

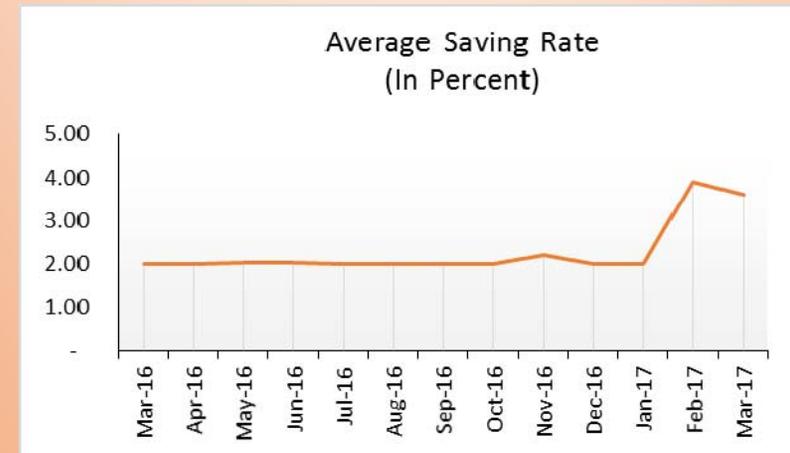


CENTRAL BANK OF LIBERIA (CBL)

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The Monthly Economic Review is produced by the Bank's Research, Policy & Planning Department. Inquiries concerning this publication should be addressed to:

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
 Fax: 00(231)77059642

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

Currency	Feb - 17	Mar - 17	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr. (-)/Depr. (+)
LRD	103.50	104.50	0.97
GHC	4.46	4.34	-2.73
GMD	44.97	45.12	0.34
GNF	9,230.16	9,225.02	-0.06
NGN	305.00	306.00	0.33
SLL	7,235.74	7,264.04	0.39

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

	Dec-16	Jan-17	Feb-17	Mar-17
External Trade (Volume) – cont'd	(Metric Tons)			
- Petroleum Products	6,573	10,862	6,995	19,330
- Cocoa Beans	2,400	850	350	0.0
- Palm Oil	21,950	0.0	21,500	774
10 Inflation	(In percent)			
Overall (Year-on-year) Rate of Inflation	12.5	13.6	13.3	11.9
a. Food and Non-alcoholic Beverages Inflation	14.2	11.4	9.9	4.7
- Domestic Food Inflation	8.6	4.4	1.1	-4.9
- Imported Food Inflation	19.9	18.7	17.0	8.5
b. Transport Inflation	20.9	23.5	24.5	28.5
c. Imported Fuels Inflation	8.4	9.9	19.5	24.5
Overall (Month-on-Month) Rate of Inflation	0.50	1.0	-1.5	0.6
Core Inflation	(In percent)			
Inflation excluding Food & Non-alcoholic Beverages	10.6	16.3	12.1	14.1
Inflation excluding Imported Food	9.9	11.8	9.1	10.1
Inflation excluding Domestic Food	13.9	17.5	7.4	5.9
Inflation excluding Food and Transport	8.6	14.9	9.8	11.5
Production	(Metric Tons)			
Iron Ore	120,342	183,656	53,062	136,881
Rubber	2,291	2,437	1,996	4,171
Cement	23,722	23,391	27,563	32,514
Beverages	(In Litres)			
Alcoholic	1,596,932	943,161±	970,152	978,115±
Non-Alcoholic	956,915	1,019,08±	779,689	1,044,237
11 Int'l Commodity Prices	US\$/Unit			
Iron Ore (US\$/MT)	79.8	80.8	88.8	87.2
Rubber (US\$/MT)	2,226.8	2555.2	2,711.5	2,366.7
Crude Oil (US\$/Barrel)/1	52.6	53.6	54.4	51.0
Rice (US\$/MT)	367.6	372.6	368.5	367.8
Cocoa Beans (US\$/MT)	2,295.3	2,195.1	2,034.1	2,063.1
Palm Oil	711.8	726.5	706.8	663.3

* 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

Major commodities produced in the economy in March 2017 recorded upward trends. Cement output increased to 32,514 metric tons, up from 27,563 metric tons in February, 2017. The 18.0 percent rise in output was largely occasioned by increase in construction activities as a result of the dry season. Beverage production surged to an estimated 2.0 million liters, from 1.8 million liters produced during the preceding month. The 15.6 percent rise in beverage output was attributed to the increase in the production of soft drinks. Iron ore production rose by 83,819 metric tons to 136,881 metric tons, up from 53,062 metric tons produced in the previous month. The increase in ore production was on account of anticipated increase in the price of the commodity on the global market. Production of rubber expanded to 4,171 metric tons, up from 1,996 metric tons recorded in the preceding month. The 2,175 metric tons increase in output was a result of the increase in the production of the commodity by small farm holders.

