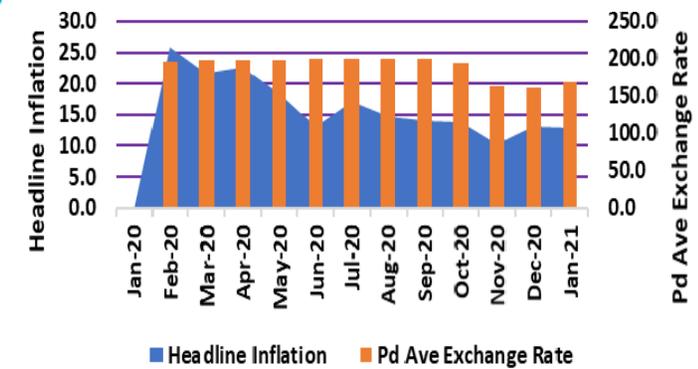


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CENTRAL BANK OF LIBERIA



The Monthly Economic Review is produced by the Central Bank of Liberia (CBL). Inquiries concerning this publication should be addressed to:

The Director
Research, Policy & Planning Department
Central Bank of Liberia
P. O. Box 2048

Ashmun & Lynch Streets, Monrovia, Liberia
Contacts: +231-880-649103/886-246587/555-960556
Email: jkambo@cbl.org.lr

The main sources of imports to Liberia were India, China, Cote d'Ivoire, Turkey, and the United States (US). Imports from India (mostly food items) increased by US\$21.7 million to US\$38.6 million. Similarly, imports from China rose by US\$1.1 million to US\$16.3 million at end of the review month. Payments to Cote d'Ivoire (for mainly petroleum products) increased by US\$1.5 million to US\$13.5 million. On the other hand, payments to Turkey and US were made for the purchases of mainly machinery and transport equipment and declined by US\$1.1 million and US\$3.6 million to US\$6.8 million and US\$4.2 million, respectively.

EXCHANGE RATE DEVELOPMENTS

At end-January 2021, both the end-of-period (EOP) and period average (AVG) exchange rates showed depreciation of the Liberian dollar against the US dollar, when compared with rates reported at end-December 2020. The EOP exchange rate showed that the Liberian dollar depreciated against the US dollar by 3.7 percent to L\$170.59/US\$1. In terms of the period average exchange rate, the Liberia dollar also depreciated to L\$168.55/US\$1.00, from L\$161.55/US\$1.00 recorded in December 2020. The depreciation of the currency was largely attributed to the gradual uptick in demand for foreign exchange to service import payments, mainly during the month.

Considering the EOP exchange rate, developments in the foreign exchange market of the West African Monetary Zone (WAMZ) during the month was mixed. The EOP showed that, except the Nigerian Naira that remained stable at NGN379.50/US\$1.00 and the Gambian Dalasi that appreciated by 1.2 percent, the other currencies in the Zone depreciated. The Guinean Franc depreciated by 1.0 percent, the Sierra Leonean Leone by 0.9 percent and the Ghanaian Cedi by 0.7 percent. Annual comparison showed that except the Liberian dollar and Gambian Dalasi that appreciated, all the WAMZ currencies depreciated against the United States dollar. On an annual basis, the Nigerian Naira recorded the highest depreciation by 19.2 percent while the Sierra Leonean Leone accounted for the lowest depreciation by 4.3 percent (Table 7).

Table 7: Exchange Rates: Official and WAMZ Countries End-of-Period Exchange Rates against the US Dollar

Rate & Currency	Jan - 20	Nov - 20	Dec - 20	Jan - 21	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent Change	
End of Period	195.39	157.53	164.22	170.59	(3.73)	14.54
Period Average	192.06	162.79	161.55	168.55	(4.15)	13.95
Currency	Currency per USD					
GHC	5.47	5.71	5.72	5.76	(0.69)	(5.03)
GMD	50.1	50.00	50.44	49.85	1.18	0.50
GNF	9,350.56	9,829.12	9,930.56	10,031.37	(1.00)	(6.79)
NGN	306.5	379.50	379.50	379.50	0.00	(19.24)
SLL	9,737.48	10,024.02	10,091.68	10,177.88	(0.85)	(4.33)

