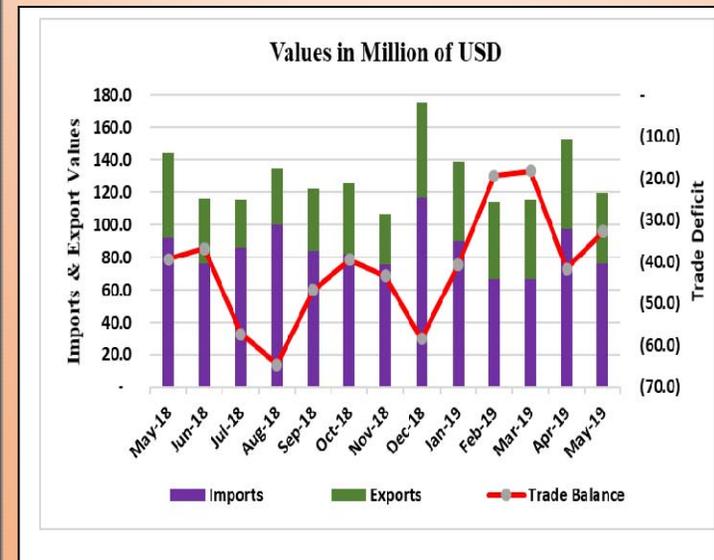




# CENTRAL BANK OF LIBERIA (CBL)

## MONTHLY ECONOMIC REVIEW

MAY, 2019  
VOLUME 5 No. 5



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consumption, the price of the commodity fell by 3.6 percent to US\$270.00 per metric ton reported in the previous month. The contraction during the month was based on prospects that India would increase output of the commodity for the global market. The price of sugar however remained stable compared with the price recorded in same period of 2018.

### Cocoa beans

During the month, the price of cocoa beans slightly fell by 0.4 percent to US\$2,320.00 per metric ton. The reduction was mainly explained by low-quality cocoa stemming from the effect of rainfall in cocoa producing areas in Cote d'Ivoire and outbreak of cocoa virus disease in Ghana. Yearly comparison of the price of cocoa beans showed a 12.8 percent slump in the price of the commodity.

**Table 7: External Sector Statistics**

	May- 18	Mar- 19	Apr- 19	May- 19
<b>GLOBAL PRICE</b>	<b>(In price per Unit of Measure)</b>			
Iron ore (US\$/MT)	66.10	86.47	93.70	100.15
Gold (US\$/Oz)	1303.45	1,300.90	1,285.91	1,283.70
Crude oil (US\$/BBL)	73.43	63.79	68.58	66.83
Rubber (US\$/MT)	1700.00	1,720.00	1,720.00	1,770.00
Cocoa Beans (US\$/MT)	2,660.00	2,200.00	2,330.00	2,320.00
Food Price Index (FAO)	176.20	167.00	170.00	172.40
Rice (US\$/MT)	451.00	406.00	413.00	409.00
Palm oil (US\$/MT)	687.29	573.02	588.45	563.20
Sugar (US\$/MT)	270.00	280.00	280.00	270.00

Source: [www.indexmundi.com](http://www.indexmundi.com), <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

## INTRODUCTION

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

## OVERVIEW

Production of key commodities in the Liberian economy in May 2019 declined in reference to the preceding month. The contraction in mining sector was reflective of the falls in production of gold and diamond during the review period. Headline inflation for the month inched up by 5.4 percentage points mainly due to increases in prices of basic commodities arising from uncertainty surrounding the June 7 Protest. Core inflation rose during the month, largely induced by increases in the prices of non-food related commodities.