Consumer Prices

At end-March, 2017, headline inflation rose to 11.9 percent, from 7.1 percent recorded during the corresponding period a year ago. The depreciation of the local currency was the key driver of the 4.8 percentage points rise in inflation. Major components of the consumer basket that registered increases were alcoholic beverages, tobacco and narcotics; housing, water, electricity, gas and other fuel; furnishings, household equipment, house maintenance; transport; communication and recreation and hotels.

On a month-on-month basis, the rate of inflation increased to 0.6 percent, from negative 1.5 percent a month ago. The monthly rise in inflation during March, 2017 was driven by increases in the inflation rates of all of the major groups, except food and non-alcoholic beverages and health; and education that remained the same.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the CBL during the month of March, 2017 remained anchored on price stability via broad exchange rate stability. As was the case of the preceding month, the Bank used the available tools (the foreign exchange auction and the Treasury Bills) to help stabilize the foreign exchange rate.

Monetary Aggregates and Credit

Broad money supply (M2) at end-March, 2017 grew by 0.4 percent to L\$67,616.7 from L\$67,353.5 million, recorded during the previous month. This upward trend was triggered by 1.7 percent, 0.2 percent and 0.1 percent rise in Currency outside bank, demand deposit and Saving & Time deposit, respectively.

Net foreign assets (NFA) for the reporting month declined by 11.3 percent to US\$32,593.2 million, from L\$36,726.8 million recorded at end-February, 2017; occasioned by a 10.8 percent and 13.7 percent declines in assets held abroad by the Central Bank of Liberia and banking institutions respectively. Net domestic assets (NDA), on the other hand, expanded by 14.4 percent to US\$35,023.5 million from US\$30,626.7 million, as a result of a 24.1 percent and 1.0 percent growth in net government credit and credit to the private sector including credit to NBFIs.

Commercial bank loans to private sector in US dollars fell by 0.7 percent to US\$379.1 million, from US\$318.9 million at end-March, 2017. The Liberian dollars component of loans to private sector also dropped by 1.2 percent to L\$3,000.2 million, from L\$3,036.1 million at end-February, 2017.

Exchange Rate

For March, 2017, the average exchange rate between the Liberian and the US dollars depreciated by 1.8 percent to L\$104.00/US\$1.00, from L\$102.20/US\$1.00 as was recorded in previous month. Likewise, the end-of-period (EOP) exchange rate depreciated by 1.0 percent to L\$104.50/US\$1.00, from L\$103.50/US\$1.00. Year-on-year analysis disclosed that the average exchange rate depreciated by 14.9 percent and the EOP by 15.5 percent. The high pressure in the Forex market continues to be triggered by the swelling demand for US dollars in the economy to facilitate imports.

Month-on-Month analyses of the EOP exchange rate movements for the reporting month in the WAMZ revealed that the Liberian Dollar, Sierra Leonean Leone, the Gambian Dalasi and the Nigerian Naira depreciated by 1.0 percent, 0.4 percent, 0.3 percent and 0.3 percent respectively. Conversely, the Ghanaian Cedis and the Guinean Franc appreciated by 2.7 percent and 0.1 percent, respectively. (Table 2).

	Dec-16	Jan-17	Feb-17	Mar-17
Non-performing Loans (% change)	N/A	N/A	N/A	N/A
Returns on Assets (ROA)	0.2	0.3	0.2	0.3
Returns on Equity (ROE)	0.8	1.5	0.8	1.6
Liquidity Ratio****	51.4	53.3	50.7	47.3
7	Fiscal Operations			
7a	Revenue, Expenditure & Debt (Millions of US\$)			
Actual Revenue & Grants	92.6	44.3	34.2	50.7
Projected Revenue & Grants	73.5	38.7	33.7	39.2
Expenditure	44.4†	36.7	31.4	46.2
Public Debt Stock	771.2	775.0	780.0	808.9
Domestic	268.3	268.3	268.2	267.7
External	502.9†	506.7†	511.8	541.2
7b	Treasury Securities (Millions of L\$)			
T- Bills Issued	-49.3	-51.3	-45.2	-51.8
T- Bills Redeemed	48.8	97.5	49.0	49.3
Net GoL Treasury Bills Operations^	-0.5	46.3	3.8	-2.5
Ave. Weighted Discount Rate_T Bills	3.1	2.8	3.4	3.0
Bond Issued (2 yrs.) amount in Billion	0.0	0.0	0.0	0.0
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			
- O/w Iron Ore	2.6	4.6	1.4	4.3
- O/w Rubber	3.9	4.2	4.4	9.2
- O/w Mineral	3.6	2.0	4.0	4.3
-o/w Cocoa Bean	0.4	0.3	0.2	0.0
-o/w Palm Oil	0.1	0.0	0.2	0.4
8b	Imports (F.O.B)/1			
Minerals, Fuel, Lubricants	19.7	26.9	36.6	48.4
-O/w Petroleum Products	14.1	25.6	33.3	45.6
Food and Live Animals	19.7	12.9	21.0	26.3
-O/w Commercial Rice	6.6	0.3	13.1	14.7
-O/w Non-commercial Rice	0.8	0.4	0.4	0.6
Machinery & Transport Equipment	17.3	22.4	20.1	14.9
Import (C.I.F)	86.0	92.3	107.6	119.4
Trade Balance	-65.0†	-70.5	-89.6	-93.2
9	External Trade (Volume) (Metric Tons)			
- Rubber	2,393	2,438	2,216	4,171
-Iron Ore	120,342	183,656	53,062	136,881
-Commercial Rice	143,629±	7,006	286,821	321,852
-Non-commercial Rice	4,593±	2,209	2,151	3,372

