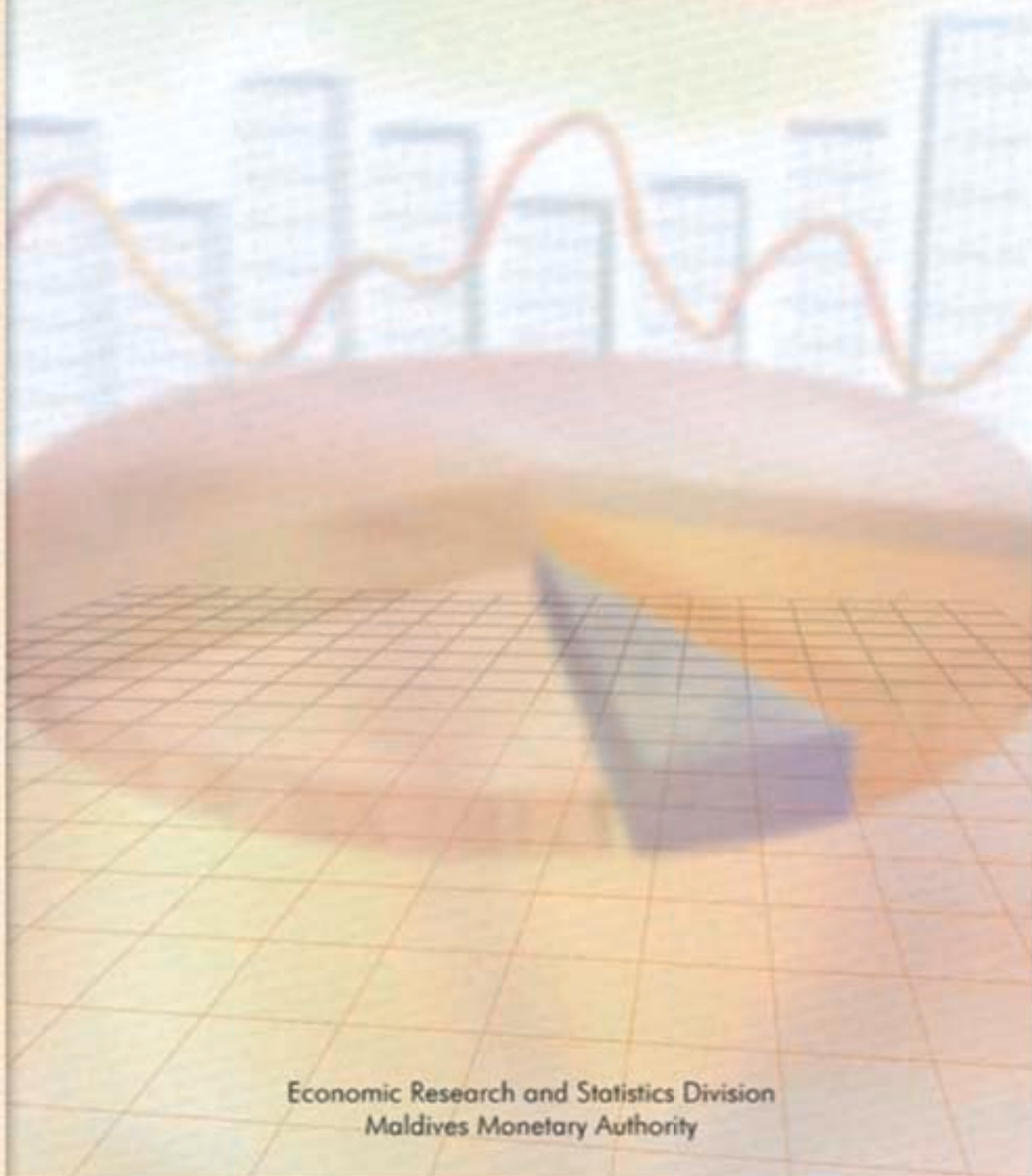


Quarterly Economic Bulletin

SEPTEMBER 2001

Vol. VII / No. III



Economic Research and Statistics Division
Maldives Monetary Authority

This Bulletin is compiled by the Economic Research and Statistics Division (ERSD) of the Maldives Monetary Authority (MMA). It covers developments in the domestic economy during the third quarter of 2001. The analyses are based on information provided by relevant government authorities, commercial banks operating in the country, public enterprises and other private sector sources, as at 30th November 2001. 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.

Contents

1. Overview	5
2. Production, Prices and Labour Force	6
3. Public Finance	12
4. Money and Credit Developments	13
A. Operations of the Commercial Banks	15
B. Interest Rate Developments	17
5. External Sector	18
A. International Trade	18
B. Balance of Trade	20
C. External Assets	21
D. Exchange Rate	21

Text Tables

Table I. Tourism Indicators	6
Table II. Consumer Price Index	10
Table III. Commercial Bank Interest Rates	17

Charts

Chart I. Tourist Bednights	7
Chart II. Tourist Arrivals	7
Chart III. Fish Catch	8
Chart IV. Government Revenue	12
Chart V. Government Expenditure	13
Chart VI. Domestic Credit	14
Chart VII. Net Foreign Assets	15
Chart VIII. Money Supply	15
Chart IX. Sectoral Credit	16
Chart X. Total Deposits	17
Chart XI. Domestic Exports	18
Chart XII. Fish Export Earnings	19
Chart XIII. Major Fish Exports	19
Chart XIV. Imports By Sectors	20
Chart XV. Merchandise Trade	21
Chart XVI. Bilateral Exchange Rates	22

