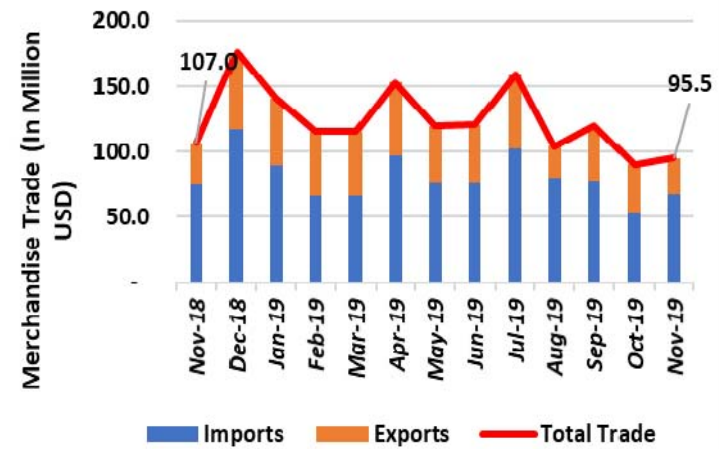




CENTRAL BANK OF



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Table 8: External Sector Statistics

GLOBAL PRICE	Nov - 18	Sep - 19	Oct - 19	Nov - 19
	(In price per Unit of Measure)			
Iron ore (US\$/MT)	73.26	93.08	88.53	84.98
Gold (US\$/Oz)	1,220.65	1,510.58	1,494.81	1,470.79
Rubber (US\$/MT)	1,350.00	1,500.00	1,430.00	1,540.00
Cocoa Beans (US\$/MT)	2,190.00	2,310.00	2,440.00	2,520.00
Palm oil (US\$/MT)	539.10	580.30	591.35	683.38
Crude oil (US\$/BBL)	62.32	60.04	57.27	60.40
Food Price Index (FAO)¹	161.80	169.30	172.50	177.20
Rice_5% broken (US\$/MT)	401.00	427.00	424.00	421.00
Sugar (US\$/MT)	280.00	260.00	280.00	280.00
Commodity Price Index²	122.16	115.14	113.39	117.21

Source : www.indexmundi.com, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>
 /1 & /2 - Changes in indexes are calculated on percentage point changes

Food Price (FAO)

Indicative of FAO Food Price Index, the price of food inched up during the review month compared with the price in October 2019. Food price index rose by 4.7 percentage points to 177.2 due to increases in prices of mainly meat, sugar and vegetable oils. Year-on-year comparison showed that food price rose by 15.4 percentage points, from 161.8.

Rice

The price of rice declined during the month by 0.7 percent to US\$424.0 per metric ton compared with the price per metric ton in the preceding month. The reduction in the price of the commodity was largely due to low demand amid increased supply of new variety of the commodity. Annual comparison of the price of the commodity showed an increase of 5.0 percent, from US\$401.0 per metric ton.

Palm oil

During the month under review, palm oil price increase significantly for the third consecutive month. The price of the commodity rose by 15.6 percent to US\$683.4 per metric ton as a result of global demand for the commodity in the face of weak output growth. Market actors have begun to speculate that supply of the commodity will plunge in 2020. Malaysia had earlier reported lower inventory level of palm oil, while Indonesia, on the other hand, reported unfavorable weather conditions which is impacting oil production. Year-on-year comparison of the price of palm oil reflected a sharp rise by 26.8 percent, from US\$539.1 per metric ton.

Sugar

The price of sugar remained relatively stable at US\$280.0 per metric ton during current, previous and corresponding month of 2018, amidst reports that there could have been contraction in sugar output from India and Thailand.

Cocoa beans

Cocoa price increased further by 3.3 percent in November 2019 to US\$2,520.0 per metric ton following a rise in the previous month. The rise in the price of the commodity during the month was, mainly, due to reduced supply of the commodity coupled with unfavorable weather condition in the main cocoa producing countries in West Africa (Ghana and Cote d'Ivoire). Compared with the same month a year ago, the price of cocoa beans rose by 15.1 percent, from US\$2,190.00 per metric ton in November 2018.

