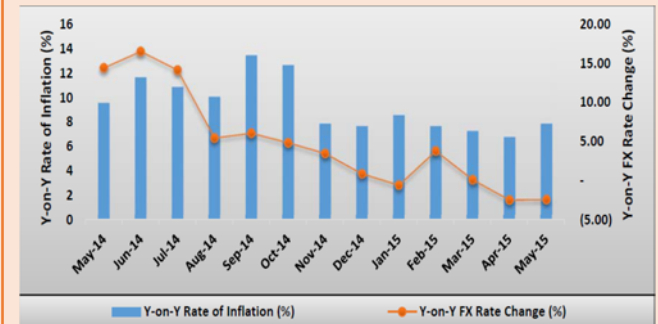


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Liberia Dollar Vs Regional and Major Global Currencies										
	ECOWAS Currencies Per Liberian Dollar							Liberian dollar Per Major world Currencies**		
	APR-15									
	FCFA	CVE	GHC	GMD	GNF	NGN	SLL	USD	EURO	GBP
LRD	7.06	1.19	0.05	0.59	87.7	2.33	57.52	84.50	92.96	129.85
	MAY-15									
	7.12	1.20	0.05	0.46	86.5	2.33	57.18	84.50	92.69	128.85
Apr/Depr.	<b>0.85</b>	<b>0.84</b>	<b>0.00</b>	<b>-22.03</b>	<b>-1.37</b>	<b>0.00</b>	<b>-0.59</b>	<b>0.00</b>	<b>0.29</b>	<b>0.77</b>

Sources: Central Banks of Liberia and WAMA: [www.amao-wama.org/en/exchange.aspx](http://www.amao-wama.org/en/exchange.aspx) and [www.amao-wama.org/](http://www.amao-wama.org/)

FCFA—Franc CFA

CVE—Cape Verdean Escudo

GMD—Gambian Dalasi

GNF—Guinean Franc

NGN—Nigerian Naira

SLL—Sierra Leonean Leone

USD—US Dollar

GBP—British Pound

		Feb-15	Mar-15	Apr-15	May-15
11	<b>INFLATION</b>	<i>(In percent)</i>			
	Overall (Year-on-year) Rate of Inflation	7.7	7.3	6.8	7.9
	a. Food and Non-alcoholic Beverages Inflation	12.4	14.3	14.1	17.5
	- Domestic Food Inflation	10.0	7.4	4.8	19.5
	- Imported Food Inflation	14.8	21.1 <sup>†</sup>	23.3	15.8
	b. Transport Inflation	-1.1	-10.1	-10.3	-10.7
	c. Imported Fuels Inflation	-14.0	-19.8	-20.6	-17.5
	Overall (Month-on-Month) Rate of Inflation	-1.3	1.9	0.1	-0.7
	<b>CORE INFLATION</b>				
	Inflation excluding Food & Non-alcoholic Beverages	2.4	13.2 <sup>†</sup>	13.7	10.0
	Inflation excluding Imported Food	5.1	2.3	0.9	5.0
	Inflation excluding Domestic Food	6.8	7.2	7.5	4.2
	Inflation excluding Food and Transport	3.1	1.4	0.5	-0.8

\* US\$ converted to L\$

\*\* Other Deposits Include Official and Manager Checks

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

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

<sup>†</sup>Revised

<sup>‡</sup>Reserves exclude ECF borrowing from the IMF

± Provisional

<sup>†</sup>Revised

<sup>‡</sup>Not Available (NA)

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

<sup>^</sup>With liquidity Effect

## Monetary Policy Stance and Actions

Occasioned by the broad stability of the exchange rate over the past months, the CBL intervened in the foreign exchange market with US\$ 2.0 million during May. However, as activities and business confidence gear up, especially due to the expected increase in import demand toward the forthcoming July 26 festivities, upward pressure on the exchange rate is expected to gain momentum. As such, the CBL is prepared to use the appropriate measures aimed at ensuring that the exchange rate remains stable.

## Real Sector & Price Developments

### Production

Trends in outputs of key commodities in May, compared with April were mixed, reflective of varying domestic production and market conditions. Rubber production in May surged by 2,701 metric tons to 5,120 metric tons, up from 2,419 metric tons produced in April 2015. The rise was on account of improved domestic conditions. Beverages output fell by 23.8 percent to 1.5 million litres from 1.9 million litres on account low demand due to the rainy season. Cement output contracted to 28,940 metric tons from 31,241 metric tons, recording a slump of 7.4 percent due to reduction in construction activities as result of the ongoing rainy season. Preliminary reports show no iron ore production in May.

