	1.1	1.2	1.3	0.8
Computer equipments and supplies	13.7	15.3	15.9	4.4	4.6	4.3	2.6	3.3
Machinery & mechanical appliances	18.9	22.5	25.7	6.3	6.4	6.5	6.4	4.9
Textiles	7.3	8.4	9.6	2.6	2.3	2.6	2.1	1.6
Chemicals & chemical products	6.5	7.2	7.7	1.9	2.3	1.9	1.6	1.5
Transport equipments and parts	76.1	78.8	155.9	85.1	31.9	13.7	25.3	12.5
Other Intermediate and Capital goods	175.4	213.0	212.4	55.7	54.6	54.4	47.6	34.9

Source: Maldives Customs Service

Table 10. Exchange Rates, 2006 - March 2009*(Rufiyaa per foreign currency; end of period mid rate)*

		U.S. dollar	Japanese yen	Singapore dollar	Indian rupee	Sri Lankan rupee	Great Britain Pound	Euro	SDR
2006	March	12.8000	0.1122	7.8882	0.2942	0.1287	22.0321	15.1936	18.4042
	June	12.8000	0.1132	8.0366	0.2823	0.1273	23.4698	16.0708	18.7808
	September	12.8000	0.1119	8.0728	0.2841	0.1290	23.8601	16.0762	18.9396
	December	12.8000	0.1116	8.3020	0.2940	0.1227	25.0656	16.7464	19.2563
2007	March	12.8000	0.1118	8.4433	0.3043	0.1213	25.0527	16.8988	19.3695
	June	12.8000	0.1069	8.2981	0.3244	0.1192	25.1743	16.9180	19.3836
	September	12.8000	0.1142	8.5431	0.3286	0.1165	25.3542	17.6970	19.9251
	December	12.8000	0.1164	8.8257	0.3332	0.1213	25.8137	18.4527	20.2272
2008	March	12.8000	0.1324	9.2389	0.3284	0.1228	25.1379	19.4178	21.0496
	June	12.8000	0.1221	9.3591	0.3054	0.1228	24.8336	19.4345	20.9103
	September	12.8000	0.1227	8.9823	0.2864	0.1225	23.2408	18.3885	19.9324
	December	12.8000	0.1476	8.7767	0.2782	0.1181	18.9404	17.6821	19.7155
2009	March	12.8000	0.1316	8.4337	0.2565	0.1143	18.3996	16.8533	19.1369

Source: Maldives Monetary Authority

Maldives Monetary Authority

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