INTRODUCTION

The Monthly Economic Review (MER) is a regular publication of the Central Bank of Liberia (CBL) that provides a snapshot of major developments in key sectors (Real, Monetary, Fiscal and External) of the Liberian economy. The MER also highlights the Monetary Policy Stance of the CBL and exchange rates developments in the West African Monetary Zone (WAMZ).

OVERVIEW

During the month, production of key commodities in the Liberian economy declined. Except diamond which rose during the month, outputs of iron ore, gold, cement and beverages declined for the second consecutive month. Rubber production plummeted on account of reduction in harvest from small farm holders during the month. Headline inflation fell during the month due mainly to decreases in the prices of commodities in almost all categories of the consumer basket, especially prices of imported fuels when compare with the preceding month. Similarly, core inflation¹ reduced slightly on account of appreciation of the Liberian dollar which passthrough effect was felt in the prices of most non-food items.

Monetary policy stance of the CBL was shifted to focus on price stability using interest rate-based instruments. During the month, the CBL used a mixed of available monetary policy instruments such as reserves requirements, the CBL bills and the standing deposit facility (SDF) to ease pressure on the Liberian dollar.

Analysis of monetary aggregates showed that broad money (M2) declined during the month. The decline in money supply was due mainly to falls in demand deposits and time and savings deposits. On the 'asset side,' the slowdown in broad money was on account of reduction in net domestic assets (NDA) through domestic credits to both the public and private sectors. Disaggregation of commercial banks loans to private sector showed that the share of commercial banks' loans denominated in both United States and Liberian Dollars reduced compared with credits in both currencies in the preceding month. Credit to the agriculture sector was highly hit; declining for both currencies. Assessment of the banking sector during the month showed weak performance of the industry, evidenced by slowdown in returns on assets (ROA), returns on equity (ROE) and liquidity ratio (LR).

Fiscal operations during the month resulted to a surplus. The improvement in fiscal surplus was occasioned by a decline in government expenditure that outweighed the fall in revenue. The reduction in expenditure was due to slowdown in spending on most recurrent expenditure indicators, including employees' compensation and goods and services. General government debt grew slightly as a result of increase in debt from foreign creditors.

Trade deficit expanded during the month compared to the level of deficit in the previous month. The widened in deficit was on account of increase in import payments for goods. Payments for import surged on the back of increased payments for minerals, fuel and lubricants as well as food and live animals (including oil made from animals and vegetable oil) related imports.

The stock of gross international reserves (GIR) decreased during the month compared with the preceding month. The rise in import payments during the month led to an estimated decline in the months of import cover by 2.9 weeks, from the 3.1 months recorded in the preceding month. During the month, net inflows of remittances stood at US\$10.9 million, US\$8.0 million higher than the US\$2.9 million recorded at end-October 2019. The average and end-of-period exchange rates of the Liberian dollar appreciated against the United States dollar due, in part, to limited availability of the domestic currency.

REAL SECTOR & PRICE DEVELOPMENTS

Production Analyses of Key Commodities

Production statistics for the month under review showed sharp declines after reporting some level of improvements in the preceding month. Compared with the previous month, the outputs of beverages, iron ore, gold, rubber and cement fell considerably, while output of diamond increased. Diamond output rose by 6.8 percent to 5,106.0 carats, from 4,783.0 carats.

Cement production fell by 6.7 percent to 20,843.0 metric tons, owing to accumulation of inventory from the last month. For the second consecutive month, rubber production had slowed, declining by 15.9 percent during the month due to reduction in harvest of small farm holders. Gold output fell by 33.3 percent to 5,424.0 ounces, due mainly to slowdown in outputs from industrial gold mines. More than expected rainfall in the month weakened output of iron ore by 22.0 percent to 248,224 metric tons. Similarly, beverages production fell by 5.3 percent due to inventory from the previous month. When disaggregated, alcoholic beverages accounted for 93.6 percent of total beverages produced during the month. Annual comparison of production statistics showed that outputs of all commodities including gold, beverages, iron ore, diamond, cement and rubber declined in the current month when compare with the same month a year ago.

