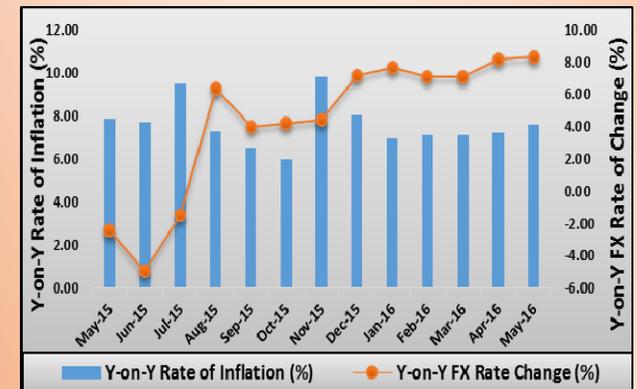


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CENTRAL BANK OF LIBERIA (CBL)



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

Currency	Apr-16	May-16	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr (-)/Depr(+)
LRD	91.50	91.5	0.00
GHC	3.80	3.83	0.79
GMD	41.60	42.51	2.19
GNF	8,880.00	8,943.94	0.72
NGN	196.50	196.5	0.00
SLL	6,075.70	6,090.59	0.25

Sources: Central Banks of Liberia and WAMA: www.amao-wama.org/en/exchange.aspx and www.amao-wama.org/

LRD—Liberian Dollar

GHC – Ghanian Cedi

GMD—Gambian Dalasi

GNF—Guinean Franc

NGN—Nigerian Naira

SLL—Sierra Leonean Leone

USD—US Dollar

GBP—British Pound

	Feb-16	Mar-16	Apr-16	May-16
11				
Inflation	<i>(In percent)</i>			
Overall (Year-on-year) Rate of Inflation	7.1	7.1	7.2	7.6
a. Food and Non-alcoholic Beverages Inflation	5.5	5.6	3.1	1.9
- Domestic Food Inflation	9.9	11.3	13.6	3.9
- Imported Food Inflation	1.2	0.6	-5.7	0.1
b. Transport Inflation	15.6	26.4	26.7	30.6
c. Imported Fuels Inflation	-5.1	-0.7	-0.7	-2.6
Overall (Month-on-Month) Rate of Inflation	-1.2	2.0	0.2	-0.3
Core Inflation				
Inflation excluding Food & Non-alcoholic Beverages	9.0	9.0	12.3	14.7
Inflation excluding Imported Food	9.4	9.8	12.8	10.6
Inflation excluding Domestic Food	6.1	5.6	5.0	8.9
Inflation excluding Food and Transport	7.9	6.1	10.0	12.1
Selected Production	<i>(Metric Tons)</i>			
Cement	23,812	28,490	25,406†	22,853
Beverages	<i>(In Litres)</i>			
<i>Alcoholic</i>	1,062,939	1,359,733	1,231,710†	1,411,795
<i>Non-Alcoholic</i>	524,455	920,217	889,937‡	856,441

* 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%

‡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

^With liquidity Effect

REAL SECTOR & PRICE DEVELOPMENTS

Production

Production for the month of May, 2016 was mixed with declines in rubber and iron ore outputs, while beverages and cement outputs recorded increases. Rubber output slumped by 47.5 percent, to 3003.8 metric tons, down from a revised 5,724.0 metric tons produced in April. The decline in production was largely attributed to the low level of production from small farm holders. Similarly, total output of Iron ore decreased in May to 171,029.0 metric tons, down from a revised 317,997.0 metric tons produced in the previous month. The 46.2 percent decline in output was due to the dip in the price of the product on the global market.

Beverages output, on the other hand, surged by 6.9 percent, to 2,268,236 liters, up from a revised 2,121,647 liters produced in the previous month. The main driver for the increase in the production of the commodity was due to a 14.6 percent increase in Alcoholic Beverages, which increase on account of surge in beer production by 31.2 percent compared to April, 2016. Cement output dipped again by 10 percent to 22,853 metric tons from a revised 25,406 metric tons produced in April 2016, due to the continuous rainy season.

Consumer Prices

Inflation on a year-on-year basis fell moderately by 0.3 percentage point to 7.6 percent, down from 7.9 percent in May, 2015. The slight decrease in inflation was due to decline in food & non-alcoholic beverages as well as recreation & hotels inflation.

