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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 development in sugar price during the month was triggered by decline in the supply of the commodity owing to reduction in production of the commodity from mainly India and Brazil. Similarly, year-on-year comparison of the price of sugar indicated that there was an increase by 10.7 percent in the price of the commodity from US\$280.00 per metric ton.

Cocoa beans

Cocoa price increased by 9 percent in January 2020 to US\$2,660.0 per metric ton following a slight decline in the previous month. The increase in the price of the commodity during the month was due mainly to lowered supply of the commodity from the main cocoa producing countries in West Africa (Ghana and Cote d'Ivoire) coupled with expectations of higher Asian demand for the commodity. Compared with the same month a year ago, the price of cocoa beans rose by 17.7

Table 8: External Sector Statistics: Global Prices

GLOBAL PRICE	Jan - 19	Nov - 19	Dec - 19	Jan - 20	Percent Change	
					MoM	YoY.
	(In price per Unit of Measure)					
Iron ore (US\$/MT)	76.16	84.98	92.65	95.76	3.36	25.74
Gold (US\$/Oz)	1,291.75	1,470.79	1,479.13	1,560.67	5.51	20.82
Rubber (US\$/MT)	1,590.00	1,540.00	1,660.00	1,680.00	1.20	5.66
Cocoa Beans (US\$/MT)	2,260.00	2,520.00	2,440.00	2,660.00	9.02	17.70
Palm oil (US\$/MT)	584.58	683.38	769.93	834.85	8.43	42.81
Crude oil (US\$/BBL)	56.58	60.40	63.35	61.63	(2.72)	8.93
Food Price Index (FAO)	163.90	176.80[†]	181.20[†]	182.50	0.72	11.35
Rice_5% broken (US\$/MT)	410.00	421.00	432.00	451.00	4.40	10.00
Sugar (US\$/MT)	280.00	280.00	300.00	310.00	3.33	10.71
Commodity Price Index	117.08[†]	116.91[†]	119.97[†]	119.50	(0.39)	2.07

Source : www.indexmundi.com, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>
† - Revised

Crude oil (Petroleum) price

During the month, the slowdown in global crude oil demand exacerbated by the outbreak of the coronavirus affected the price of the commodity. The price of petroleum fell by 2.7 percent to US\$61.6 per barrel, from the price reported in the previous month. However, when matched against the corresponding month in the previous year, the price of petroleum increased by 8.9 percent, from US\$56.6 per barrel.

Rubber

During the review month, the price of rubber stood at US\$1,680.00 per metric ton. Compared with the preceding month, the price per metric ton of the commodity increased slightly by 1.2 percent. The effect of the fungal disease affecting rubber plantations in key producing economies, including Malaysia, Thailand and Indonesia continued to weigh up on the price of the commodity. Yearly comparison of the price of rubber showed 5.7 percent rise from US\$1,590.00 metric ton.

Food Price (FAO)¹

Based on Food Price Index reported by FAO, the price of food grew during the review month compared with the price reported in December 2019. Food price index rose by 1.3 percentage points in January 2020 to 182.5 due to continued increases in the price of vegetable oils, sugar and all major cereal products. Year-on-year comparison of the index showed that food price rose by 18.6 percentage points, from 163.9.

Rice

The price of rice reported in January 2020 increased by 4.4 percent to US\$451.0 per metric ton compared with the preceding month. The rise in the price of the commodity was largely attributed to slowdown in the supply of the commodity despite forecast of poor weather condition. Annual comparison of the price of the commodity showed an increase of 10.0 percent, from US\$410.0 per metric ton.

Palm oil

During the month under review, palm oil price recorded the fourth consecutive rise. The price of the commodity rose by 8.4 percent to US\$834.9 per metric ton as a result of global demand (mainly for biodiesel). Malaysia had earlier reported lower inventory level of palm oil, while Indonesia, on the other hand, reported unfavorable weather conditions impacting oil production. Year-on-year comparison of the price of palm oil reflected a rise by 42.8 percent, from US\$584.6 per metric ton.