Consumer Prices

Headline inflation for the month declined by 3.9 percentage points to 26.6 percent, from the rate recorded in the preceding month. The decline was a result of reduction in the rates of inflation for almost all major sub-groups, especially imported fuels. Similarly, month-on-month rate of inflation fell to negative 1.1

Table 7: Exchange Rates: WAMZ Countries End-of-Period Exchange Rates against the US Dollar

Rate & Currency	Nov - 18	Sep - 19	Oct - 19	Nov - 19	Appr (-)/Depr (+)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
End of Period	157.88	209.21	211.50	191.76	10.29	(17.67)
Period Average	157.79	208.46	211.14	199.80	5.68	(21.03)
WAMZ Currency	Currency per USD				Percent change	
GHC	4.80	5.32	5.34	5.38	(0.74)	(10.78)
GMD	50.04	50.93	50.27	50.64	(0.73)	(1.18)
GNF	9,049.84	9,210.00	9,260.15	9,322.23	(0.67)	(2.92)
NGN	306.30	306.45	306.5	306.45	0.02	(0.05)
SLL	8,379.38	9,444.26	9,609.36	9,630.83	(0.22)	(12.99)

Source: CBL, WAMA: www.amao-wama.org/

GHC - Ghanaian Cedi; LD - Liberian Dollar; GMD - Gambian Dalasi; USD - United States Dollar; GNF - Guinean Franc; NGN - Nigerian Naira; SLL—Sierra Leonean Leone; USD - United States Dollar

GLOBAL COMMODITY PRICE DEVELOPMENTS

Iron ore

The price of iron ore fell by 4.0 percent to about US\$85.0 per metric ton in November 2019, from the amount reported in the preceding month. The reduction in the price of the commodity was influenced by, in part, to weak demand for the commodity resulting from slowdown in steel production. Annual comparison of the price of the mineral indicated a 16.0 percent surge from US\$73.3 per metric ton.

Crude oil (Petroleum) price

The price of petroleum inched up by 5.5 percent in the review month following a 4.5 percent decline in October 2019. The price of crude oil rose to US\$60.4 per barrel, from US\$57.3 per barrel in the previous month, occasioned by growing optimism about US-China trade agreement that is expected to raise demand for the commodity. Compared with the corresponding month in the previous year, the price of petroleum declined by 3.1 percent, from US\$62.3 per barrel.

Rubber

During the review month, the price of rubber stood at US\$1,540.00 per metric ton. Compared with the price per metric ton in the preceding month, the price of the commodity increased by 7.7 percent. The increase in the price of the commodity was partly due to the fungal disease (pestalotiopsis) that had affected major rubber plantations in mainly Malaysia, Thailand and Indonesia and continued to lower supply of the commodity and drive its price up. Yearly comparison of the price of rubber showed a 14.1 percent rise from US\$1,350.00 metric ton.

Remittances

In November 2019, the flows of personal remittances culminated into a net inflow of US\$10.9 million. Compared with the previous month, both inward and outward personal remittances declined, but the fall in outward remittances exceeded the decline in inward remittances. Outward personal remittances declined by 46.7 percent to US\$11.6 million, from US\$21.8 million, while inward remittances fell by 8.7 percent to US\$22.6 million, from US\$24.7 million. Compared with the same month a year ago, net inflows of personal remittance increased significantly by over hundred percent, from net outflow of US\$31.0 million in November 2018.

Gross International Reserves

Gross international reserves (GIR) position stood at US\$244.7 million at end-November 2019, falling by 8.9 percent compared with the stock recorded in the preceding month. Similarly, months of import cover fell to 2.3 months, below the benchmark of 3 months, due mainly to reduction in gross reserves during the month (Table 6).

