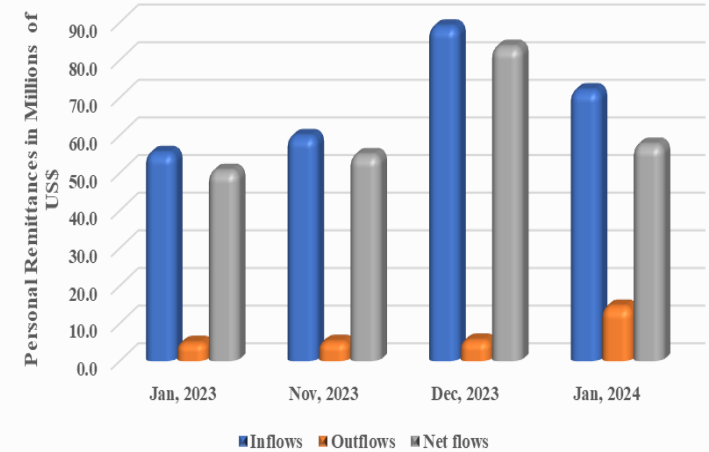


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GLOBAL PRICE	Jan- 23	Nov-23	Dec-23	Jan-24		
	(Commodity price per Unit of Measure)				MoM	YoY
Iron ore (US\$/MT)	122.23	131.07	137.05	135.82	(0.9)	11.12
Gold (US\$/Oz)	1,897.71	1,984.11	2,026.18	2,034.04	0.4	7.18
Rubber (US\$/MT)	1,630.00	1,670.00	1,661.90	1,800.00	8.3	10.43
Cocoa Beans (US\$/MT)	2,620.00	4,030.00	4,208.89	4,400.00	4.5	67.94
Palm oil (US\$/MT)	941.97	830.47	813.51	844.90	3.9	(10.30)
Crude oil (US\$/BBL)	80.41	81.35	75.72	77.67	2.6	(3.41)
Food Price Index (FAO) ¹	124.70	120.80	119.20	118.20	(0.8)	(5.21)
Rice_5% broken (US\$/MT)	517.00	598.00	610.00	620.00	1.6	19.92
Sugar (US\$/MT)	420.00	570.00	478.18	480.00	0.4	14.29
Commodity Price Index No ²	44957	45260	45291	45322	0.1	0.81

1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices²/ Commodity Price Index includes both Fuel and Non-Fuel Price Indices

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1.0 INTRODUCTION

The Monthly Economic Review (MER) is published by the Research, Policy, and Planning Department (RPPD) of the Central Bank of Liberia (CBL). It is a regular publication that provides a snapshot of economic 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 provides a synopsis of exchange rate developments in the West African Monetary Zone (WAMZ).

This Edition represents Volume 10 Number 01.

2.0 OVERVIEW

Provisional statistics for the month of January 2024 showed improvement in the production of key commodities compared to December 2023. Gold, diamond, rubber, and cement outputs increased, iron ore output remained unchanged, while beverages production declined. Consumer prices rose to 10.52 percent in January 2024, from 10.01 percent recorded in the preceding month, driven mainly by rise in the prices of major items in the CPI basket, especially alcoholic beverages, clothing and footwear, health, transport, communication, and restaurant.

The CBL's monetary policy stance continues to be anchored on price stability with emphasis on the management of Liberian dollar liquidity. As part of the CBL's monetary policy operations, the Bank issued bills at two-week, one-month, and three-month tenors at the Monetary Policy Rate (MPR) of 20.0 percent per annum.

Broad money (M2) supply contracted by 0.2 percent to L\$221.65 billion at end-January 2024 relative to the L\$222.01 billion reported at end-December 2023. This development was driven by 21.3 percent decline in net foreign assets (NFA) of the banking system, which outweighed the 1.3 percent growth in net domestic assets (NDA).

Key indicators of the Liberian banking system remained favorable during the review period as commercial banks were mostly in compliance with the sector's regulatory requirements. Despite the decline in the industry liquidity ratio, it remained well above the minimum regulatory requirements, while the Capital Adequacy Ratio (CAR) increased and similarly remained above the sector's regulatory requirements. However, both Return on Assets (ROA) and Return on Equity (ROE) moderated by 0.29 percent and 2.12 percent, respectively, at end January 2024.

7.6 Sugar

The price of sugar marginally increased by 0.4 percent to US\$480.00 per metric ton during the month under review, from US\$478.18 in December 2023. Annual comparison showed that the price of sugar increased by 14.3 percent, from US\$420.00 per metric ton in January 2023.

7.7 Palm Oil

The price of palm oil rose by 3.9 percent to US\$844.90 per metric ton, from US\$813.51 per metric ton in the preceding month. The increase was occasioned by rising demand for biodiesel, and robust food demand in the face of low production. Compared to the corresponding month in 2023, the price of palm oil fell by 10.3 percent, from US\$941.97 per metric ton.