Sugar

The price of sugar inched up for the second consecutive month to US\$310.0 per metric ton, reflecting a rise by 3.3 percent compared with the preceding month.

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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 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 rates developments in the West African Monetary Zone (WAMZ).

OVERVIEW

During the month, outputs of key commodities in the Liberian economy slowed. Except iron ore, cement and beverages outputs which rose during the month, outputs of gold, diamond and rubber declined. Rubber production plummeted due to slowdown in harvest from small farm holders during the month. Cement output rose on account of increased construction activities, while beverages productions rose due to increased consumption demand. Headline inflation increased during the month due mainly to increase in prices of items in the transport subgroup. Similarly, core inflation rose mainly on account of increase in the prices of health-related items.

The monetary policy stance of the CBL remained focused on price stability using interest rate-based instruments. During the first month of 2020, the CBL used a mixed of available monetary policy instruments such as reserves requirements, the CBL bills and the standing deposit facility (SDF) to ease pressure on the Liberian dollar.

Analysis of monetary aggregates showed that broad money (M2) inched up during the month. The rise in money supply was due mainly to falls in demand deposits, and time and savings deposits. On the asset side, the growth in broad money was largely on account of increase in net domestic assets (NDA). Disaggregation of commercial banks loans to private sector showed that the share of commercial banks' loans denominated in both United States and Liberian Dollars reduced for the second consecutive month compared with credits in both currencies in the preceding month. Disbursement of loans to individual was highly hit; personal loans declined in both currencies. The banking sector, however, continued to show resilience, evidenced by improved performance in liquidity and capital adequacy ratios.

Fiscal operations during the month resulted to a surplus higher than the fiscal balance in the preceding month. The fiscal surplus was occasioned by a significant rise in government revenue during the month, driven by a rise in income from taxes on profits, property, real estate taxes and international trade. Similarly, Government expenditure rose due to rise in recurrent spending; mainly compensation of employees. General government debt also grew slightly as a result of increase in debts from both foreign and domestic partners.

Trade deficit narrowed during the month compared to the level of deficit in the previous month, on account of decrease in import payments for goods. Payments for import fell as a result of declines in payments for mineral, fuel and lubricants as well as for food and live animals (including oil made from animals and

EXCHANGE RATE DEVELOPMENTS

At end January 2020, the Liberian dollar, based on end-of-period (EOP) and average (AVE) exchange rates, depreciated against the US dollar compared with the rates reported at end-December 2019. Using the EOP exchange rate, the Liberian dollar depreciated by 3.8 percent to L\$195.39/US\$1.00 and by 1.9 percent to L\$192.06/US\$1.00 using the average exchange rate. The depreciation of the Liberian dollar was largely driven by increased demand for foreign exchange by businesses to build inventory after the holidays. Matched against the rates reported in the same period of 2019, the Liberian dollar depreciated by 17.7 percent and 17.0 percent considering the EOP and AVE exchange rates, respectively.

Foreign exchange developments in the West African Monetary Zone (WAMZ) show that the Nigerian Naira remained relatively stable. At end of the month, the naira stood at ₦306.50/US\$1.00, while the Sierra Leonean Leone depreciated slightly by 0.3 percent. The Guinea Franc, the Ghanaian Cedi and The Gambian Dalasi appreciated by 0.3 percent, 0.7 percent and 1.0 percent, respectively. Annual comparison of the exchange rate movements in WAMZ showed that all currencies depreciated against the United States Dollar. The lowest level of deprecation was seen in the naira by 0.1 percent, while the highest was in the Liberian dollar by 17.7 percent; followed by the Sierra Leonean Leone by 13.2 percent; the Ghanaian Cedi by 10.0 percent; the Guinea Franc by 2.7 percent and The Gambia Dalasi by 2.3 percent.