On a Month-on-month basis, the rate of inflation increased by 0.4 percentage points to 7.6 percent, from 7.2 percent reported a month ago, the 0.4 percentage point rise was driven by increases in the prices of all imported items.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The CBL monetary policy stance continues to be anchored on price stability through broad exchange rate stability. During the month of May, 2016, the foreign exchange auction was the readily available tool used by the Bank to broadly stabilize the exchange rate.

Monetary Aggregates and Credit

Broad Money Supply (M2), the overall liquidity in the economy at end-May, 2016 declined by 3.3 percent to L\$59,080.7 million, from L\$61,089.9 million in April,

2016 due mainly to a 4.2 percent fall in Narrow Money Supply (M1), which declined on account of declines in demand deposits and currency outside banks by 5.1 percent and 1.2 percent, respectively.

During the month of May 2016, net foreign assets (NFA) fell by 2.9 percent, from L\$32,654.0 million at end-April, 2016 to L\$31,699.0 million, mainly on account of 14.8 percent reduction in foreign assets of banking institutions. Net domestic assets (NDA) also declined by 3.7 percent, from L\$28,435.0 million in the previous period to L\$27,382.0 million, due to a 0.8 percent decrease in domestic credit. Commercial bank loans to private sector in both US and Liberian dollars decreased by 8.6 percent and 7.0 percent, respectively, from US\$358.9 million to US\$330.5 million and L\$2,132.4 million to L\$1,993.4 million, respectively, during the review period.

Exchange Rate

The average Liberian-United States dollar exchange rate at end-May, 2016 remained stable at L\$91.42/US\$1.00 when compared to the rate recorded in the previous month. Similarly, the end-of-period exchange rate also remained stable at L\$91.5/US\$1.00 at end- May, 2016. However, compared to the corresponding month a year ago, the monthly average exchange rate depreciated by 8.2 percent against the US dollar.

The year-on-year depreciation of the Liberian dollar has been mainly anchored on the declines in the prices of the country's major commodity exports, rising import demand, UNMIL drawdown and net injection by GoL and deteriorating terms of trade.

At end-May, 2016, with the exception of the Liberian dollar and Nigerian Naira end-of-period exchange rate that remained stable, all the other major currencies in the West African Monetary Zone (WAMZ) depreciated against the US dollars. The Gambian Dalasi, the Ghanaian Cedis, Guinean Franc and Sierra Leonean Leone depreciated by 2.2 percent, 0.8 percent, 0.7 percent and 0.3 percent, respectively (Table 2).

Money Market Developments

Treasury bill issuance during the month ended-May, 2016, resulted into a net injection of L\$0.4 million into the economy. The total T-bill issued for the month was L\$44.9 million while redemption was L\$45.3 million. The weighted average discount rate for the month was 0.1 basis point higher when compared with the previous month.