Source: CBL, WAMA: www.amao-wama.org/

GHC - Ghanaian Cedi; LD - Liberian Dollar; GMD - Gambian Dalasi; USD - United States Dollar; GNF - Guinean Franc; NGN - Nigerian Naira; SLL - Sierra Leonean Leone; USD - United States Dollar

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INTRODUCTION

The Monthly Economic Review (MER) is a regular publication of the Central Bank of Liberia (CBL) that provides a snapshot of major economic developments in key sectors (Real, Monetary, Fiscal and External) of the Liberian economy. The MER also highlights the Monetary Policy Stance of the CBL and exchange rate developments in the West African Monetary Zone (WAMZ).

OVERVIEW

Production statistics of key commodities in January 2021 showed slight improvement in the mining and manufacturing subsectors with increases recorded in the production of gold, diamond, cement, and beverages. Headline inflation for the month fell due to decreases in the prices of transport, housing, water, electricity, gas, and other fuels, health, education, as well as imported food and fuel related items. Similarly, core inflation declined during the review month.

During the month, the CBL maintained its monetary policy stance on price stability to manage Liberian dollar liquidity. The CBL bills and the reserve requirement were the main monetary policy instruments used to manage liquidity and by extension exchange rate stability.

Movement in broad money supply (M2) was influenced by both the asset and liability categories during the month. From the asset category, M2 grew due to increases in both the Net Domestic Assets (NDA) and Net Foreign Assets (NFA), while on the liability side, the rise in M2 was largely due to increases in time and savings, as well as demand deposits. Most of the indicators of the banking industry were generally in compliance with regulatory requirements. Return on Assets (ROA) during the beginning of the year stood at 0.3 percent and Return on Equity (ROE) was reported at 1.7 percent. Capital Adequacy Ratio (CAR) and Liquidity Ratio increased and remained above the regulatory thresholds by 21.4 percentage points and 25.5 percent, respectively.

Government of Liberia's (GOL's) fiscal operations during the month resulted to a deficit of US\$15.7 million, occasioned by a significant decrease in total revenue generated during the first month of 2021. The stock of public debt slightly rose during the month largely on account of increases in both external and domestic debt positions.

Developments relating to Liberia's external trade showed a narrowed deficit in merchandise trade balance on account of surge in earnings from exports of mainly gold and iron ore. Similarly, payments for imports increased by 4.1 percent occasioned mainly by increase in payments for food and live animals (including animals and vegetable oil). Statistics on the direction of trade showed that four countries (Switzerland, France, United States, and Belgium) dominated destination of exports, while five countries (India, China, Cote d'Ivoire, Turkey, and the United States) were the main sources of imports during the month.

Gross international reserves (GIR) rose during the month compared to the stock reported in December 2020 mainly on account of a slight rise in SDR holdings.

Personal Remittances	23.92	25.54	31.00	28.54
Inflows	10.81	5.43	8.78	4.40
Outflows	13.11	20.11	22.22	24.14
Net flows				
Direction of Trade (DOT)				
Destination of Export	48.86	63.70	71.25	87.13
o/w Switzerland	12.39	13.70	23.73	32.54
o/w France	4.70	14.70	18.03	15.92
o/w United States of America	4.35	2.95	8.64	6.36
o/w Belgium	1.15	7.71	7.62	6.28
Sources of Import (fob)	58.97	85.67	99.21	104.27
o/w India	5.71	9.98	16.89	38.59
o/w China	11.61	16.50	15.23	16.29
o/w Cote d'Ivoire	6.15	22.34	11.98	13.48
o/w Turkey	6.84	4.61	7.85	6.78
o/w United States	3.76	3.95	7.83	4.23

Source: LRA (ASYCUDA), AML, MLME, FSL & CBL

/1 Trade data are primarily sourced from LRA (Custom) with larger coverage that BIVAC.

/1* as of July 2020, import data reported here are on CIF instead of FOB

/2 (GIR) is the sum of net foreign reserve plus SDR and Reserve tranche

† - Revised

‡ - Not Available (na)

Remittances

The net inflows of personal remittances during the first month of 2021 amounted to US\$24.1 million (0.8 percent of GDP), from US\$22.2 million (approximately 0.7 percent of GDP) reported in the preceding month. The rise in net inflows was mainly explained by a sharp reduction in outward remittances that outweighed the fall in inwards remittances. Outward remittances fell by 49.9 percent to US\$4.4 million, while inwards declined by 7.9 percent to US\$28.5 million, from the amount recorded in the preceding month.

