

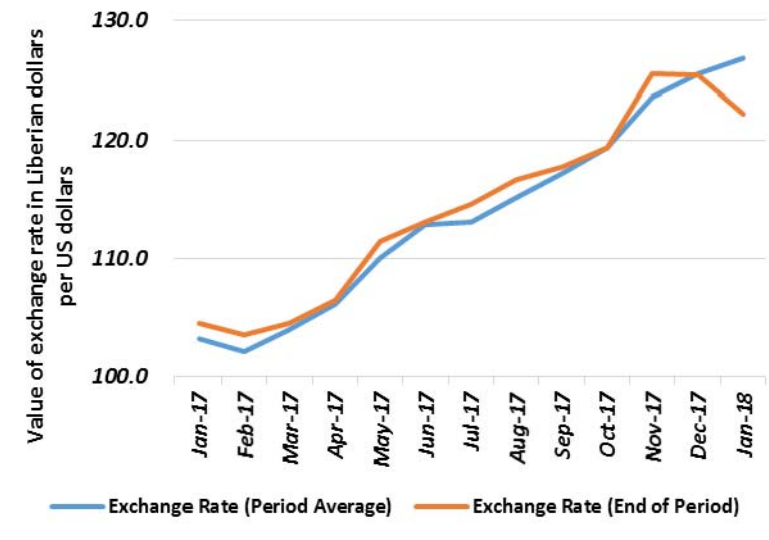


CENTRAL BANK OF LIBERIA (CBL)

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

Currency	Jan -17	Dec-17	Jan-18	Appr (-)/Depr (+)	
				MoM	YoY
GHC	4.27	4.41	4.42	0.22	3.59
GMD	43.62	47.15	45.75	-2.96	4.88
GNF	9,305.08	9,006.36	9,005.00	-0.02	-3.22
LRD	104.50	125.45	129.23	2.97	23.66
NGN	304.75	305.55	305.20	-0.11	0.15
SLL	7,303.48	7,536.96	7,557.17	0.27	3.47

Sources: Central Banks of Liberia and WAMA: 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

	Oct-17	Nov-17	Dec-17	Jan - 18
External Trade (Volume) – cont'd	(Metric Tons)			
- Petroleum Products	3,962	4,327	4,983	5,049
- Cocoa Beans	1,495	400	250	0.0
- Palm Oil	1,100	13,074	1,246	645.0
10 Inflation	(In percent)			
Overall (Year-on-year) Rate of Inflation	11.9	13.1	13.9	15.4
a. Food and Non-alcoholic Beverages Inflation	4.2	4.6	4.6	8.0
- Domestic Food Inflation	0.2	0.4	2.6	7.3
- Imported Food Inflation	5.9	6.3	4.5	7.0
b. Transport Inflation	22.0	21.0	25.4	27.4
c. Imported Fuels Inflation	26.0	27.2	37.6	35.8
Overall (Month-on-Month) Rate of Inflation	0.5	1.6	1.2	2.1
Core Inflation	(In percent)			
Inflation excluding Food & Non-alcoholic Beverages	17.7	19.5	20.1	19.5
Inflation excluding Imported Food	13.2	14.5	16.2	17.0
Inflation excluding Domestic Food	6.3	7.6	7.5	7.8
Inflation excluding Food and Transport	16.8	19.1	19.2	18.2
Production	(Metric Tons, Carats and Ounces)			
Iron Ore	151,553±	154,118	0.0	166,927±
Gold	11,320	16,196†	14,416	13,490±
Diamond	3,943	7,383†	4,347	4,085±
Rubber	3,969†	5,950	4,561.5†	3,165.2
Cement	14,659	16,726†	19,217	23,380
Beverages	(In Litres)			
Alcoholic	870,288	1,153,247†	1,132,851	964,540±
Non-Alcoholic	879,531	732,449	903,380	801,996±
11 Int'l Commodity Prices	US\$/Unit			
Iron Ore (US\$/MT)	61.7	64.2	72.3	76.3
Rubber (US\$/MT)	1,640.0	1,570.0	1,650.0	1,720.0
Crude Oil (US\$/Barrel)/1	54.9	59.9	61.2	66.2
Rice (US\$/MT)	394.0	402.0	406.0	442.0
Cocoa Beans (US\$/MT)	2,100.0	2,130.0	1,920.0	1,950.0
Palm Oil	721.0†	716.0	672.0	679.3