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

Rate & Currency	Jan-19	Nov-19	Dec-19	Jan-20	Appr (-)/Depr (+)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
End of Period	160.81	191.76	187.93	195.39	(3.82)	(17.70)
Period Average	159.47	199.80	188.39	192.06	(1.91)	(16.97)
WAMZ Currency	Currency per USD				Percent change	
GHC	4.95	5.38	5.54	5.50	0.73	(10.00)
GMD	48.95	50.64	50.61	50.10	1.02	(2.30)
GNF	9,095.67	9,322.23	9,375.32	9,350.56	0.26	(2.73)
NGN	306.25	306.45	306.46	306.50	(0.01)	(0.08)
SLL	8,453.57	9,630.83	9,712.45	9,737.48	(0.26)	(13.19)

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

GLOBAL COMMODITY PRICE DEVELOPMENTS

Iron ore

The price of iron ore in the first month of 2020 stood at US\$95.8 per metric ton, reflecting a rise by 3.4 percent during the month on account of weak supply of the mineral, mainly from Brazil. When compared with the price of the mineral in the corresponding month of 2019, iron ore price increased by 25.7 percent.

Trade Statistics	Jan - 19	Nov - 19	Dec - 19	Jan - 20
Direction of Trade (DOT)	(Millions of USD)			
Sources of Import	53.56	36.20	55.25	30.31
China	13.24	9.07	17.32	11.61
Turkey	4.38	3.49	3.17	6.84
India	22.56	6.41	19.63	5.71
Cote d'Ivoire	13.38	17.23	15.13	6.15

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

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

/2 (GIR) is the sum of net foreign liquid asset plus SDR and Reserve tranche less liabilities to CoBs and GoL

Remittances

During the month, the flows of both inwards and outwards personal remittances declined by 12.6 percent, and 21.4 percent, respectively. The fall in outward remittances outweighed the decline in inwards, thus culminating into a net inflow of personal remittances of US\$13.1 million. Outward personal remittances declined to US\$10.8 million, while inward remittances fell to US\$23.9 million. Compared with the same month a year ago, net inflows of personal remittance increased by 39.6 percent, from net outflow of US\$9.4 million in January 2019.

Gross International Reserves

Gross international reserves (GIR) position stood at US\$251.8 million at end-January 2020, falling modestly by 0.2 percent compared with the stock recorded in the preceding month. The slight fall in GIR led to a marginal rise in the months of import cover to 2.5 months from 2.4 months, which was still below the ECOWAS benchmark of 3.0 months (Table 6).

Direction of Trade (DOT)

Europe was the main destination of exports during the month. Specifically, Switzerland, Italy, Germany and the USA were the main countries of destination for commodities such as gold, iron ore and rubber originating from Liberia. Gold was the leading commodity exported to Switzerland accounting for 31.7 percent of total export earnings to Europe, followed by iron ore which was exported to Italy and Germany and rubber to North America (especially United States). At end-January 2020, Europe accounted for 85.6 percent of total export earnings.

Asia and Africa were the two regions that led as sources of imports to Liberia; however, during the month, imports from Asia (especially China, Turkey and India) declined by 30.1 percent to about US\$33.0million. Goods imported from China were mainly machinery & equipment, including vehicle and parts, electronic appliance, as well as other household goods and assorted items. Payments to Asia fell due to decline in the volume of rice imported from India and China. Similarly, payments for imported goods from Africa (predominantly ECOWAS), declined by US\$7.9 million during the month on the back of slump in import of petroleum products, mainly from Cote d'Ivoire.

Vegetable oil) related imports.

The stock of gross international reserves (GIR) decreased during the month compared with the preceding month. The fall in import payments during the month led to an estimated increase in the months of import cover to 2.5 months, from 2.4 months recorded in the preceding month. At end-January 2020, net inflows of remittances stood at US\$13.12 million, US\$0.51 million lower than the US\$13.63 million recorded in the preceding month.