Statistical Appendix

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

Key Economic Indicators, 1998 - 2001

	1998		1999		2000			2001			2001		
					Jul	Aug	Sep	QTR3	QTR2	Jul	Aug	Sep	QTR3
Gross Domestic Product													
GDP (1995 constant prices) Rf mn. ^{1/}	5,575.9	5,989.1	6,278.3	-	-	-	-	-	-	-	-	-	-
% change in GDP	8.2	7.4	4.8	-	-	-	-	-	-	-	-	-	-
Consumer Price Index													
% change in CPI (12 month moving average)	-1.4	3.0	-1.2	0.9	0.8	1.0	1.0	1.0	-1.5	-1.8	-2.0	-1.8	-1.8
Tourism													
Tourist arrivals	395,725	429,666	467,154	33,027	40,563	36,878	110,468	104,052	35,461	38,744	31,726	105,931	105,931
Bed night capacity ('000)	4,546	5,348	5,788	484	497	481	1,463	1,504	509	512	498	1,520	1,520
Capacity utilization (%)	76.2	69.7	68.2	55.6	70.8	64.1	63.5	56.9	57.4	69.9	60.0	62.4	62.4
Fish Production													
Landings('000 MTs) ^{2/}	115.1	123.3	115.4	11.0	12.3	8.8	32.1	24.7	6.9	12.1	10.2	29.3	29.3
Total fish exports ('000 MTs) ^{3/}	29.8	37.6	28.3	1.0	1.6	2.1	4.6	4.5	5.2	1.4	2.5	9.2	9.2
Total fish exports (US\$ mn.) ^{3/}	51.9	34.4	34.0	1.6	3.1	3.6	8.3	5.5	6.2	2.7	3.5	12.4	12.4
Money and Banking (Rf mn)													
Net foreign assets	1,490.5	1,405.4	1,312.2	1,418.2	1,378.6	1,324.7	1,324.7	1,351.7	1,451.6	1,352.0	1,280.4	1,280.4	1,280.4
Domestic credit	2,091.4	2,259.3	2,586.8	2,585.8	2,663.2	2,670.6	2,670.6	2,827.1	2,902.6	2,955.3	3,033.4	3,033.4	3,033.4
Change in net claims on Government	9.5	87.1	234.8	-113.4	97.2	-17.9	-34.1	44.9	-82.3	4.1	1.6	-76.6	-76.6
Total liquidity	2,828.7	2,929.8	3,049.8	3,248.5	3,200.9	3,144.5	3,144.5	3,419.1	3,409.9	3,261.7	3,262.7	3,262.7	3,262.7
Balance of Payments (US\$ mn) ^{4/}													
Exports (f.o.b) ^{5/}	95.6	91.5	108.7	5.7	11.4	8.6	25.7	23.7	11.6	8.4	9.6	29.6	29.6
Imports (f.o.b)	-311.5	-353.9	-342.0	-30.8	-28.3	-28.5	-87.6	-86.0	-26.0	-31.4	-25.1	-82.5	-82.5
Trade balance	-215.9	-262.4	-233.3	-25.1	-16.9	-19.9	-61.9	-62.3	-14.4	-23.0	-15.5	-52.9	-52.9
Services (net)	204.3	203.6	208.8	-	-	-	-	-	-	-	-	-	-
Non-monetary capital (net)	52.3	74.3	45.1	-	-	-	-	-	-	-	-	-	-
Overall balance	29.1	-7.2	-7.9	1.4	-3.4	-4.6	-6.5	-5.2	7.8	-7.8	-5.6	-5.6	-5.6
Gross International Reserves (US\$ mn) ^{6/}	119.9	128.5	124.1	129.2	125.7	124.5	124.5	125.4	121.1	115.0	106.1	106.1	106.1
Exchange Rate													
Rufiyaa / US\$ (Period average mid rate)	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	12,2850	12,8000	12,8000	12,8000
Rufiyaa / US\$ (End of period mid rate)	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	11,7700	12,8000	12,8000	12,8000	12,8000

1/ GDP figures are revised estimates (revised on 1st May, 2001).

2/ Figures for July - Sep, 2001 data are estimates, not included EEZ.

3/ Excluding live tropical fish.

4/ BOP figures for 1998 - 2000 are revised estimates.

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

6/ Foreign Assets of MIMA

Source: MMA, MOFA, MOT, MPND, Customs

1. Overview

The third quarter of 2001 witnessed the implementation of key monetary reforms and a devaluation of the rufiyaa vis-à-vis the US dollar. In the move towards a more market oriented regulatory framework, the bank specific credit ceiling that had been in place since June 1995 was eliminated at the beginning of the quarter. This was followed by the opening up of the Certificate of Deposits (CDs) market to include public enterprises, and the provision of a Lombard facility to banks for their short-term liquidity needs. Interest rate reforms were implemented in mid-August, with the elimination of the maximum spread on rufiyaa rates. The rufiyaa was devalued, with effect from 25th of July in the interest of market alignment following a period of disequilibrium in the foreign exchange market.

However, the true effect of these measures was not clearly seen, as the domestic economic environment was almost immediately severely disrupted by unforeseen external events, namely the terrorist attacks at the international airport in Sri Lanka on July 24th and the September 11th terrorist attacks in the USA. Before the economy could recover from the incident in Sri Lanka, the September 11th attacks that followed struck a massive blow to the already weak tourism activities. As a result, tourist arrivals dropped dramatically in the latter part of the quarter, sending ripple effects throughout the economy due to the strong linkages the tourism sector has with the rest of the economy. Hence, the performance of the distribution and the construction sectors were sluggish during the review quarter. As regards the performance of the fisheries sector, fish landings showed major improvements on quarterly terms, but declined on annual terms. However, both the volume and the earnings from fish exports increased in the review quarter, relative to the previous as well as the corresponding quarter of 2000.

On the financial side, after deteriorating in the first and second quarter of the year, the government's overall fiscal position improved during the third quarter of 2001 when compared to both the previous quarter as well as the corresponding period of 2000. The improvement came from a combination of higher receipts from bank profit tax and import duties as well as expenditure restraint. As such, after a rise in net claims on government by the banking system during the second quarter of this year, it fell during the review period. However, with the elimination of the aggregate credit ceilings (that were in place since June 1, 1995) on July 1, 2001, the commercial banks accelerated their lending operations to the private sector. Hence, credit to

the private sector, which accounts for over half of the total domestic credit, rose significantly on quarterly as well as annual terms. As a result, developments in total domestic credit followed the same trend, though at a smaller magnitude. The sharp deterioration of the net foreign assets of the banking system during the review quarter mitigated the increase in total domestic credit, reducing the total liquidity of the banking system on quarterly terms. However, total liquidity registered a positive growth in the twelve months to September 2001.

As regards the external accounts, the increase in total merchandise exports concurrent with lower merchandise imports, improved the trade account deficit in the review quarter, both on quarterly and annual terms.

2. Production, Prices and Labor Force

Following the September 11th terrorist attacks on the World Trade Centre, amid a weakening global economy, the domestic economy faced some setbacks in the third quarter of the year. As the tourism sector has backward and forward linkages with the rest of the economy, the contraction in the tourism activities in the third quarter of the year had ripple effects throughout the economy.

Table 1. Tourism Indicators, 1998 - September 2001

In thousands

	1998	1999	2000				2001		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total visitor arrivals	419.8	456.0	147.9	102.1	117.4	128.7	159.9	111.3	113.4
Tourist arrivals	395.7	429.7	139.7	94.5	110.5	122.5	150.0	103.1	105.9
Bed capacity ^{1/}	12.5	14.7	15.5	15.7	15.9	16.1	16.2	16.5	16.5
Bed nights	3466.5	3718.2	1187.9	803.7	929.6	1015.5	1264.5	854.7	949.0
Bed capacity utilisation %	76.2	69.7	84.1	56.4	63.5	68.7	86.6	56.9	62.4

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

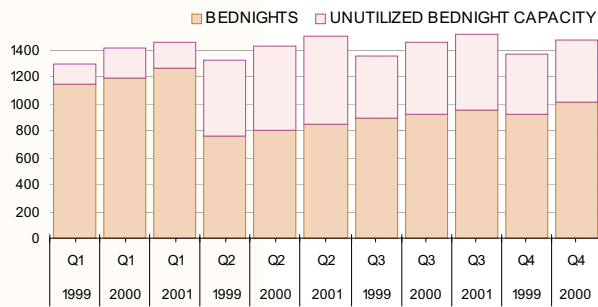
Source: Ministry of Tourism

In the past years, tourism activities normally slacken during the second quarter of the year and pick up in the third quarter, reflecting the seasonal trends. However, during this year after the slow down in the second quarter, tourism activities in the third quarter were negatively affected by the bomb blasts at the international airport in Sri Lanka in July and by the September 11th terrorist attacks in the USA on the World Trade Centre. Hence, compared to the corresponding months of 2000, tourist arrivals, after increasing by 7 percent in July 2001 dipped by 4 percent in August 2001 and declined by a staggering 14 percent in September 2001. As a result, tourist arrivals in the third quarter of 2001 registered a decline of 4 percent compared to the corresponding quarter of 2000, while increasing slightly by 2 percent against the previous quarter. In terms of absolute

numbers tourist arrivals stood at 105.9 thousand during the review quarter, around 110.5 thousand during the corresponding period in 2000, and 104.1 thousand during the previous quarter of this year. **Average length of stay**, meanwhile, has increased from 8.4 days in the third quarter of 2000