7.8 Rice

The price for rice grew by 1.6 percent to US\$620.00 per metric ton in January 2024, from US\$610.00 per metric ton in the previous month, on account of market restrictions and rising global demand. Annual comparison indicated that rice price also increased by 19.9 percent, from US\$517.00 per metric ton in January 2023.

7.9 Cocoa Beans

Cocoa bean price increased by 4.5 percent to US\$4,400.00 per metric ton, from US\$4,208.89 per metric ton in December 2023, occasioned partly by supply constraints in major producing countries. Compared to January 2023, the price of the commodity also grew by 67.9 percent, from US\$2,620.00 per metric ton.

Commodity Price Outlook

Global commodity prices are projected to largely trend upwards in February 2024. Overall index of commodity price indices measured in US dollars of energy, non-energy, agriculture, fertilizers, metal & minerals, and precious metals, are expected to increase.

7.1 Iron ore

The price of iron ore marginally decreased by 0.9 percent to US\$135.82 per metric ton in January 2024, from US\$137.05 per metric ton in December 2023. The decrease in the price of the commodity was partly due to weak demand in China and growing inventory levels. The year-on-year comparison showed that the price of iron ore rose by 11.1 percent, from US\$122.23 per metric ton recorded in January 2023.

7.2 Gold

The price of gold increased by 0.4 percent to US\$2,034.04 per ounce, from US\$2,026.18 per ounce in December 2023, on account of market sentiments coupled with the tensions in the Middle East. Year-on-year comparison indicated that the price increased by 7.2 percent, from US\$1,897.71 per ounce in the corresponding month in 2023.

7.3 Crude Oil (Petroleum) price

The price of petroleum grew by 2.6 percent to US\$77.67 per barrel in January 2024 relative to the price in the previous month driven by weak production in the US due to bad weather and the tensions in the Red Sea. However, compared to January 2023, the price of petroleum decreased by 3.4 percent, from US\$80.41 per barrel.

7.4 Rubber

Rubber price rose by 8.3 percent to US\$1,800.00 per metric ton, from the US\$1,661.90 per metric ton recorded in December 2023, mainly due to increased global demand driven by climatic conditions in the major producing countries. Year-on-year comparison showed that rubber price also increased by 10.4 percent, from US\$1,630.00 per metric ton in January 2023.

7.5 Food Price (FAO)

The FAO food price index (FFPI) decreased by 0.8 percent in January 2024 to US\$118.2 from US\$119.5 in December 2023, led by decrease in the price indices of meat and dairy products.

The Government of Liberia's (GoL) fiscal operations reported a surplus of 0.5 percent of GDP in its overall balance in January 2024 against the deficit of 0.8 percent of GDP in the preceding month. The surplus generated during the review period was on account of a substantial reduction in total expenditure which weighed the decline in total revenue during the period. The total public debt stock at end-January 2024 remained relatively the same at US\$2,337.5 million (51.3 percent of GDP).

The merchandise trade deficit narrowed by 44.5 percent to 3.2 percent of GDP in January 2024 against the deficit recorded in the preceding month, while total trade decreased by 21.0 percent, 7.2 percent of GDP compared to the amount reported in the preceding month, largely due to decline in import payments as exports receipts increased. Gross International Reserves (GIR) decreased by 1.8 percent to 9.7 percent of GDP at end-January 2024 relative to the GIR reported in the previous month, mainly explained by decline in foreign liquid assets including Special Drawing Rights (SDRs) Holdings & Reserves. Conversely, the months of import cover rose to 1.7 months, though it recorded 1.3 months below the ECOWAS minimum regional threshold.

Net personal remittance inflows (including remittances terminated through mobile wallet) decreased by 31.1 percent to 1.3 percent of GDP in January 2024 compared to the amount recorded during the preceding month, led by decline in inward remittances. The Liberian dollar depreciated against the US dollar on both average and end-of-period basis during the review month by 0.8 percent and 0.6 percent to L\$190.01/US\$1.00 and L\$189.45 /US\$1.00, respectively, compared to December 2023. This development was mainly driven by high demand for foreign exchange to facilitate payments for imports to replenish stocks that were depleted in the previous month during the period.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics of key commodities largely improved in January 2024 relative to the preceding month as gold, diamond, rubber, and cement outputs recorded increases, while beverages production declined.

In the mining subsector, gold production rose by 20.3 percent to 40,107.0 ounces in January 2024, from 33,343.0 ounces in the previous month, on account of increase in both industrial and artisanal gold mining activities. Similarly, diamond output surged significantly to 4,306.0 carats during the month under review, from 56.0 carats in December 2023. However, iron ore production remained unchanged at 515,000.0 metric tons, same as the output reported in December 2023.