During the month, Europe (mainly Switzerland, Germany, and Italy) and North America (especially the USA) continued as the main trading region to Liberia. The predominant commodities exported from Liberia to those regions were gold, iron ore and rubber. The key sources of Liberia's imports were Asia (Mainly China and India) and Africa (especially Cote d'Ivoire). The major imported commodities during the period were mainly machinery & equipment including vehicle and parts, electronic appliance, as well as other household goods and assorted items. Payments to Asia fell during the month due to decline in the volume of rice and petroleum products imported from the Continent.

REAL SECTOR & PRICE DEVELOPMENTS

Production Analyses of Key Commodities

Production statistics for the month showed mixed output performances of key commodities with slowdown in aggregate production. Compared with output in the preceding month, outputs of gold, diamond and rubber declined, while production of iron ore, cement and beverages increased. Gold output declined by 13.2 percent to 11,999 ounces during the month due to slowdown in mining activities at few industrial mines. The output of diamond dropped by 19.6 percent to 1,800 carats. Similarly, Rubber output fell by 47.5 percent, occasioned by decrease in harvest from farms of smallholders. On the other hand, iron ore production went up by 7.8 percent, owing to favorable mining conditions, while cement and beverages productions rose by 26.1 percent and 1.6 percent, respectively, due to demand factor, mainly construction and consumption demand. Disaggregation of beverages production showed that output of alcoholic beverages accounted for 91.1 percent of total production in January 2020.

Consumer Prices

Headline inflation stood at 23.6 percent in the first month of 2020. It increased by 3.3 percentage points, from 20.3 percent recorded in December 2019. The rise in inflation was mainly on account of increase in prices of items in the transport subgroup. Similarly, core inflation (inflation excluding food and transport prices) rose by 5.8 percentage points to 23.6 percent. The rise in headline inflation was attributed to the dynamic of prices of other commodities (including health-related items) in the CPI basket. Month-on-month rate of inflation also rose to 0.9 percent in January 2020, from the negative 2.8 percent recorded in the preceding month (Table 1). Similarly, core inflation (inflation excluding food and transport prices) rose by 5.8 percentage points to 23.6 percent. The rise in headline inflation was attributed to the dynamic of prices of other commodities

(including health-related items) in the CPI basket. Month-on-month rate of inflation also rose to 0.9 percent in January 2020, from the negative 2.8 percent recorded in the preceding month (Table 1).

Table 1: Production and Price Statistics

Production	Jan - 19	Nov - 19	Dec - 19	Jan - 20
	<i>(In Metric tons, carat and Ounces)</i>			
Iron Ore (Metric ton)	474,420	248,224	458,153	493,953
Gold (Ounces)	15,908	5,424	13,824	11,999
Diamond (Carat)	5,653	5,106	2,239	1,800
Rubber (Metric ton)	8,082	3,744	6,349	3,335
Cement (Metric ton)	36,442	20,843	28,839	36,377
Beverages	<i>(In Liters)</i>			
Alcoholic	1,069,763	818,096	1,133,470	1,100,087
Non-Alcoholic	1,022,808	55,836	55,440	107,261
Total Beverage Production	2,092,571	873,932	1,188,910	1,207,347
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	23.28	26.62	20.25	23.56
a. Food and Non-alcoholic Beverages Inflat'n	30.17	30.51	23.04	22.18
-Domestic Food Inflation	36.04	30.61	22.27	22.68
-Imported Food Inflation	24.38	29.37	22.29	21.89
b. Transport Inflation	25.37	29.00	26.25	29.78
c. Imported Fuels Inflation	35.16	19.51	22.39	14.81
Overall (M-o-M) Rate of Inflation	(1.77)	(1.10)	(2.76)	0.93
Core Inflation				
Inflation less Food & Non-alcoholic Beverages	19.72	24.59	18.81	24.33
Inflation less Imported Food	22.71	25.68	19.47	23.99
Inflation less Domestic Food	15.45	19.88	14.15	24.01
Inflation less Food and Transport	18.78	24.01	17.85	23.62
	<i>(Millions USD, except otherwise specified)</i>			
Nominal GDP Annual	3,263.87	3,155.48	3,155.48	3,155.48
Real GDP Annual	1,436.28	1,416.83	1,416.83	1,416.83
Real GDP growth rate (in percent)	1.2	(1.4)	(1.4)	(1.4)

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, CEMENCO, CBL & LISGIS; IMF & Liberian Authorities: Liberia Mini Model

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the CBL was focused on price stability using interest-rate based instruments. In pursuit of its objective, the Bank used several monetary policy instruments, including reserve requirements, the CBL bill, and the SDF to manage Liberian dollar liquidity.