Chart I. Tourist Bednights

In thousands



Source: Ministry of Tourism

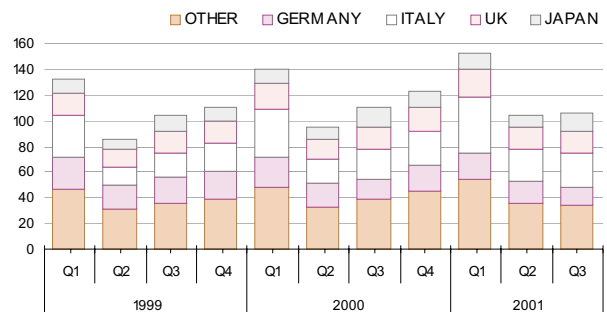
and 8.3 in the second quarter of this year to 8.9 in the review quarter. Hence, despite the decline in tourist arrivals in the review quarter, growth in **total tourist bednights** showed a slight improvement of 2 percent compared with the same period a year ago, and a considerable increase of 11 percent relative to the second quarter of this year. However, this quarterly increase was lower than the growth in bednights between the second and the third quarter of 1999 and 2000, which

were 17 and 16 percent, respectively. As regards the capacity of the industry, with the opening of a new resort in February of this year, bed capacity during the second and third quarter of 2001 stood at 16,527 and 16,518 beds, respectively, which is about a 4 percent increase from the third quarter of 2000. As the growth in annual bednights was smaller than the growth in bed capacity, capacity utilization in the industry stood at 62 percent in the review quarter, down from 64 percent in the corresponding quarter of 2000. Due to the seasonality aspect this was 57 percent in the second quarter of this year.

The largest number of European tourists normally visits the country during their winter months, which coincide with the first quarter of the year. As such, observing the trends in the last 5 years show that, of the total European tourists on average about 31 percent arrives in the first quarter, 19 percent in the second quarter, 23 percent in the third quarter and 27 percent in the last quarter. In contrast, tourists from Asian countries tend to be somewhat higher, on average, in the third quarter at around 28 percent, while the first quarter receives 24 percent, second quarter 21 percent and the last quarter 26 percent. As regards the market share during the review quarter, the majority of the tourists arrived from Europe accounting for 75 percent

Chart II. Tourist Arrivals

In thousands

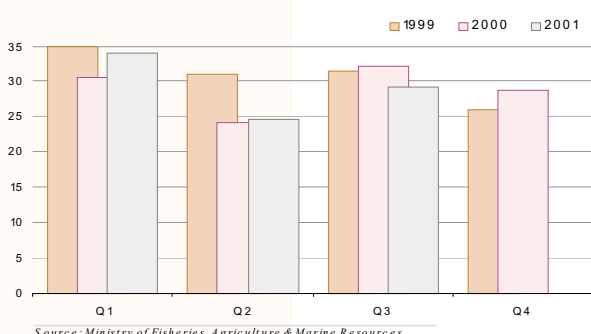


Source: Ministry of Tourism

of the total, followed by Asia with 22 percent. Of the individual countries, 24 percent of the total tourists arrived from Italy, 16 percent from the United Kingdom, 13 percent from Germany and 14 percent from Japan.

As regards the growth rates of the major tourism markets in the review quarter, tourists from Europe showed a decline of 2 percent on annual terms and 0.2 percent on quarterly terms. Despite the decline in total arrivals, the number of Italian tourists who visited the country increased during the review quarter, recording 25.8 thousand, compared with 24.7 thousand in the preceding quarter and 23.9 thousand in the corresponding quarter of 2000. This represents a quarterly increase of 5 percent and an annual increase of 8 percent. However, arrivals from Germany and United Kingdom registered negative growth rates, both quarterly and annually, though the magnitude of decline was much smaller from the UK market. As such, German tourists who visited the country were down by 13 percent compared to the preceding quarter and by 10 percent compared to the third quarter of 2000. Meanwhile, arrivals from smaller markets such as France, Sweden and Switzerland, which together comprises less than 10 percent of the market, registered positive growth rates in the review quarter compared to the corresponding quarter of 2000, but were negative compared to the preceding quarter. In contrast, tourist arrivals from the Asian countries showed a quarterly improvement of 13 percent but an 8 percent decline on annual terms. Tourists from Japan, who account for over 60 percent of the tourists from Asia, increased by 48 percent from the preceding quarter, whilst recording a 4 percent decline over the corresponding quarter of 2000.

Chart III. Fish Catch
In thousands of metric tonnes



The relative contribution of the fisheries sector to the country's Gross Domestic Product¹ has declined from over 10 percent of GDP in the early 1990s to about 5 percent in 2001. The sector, after registering a negative growth of 4 percent in 2000, is estimated to decline by a further 4 percent in 2001. However, in terms of employment, fishery continues to be an important economic activity to a large majority of the country's population. According to the leading indicators, fishery activities picked up in the review quarter, with fish landings totalling 29.3 thousand metric tonnes, compared with 24.7

¹ The GDP figures used in the analysis are based on GDP series revised on May 1, 2001.

thousand metric tonnes in the preceding quarter. This reflected an increase of over 18 percent. However, compared with the third quarter of 2000, fish landings in the review quarter showed a decline of 9 percent. Of the total fish catch, about 19 percent of the fish was bought by Maldives Industrial Fisheries Co. Ltd (MIFCO), the largest commercial buyer of fish in the country. Moreover, the volume of fish bought by MIFCO during the review quarter was 25 percent higher than the second quarter of this year and 21 percent higher than the corresponding quarter of 2000.

As regards the export trends of the fisheries sector, the review quarter registered significant improvements, both on quarterly as well as on annual terms. The volume of fish (excluding live tropical fish) exported during the review quarter stood at 9.0 thousand metric tonnes, a significant increase from 4.5 thousand and 4.6 thousand metric tonnes recorded in the second quarter of this year and the third quarter of last year, respectively. In terms of percentage changes, these reflect a quarterly increase of over 98 percent and an annual increase of around 95 percent. The number of live tropical fish exported during the review quarter increased to 156.6 thousand, from 153.5 thousand in the preceding quarter and 111.3 thousand in the third quarter of 2000. Reflecting the higher quantity exported during the review quarter, total earnings from marine exports registered a quarterly increase of 108 percent and an annual increase of 50 percent. Hence, such export earnings totalled US\$15.1 million in the review quarter as against US\$ 7.3 million in the second quarter of this year and US\$ 10.0 million in the third quarter of last year. (It is important to note that the second quarter of this year and the third quarter of last year, which the review quarter has been compared with, have been quarters with very poor export performance). Although, the cumulative total of export earnings in the first nine months of this year was 4 percent higher than the corresponding period of last year.

The **distribution sector** (mainly wholesale and retail trade) plays a key role in the domestic economy, and is closely linked to the developments in the tourism, fisheries and the construction sectors. The distribution sector has accounted for around 4 percent of GDP and has witnessed an annual average growth of around 5 percent in recent years. Following the downturn in tourism activities and the resultant slow down in aggregate demand, imports by the private sector² (excluding tourism related imports) registered negative growth rates when the review quarter is compared to both the preceding quarter as well as the corresponding quarter of 2000. As such,

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

imports by the private sector (excluding tourism related imports) has dropped from US\$ 54.4 million in the third quarter of 2000 to US\$ 53.4 million in the second quarter of 2001 to US\$ 50.9 million in the review quarter. In terms of percentage changes, these reflect a quarterly decline of 5 percent and an annual decline of 7 percent. However, credit extended to the sector during the review quarter shows an increase of more than 55 percent on annual terms and by 17 percent on quarterly terms.