Monetary Policy stance during the month was aimed at controlling excess Liberian dollar liquidity in the economy. However, broad money (M2) expanded by 9.4 percent to L\$114,769.9 million during the month due to increased currency outside banks and demand deposits. On the asset side, the rise in M2 was due to rise in both net domestic assets (NDA) and net foreign assets (NFA) by 32.6 percent and 7.8 percent, respectively. NDA expanded as a result of increases in net credits to government and the private sector, while NFA rose on account of increase in foreign assets of commercial banks. Disaggregation of commercial banks' loans to the private sector by currency showed that United States dollar denominated loans fell, while those of Liberian dollar rose compared to the previous month. Performance of the banking sector was significantly unchanged during the review period, explained by relative stability in returns on assets (ROA) and a decline in liquidity ratio (LR).

Both export earnings and import payments declined during the month by 22.0 percent and 21.8 percent, respectively. Export earnings slumped on account of declines in receipts from iron ore, gold and rubber exports, while import payments decreased due to falls in payments for food and live animals (including oil produced from animals and vegetable) and machinery and transport equipment related imports. The fall in import payments resulted to a slight improvement in trade deficit.

Gross foreign reserves (GFR) fell by 2.3 percent to US\$299.0 million during the month compared with the preceding month. The fall in GFR, coupled with the decline in payments for imports during the month gave rise to higher month of import cover compared with the previous month. Both the average and end-of-period exchange rates of the Liberian dollar depreciated against the United States dollar by 11.0 percent and 8.9 percent, respectively during the month under review.

## REAL SECTOR & PRICE DEVELOPMENTS

### Production Analyses of Key Commodities

In May 2019, production of key commodities largely declined compared with outputs in the previous month. Except iron ore and beverages outputs that increased, all other outputs including gold, diamond, cement and rubber decreased (see Table 1).

Iron ore production increased by 12.9 percent to 409,096.0 metric tons, mainly due to favorable international price induced by increased demand for the commodity. Total beverage output (alcohol and non-alcoholic) grew by 8.2 percent in anticipation of festive period driven demand, following a significant fall in production of beverages in the previous month. The rise in output of alcoholic beverages exceeded the production of non-alcoholic during the month.

On the other hand, cement output dropped for the second consecutive month by 8,288 metric tons to 32,110.0 metric tons due to weak demand resulting from rainy season. Outputs of gold and diamond fell by 17.0 percent and 18.6 percent, respectively, during the month. Gold production dropped due to slowdown in industrial gold mining activities. Similarly, after doubling output in the preceding month, rubber production fell in the reporting month to 4,148.0 metric tons, from 7,718.0 metric tons due to slump in output from small farm holders.

### Consumer Prices

Year-on-year inflation in May 2019 increased by 5.4 percentage points to 28.7 percent. Uncertainty surrounding the June 7 Protest led a sharp depreciation of the exchange rate which resulted to further rise in inflation during the review month. Month-on-month rate of inflation heightened to 5.6 percent in May 2019, from negative 0.6 percent in April 2019.

### Crude oil (Petroleum) price

The price of crude oil fell by 2.6 percent for the first time to US\$66.8 per barrel, following a sustained rise over the last four months, compared with the price in the previous month. This development was occasioned by uncertainty associated with economic slowdown triggered by the US-China trade war coupled with increased shale oil production from the US.

### Rubber

The price of rubber inched up in the month by 2.9 percent to US\$1,770.00 per metric ton, compared to the price per metric ton in the preceding month. The rise in price of the commodity during the month was due to reduction in supply of the commodity mainly from India, despite expectation of cut in supply to induce upward movement in price.

### Food Price (FAO)<sup>1</sup>

Food price index rose in May 2019 compared with the preceding month, led by strong growth in the prices of dairy products and cereal related products. Prices of dairy products, for the second consecutive month in 2019, were the main drivers of growth in the price of food.

### Palm oil

Following recovery in demand for palm oil in the previous month, the price of the commodity declined during the period under review to US\$563.2 per metric ton. The 4.3 percent fall in price of the commodity was due mainly to high inventory levels of palm oil in key exporting countries. Year-on-year comparison of the price of palm oil showed a fall in the price by 18.1 percent.