EXCHANGE RATE DEVELOPMENTS

The end-of-period (EOP) and average exchange rates of the Liberian dollar appreciated against the US dollar during the review month compared with the rates reported in October 2019. The Liberian dollar in terms of EOP exchange rate appreciated by 10.3 percent to L\$191.76/US\$1.00, while the average exchange rate appreciated by 5.7 percent to L\$199.80/US\$1.00. The appreciation of the Liberian dollar during the month was largely attributed to liquidity squeeze. Annual comparison showed a depreciation of 17.7 percent and 21.0 percent for the EOP and average exchange rates, respectively.

Developments in the foreign exchange market in the West African Monetary Zone (WAMZ) showed that, except the Nigerian Naira that remained relatively stable at ₦306.5/US\$1.00, and the Sierra Leonean Leone which depreciated modestly by 0.2 percent, all currencies (the Ghanaian Cedi, the Gambian Dalasi and the Guinea Franc) in the Zone depreciated against the US dollar.

Annual comparison of the currencies showed that all the currencies in the Zone depreciated against the US dollar. The Liberian dollar recorded the highest depreciation (21.5 percent), followed by the Leone by 14.9 percent (Table 7).

percent in November 2019, while annual core inflation lowered by 5.1 percentage points to 24.0 percent, mainly explained by exchange rate appreciation that translated into prices of items relating to most of the non-food and transport categories (Table 1).

Table 1: Production and Price Statistics

REAL SECTOR DATA	Nov - 18	Sep - 19	Oct - 19	Nov - 19
Production	<i>(In units as may be specified)</i>			
Iron Ore (Metric ton)	304,721	228,126	318,155	248,224
Gold (Ounces)	13,458	6,296	8,136	5,424
Diamond (Carat)	7,195	7,263	4,783	5,106
Rubber (Metric ton)	4,161	9,252	4,453	3,744
Cement (Metric ton)	25,234	16,089	22,338	20,843
Beverages	<i>(In Liters)</i>			
Alcoholic	942,043	394,505	763,739	818,096
Non-Alcoholic	746,343	45,936	159,144	55,836
Total Beverage Production	1,688,385	440,441	922,883	873,932
Inflation	<i>(In Percent)</i>			
Overall (Y-o-Y) Rate of Inflation	27.06	30.90	30.55	26.62
a. Food and Non-alcoholic Beverages Infl.	24.94	33.18	32.38	30.51
- Domestic Food Inflation	28.32	34.55	32.53	30.61
- Imported Food Inflation	22.71	31.24	31.38	29.37
b. Transport Inflation	41.92	33.20	32.51	29.00
c. Imported Fuels Inflation	52.68	25.57	29.28	19.51
Overall (M-o-M) Rate of Inflation	1.96	1.05	0.43	-1.10
Core Inflation	<i>(In Percent)</i>			
Inflation excluding Food & Non-alcoholic Beverages	28.25	29.72	29.56	24.59
Inflation excluding Imported Food	28.26	30.58	30.08	25.68
Inflation excluding Domestic Food	27.19	23.50	23.44	19.88
Inflation excluding Food and Transport	26.10	29.25	29.13	24.01
	<i>(Millions USD, except otherwise specified)</i>			
Nominal GDP Annual	3,263.87	3,155.48	3,155.48	3,155.48
Real GDP Annual	1,436.28	1,416.83	1,416.83	1,416.83
Real GDP growth rate (in percent)	1.2	(1.4)	(1.4)	(1.4)

Source: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, CEMENCO, CBL & LISGIS

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the CBL was restructured to focus on price stability using interest-rate-base instruments to manage excess Liberian dollar liquidity. In pursue of its objective, during the month, the Bank used various monetary policy instruments, including reserve requirements, the CBL bill, and the SDF.

Monetary Aggregates

Broad money supply (M2) at end-November contracted by 4.6 percent to L\$118.2 billion compared with the amount recorded during the previous month. The reduction in M2

during the month was a result of a 6.3 percent, 5.3 percent, and 7.5 percent decreases in demand deposits, time and savings deposits and other deposits, respectively. On the assets side, the decrease in M2 was driven largely by fall in net domestic assets by 4.7 percent owing to fall in domestic credit. Year-on-Year analysis shows that M2 increased by 15.1 percent, mainly due to rise in currency outside banks and time and saving deposits by 16.4 percent and 28.2 percent, respectively.

