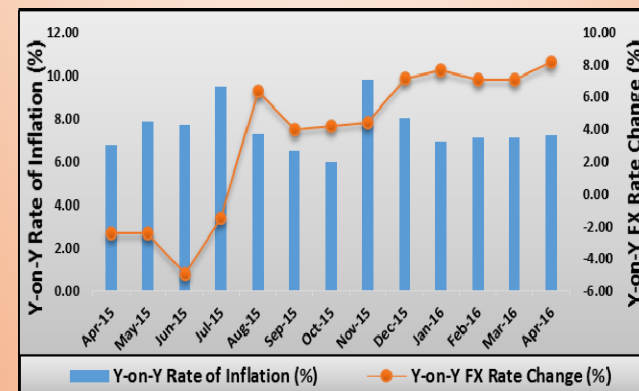




# CENTRAL BANK OF LIBERIA (CBL)

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**Table 2: Performances of End-of-Period WAMZ  
Exchange Rates against the US Dollar**

Currency	Mar-16	Apr-16	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr (-)/Depr(+)
<b>LRD</b>	90.5	91.5	1.1
<b>GHC</b>	3.8	3.8	0.0
<b>GMD</b>	42.0	41.6	-1.0
<b>GNF</b>	8,880.0	8,880.0	0.0
<b>NGN</b>	196.5	196.5	0.0
<b>SLL</b>	6,044.9	6,075.7	0.5

Sources: Central Banks of Liberia and WAMA: [www.amao-wama.org/en/exchange.aspx](http://www.amao-wama.org/en/exchange.aspx) and [www.amao-wama.org/](http://www.amao-wama.org/)

*LRD—Liberian Dollar*

*GHC—Ghanaian Cedi*

*GMD—Gambian Dalasi*

*GNF—Guinean Franc*

*NGN—Nigerian Naira*

*SLL—Sierra Leonean Leone*

*USD—US Dollar*

*GBP—British Pound*

	Jan-16	Feb-16	Mar-16	Apr-16
11				
<b>Inflation</b>	<i>(In percent)</i>			
<b>Overall (Year-on-year) Rate of Inflation</b>	<b>7.0</b>	<b>7.1</b>	<b>7.1</b>	<b>7.2</b>
a. Food and Non-alcoholic Beverages Inflation	7.4	5.5	5.6	3.1
- Domestic Food Inflation	11.7	9.9	11.3	13.6
- Imported Food Inflation	3.2	1.2	0.6	-5.7
b. Transport Inflation	9.1	15.6	26.4	26.7
c. Imported Fuels Inflation	-5.4	-5.1	-0.7	-0.7
<b>Overall (Month-on-Month) Rate of Inflation</b>	<b>0.1</b>	<b>-1.2</b>	<b>2.0</b>	<b>0.2</b>
<b>Core Inflation</b>				
Inflation excluding Food & Non-alcoholic Beverages	8.0	9.0	9.0	12.3
Inflation excluding Imported Food	8.4	9.4	9.8	12.8
Inflation excluding Domestic Food	5.2	6.1	5.6	5.0
Inflation excluding Food and Transport	5.9	7.9	6.1	10.0
<b>Production</b>	<i>(Metric Tons)</i>			
Iron Ore	154,875	146,414	80,804	132,129*
Rubber	7,056	3,024	2,903	4,002*
Cement	27,824	23,812	28,490	25,406
<b>Beverages</b>	<i>(In Litres)</i>			
Alcoholic	1,316,815	1,062,939	1,359,733	1,200,606*
Non-Alcoholic	861,033	524,455	920,217	707,540*

\* Estimate

\*\* Other Deposits Include Official and Manager Checks

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

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

‡Reserves exclude ECF borrowing from the IMF

± Provisional

†Revised

‡Not Available (NA)

/1 Average Monthly prices of Dated Brent, West Texas Intermediate &amp; Dubai Fateh

^With liquidity Effect

## REAL SECTOR & PRICE DEVELOPMENTS

### Production

Estimates of production for the month of April, 2016 showed mixed results. Rubber output rose by an estimated 37.9 percent to 4,002.0 metric tons, up from 2,903.0 metric tons produced in March of the same year. The estimated rise in rubber output is largely due to favourable price of the product on the global market. Beverages output slumped by 16.3 percent, to an estimated 1.9 million liters, up from a 2.3 million liters produced in the previous month. Cement output dipped by 10.8 percent, to 25,406.0 metric tons, from 28,490.0 metric tons produced in March, 2016, mainly as a result of the raining season. Total output of Iron ore surged to an estimated 132,129.0 metric tons, up from a revised 80,804.0 metric tons produced in the previous month. The estimated 63.5 percent increase in output can largely be attributed to favorable price of the product on the global market.