### Rice

Contrary to growth in the price of cereal during the month, the price of rice declined by 1.0 percent to US\$409.00 per metric ton, compared to the preceding month, largely reflecting declines in prices of other types of rice, except the aromatic rice. On a year on year basis, the price of the commodity fell by US\$42.0 per metric ton.

### Sugar

Despite expectation for Brazil to hold back on export of its sugar for domestic

<sup>1</sup> FAO Food Price Index is a measure of the monthly change in international prices of a basket of five commodity food groups. See: <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

A review of exchange rate developments in the West African Monetary Zone (WAMZ) showed that all currencies in the Zone depreciated against the United States dollar, except the Nigerian Naira and the Guinean Franc which remained stable at ₦306.45/US\$1.00 and GNF9,130.49/US\$1.00, respectively. The Liberian Dollar, the Ghanaian Cedi, the Gambian Dalasi and the Sierra Leonean Leone depreciated.

On year on year basis, all currencies in the Zone depreciated against the United States dollar with the Naira recording the lowest depreciation and the highest for the Liberian Dollar, followed by the Ghanaian Cedi (See Table 6).

**Table 6: Exchange Rates: Official and WAMZ Countries End-of-Period Exchange Rates against the US Dollar**

Rate & Currency	May- 18	Mar- 19	Apr- 19	May- 19	Appr (-)/Depr (+)	
					MoM	YoY
<b>Exchange Rate</b>	<b>LD/USD</b>				<b>Percent change</b>	
End of Period	138.29	163.05	172.01	191.00	11.04	38.12
Period Average	134.39	162.22	166.37	181.23	8.94	34.85
<b>Currency</b>	<b>Currency per USD</b>					
GHC	4.42	5.08	5.09	5.15	1.18	16.52
GMD	47.91	49.56	50.17	50.56	0.78	5.53
GNF	8,996.48	9,105.83	9,130.49	9,131.53	0.01	1.50
NGN	305.45	306.45	306.45	306.45	0.00	0.33
SLL	7,665.11	8,675.70	8,734.33	8,785.04	0.58	14.61

Source: CBL, WAMA: [www.amao-wama.org/](http://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

At end-May 2019, the price of iron ore rose by 6.9 percent to US\$100.2 per metric ton, due basically to increase in demand for the commodity by steelmakers. In the midst of iron ore production cut, demand was anticipated to rise on the back of growing prospect for steel production in China.

### Gold

Gold price fell modestly by 0.2 percent during the month to US\$1,283.7 per ounce compared with the price recorded in the previous month. The marginal contraction was occasioned by increasing demand for gold as safe-haven instrument.

Official core inflation (Inflation excluding food and transport) also increased in the review month by 5.8 percentage points to 26.7 percent, explained by the lingering structural factors. Other measures of core inflation such as inflation excluding imported food, inflation excluding domestic food and inflation excluding food and transport also experienced increases during the month. The uptick in these measures of core inflation was largely attributed to the rise in the prices of items relating to most of the non-food categories.

**Table 1: Production and Price Statistics**

	May - 18	Mar - 19	Apr - 19	May - 19
<b>REAL SECTOR DATA</b>	<i>(In units as may be specified)</i>			
<b>Production</b>	<i>(In Metric tons, carat and Ounces)</i>			
Iron Ore (Metric ton)	456,750	450,822	362,472	409,096
Gold (Ounces)	26,061	18,475	19,138	15,883
Diamond (Carat)	9,866	4,518	6,389	5,199
Rubber (Metric ton)	4,467	3,828	7,718	4,148
Cement (Metric ton)	35,731	43,913	40,398	32,110
<b>Beverages</b>	<i>(In Liters)</i>			
Alcoholic	1,269,040	1,054,194	963,589†	1,089,276
Non-Alcoholic	1,120,064	886,185	649,311†	656,213
Total Beverage Production	2,389,104	1,940,379	1,612,900†	1,745,489
<b>Inflation</b>	<i>(In percent)</i>			
<b>Overall (Y-o-Y) Rate of Inflation</b>	<b>21.27</b>	<b>25.79</b>	<b>23.30</b>	<b>28.74</b>
a. Food and Non-alcoholic Beverages Inflation	19.56	23.40	26.50	29.86
- Domestic Food Inflation	20.41	28.96	33.04	33.51
- Imported Food Inflation	18.73	18.36	20.57	26.01
b. Transport Inflation	30.30	22.48	26.13	38.55
c. Imported Fuels Inflation	31.60	33.22	33.18	27.18
<b>Overall (M-o-M) Rate of Inflation</b>	<b>1.11</b>	<b>5.25</b>	<b>-0.59</b>	<b>5.58</b>
<b>Core Inflation</b>	<i>(In percent)</i>			
Inflation excluding Food and Transport	20.94	27.59	20.94	26.73
Inflation excluding Food & Non-alcoholic Beverages	22.24	27.03	21.63	28.17
Inflation excluding Imported Food	21.90	27.38	23.71	29.14
Inflation excluding Domestic Food	20.42	19.43	15.70	21.68

