

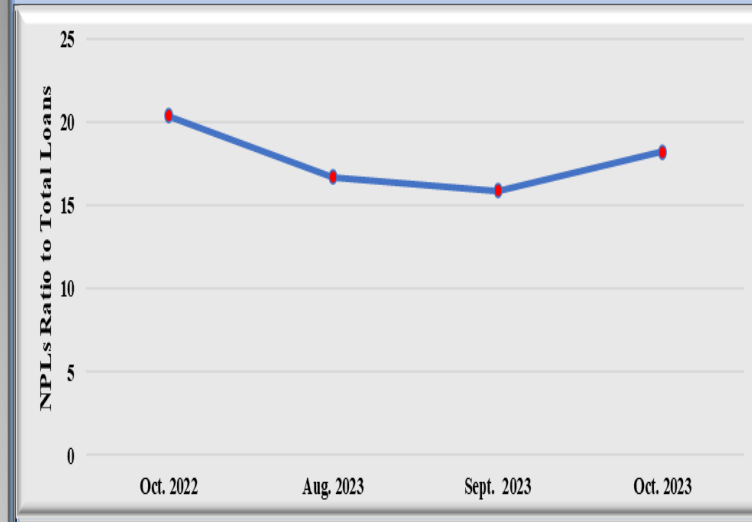
**MONTHLY
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CENTRAL BANK OF LIBERIA



The Monthly Economic Review is produced by the Central Bank of Liberia (CBL). Inquiries concerning this publication should be addressed to:

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Table 8: Developments in Global Commodity Prices

GLOBAL PRICE	Oct- 22	Aug-23	Sept-23	Oct- 23		
	(Commodity price per Unit of Measure)				MoM	YoY
Iron ore (US\$/MT)	92.56	110.20	120.98	118.75	(1.84)	28.30
Gold (US\$/Oz)	1,664.45	1,918.70	1,915.95	1,916.25	0.02	15.13
Rubber (US\$/MT)	1,500.00	1,469.70	1,554.40	1,607.30	3.40	7.15
Cocoa Beans (US\$/MT)	2,310.00	3,459.61	3,611.14	3,629.23	0.50	57.11
Palm oil (US\$/MT)	888.99	860.82	829.60	804.26	(3.05)	(9.53)
Crude oil (US\$/BBL)	90.33	84.72	92.22	89.08	(3.40)	(1.38)
Food Price Index (FAO) ¹	135.40	121.40	121.50	120.60	(0.74)	(10.93)
Rice_5% broken (US\$/MT)	431.00	600.00	587.00	563.00	(4.09)	30.63
Sugar (US\$/MT)	760.00	528.01	579.59	567.03	(2.17)	(25.39)
Commodity Price Index No ²	191.1	161.45	168.4	167.77	(0.53)	(12.21)

1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices/ 2/ 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 9 Number 10.

2.0 OVERVIEW

Production statistics of key commodities revealed increased performance in October 2023 relative to the preceding month as outputs of gold, rubber, diamond, cement, and beverages recorded growths while iron ore production plummeted.

During the month under review, headline inflation rose to 10.1 percent, from 9.4 percent in the preceding month, driven by increase in the prices of alcoholic beverages, tobacco, & narcotics; clothing & footwear; housing water, electricity, gas & other fuels; health; transport; communication; recreation & culture; restaurants & hotels; and miscellaneous goods & services in the Consumer Price Index (CPI) basket.

The Central Bank of Liberia's (CBL) 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 tenors of two-week, one-month, and three-month at the Monetary Policy Rate (MPR) of 20.0 percent per annum.

Broad money (M2) supply increased by 2.3 percent to L\$207.86 billion at end-October 2023 relative to the L\$203.24 billion recorded at the end of the preceding month. On the liability side, this growth was largely triggered by increases in demand, time & savings, and other deposits, while on the assets side, this development was primarily due to increase in net credit to the government. Currency in circulation marginally grew by 2.0 percent to L\$29.74 billion at end-October 2023, driven mainly by increase in currency outside banks.

Key indicators of Liberian's banking system remained favorable during the review period as commercial banks were largely in compliance with most of the regulatory requirements of the CBL.

7.6 Sugar

The price of sugar decreased by 2.2 percent in October 2023 to US\$567.03 per metric ton, from US\$579.59 per metric ton in the previous month. Annual comparison showed that the price of sugar decreased by 25.4 percent, from US\$760.00 per metric ton in October 2022.