For the manufacturing sector, beverages (alcoholic and non-alcoholic) production declined by 13.4 percent to 2.82 million, from 3.25 million liters in December 2023, due to inventory built-up from the festive season. On a disaggregated basis, alcoholic beverages production accounted for 52.2 percent of total beverages produced, while non-alcoholic beverages accounted for 47.8 percent. Cement output was estimated to increase by 45.3 percent to 70,624.0 metric tons in January 2024, from 48,615.0 metric tons reported in the previous month. This development was largely driven by the addition of a new cement company to the industry coupled with increase in construction-related activities.

Relative to the agriculture sector, rubber output reported an increase of 14.1 percent to 6,456.0 metric tons in January 2024, from the 5,659.0 metric tons reported in the preceding month. This development was mainly explained by growth in production of the commodity by small holder farmers during the period.

3.2 Consumer Prices

Headline inflation increased to 10.52 percent in January 2024, from the 10.01 percent reported in the preceding month. The rise in inflation was driven by increase in the prices of domestic food items as well as imported fuel. The major items in the CPI basket that contributed to this development were alcoholic beverages, clothing and footwear, health, transport, communication, and restaurant. On a month-on-month basis, inflation also rose to 1.37 percent in January 2024, from negative 1.85 percent reported in the previous month. The rise was mainly attributed to increase in the prices of food and non-alcoholic beverages, clothing & footwear, and restaurants & hotels.

Similarly, core inflation¹ grew to 3.80 percent during the month under review, from 2.97 percent in December 2023, largely on account of increase in the prices of clothing & footwear, health, and communication.

On a period-average basis, except the Sierra Leonean leone and Nigerian naira, all currency in the West African Monetary Zone (WAMZ) recorded depreciation relative to the US dollar during the month under review compared to the previous month. The Liberian dollar depreciated by 0.6 percent; Ghanaian cedi by 2.4 percent, the Gambian dalasi by 3.5 percent, while the Guinean franc remained relatively stable. However, the leone and naira appreciated against the United States dollar by 0.1 percent and 4.1 percent, respectively.

Compared to end-January 2022, all currencies in the WAMZ also fell against the US dollar, except the Guinean franc. The dalasi, cedi, leone, Liberian dollar, and the naira depreciated against the US dollar by 6.9 percent, 9.4 percent, 14.5 percent, 17.3 percent, and 48.4 percent, respectively. Conversely, the Guinean franc appreciated against the US dollar by 0.3 percent during the month under review relative to December 2023.

Table 7: Exchange Rate Developments in Liberia and the WAMZ Countries

Rate & Currency	Jan-23	Nov-23	Dec-23	Jan-24	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	10.80	11.54	11.64	11.92	(2.4)	(9.4)
GMD	60.25	62.12	62.48	64.75	(3.5)	(6.9)
GNF	8,536.87	8,497.36	8,507.15	8,507.35	(0.0)	0.3
LRD	158.00	187.81	188.26	189.45	(0.6)	(17.3)
NGN	460.41	839.80	928.93	892.28	4.1	(48.4)
SLL	19.41	22.19	22.73	22.71	0.1	(14.5)
LRD End-of-period Exchange Rate						
LRD	156.69	188.05	188.50	190.01	(0.8)	(16.8)

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

GHC - Ghanaian cedi; LD - Liberian dollar; GMD - Gambian dalasi; GNF - Guinean franc; NGN - Nigerian naira; SLL—Sierra Leonean leone; USD – United States dollar

7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

The World Bank Commodity Price Index of fuel and non-fuel commodities mostly increased during the month under review, while the Food and Agriculture Organization (FAO) food price index (FFPI) decreased against the preceding month, largely due to decrease in the price indices for meat and dairy.

6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in January 2024 was Europe, which accounted for US\$82.20 million worth of the export proceeds, of which Switzerland accounted for US\$67.6 million. Relative to the sources of imports to Liberia, Asia, and Africa were the main regions and accounted for US\$ US\$121.18 million and US\$87.01 million, respectively. Imports from Cote d'Ivoire, China, and India amounted to US\$77.78 million, US\$56.76 million, and US\$39.34 million, respectively, during the review month.

6.3 Personal Remittances

Personal remittance inflows (net), including remittances terminated through mobile wallet, fell by 31.1 percent to US\$57.5 million (1.3 percent of GDP) in January 2024, compared to the US\$83.5 million (1.9 percent of GDP) recorded in December 2023. This development was driven by 19.1 percent decrease in inward remittances coupled with over one hundred percent growth in outward remittances during the review month. Inward and outward remittances amounted to US\$72.0 million and US\$14.5 million, from the US\$88.9 million and US\$5.4 million recorded, respectively, in December 2023.