### Consumer Prices

The general rate of inflation inched up to 7.9 percent in May from 6.8 percent a month ago, driven largely by the 15.8 and 12.6 percent increases in imported and domestic food inflations, respectively.

## Monetary & Exchange Rate Developments

### Exchange Rate

During the month of May, 2015, stability in the Liberian-US dollar exchange rate was maintained at its April, 2015 level of L\$84.50/US\$1.00. Year-on-year comparison showed that the Liberian dollar on average appreciated by 2.4 percent against the US dollar. However, deprecating pressure is expected in the FX market in the near term owing mainly to growing imports of consumables after cessation of the EVD health crisis. On the regional and global fronts, the Liberian dollar appreciated against the CFA Franc and Cape Verdean Escudo by 0.85 and 0.84 percent, respectively.

## Exchange Rate Cont'd

It remained stable against the Nigerian Naira and Ghana Cedi. However, it depreciated against the Gambian Dalasi, Guinea Franc and Sierra Leonean Leone by 22.03 percent, 1.37 percent and 0.59 percent, respectively. On the global front, the Liberian dollar appreciated against the Euro and British Pound by 0.29 percent and 0.77 percent respectively during the month under review.

## Monetary Aggregates and Credit

Overall money supply (M2) declined by 1.61 percent to L\$54,651.5 million at end-May, 2015, from L\$55,547.7 million at end-April, 2015. The slight fall in M2 was on account of a 13.3 percent decline in Net Domestic Assets (NDA) that outweighed the 4.8 percent growth in Net Foreign Assets (NFA). Credits to all sectors of the economy declined by 0.4 percent compared to a growth of 0.9 percent in the preceding month. The Declines in credits was triggered by a 7.6 percent decline in commercial banks' credit to government.

## Money Market Developments

As was the case in the preceding month, treasury bills issuance during May 2015 amounted to L\$84.50 million at a weighted average discount rate of 3.35 percent, 76 basis points higher than the April discount rate of 2.59 percent. Net Treasury operations resulted to L\$0.5 million injection. There were no CBL notes issued during the period under review given that the exchange rate was stable.

## Banking Sector Developments

Characterized by high capital adequacy and strong liquidity, the domestic banking sector remains sound. The capital adequacy ratio stood at 20.9 percent at end-May, from 20.8 percent at end-April, more than 10 percentage points above the minimum requirement of 10.0 percent. The major challenges continue to be the high level of operating costs that undermine profitability and non-performing loans. Non-performing loans as a percent of total loans fell by 3.9 percentage points to 45.0 percent at end-May, from 48.9 percent at end-April (Table 1).