7.7 Palm Oil

The price of palm oil fell by 3.1 percent to US\$804.26 per metric ton, from US\$829.60 per metric ton in September 2023, occasioned by a corresponding decline in the price of vegetable oils. Compared to in the same period a year ago, the price of palm oil fell by 9.5 percent, from US\$888.99 per metric ton in October 2023.

7.8 Rice

The price of rice decreased by 4.1 percent to US\$563.00 per metric ton, from US\$587.00 per metric ton in September 2023, on account of low demand mainly from Africa coupled with the easing of supply restrictions in India. Annual comparison indicated rice price increased by 30.6 percent, from US\$431.00 per metric ton in October 2022.

7.9 Cocoa Beans

Cocoa bean price increased by 0.5 percent to US\$3,629.23 in October 2023, from US\$3,611.14 per metric ton in the preceding month, occasioned by a surge in demand, and Ghana's moved to raise the state-guaranteed cocoa price paid to its farmers by more than 63 percent. Compared to October 2022, the price of cocoa beans increased by 57.0 percent, from US\$2,300.00 per metric ton.

Commodity Price Outlook

The commodity market outlook of the World Bank Pink sheet indicates declines in global commodity prices for the month of November 2023. Overall index of commodity price indices measured in US dollars for energy, non-energy, agriculture, fertilizers, metal & minerals, and precious metals, are expected to decrease.

7.1 Iron ore

The price of iron ore decreased by 1.8 percent to US\$118.75 per metric ton in October 2023, from US \$120.98 per metric ton in September 2023. The decline in iron ore price was mainly due to reduced global demand especially in China. Year-on-year comparison showed that the price of the commodity rose by 28.3 percent, from the US \$92.56 per metric ton recorded in October 2022.

7.2 Gold

The price of gold slightly increased by 0.02 percent to US\$1,916.25 per ounce in October 2023, from US\$1,915.95 per ounce in September 2023, largely on account of rising demand coupled with geopolitical tensions in Western Asia. Year-on-year comparison indicated that the price increased by 15.13 percent, from the US\$1,644.45 per ounce recorded in October 2022.

7.3 Crude Oil (Petroleum) price

Petroleum price decreased by 3.4 percent to US\$89.08 per barrel in October 2023 relative to the price in the previous month. The decline in the price of the commodity was largely driven by ongoing tension between Israel and Gaza coupled with an increase in crude oil stockpile in the US. Compared to October 2022, the price of petroleum decreased by 1.4 percent from US\$90.33 per barrel.

7.4 Rubber

Rubber price increased by 3.4 percent in October 2023 to US\$1,607.30 per metric ton, from the US\$1,554.40 per metric ton recorded in the preceding month, mainly due to higher production cost. Year-on-year comparison showed that rubber price also increased by 7.2 percent, from US\$1,500.00 per metric ton in October 2022.

7.5 Food Price (FAO)

FAO food price index (FFPI) decreased by 0.7 percent to US\$120.60, from US\$121.50 in September 2023. The decline was led by a corresponding decrease in the price indices for sugar, vegetable oils, cereals, and meat, while the price indices for dairy products recovered.

The industry liquidity ratio increased by 0.20 percentage point to 41.21 percent, while the Capital Adequacy Ratio (CAR) remained well-above the minimum regulatory requirement of 10 percent by 8.16 percentage points. Similarly, Return on Assets (ROA) rose by 0.23 percentage points to 2.08 percent as Return on Equity (ROE) increased by 1.42 percentage points to 14.82 percent at end-October 2023.

Government of Liberia's (GOL's) fiscal operations showed a deficit of 0.4 percent of GDP in October 2023 relative to the 0.9 percent of GDP deficit reported for the previous month, attributed to a decline in government revenue that outweighed the reduction in government expenditure.

Liberia's debt stock slightly grew by 0.4 percent to 51.1 percent of GDP compared to the stock reported for the preceding month, mainly occasioned by a 0.7 percent rise in external debt.

The merchandise trade deficit narrowed by 72.9 percent to 0.8 percent of GDP in October 2023, while total merchandise trade decreased by 19.2 percent to 5.0 percent of GDP relative to the preceding month, largely on account of decline in import payments as export proceeds rose during the review month.

Gross International Reserves (GIR) declined by 0.9 percent to US\$478.0 million (11.0 percent of GDP) at end-October 2023 relative to the GIR reported in the previous month, mainly driven by depreciation in foreign liquid assets including Special Drawing Rights (SDRs) Holdings & Reserves. However, the months of import cover rose to 3.8 months, 0.8 month above the ECOWAS minimum regional threshold.