The **construction sector** accounting for about 3 percent of the GDP in recent years grew strongly between 1997-1999, before declining dramatically by 24 percent in 2000. However, the activities in the sector are expected to pick up in 2001, with the sector estimated to grow at 2 percent during the year, according to GDP figures. Although import of construction materials (mainly cement, steel and timber) into the country during the review quarter stood 4 percent lower than the previous quarter, such imports during the first nine months of the year registered a 32 percent increase compared to the corresponding period of 2000. Meanwhile, the stock of bank loans and advances extended to the sector grew strongly during the review quarter, increasing by 9 percent relative to the previous quarter and by 21 percent relative to the corresponding quarter of 2001.

The average consumer price **inflation**, measured by changes in the consumer price index (CPI), is largely influenced by price developments relating to imports into the country and by the domestic demand and supply of fish. Price developments during the review quarter were influenced by both the devaluation of rufiyaa against the country's major trading currency, the US dollar, and the increase in freight and insurance charges on food prices (excluding fish) following the bomb blasts at the

Table 2. Percentage change in CPI, 1998 - 2001^{1/}

Base (June 1995 = 100)

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

^{1/} Figures relate to 12 months moving average index.

Source: Ministry of Planning and National Development

international airport in Sri Lanka in August. As rufiyaa was devaluated on the same day as the incident in Sri Lanka, it is difficult to distinguish the effects of the two events separately.

The twelve-month moving average of inflation, after a 1 percent increase in September 2000 has since been negative, with a decline of 2 percent in both June and September of this year. As the substantial decline in fish prices have dampened the increase in consumer price index in the year to September 2001, the twelve-month moving average of inflation, excluding fish prices, showed a slight increase of 0.3 percent at the end of the review quarter. Hence, the twelve-month moving average of fish prices dropped by around 19 percent in the review quarter in the year to September 2001, whilst food prices, excluding fish, rose by about 1 percent during the period.

As regards the point-to-point change in inflation, the annual inflation rate showed a sharp reversal of the downward trend experienced in recent months, registering an increase of 4 percent at the end of the review quarter. However, as regards the quarterly trends, the massive decline in fish prices by 49 percent in the three months to September 2001, offset the 11 percent increase in food prices, resulting in a quarterly inflation rate of negative 3 percent at the end of the review quarter. Meanwhile, the point-to-point change in CPI, excluding fish, between June and September of this year, registered an increase of 4 percent.

There is no quarterly data on the level of total **employment** or earnings. Reflecting the small local labor force and the relatively rapid growth in economic activities, the labor market condition continues to be characterized by excess demand. The shortage is met mainly by expatriate labor, and essentially from the neighboring countries burdened with relatively high unemployment rates. According to official data, total expatriate workforce grew by less than 2 percent between June to September, 2001. However, since the end of December 2000, the number of expatriates has grown by 9 percent. In absolute terms, the expatriate workforce increased from 27,562 at the end of last year to 29,610 at the end of June 2001 to 30,137 at the end of September 2001. The data also reveal that about 30 percent of the expatriates were employed in the tourism sector and about 16 percent in the construction sector, during the review quarter.

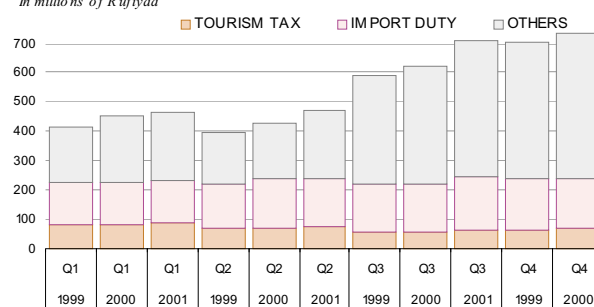
3. Public Finance

The government's overall fiscal position improved during the third quarter of 2001 when compared to both the previous quarter as well as the corresponding period of 2000. Preliminary data on recurrent revenue and budget expenditure suggests that around 63 percent and 67 percent, respectively, of total budgeted figures for 2001 has been achieved by the end of September 2001.

Total domestic revenue (excluding cash grants and fund accounts) shows an increase of around 50 percent compared to the previous three months and around 14 percent when set against the same period of 2000. This growth is primarily on account of transfers from public entities, as such transfers are made during the second half of the year. The total non-tax revenue (about 56 percent of the total revenue of the quarter) increased by more than 19 percent compared to the third quarter of 2000 and around 89 percent relative to the previous quarter.

Chart IV. Government Revenue

In millions of Rufiyaa



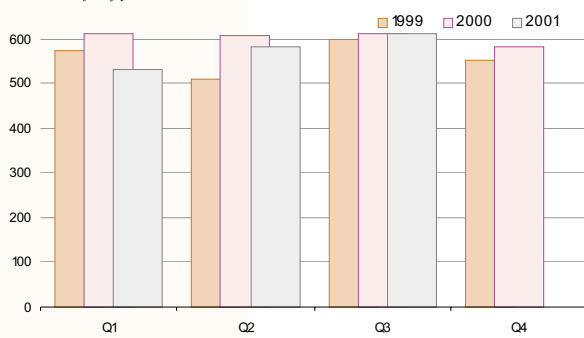
Source: Ministry of Finance & Treasury

Quarterly growth of tax revenue registered an increase of around 19 percent in the review quarter, after a decline of 1 percent during the second quarter of this year. Compared to a year ago, such revenues grew by around 7 percent. The improvement in tax revenue is attributed to the growth in import duties and bank profit tax. The latter component is usually received in the third quarter of the year, and was more than 13 percent higher in 2001, compared to last year. Meanwhile, import duty receipts (the major tax item, accounting for around 58 percent of total tax revenue and around 25 percent of total government recurrent revenue) rose by 11 percent relative to the second quarter and by 8 percent compared to the corresponding period of 2000. Tourism tax (contributing around 21 percent to total tax revenue and 9 percent to total recurrent revenue), reflecting the developments in the tourism sector, fell by 17 percent relative to the previous quarter, but depicted a growth of 11 percent from a year ago.

On the **expenditure** side, total government budget expenditure during the third quarter (108 percent of the forecasted expenditure for the period) registered an increase of around 5.4 percent compared to the previous quarter. However, expenditure during the third quarter remained at around the same level as the corresponding quarter of 2000. Reflecting these developments in revenue and expenditure, the fiscal position reversed from a

Chart V. Government Expenditure

In millions of Rufiyaa



Source: Ministry of Finance & Treasury

deficit in the first two quarters of the year to a surplus in the third quarter. On annual terms, the quarterly budget surplus increased from Rf 8.5 million in the third quarter of last year to Rf 93.8 million in the review quarter. Hence, the improvement in the government's overall fiscal position enabled the government to reduce the debt stock to the banking system during the review quarter (see section 4).