Monetary Aggregates

Broad money supply (M2) on a month-on-month basis grew slightly by 1.4 percent to L\$122,751.0 million at end-January 2020, compared with the growth recorded in the previous month. The expansion in M2 was primarily triggered by 5.0 percent and 1.4 percent rises in demand deposits and time and savings deposits, respectively. The increase in M2, from the assets side, was attributed to 3.3 percent rise in net domestic

lubricants declined by US\$8.7 million, compared to the value reported in the preceding month, on account of decline in the volume of petroleum products imported. Similarly, payments for food and live animals plummeted due mainly to slowdown in payments for commercial rice as a result of the low quantity of rice imported during the month.

Table 6: External Sector Statistics

Trade Statistics	Jan - 19	Nov - 19	Dec - 19	Jan - 20
	External Trade (Value) <i>(Millions of USD)</i>			
Exports¹	51.26	27.66	61.27	48.83
o/w Iron Ore	20.26	14.36	30.47	27.00
o/w Rubber	8.67	4.1	6.78	4.63
o/w Gold	16.12	6.38	16.74	14.54
o/w Diamond	1.72	1.01	0.58	0.75
o/w Cocoa Bean	0.0	0.70	1.42	1.36
o/w Palm Oil	0.89	0.97	0.76	0.01
Imports (F.O.B)/1	89.83	67.83	80.98	58.95
Minerals, Fuel, Lubricants	16.00	19.00	17.57	8.88
o/w Petroleum Products	13.14	17.07	14.92	6.00
Food and Live Animals (including Animal and vegetable oil)	33.06	16.46	32.29	16.12
o/w Commercial Rice	19.31	3.30	21.81	0.07
o/w Non-commercial Rice	0.09	0.78	0.27	0.04
Machinery & Transport Equipment	17.32	10.67	13.91	17.37
Manufactured goods classified by materials	10.00	8.40	7.04	7.26
Trade Balance	(38.57)	(40.17)	(19.71)	(10.12)
External Trade (Volume) <i>(In Units as Specified)</i>				
Rubber (MT)	8,082.00	3,743.48	6,348.88	3,335.28
Iron Ore (MT)	551,130.00	306,776.0	622,194.4	563,311.7
Petroleum Products (MT)	24,358.09	51,078.13	25,728.13	9,554.41
Commercial Rice (MT)	39,775.84	6,592.25	49,719.06	80.51
Non-commercial Rice (MT)	152.76	1,039.50	169.26	80.92
Cocoa Beans (MT)	0.00	700.00	2,595.00	2,400.00
Palm Oil (MT)	1,797.00	1,660.22	1,298.83	15.47
Gold (Oz)	15,908.07	5,423.87	13,823.80	11,998.59
Diamond (Crt)	5,652.54	5,106.43	2,238.60	1,799.85
Personal Remittances <i>(Millions of USD)</i>				
Inflows	25.7	22.58	27.37	23.92
Outflows	16.3	11.64	13.74	10.80
Net flows	9.4	10.94	13.63	13.12
Other Indicators <i>(Millions of USD)</i>				
Import (C.I.F)	100.39	74.79	89.71	65.50
Gross International Reserves (GIR) ²	286.40	244.69	252.36	251.76
Import covers (In Month)	2.3	2.3	2.4	2.5
Direction of Trade (DOT) <i>(Millions of USD)</i>				
Destination of Export	23.66	14.16	27.73	34.27
Switzerland	15.41	6.33	16.74	13.24
Italy	0.00	2.60	4.61	11.12
Germany	3.82	1.89	3.74	5.56
USA	4.43	3.34	2.64	4.35
Cote d'Ivoire	13.38	17.23	15.13	6.15

External debt position constituted 58.8 percent of total General Government debt (Table 5).