Gross International Reserves

Gross international reserves (GIR) grew by 0.4 percent to US\$295.5 million, from the stock reported in December 2020. The moderately rise in GIR during the month was offset by an increase in payments for goods, resulting to deduction in estimated months of imports cover to 2.2 months. Compared with the ECOWAS benchmark of 3.0 months, the months of import cover recorded a shortfall of 0.8 month below the regional threshold (Table 6).

Direction of Trade (DOT)

In the month of January 2021, four countries were the main destination of Liberia's exports including Switzerland, France, United States, and Belgium. Exports to Switzerland (mainly gold) rose by 37.1 percent to US\$32.5 million, from US\$23.7 million recorded in the previous month. Export to the United States of America (mainly rubber) and Belgium (predominantly iron ore) rose by 35.1 percent and 44.0 percent, respectively, compared to the preceding month. In contrast, export to France (mainly iron ore) decreased by 11.7 percent to US\$15.9 million, from US\$18.0 million reported in the preceding month.

The improvement in the deficit was due to the increase in merchandise export earnings that outweighed the rise in payments for imports. Payments for merchandise imports rose by 4.1 percent to US\$115.8 million (3.7 percent of GDP), from US\$111.2 million (3.6 percent of GDP), driven mainly by increase in payments for food and live animals (including animals and vegetable oil) by US\$20.3 million to US\$45.5 million (1.5 percent of GDP). Similarly, earnings from exports increased by 22.3 percent to US\$87.1 million (2.8 percent of GDP), from US\$71.3 million (2.3 percent of GDP), occasioned mainly by increase in receipts from gold and iron exports. Receipts from gold exports rose by 36.7 percent to US\$32.5 million, from US\$23.8 million recorded in the preceding period, occasioned by a significant increase in the volume of the commodity exported; while receipts from iron ore exports increased by 27.0 percent to US\$43.6 million, from US\$34.3 million recorded in the preceding period, occasioned mainly by external factor (rise in the price of iron ore).

Table 6: External Sector Statistics

Trade Statistics	Jan - 20	Nov - 20	Dec - 20	Jan - 21
External Trade (Value)	(Millions of USD)			
Exports¹	48.86	63.71	71.26	87.13
Iron Ore	27.00	34.39	34.29	43.56
Rubber	5.50	10.97	9.56	6.84
Gold	13.69	15.34	23.81	32.54
Diamond	0.75	1.02	0.49	2.01
Cocoa Bean	1.36	1.33	0.00	0.64
Palm Oil	0.01	0.19	0.83	1.35
Other Export commodities	0.55	0.47	2.28	0.19
Imports (CIF)^{1*}	65.50	93.55	111.21	115.81
Minerals, Fuel, Lubricants	10.05	26.10	18.19	16.98
o/w Petroleum Products	6.00	22.10	11.81	13.43
Food and Live Animals (including Animal and veg. oil)	18.29	14.21	25.12	45.46
o/w Rice	0.13	1.25	6.19	32.58
Machinery & Transport Equipment	18.60	19.91	35.27	27.59
Manufactured goods classified by materials	8.12	13.58	11.76	10.33
Other categories of imports	10.45	19.76	20.87	15.44
Trade Balance (Exports – Imports)	(16.64)	(29.86)	(39.96)	(28.67)
Total Trade (Export + Imports)	114.36	157.27	182.47	202.93
External Trade (Volume)	(In Units as Specified)			
Rubber (MT)	3,940.08	10,001.36	8,444.64	3,909.23
Iron Ore (MT)	563,311.72	477,136.05	488,745.23	424,383.36
Cocoa Beans (MT)	2,400.00	1,300.00	0.00	1,450.00
Palm Oil (MT)	15.47	13,789.00	4,028.00	1,662.00
Gold (Oz)	11,346.84	11,247.46	15,377.24	20,531.39
Diamond (Crt)	1,799.85	3,106.35	5,525.74	7,863.69
Petroleum Products (MT)	2,524.01	15,444.55	11,721.05	10,081.90
Rice (MT)	161.43	2,352.06	12,229.91	
Other Indicators	(Millions of USD)			
Import (FOB)	58.97	85.67	99.21	104.27
Gross International Reserves (GIR) ²	251.76	279.87	294.40	295.48
CBL Net Foreign Exchange Reserves Position	31.12	36.23	0.05	1.02
Import Covers (In Month)	2.7	2.4	2.4	2.2