The share of commercial banks' loans to private sector denominated in both United States and Liberian dollars reduced during the month compared with October 2019 with credit to the agriculture sector being highly affected. Loans in United States dollar fell slightly by 0.4 percent to US\$389.4 million, explained by falls in credits to the agriculture, services and extractive sectors. The Liberian dollar component of loans declined by 13.7 percent to L\$7,109.1 million, on account of decreases in credits to the agriculture, construction and trade sectors. Compared with the corresponding month in 2018, private sector credit in Liberian dollar rose by 37.1 percent, while the US dollar component fell by 5.6 percent.

Table 2: Monetary Aggregates

Monetary Aggregates	Nov - 18	Sep - 19	Oct - 19	Nov - 19
	<i>(In Millions of currencies as may be specified)</i>			
CBL Net Foreign Exchange Reserves [‡]	71.69	64.01	63.40	41.94
Liberian Dollars in Circulation - (LD)	18,889.60	20,532.41	20,745.85	20,896.80
Money Supply (M1) in LD only	24,180.02	27,684.95	30,097.06	30,356.24
Broad money (M2) in LD only	31,378.59	35,893.45	38,719.14	39,053.23
Broad money (M2) ^{/1}	102,675.65	119,386.63	123,940.06	118,194.36
Net Foreign Assets (NFA) – LD	20,483.03	12,049.50	9,587.97	9,222.40
Net Domestic Assets (NDA) – LD	82,192.62	107,337.13	114,352.08	108,971.96
Loans to Private Sector				
Commercial banks loans to private sector - USD	412.41	390.46	390.89	389.41
Commercial banks loans to private sector - LD	5,184.06	7,176.89	8,234.53	7,109.07
Demand Deposits of commercial banks	<i>(In Millions of currencies as may be specified)</i>			
Demand deposits - USD	289.68	237.14	233.97	239.09
Demand deposits - LD	6,599.98	8,683.71	9,978.59	9,894.98
Time & savings deposits - USD	160.43	160.36	167.38	172.01
Time & savings deposits - LD	7,143.87	8,142.08	8,563.57	8,638.44
Other Deposits**				
Actual US\$ component of other deposits	1.48	1.59	1.59	1.60
Liberian \$ component of other deposits	54.70	66.42	58.51	58.55
Total Deposit (USD & LD) /2	85,095.61	100,385.39	103,821.58	97,733.10
	<i>(In Percent)</i>			
Liberian Dollar share of Broad Money	30.56	30.06	31.24	33.04

Source: CBL

‡ - Reserves under the Extended Credit Facility (ECF) with the IMF; ** - Other Deposits Including Official and Manager Checks

/1 – Broad Money (both US Dollar and Liberian Dollar) converted to Liberian Dollar

/2 – Total deposits (both US Dollar and Liberian Dollar) of commercial banks converted to Liberian dollars.

and China were predominately rice, machinery and equipment. Import payments to Europe also increased by 50.4 percent to US\$10.0 million. The Eurozone recorded the largest share of import payments for goods coming from Europe, mainly vehicle parts & accessories, machinery & appliances, edible vegetables, frozen food as well as chemical products.