6.4 Gross International Reserves

Gross International Reserves (GIR) declined by 1.8 percent to US\$443.1 million (9.7 percent of GDP) at end-January 2024, from the US\$451.0 million (10.4 percent of GDP) recorded at end-December 2023. This development was mainly driven by decrease in foreign liquid assets including Special Drawing Rights (SDRs) Holdings & Reserves. However, the months of import cover grew to 1.7 months, from 1.2 months in December 2023, on account of reduction in payments for imports. However, the months of import cover remained below the ECOWAS minimum regional threshold of 3.0 months by 1.3 (Table 6) as was the previous month.

6.5 Exchange Rate Developments

The Liberia dollar depreciated against the US dollar by 0.8 percent to L\$190.01/US\$1.00 at end-January 2024 compared to L\$188.05/US\$1.00 at end-December 2023. A year-on-year analysis also shows a depreciation of 16.8 percent of the Liberian dollar. This development was largely driven by the persistent high demand for foreign exchange to facilitate payments for imports, especially after the December festive seasons mainly to replenish depleted stocks.

Table 1: Production and Price Statistics

Production	Jan - 2023	Nov- 2023	Dec – 2023*	Jan – 2024**
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	465,000	505,000	515,000	515,000
Gold (Ounces)	31,474	31,680	33,343	40,107
Diamond (Carat)	7,659	7,008	56	4,306
Rubber (Metric ton)	5,283	4,523	5,659	6,456
Cement (Metric ton)	48,658	38,840	48,615	70,624*
Total Beverages (liter)	1,385,633	2,983,527	3,253,927	2,816,927
Alcoholic	1,239,858	1,228,727	1,619,572	1,470,608
Non-Alcoholic	145,776	1,694,801	1,634,355	1,346,319
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	8.22	11.43	10.01	10.52
a. Food and Non-alcoholic Beverage Inflation	-1.88	25.13	26.93	26.11
- Domestic Food Inflation	-7.21	25.85	14.62	19.45
- Imported Food Inflation	3.19	24.42	37.59	31.91
b. Transport Inflation	54.39	6.30	6.12	6.47
c. Imported Fuels Inflation	30.28	14.43	12.85	16.23
Overall (M-o-M) Rate of Inflation	0.90	-1.70	-1.87	1.37
Core Inflation				
Inflation excluding Food & NAB ¹	12.97	5.89	3.40	4.16
Inflation excluding Imported Food	9.17	8.90	5.13	6.61
Inflation excluding Domestic Food	11.25	8.83	8.89	8.65
Inflation excluding Food and Transport	8.36	5.83	2.97	3.80
Annual Gross Domestic Product (GDP)²	3,553.2	3,553.2	3,553.2	3,741.4
Nominal (NGDP) (in millions US\$)	4,345.4	4,345.4	4,345.4	4,557.6
RGDP growth (in percent)	4.6	4.6	4.6	5.3

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, MB, CEMENCO, CBL & LISGIS.

¹ Non-alcoholic beverages

² GDP was revised following the IMF- ECF review mission in April 2021

± - Not Available (na) * - estimate

† - revise

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

The CBL's monetary policy stance continues to be anchored on price stability with emphasis on the management of Liberian dollar liquidity. As part of the CBL's monetary policy operations, the Bank issued its bills at tenors of two-weeks, one-month, and three-months at the annual policy rate (MPR) of 20.0 percent.

4.2 Monetary Aggregates

Provisional data on Monetary aggregates at end-January 2023 revealed a month-on-month contraction of 0.2 percent in broad money (M2) supply to L\$221.65 billion, from the L\$222.01 billion recorded at the end of the previous month. The contraction was driven by a 21.3 percent decline in net foreign assets (NFA) of the banking system, which overshadowed the 1.3 percent growth in net domestic assets (NDA). Narrowed Money Supply also contracted in January 2024 by 1.6 percent, triggered by a 3.8 percent fall in currency outside banks, outweighing the 0.2 percent increase in demand deposits. Conversely, quasi money expanded during the reporting month by 0.9 percent, induced by growth in time & savings deposits.

Commercial banks loans to the private sector in both Liberian and US dollars in January 2024 were estimated to remain flat at L\$5.62 billion and US\$455.95 million compared to the levels in December 2023. On a year-on-year basis, the Liberian dollar component of loans and advances rose by 16.7 percent, influenced by growths of loans mainly to trade. The US dollar component also grew by 5.7 percent, reflecting increases in loans & advances mainly to trade.

The stock of total deposits converted to Liberian dollars rose by 0.4 percent to L\$193.30 billion (21.6 percent of GDP) at end January 2024, from 192.53 billion (25.4 percent of GDP) at end December 2023, largely driven by a 1.7 percent growth in Liberian dollar deposits. Year-on-year comparison showed that total deposits grew by 44.7 percent, mainly led by US dollar deposits.