### Consumer Prices

Inflation on a yearly basis expanded by 0.1 percentage point to 7.2 percent, up from 7.1 percent. The slight rise in inflation was due to increases in alcoholic beverages, tobacco and narcotics; clothing and footwear; housing, water, electricity, gas and other fuels; transport; restaurants and hotels; and miscellaneous goods and services.

On a Month-on-month basis, the rate of inflation declined by 1.8 percentage points to 0.2 percent, from 2.0 percent reported a month ago, the decline was mainly driven by decreasing prices of imported food items.

## MONETARY DEVELOPMENTS

### Monetary Policy Stance

The CBL monetary policy stance during the month of April, 2016 remained anchored on price stability through broad exchange rate stability. During the month, the foreign exchange auction was the available tool used by the Bank to broadly stabilize the exchange rate.

### Monetary Aggregates and Credit

Overall liquidity (M2) at end-April, 2016 inched up by 1.3 percent to L\$ 61,089.9 million, from L\$ 60,294.0 million at end March, 2016; due to a 5.3 percent rise in quasi money.

Net Foreign Assets (NFA) during the month of April, 2016 increased by 5.1 percent from L\$31,079.0 million to L\$32,654.0 million on account of an increase in foreign assets of both the Central Bank and Banking Institutions. Conversely, Net Domestic Assets (NDA) decreased by 2.7 percent, from L\$29,215.0 million at end-March, 2016. Commercial bank loans to private sector denominated in US and Liberian dollars slightly rose by 0.9 percent and 9.0 percent to US\$358.9 million and L\$2,132.4 million, respectively, at end-April, 2016, from US\$355.8 million and L\$1,955.6 million in the preceding month.

### Exchange Rate

The average Liberian dollar exchange rate depreciated by 1.0 percent to L\$91.42/US\$1.00 at end-April, 2016, from L\$90.5/US\$1.00 during the previous month. Similarly, the end-of-period Liberian dollar exchange rate also depreciated by 1.1 percent to L\$91.5/US\$1.00. However, compared to the corresponding month a year ago, the Liberian dollar on average depreciated by 8.2 percent against the US dollar. The year-on-year depreciation of the Liberian dollar was mainly on account of declines in the prices of the country's major commodity exports, rising import demand and deteriorating terms of trade.

Major currencies in the West African Monetary Zone (WAMZ) continued to experience mixed results at end-April, 2016, relative to end-March, 2016. Except the Gambian Dalasi that appreciated in value and the Guinean Franc as well as the Nigerian Naira that remained stable, the Liberian dollar and the Sierra Leonean Leone registered slight depreciation in the reported period. (Table 2).

### Money Market Developments

Money market operations for April 2016, remained relatively the same as compared with the previous month. Total GoL T-bill issued amounted to L\$44.9 million with a L\$43.8 million redemption that resulted into a net withdrawal of L\$1.2 million. The weighted average discount rate for the month was 3.0 percent suggesting a 0.56 percentage point lower compared with the weighted average discount rate for March, 2016. There was no CBL bill issued nor redeemed during the month.

