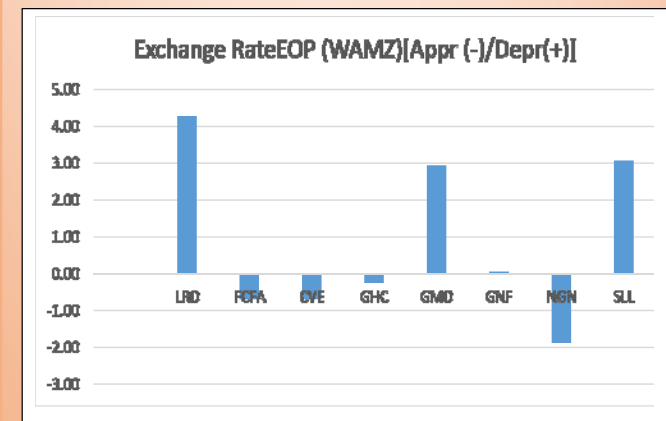


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CENTRAL BANK OF LIBERIA (CBL)



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

Currency	Jul - 16	Aug - 16	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr.(-)/Depr.(+)
LRD	93.50	97.5	4.28
GHC	3.95	3.94	-0.30
GMD	44.52	45.83	2.94
GNF	8,996.16	9,001.58	0.06
NGN	310.85	305.00	-1.88
SLL	6,096.49	6,283.91	3.07

Sources: Central Banks of Liberia and WAMA: www.amao-wama.org/en/exchange.aspx and 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

REAL SECTOR & PRICE DEVELOPMENTS

		May-16	Jun-16	Jul-16	Aug-16
10	Inflation	<i>(In percent)</i>			
	Overall (Year-on-year) Rate of Inflation	7.6	8.4	8.4	9.9
	a. Food and Non-alcoholic Beverages Inflation	1.9	4.1	5.8	10.8
	- Domestic Food Inflation	3.9	9.1	10.2	14.1
	- Imported Food Inflation	0.1	-0.4	1.7	7.8
	b. Transport Inflation	30.6	22.4	15.4	14.7
	c. Imported Fuels Inflation	-2.6	2.0	3.2	1.1
	Overall (Month-on-Month) Rate of Inflation	-0.3	5.2	2.6	0.5
	Core Inflation				
	Inflation excluding Food & Non-alcoholic Beverages	14.7	13.7	11.6	8.8
	Inflation excluding Imported Food	10.6	12.0	11.1	10.7
	Inflation excluding Domestic Food	8.9	8.2	7.7	8.4
	Inflation excluding Food and Transport	12.1	12.1	10.9	7.6
	Production	<i>(Metric Tons)</i>			
	Iron Ore	171,029.0	101,337	0	95,518
	Rubber	3,003.0	2,500	2,500	5,519
	Cement	22,853	17,808	14,631	13,196
	Beverages	<i>(In Litres)</i>			
	Alcoholic	1,411,795	905,899	1,240,300±	1,290,898
	Non-Alcoholic	856,441	768,341	842,790±	820,881
11	Int'l Commodity Prices	<i>US\$/Unit</i>			
	Iron Ore (US\$ /MT)	54.9	51.4	56.6	60.5
	Rubber (US\$/MT)	1,673.7	1,580.7	1,774.7	1,653.0
	Crude Oil (US\$/Barrel)/1	46.0	47.7	44.2	44.8
	Rice (US\$/MT)	408.9	420.7†	456.2	414.2

* US\$ converted to L\$

** 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, Preliminary, Estimate

†Revised

‡Not Available (NA)

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

^With liquidity Effect

Production

Total output of major commodities during the period ended-August 2016 showed up and down swings. Cement production declined by 9.8 percent or 1,435 metric tons to 13,196. The slump is explained by the intensity of the rainy season when construction activities are lowered. Beverages output grew by an estimated 1.4 percent; to 2.1 million liters up from 2.0 million liters produced during the previous month.

Iron ore production during the month of August, 2016 recorded an output of 95,518 metric tons. Production data indicated that there was no production of Iron ore in July, 2016. Rubber output rose by 3,019 metric tons when compared to the preceding month. The rise in output was on account of increased production by small farm holders.