Source: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, CEMENCO, CBL & LISGIS

† Revised; ± Estimate

## MONETARY DEVELOPMENTS

### Monetary Policy Stance

The monetary policy stance of the CBL remained focused on price stability through broad exchange rate stability. In addition to the statutory reserves requirements, the CBL used its indexed bills and the standing deposits facilities (SDF) as other monetary policy instruments to carry out monetary policy operations. The Bank's policy stance during the month was to manage excess liquidity outside banks.

### Monetary Aggregates

Broad money supply (M2) at end-May 2019 rose by 9.4 percent to L\$114,769.9 million, up from 3.8 percent recorded at end-April 2019. Like in the preceding month, the growth in M2 was occasioned mainly by growths in currency outside banks, demand deposits, time and savings deposits and other deposits by 4.2 percent, 12.6 percent, 7.1 percent, and 26.1 percent, respectively. Currency outside banks expanded on account of uncertainty associated with macroeconomic instability. Compared with the corresponding month in 2018, M2 surged by 32.8 percent, largely underpinned by currency outside the banking system and demand deposits.

The increase in M2, from the assets side, was due to growths in both net domestic assets (NDA) and net foreign assets (NFA). NDA rose by 7.8 percent, occasioned by 10.9 percent expansion in net credit to government and 9.0 percent increase in credits to private sector. Similarly, NFA rose by 32.6 percent due to expansion in foreign assets of commercial banks. On a year-on-year basis, NDAs expanded by 56.1 percent, while NFAs slumped by 51.2 percent.

In terms of loan decompositions relative to the previous period, the share of commercial banks' loans to private sector denominated in United States (US) dollar declined, while Liberian dollar loans rose. US dollar denominated credit fell by 2.0 percent to US\$413.9 million due mainly to reduction in credit to trade and agriculture sectors. The Liberian dollar component of credit to private sector rose by 3.0 percent to L\$6,734.3 million, compared with credit in the previous month, due to expansions in loans advanced to individuals, services and manufacturing sectors of the economy.

Table 5: External Sector Statistics cont'd

	May - 18	Mar - 19	Apr - 19	May - 19
<b>External Trade (Volume)</b>	<b>(In Units as Specified)</b>			
-Rubber (MT)	4,457.42	3,828.12	7,718.00	4,147.92
-Iron Ore (MT)	456,279.59	489,298.36	462,043.60	376,709.43
-Commercial Rice (MT)	14,388	11,264.31 <sup>±</sup>	43,602.49	1,309.60
-Non-commercial Rice (MT)	126.00	425.87	114.21	958.68
- Petroleum Products (MT)	5,544.00	3,727.22	8,875.71	29,306.94
-Cocoa Beans (MT)	100.00	0.00	25.00	450.00
-Palm Oil (MT)	4,405.00	294.65	2,619.00	37.83
-Gold (Oz)	25,091.29	18,475.55	19,136.83	15,882.72
-Diamond (Crt)	9,865.8	4,518.17	6,388.66	5,199.41
<b>Other Indicators</b>	<b>(Millions of USD)</b>			
Import (C.I.F)	101.27	74.61	107.51	84.89
Gross International Reserves <sup>2</sup>	387.58 <sup>†</sup>	302.69	306.09	298.96
Import covers (In Month)	<b>3.3</b>	<b>3.0</b>	<b>2.4</b>	<b>2.7</b>
<b>Personal Remittances</b>	<b>(Millions of USD)</b>			
Inflows	46.02	31.89	33.22	29.47
Outflows	35.40	7.04	18.89	16.02
<b>Net</b>	<b>10.62</b>	<b>24.85</b>	<b>14.33</b>	<b>13.45</b>