Net personal remittance inflows (including remittances terminated through mobile wallet) decreased by 10.5 percent to US\$50.8 million (1.2 percent of GDP) in October 2023 against the amount recorded in the previous month, led by decrease in inward remittances coupled with growth in outward remittances. The Liberian dollar depreciated slightly against the US dollar on both average and end-period basis during the review month by 0.3 percent and 0.4 percent to L\$186.93 /US\$1.00 and L\$187.48/US\$1.00, respectively, relative to the preceding month. This development was largely driven by the high demand for foreign exchange to facilitate imports.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Except for iron ore output that declined, production statistics of key commodities largely revealed increased performance for gold, diamond, rubber, cement, and beverages in October 2023 compared to the preceding months.

In the mining subsector, gold production increased by 18.7 percent to 40,362 ounces in October 2023, from 34,013 ounces produced in the previous month, on account of rise in artisanal mining activities. Diamond output grew by an estimated 85.0 percent to 4,414 carats in the review month against the 2,386 carats reported in September 2023, largely due to increased activities. Conversely, iron ore production declined by an estimated 2.0 percent to 357,500 metric tons in October 2023 compared to the 365,000 metric tons produced in the previous month.

For the manufacturing subsector, beverages (alcoholic and non-alcoholic) production increased by 1.4 percent to 2.1 million liters in October 2023, from 2.0 million liters due to the accumulation of stock. Disaggregating beverages production, alcoholic beverages production accounted for 35.2 percent, while non-alcoholic beverages output accounted for 64.8 percent. Similarly, cement output rose by 44.0 percent to 29,545 metric tons in the reporting month, from the 20,412 metric tons produced in September 2023. The growth in the production of cement was driven by increased in construction-related activities.

In the agriculture subsector, rubber output rose by 5,237 metric tons, to 7,437 metric tons in the reporting period, from the 2,200 metric tons recorded in the previous month. The rise in rubber output was mainly explained by the increase in the production of the commodity by small holder farmers during the review period.

3.2 Consumer Prices

Headline inflation in October 2023 increased to 10.14 percent, from 9.96 percent in September. This development largely reflected increase in prices of alcoholic beverages, tobacco, & narcotics; clothing & footwear; housing water, electricity, gas & other fuels; health; transport; communication; recreation & culture; restaurants & hotels; and miscellaneous goods & services. Similarly, on a month-on-month basis, inflation declined to 0.5 percent, from 1.3 percent reported in the previous month. The reduction in the monthly inflation was mainly driven by decline in food & non-alcoholic beverages; alcoholic beverages, tobacco, & narcotics; health; communication; and recreation & culture.

On period average basis, all currencies in the West African Monetary Zone (WAMZ) member states depreciated against the United States dollars during the review month. The Guinean franc depreciated by 0.1 percent; Liberian dollar by 0.3 percent; Sierra Leonean leone by 1.3 percent; The Gambian dalasi by 2.1 percent; Ghanaian cedi by 2.2 percent; and the Nigerian naira by 3.1 percent against the US dollar during the review month relative to the preceding month.

When compared with the corresponding period of 2022, nearly all currencies in the WAMZ depreciated against the US dollars except the Guinean franc and cedi. The dalasi, Liberian dollar, leone, and naira depreciated by 10.1 percent, 17.8 percent, 23.1 percent, 29.7 percent, and 44.8 percent, respectively. The Guinean franc, and cedi appreciated against the US dollar by 0.7 percent and 15.0 percent, respectively, during the month under review.

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

Rate & Currency	Oct-22	Aug-23	Sep-23	Oct-23	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	13.01	11.01	11.06	11.31	(2.2)	15
GMD	56.26	59.82	61.28	62.58	(2.1)	(10.1)
GNF	8,552.80	8,504.12	8,486.07	8,493.16	(0.1)	0.7
LRD	153.62	186.22	186.40	186.93	(0.3)	(17.8)
NGN	438.00	763.17	768.03	792.77	(3.1)	(44.8)
SLL	17.31	21.45	22.22	22.51	(1.3)	(23.1)
Avg Period						
LRD	153.68	185.85	186.76	187.48	(0.4)	(18.0)

Source: CBL, WAMA: www.anao-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 food and Agriculture Organization (FAO) food price index (FFPI), Commodity Price Index of fuel, and non-fuel commodities increased in September 2023. The rise in the FFPI index was led by a corresponding increase in the price indices for sugar and cereals, which offset the decline in the price indices for vegetable oils, dairy products, and meat.

6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in October 2023 was Europe, which accounted for US\$79.0 million worth of the export proceeds, of which exports to Switzerland amounted to US\$64.2 million. For the sources of imports to Liberia, Asia and Africa were the two main regions accounting for US\$82.5 million and US\$12.2 million, respectively. Imports from China, India, and Cote d'Ivoire amounted to US\$34.5 million, US\$ 21.1 million, and US\$3.9 million, respectively, during the review month.