		Jan-16	Feb-16	Mar-16	Apr-16
6	<b>Financial Soundness Indicators (FSI)</b>	<i>(In percent)</i>			
	Capital Adequacy Ratio (CAR)***	17.1†	15.8†	16.2	16.3
	Non-performing Loans to Total Loans	16.0†	15.0†	15.7	17.0
	Non-performing Loans (% change)	4.8	-2.3	12.0	0.6
	Returns on Assets	-2.1	-2.1	-2.4	-1.9
	Returns on Equity (ROE)	-18.0	-18.0†	-22.1	-16.8
	Liquidity Ratio****	35.0†	33.0†	34.7	36.6
7	<b>Fiscal Operations</b>				
7a	<b>Revenue, Expenditure &amp; Debt</b>	<i>(Millions of US\$)</i>			
	Actual Revenue & Grants	67.7	30.5	39.3	45.21
	Projected Revenue & Grants	65.0	29.5	36.2	47.21
	Expenditure	36.5	37.5	44.2	50.86*
	<b>Public Debt Stock</b>	<b>704.8+</b>	<b>718.2</b>	<b>707.9</b>	<b>719.10</b>
	Domestic	269.5	269.5	269.1	269.15
	External	435.3	448.7	438.8	449.95
7b	<b>Treasury Securities</b>	<i>(Millions of L\$)</i>			
	T- Bills Issued	-43.3	-44.8	-44.8	-44.9
	T- Bills Redeemed	73.1	88.5	43.8	43.8
	Net GoL Treasury Operation^	29.8	43.7	-1.1	-1.1
	Average Weighted Discount Rate	3.69	3.73	3.57	3.01
8	<b>External Trade (Value)</b>	<i>(Millions of US\$)</i>			
8a	<b>Exports/1</b>	<b>34.7</b>	<b>19.4</b>	<b>15.5</b>	<b>25.6</b>
	- O/w Iron Ore	5.6	5.9	3.9	11.1
	- O/w Rubber	7.4	3.3	3.2	6.7
	- O/w Mineral	2.4	2.6	3.3	4.8
8b	<b>Imports (F.O.B)/1</b>	<b>106.4</b>	<b>97.6</b>	<b>128.6†</b>	<b>105.4</b>
	-O/w Petroleum Products	30.1	33.1	35.1	26.9
	-O/w Commercial Rice	0.7	0.6	11.4	0.2
	-O/w Non-commercial Rice	0.6	0.4	0.3	0.6
	<b>Trade Balance</b>	<b>-71.7</b>	<b>-78.2</b>	<b>-113.1</b>	<b>-79.8</b>
9	<b>External Trade (Volume)</b>	<i>(Metric Tons)</i>			
	- Rubber	7,056	3,024	2,903	4,595
	-Iron Ore	154,875	146,419	80,804	163,562
	-Commercial Rice	15,326.3	13,136.8°	249,599.7°	4,379°
	-Non-commercial Rice	3,488.6	2,325.7°	1,744.3°	3,489°
	- Petroleum Products	11,053	9,946	11,328	8,795
10	<b>Int'l Commodity Prices &amp; Liberia's Terms of Trade</b>	US\$/Unit			
	Iron Ore (US\$/MT)	41.3	46.2	55.5	59.6
	Rubber (US\$/MT)	1,219.8	1,257.5	1,447.1	1,720.5
	Crude Oil (US\$/Barrel)/1	29.9	31.1	37.3	40.8
	Rice (US\$/MT)	359.5	373.2	370.5	376.1

/1 Trade data now sourced from Customs (LRA) with larger coverage than BIVAC.

**Table 1: Fact Sheet**

	Jan-16	Feb-16	Mar-16	Apr-16
<b>1 Monetary</b>	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) <sup>†</sup>	166.2	165.4 <sup>†</sup>	164.4	160.4
CBL Gross Foreign Reserves (excluding SDRs)	279.7	261.1 <sup>†</sup>	254.7 <sup>†</sup>	267.1
Liberian Dollars in Circulation	10,235.5	10,122.8 <sup>†</sup>	10,024.4	10,097.5
Money Supply (M1) in L\$ only	13,118.3	12,701.2 <sup>†</sup>	12,485.7	12,934.5
Broad money (M2) in L\$ only	17,720.4	17,284.6 <sup>†</sup>	16,987.3	17,559.4
Broad money (M2) in both L\$ and US\$*	59,389.9	58,844.0 <sup>†</sup>	60,294.0	61,089.1
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	29.8	29.4 <sup>†</sup>	28.2	28.7
Interest Rates				
- Lending rate	13.7	13.6	13.6	13.6
-Average Deposit rates				
-Savings	2.0	2.0	2.0	2.0
-Time	4.4	4.2	3.8	4.4
Commercial banks loans to private sector - US\$	354.5	354.7	355.8	358.9
Commercial banks loans to private sector - L\$	1,882.4	1,930.0	1,955.6	2,132.4
- Demand Deposits of commercial banks				
Demand deposits - US\$	292.5	285.4 <sup>†</sup>	307.1	296.0
Demand deposits - L\$	4,093.7	4,013.1 <sup>†</sup>	3,872.8	4,064.0
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	167.5	173.6 <sup>†</sup>	169.1	174.3
Time & savings deposits - L\$	4,593.6	4,575.0 <sup>†</sup>	4,492.1	4,616.7
- Other Deposits**				
Actual US\$ component of other deposits	0.45	0.16 <sup>†</sup>	2.4	5.4
Liberian \$ component of other deposits	8.5	8.4 <sup>†</sup>	9.6	8.3
<b>2 CBL's Foreign Exchange Auction</b>	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	1.5	2.0	2.0	2.0
Total Subscription	5.1	5.7	5.6	5.6
Over(+)- / Under(-) Subscription	3.6	3.7	3.6	3.6
<b>3 CBL Bills Auction</b>	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	0.0	1,592.0	0.0	0.0
<b>4 Personal Remittances</b>	<i>(Millions of US\$)</i>			
Inflows	44.8	42.8	46.7	52.8
Outflows	16.7	15.6	26.6	26.8
<b>Net flows</b>	<b>28.1</b>	<b>27.2</b>	<b>20.1</b>	26.0
<b>5 Exchange Rate</b>				
End of Period	90.5	90.5	90.5	91.5
Period Average	89.5	90.5	90.5	91.4

**Banking Sector Developments**

The banking sector continued to be resilient on account of relative stability in its Capital Adequacy Ratio (CAR). The sector's access to capital grew by 0.1 percentage point in its adequacy ratio to 16.3 percent, from a revised 16.2 percent. Liquidity ratio in the sector inched up by a 1.9 percentage points to 36.6 percent, from 34.7 percent in the previous month. Additionally, growth in non-performing loans to total loans declined to 0.6 percent at end-April 2016, from 12.0 percent recorded during March, 2016. The sector's major risks to profitability continued to be hedged on the high level of non-performing loans and the operating cost of banks (Table 1).