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

Table 1: Fact Sheet

	Dec-16	Jan-17	Feb-17	Mar-17
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	183.1	185.0	170.3	194.6
CBL Gross Foreign Reserves (excluding SDRs)	292.8	276.6	261.6	233.5
Liberian Dollars in Circulation	12,755.1	12,224.8	12,239.6	12,569.5
Money Supply (M1) in L\$ only	16,494.8	16,043.1	16,032.0	16,508.7
Broad money (M2) in L\$ only	22,043.2	21,640.2	21,276.9	21,843.7
Broad money (M2) in both L\$ and US\$*	66,711.9	67,960.0	67,353.5	67,616.7
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	33.0	31.8	31.6	32.3
Interest Rates				
- Lending rate	13.6	13.4	13.0	13.3
-Average Deposit rates				
-Savings	2.0	2.0	3.9	3.6
-Time	4.7	5.0	5.1	4.6
	<i>(In Millions of Currencies)</i>			
Commercial banks loans to private sector - US\$	368.3	357.7	381.9	379.1
Commercial banks loans to private sector - L\$	2,934.1	3,213.8	3,036.1	3,000.2
- Demand Deposits of commercial banks				
Demand deposits - US\$	288.0	290.2	287.5	280.2
Demand deposits - L\$	4,643.2	5,373.1	5,269.2	5,558.2
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	153.7	155.0	162.0	158.5
Time & savings deposits - L\$	5,333.4	5,383.9	5,231.4	5,321.1
- Other Deposits**				
Actual US\$ component of other deposits	3.1	3.3	1.4	1.3
Liberian \$ component of other deposits	215.0	213.2	13.4	13.9
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	0.0	7.0	4.0	1.9
Total Subscription	0.0	15.2	1.5	4.1
Over(+)- / Under(-) Subscription	0.0	8.2	(2.5)	2.2
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	33.3	31.6	47.4	174.9
Outflows	37.5	16.7	36.9	67.4
Net flows	-4.2	14.9	10.5	107.4
5 Exchange Rate	<i>(USD/LD)</i>			
End of Period	102.5	104.5	103.5	104.5
Period Average	100.4	103.3	102.2	104.0
6 Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	21.5	21.8	28.9	17.4
Non-performing Loans to Total Loans	14.8	13.2	17.6	15.8

Money Market Developments

Money market operation for the month of March, 2017 recorded a net withdrawal of L\$2.5 million compared with a net injection of L\$3.8 million in February, 2017. The weighted average yield was 3.04 percent, 32 basis points lower than the yield in February, 2017.

Banking Sector Developments

During the month, the banking industry remained viable. Though liquidity position of the industry fell by 3.4 percentage point to 47.3 percent below the 50.7 percent recorded for February, 2017, but the current position is still comfortably above the minimum required liquidity ratio of 15.0 percent. Non-performing loans ratio improved by 1.8 percentage points to 15.8 percent on account of stringent policy measures by the CBL. The industry capital adequacy ratio (CAR) for March, 2017 was estimated at 17.4 percent below February figure, but in terms of minimum requirement, it is 7.4 percentage points higher than the industry's minimum requirement of 10.0 percent.