* US\$ converted to L\$ ^With liquidity Effect

** 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

REAL SECTOR & PRICE DEVELOPMENTS

Production of Key Commodities

Preliminary statistics on production of major commodities during the first month of 2018 showed decline, except cement. Rubber output dipped by an estimated 40.3 percent to 5,954 metric tons at end-January 2018, from 9,965 metric tons produced during the previous month. Beverage output dropped by an estimated 11.1 percent to 1.8 million liters, from 2.0 million liters, occasioned by slower demand after the festive season. Mineral production declined owing to estimated drops in gold output to 13,490 ounces, from 14,416 ounces and diamond production also fell to an estimated 4,085 carats, from 4,347 carats during the previous month.

On the other hand, cement output surged to 23,380 metric tons at end-January, 2018, from 19,217 produced in the preceding month. **The 21.7 percent increase was a result of the restoration of market confidence following the peaceful electoral process.** Iron Ore production for the month of January 2018 was estimated at 166,927 metric tons with no production record for the prior month.

Consumer Prices

Inflation, on a yearly basis, increased by 1.5 percentage points to 15.4 percent, up from 13.9 percent recorded at end-January, 2017. The rise in inflation was explained by increases in all other major subgroups except education, **and the pass through effect of the depreciation of the Liberian dollar.**

Month-on-month rate of inflation rose by 0.9 percentage point to 2.1 percent at end-January, 2018, from 1.2 percent reported a month ago on account of increases in the prices of all items in the major sub-groups except Alcoholic Beverages, Tobacco & Narcotics, and Housing, Furnishing & Household equipment.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The CBL monetary policy stance continued to be anchored on price stability through broad exchange rate stability. During the month of January, 2018, the foreign exchange auction and the Treasury-bills were the available tools used to implement monetary policy operations.

Monetary Aggregates and Credit

The stock of Broad money supply (M2) at end-January 2018 slow down by 1.4 percent to L\$78,900.4 million, from L\$79,999.9 million recorded at end-December, 2017. The decline was driven by a 0.5 percent and a 3.2 percent falls in narrow money supply (M1) and Quasi money, respectively. The slow down in M1 resulted from a 1.9 percent contraction in currency outside banks while for quasi money, it was occasioned by a 3.4 percent fall in Savings & Time Deposits. On a year-on-year basis, broad money grew by 16.1 percent on account of 16.3 percent and 15.7 percent expansion in narrow and quasi money supply, respectively.

On the assets side, net foreign assets (NFA) and net domestic assets (NDA) during the month trended in opposite directions. NFA grew by 6.4 percent on a month-on-month basis, but declined by exactly the same magnitude annually. The monthly increase was driven by increases in assets of the CBL and that of commercial banks while the annual **decline** came from a dip in commercial bank assets held abroad. NDA fell M-o-M by 6.9 percent, but grew Y-o-Y by 44.2 percent, mainly driven by movements in credit to the private sector including credit to NBFIs.

The US dollar component of commercial bank loans to private sector at end-January, 2018 contracted by 3.4 percent to US\$382.9 million, and the Liberian dollar component declined by 3.2 percent to L\$4,050.9 million on a month-on-month basis. Year-on-year comparison revealed that the US dollar's share grew by 7.0 percent and the Liberian dollar component by 26.0 percent, both driven mainly by increases in loans to **services and agricultural sectors as we as individuals**.

