

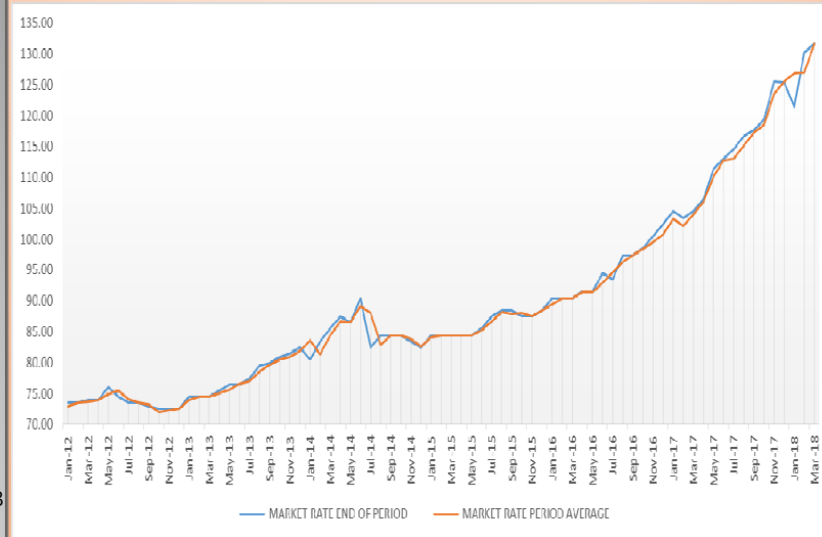


CENTRAL BANK OF LIBERIA (CBL)

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

Currency	Mar -17	Feb-18	Mar-18	Appr (-)/Depr (+)	
				MoM	YoY
GHC	4.34	4.42	4.40	-0.31	1.52
GMD	45.12	46.98	46.76	-0.48	3.62
GNF	9,225.02	9,000.00	8,995.13	-0.05	-2.49
LRD	104.50	130.21	131.64	1.1	26.00
NGN	306.00	305.45	305.15	-0.10	-0.28
SLL	7,264.04	7,573.36	7,546.79	-0.35	3.89

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

	Dec-17	Jan - 18	Feb - 18	Mar - 18
External Trade (Volume) – cont'd	(Metric Tons)			
- Petroleum Products	4,983	5,049	4,685	2,807.0
- Cocoa Beans	250	0.0	102,000	21,250.0
- Palm Oil	1,246	645.0	0	21,661.0
10 Inflation	(In percent)			
Overall (Year-on-year) Rate of Inflation	13.9	15.4	17.8	19.5
a. Food and Non-alcoholic Beverages Inflation	4.6	8.0	11.6	17.4
- Domestic Food Inflation	2.6	7.3	11.7	19.8
- Imported Food Inflation	4.5	7.0	11.1	15.7
b. Transport Inflation	25.4	26.8	30.9	30.8
c. Imported Fuels Inflation	37.6	35.8	31.3	28.1
Overall (Month-on-Month) Rate of Inflation	1.2	2.4	0.6	2.1
Core Inflation	(In percent)			
Inflation excluding Food & Non-alcoholic Beverages	20.1	20.0	21.5	20.7
Inflation excluding Imported Food	16.2	17.5	19.7	20.6
Inflation excluding Domestic Food	7.5	8.2	17.5	18.3
Inflation excluding Food and Transport	19.2	18.9	20.0	19.1
Production	(Metric Tons, Carats and Ounces)			
Iron Ore	0	0	0	469,047
Gold	14,416	32,337†	21,058†	16,109
Diamond	4,347	2,745†	11,183	10,549
Rubber	9,965	3,166†	3,489	5,792
Cement	19,217	23,380	20,124±	37,980
Beverages	(In Litres)			
<i>Alcoholic</i>	1,132,851	964,540±	1,213,682 ±	497,147
<i>Non-Alcoholic</i>	903,380	801,996±	1,120,441 ±	931,039
11 Int'l Commodity Prices	US\$/Unit			
Iron Ore (US\$/MT)	72.3	76.3	77.5	70.4
Rubber (US\$/MT)	1,650.0	1,720.0	1,720.0	1,760.0
Crude Oil (US\$/Barrel)/1	61.2	66.2	63.5	64.7
Rice (US\$/MT)	406.0	442.0	425.0	430.0
Cocoa Beans (US\$/MT)	1,920.0	1,950.0	2,120.0	2,500
Palm Oil	672.0	679.3	663.0	681.0