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

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

<sup>†</sup> - Revised                      ≠ - Not Available (na)

<sup>±</sup> - Estimate

### Gross Foreign Reserves (Including SDR Holdings plus Reserve tranche)

The gross foreign reserves position at end-May 2019 stood at US\$299.0 million, decreasing by 2.3 percent compared with the stock recorded in the preceding month. The fall in gross reserves, supported by reduction in import payments during the month, translating into an estimated 3.6 months of import cover which is 0.6 month higher than the previous month (see Table 6).

## EXCHANGE RATE DEVELOPMENTS

In reference to exchange rate developments in the preceding month, the end-of-period (EOP) and average (AV) exchange rates of the Liberian dollar against the US dollar depreciated in May 2019. The EOP exchange rate depreciated by 11.0 percent to L\$191.00/US\$1.00, while the AV exchange rate depreciated by 8.9 percent to L\$181.23/US\$1.00. Like in previous months, the high demand for foreign exchange (FX) remained the major contributor to depreciation in the Liberian dollar.

Arab Emirates constituted 58.3 percent of earnings from Asia.

### Imports (FOB)

Payments for merchandise imports rose by 21.8 percent to US\$76.1 million, attributed to reductions in payments for food and live animals (including oil produced from animals and vegetable) and machinery and transport equipment related imports. Payments for food and live animals (including oil produced from animals and vegetable), fell by 60.2 percent due to inventory build-up originating from the previous month. (See Table 5).

The top three regions, in terms of dominating sources of merchandise imports to Liberia during the month, were Asia, Africa and Europe. Imports from Asia constituted 51.2 percent of total import payments with China recording a large proportion of imports. Goods imported from China were dominated by electrical and machinery equipment as well as household materials. Import payments from Africa (largely ECOWAS Countries) were mainly relating to mineral fuel and lubricant. The Euro Zone recorded the largest share of imports from Europe, including import payments on vehicle parts & accessories, machinery and appliances, edible vegetables, frozen food as well as chemical products.

**Table 5: External Sector Statistics**

EXTERNAL SECTOR	May - 18	Mar - 19	Apr - 19	May - 19
<b>External Trade (Value)</b>	<b>(Millions of US\$)</b>			
<b>Exports<sup>1</sup></b>	<b>52.38</b>	<b>48.54<sup>†</sup></b>	<b>55.66</b>	<b>43.42</b>
- O/w Iron Ore	14.05	20.11	23.82	19.16
- O/w Rubber	6.49	4.97	9.83	5.74
-O/w Gold	26.21	17.17	18.43	14.62
-O/w Diamond	3.15	2.11	1.69	2.18
-o/w Cocoa Bean	0.85	0.0	0.02	0.32
-o/w Palm Oil	0.97	0.04	1.39	0.03
<b>Imports (F.O.B)<sup>1</sup></b>	<b>91.76</b>	<b>66.65</b>	<b>97.37</b>	<b>76.12</b>
Minerals, Fuel, Lubricants	15.81	3.34	7.11	18.40
-O/w Petroleum Products	10.83	0.70	5.54	12.97
Food and Live Animals (including Animal and vegetable oil)	23.23	18.14	45.21	18.00
-O/w Commercial Rice	11.32	1.27	34.96	0.97
-O/w Non-commercial Rice	0.20	0.68	0.27	2.40
Machinery & Transport Equipment	24.86	18.40	17.82	12.32
Manufactured goods classified by materials	10.93	14.52	8.14	12.10
<b>Trade Balance</b>	<b>(39.38)</b>	<b>(18.10)<sup>†</sup></b>	<b>(41.71)</b>	<b>(32.70)</b>

Compared with credits to private sector in the same month a year ago, Liberian dollar denominated credit surged by 61.1 percent, while the US dollar component increased slightly by 4.9 percent.