4. Money and Credit Developments

During the third quarter of 2001, some monetary reforms were initiated with the aim of moving towards a more indirect monetary management and enhancing competition in the banking sector. As such, the aggregate credit ceiling on commercial banks was removed on 1st of July 2001 and the interest rate spread of 7 percent was abolished in August 2001. Furthermore, during August, MMA also established a standing facility for short-term liquidity support (lombard window) to the commercial banks and opened up MMA CD sales to the public enterprises.

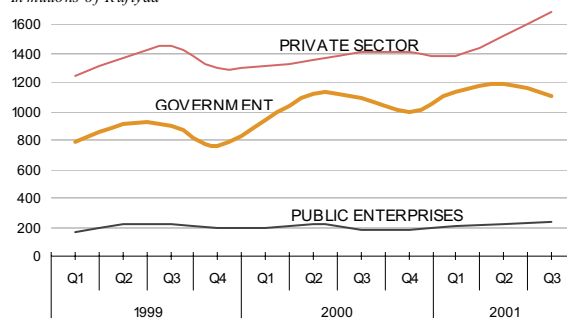
As regards money and credit developments, a marked decline in net foreign assets and a further expansion in domestic credit were observed during the review quarter. Net foreign assets (NFA) of the banking system registered a substantial fall in the review quarter relative to the previous quarters. However, given the rapid expansion in total domestic credit, the decline in NFA helped to mitigate a sharp rise in total liquidity in the review quarter.

Reflecting the removal of credit ceilings, **total domestic credit (TDC)** of the banking system showed a further quarterly increase of 4 percent in the review quarter, after a 7 percent increase in the previous quarter. In absolute terms, TDC expanded to Rf 3,033.4 million in the three months to September 2001, compared with Rf 2,927.1 million at the end of June this year. On an

annual basis, TDC also registered a significant growth of over 14 percent in the year to September 2001, which compares with 9 percent in the year to June 2001 and 4 percent in the year to September 2000.

Chart VI. Domestic Credit

In millions of Rufiyaa



Source: Maldives Monetary Authority

The rapid quarterly growth in TDC was largely attributed to the massive growth in lending to the private sector and the public enterprises. Credit extended to the private sector, which accounts for over 50 percent of the TDC, registered a quarterly growth of 10 percent in the review quarter, reflecting the same growth rate as the previous quarter. Similarly, credit to the public enterprises, which accounts for about 8 percent of TDC, accelerated from a growth of 5 percent in the three months to June 2001 to 11 percent in the review quarter. However, as is the trend in third quarter of every year, the review quarter also witnessed a decline in net credit to government by 6 percent, after increasing by 4 percent in the preceding quarter. As regards the year-on-year developments in TDC, credit to the private sector registered a growth of 20 percent in the year to September 2001 compared with a growth of 13 percent in the year to June 2001. Credit to the public enterprises showed a considerable increase of 36 percent in the year to September 2001, following a 0.2 percent decline in the year to June. Meanwhile, the annual growth in net credit to government decelerated from 5 percent in the previous quarter to 2 percent in the review quarter.

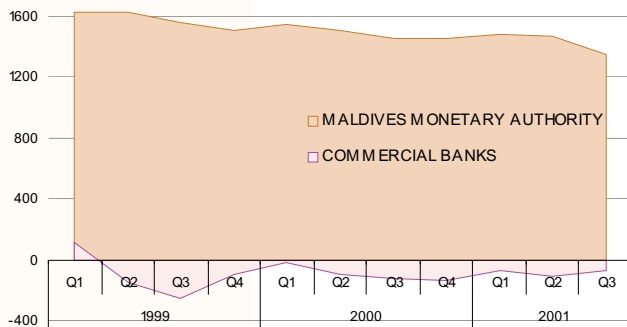
With the opening up of the MMA's CD market to include the public enterprises during August 2001, CD sales to these enterprises amounted to Rf 28.7 million at the end of the review quarter. However, the acceleration in lending activities of the commercial banks, following the removal of credit ceilings, showed a reduction of commercial banks' investments in CDs by 44 percent on annual terms and by 48 percent on quarterly terms. As a result, total investments in MMA CDs at the end of September 2001, stood at Rf 396.2 million which was 44 percent lower than at the end of June 2001 and 40 percent lower than September 2000.

Net foreign assets (NFA) position of the banking system deteriorated by 5 percent during the review quarter, falling from Rf 1,351.7 million at the end of June 2001 to Rf 1,280.4 million at the end of September 2001. On an annual basis, the rate of decline in NFA of the banking system improved slightly from 4 percent at the end of the previous quarter to 3 percent in the review quarter. This decline was largely attributed to the sharp decline in the

NFA of MMA, which registered a quarterly decrease of 8 percent in the review quarter after a less than 1 percent decline in the previous quarter. The NFA of MMA also stood 7 percent lower at the end of the review quarter compared to the corresponding period of 2000. Meanwhile, the net liability position of the commercial banks after deteriorating in the second quarter improved significantly in the review quarter, both on annual and quarterly terms.

Chart VII. Net Foreign Assets

In millions of Rufiyaa

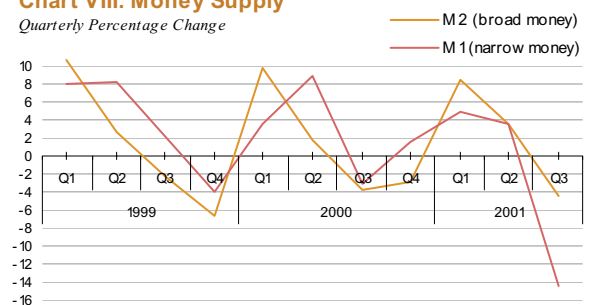


Source: Maldives Monetary Authority

Largely reflecting the decline in net foreign assets, **total liquidity** (M2) of the banking system (consisting of narrow money and quasi money) contracted by 5 percent, on a quarterly basis, to Rf 3,262.7 million at the end of the review quarter, compared to 4 percent or Rf 3,419.1 million at the end of the previous quarter. Year-on-year developments reflect an increase of Rf 118.2 million or of 4 percent in the 12 months to September 2001, compared to an increase of Rf 152.6 million or of 5 percent in the 12 months to June. As regards the components of total liquidity, narrow money supply (M1 - consisting of rufiyaa demand deposits and currency in circulation), which grew by 3 percent in the 3 months to June, declined sharply by 15 percent in the 3 months to september 2001. On annual terms, this declined by 6 percent at the end of September 2001 compared to an increase of 7 percent at the end of June. Due to the rapid increase in foreign currency deposits held by commercial banks, quasi-money (consisting of fixed-deposits held in rufiyaa and foreign currency deposits) registered a quarterly increase of 8 percent at the end of September 2001, compared with a 4 percent growth during the previous

Chart VIII. Money Supply

Quarterly Percentage Change



Source: Maldives Monetary Authority

quarter. A similar pattern was observed in the annual growth rates, which accelerated from 2 percent at the end of June to 16 percent at the end of September 2001. The proportion of foreign currency deposits to broad money supply increased to 43 percent at the end of the review quarter compared with a ratio of 37 percent at the end of the previous quarter.

A. Operations of the Commercial Banks

Commercial banks' activities in the review quarter showed an expansion on annual terms, but contracted relative to the previous quarter. The growth in total assets and liabilities of commercial banks accelerated from 5 percent in the year to June 2001, to around 9 percent in the year to September 2001. In terms of quarterly developments, total assets and liabilities declined from Rf 4,179.7 million at end-June to Rf 4,077.3 million at end-September, 2001. This reflects a decline of 2 percent, compared with the quarterly increase of 5 percent registered in the previous quarter.