However, the rise in GIR was offset by an increase in payments for import resulting to a decline in months of import cover to 2.2 months, from 2.4 months in December 2020. The decline reflects a shortfall of 0.8 month below the regional threshold of 3.0 months.

During the month, net inflow of personal remittances increased compared to the preceding month, predominantly explained by a sharp reduction in outward remittances. Outward remittances fell by about 50.0 percent, from the previous amount, while inward remittances decreased by about 7.9 percent to US\$28.5 million.

Analysis of the period average and end-of-period exchange rates showed that in January, the Liberian dollar depreciated against the US dollar compared with the rates reported in December 2020 due to the gradual rise in demand for foreign exchange to service import payments during the month.

REAL SECTOR & PRICE DEVELOPMENTS

Production Analyses of Key Commodities

Production statistics of key commodities for January 2021 showed slight improvement as output of gold, diamond, cement, and beverages increased. In the mining sector, except iron ore output that decreased by 9.8 percent to 440,000.0 metric tons, from 488,000 metric tons produced in the last month of 2020, gold output rose by 33.5 percent to 20,531.0 ounces in the month, from 15,377.0 ounces in the preceding month due to increased mining activities by industrial gold miners; additionally, diamond output rose by 42.3 percent to 7,864.0 carats, from 5,526.0 carats reported in December 2020 owing to favorable weather conditions.

Regarding the manufacturing subsector, cement production increased by 23.8 percent to 45,407.0 metric tons, from 36,686.0 metric tons produced in the previous month on account of increased demand resulting from heightened construction activities. Total beverage production also increased by 48.3 percent to 2.1 million liters, from 1.4 million liters to meet demand for mainly non-alcoholic beverages. In the agriculture sector, estimated output of rubber fell by 30.8 percent to 5,841.0 metric tons, from 8,445.0 metric tons in the previous month, due to anticipated weak harvest of the commodity during the month. Compared with the corresponding month in the year 2019, outputs of all key commodities, except iron ore and rubber, increased. Iron ore and rubber production reduced by 10.9 percent and 0.8 percent, respectively.

Consumer Prices

Headline inflation during the first month of 2020 fell by 0.2 percentage point to 12.9 percent, from 13.1 percent in the previous month. The decrease in headline inflation was due largely to development in the prices of transport, housing, water, electricity, gas, and other fuels, health, education, as well as imported food and fuel component of the CPI basket.

Similarly, core inflation¹ fell by 0.7 percentage point to 11.8 percent in the month, from 12.5 percent reported in December 2020.

The fall in core inflation was explained by decreases in the prices of items relating to housing, water, electricity, gas, and other fuels, education, health, and imported fuel. On the contrary, month-on-month rate of inflation increased by 1.2 percentage points, reflecting developments in the prices of food and non-alcoholic beverages, communication, recreation and culture and miscellaneous goods and services sub-groups (Table 1).