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

For the month of March 2017, fiscal operations resulted in a surplus of US\$4.5 million, up from a surplus of US\$2.8 million recorded in the previous month, mainly explained by 48.2 percent increase in total revenue & grants that outweighed the 47.3 percent growth in total public spending during the reviewed month. In the same month, tax revenue & grants constituted 73.6 percent of total revenue and grants, while non-tax revenue & grants constituted 26.4 percent of total revenue and grants. Actual revenue and grants, during the reviewed month, rose above budgetary projections by US\$11.5 million or 29.3 percent. On expenditure side, recurrent and capital expenditures separately accounted for 96.1 percent and 3.9 percent of total public expenditure at end-March, 2017.

Liberia's public debt stock at end-March, 2017, stood at US\$808.9 million, growing by 3.7 percent against the stock of US\$780.0 million recorded at end-February, 2017. The rise in public debt stock at end of March, 2017 was mainly explained by growth in external debt to multilateral creditors. Domestic and external debt stocks constituted 33.1 percent and 66.9 percent of Liberia's total public debt stock at end-March, 2017, respectively (See Table 1).

EXTERNAL SECTOR DEVELOPMENTS**Merchandise Trade**

Even though export receipts rose during the Month ended-March, 2017. Merchandise trade deficit deteriorated by 4.0 percent to US\$93.2 million, from US\$89.6 million in February, 2017 as a result of increase in imports (fob) payments that outweighed the rise in export earnings (Table 1).

Exports

Merchandise export earnings at end-March, 2017 experienced an increase of 80.2 percent to US\$19.1 million, from US\$10.6 million during the month of February, 2017. The rise in export receipts in the current month as compared with the previous month was largely on account of increased earnings of Rubber (to US\$9.2 million, from US\$4.4 million) and iron ore (to US\$4.3 million, from US\$1.4 million).

Imports

Import payments (FOB) at end-March, 2017 increase to US\$112.3 million, from US\$100.2 million reported at the end of the preceding month. The 12.1 percent growth in payments was on account of payments for Minerals, Fuel, Lubricants and Food and Live Animals which rose by 32.2 percent and 25.2 percent, respectively.

Global Commodity Price Review

Global commodity price index in March, 2017 declined after two successive increases in January and February, 2017. In March, 2017, average global price fell by 3.8 percent, compared with an increase of 1.3 percent during February, 2017. The slump in commodity price index at end-March, 2017 was on the back of declines in all major commodity exports mainly crude oil and Iron ore prices.

Iron ore

The global price of iron ore at end-March, 2017 fell by 1.8 percent to US\$87.2 per metric ton, from US\$88.8 per metric ton recorded at end-February, 2017. The slight decline in the price of the commodity was attributed to the restriction imposed by the Chinese Government on steel production in the preceding month.

Rubber (natural)

The global price of rubber was highly hit during March, 2017 dropping by 12.7 percent to US\$2,366.7 per metric ton, from US\$2,711.5 per metric ton that was reported during the preceding month. The slump in the price of the commodity was a result of excess supply of the commodity over its demand.

Petroleum (Crude Oil)¹

The price of Petroleum, like other major commodities, slumped to US\$50.9 per barrel in March 2017, from US\$54.4 per barrel recorded for February. The 6.3 percent reduction in the price of the commodity was occasioned by the increasing trend being experienced in crude oil inventories in the US against OPEC expectation to rally for price increase of the commodity.

Gold

After two consecutive months (January – February, 2017) of increase in gold price, the global price of the commodity at-end March, 2017 declined slightly by 0.2 percent to US\$1,231.4 per ounce, from US\$1,234.2 per ounce during March 2017, occasioned by appreciation of US dollar after Fed increase of interest rate from 0.75 percent to 1.0 percent.

Food (Rice)

Having experienced a slight increase in average international price of rice at end-February 2017, the price of the commodity fell slightly by 0.2 percent to US\$367.8 per metric ton during the reviewed month, from US\$368.5 per metric ton in the preceding month due mainly to low supply of higher-grade rice.

Palm Oil

The international price of Crude palm oil declined further at end-March 2017 to US\$663.3 per metric ton, from US\$706.8 per metric ton at end-February 2017. The 6.2 percent fall in the price of the commodity was on account of output glut that continued from preceding months.

Gross Foreign Reserves

The CBL foreign reserves position (excluding SDR holdings) at end-March, 2017 stood at US\$233.5 million, down from US\$261.6 million in the preceding month. The 10.7 percent slump in gross foreign reserves position of the Bank was on account of a significant decline in cash balances with Banks abroad during the period (See Table 1).

Month-of-Import Covers³

With the decline experienced in gross foreign reserve during the end of March, 2017, the amount of import that could be serviced by reserve stood at exactly 2.0 months, down from 2.4 month in February 2017.

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

³Calculated by dividing the stock of gross foreign reserve (excluding SDRs) in the month by total import payments (on cif basis, excluding service payments) in the same month