Consumer Prices

During the review period, headline inflation swelled by 2.6 percentage points to 9.9 percent, up from 7.3 percent a year ago. The rise in inflation was generally explained by the increases in all imported items and domestic food inflations.

On a Month-on-month basis, the rate of inflation decreased by 2.1 percentage points, to 0.5 percent down from 2.6 percent in the previous month. The monthly slump in inflation was driven by decreases in all imported and domestic item inflations.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The CBL monetary policy stance remains fastened on price stability through broad exchange rate stability. For the month ended-August, 2016, the foreign exchange auction was the readily available instrument used by the Bank to broadly stabilize the exchange rate.

Monetary Aggregates and Credit

As at-end August 2016, overall liquidity (M2) of the Liberian economy expanded by 3.2 percent to L\$62,711.3 million, from L\$60,782.0 million recorded at end-July, 2016. The growth was due to 5.6 and 2.6 percent rise, respectively, in demand and time deposits.

Net foreign assets (NFA) for the month under review grew marginally by 0.6 percent to US\$35,895.5 million. The rise was mainly on account of 1.2 percent expansion in CBL foreign assets. Also, net domestic assets (NDA) grew by 6.9 percent mainly as a result of 6.7 percent rise credit to the private sector including credit to the nonbank financial institutions. Net claim on government also grew by 4.5 percent.

Commercial bank loans to private sector in US dollars increased by 0.5 percent to US\$330.0 million, from US\$328.2 million, while Liberian dollars component of loans to private sector also grew by 7.4 percent, from L\$2,422.8 million to L\$2,601.9 million, during August, 2016.

Exchange Rate

The average exchange rate between the Liberian and United States dollars at end-August, 2016 depreciated by 1.7 percent to L\$96.3/US\$1.00 when compared to the rate reported in July, 2016. On the other hand, the end-of-period exchange rate also depreciated by 4.3 percent to L\$97.5/US\$1.00 when compared with the rate recorded a month ago. At the same time, the monthly average exchange rate depreciated by 9.2 percent against the US dollar when matched with the corresponding period in 2015. The monthly depreciation was on account of rising demand for US dollars mainly by importers to service import payments. The total FX demand in August was US\$7.85 million, an increase of 62.5 percent over the total demand of US\$4.83 million recorded for July, 2016.

In the WAM Zone, the end-of-period exchange rates showed that four currencies depreciated and two appreciated against the US dollar at end-August, 2016. The Liberian dollar was high hit and fell by 4.3 percent, followed by the Sierra Leonean Leone, the Gambian Dalasi and the Guinean franc by 3.1, 2.9 and 0.1 percents, respectively. The Nigerian Naira appreciated by 1.9 percent followed by the Ghanaian Cedis, 0.3 percent (Table 2).

Money Market Developments

Operations in the money market continued with the amount of Treasury bill issued totaling L\$46.8 million at end-August, 2016. This figure, when matched against the redemption of L\$45.3 million, indicates a withdrawal of L\$1.5 million from the economy. The weighted average discount rate for the month was 10 basis point higher when compared with the previous month.