Table 1: Production and Price Statistics

Production	Jan - 20	Nov - 20	Dec - 20	Jan - 21
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	493,953	470,000	488,000	440,000
Gold (Ounces)	11,347	10,949	15,377	20,531
Diamond (Carat)	1,800	3,106	5,526	7,864
Rubber (Metric ton)	3,940	6,150	8,445	5,841
Cement (Metric ton)	36,377	32,837	36,686	45,407
Total Beverages (liter)	1,207,347	1,198,609	1,413,401	2,096,672
Alcoholic	1,100,087	1,080,292	1,364,131	1,938,510
Non-Alcoholic	107,261	118,317	49,270	158,162
Annual Gross Domestic Product (GDP)				
<i>(In Million USD)</i>				
Nominal (NGDP)	3,066.80 [†]	3,066.80 [†]	3,066.80 [†]	3,106.69 [±]
Real (RGDP)	3,086.93 [†]	3,086.93 [†]	3,086.93 [†]	3,186.64 [±]
RGDP growth (in percent)	(3.0) [†]	(3.0) [†]	(3.0) [†]	3.2 [±]
Inflation				
<i>(In percent)</i>				
Overall (Y-o-Y) Rate of Inflation	23.56	10.39	13.12	12.92
a. Food and Non-alcoholic Beverages Inflation	22.18	13.96	15.74	16.31
- Domestic Food Inflation	22.68	16.45	20.95	20.57
- Imported Food Inflation	21.89	12.36	11.76	12.90
b. Transport Inflation	29.78	6.83	6.29	5.85
c. Imported Fuels Inflation	14.81	(7.61)	(10.43)	(22.59)
Overall (M-o-M) Rate of Inflation	0.93	(4.10)	(0.36)	0.8
Core Inflation				
Inflation excluding Food & NAB ¹	24.33	8.50	11.72	11.06
Inflation excluding Imported Food	23.99	10.01	13.51	12.98
Inflation excluding Domestic Food	24.01	10.39	12.81	12.48
Inflation excluding Food and Transport	23.62	8.73	12.47	11.76

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, MB, CEMENCO, CBL & LISGIS;

/1 Non-alcoholic beverages

± - Projection

† revise

MONETARY DEVELOPMENTS

Monetary Policy Stance

The CBL continued to maintain its tight monetary policy stance for price stability through broad exchange rate management in the first month of 2021.

Conversely, total Government expenditure rose by 12 percent to US\$73.8 million (2.4 percent of GDP), largely explained by a rise in current expenditure by 32.3 percent to US\$72.6 million (2.3 percent of GDP) and capital expenditure by more than hundred percent to US\$0.4 million (approximately 0.0 percent of GDP). Payments on loans, interest, and other charges, however, nosedived by 93.1 percent to US\$0.8 million (approximately 0.0 percent of GDP).

The total stock of public debt rose marginally by 0.3 percent to 51.6 percent of GDP compared to the previous month. The slight increase in public debt was mainly due to marginal increases in both domestic and external debt by 0.5 percent and 0.2 percent, respectively. Domestic debt amounted to 20.8 percent of GDP, while external borrowing totaled 30.7 percent of GDP.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Jan-20 [†]	Nov-20 [†]	Dec-20 [†]	Jan-21
	<i>(Millions of USD)</i>			
Government Revenue [†]	66.79	43.42	97.02	43.93
Tax Revenue	41.44	28.82	38.25	38.55
o/w Taxes on Income & Profits	23.68	12.55	12.47	18.87
o/w Taxes on International Trade (Customs)	13.26	13.19	18.97	15.68
Non-tax Revenue	18.94	9.65	10.18	5.38
o/w Property Income	17.26	8.42	9.15	4.15
o/w Administrative Fees & Forfeits	1.57	1.23	1.03	1.23
Other Revenue (Including Grants & Borrowing)	6.41	4.95	48.59	0.00
Government Expenditure [†]	61.45	47.33	65.88	73.79
Current Expenditure	56.35	43.26	54.92	72.64
o/w Compensation of Employees	42.13	20.59	33.85	23.99
o/w Goods and Services	7.02	17.25	12.29	39.63
Capital Expenditure	0.00	0.03	0.02	0.39
Payments on Loans, interest, and others	5.10	4.04	10.94	0.76
Overall Balance (Surplus+; Deficit -)	5.34	(3.91)	31.14	(29.85)
Total Debt Stock	1,465.80	1,583.05	1,596.78	1,601.59
Domestic	604.40	644.50	643.82	647.10
Financial Institutions	552.71	586.02	586.02	589.53
Other Debts	51.70	58.49	57.80	57.56
External	861.39	938.54	952.97	954.49
Multilateral	747.92	825.57	840.29	841.81
Bilateral	113.47	112.97	112.68	112.68
Government Revenue (% of GDP)	2.18	1.42	3.16	1.41
Government Expenditure (% of GDP)	2.00	1.54	2.15	2.38
Total Debt Stock (% of GDP)	47.80	51.62	52.07	51.55
NGDP (at Level)	3,066.80	3,066.80	3,066.80	3,106.69

Source: CBL's calculation using MFDP's data : Revenue Department, Expenditure Department and Debt Management Unit, MFDP

† - revised

± - Estimate

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

During the first month of 2021, preliminary statistics on merchandise trade showed an increase in total trade to US\$202.9 million (6.5 percent of GDP), from US\$182.5 million (5.9 percent of GDP) due to increases in earnings from exports and payments for imports compared to the preceding month. Liberia's merchandise trade balance narrowed to a deficit of US\$28.7 million (0.9 percent of GDP), from US\$40.0 million (1.3 percent of GDP) recorded in December 2020.