Table 5. Fiscal Sector Statistics

Fiscal Operations	Jan - 19	Nov - 19	Dec - 19	Jan - 20
	(Millions of USD)			
Government Revenue	41.51	30.89	37.32	65.87
Tax Revenue	35.62	25.51	28.29	40.90
o/w Taxes on Income and Profits (TIP)	14.93	10.35	7.15	23.60
o/w Taxes on International Trade (TIP)	14.34	12.35	11.93	12.82
Non-tax Revenue	5.89	5.38	9.03	18.56
o/w Property Income (PI)	4.24	4.44	8.18	17.01
o/w Other Fees, Fines and Penalties	1.65	0.94	0.85	1.55
Other tax Revenue (inclg grants)	0.00	0.00	0.00	6.41
Government Expenditure by Codes	21.83	27.27	42.74	58.56
Current Expenditure	20.46	24.59	40.30	53.43
Capital Expenditure	1.02	0.01	0.01	0.05
Loans, interest and other Payments	0.35	2.67	2.43	5.08
Overall Balance	19.68	3.62	(5.42)	(7.31)
Public Sector Debt	1047.48	1256.55	1269.75	1465.23
Domestic	264.69	420.82	419.62	604.22
Financial Sector	264.69	368.10	368.10	552.71
Other Sector	0.00	52.71	51.51	51.51
External	782.79	835.74	850.13	861.01
Multilateral	657.60	722.27	736.66	747.54
Bilateral	125.19	113.47	113.47	113.47

Source: Revenue Department, Expenditure Department and Debt Management Unit, MFD

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

During the month under review, merchandise trade balance remained in deficit and stood at US\$10.2 million. Trade deficit narrowed by US\$9.6 million compared with the deficit in the preceding month. The improvement in trade deficit was occasioned by decrease in payments for import that exceeded the fall in earnings from export.

Merchandise exports declined by 20.3 percent to US\$48.8 million (1.6 percent of GDP), from earnings recorded in the preceding month driven mainly by falls in receipts from sales of iron ore, gold and rubber. The fall in earnings from these commodities was a result of decreases in the volumes of exports. Comparative analysis in terms of the export volume of these commodities in the current month as compared with the previous month shows that the volumes of rubber and gold exports declined by 47.5 percent and 13.2 percent, respectively, while the volume of iron ore exports fell by 9.5 percent.

Merchandise import payments declined to about US\$59.0 million (1.9 percent of GDP), from approximately US\$81.0 million (2.6 percent of GDP) recorded in the previous month. The fall in merchandise import payments was largely occasioned by decreases in payments for major commodity groups, including “mineral, fuel and lubricants” and “food and live animals”. Import payments for mineral, fuel and

assets. Annual comparison reveals that M2 increased by 26.7 percent, due mainly to increase in money supply (M1) by 24.6 percent, occasioned by growth in time and saving deposits, demand deposits and currency outside banks, by 30.3 percent, 25.6 and 21.8 percent, respectively.

The components of commercial banks’ loans to private sector, denominated in both United States and Liberian dollars, declined. US dollar share of private sector credit fell by 2.7 percent to US\$373.3 million, due mainly to reduction in credits to individuals, oil and gas, extractive and trade subsectors. Similarly, the Liberian dollar component of credit to private sector fell by 2.1 percent to L\$7,096.9 million compared with credit in the previous month, due to decreases in loans and advances to individuals, construction, agriculture, manufacturing and services sectors of the economy. Compared with credits to private sector in the corresponding month of 2019, private sector credit in Liberian dollar rose by 21.3 percent, while the US dollar component fell by 9.4 percent.