Personal Remittances				
Inflows	55.32	59.80	88.93	71.98
Outflows	4.77	5.04	5.39	14.45
Net flows	50.56	54.76	83.54	57.53
Direction of Trade (DOT)				
Destination of Export	89.8	101.2	76.48	91.42
Africa	0.9	1	5.9	0.2
o/w ECOWAS	0.3	0.1	4.2	0.2
o/w Neighboring Countries	-	-	1.8	0.2
Asia	1.8	2.7	1.6	3.8
o/w The Middle East	0.7	1.2	0.7	2.9
o/w United Arab Emirate	0.4	0.3	0.7	2.4
then China	-	-	-	0.2
Europe	82.5	90.6	64	82.2
o/w Euro Zone	4.2	4.3	0.9	7.1
o/w The United Kingdom	4.2	4.3	0.9	7.1
Switzerland	46.1	52.5	55.8	67.6
North America & The Caribbean	4.6	4	4.6	5.2
o/w USA	4.6	4	4.6	5.2
Sources of Import (cif)	143.94	268.99	341.68	238.73
Africa	28.92	18.33	153.67	87.01
o/w ECOWAS	25.21	16.01	150.07	79.26
o/w Neighboring Countries	25.91	16.43	150.35	79.82
o/w Cote D Ivoire	24.09	11.86	148.52	77.78
Asia	4.82	6.11	7.57	8.61
o/w The Middle East	2.85	3.35	2.04	2.36
o/w United Arab Emirate	20.28	37.61	18.78	56.76
o/w China	33.51	41.61	49.26	39.34
o/w India	16.43	127.6	90.86	16.74
Europe	12.93	8.13	14.54	13.55
o/w Europe Zone	1.31	1.16	0.47	1.47
o/w The United Kingdom	4.82	6.11	7.57	8.61
o/w Spain	0.53	1.45	0.78	1.11
North America & The Caribbean	7.38	6.89	8.08	7.94
o/w USA	7.01	4.55	7.07	6.42
South & Central America	3.93	4.6	3.66	5.37
o/w Brazil	3	3.2	2.84	3.67
o/w Argentina	0.15	0.11	0.25	0.92
Oceania	0.31	0.57	0.5	0.25
o/w Australia	0.23	0.31	0.35	0.18

Source: CBL

in the preceding month, largely due to decline in payments for petroleum products & road construction-related products, and food, & Live animals.

Table 6: External Sector Statistics
January & November – December 2023; & January 2024

External Trade (Value)	Jan-23	Nov-23	Dec-23	Jan-24
	(Millions of US\$; Except Otherwise Indicated)			
Exports/ ¹	89.8	101.2	76.48	91.42
Iron Ore	30.02	29.27	6.29	8.04
Rubber	9.76	15.55	6.5	11.06
Gold	46.12	52.76	56.59	70.01
Diamond	1.59	1.84	0.02	1.23
Cocoa Bean	0.96	0.06	0.88	0.1
Palm Oil	0.59	0.82	4.11	0.04
Other Commodities	0.77	0.91	2.08	0.95
Imports (CIF)/ ^{1†}	143.94	268.99	341.68	238.73
Minerals, Fuel, Lubricants	26.9	130.26	226.42	83.08
o/w Petroleum Products	-	6.95	-	-
Food and Live Animals (incl. Animal and veg. oil)	51.12	49.12	59.17	53.98
o/w Rice	24.05	32.5	36.76	35.63
Machinery & Transport Equipment	41.73	50.43	27.87	38.41
Manufactured goods classified by materials	11.47	21.75	11.53	15.26
Other categories of imports	12.71	17.44	16.69	48.00
Trade Balance	-54.14	-167.79	-265.2	-147.31
Total Trade	233.74	370.19	418.16	330.15
External Trade (Volume)				
Rubber (MT)	3,890.88	4,523.25	5,638.57	6,456.17
Iron Ore (MT)	470,088.04	436,268.20	108,466.42	90,002.21
Cocoa Beans (MT)	364.65	13.75	209.08	21,690.77
Palm Oil (MT)	622	983.15	5,056.53	44.68
Gold (Oz)	30,873.60	31,679.62	33,342.99	40,107.53
Diamond (Crt)	7,659.47	11,417.90	56.08	4,305.53
Petroleum Products (MT)	8,667	3,992	51,131	26,966
Rice (MT)	41,366.99	19,950.23	16,697.90	52,421.54
Other Indicators				
Net Foreign Reserves Position	330.42	236.21	222.72	217.72
Import (FOB)	128.22	249.04	327.21	224.24
Gross International Reserves (GIR) ¹	594.75	468.77	451.05	443.06
Import covers (In Month) [†]	3.5	1.6	1.2	1.7