BANKING SECTOR DEVELOPMENTS

In the first month of 2021, the banking industry was generally in compliance with regulatory threshold. Data on the financial soundness indicators showed mixed performances as some indicators increased, while others decreased when compared to the last month of 2020. Return on Assets (ROA) and Return on Equity (ROE) stood at 0.3 percent and 1.7 percent, respectively. Compared with the annual cumulative values of 1.2 percent and 7.2 percent at end-December 2020, ROA and ROE declined by 1.0 percentage point and 5.5 percentage points, respectively. Capital Adequacy Ratio, on the other hand, increased slightly by 0.5 percentage points compared to the preceding month and remained above the minimum regulatory requirement by 21.4 percentage points. Liquidity ratio also increased by 3.8 percentage points and remained above the minimum regulatory requirement by 25.5 percentage points.

Gross loans and advances as well as non-performing loans (NPLs) increased during the month. Gross loans increased moderately by 0.1 percent to L\$73.7 billion (13.9 percent of GDP), occasioned by additional lending by commercial banks during the month, while non-performing loans (NPLs) rose to L\$19.05 billion (3.6 percent of GDP), from the amount recorded in the preceding month. The ratio of nonperforming loan to total loan rose by 4.7 percentage points from the previous stock and 15.9 percentage points above the tolerable limit of 10.0 percent partly induced by slowdown in economic activities characterized by sluggish repayment of borrowings.

Table 4: Selected Financial Soundness Indicators, FSIs

FSIs	Jan - 20	Nov - 20	Dec - 20	Jan - 21
	<i>(In Billion LD)</i>			
Total Gross Loans	84.03	69.73	73.58	73.68
Total Non-performing Loans	14.21	12.54	15.58	19.05
<i>(In percent)</i>				
Non-performing Loans to Total Gross Loans (ratio)	16.92	17.98	21.17	25.85
Gross Loan (growth)	0.74	(6.20)	5.52	0.14
Non-performing Loans (growth)	-2.38	(24.04)	24.24	22.27
Returns on Assets (ROA)	0.21	1.38	1.24	0.29
Returns on Equity (ROE)	1.24	7.81	7.22	1.72
Liquidity Ratio***	40.23	36.01	36.75	40.50
Capital Adequacy Ratio (CAR)****	28.58	28.41	30.87	31.41

Source : CBL

**** - The Minimum Capital Adequacy Ratio is 10%

*** - The Required Minimum Liquidity Ratio is 15%

† - revised

FISCAL SECTOR DEVELOPMENTS

Provisional statistics on GOL's fiscal operations in January 2021 showed a deficit of US\$29.9 million (1.0 percent of GDP) from the surplus of US\$31.1 million (1.0 percent of GDP) reported in the preceding month. The performance was attributed to a sharp fall in Government revenue during the month. Total GOL revenue amounted to US\$43.9 million (1.4 percent of GDP), from the amount recorded in the preceding month. The downswing was mainly due to declines in non-tax revenue (specifically income from properties) by 54.7 percent to US\$4.2 million and other revenue (inclusive of grants).

The CBL's monetary policy measure was anchored on interest-rate based instruments to manage Liberian dollar liquidity. The Bank maintained its policy rate at 25.0 percent for the issuance of the CBL bills at different tenors (two weeks, one month and three months).