* 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

Output of key commodities in the economy recorded mixed trends for March, 2018. Cement output surged by 88.7 percent, to 37,980 metric tons, mainly due to increased construction activities. Beverages production slumped to an estimated 1.4 million liters (38.8 percent fall) due to decline in the production of alcoholic beverages as a result of high inventory from the festive season and the breakdown of a production plant for stout. Rubber output increased by 66.2 percent, to 5,792 metric tons, from 3,489 metric tons produced during the previous month. This increment is attributed to increases in the productions by small-holder farmers and the leading rubber-producing company. Iron ore production for the reporting period stood at 469,047 metric tons. However, in the previous month, no production data was available for the commodity. Gold output fell by 23.5 percent to 16,109 ounces, from a revised 21,058 ounces in the previous month. The fall in gold production was ascribed to the marginal decline in the price of the commodity on the global market. Diamond production also declined to 10,549 carats, from 11,183 carats during the preceding month. The reduction in the production of diamond was a result of marginal decline in price on the global market.

Consumer Prices

Inflation on a year-on-year basis increased by 7.6 percentage points to 19.5 percent at end- March 2018, up from 11.9 percent at end-March 2017. The rise in inflation was explained by increases in all major subgroups, especially food and transport.

On a month-on-month basis, the rate of inflation increased by 1.5 percentage points to 2.1 percent from 0.6 percent reported during the previous month. The increase in monthly inflation rate was due to increases in the prices of all items in the major sub-groups except Recreation and Culture and Restaurants and Hotels.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the Central Bank of Liberia during the month of March, 2018 continues to be fastened on price stability through broad exchange rate stability. In pursuit of this objective, the Bank utilized its invention in the forex market and the T-bill as the readily available tools to implement the domestic monetary policy operations. In the near future, the CBL intends to create standing deposit facilities to expand the policy tool available.

Monetary Aggregates and Credit

At end-March, 2018, Broad money supply (M2) grew by 2.2 percent to L\$87,003.7 million. The expansion was mainly on account of expansions in currency outside banks and time & savings deposits by 6.1 percent and 9.5 percent, respectively. On an annualized basis, broad money grew by 28.6 percent mainly on account of 19.3 percent and 35.7 percent increases in demand deposits and time & saving deposits, respectively.

On the assets side, net foreign assets (NFA) and net domestic assets (NDA) at end-March, 2018 trended in opposite directions compared with the preceding month, but moved in the same directions when viewed on a yearly basis. NFA grew by 9.3 percent month-on-month and 15.6 percent year-on-year. The monthly growth of NFA was mainly triggered by increase in foreign assets of the CBL, while the annual rise was also attributed to growth in the CBL's NFA. NDA dropped on a monthly basis by 0.3 percent and rose annually by 34.4 percent. The monthly decline was mainly occasioned by a fall of 9.5 percent in net credit to government while the yearly expansion was on account of increases in net credit to government and credit to the private sector including credit to None Bank Financial Institutions (NBFIs).

The US dollar share of commercial bank loans to private sector at end-March, 2018 dropped by 1.1 percent to US\$387.4 million while the Liberian dollar component rose by 0.1 percent to L\$4,069.0 million. Year-on-year comparison revealed that the US dollar share grew by 2.2 percent and the Liberian dollar share by 35.6 percent, with both driven mainly by increases in loans to the construction, manufacturing, trade, oil & gas and agriculture sectors.

Exchange Rate

At end-March, 2018, the average exchange rate of the Liberian dollar vis-à-vis the US dollar depreciated by 2.3 percent to L\$131.12/US\$1.00. The end-of-period (EOP) exchange rate for the same period depreciated by 1.1 percent to L\$131.64/US\$1.00. Year-on-year comparison showed that the average exchange rate depreciated by 26.1 percent and the EOP rate, by 26.0 percent. The weakness of the domestic currency continues to occur as a result of the high demand for US dollar to facilitate imports.