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Jan-23	Nov-23	Dec-23	Jan-24
	<i>In Millions of LD; Except Otherwise Indicated</i>			
ASSETS				
Net Foreign Assets (NFA)	16,031.62	17,653.30	14,823.40	11,671.66
Net Domestic Assets (NDA)	139,036.20	198,276.20	207,185.40	209,978.47
Domestic Credits	199,045.53	295,090.40	303,341.20	301,346.63
Net Claims on Government	105,526.94	147,447.60	152,365.50	149,588.33
Claims on Private Sector	93,518.58	147,642.80	150,975.70	151,758.29
Other Items Net	-60,009.32	-96,814.20	-96,155.80	-91,368.16
LIABILITIES				
Broad money (M2)	155,067.82	215,929.50	222,008.80	221,650.13
Narrow Money (M1)	107,193.85	153,628.20	159,688.60	158,793.10
Liberian Dollars in Circulation	21,469.88	28,620.20	29,477.20	28,349.99
Currency in banks	85,723.97	125,008.00	130,211.40	130,443.10
Currency outside banks	47,873.97	62,301.30	62,320.20	62,857.03
Demand deposits	47,514.12	62,078.30	61,790.70	62,631.52
Quasi Money	359.85	223.10	529.50	225.51
Time & Savings deposits	155,067.82	215,929.50	222,008.80	221,650.13
Other deposits	107,193.85	153,628.20	159,688.60	158,793.10
MEMORANDUM				
Broad money (M2) in LRD only	46,715.84	53,979.60	54,703.40	54,009.67
Money Supply (M1) in LRD only	39,142.73	44,228.60	45,139.50	44,423.41
Loans to Private Sector				
Commercial banks loans to private sector- USD	431.56	457.70	455.95	455.95*
Commercial banks loans to private sector - LRD	4,819.65	5,671.80	5,623.90	5,623.90*
Demand Deposits of commercial banks				
Demand deposits – USD	433.79	581.70	607.70	601.91
Demand deposits – LRD	17,672.86	15,608.40	15,662.30	16,073.41
Time & savings deposits – USD	255.04	279.30	278.00	280.22
Time & savings deposits – LRD	7,504.58	9,553.00	9,379.40	9,387.31
Other Deposits**				
Actual US\$ component of other deposits	1.86	0.10	1.80	0.14
Liberian \$ component of other deposits	68.53	198.00	184.60	198.94
Total Deposits (both USD & LRD) converted to LRD ¹	133,597.94	187,309.40	192,531.60	193,300.14
Liberian Dollar share of Broad Money (% of total Money Supply)	30.10	25.00	24.60	24.40

[‡] - Reserves excluding ECF borrowing from the IMF;

* - estimate/projection

** - Other Deposits Including Official and Manager Checks;

¹ - The total deposits (US and Liberian dollars) of commercial banks converted & expressed entirely in Liberian dollars.

4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

The CBL continued the issuance of the CBL bill with tenors of 2-week, 1-month, and 3-months on an effective annual rate of 20.00 percent. Based on the regular and timely redemption of the CBL bills and the dissemination of periodic redemption reports on the CBL website, public confidence in the bill has increased.

The total CBL bills issued during the period under review amounted to L\$6,575.89 million, increasing by 8.73 percent from the amount purchased in the previous month. Similarly, the Bank redeemed L\$4,755.43 million of its outstanding bills, thus bringing the total outstanding CBL bill to L\$9,383.47 million. As a result, the CBL recorded a net contraction of L\$1,820.46 million at end-January 2024. Additionally, the value of retail investors stood at L\$201.85 million, from L\$262.85 million in the previous month.

There was no new issuance of treasury securities during the month. Consequently, total stock of Liberian dollars Treasury securities amounted to L\$8,277.30 million, while the total US dollar Treasury securities remained at US\$124.04 million at end-January 2024.

There were no movements relative to various commercial banking rates. Lending, average savings, and time deposit rates remained unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively. However, money market instruments, such as repos, were not traded during the month. In the interbank market, commercial banks persisted in engaging exclusively in non-interest-bearing swaps, a strategic approach aimed at alleviating liquidity disparities among banks, particularly in the context of their international and intra-country transactions (Table 3).

o/w Payments on Loans, interest & other charges	5.57	10.42	3.85	1.63	(57.55)
Capital Expenditure	0.15	1.61	0.29	-	(100.00)
Overall Balance (Surplus+; Deficit -)	2.04	(1.73)	(34.30)	24.31	-
Total Debt Stock	2,031.02	2,214.77	2,336.99	2,337.50	0.02
Domestic Debt	887.12	929.83	1,021.73	1,021.73	-
o/w Financial Institutions	829.04	802.14	884.92	884.92	-
o/w Other Debts	58.07	127.69	136.81	136.81	-
External Debt	1,143.90	1,284.94	1,315.26	1,315.78	0.04
o/w Multilateral	1,032.19	1,173.14	1,192.97	1,193.49	0.04
o/w Bilateral	111.72	111.80	115.42	115.42	-
Memo Items					
Government Revenue (% of GDP)	1.08	0.89	1.75	1.11	-
Government Expenditure (% of GDP)	1.04	0.93	2.54	0.58	-
Total Debt Stock (% of GDP)	46.89	51.13	53.95	51.29	-
NGDP (at Level)	4,331.56	4,331.56	4,331.56	4,557.56	-

Source: CBL calculation using MFDP's data

*Projections

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the external sector showed that the merchandise trade deficit narrowed by 44.5 percent in January 2024 against the deficit recorded in the preceding month, while total trade decreased by 21.0 percent compared to December 2023. Trade deficit moderated to US\$147.3 million (3.2 percent of GDP), from US\$265.2 million (6.1 percent of GDP) in the previous month, on account of reduction in import payments coupled with growth in export proceeds. Total merchandise trade plummeted to US\$330.1 million (7.2 percent of GDP) during the month under review, from US\$418.2 million (9.2 percent of GDP) in the preceding month, due to reduction in import payments.