Monetary Aggregates

At end-January 2021, broad money supply (M2) increased by 6.6 percent to L\$135,707.9 million, from L\$127,296.9 million recorded at the end of the last month in 2020. The rise in M2 was mainly explained by 13.5 percent growth in demand deposits and 2.3 percent increase in time and savings deposits. Additionally, the expansion in M2, from the asset category, was largely triggered by increases in both Net Domestic Assets (NDA) and Net foreign Assets (NFA). NDA rose by 4.6 percent on account of increase in net credit to the private sectors, while Net Foreign Assets (NFA) rose by 26.1 percent, from the 8.3 percent growth recorded at end- December 2020 due to increase in foreign assets of the banking institutions.

During the month, the stock of commercial banks' loans to the private sector, denominated in Liberian dollar declined, while the component in United States dollars rose. The United States dollar component increased slightly by 1.2 percent to US\$391.1 million due mainly to rise in loans extended to individuals, construction, and the services subsectors, but the share denominated in Liberian dollar decreased by 1.9 percent to L\$5,686.4 million on account of declines in loans advanced to the same subsectors (individuals, construction, services) including the manufacturing subsectors.

At end of the month, all deposits converted to Liberian dollar amounted to L\$114.13 billion (21.5 percent of GDP), rising by 0.7 percentage point compared with the 20.8 percent of GDP reported in the preceding month. The increase was driven partly by exchange rate pass-through effect, which mainly affected time and savings as well as other deposits (Table 2).

Table 2: Monetary Aggregates Statistics

Production	Jan - 20	Nov - 20	Dec - 20	Jan - 21
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)				
Liberian Dollars in Circulation (in LD)	21,121.09	22,885.60	23,902.53	23,608.48
Money Supply (M1) in LD only	28,899.74	32,559.31	33,749.79	33,133.47
Broad money (M2) in LD only	37,276.09	40,369.85	41,626.90	40,874.62
Broad money (M2) (both LD and USD) Converted to LD	122,750.97	119,024.35	127,296.86	135,707.94
Net Foreign Assets (NFA) in LD	10,838.30	11,176.66	12,099.55	15,262.11
Net Domestic Assets (NDA) in LD	111,912.67	107,847.69	115,197.32	120,445.83
Loans to Private Sector				
Commercial banks loans to private sector- USD	373.26	397.34	386.63	391.10
Commercial banks loans to private sector - LD	7,096.88	5,948.06	5,796.79	5,686.40
Demand Deposits of Commercial Banks				
Demand deposits (In USD)	257.59	301.44	317.68	353.23
Demand deposits (In LD)	8,989.35	10,315.03	11,158.47	11,555.25
Time & savings deposits (In USD)	176.94	196.11	201.90	200.62

Time & savings deposits (In LD)	8,318.01	7,752.17	7,745.40	7,595.16
Other Deposits**				
Actual US\$ component of other deposits (In USD)	2.91	1.75	2.11	1.73
Liberian \$ component of other deposits	58.35	58.36	131.71	145.99
Grand Total Deposits (USD & LD) in Liberian dollar ¹	102,840.59	96,780.07	104,705.54	114,129.72
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	30.37	33.92	32.70	30.12
Monetary Aggregate as Percent of GDP				
Broad money (M2) (both LD and USD) Converted to LD	20.49	24.64	25.28	25.61
Net Foreign Assets (NFA) in LD	1.81	2.31	2.40	2.88
Net Domestic Assets (NDA) in LD	18.68	22.32	22.87	22.73
Commercial banks loans to private sector- USD	0.06	0.08	0.08	0.07
Commercial banks loans to private sector - LD	1.18	1.23	1.15	1.07
Grand Total Deposits (USD & LD) in Liberian dollar ¹	17.16	20.03	20.79	21.54

Source: CBL

‡ - Reserves excluding ECF borrowing from the IMF;

** - Other Deposits Including Official and Manager Checks;

¹ - The total deposits (US and Liberian dollars) of commercial banks expressed entirely in Liberian dollars.

FINANCIAL MARKET (FM) DEVELOPMENTS

The CBL continued the issuance of the CBL bill with tenors of 2-week, 1-month, and 3-months on an effective annual rate of 25.0 percent. Based on the regular and timely redemption of the CBL bills and the dissemination of periodic redemption reports on the CBL website, public confidence in the bill has gradually increased. However, during the first month of the year, the total CBL bills issued amounted to L\$4,103.8 million, falling by 11.4 percent from the amount purchased in the last month of 2020. Similarly, the CBL redeemed L\$2,602.7 million of its outstanding bills, thus reducing the total outstanding CBL bill to L\$6,145.3 million. Although total purchase of the CBL bill declined; however, the number of retail investors increased by 55.0 new investments amounting to L\$71.8 million during the month due to limited commercial banks participation resulting from the suspension of issuance of shorter tenor bills (mainly 2-week) CBL bills to commercial banks.