		May-16	Jun-16	Jul-16	Aug-16
6	Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
	Capital Adequacy Ratio (CAR)***	19.1†	20.0	20.5†	23.5
	Non-performing Loans to Total Loans	14.4†	14.8†	14.5†	13.5
	Non-performing Loans (% change)	-21.8†	6.9†	-2.1†	-1.2
	Returns on Assets	0.1†	0.6†	0.7	0.8
	Returns on Equity (ROE)	1.1†	4.5†	4.7†	5.3
	Liquidity Ratio****	38.1†	40.2	39.7†	40.9
7	Fiscal Operations				
7a	Revenue, Expenditure & Debt	<i>(Millions of US\$)</i>			
	Actual Revenue & Grants	50.4	66.2	35.1	31.4
	Projected Revenue & Grants	32.6	60.5	44.0	35.5
	Expenditure	56.2	47.2	58.6	50.4
	Public Debt Stock	717.9	731.7	738.0	746.7
	Domestic	269.2	269.0	269.0	269.0
	External	448.7	462.7	469.0	477.7
7b	Treasury Securities	<i>(Millions of L\$)</i>			
	T- Bills Issued	-44.9	-45.4†	-46.9	-46.8
	T- Bills Redeemed	45.3	45.3	45.3	45.3
	Net GoL Treasury Operation^	0.4	-0.1	-1.7	-1.5
	Average Weighted Discount Rate	3.2	3.1	2.9	3.0
	Bond Issued (2 yrs) amount in Billion			2.6	0.0
	Average Weighted Discount Rate			14.4	0.0
8	External Trade (Value)	<i>(Millions of US\$)</i>			
8a	Exports/1	12.3†	14.0	6.8	12.7±
	- O/w Iron Ore	3.9	2.2	0.0	1.9
	- O/w Rubber	4.5	3.4	3.2	7.2
	- O/w Mineral	2.9	3.5	2.5	2.7±
8b	Imports (F.O.B)/1	112.4	94.1	97.5	99.1
	Import (C.I.F)	122.6	102.4	104.7	108.3
	-O/w Petroleum Products	22.5	20.7	33.0	17.8
	-O/w Commercial Rice	21.6	0.2	0.2	4.9
	-O/w Non-commercial Rice	0.3	0.5	0.3	0.08
	Trade Balance	-100.1	-80.1	-90.7	-86.4
9	External Trade (Volume)	<i>(Metric Tons)</i>			
	- Rubber	3,004	2,499.8	2,499.8	5,519.2
	-Iron Ore	171,029	101,336.6	0.0	95,517.8
	-Commercial Rice	472,926	4,378.9	4,203.8	
	-Non-commercial Rice	1,744	2,907.2	2,023.4	
	- Petroleum Products	8,995	7,933.5	16,681.4	7,741.6

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

Table 1: Fact Sheet

	May-16	Jun-16	Jul-16	Aug-16
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) ¹	169.1	168.7	161.2	166.0
CBL Gross Foreign Reserves (excluding SDRs)	270.8	292.2	274.8	275.5
Liberian Dollars in Circulation	10,006.6	9,925.2	9,815.4	9,779.9
Money Supply (M1) in L\$ only	13,056.5	13,269.4	13,613.9	13,288.9
Broad money (M2) in L\$ only	17,568.3	17,985.1	18,854.7	18,709.7
Broad money (M2) in both L\$ and US\$*	59,080.7	60,666.5	60,782.0	62,711.3
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	29.7	29.6	31.0	29.8
Interest Rates				
- Lending rate	13.6	13.5	13.7	13.7
-Average Deposit rates				
-Savings	2.0	2.0	2.0	2.0
-Time	3.7	2.7	3.8	3.8
Commercial banks loans to private sector - US\$	330.5	338.9	328.2	331.1
Commercial banks loans to private sector - L\$	1,993.4	2,204.6	2,422.8	2,601.9
- Demand Deposits of commercial banks				
Demand deposits - US\$	276.2	278.1	279.4	292.0
Demand deposits - L\$	4,291.7	4,326.8	4,432.0	4,490.8
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	172.7	172.0	163.1	163.9
Time & savings deposits - L\$	4,503.3	4,697.7	5,220.4	5,400.3
- Other Deposits**				
Actual US\$ component of other deposits	4.8	1.5	0.4	0.9
Liberian \$ component of other deposits	8.5	18.0	20.5	20.4
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	2.0	5.0	6.0	2.0
Total Subscription	4.8	7.5	10.5	4.8
Over(+)- / Under(-) Subscription	2.8	2.5	4.5	2.8
3 CBL Bills Auction	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	0.0	0.0	0.0	0.0
4 Personal Remittances	<i>(Millions of US\$)</i>			
Inflows	47.4	29.1	52.2	61.0
Outflows	24.1	21.6	21.6	30.7
Net flows	23.3	7.5	30.6	30.2
5 Exchange Rate				
End of Period	91.5	94.5	93.5	97.5
Period Average	91.5	92.9	94.7	96.3

Banking Sector Developments

The liquidity position and capital adequacy ratio have always shown signs of soundness of the banking sector. At end-August 2016, both capital adequacy and liquidity ratios of the sector stood at 23.5 percent and 40.9 percent, respectively. Compared to previous period, both capital adequacy and liquidity ratios improved by 1.2 and 3.0 percentage points, respectively. On the other hand, the level of non-performing loans remained relatively the same when compared to the preceding month (Table 1).