**FISCAL DEVELOPMENTS****Revenue (including Grants) & Expenditures**

Fiscal operations in April, 2016, resulted in a deficit of US\$5.65 million, up from US\$4.82 million deficit recorded in the previous month, explained by month-on-month 15.2 percent rise in total expenditure that offset the 14.9 percent increase in total actual revenue for the review period. Tax and non-tax revenue & grants constituted 78.5 percent and 21.5 percent of total revenue and grants, respectively. Actual revenue and grants rose above budgetary target for the month by US\$2.00 million or 2.4 percent. Recurrent and capital expenditure accounted for 89.2 percent and 10.8 percent of total public expenditure for the review month, respectively.

Liberia's public debt stock at end-April, 2016, stood at US\$719.10 million, growing by 1.6 percent against the stock recorded in the preceding month, mainly explained by 2.5 percent increase in external debt stock for the review period. Domestic and external debt stocks constituted 37.4 percent and 62.6 percent of Liberia's total public debt stock at end-April, 2016, respectively (Table 1).

**EXTERNAL SECTOR DEVELOPMENTS****Merchandise Trade**

At end-April 2016, statistics on merchandise trade recorded a deficit of US\$79.8 million, from a deficit of US\$113.1 million at end- March, 2016. The 29.4 percent improvement in trade balance was attributed to increased export receipts (Table 1).

## Exports

During the review month, export receipt increased by 65.2 percent to US\$25.6 million, from US\$15.5 million recorded in the previous month; largely on account of increases in the country's major export commodities (rubber and iron ore). Earnings from iron ore and rubber increased by US\$7.2 million and US\$3.5 million, respectively (Table 1).

## Imports

Import payments (fob) in the reviewed month dropped by 18.0 percent to US\$105.4 million, from a revised value of US\$128.6 million recorded during the previous month. The decline was mainly attributed to a 23.4 percent and US\$11.2 million falls in payments on both petroleum and commercial rice (Table 1).

## Global Commodity Price Review

Commodity prices rose by 4.7 percent at end-April, 2016, from 9.0 percent recorded in the previous month. The rise in commodity prices was mainly on account of gains recorded in three commodity price indices, namely: fuel, food and agricultural materials.

### Iron ore

Iron ore price reported at end-April, 2016 rose by 7.3 percent to US\$59.58 per metric ton, from US\$55.52 per metric ton recorded in the previous month. The increase in the price of the commodity was due to growing demand for the commodity mainly from China (Table 1).

### Rubber

Rubber price at end-April 2016 inched up by 18.9 percent to US\$1,720.5 per metric ton, from US\$1,447.1 per metric ton in March, 2016. The surge in the price of rubber during the period was mainly on account of rising demand for the commodity from China in response to weaker global supply of the commodity.

## Petroleum (Crude Oil)<sup>1</sup>

The Month of April saw mixed movements in the prices of crude oil; however, on the back of supply disruptions and a decline in production from the United States, average oil price rose by 9.4 percent to US\$40.75 per barrel at end-April, 2016, from US\$37.34 per barrel recorded in March, 2016.

## Food (Rice)

Along with increase in global food price resulting from moderate gains in cereal prices, rice price during the month of April, 2016 rose by 1.5 percent to US\$376.1 per metric ton, from US\$370.5 per metric ton recorded in March, 2016. The rise in the price of the commodity was marked, this time, by unfavourable weather condition that led to lower than expected output growth in Asia.

## Gross Foreign Reserves

Gross foreign reserves position (excluding SDR<sup>2</sup> holdings) of the Central Bank rose by 4.9 percent to US\$267.1 million at end-April, 2016, from US\$ US\$254.7 million reported in the previous month. The rise in gross foreign reserves was largely attributed to a 32 million surge in US Dollar Notes & Coins.

## Month-of-Import covered

Gross foreign reserves including SDR holdings, when matched against payments (services and imports) by Liberia amounted to approximately 2.9 months of import cover at end-April, 2016.

<sup>1</sup>Crude oil price is the average of the three global oil price benchmarks: Dated Brent, West Texas Intermediate and Dubai Fateh.

<sup>2</sup>Special Drawing Rights