Total reserves of commercial banks (accounting for about 41 percent of total assets) decreased by 8 percent or by Rf 140.7 million in the 12

months to September 2001, compared to a 2 percent increase or Rf 46.5 million in the 12

months to June. On a quarterly basis, total reserves declined by 15 percent in the review quarter after a growth of 2 percent in the previous quarter. With the removal of the aggregate credit ceiling that was in place, commercial

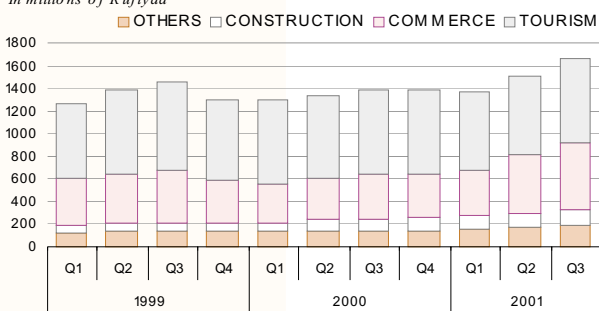
banks' lending activities (accounting for 47 percent of the total assets) grew at a significant

pace in the review quarter registering a quarterly

growth rate of 11 percent and an annual rate of 22 percent. This showed an increase from Rf 1,578.8 million at the end of September 2000 to Rf 1,734.6 million at the end of June this year to Rf 1,925.1 million at the end of the review quarter. As regards the lending to various sectors of the economy during the quarter, credit facilities extended to the tourism sector had the highest share in the portfolio, followed by commerce and construction. The stock of credit to the tourism sector (forming around 45 percent of the total bank credit) rose to Rf 746.7 million by the end of the review quarter; though registering a slight decline of less than 1 percent in the year to September 2001. The rate of decline of such credit was higher

Chart IX. Sectoral Credit

In millions of Rufiyaa



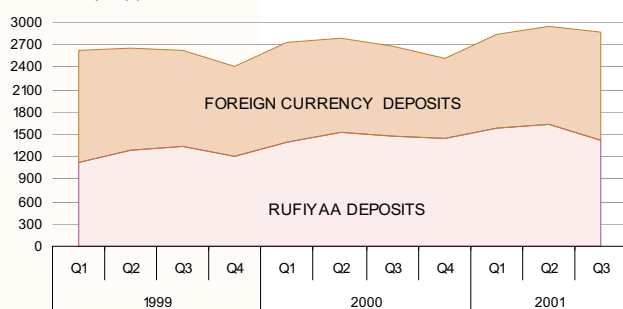
Source: Maldives Monetary Authority

at 4 percent in the year to June 2001. In terms of quarterly growth, credit to this sector showed a 6 percent increase from the previous quarter. Loans and advances to the construction sector also expanded by 9 percent relative to the previous quarter and by 21 percent relative to the corresponding quarter of 2000. Credit to the commerce sector grew by 56 percent when compared to the corresponding quarter of 2000 and by about 17 percent from the

previous quarter - increasing the stock of credit from Rf 513.6 million at end-June to Rf 600.9 million at end-September, 2001.

Chart X. Total Deposits

In millions of Rufiyaa



Source: Maldives Monetary Authority

On the liabilities side, reflecting mainly the strong growth in foreign currency deposits, **total deposits** with the banks at the end of review quarter increased to Rf 2,865.6 million compared with Rf 2,689.3 million at the end of the corresponding quarter of 2000. This reflects an annual growth of 7 percent. However, due

to the significant quarterly decline in local currency deposits in the review quarter, total deposits registered a 3 percent decline relative to the previous quarter. Foreign currency deposits which accounts for almost 50 percent of total deposits increased by 9 percent in the 3 months to September 2001, after a 2 percent increase in the 3 months to June. Meanwhile, the growth of such deposits accelerated rapidly from 2 percent in the year to June 2001 to 17 percent in the year to September. In contrast, Rufiyaa deposits in the review quarter registered a quarterly decline of 12 percent and an annual decline of 2 percent, compared to growth rates of 5 percent and 8 percent, respectively, in the previous quarter.

Reflecting the improvements in the foreign assets of the commercial banks, the net liability position improved in the review quarter by over 40 percent, on annual as well as quarterly terms.

B. Interest Rate Developments

During the review quarter, the interest rate band of 7 percentage point spread between deposits and loans and advances denominated on rufiyaa was eliminated. However, commercial banks,

Table 3. Commercial Bank Interest Rates

In percent

	LENDING RATES		DEPOSIT RATES			
	Rf	US\$	SAVING		TERM	
	Rf	US\$	Rf	US\$	Rf	US\$
December 2000	12 - 13	14 - 15	5 - 6	5.5 - 6	5 - 6.5	5.5-6.8
March 2001	12 - 13	14 - 15	5 - 6	5.5 - 6	5 - 6.5	5.5-6.8
June 2001	12 - 13	14 - 15	5 - 6	5.5 - 6	5 - 6.5	5.5-6.8
September 2001	12 - 13	14 - 15	5 - 6	5.5 - 6	5 - 6.5	5.5-6.8

Source: Maldives Monetary Authority

by and large, operated under the same interest rate structure as in the past quarters. US dollar lending rates have been above rufiyaa rates, and have ranged between 14-15 percent (same as the previous quarter) and rufiyaa rates have ranged between 12 - 13 percent during the review period. Similarly, interest rates paid on foreign currency deposits have been slightly higher than rufiyaa deposits at 5.5 percent to 6 percent for savings deposits and 5.5 percent to slightly above 6.8 percent for fixed deposits. With regard to rufiyaa deposit rates, the minimum stood at 5 percent (on savings deposits) and the maximum reached 6.5 percent on term deposits.

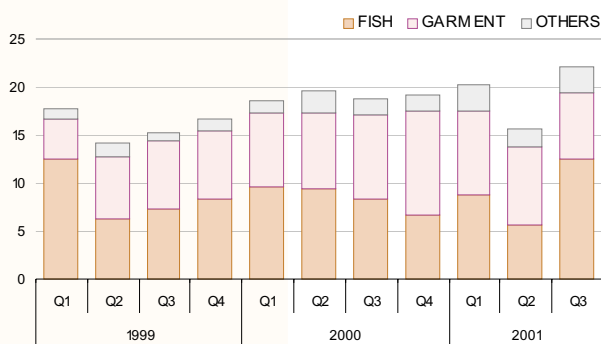
5. External Sector

A. International Trade

The performance of the **export sector** showed some improvements in the review quarter, after a significant decline during the preceding quarter. The value of merchandise exports f.o.b. rose by 25 percent from the previous quarter and by 15 percent from the corresponding period of 2000. In absolute terms, receipts from merchandise exports registered US\$ 29.6 million in the review quarter, compared with US\$ 23.7 million during the previous quarter and US\$ 25.7 million in the same period a year ago.