Government of Liberia started the restructuring of its Treasury facilities with commercial banks from December 2020. To this end, the outstanding Treasury bills brought forward in January 2021 amounted to L\$1,250.3 million and US\$5.5 million with 360 days tenors. Treasury bonds and outstanding coupon payment on T-bond, on the other hand, stood at L\$6,278.6 million and US\$60.4 million at end-January 2021.

All other rates, including the rates on money market instruments, lending, average savings, and time deposits remained unchanged. The interest rate on lending was kept at 12.4 percent, while the rates on time and savings deposits remained at 3.5 percent and 2.1 percent, respectively. Money markets instruments such as repo traded at 5.5 percent, whereas swap lending among commercial banks traded at an average interest rate of 6.0 percent (Table 3).

Table 3. Financial Market and Interest Rates Statistics

Market Instruments	Jan - 20	Nov - 20	Dec - 20	Jan - 21
CBL indexed Bills	(Millions of LD)			
Bills Purchased per month on coupon basis	0.00	0.00	0.00	0.00
Redemption during the month (coupon rate)	169.17	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	1,034.88	0.01	0.01	0.00
Coupon rate (%)	7.00	7.00	7.00	7.00
Bills Purchased on EAR basis	1,940.88	2,281.20	4,632.64	4,103.78
Redemption during the month (EAR basis)	984.11	2,440.46	5,037.93	2,602.75
Total Bill Outstanding (EAR basis)	1,707.17	5,049.54	4,644.25	6,145.28
Effective Annual Rate (EAR)	30.00	25.00	25.00	25.00
Total Purchases (coupon rate & EAR)	1,940.88	2,281.20	4,632.64	4,103.78
Total Redemption (coupon rate & EAR)	1,153.28	2,440.46	5,037.93	2,602.75
Total Outstanding Bills (coupon rate & EAR)	2,742.05	5,049.55	4,644.25	6,145.28
CBL Foreign Exchange Auction¹	(Millions of USD)			
US Dollar offered	0.00	0.00	0.00	0.00
US Dollar Amount Sold	0.00	0.00	0.00	0.00
Total Subscription	0.00	0.00	0.00	0.00
Over (+)/ Under (-) Subscription	0.00	0.00	0.00	0.00
Treasury Securities	(Millions of LD)			
T- Bills Issued (in LD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	0.00	0.00	0.00	0.00
T-Bills Outstanding	860.94	860.94	860.94	1,250.26
Net Treasury Bills Operations[^] withdrawal (+)/Inject'n (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	7.47	7.47	7.47	5.00
T- Bills Issued (In USD)	na	na	0.92	2.01 [‡]
T- Bills Redeemed (In USD)	na	na	na	na
T-Bills Outstanding (USD)	2.00	2.60	3.52	5.53
Net Treasury Bills Operations[^] withdrawal (+)/Inject'n (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	7.00	8.00	6.50	6.50
Treasury Bond Issued (2 years)		0.00	0.00	
Treasury Bond Outstanding (In LD)	6,000.00	6,000.00	6,000.00	6,000.00
Outstanding coupon on Treasury Bond	na	na	na	278.61
Semi-annual Coupon Payment	392.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	16.00	16.00	16.00	16.00
Treasury Bond Outstanding (In USD)	na	na	na	60.40
Standing Deposit Facility (SDF)	(As specified)			
SDF rate (4.0%)	0.04	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight monthly rate (0.07%)	0.07	0.07	0.07	0.00
SDF Amount (In Millions LD)	19,245.00	0.00	0.00	0.00
Interest Rates	(In Percent)			
- Lending rate	12.44	12.44	12.44	12.44
Average Deposit rates				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
Money Markets Instrument (In percent)				
Repo	5.50	5.50	5.50	5.50
Swap lending	6.0	6.0	6.0	6.0