Exchange Rate

The Liberian dollar vis-à-vis the US dollar at end-January, 2018 depreciated by 1.1 percent to L\$126.85/US\$1.00, from L\$125.50/US\$1.00 at end-December, 2017 while the end-of-period (EOP) exchange rate appreciated by 3.1 percent to L\$121.50/US\$1.00, from L\$125.45/US\$1.00 **at end-December 2017**. Year-on-year comparison revealed that the average and EOP exchange rates depreciated by 22.8 percent and 16.3 percent. The weakness of the Liberian dollar continues to be driven by limited supply of foreign exchange to strengthen the value of the domestic currency coupled with high demand for forex to facilitate imports.

	Oct-17	Nov-17	Dec-17	Jan - 18
Non-performing Loans (% change)	-3.3	13.8	2.6	-3.3
Returns on Assets (ROA)	0.17	0.22	-0.24	0.17
Returns on Equity (ROE)	1.02	1.32	-1.38	1.02
Liquidity Ratio****	47.6	49.4	45.6	47.7
7 Fiscal Operations				
7a Revenue, Expenditure & Debt	(Millions of US\$)			
Actual Revenue & Grants	35.1	26.7	28.8	27.3
Projected Revenue & Grants	36.3	30.8	39.4	37.4
Expenditure	41.5	43.6	45.8	43.5
Public Debt Stock	873.8	874.1	874.5	881.7
Domestic	266.6	266.2	266.2	266.1
External	607.2	608.0	608.3	615.6
7b Treasury Securities	(Millions of L\$)			
T- Bills Issued	-97.5	-30.0	-18.8	-62.7
T- Bills Redeemed	47.3	32.2	32.5	58.9
Net GoL Treasury Bills Operations^	-50.2	2.2	13.7	-3.8
Ave. Weighted Discount Rate_T Bills	2.94	5.00	5.00	3.26
Bond Issued (2 yrs.) amount in Billion				
T- Bond Issued	0.0	0.0	0.0	0.0
T- Bond Settled	0.0	0.0	0.0	0.0
Net GoL Treasury Bond Operations^	0.0	0.0	0.0	0.0
Ave. Weighted Discount Rate_T Bond	0.0	0.0	0.0	0.0
8 External Trade (Value)	(Millions of US\$)			
8a Exports/1	20.6	18.8	25.9	13.7
- O/w Iron Ore	n/a	3.7	0.0	0.0
- O/w Rubber	6.0	6.5	10.1	8.6
- O/w Mineral	13.7	6.5	10.3	4.5
-o/w Cocoa Bean	0.4	0.3	0.3	0.0
-o/w Palm Oil	0.1	0.8	0.9	0.4
8b Imports (F.O.B)/1	89.2	82.6	71.8	90.6
Minerals, Fuel, Lubricants	9.2	9.8	13.0	22.3
-O/w Petroleum Products	8.4	8.9	10.6	10.9
Food and Live Animals (including Animal and vegetable oil)	30.0	33.8	14.3	15.9
-O/w Commercial Rice	4.3	23.6	2.5	1.2
-O/w Non-commercial Rice	0.3	0.5	0.1	0.3
Machinery & Transport Equipment	24.0	14.5	24.3	21.6
Import (C.I.F)	98.2	91.0	79.1	97.9
Trade Balance	-68.6	-63.8	-45.9	-77.1
9 External Trade (Volume)	(Metric Tons)			
- Rubber	4,000.7	3,545.7	4,561.5†	3,165.2
-Iron Ore	n/a	154,118.2	0.0	0.0
-Commercial Rice	165,129	177,187	147,363	151,801
-Non-commercial Rice	1,439	1,504	1,396	1,302