		Feb-15	Mar-15	Apr-15	May-15
6	<b>FINANCIAL SOUNDNESS INDICATORS (FSI)</b>	<i>(In percent)</i>			
	Capital Adequacy Ratio (CAR)***	22.3	23.8	20.8	20.9
	Non-performing Loans to Total Loans	19.2	18.5	20.2	20.4
	Non-performing Loans (% change)	-0.9	-0.06	8.1	2.3
	Returns on Assets	-0.7	-0.65	-0.69	-1.17
	Returns on Equity (ROE)	-5.5	-5.9	-5.65	-8.89
	Liquidity Ratio****	46.9	44.7	48.9	45.0
7	<b>FISCAL OPERATIONS</b>				
7a	<b>REVENUE, EXPENDITURE &amp; DEBT</b>	<i>(Millions of US\$)</i>			
	Actual Revenue & Grants	34.5	67.1	41.4	56.3
	Projected Revenue & Grants	58.1	99.4	44.1	55.8
	Expenditure	45.7	49.1	48.2	33.8
7b	<b>TREASURY SECURITIES</b>	<i>(Millions of L\$)</i>			
	T- Bills Issued	-85.0	-84.5	-84.5	-84.5
	T- Bills Redeemed	140.7	35.1	82.5	85.0
	Net GoL Treasury Operation^	55.7	-49.4	-2.0	0.5
	Average Weighted Discount Rate	3.97	3.92	2.59*	3.35
8	<b>EXTERNAL TRADE (VALUE)</b>	<i>(Millions of US\$)</i>			
8a	<b>EXPORTS/ 1</b>	20.6	26.9	28.8	20.1
	- O/w Iron Ore	7.5	19.0	20.1	0.0
	- O/w Rubber	5.0	1.9	3.5	5.9
8b	<b>IMPORTS (F.O.B)/ 1</b>	137.8	155.0	136.0	162.1
	-O/w Petroleum Products	34.9	38.3	30.1	56.6
	-O/w Commercial Rice	9.6	1.2	24.7	16.2
	-O/w Non-commercial Rice	1.3	6.2	1.2	0.0
	<b>Trade Balance</b>	-117.2	-128.1	-107.2	-142.0
9	<b>EXTERNAL TRADE (VOLUME)</b>	<i>(Metric Tons)</i>			
	- Rubber	3,629	1,307.5	2,780	5,120
	-Iron Ore	219,000	648,000	803,000	0.0
	-Commercial Rice	5,756"	3,600.0	6,198"	4,803
	-Non-commercial Rice	3,896	18,580	3,596	0.0
	- Petroleum Products	11,971.1	9,515.2	11,214	18,668.5
10	<b>INT'L COMMODITY PRICES &amp; LIBERIA'S TERMS OF TRADE</b>	US\$/Unit			
	Iron Ore (US\$ /MT)	62.7	56.9	51.1	60.2
	Rubber (US\$/MT)	1,808.5	1,735.5	1,697.6	1,842
	Crude Oil (US\$/Barrel)/1	54.9	52.8	57.4	62.5
	Rice (US\$/MT)	409.5	400.7	392.4	382.4
	<b>Terms of Trade (Y-on-Y) %</b>	-21.5	-26.1	-29.6	6.7

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

**Table 1: Fact Sheet**

	Feb-15	Mar-15	Apr-15	May-15
<b>1 MONETARY</b>	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) <sup>†</sup>	223.3	213.05	220.69	
Liberian Dollars in Circulation	8,880.3	8772.5	8783.8	8,798.3
Money Supply (M1) in L\$ only	10,652.1	10,741.4	10,660.8	10,927.2
Broad money (M2) in L\$ only	14,543.6	14,700.4	14,732.9	14,917.0
Broad money (M2) in both L\$ and US\$*	58,156.2	55,128.1	55,547.7	54,651.5
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	25.0	26.7	26.5	27.3
Interest Rates				
- Lending rate	13.7	13.7	13.3	13.7
- Average Deposit rates				
- Savings	2.0	2.0	2.0	2.0
- Time	3.9	3.8	3.7	3.13
Commercial banks loans to private sector - US\$	299.5	313.9	310.8	315.8
Commercial banks loans to private sector - L\$	1,709.0	1,653.0	1,674.5	1,715.3
- Demand Deposits of commercial banks				
Demand deposits - US\$	308.0	305.6	314.4	297.5
Demand deposits - L\$	3,228.7	3,371.6	3,301.1	3,565.4
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	162.2	172.2	167.8	172.0
Time & savings deposits - L\$	3,877.7	3,948.7	4,063.0	3981.8
- Other Deposits**				
Actual US\$ component of other deposits	45.9	0.63	0.87	0.69
Liberian \$ component of savings deposits	13.7	10.3	9.0	8.0
<b>2 CBL'S FOREIGN EXCHANGE AUCTION</b>	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	4.5	3.0	3.0	2.0
Total Subscription	10.6	6.3	5.7	4.0
Over(+)- / Under(-) Subscription	6.1	3.3	2.6	2.0
<b>3 CBL BILLS AUCTION</b>	<i>(Millions of L\$)</i>			
Bill Issued	-	-	-	-
Bill Redeemed	-	-	1,000	-
<b>4 PERSONAL REMITTANCES</b>	<i>(Millions of US\$)</i>			
Inflows	42.0	52.9	99.6	42.9
Outflows	17.8	18.3	66.6	20.0
Net flows	24.2	34.5	33.0	22.9
<b>5 EXCHANGE RATE</b>				
End of Period	84.50	84.50	84.50	84.5
Period Average	84.50	84.50	84.50	84.5

**Fiscal Developments****Revenue (including Grants) & Expenditures**

Government fiscal operations in May, 2015, resulted in a surplus of US\$22.5 million from a deficit of US\$6.8 million recorded in the previous month, occasioned by a 36.0 percent month-on-month increase in actual revenue & grants receipts that outweighed the 29.9 percent reduction in total public expenditure. The improved performance in actual revenue & grants receipts during the period was attributed to US\$18.3 million rise in non-tax revenue that offset the 9.8 percent decrease in tax revenue.