Table 6: External Sector Statistics

Trade Statistics	Nov - 18	Sep - 19	Oct - 19	Nov - 19
External Trade (Value)	<i>(Millions of USD)</i>			
Exports^{/1}	31.82	43.47	36.56	27.66
o/w Iron Ore	8.20	18.99	18.61	14.36
o/w Rubber	5.33	9.69	5.59	4.10
o/w Gold	12.76	7.29	8.88	6.38
o/w Diamond	3.21	1.69	0.84	1.01
o/w Cocoa Bean	0.26	0.70	0.46	0.70
o/w Palm Oil	1.54	1.35	1.63	0.97
Imports (F.O.B)/1	75.16	76.48	53.96	67.83
Minerals, Fuel, Lubricants	13.84	4.97	11.31	19.00
o/w Petroleum Products	11.39	3.24	9.21	17.07
Food and Live Animals (including Animal and vegetable oil)	16.75	26.22	12.48	16.46
o/w Commercial Rice	1.52	12.32	0.73	3.30
o/w Non-commercial Rice	0.03	0.09	0.31	0.78
Machinery & Transport Equipment	20.02	23.31	11.16	10.67
Manufactured goods classified by materials	13.93	10.10	8.76	8.40
Trade Balance	(43.34)	(33.01)	(17.40)	(40.17)
External Trade (Volume)	<i>(In Units as Specified)</i>			
Rubber (MT)	4,161.08	9,251.90	4,453.08	3,743.48
Iron Ore (MT)	304,721.00	285,336.11	412,671.85	306,776.00
Petroleum Products (MT)	10,620.60	15,479.90	18,480.78	51,078.13
Commercial Rice (MT)	3,895.46	21,990.32	1,192.08	6,592.25
Non-commercial Rice (MT)	30.41	115.08	388.39	1,039.50
Cocoa Beans (MT)	330.00	700.00	653.47	700.00
Palm Oil (MT)	2,937.94	3,844.00	1,729.01	1,660.22
Gold (Oz)	13,343.83	6,295.84	8,126.06	5,423.87
Diamond (Crt)	7,194.88	7,263.06	4,782.98	5,106.43
Personal Remittances	<i>(Millions of USD)</i>			
Inflows	25.50	29.52	24.73	22.58
Outflows	56.50	15.52	21.84	11.64
Net flows	(31.00)	14.0	2.89	10.94
Other Indicators	<i>(Millions of USD)</i>			
Import (C.I.F)	82.19	84.73	60.40	74.79
Gross International Reserves (GIR) ^{/2}	290.46	266.95	268.73	244.69
Import covers (In Month)	2.7	2.3	3.1	2.3

Source: LRA (ASYCUDA), AML, MLME, FSL & CBL

/1 Trade data are primarily sourced from LRA (Custom) with larger coverage than BIVAC.

/2 (GIR) is the sum of net foreign reserve plus SDR and Reserve tranche

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

During the month under review, trade balance remained in deficit and stood at US\$40.2 million, widening by US\$22.8 million compared with the preceding month. The increase in trade deficit was mainly explained by increase import payments amidst decline export receipts.

Exports

Merchandise exports during the month of November 2019, declined by 24.3 percent to US\$27.7 million (0.9 percent of GDP), from US\$36.6 million (1.2 percent of GDP) reported in the previous month. The decline was occasioned by slumps in receipts from iron ore, gold and rubber. Receipts from iron ore and gold fell by 22.8 percent and 28.2 percent, respectively due to decline in export volumes of the commodities amidst decline in their international prices.

The main destination of exports during the month were Europe (especially Switzerland, Poland, Italy and France) and North America (especially the USA). The key commodities exported to the regions included gold, iron ore and rubber. Gold accounted for 23.1 percent of total export and was exported to Switzerland, while iron ore which was exported to (Poland, Italy and France), accounting for 51.9 percent of total export. Rubber, on the other hand, became the commodity exported to the United States of America.

Imports (FOB)

Payments for import of goods increased to US\$67.8 million (2.1 percent of GDP), compared with US\$54.0 million (1.7 percent of GDP) recorded in the previous month. The increase in merchandise import payments was largely occasioned by increases in payments for minerals, fuel and lubricants and food and live animals (including oil made from animals and vegetable oil) related imports. Import payments for minerals, fuel and lubricants rose by US\$7.7 million, compared to the value reported in the preceding month, on account of major importers efforts to restock inventory to meet future demands.

Asia and Africa were the two regions that topped sources of imports to Liberia during the month. Imports from Asia constituted 49.2 percent of total import payments with China being the largest source of imports from that region. Goods imported from China were machinery equipment including vehicle and parts, electronic appliance, as well as other household goods and assorted items. Payments for import goods from Africa constituted 30.1 percent of total payment during the month, predominantly containing petroleum products as well as assorted items coming mainly from Cote d'Ivoire.