**Table 2: Monetary Aggregates**

Monetary Aggregates	May - 18	Mar - 19	Apr - 19	May - 19
	<i>(In Millions)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) <sup>‡</sup> - (USD)	163.52	88.28	92.07	88.79
Liberian Dollars in Circulation - (LD)	17,029.89	18,693.93	19,150.96	19,749.75
Money Supply (M1) in LD only	21,966.85	24,764.75	25,951.53	26,809.01
Broad money (M2) in LD only	29,008.22	32,103.44	33,724.20	34,577.91
Broad money (M2) (both LD and USD) Converted to LD	86,402.29	101,062.90	104,907.67	114,769.86
Net Foreign Assets (NFA) – LD	18,732.5	8,171.4	6,896.68	9,142.13
Net Domestic Assets (NDA) – LD	67,669.8	92,891.5	98,010.96	105,627.73
<b>Loans to Private Sector</b>	<i>(In Millions)</i>			
Commercial banks loans to private sector - USD	394.59	413.24	422.14	413.88
Commercial banks loans to private sector - LD	4,179.40	6,377.94	6,537.74	6,734.25
<b>Demand Deposits of commercial banks</b>				
Demand deposits - USD	255.95	245.12	250.33	258.80
Demand deposits - LD	6,724.32	7,519.73	8,247.89	8,357.81
Time & savings deposits - USD	157.10	176.01	161.60	159.11
Time & savings deposits - LD	6,980.65	7,282.03	7,708.23	7,644.68
<b>Other Deposits<sup>**</sup></b>				
Actual US\$ component of other deposits	1.98	1.81	1.91	1.94
Liberian \$ component of other deposits	60.72	56.66	64.43	124.23
	<b>(In percent)</b>			
Liberian Dollar share of Broad Money	33.57	31.76	32.15	30.13

Source: CBL

<sup>‡</sup> - Reserves excluding ECF borrowing from the IMF; <sup>\*\*</sup> - Other Deposits Including Official and Manager Checks;

### BANKING SECTOR DEVELOPMENTS

The banking sector remained stable, evidenced by strong CAR and returns on assets (ROA). Capital adequacy ratio (CAR) and liquidity ratio (LR) remained far above their minimum regulatory requirements of 10.0 percent and 15.0 percent, respectively, for the month under review. However, there was a decline in liquidity ratio (LR) compared with the preceding month. CAR and ROA were stable at 28.9 percent and 0.8 percent, respectively, while LR fell by 0.3 percentage points to 38.9 percent.

Total (gross) loans rose during the month increased by 8.5 percent to L\$89.6 billion evidenced by rise in Liberian dollar denominated credits to the private sector. Disaggregation of gross loans by currencies (USD and LD) indicated that the rise was largely attributed to depreciation of the domestic currency. Liberian dollar denominated loans constituted 7.7 percent of total (gross) loans. Nonperforming loans (NPLs) also increased by 13.1 percent compared with the previous month largely explained by lower economic activity (See Table 3).