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

Fiscal operations in August, 2016, resulted in a deficit of US\$19.0 million, down from the deficit of US\$23.6 million recorded in the previous month, explained by 10.6 percent decline in actual revenue and grants, and 14.0 percent reduction in total public expenditure. Tax and non-tax revenue & grants constituted 88.2 percent and 11.8 percent of total revenue and grants, respectively. Actual revenue and grants fell short of achieving its budgetary target for the month by US\$4.2 million or 11.7 percent. Recurrent and capital expenditure accounted for 89.4 percent and 10.6 percent of total public expenditure for the review month, respectively.

Liberia's public debt stock at end-August, 2016, stood at US\$746.7 million, increasing by 1.2 percent against the stock of US\$738.05 million recorded in the previous month, mainly explained by 1.9 percent growth in external debt stock during the review month. Domestic and external debt stocks constituted 36.0 percent and 64.0 percent of Liberia's total public debt stock at end-August, 2016, respectively (Table 1).

EXTERNAL SECTOR DEVELOPMENTS**Merchandise Trade**

Merchandise trade balance recorded slight improvement at end-August 2016, to a deficit of US\$86.4 million. The 4.7 percent improvement in trade balance from US\$90.7 million recorded in the previous month was largely attributed to a gain of US\$5.9 million in export proceeds in August, (Table 1).

Exports

Merchandise trade export receipt at end August, 2016 almost double - rising by 86.7 percent to US\$12.7 million, from US\$6.8 million reported in the preceding month. The huge rise in export receipt was largely driven by increased volume of export of both iron ore and rubber.

Imports

Statistics on import payments (f.o.b) at end-August, 2016 rose to US\$99.1 million, from US\$97.5 million reported during the previous month. The 1.6 percent increase in import payments during the period was mainly on account of increased import payments on food related products, especially commercial rice. **Global Commodity Price Review**

Commodity prices slightly dropped by 0.1 percent at end-August, 2016, from a revised 2.5 percent in the previous month. The fall in average global commodity prices, this time, was mainly on account of a fall in agricultural products prices that offset the gain experienced in metal prices.

Iron ore

At end-August, 2016, the global price of iron ore rose to US\$60.5 per metric ton, from US\$56.6 per metric ton reported in the preceding month. The 6.9 percent surge in the price of iron ore has been due mainly to increasing demand for the commodity mainly by China.

Rubber (natural)

During the reviewed period, rubber price fell to US\$1,653.0 per metric ton, from US\$1,774.7 per metric ton that was reported in the previous month. The fall in the price of the commodity was mainly driven by weak demand for natural rubber compared with synthetic rubber.

Petroleum (Crude Oil)¹

During the period ended-August, 2016, the price of petroleum (crude oil) marginally rose to US\$44.8 per barrels, from US\$44.2 per barrel during the previous month. The 1.4 percent rise in the price of the product was due to a decline in OPEC oil production.

Food (Rice)

Along with a 4.0 percent decline in global food price index, at end-August, 2016, rice price during the same period slumped by 9.2 percent to US\$414.2 per metric ton, from US\$456.2 per metric ton recorded a month ago. The overall decline in the price of rice for the first time in the last five months was due to increased supply of the commodity.

Gross Foreign Reserves

Gross foreign reserves (excluding SDR holdings) of the CBL rose modestly during the reviewed month by 0.3 percent to US\$275.5 million, from US\$274.8 million recorded in the previous month. The slight rise recorded for gross foreign reserves was on account of a 2.1 percent growth in US dollar notes and coins.

Months of Import Cover

With the slim rise in the level of gross foreign reserves during the Month ended August 2016, imports coverage was remained stable at approximately 2.8 months.

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

²Special Drawing Rights