6.3 Personal Remittances

Personal remittance inflows (net), including remittances terminated through mobile wallet, declined by 10.5 percent to US\$50.8 million (1.2 percent of GDP) in October 2023, compared to the US\$56.8 million (1.3 percent of GDP) recorded in the preceding month. This development was driven by 6.5 percent decrease in inward remittances coupled with 44.4 percent growth in outward remittances. Inward and outward remittances amounted to US\$57.3 million and US\$6.5 million, from the US\$61.3 million and US\$4.5 million recorded, respectively, in the previous month.

6.4 Gross International Reserves

Gross International Reserves (GIR) fell by 0.9 percent to US\$478.0 million (11.0 percent of GDP) at end-October 2023, from the US\$482.2 million (11.1 percent of GDP) recorded at end-September 2023. This development was mainly driven by depreciation of the Special Drawing Rights (SDRs) Holdings & Reserves. However, the months of import cover grew to 3.8 months, from 2.4 months in the preceding month, largely on account of reduction in payments for imports. Additionally, the months of import cover was well above the ECOWAS minimum regional threshold of 3.0 months by 0.8 (Table 6).

6.5 Exchange Rate Developments

The Liberian dollar slightly depreciated against the United States dollars by 0.4 percent to L\$187.48/US\$1.00 at end-October 2023, from L\$186.76/US\$1.00 at the end-September 2023. The depreciation was primarily influenced by the heightened demand for foreign exchange to facilitate import payments.

Additionally, core inflation¹ increased to 7.5 percent in October, from 4.7 percent recorded in a month ago. The rise was on account of increase in the prices of non-food-related, and non-transport-related items.

Table 1: Production and Price Statistics

Production	Oct - 2022	Aug - 2023	Sept - 2023	Oct - 2023
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	380,000	365,000	365,000	357,500*
Gold (Ounces)	32,022	36,085	34,013	40,362
Diamond (Carat)	1,884	3,821	2,386	4,414
Rubber (Metric ton)	3,103	9,354	2,200	7,437
Cement (Metric ton)	26,899	39,258	20,412	29,545
Total Beverages (liter)	1,298,342	1,914,779	2,005,651	2,068,422
Alcoholic	1,148,210	1,00,941	998,354	727,289
Non-Alcoholic	150,132	911,838	1,007,297	1,341,133
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	7.42	11.70	9.96	10.14
a. Food and Non-alcoholic Beverage Inflation	12.34	26.66	23.49	16.86
- Domestic Food Inflation	-11.7	27.94	17.65	28.23
- Imported Food Inflation	15.81	25.83	28.46	9.19
b. Transport Inflation	46.28	2.79	2.96	5.27
c. Imported Fuels Inflation	28.01	-8.98	7.93	7.17
Overall (M-o-M) Rate of Inflation	-0.12	2.35	-1.32	0.05
Core Inflation				
Inflation excluding Food & NAB ¹	11.99	5.48	4.49	7.20
Inflation excluding Imported Food	7.72	9.01	6.54	10.31
Inflation excluding Domestic Food	13.2	8.87	8.34	7.15
Inflation excluding Food and Transport	8.00	5.91	4.73	7.50
Annual Gross Domestic Product (GDP)²	3,398.4	3,553.2	3,553.2	3,553.2
Nominal (NGDP) (in millions US\$)	3,992.1	4,345.4	4,345.4	4,345.4
RGDP growth (in percent)	4.8	4.6	4.6	4.6

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 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

Broad money (M2) supply grew by 2.3 percent to L\$207.86 billion at end-October 2023, from the L\$203.24 billion recorded at the end of the preceding month. From the liability side, this increase was largely triggered by 3.2 percent rise in demand deposits, 0.6 percent increase in time & savings deposits, and over one hundred percent growth in other deposits. Similarly, from the asset side, the rise was primarily due to 5.9 percent increase in net domestic asset (NDA). Furthermore, the stock of Liberian dollars in circulation grew by 2.0 percent to L\$29.74 billion at end-October 2023, from L\$29.17 billion recorded at the end of the previous month. This development was triggered by 4.2 percent and 1.8 percent growths in currency in banks and currency outside banks, respectively. Currency outside banks rose to L\$27.57 billion, from L\$27.09 billion while currency in banks increased to L\$2.16 billion from L\$2.08 billion recorded a month ago.