Export earnings increased by 19.5 percent to US\$91.42 million (2.0 percent of GDP) in January 2024, from US\$76.5 million (1.8 percent of GDP) in the previous month, occasioned mainly by growths in receipts from gold, iron ore, and rubber. Payments for merchandise imports decreased by 30.1 percent to US\$228.7 million (5.2 percent of GDP), from the US\$341.7 million (7.9 percent of GDP) recorded

However, both tax and non-tax revenues (excluding grants) increased by 13.0 percent and 71.0 percent to US\$41.9 million (1.0 percent of GDP) and US\$6.5 million (0.1 percent of GDP), respectively, relative to the amounts collected in the previous month. The growth in tax revenue was mainly triggered by increases in income & profit tax, and international trade tax, while non-tax (excluding grants) was driven by increase in receipts from property income, and administrative fees & penalties.

Total government expenditure during the period under review declined by 76.0 percent to US\$26.4 million (0.6 percent of GDP), from US\$109.9 million in December 2023, driven mainly by decline in recurrent spending. Recurrent expenditure decreased by 75.9 percent to US\$26.4 million (0.6 percent of GDP), from the US\$109.9 million (2.5 percent of GDP) reported in the preceding month. This development was induced by decreases in employees' compensation, spending on goods & services, and payments on loans, interest & other charges. Employees' compensation and spending on goods & services amounted to US\$18.9 million (0.4 percent of GDP) and US\$1.2 million (approximately 0.0 percent of GDP), respectively. Payments on loans, interest & other charges totaled US\$1.6 million (approximately 0.0 percent of GDP). Additionally, there was no spending on capital goods during the reporting month.

5.2 Total Public Debt

Liberia's public debt stock at end-January 2024 amounted to US\$2,337.5 million (51.3 percent of GDP), remaining relatively the same as in the previous month. The stock of external and domestic debts amounted to US\$1,315.8 million (28.9 percent of GDP) and US\$1,021.7 million (22.4 percent of GDP), respectively, at end-January 2024.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Jan-23	Nov-22	Dec-22	Jan-23	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	46.88	38.49	75.64	50.70	(32.97)
Tax Revenue	40.43	31.92	37.05	41.31	11.48
o/w Taxes on Income & Profits	15.93	11.88	16.91	17.22	1.82
o/w Taxes on International Trade (Customs)	15.06	16.47	17.07	17.62	3.18
Non-tax Revenue	6.46	6.56	3.79	6.37	68.04
o/w Property Income	4.62	5.08	2.78	4.80	72.55
o/w Administrative Fees & Penalties	1.83	1.48	1.01	1.57	55.82
Other Revenue (Including Grants)	-	-	34.80	3.02	(91.31)
Government Expenditure	44.85	40.21	109.94	26.39	(75.99)
Recurrent Expenditure	44.70	38.60	109.65	26.39	(75.93)
o/w Compensation	13.27	11.80	75.29	18.85	(74.96)
o/w Goods and Services	20.19	13.60	11.27	1.22	(89.14)

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	Jan- 23	Nov- 23	Dec- 23	Jan- 24
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	0.00	0.00	0.00	0.00
Redemption during the month (coupon rate)	0.00	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	0.00	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	Na	Na	Na	Na
Bills Purchased per month on EAR basis	6,889.00	6,592.24	6,048.85	6,575.89
Redemption during the month (EAR basis)	5,377.00	6,075.17	8,240.21	4,755.43
Bill Outstanding (EAR basis)	8,057.00	9,756.27	7,563.00	9,383.47
Effective Annual Rate (EAR)	15.00	20.00	20.00	20.00
Total Purchases (coupon rate & EAR)	6,889.00	6,592.24	6,048.85	6,575.89
Total Redemption (coupon rate & EAR)	5,377.00	6,075.17	8,242.11	4,755.43
Total Outstanding Bills (coupon rate & EAR)	8,057.00	9,756.27	7,563.01	9,383.47
CBL Foreign Exchange Auction¹	<i>(In Millions of United States Dollar)</i>			
US Dollar offered	0.00	0.00	0.00	0.00
US Dollar Amount Sold	0.00	0.00	0.00	0.00
Total Subscription	0.00	0.00	0.00	0.00
Over (+)/ Under (-) Subscription	0.00	0.00	0.00	0.00
Treasury Securities	<i>(In Millions of Liberian Dollar)</i>			
T- Bills Issued (in LD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	0.00	0.00	0.00	0.00
T-Bills Outstanding	8,973.28	3,642.67	3,642.67	3,642.67
T-Bills Total Stock		8,277.30	8,277.30	8,277.30
Net Treasury Bills Operations[^] withdrawal (+)/Injection (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	10.00	10.00	10.00	10.00
T- Bills Issued (In USD)	0.00	15.5	0.00	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.00	0.00	0.00	0.00
T-Bills Outstanding (Repayment principal and interest)	104.09	124.04	124.04	124.04
Ave. Weighted Discount Rate (T-Bills)	104.09	0.00	143.17	143.17
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	0.00	0.00	0.00	0.00