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Jan - 19	Nov - 19	Dec - 19	Jan - 20
	(In Millions)			
Liberian Dollars in Circulation - (LD)	18,454.49	20,896.80	21,120.80	21,121.09
Money Supply (M1) in LD only	23,060.46	30,356.24	29,627.21	28,899.74
Broad money (M2) in LD only	29,850.57	39,053.23	38,689.20	37,276.09
M2 (in both LD & USD) Converted to LD	96,847.17	118,194.36	121,006.34	122,750.97
Net Foreign Assets (NFA) – LD	11,632.49	9,220.84	12,619.27	10,838.30
Net Domestic Assets (NDA) – LD	85,214.68	108,971.96	108,387.07	111,912.67
Loans to Private Sector				
Commercial banks loans to private sector- USD	5,852.58	389.41	383.64	373.26
Commercial banks loans to private sector - LD	412.10	7,109.07	7,249.20	7,096.88
Demand Deposits of commercial banks				
Demand deposits - USD	251.88	239.09	252.12	257.59
Demand deposits - LD	6,712.55	9,894.98	9,091.86	8,989.35
Time & savings deposits - USD	162.85	172.01	177.24	176.94
Time & savings deposits - LD	6,729.54	8,638.44	9,006.35	8,318.01
Other Deposits**				
Actual US\$ component of other deposits	1.89	1.60	8.67	2.91
Liberian \$ component of other deposits	60.56	58.55	55.64	58.35
Total Deposits (USD & LD) converted to LD ¹	80,499.26	97,733.10	100,470.99	102,840.59
	(In Percent)			
Liberian Dollar share of Broad Money	30.82	33.04	31.97	30.37

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

During the first month of 2020, the CBL, on aggregate, purchased the total amount of L\$1,990.8 million and redeemed L\$985.1 million through the issuance of its bills. When disaggregated, the total purchases of bills during the month was solely based on effective annual returns (EAR), but the redemption of L\$1.0 million was on coupon rated bills and L\$984.1 million was redeemed on EAR bills. At end of the month, the CBL had mopped up L\$3,040.3 million; of which L\$1,005.7 million was done in January 2020.

On an effective annual return of 30.0 percent, the Bank's trade in an overnight SDF grew by 45.0 percent to L\$19,245.0 million compared to December 2019. Money markets instrument such as repo was traded at the average interest rate of 5.5 percent, while swap lending remained traded at the average interest of 6.0 percent between commercial banks. (Table 3).

Table 3. Financial Market and Interest Rates Statistics

Market Instruments	Jan - 19	Nov - 19	Dec - 19	Jan - 20
CBL (indexed) Bills	(Millions of LD)			
Bills Purchased on 7% coupon basis	na	0.00	0.00	0.00
Redemption on 7% basis	na	90.00	130.15	1.02
Bills outstanding on 7% coupon basis	<i>na</i>	<i>1,414.36</i>	<i>1,284.21</i>	<i>1,283.19</i>
Coupon rate (%)	na	7.00	7.00	7.00
Bills Purchased on EAR basis	na	100.30	800.4	1,990.84
Redemption on EAR basis	na	na	150.30	984.11
Bills Outstanding on EAR basis	<i>na</i>	<i>100.30</i>	<i>750.40</i>	<i>1,757.1</i>
Effective Annual Rate (EAR) (%)	na	30.00	30.00	30.00
Total Bills purchased (7% and 30% EAR)	na	100.30	800.40	1,990.84
Total Redemption (7% and 30% EAR)	na	90.00	280.45	985.13
Total Bill Outstanding (7% and EAR)	na	1,514.66	2,034.61	3,040.29
CBL Foreign Exchange (Fx) Auction¹	(Millions of USD)			
US Dollar Amount Sold	6.00	0.00	0.00	0.00
US Dollar Amount Sold	6.00	0.00	0.00	0.00
Total Subscription	6.00	0.00	0.00	0.00
Over (+) /Under (-) Subscription	0.00	0.00	0.00	0.00
Treasury Securities	(Millions of LD, unless otherwise stated)			
T- Bills Issued	78.94	0.00	0.00	0.00
T- Bills Redeemed	77.73	0.00	0.00	0.00
T-Bills outstanding	0.00	860.94	860.94	860.94
Net Treasury Bills Operations[^]	1.21	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	5.00	7.47	7.47	7.47
T- Bills Issued (USD)	na	na	2.6	na
T- Bills Redeemed (USD)	na	na	na	na
T-Bills Outstanding_ USD	na	na	2.6	2.6
T- Bond Issued	na	0.00	0.00	0.00
T- Bond Outstanding	6,000.00	6,000.00	6,000	6,000.00
Semi-annual Coupon Payment	0.00	0.00	0.00	392.00
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	16.0	16.0	16.0	16.0
Standing Deposit Facility (SDF)	(In Percent, unless otherwise stated)			
SDF rate (%)	na	4.00	4.00	4.00
SDF Amount (In Millions LD)	na	10,160.00	0.00	0.00
SDF overnight monthly rate (%)	na	0.07	0.07	0.07
SDF Amount (In Millions LD)	na	5,000.00	13,275	19,245
Interest Rates				
- 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