		Feb-16	Mar-16	Apr-16	May-16
6	Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
	Capital Adequacy Ratio (CAR)***	15.8 [†]	16.2	16.3	18.7
	Non-performing Loans to Total Loans	15.0 [†]	15.7	17.0	14.2
	Non-performing Loans (% change)	-2.3	12.0	0.6	-21.4
	Returns on Assets	-2.1	-2.4	-1.9	-2.2
	Returns on Equity (ROE)	-18.0 [†]	-22.1	-16.8	-16.8
	Liquidity Ratio****	33.0 [†]	34.7	36.6	38.0
7	Fiscal Operations				
7a	Revenue, Expenditure & Debt	<i>(Millions of US\$)</i>			
	Actual Revenue & Grants	30.5	39.3	45.2	50.4
	Projected Revenue & Grants	29.5	36.2	47.2	32.6
	Expenditure	37.5	44.2	50.9	56.2
	Public Debt Stock	718.2	707.9	719.1	717.9
	Domestic	269.5	269.1	269.2	269.2
	External	448.7	438.8	450.0	448.7
7b	Treasury Securities	<i>(Millions of L\$)</i>			
	T- Bills Issued	-44.8	-44.8	-44.9	-44.9
	T- Bills Redeemed	88.5	43.8	43.8	45.3
	Net GoL Treasury Operation [^]	43.7	-1.1	-1.1	0.4
	Average Weighted Discount Rate	3.73	3.57	3.01	3.15
8	External Trade (Value)	<i>(Millions of US\$)</i>			
8a	Exports/1	19.4	15.5	26.4[†]	12.5
	- O/w Iron Ore	5.9	3.9	11.1	8.2 ±
	- O/w Rubber	3.3	3.2	7.5 [†]	4.5
	- O/w Mineral	2.6	3.3	4.8	2.9
8b	Imports (F.O.B)/1	97.6	128.6[†]	105.4	112.4
	-O/w Petroleum Products	33.1	35.1	26.9	22.5
	-O/w Commercial Rice	0.6	11.4	0.2	21.6
	-O/w Non-commercial Rice	0.4	0.3	0.6	0.3
	Trade Balance	-78.2	-113.1	-79.0	-99.9
9	External Trade (Volume)	<i>(Metric Tons)</i>			
	- Rubber	3,024	2,903	5,724 [†]	3,004
	-Iron Ore	146,419	80,804	317,997 [†]	171,029
	-Commercial Rice	13,136.8 [±]	249,599.7 [±]	4,379 [±]	472,926
	-Non-commercial Rice	2,325.7 [±]	1,744.3 [±]	3,489 [±]	1,744
	- Petroleum Products	9,946	11,328	8,795	8,995
10	Int'l Commodity Prices	US\$/Unit			
	Iron Ore (US\$ /MT)	46.2	55.5	59.6	54.9
	Rubber (US\$/MT)	1,257.5	1,447.1	1,720.5	1,673.7
	Crude Oil (US\$/Barrel)/1	31.1	37.3	40.8	46.0
	Rice (US\$/MT)	373.2	370.5	376.1	408.9
	Terms of trade				

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

Table 1: Fact Sheet

	Feb-16	Mar-16	Apr-16	May-16
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	165.4 [†]	164.4	160.4	169.1
CBL Gross Foreign Reserves (excluding SDRs)	261.1 [†]	254.7 [†]	267.1	270.8
Liberian Dollars in Circulation	10,122.8 [†]	10,024.4	10,097.5	10,006.6
Money Supply (M1) in L\$ only	12,701.2 [†]	12,485.7	12,934.5	13,056.5
Broad money (M2) in L\$ only	17,284.6 [†]	16,987.3	17,559.4	17,568.3
Broad money (M2) in both L\$ and US\$*	58,844.0 [†]	60,294.0	61,089.1	59,080.7
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	29.4 [†]	28.2	28.7	29.7
Interest Rates				
- Lending rate	13.6	13.6	13.6	13.6
-Average Deposit rates				
-Savings	2.0	2.0	2.0	2.0
-Time	4.2	3.8	4.4	3.7
Commercial banks loans to private sector - US\$	354.7	355.8	358.9	330.5
Commercial banks loans to private sector - L\$	1,930.0	1,955.6	2,132.4	1,993.4
- Demand Deposits of commercial banks				
Demand deposits - US\$	285.4 [†]	307.1	296.0	276.2
Demand deposits - L\$	4,013.1 [†]	3,872.8	4,064.0	4,291.7
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	173.6 [†]	169.1	174.3	172.7
Time & savings deposits - L\$	4,575.0 [†]	4,492.1	4,616.7	4,503.3
- Other Deposits**				
Actual US\$ component of other deposits	0.16 [†]	2.4	5.4	4.8
Liberian \$ component of other deposits	8.4 [†]	9.6	8.3	8.5
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	2.0	2.0	2.0	2.0
Total Subscription	5.7	5.6	6.0	4.8
Over(+)- / Under(-) Subscription	3.7	3.6	4.0	2.8
3 CBL Bills Auction	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	1,592.0	0.0	0.0	0.0
4 Personal Remittances	<i>(Millions of US\$)</i>			
Inflows	42.8	46.7	52.8	47.4
Outflows	15.6	26.6	26.8	24.1
Net flows	27.2	20.1	26.0	23.3
5 Exchange Rate				
End of Period	90.5	90.5	91.5	91.5
Period Average	90.5	90.5	91.4	91.5

Banking Sector Developments

The banking sector continued to remain robust as indicated by improvement in the capital adequacy ratio (CAR) at end-May, 2016. The sector's access to capital (represented by its CAR) grew by 2.4 percentage points to 18.7 percent, from a revised 16.3 percent recorded in the previous month. Liquidity ratio in the sector also inched up by 1.4 percentage points to 38.0 percent, from 36.6 percent in the preceding month. Additionally, record on non-performing loans significantly improved to -21.4 percent at end-May 2016, from 0.6 percent reported during April, 2016 (Table 1).