	Dec-17	Jan - 18	Feb - 18	Mar - 18
Non-performing Loans (% change)	2.6	-3.3	6.7	12.3
Returns on Assets (ROA)	-0.24	0.17	0.24	0.12
Returns on Equity (ROE)	-1.38	1.02	1.48	0.77
Liquidity Ratio****	45.6	47.7	47.5	47.6
7 Fiscal Operations				
7a Revenue, Expenditure & Debt	(Millions of US\$)			
Actual Revenue & Grants	28.8	27.3	29.3	60.0
Projected Revenue & Grants	39.4	37.4	61.1	27.9
Expenditure	45.8	25.8†	39.5†	48.0±
Public Debt Stock	874.5	881.7	904.4†	914.9
Domestic	266.2	266.1	265.9†	265.8
External	608.3	615.6	638.1†	649.0
7b Treasury Securities	(Millions of L\$)			
T- Bills Issued	-18.8	-62.7	0.0	-63.4
T- Bills Redeemed	32.5	58.9	30.0	62.8
Net GoL Treasury Bills Operations^	13.7	-3.8	30.0	0.6
Ave. Weighted Discount Rate_T Bills	5.0	3.26	0.0	2.91
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	25.9	43.7	33.8†	50.1
- O/w Iron Ore	0.0	0.0	0.0	13.4
- O/w Rubber	10.1	8.6	6.5	12.0
- O/w Mineral	10.3	34.4	26.5†	19.5
-o/w Cocoa Bean	0.3	0.0	0.1	0.2
-o/w Palm Oil	0.9	0.4	0.0	0.7
8b Imports (F.O.B)/1	71.8	90.6	94.0	72.2
Minerals, Fuel, Lubricants	13.0	22.3	13.5	7.6
-O/w Petroleum Products	10.6	10.9	9.8	5.3
Food and Live Animals (including Animal and vegetable oil)	14.3	15.9	40.9	27.0
-O/w Commercial Rice	2.5	1.2	4.9	18.5
-O/w Non-commercial Rice	0.1	0.3	0.1	0.4
Machinery & Transport Equipment	24.3	21.6	17.3	21.9
Import (C.I.F)	79.1	97.9	103.4	80.2
Trade Balance	-45.9	-46.9	-60.2†	-22.1
9 External Trade (Volume)	(Metric Tons)			
- Rubber	4,561.53	3,165.24	3,488.90	5,792.48
-Iron Ore	0.0	0.0	0.0	469,047.5
-Commercial Rice	147,363	151,801	147,669	138,518
-Non-commercial Rice	1,396	1,302	1,261	1,188

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

Table 1: Fact Sheet

	Dec-17	Jan - 18	Feb-18	Mar-18
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	155.1	153.3	159.1	188.1
CBL Gross Foreign Reserves (excluding SDRs)	222.3	235.0	231.4	252.3
Liberian Dollars in Circulation	15,919.7	15,775.6	15,849.2	16,692.6
Money Supply (M1) in L\$ only	21,077.6	20,835.5	21,193.2	22,572.7
Broad money (M2) in L\$ only	27,671.8	27,462.3	28,126.8	30,158.1
Broad money (M2) in both L\$ and US\$*	79,999.9	78,900.4	85,049.2	87,003.7
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	34.6	34.8	33.1	34.7
Interest Rates				
- Lending rate	13.3	13.3	13.3	13.1
-Average Deposit rates				
-Savings	2.23	2.23	2.23	2.23
-Time	3.64	3.64	3.75	3.64
	<i>(In Millions of Currencies)</i>			
Commercial banks loans to private sector - US\$	396.2	382.9	391.6	387.4
Commercial banks loans to private sector - L\$	3,924.4	4,050.9	4,064.6	4,069.0
- Demand Deposits of commercial banks				
Demand deposits - US\$	260.6	257.7	287.7	264.3
Demand deposits - L\$	6,095.9	6,137.2	6,405.6	6,943.5
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	155.8	147.7	159.1	168.0
Time & savings deposits - L\$	6,620.7	6,569.9	6,802.5	7,524.7
- Other Deposits**				
Actual US\$ component of other deposits	0.5	0.2	1.2	1.3
Liberian \$ component of other deposits	-26.5	56.9	131.1	60.7
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	5.0	4.0	2.0	1.9
Total Subscription	3.6	3.8	2.2	2.0
Over(+)- / Under(-) Subscription	-1.4	-0.3	0.2	0.1
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	52.9 [†]	41.1	40.1	49.6
Outflows	69.3 [†]	18.5	24.1	31.9
Net flows	-16.4 [†]	22.6	16.0	17.6
5 Exchange Rate	<i>(USD/LD)</i>			
End of Period	125.5	121.5	130.2	131.6
Period Average	125.5	126.9	127.1	131.1
6 Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	18.0 [±]	26.6 [±]	35.14 [±]	35.14 [±]
Non-performing Loans to Total Loans	14.7	15.6	15.5	17.0

In the WAMZ, the EOP rate for all currencies in the Zone appreciated at end-March, 2018 except the Liberian dollar that depreciated by 1.1 percent. The Ghana Cedis, the Guinean Franc, the Gambia Dalasi, the Nigerian Naira and the Sierra Leonean Leone appreciated by 0.31 percent, 0.05 percent, 0.48 percent, 0.10 percent and 0.35 percent, respectively. Year-on-year movements of currencies in the WAMZ showed that with the exception of the Guinean Franc and the Nigerian Naira that appreciated by 2.49 percent and 0.28 percent, respectively, all currencies in the zone experienced depreciation (see Table 2).