**Table 3: Selected Financial Soundness Indicators, FSI**

Financial Soundness Indicators (FSI)	May-18	Mar-19	Apr-19	May-19
	(In percent)			
Capital Adequacy Ratio (CAR)***	39.68	27.52	28.87	28.87
Non-performing Loans to Total Gross Loans (ratio)	13.21	13.69	11.84	12.33
Total Gross Loans (In Billion L\$)	61.66	76.18	82.58	89.58
Non-performing Loans (% change)	-8.24	3.03	-6.27	13.05
Returns on Assets (ROA)	0.50	0.59	0.76	0.77
Returns on Equity (ROE)	2.92	3.26	4.42	4.83
Liquidity Ratio****	41.50	38.01	39.19	38.93

Source: CBL

\*\*\* - The Minimum Capital Adequacy Ratio is 10%; \*\*\*\* - The Required Minimum Liquidity Ratio is 15%

## FINANCIAL MARKET DEVELOPMENTS

In May 2019, there were no issuances and redemption of Treasury bills. However, a mechanism to reduce excess liquidity induced the CBL to issue the indexed bills and standing deposit facility (SDF). At the prevailing rate of 7 percent on the CBL-indexed bills, L\$101.0 million was mopped up of the economy, while L\$1,800.00 million was requested in SDF at the rate of 4 percent. Compared with the previous month, the amount of Liberian dollars mopped up through the issuance of the CBL-indexed bills declined by 58.3 percent, while the amount through the SDF rose by L\$1,550.00 million. The total -indexed bills issued and SDF as at end of May 2019 were L\$854.2 million and L\$2,310.00 million, respectively. Out of the total L\$854.2 million CBL-indexed bills offered, 17.1 percent has been issued and 1.8 percent was redeemed before maturity (See Table 4).

**Table 4. Financial Market and Interest Rates Statistics**

Market Instruments	May- 18	Mar- 19	Apr- 19	May- 18
<b>CBL indexed Bills</b>	<b>(Millions of LD)</b>			
Bills outstanding	0.00	135.93	242.30	101.01
Early Redemption during the month)			30.00	62.30
Coupon rate (%)	0.00	7.00	7.00	7.00

**Table 4. Financial Market and Interest Rates Statistics cont'd**

Market Instruments	May- 18	Mar- 19	Apr- 19	May- 18
<b>CBL Foreign Exchange Auction</b>				
US Dollar Amount Sold	4.99	1.20	0.00	0.00
Total Subscription	11.14	1.20	0.00	0.00
<b>CBL Foreign Exchange Auction</b>	<b>(Millions of LD)</b>			
Over (+)- / Under (-) Subscription	-6.15	0.00	0.00	0.00
<b>Treasury Securities</b>	<b>(Millions of LD)</b>			
T- Bills Issued	-65.76	0.00	0.00	0.00
T- Bills Redeemed	63.43	0.00	0.00	0.00
Net Treasury Bills Operations^	-2.34	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	2.94	0.00	0.00	0.00
<b>Standing Deposit Facility (SDF)</b>	<b>(Percent)</b>			
SDF rate (%)	0.00	4.00	4.00	4.00
SDF Amount (In Millions LD)	0.00	260.00	250.00	1,800.00
<b>Interest Rates</b>				
- Lending rate	13.00	12.44	12.44	12.44
<b>Average Deposit rates</b>				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53

Source: CBL

^ - with Liquidity Effect

## EXTERNAL SECTOR DEVELOPMENTS

### Merchandise Trade

In May 2019, merchandise trade balance remained in deficit. Preliminary statistics showed that both export earnings and import payments plummeted at nearly the same rate relative to the preceding month. The fall in import payments led to improvement in trade deficit by US\$9.0 million, reflecting a 21.6 percent decline during the review period.

### Exports

Earnings from merchandise exports during the month declined to US\$43.4 million, indicating a fall by 22.0 percent fall compared with the previous month mainly on account of declines in receipts from minerals (especially iron ore and industrial gold) and rubber. Iron ore receipt declined by 19.6 percent, while industrial gold fell by 32.8 percent. Rubber output contracted by 41.6 percent on account of decline in the volume of the commodity exported.

Europe (especially Switzerland) and Asia (mainly the United Arab Emirates) remained the two leading destinations of exports, especially gold. Switzerland accounted for 66.9 percent of earnings from Europe, while shipment to the United