Source: CBL

[^] - with Liquidity Effect where withdrawal (+)/injection (-)¹ - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency**BANKING SECTOR DEVELOPMENTS**

The banking sector remained sound and resilient on account of the level of liquidity ratio (LR) and capital adequacy ratio (CAR). LR and CAR remained far above their minimum requirements by 15.4 percentage points and 29.9 percentage points, respectively. However, returns on assets (ROA), returns on equity (ROE) and CAR declined by 2.1 percentage points, 12.6 percentage points and 2.1 percentage points, respectively; while LR increased by 0.05 percentage point when compared with the preceding month. Total (gross) loans during the month stood at L\$84.0 billion (13.9 percent of GDP) declining from 14.3 percent of GDP in the previous month due to reclassification of credit facilities into long-term security since December 2019.

Table 4: Selected Financial Soundness Indicators, FSIs

Financial Soundness Indicators	Jan - 19	Nov - 19	Dec - 19	Jan - 20
Capital Adequacy Ratio (CAR)***	28.87	27.51	27.51†	25.40
Non-performing Loans to Total Gross Loans (ratio)	13.93	16.76	17.21	16.95
Total Gross Loans (In Billion L\$)	74.72	84.45	84.59	84.03
Non-performing Loans (% change)	0.73	8.20	2.87	-2.38
Returns on Assets (ROA)	0.17	1.72	2.40	0.28
Returns on Equity (ROE)	0.97	10.36	14.29	1.69
Liquidity Ratio****	38.07	41.83	39.89	39.94

Source: CBL

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

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

† - revised

FISCAL SECTOR DEVELOPMENTS

During the first month of 2020, preliminary statistics showed that total government revenue (including grants) amounted to US\$65.9 million (2.1 percent of annual GDP), while total spending stood at US\$58.6 million (1.9 percent of annual GDP), thus resulting to a surplus of US\$7.3 million (0.2 percent of annual GDP) compared to the deficit of US\$5.4 million recorded in December 2019. Government revenue increased considerably by 76.5 percent, from US\$37.3 million (1.2 percent of annual GDP) in the previous month occasioned by a rise in taxes on income and profits, property and real estate taxes and taxes from international trade. Similarly, Government spending increased by 37.0 percent, from US\$42.7 million, triggered by increases in compensation to employees, expenditure on goods and services and payments on loans, interest and other charges.

At end-January 2020, General Government debt stood at US\$1,465.4 million (46.4 percent of GDP). The stock of debt increased by 15.4 percent, from 40.2 percent of GDP reported in the previous month. The increase in government debt stock was occasioned by increases in both domestic and external debt composition. Domestic debt rose by 44.0 percent to US\$604.2 million, due to acquisition of new loans from financial institution, while external debt level rose slightly on account of increase in disbursement from mainly multilateral creditors.