Financial Market Developments

During the month ended-March, 2018, net GoL T-bill operations amounted to a net Liberia dollar withdrawal of L\$0.6 million. This implies that the CBL, on behalf of the government, issued L\$63.4 million and redeemed L\$62.8 million in the reporting month. The discount rate in March, 2018 on GoL T-bill issued was 2.91 percent, suggesting a 35 basis points lower than the yield recorded a month ago.

Banking Sector Developments

Activities in the banking industry at end-March, 2018 remained strong, supported by key macro-prudential indicators of the industry. Capital adequacy and liquidity ratios remained well beyond the minimum requirements of 10.0 percent and 15.0 percent, respectively. Provisional banking sector data at end-March, 2018 indicated a liquidity ratio of 47.6 percent, compared with 47.5 percent at end-February, 2018. The industry's capital adequacy ratio (CAR) preliminarily remained unchanged at 35.14 percent compared with preceding month. Non-performing loans ratio rose by 145 basis points to 17.0 percent compared with February, 2018 while the absolute value of non-performing loan inched up by 12.3 percent at end-March, 2018.

FISCAL DEVELOPMENTS

Revenue (including Grants) & Expenditures

Preliminary fiscal operations for the month of March, 2018 resulted in a surplus of US\$12.0 million from a deficit of US\$10.2 million recorded in the previous month, mainly explained by 49.5 percent increase in total revenue and grants, during the review period.

Tax and non-tax revenue & grants, respectively, constituted 81.0 percent and 19.0 percent of total revenue and grants during the period under review. Actual revenue and grants fell below budgetary projections by US\$ 22.3 million or 44.4 percent in March, 2018. Recurrent and capital expenditure accounted for 94.0 percent and 6.0 percent of total public expenditure for the review period respectively.

Liberia's public debt stock at end-March, 2018 amounted to US\$914.9 million, indicating a US\$33.1 million (3.7 percent) increase compared with the stock at end-February, 2018. Domestic and external debts, respectively, constituted 29.1 percent and 70.9 percent of Liberia's total public debt stock at end-March, 2018.

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

Merchandise trade balance at end-March, 2018 recorded a deficit of US\$22.1 million, an improvement from a revised US\$60.2 million deficit recorded at end-February, 2018. The improvement was mainly driven by 48.3 percent boost in export receipts, coupled with 23.2 percent decrease in import payments.

Exports

Export earnings during the month of March, 2018, showed 48.3 percent increase to US\$50.1 million from a revised US\$33.8 million recorded at end-February, 2018. The increase in export earnings during the month was mainly driven by rise in rubber export earnings, which rose by 84.6 percent to US\$12.0 million from US\$6.5 million recorded in the previous month.

Imports (FOB)

At end-March, 2018, import payments declined by 23.2 percent to US\$72.2 million from US\$94.1 million in the previous month. The major contributing factor to the decline was Food and Live Animals, which fell by 34 percent to US\$27.0 million in March, 2018.

Global Commodity Price Review

Average global commodity price index during the month ended-March, 2018 increased to an estimated 113.8 from 112.4 reported in February, 2018. The increase was largely a result of rise in the price of rubber.

Iron ore

The price of iron ore on the international market fell by 9.2 percent to US\$70.35 per metric ton at end-March, 2018. The price decline of iron ore is most likely the result of U.S Government's threat of imposing punitive import tariffs on China and EU steel exports to the U.S.

Rubber (natural)

The global price of natural rubber at end-March, 2018 grew by 2.3 percent to US\$1,760.00. Demand increase most likely drove the increase in the price of rubber.

Petroleum (Crude Oil)

The price of petroleum at end-March, 2018 rose by 2.0 percent to US\$64.70 per barrel. The rise was primarily due to fear of supply shortage as a result of low investment in the oil sector.

Food (Rice)

Global price for rice rose by 1.2 percent at end-March 2018 to US\$430.00 per metric tons, from US\$425 per metric tons at end-February 2018. Freight and insurance mainly drove the global price rise for rice over concern of tension in Myanmar, one of the global rice producing countries.

Palm Oil

The international price of crude palm oil rose at end-March, 2018 after a fall in the previous month. The international price of palm oil rose by 2.7 percent to US\$681.0 per metric ton from US\$663.0 per metric ton.

Gross Foreign Reserves

Gross foreign reserves position (excluding SDR holdings) of the CBL increased by 9.0 percent to US\$252.3 million at end-March 2018, from US\$231.4 million at end-February, 2018. The growth in gross foreign reserves for the period under review was mainly driven by growth in balances with banks abroad.

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