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

Fiscal operations in May, 2016, resulted in a deficit of US\$5.81 million, up from US\$5.65 million deficit recorded in the previous month, explained by month-on-month 10.5 percent growth in total expenditure that outweighed the 11.5 percent increase in total actual revenue for the review period. Tax and non-tax revenue & grants constituted 87.2 percent and 12.8 percent of total revenue and grants, respectively. Actual revenue and grants rose above budgetary target for the month by US\$17.86 million or 54.9 percent. Recurrent and capital expenditure accounted for 91.9 percent and 8.1 percent of total public expenditure for the review month, respectively.

Liberia's public debt stock at end-May, 2016, stood at US\$717.89 million, reducing by 0.2 percent against the stock recorded in the previous month, mainly explained by 0.3 percent decreased in external debt stock during the review period. Domestic and external debt stocks constituted 37.5 percent and 62.5 percent of Liberia's total public debt stock at end-May, 2016, respectively (Table 1).

EXTERNAL SECTOR DEVELOPMENTS**Merchandise Trade**

Merchandise trade deficit recorded at end-May, 2016 worsened to US\$99.9 million. The 26.5 percent worsening of the trade balance was attributed to a significant decrease in export receipts as against import payments (Table 1).

Exports

Export receipts at end-May, 2016 plummeted by 52.6 percent to US\$12.5 million, from US\$26.4 million recorded in the previous month. The decline was largely on account of decreases in earnings from major export commodities (iron ore and rubber) including mineral. Earnings from iron ore, rubber and minerals plunged by 64.9 percent, 40.0 percent and 9.6 percent, respectively, (Table 1).

Imports

At end May, 2016, import payments (f.o.b) increased by 6.6 percent to US\$112.4 million, from US\$105.4 million recorded during the previous month. The rise in import payments was mainly attributed to a US\$21.4 million increase in payment for commercial rice (Table 1).

Global Commodity Price Review

Average commodity prices at end-May, 2016 rose by 6.3 percent, from a revised 4.3 percent recorded in the previous month. The increase in commodity prices was mainly on account of a 12.8 percent rise in the price of crude oil.

Iron ore

Iron ore price reported at end-May, 2016 dropped by 8.6 percent to US\$54.9 per metric ton, from US\$59.6 per metric ton recorded in the previous month. The decrease in the price of the commodity was due largely on slower production from China as inventories increased (Table 1).

Rubber

Rubber price at end-May, 2016 fell by 5.9 percent to US\$1,580.71 per metric ton, from US\$1,673.75 per metric ton in April, 2016. The reduction in the price of rubber during the period was mainly on account of lower demand for the commodity from major buyers, especially China.

Petroleum (Crude Oil)¹

Oil price for the month ended-May, 2016 surged by 12.8 percent to US\$45.98 per barrel, from US\$40.75 barrel reported in the previous period. The rise in the price of the commodity was mainly due to decline in production in non-OPEC countries as well as supply disruption in the Middle East (Kuwait) and Nigeria.

Food (Rice)

Global food price index slightly rose at the end of May, 2016. With moderate gains in cereal prices, rice price during the month rose by 8.7 percent to US\$408.8 per metric ton, from US\$376.1 per metric ton recorded in April, 2016. The rise in the price of the commodity was marked by a continued unfavourable weather condition been experienced in Asia.

Gross Foreign Reserves

Gross foreign reserves position (excluding SDR² holdings) rose by 1.4 percent to US\$270.8 million at end-May, 2016, from US\$267.1 million reported in the previous month. The rise in gross foreign reserves was on account of a 7.9 percent rise in balances with bank abroad that exceeded the 25.5 percent slump in US Dollar Notes & Coins.

Month-on-Import Covers

Liberia's gross foreign reserves (including SDR holdings) in month- of-imports cover in May, 2016, amounted to approximately 2.8 months.

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

²Special Drawing Rights