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

Table 1: Fact Sheet

	Oct-17	Nov-17	Dec-17	Jan - 18
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	164.4	150.7	155.1	153.3
CBL Gross Foreign Reserves (excluding SDRs)	205.8	222.8	222.3	235.0
Liberian Dollars in Circulation	13,639.1	13,792.2	15,919.7	15,775.6
Money Supply (M1) in L\$ only	19,740.6	19,103.0	21,077.6	20,835.5
Broad money (M2) in L\$ only	26,593.6	26,008.6	27,671.8	27,462.3
Broad money (M2) in both L\$ and US\$*	76,279.3	78,431.8	79,999.9	78,900.4
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	34.9	33.2	34.6	34.8
Interest Rates				
- Lending rate	13.2	13.3	13.3	13.3
-Average Deposit rates				
-Savings	2.23	2.23	2.23	2.23
-Time	3.75	3.75	3.64	3.64
	<i>(In Millions of Currencies)</i>			
Commercial banks loans to private sector - US\$	392.9	383.1	396.2	382.9
Commercial banks loans to private sector - L\$	4,078.4	4,073.2	3,924.4	4,050.9
- Demand Deposits of commercial banks				
Demand deposits - US\$	264.0	267.9	260.6	257.7
Demand deposits - L\$	6,853.8	6,040.0	6,095.9	6,137.2
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	150.0	154.6	155.8	147.7
Time & savings deposits - L\$	6,788.9	6,855.2	6,620.7	6,569.9
- Other Deposits**				
Actual US\$ component of other deposits	2.2	1.7	0.5	0.2
Liberian \$ component of other deposits	64.2	50.4	-26.5	56.9
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	4.3	10.0	5.0	4.0
Total Subscription	4.3	10.0	3.6	3.8
Over(+)- / Under(-) Subscription	0.0	0.0	-1.4	-0.3
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	42.9	38.2	52.9 [†]	41.1
Outflows	33.4	39.8	69.3 [†]	18.5
Net flows	9.5	-1.6	-16.4 [†]	22.6
5 Exchange Rate	<i>(USD/LD)</i>			
End of Period	119.4	125.5	125.5	121.5
Period Average	119.4	123.6	125.5	126.9
6 Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	17.8 \pm	17.8 \pm	18.0 \pm	26.6 \pm
Non-performing Loans to Total Loans	13.4	14.7	14.7	15.6

In the context of the West African Monetary Zone (WAMZ), three countries recorded appreciation in their currencies while three recorded depreciation in their currencies in January, 2018. The Gambia Dalasi, the Nigerian Naira and the Guinean Franc appreciated by 2.96 percent, 0.11 percent and 0.02 percent, respectively, while the Liberian dollar, the Sierra Leonean Leone and the Ghana Cedis depreciated by 2.97 percent, 0.27 percent and 0.22 percent, respectively, compared with the rates recorded at end-December 2017. Year-on-year analysis revealed that with the exception of the Guinean Franc that appreciated by 3.22 percent, all currencies in the Zone experienced depreciation (Table 2).

Financial Market Developments

At end-January 2018 net GoL T-bill operations resulted into a withdrawal of L\$3.8 million, implying that the CBL on behalf of the Government issued L\$62.7 million and redeemed L\$58.9 million. The discount rate in the month on GoL T-bill issued was 3.26 percent compared with the yield of 5.0 percent recorded in December 2017.

Banking Sector Developments

The banking system at end-January 2018 remained strong, evidenced by capital adequacy and liquidity ratios which were far higher than the minimum requirements of 10.0 percent and 15.0 percent, respectively. Preliminary statistics reported on the banking sector at the end of the month reported a liquidity ratio of 47.2 percent, 160 basis points more than the ratio reported at end-December, 2017, while capital adequacy ratio (CAR) was estimated at 26.0 percent, 800 basis points higher than the previous month. Non-performing loans ratio rose to 15.6 percent compared with 14.7 percent reported at end-December, 2017.

FISCAL DEVELOPMENTS

Revenue (including Grants) & Expenditures

Preliminary statistics on revenue and expenditure at end-January 2018 showed that fiscal operations resulted in a deficit of US\$16.2 million, from a deficit of US\$17.0 million recorded in the previous month, mainly explained by 2.2 percent increase in total revenue and grants, coupled with 0.2 percent decrease in total public expenditure during the review period.