BANKING SECTOR DEVELOPMENTS

During the month, the banking sector was shown to be liquid, sound and resilient as evidenced by the level of LR and CAR. The LR and CAR remained far above their minimum requirements by 26.8 percentage points and 17.5 percentage points, respectively. However, return on assets (ROA) and return on equity (ROE) declined by 0.1 percentage point and 0.8 percentage point, respectively; while CAR increased by 2.0 percentage points when compared with the preceding month.

Total (gross) loans during the month stood at L\$84.5 billion (13.4 percent of GDP), from 14.1 percent GDP recorded in the previous month. The decrease in gross loans was largely attributed to the reclassification of the loans into Government long-term security such as bond.

Table 3: Selected Financial Soundness Indicators, FSIs

Financial Soundness Indicators (FSI)	Nov - 18	Sep - 19	Oct - 19	Nov - 19
	(In percent, except otherwise specified)			
Capital Adequacy Ratio (CAR)***	27.22	27.98	25.47	27.51
Non-performing Loans to Total Gross Loans (ratio)	14.60	12.94	16.48	16.76
Total Gross Loans (In Billion L\$)	73.96	91.89	93.73	84.45
Non-performing Loans (% change)	0.72	5.86	22.49	8.20
Returns on Assets (ROA)	1.09	1.38	1.82	1.72
Returns on Equity (ROE)	6.44	8.96	11.17	10.36
Liquidity Ratio****	39.82	45.44	51.19	41.83

Source: CBL

*** - The Minimum Capital Adequacy Ratio is 10%; **** - The Required Minimum Liquidity Ratio is 15%

FINANCIAL MARKET (FM) DEVELOPMENTS

During the month, the CBL transitioned from exchange rate targeting to interest-rate-based policy to influence liquidity in the economy. Analysis of financial market operations showed that there was no issuance of CBL indexed bills during the month, but an early redemption totaling L\$90.0 million was made; thus, reducing the outstanding CBL indexed bills balance to L\$1,414.4 million.

The Bank began the issuance of new bill at various tenors of 2-week, 1-month, 3-month, 6-months and 12-month at an annual return of 30.0 percent. During the month, CBL issued L\$100.3 million in new bill at a 2-week tenor. With the issuance of the 2-week CBL bill in November 2019, the total outstanding CBL bill increased to L\$1,514.7 million.

The standing deposit facility (SDF) rate increased from 4.0 percent to an effective annual return of 30.0 percent while the standing credit facility (SCF) increased from 10.0 percent to 35.0 percent per annum, thus making the SDF periodic overnight rate to increase from 0.0001 percent to 0.07 percent. At the end of the month, the total aggregate overnight standing deposit facility (SDF) stood at L\$15,160.0 million showing

showing a reduction of L\$4,640.0 million compared to the preceding month. Of the L\$15,160.0 million, L\$10,160.0 million was traded at 4.0 percent per annum, while the amount of L\$5,000.0 million was traded at the overnight periodic rate of 0.07 percent.

Money markets instrument such as repo traded at the average interest rate of 5.5 percent, while swap lending remained traded at the average interest rate of 6.0 percent between commercial banks. (Table 4).

