

**EXECUTIVE
BOARD
MEETING**

SM/15/19
Supplement 2
Correction 1

February 10, 2015

To: Members of the Executive Board

From: The Secretary

Subject: **Maldives—Staff Report for the 2014 Article IV Consultation—Informational Annex**

Board Action: The attached correction to SM/15/19, Sup. 2 (1/28/15) has been provided by the staff:

Factual Error Not Affecting the Presentation of Staff's Analysis or Views

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Questions: Ms. Stuart, APD (ext. 37897)

STATISTICAL ISSUES

(As of January 22, 2015)

I. Assessment of Data Adequacy for Surveillance

General: Macroeconomic statistics have improved in recent years, with technical assistance from STA and the Asian Development Bank (AsDB). While data are broadly adequate for surveillance (Category B) there are nonetheless significant data gaps that complicate policy making and aspects of surveillance. Remaining shortcomings affect the balance of payments, government finance, and national accounts statistics. The main official statistical publication is the *Statistical Yearbook of Maldives*. APD receives a monthly electronic statistical report, covering a broad range of economic and financial statistics. It also receives ~~albeit with a lag,~~ the *Quarterly Economic Bulletin (QEB)* and the *Annual Report (AR)* of the Maldives Monetary Authority (MMA).

Real sector: National accounts statistics are available only on an annual basis and with a considerable lag, though the authorities are working on quarterly GDP. While GDP estimates are made using both the production and expenditure approaches, these estimates are inconsistent. Furthermore, the base year for constant price estimates is 2003, so that recent changes in the structure of the economy are not reflected by the base period weights. The AsDB has assisted the authorities in setting up a framework for compiling more comprehensive national accounts and STA has provided substantial assistance for improving the annual production and expenditure GDP measures, and for developing quarterly GDP series.

The CPI was rebased to June 2012=100, with assistance from STA. Weights are based on the 2012 household income and expenditure survey.

Fiscal sector: General government data are reported for publication in the *GFS Yearbook* and the latest published data are for 2011. Monthly data on revenue and expenditure are available, but the reporting system is new, and its reliability is as yet untested. In particular, the consistency of these data with below-the-line financing numbers provided by the monetary authorities is weak. Data on external debt are subject to reconciliation with creditors. Data on the operations of state enterprises are limited.

Monetary sector: APD receives a weekly electronic report on monetary statistics, covering the balance sheets of the MMA and the commercial banks. Current summary data are published in the MMA's *Monthly Statistics* publication as well as in its *QEB* and *AR*, ~~but with a significant lag.~~ There are inconsistencies between monetary and fiscal data regarding the financing of the fiscal deficit due to issues of timing and coverage. An April 2007 STA monetary and financial statistics mission completed the standardized report forms for the central bank and other depository corporations, and developed an integrated monetary database that meets the needs of the MMA, STA, and APD. It became operational in 2010.