Coupon Payment	0.00	0.00	0.00	0.00
Outstanding coupon on Treasury Bond	0.00	0.00	8,246.47	8,246.47
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	0.00	0.00	0.00	0.00
Treasury Bond Issued (USD)	0.00	0.00	0.00	0.00
Treasury Bond Principal Payment	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In USD) (Coupon and Principal)	49.35	36.33	36.33	36.33
Coupon Payments (USD)	0.00	0.00	0.00	0.00
Total debt stock	49.35	36.33	36.33	36.33
	<i>(As specified)</i>			
SCF rate	17.5	20.0	20.0	20.0
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
	<i>(As specified)</i>			
<i>Interest Rates</i>				
- Lending rate	12.44	12.44	12.44	12.44
<i>Average Deposit rates</i>				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
<i>Money Markets Instrument (In percent)</i>				
Repo	0.00	0.00	0.00	0.00
Swap lending	0.00	0.00	0.00	0.00

Source : CBL

^ - with Liquidity Effect

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

/2 – Treasury Bill issued and redeemed during the month were in US Dollar

4.4 BANKING SECTOR DEVELOPMENTS

During the month under review, the banking industry was largely in compliance with the sector's regulatory requirements. Despite the industry liquidity ratio decreasing by 1.12 percentage points to 42.98 percent at end-January 2024, from 44.10 percent, it remained well above the minimum regulatory requirement of 15.0 percent by 27.98 percentage points. The Capital Adequacy Ratio (CAR) increased by 2.94 percentage points to 28.14 percent, from 25.20 percent in the previous month, and remained above the minimum regulatory requirement of 10.0 percent by 18.14 percentage points. Additionally, the Return on Assets (ROA) and Return on Equity (ROE) were recorded at 0.29 percent and 2.12 percent, respectively, at end January 2024.

Total gross loans increased by 0.67 percent to L\$93.46 billion in January 2024, from the L\$92.84 billion reported in the previous month. This development was mainly attributed to increase in facilities granted to the Government of Liberia (GoL) which rose significantly to L\$571.2 million, from L\$167.2 million in the preceding month. Consequently, the ratio of non-performing loans to total loans increased by 0.81 percentage point to 18.87 percent during the month under review against the 10.0 percent regulatory tolerable limit. The increase in NPLs was largely due to increased defaults in the repayment of loans from the services (by 31.4 percent), and public corporation (by 35.3 percent) subsectors.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Jan- 23	Nov- 23	Dec- 23	Jan- 24
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	76.43	91.74	92.84	93.46
Total Non-performing Loans	12.05	16.97	16.76	17.64
Non-performing Loans to Total Gross Loans (ratio)	15.77	18.50	18.06	18.87
Gross Loan (percent change)	(0.20)	(1.87)	1.19	0.67
Non-performing Loans (percent change)	(5.05)	(0.41)	(1.23)	0.81
Returns on Assets (ROA)	0.20	2.18	2.35	0.29
Returns on Equity (ROE)	1.37	16.17	17.69	2.12
Liquidity Ratio***	44.03	45.74	44.10	42.98
Capital Adequacy Ratio (CAR)****	21.69	25.20	25.20	28.14

Source : CBL

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

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

5.0 FISCAL SECTOR DEVELOPMENTS

5.1 Total Revenue and Expenditure

Preliminary statistics of GoL fiscal operations for January 2024 revealed a surplus of US\$220 million (0.5 percent of GDP) in the overall balance (OB) relative to the deficit of US\$34.3 million (0.8 percent of GDP) recorded in December 2023. This development was attributed to a substantial reduction in total expenditure, offsetting the decrease in total revenue during the period.

Total revenue decreased by 36.1 percent to US\$48.4 million (1.1 percent of GDP) in January 2024, from US\$75.6 million (1.8 percent of GDP), primarily attributed to a significant reduction in other revenues (including grants). There were no receipts from other revenues (including grants) during the month under review compared to the US\$34.8 million raised in December 2023.