During the review month, actual revenue & grants receipts exceeded budgetary target by 0.9 percent on account of US\$18.3 million growth in non-tax revenue that outweighed the US\$9.8 million shortfall in tax revenue. In terms of public spending, the 29.9 percent fall in total public expenditure during the month was largely explained by 13.9 percent and 91.6 percent declines in recurrent and capital expenditures, respectively (Table 1)

**External Sector Developments****Merchandise Trade**

Occasioned by the 19.2 percent rise in import payments (f.o.b) against 30.0 percent decline in export earnings, the trade deficit widened by 32.4 percent to US\$142.0 million during May, from US\$107.2 million in April. However, year-on-year, Liberia's trade deficit narrowed by 54.2 percent during the month under review (Table 1).

**Exports**

Merchandise export receipts fell by 30.0 percent to US\$20.1 million during the review month from US\$28.8 million during the preceding month, explained by the absence of iron ore export during the month, outweighing the 40.4 percent rise in rubber export receipts. Year-on-year, merchandise export earnings plummeted by 62.3 percent during the month under review.

## Imports

Merchandise import payments (f.o.b) rose by 19.2 percent to US\$162.1 million during the review month, from US\$136.0 million during the preceding month, driven largely by 88.2 percent surge in petroleum imports that outweighed the 10.0 percent fall in food-related imports. The rise in other import categories, mainly non-food consumer goods, was occasioned by the July 26 Independence festivities (Table 1). However, compared with the corresponding month in 2014, import payments fell by 55.4 percent during the month under review.

## International Commodity Price Review

Largely on account of the upward trend in oil price, the general global commodity price index inched upward by 4.9 percent month-on-month in May 2015, reflecting prospects of improved demand as geo-political tensions undermine production and supply.

### Iron ore

Despite the fall in global steel production and demand, mainly in China, monthly average iron ore price rose by 17.8 percent to US\$60.2 per metric ton during May, from US\$51.1 per metric ton during April. The upward trend in May appears much more to be a temporary phenomenon than a permanent one. However, year-on-year, iron ore price plunged by 40.1 percent. The ongoing slowdown in the Chinese real estate and steel industry remains the key factor driving the short-to-medium term price trend of iron ore (Table 1).

### Rubber

Rubber price rose by 8.3 percent to US\$1,842.0 per metric ton month-on-month in May 2015, largely indicative of the temporary cutback in supply during the month due to unfavourable weather conditions in key rubber producing economies. However, year-on-year, rubber price fell by 11.1 percent during the month under review. As global growth remains weak with uncertainties, rubber price is expected to experience a downward trend in the short-to-medium term (Table 1).

### Petroleum (Crude Oil)<sup>1</sup>

On the back of improved demand prospects and heightened geo-political tensions that continue to undermine production and supply, oil price continues to rise, growing by 8.8 percent to US\$62.5 per barrel in May, from US\$57.4 per barrel during April. However, oil price declined by 40.9 percent year-on-year during the month under review. In the short-to-medium term, oil price is projected downward on account of the ongoing Eurzone crisis, weak Chinese demand and strong supply from OPEC and the United States.

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

## Rice

High stocks and stable demand continue to drive rice price downward, declining by 2.2 percent month-on-month in May to US\$382.4 per metric ton. However, as geo-political tensions persist, coupled with a projected decline in production in key rice-producing economies on account of unfavorable weather conditions, the risk of upward price trend remains high in the short-to-medium term.

## Terms of Trade

Largely on account of a 57.8 percent improvement in the export price index (reflecting the increases in the prices of iron ore and rubber) that outweighed the 19.8 percent rise in the import price index recorded during May 2015, Liberia recorded a terms of trade surplus of 6.7 percent in May, from a deficit of 27.0 percent in April (Table 1).

## Gross Foreign Reserves

Gross foreign reserves (excluding SDR<sup>2</sup> holdings of US\$282.9 million) grew by 3.7 percent to US\$292.0 million at end-May 2015, from US\$281.6 million at end-April, largely occasioned by a 14.0 percent increase in foreign currency deposits abroad. Gross reserves amounted to 1.8 months of merchandise import cover at end-May 2015, from 2.0 months at end-April, 2015.

<sup>2</sup>Special Drawing Rights