Chart XI. Domestic Exports

In millions of US Dollars

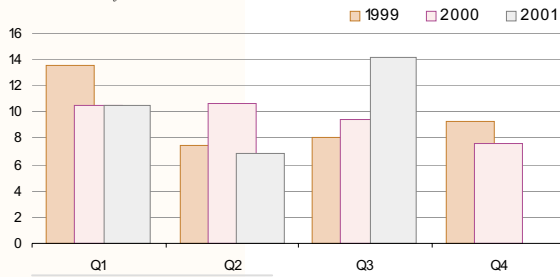


Source: Maldives Customs Service

Total exports constitute of domestic exports (which accounted for about 74 percent during the review period) and re-exports. During the review quarter, fish exports (excluding live tropical fish) which constituted around 83 percent of marine exports and 57 percent of domestic exports, showed massive increases both in value and volume of exports. The value of such exports increased by more than 125 percent on a quarterly basis and by over 50 percent on an annual basis, recording US\$ 12.4 million in the review quarter compared with US\$ 5.5 million in the previous quarter, and US\$ 8.3 million in the corresponding quarter of last year. At the same time, the volume of fish exports (excluding live tropical fish) stood at 9.0 thousand metric tonnes - almost double the level of the previous quarter as well as the corresponding quarter of 2001. This increase in fish exports is largely attributable to the improvement in exports

Chart XII. Fish Export Earnings

In thousands of US Dollars



Source: Maldives Customs Service

of frozen non-reef fish and canned fish, earnings of which together contributed about 65 percent to the total earnings from fish export.

As regards the developments of the major categories of fish exports, the volume of frozen non-reef fish, after experiencing a significant drop in the second quarter, rose by more than 55 percent in the review quarter. However, the magnitude of increase in earnings of such exports was much

higher at about 128 percent, reflecting a significant improvement of 47 percent in unit values. Similarly, the volume of export of canned fish after a record low of 0.6 thousand metric tonnes in the second quarter, earning a mere US\$ 0.7 million, rose to 3.2 thousand metric tonnes in the review quarter with earnings of US\$ 4.1 million. On annual terms, the volume increased by 37 percent and the earnings increased by 28 percent. The unit value of canned fish, meanwhile, was 4 percent higher than the previous quarter, but stood 6 percent lower than the corresponding quarter of 2000. Export earnings from dried fish, accounting for about 24 percent of fish export earnings, increased by 42 percent on quarterly terms and by 7 percent on annual terms. The volume of such exports also rose by the same magnitude, reflecting the relatively

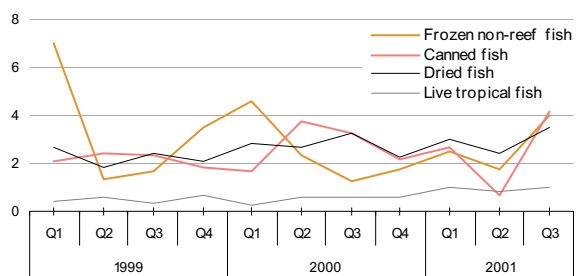
little variation in unit prices during the period. Both the value and the volume of exports of live tropical fish increased during the review quarter, by 16 percent and 2 percent respectively, compared to the preceding quarter. Moreover, com-

pared to the third quarter of 2000, the review quarter registered increases of 83 percent in earnings and 41 percent in volume of such exports.

With regard to the export of garments, earnings from such exports contributed to about 23 percent of the total merchandise export earnings, in the review quarter. However, the review quarter witnessed a decline in the earnings from garments exports by 17 percent compared to the preceding quarter and by 22 percent compared to the corresponding quarter of 2000. The volume of garments exports registered a quarterly decline of 8 percent but rose marginally by 1 percent compared to the third quarter of 2000.

Chart XIII. Major Fish Exports

In millions of US Dollars



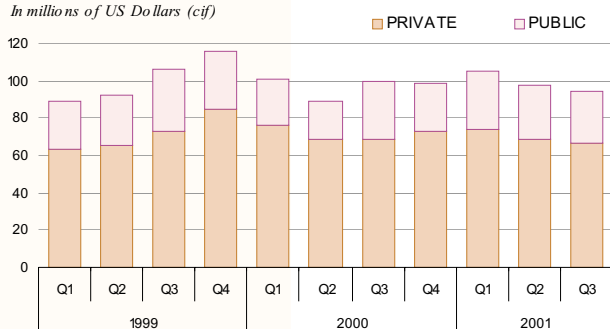
Source: Maldives Customs Service

The value of **merchandise imports** (c.i.f), declined for the second consecutive quarter in the review quarter, lowering payments on imports to US\$ 93.8 million. This compares with US\$ 97.8 million in the previous quarter and US\$ 99.5 million in the third quarter of 2000. In terms of growth rates, merchandise imports during the review quarter declined by 4 percent on a quarterly basis and by 6 percent on annual terms. The quarterly drop in imports was witnessed across all sectors, with private sector imports (excluding tourism sector) accounting for 54 percent of total imports, declining by 5 percent, and tourism sector imports, accounting for 16 percent of total imports, lowering by 3 percent. Imports by the government showed a substantial reduction of 26 percent in the review quarter, with the level of imports by PNFEs declining only marginally by half a percent during the period. However, government imports comprises of only 3 percent of total imports, whilst imports by PNFEs accounts for about 27 percent of total imports. As regards the annual develop-

ments, total private sector imports fell by 7 percent in the review quarter. However, a 9 percent increase was seen in tourism imports. During this period, total public sector imports registered a decline of 11 percent following a 15 percent fall in imports by PNFEs and a 69 percent increase in government imports. Nevertheless, the cumulative total in imports for the first nine months of the year is 2 percent higher than the corresponding period of 2000. This was largely attributable to the strong growth in imports by the PNFEs during the first half of the year, which increased by 30 percent.

Chart XIV. Imports By Sectors

In millions of US Dollars (cif)



Source: Maldives Customs Service

Asia continues to be the major source market for imports, with about 68 percent of the imports originating from the region during the review quarter. Of the Asian countries, most of the imports were from Singapore (25 percent) followed by SAARC countries (22 percent) and Malaysia (8 percent). While about 17 percent of the goods into the country were from various European countries, imports from the United Arab Emirates amounted to 8 percent of the total imports during the review quarter.

B. Balance of Trade

The trade balance continues to be in deficit, but showed major improvements in the review quarter. As such, the trade deficit lowered to US\$ 53.0 million in the review quarter, from US\$ 62.3 million in the preceding quarter and US\$ 61.9 million in the corresponding quarter of 2000. In terms of percentage changes, these reflect a reduction of 15 percent compared to both the previous quarter as well as the corresponding quarter of 2000. These improvements reflect lower import payments concurrent with

higher export receipts during the review quarter. The trade data on the first nine months of the year shows a deficit of US\$ 177.4 million, which is a little over 1 percent higher than the same period of 2000. During this period the rise in export receipts was offset by the increase in import payments.

C. External Assets

The net foreign assets (NFA) of the banking system declined for the second consecutive quarter in the review quarter. The NFA of the banking system dipped to Rf 1,280.4 million at the end of the review quarter, from Rf 1,351.7 million at the end of the previous quarter and Rf 1,324.7 million at

the end of the corresponding quarter of 2000. These reflect a quarterly decline of 5 percent and an annual decline of 3 percent, and compares with a quarterly decline of 4 percent, both quarterly and annually, observed at the end of the preceding quarter. The deterioration in the NFA in the review quarter is attributed to the decline in the net foreign assets of MMA, as the net foreign liability position of the commercial banks registered significant improvements,

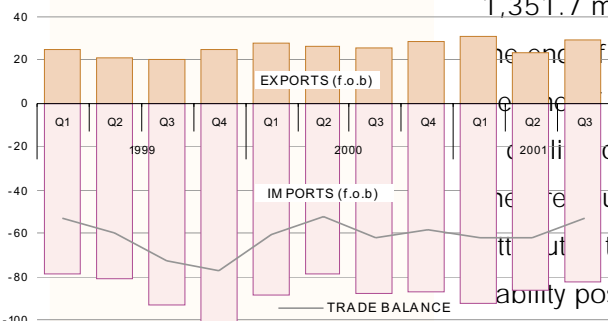
both quarterly (41 percent) and annually (49 percent), at the end of the period. As regards the gross external assets of the MMA, a decline of 8 percent was noted relative to the previous quarter and of 7 percent relative to the corresponding quarter, falling to Rf 1,357.5 at the end of the review quarter. Consequently, external reserves in months of imports declined to 3.2 months at the end of the review quarter, from 3.7 months registered at the end of preceding quarter as well as the corresponding quarter of 2000.