Tax and non-tax revenue & grants constituted 81.0 percent and 19.0 percent, respectively of total revenue and grants during the period under review. Actual revenue and grants fell short of budgetary projections during the month by US\$ 10.1 million or 27.0 percent. Recurrent and capital expenditure accounted for 94.0 percent and 6.0 percent of total public expenditure, respectively, for the review month.

Preliminary statistics on Liberia's public debt showed that the stock of public debt at end-January, 2018 stood at US\$881.7 million, indicating an increase of US\$7.2 million, from the stock of US\$874.5 million recorded at end-December, 2017. Domestic and external debts constituted 30.2 percent and 69.8 percent of Liberia's total public debt stock, respectively, at end-January, 2018 (Table 1).

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

Merchandise trade balance at end-January, 2018 deteriorated to a deficit of US\$76.1 million, up from a deficit of US\$45.9 million recorded at end-December, 2017. The deteriorating trade deficit in January was mainly occasioned by increased import payments coupled with a decline in export receipts (Table 1).

Exports

Exports earnings declined by 46.3 percent to US\$13.9 million, largely on accounts of 14.0 percent and 56.3 percent decreases in rubber and mineral exports receipts, respectively. Despite uptakes in the prices of rubber and mineral on the global market, slow down in the productions of these commodities were key drivers behind the low receipts of rubber and mineral exports.

Imports (FOB)

Import payments at end-January, 2018, increased by 26.2 percent to US\$90.6 million, from US\$71.8 million reported in December, 2017. The US\$18.8 million increase was occasioned mainly by surge in payments for Minerals, Fuel, Lubricants and Food as well as Live Animals (including Animals and Vegetable oil). Payments on Minerals, Fuel, Lubricants and Food rose by US\$9.3 million and payments on Live Animals increased by US\$1.5 million, respectively.

Global Commodity Price Review

Global commodity price index was estimated to rise to 114.8 at end-January, 2018, from 112.0 reported in the last month of 2017. The rise in average global commodity price index was largely a result of gains in the prices of major commodity groups including metal (especially iron ore), crude oil (petroleum) and agricultural products (mainly rubber).

Iron ore

The international price of Iron ore rose to US\$76.3 per metric ton at end-January, 2018, from US\$72.3 per metric ton in December, 2017. The 5.5 percent rise in the price of the commodity was a result of unexpected growth in demand from manufacturing plants in the midst of pollution restriction.

Rubber (natural)

The global price of natural rubber saw an increase to US\$1,720.0 per metric ton at end-January, 2018, from US\$1,650.0 per metric ton reported during the preceding month. The 4.2 percent jump in the global price of rubber was mainly on account of increased demand as major rubber producing economies implemented a supply cut rally.

Petroleum (Crude Oil)

The average global price of petroleum also rose by 8.2 percent to US\$66.2 per barrel, from US\$61.2 per barrel recorded at end-December, 2017. The increase in the price was occasioned mainly by slowdown in the supply of the commodity.

Food

Global food price index remained relatively stable in January, 2018 after three consecutive months of decline. At end-January, 2018, food price index stood at 169.5, from 169.3 in December, 2017. The marginal growth in the index was due to increases in the prices of cereal and vegetable oil. The price of rice, a sub-group of cereal, inched up by 8.9 percent to US\$442.0 per metric ton, from US\$406.0 per metric ton in the previous month due to continuous strong demand for the commodity.

Palm Oil

The international price of crude palm oil showed increase after four months of consecutive declines. At end-January, 2018, the international price of palm oil rose by 1.1 percent to US\$679.3 per metric ton, from US\$672.0 per metric ton reported at end-December, 2017 mainly due to rising global demand for the commodity owing to fall in production.

Gross Foreign Reserves

Gross foreign reserves position (excluding SDR holdings) of the CBL rose by 5.7 percent to US\$235.0 million at end-January, 2018, from US\$222.3 million reported during the previous month due to a 44.4 percent growth in CBL holdings of US\$ notes and coins.

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