Table 4. Financial Market and Interest Rates Statistics

Market Instruments	Nov - 18	Sep - 19	Oct - 19	Nov - 19
CBL (indexed) Bills	(Millions of LD)			
Bills Purchased on 7% coupon basis	na	481.80	90.00	0.00
Redemption on 7% basis	na	0.00	170.00	90.00
Bills outstanding on 7% coupon basis	na	1,584.36	1,504.36	1,414.36
Coupon rate (%)	na	7.00	7.00	7.00
Bills Purchased on EAR basis	na	na	na	100.30
Redemption on EAR basis	na	na	na	na
Total Bill Outstanding (EAR)	na	na	na	100.30
Effective Annual Rate (EAR) (%)	na	na	na	30.00
Total Bills purchased (7% and 30% EAR)	na	481.80	90.00	100.30
Total Redemption (7% and 30% EAR)	na	0.00	170.00	90.00
Total Bill Outstanding (7% and EAR)	na	na	1,504.36	1,514.66
CBL Foreign Exchange (Fx) Auction¹	(Millions of USD)			
US Dollar Amount Sold	0.00	(4.00)	0.00	0.00
US Dollar Amount Sold	0.00	4.00	0.00	0.00
Total Subscription	0.00	6.74	0.00	0.00
Over (+) /Under (-) Subscription	0.00	2.74	0.00	0.00
Treasury Securities	(Millions of LD, unless otherwise stated)			
T- Bills Issued	(78.36)	0.00	0.00	560.74 ⁺
T- Bills Redeemed	75.75	0.00	700.00	0.00
T-Bills outstanding	225.32	1,000.20	300.20	860.94
Net Treasury Bills Operations[^]	(2.61)	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	3.83	7.47	7.47	7.47
T- Bills Issued (USD)	na	2.00	na	na
T- Bills Redeemed (USD)	na	2.00	na	na
T-Bills Outstanding USD	na	0.00	na	na
T- Bond Issued	0.00	0.00	0.00	0.00
T- Bond Outstanding	6,000.00	6,000.00	6,000.00	6,000.00
Semi-annual Coupon Payment	0.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	16.00	16.00	16.00	16.00
Standing Deposit Facility (SDF)	(In Percent)			
SDF rate (%)	na	4.00	4.00	4.00
SDF Amount (In Millions LD)	na	6,100.00	19,800.00	10,160.00
SDF overnight monthly rate (%)	na	na	na	0.07
SDF Amount (In Millions LD)	na	na	na	5,000.00

Market Instruments	Nov - 18	Sep - 19	Oct - 19	Nov - 19
Interest Rates	(Percent)			
- Lending rate	12.44	12.44	12.44	12.44
Average Deposit rates				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53

Source: CBL

[^] - with Liquidity Effect where withdrawal (+)/injection (-)

¹ - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency

FISCAL SECTOR DEVELOPMENTS

Total government revenue in November 2019 amounted to US\$30.9 million (representing 1.0 percent of annual GDP), while total government expenditure stood at US\$27.3 million (representing 0.9 percent of annual GDP). Revenue collected during the month declined by 4.6 percent, from US\$32.4 million in the previous month due to a 10.1 percent decline in tax revenue. Similarly, total government spending fell by 39.5 percent, from US\$45.1 million occasioned mainly by a slump in recurrent expenditures attributed to reductions in compensation of employees, spending on goods and services and loans and interest payments and other charges. Among other things, the increase in debt servicing (interest payments and repayments) led to reduction in loans and interest payments and other charges.

At end-November 2019, general government debt slightly increased by 0.7 percent to US\$1,256.6 million (39.8 percent of GDP), from 39.6 percent of GDP reported in the preceding month. The slight increase in general government debt was occasioned by a 1.0 percent increase in external debt which constitutes 66.5 percent of total public sector debt during the month (Table 5).

Table 5. Fiscal Sector Developments

Fiscal Operations	Nov - 18	Sep - 19	Oct - 19	Nov - 19
	(Millions of USD)			
Government Revenue	40.76	25.65	32.38	30.89
Tax Revenue	28.85	20.20	27.54	25.51
Non-tax Revenue	11.92	5.45	4.84	5.38
Other tax Revenue	0.00	0.00	0.00	0.00
Government Expenditure by Codes	56.02	22.66	45.08	27.27
Current Expenditure	50.30	21.60	40.38	24.59
Capital Expenditure	5.25	0.00	0.00	0.01
Loans, interest and other Payments	0.47	1.06	4.70	2.67
Overall Balance	(15.55)	(0.30)	(11.51)	3.62
Public Sector Debt	987.59	1,227.94	1,248.38	1,256.56
Domestic	265.23	422.01	421.20	420.82
External	723.58	805.93	827.18	835.74

Source: Revenue Department, Expenditure Department and Debt Management Unit, MFDP