D. Exchange Rate

The rufiyaa, which had been pegged to the US dollar at a mid rate of Rf 11.77 per US dollar since October 1994, was devalued on July 25, 2001 by 9 percent, to ease the pressure on the exchange rate that has been prevailing

Chart XV. Merchandise Trade

In millions of US Dollars



Source: Maldives Customs Service, Maldives Airports Company Ltd.

in recent periods. The new buying and selling rates for the US dollar of 12.75 rufiyaa and 12.85 rufiyaa, respectively, were announced by the MMA on July 24, 2001, with effect from the following day.

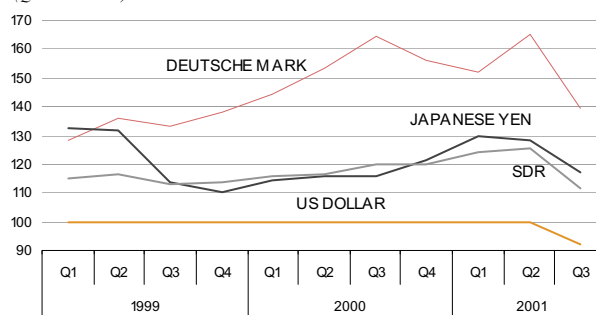
As regards the movements of rufiyaa against other foreign currencies, the rufiyaa appreciated against all the major trading currencies, on a quarterly basis. The most significant changes were the 19 percent appreciation of the rufiyaa against the Deutsche mark and the euro, and the 13 percent appreciation

against the Singapore dollar and the Sterling pound. The rufiyaa also strengthened by 10 percent against the Japanese yen and 11 percent and 7 percent against the Sri Lankan rupee and Indian

rupee, respectively. On an annual basis, the rufiyaa appreciated substantially against the euro (18 percent), Deutsche mark (18 percent), Singapore dollar (9 percent), Sterling pound (14 percent) and Indian rupee (4 percent). The rufiyaa, however, fell against the Sri Lankan rupee by 6 percent and marginally by 1 percent against the Japanese yen.

Chart XVI. Bilateral Exchange Rates

(Q2 1995 = 100)



Source: Maldives Monetary Authority



Statistical Appendix

Statistical Appendix

Statistical Appendix

Statistical Appendix

Statistical Appendix

Table 1. Monetary Survey, 1998 - September 2001

(In millions of Rufiyaa; end of period)

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

Source: Maldives Monetary Authority

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

(In millions of Rufiyaa; end of period)

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

Source: Maldives Monetary Authority.

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

(In millions of Rufiyaa; end of period)

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

1/ Rufiyaa demand deposits only

2/ Time and saving deposits and all foreign currency deposits

Source: Maldives Monetary Authority

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

(In millions of Rufiyaa; end of period)

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

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

Source: Maldives Monetary Authority.

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

(In millions of Rufiyaa; end of period)

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

Source: Maldives Monetary Authority

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

(In millions of US dollars)

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

Source: Maldives Customs Services

Table 7. Imports by Sectors (c.i.f), 1998 - September 2001

(In millions of US dollars)

	1998	1999	2000				2001		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total merchandise imports	354.0	402.2	100.8	89.4	99.5	98.8	105.4	97.8	93.8
Private sector imports	262.2	286.3	75.9	68.7	68.4	73.0	74.2	69.0	66.1
Private imports (excluding tourism)	177.1	198.8	56.6	52.2	54.4	56.1	56.3	53.4	50.9
Tourism imports	85.1	87.6	19.4	16.5	13.9	16.9	17.9	15.6	15.2
Public sector imports	91.8	115.8	24.8	20.8	31.2	25.8	31.2	28.8	27.7
Government imports	25.3	21.4	19.3	19.3	29.6	21.8	25.0	25.1	25.0
PNFEs imports	66.5	94.4	5.6	1.5	1.6	4.0	6.1	3.6	2.7
	<i>(in percent of total)</i>								
Private sector imports	74.1	71.2	75.4	76.8	68.7	73.9	70.4	70.6	70.5
Private imports (excluding tourism)	50.0	49.4	56.1	58.4	54.7	56.8	53.4	54.6	54.3
Tourism imports	24.1	21.8	19.2	18.4	14.0	17.1	17.0	16.0	16.2
Public sector imports	25.9	28.8	24.6	23.2	31.3	26.1	29.6	29.4	29.5
Government imports	7.2	5.3	19.1	21.6	29.7	22.1	23.8	25.7	26.7
PNFEs imports	18.8	23.5	5.5	1.7	1.6	4.0	5.8	3.7	2.9

Source: Maldives Customs Services

Table 8. Exchange Rates, 1998 - September 2001

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

		U.S. dollar	Japanese yen	Singapore dollar	Deutsche mark	Indian rupee	Sri Lanka rupee	Great Britain Pound	Euro	SDR
1998	March	11.7700	0.0881	7.1713	6.2942	0.2918	0.1849	19.1621	-	15.7723
	June	11.7700	0.0838	6.9931	8.4210	0.2703	0.1788	19.2383	-	15.6722
	September	11.7700	0.0876	6.7143	6.8002	0.2713	0.1747	19.3825	-	16.1404
	December	11.7700	0.0942	6.9910	6.9201	0.2726	0.1725	19.3075	-	16.5725
1999	March	11.7700	0.0937	6.6716	6.4352	0.2715	0.1669	18.5725	12.5863	15.9818
	June	11.7700	0.0946	6.7643	6.0843	0.2672	0.1630	18.3463	11.8997	15.7407
	September	11.7700	0.1092	6.7556	6.1845	0.2648	0.1619	18.9879	12.0958	16.2421
	December	11.7700	0.1127	6.8805	5.9751	0.2654	0.1601	18.7329	11.6863	16.1544
2000	March	11.7700	0.1084	6.7104	5.7232	0.2648	0.1579	18.1202	11.1936	15.8527
	June	11.7700	0.1076	6.6543	5.3751	0.2624	0.1561	17.0771	10.5128	15.7398
	September	11.7700	0.1077	6.6010	5.0300	0.2517	0.1488	16.1459	9.8378	15.2762
	December	11.7700	0.1025	6.6436	5.2896	0.2468	0.1443	16.9721	10.3454	15.3353
2001	March	11.7700	0.0960	6.5486	5.4288	0.2478	0.1349	16.7690	10.6178	14.8379
	June	11.7700	0.0967	6.3644	4.9940	0.2445	0.1254	16.2486	9.7674	14.6613
	September	12.8000	0.1064	7.2167	5.9365	0.2612	0.1392	18.4109	11.6108	16.4993

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