Commercial banks' loans extended to various sectors of the economy in both currencies varied during the review month. Private sector Loans denominated in Liberian dollars rose by 2.5 percent to L\$5,591.63 million, on account of increases in loans extended to the personal, oil & gas, trade, and agriculture subsectors by 63.6 percent, 18.2 percent, 5.3 percent, and 5.7 percent, respectively. Conversely, the US dollars denominated loans extended to the private sector decreased by 1.2 percent to US\$467.28 million, from US\$472.82 million induced by contractions in loans advanced to the personal, extractive, and trade subsectors by 6.3 percent, 5.3 percent, and 4.8 percent, respectively. Sectoral distribution of commercial banks' credits showed that loans extended to the personal, oil & gas, trade, and agriculture subsectors accounted for 61.4 percent of the total Liberian dollar denominated credits to the private sector. Likewise personal, extractive, and trade subsectors constituted 49.6 percent of total United States dollar denominated credits extended to the private sector.

All deposits converted to Liberian dollars (in percent of GDP) increased by 0.4 percentage point to 22.1 percent at end-October 2023, from the 21.7 percent reported in the previous month. The surge was largely triggered by increases in other deposits, demand deposits, and time & savings deposits.

Other Indicators				
Net Foreign Reserves Position	337.45	266.27	246.62	246.87
Import (FOB)	167.76	136.45	182.35	112.90
Gross International Reserves (GIR)/	597.29	504.51	482.17	478.03
Import covers (In Month) †	3.9	3.5	2.4	3.8
Personal Remittances				
Inflows	55.60	61.37	61.31	57.32
Outflows	5.89	4.61	4.51	6.51
Net flows	49.71	56.76	56.80	50.81
Direction of Trade (DOT)				
Destination of Export	75.1	85.4	69.6	91
Africa	3.3	1.2	1.4	3.9
o/w ECOWAS	0.3	0	0.1	-
o/w Neighboring Countries	-	-	-	-
Asia	2.3	3.6	2.1	1.8
o/w The Middle East	0.3	2.4	1	0.3
o/w United Arab Emirate	0.1	1.4	0.7	0.3
then China	877.4	0.1	0	-
Europe	63.4	71	63.1	79
o/w Euro Zone	-	2.7	0	1.2
o/w The United Kingdom	-	2.7	0	1.2
Switzerland	37.4	55.3	54.7	64.2
North America & The Caribbean	6	9.7	2.9	6.2
o/w USA	6	9.7	2.9	6.2
Sources of Import (cif)	157	145.77	197.28	125.39
Africa	62.08	43.64	78.82	12.17
o/w ECOWAS	60.83	35.36	65.57	5.78
o/w Neighboring Countries	60.68	35.9	66.21	5.91
o/w Cote D Ivoire	60.67	32.87	60.6	3.89
Asia	68.49	71.3	79.97	82.55
o/w The Middle East	0.87	6.24	8.15	6.25
o/w United Arab Emirate	-	2.45	4.08	1.95
o/w China	23.49	44.25	37.67	34.48
o/w India	29.26	11.64	22.09	21.08
Europe	17.52	17.18	26.27	20.79
o/w Europe Zone	15.14	15.83	23.08	17.97
o/w The United Kingdom	6.6	1.51	1.32	3.09
o/w Spain	-	1.19	1	2.76
North America & The Caribbean	4.97	5.86	4.77	4.6
o/w USA	4.75	5.21	4.09	3.85
South & Central America	3.87	7.39	7.32	4.93
o/w Brazil	3.05	4.66	5.66	3.93
o/w Argentina	0.2	1.54	0.32	0.32
Oceania	0.07	0.4	0.13	0.35
o/w Australia	0.06	0.18	0.13	0.3

Payments for merchandise imports decreased by 36.4 percent to US\$125.4 million (2.9 percent of GDP), from the US\$197.28 million (4.6 percent of GDP) recorded in the previous month, largely due to decline in payments for minerals, fuel, & lubricants (mainly petroleum products).

Table 6: External Sector Statistics

External Trade (Value)	Oct-22	Aug-23	Sept-23	Oct-23
	(Millions of US\$; Except Otherwise Indicated)			
Exports ¹	78.781	84.49	70.64	91.08
Iron Ore	21.08	5.49	7.58	13.16
Rubber	10.52	14.85	3.94	8.31
Gold	38.51	55.77	56.13	64.58
Diamond	0.36	1.67	0.63	0.01
Cocoa Bean	0.01	1.05	-	0.53
Palm Oil	2.3	2.42	1.24	4.01
Other Commodities	6.01	3.23	1.12	0.47
Imports (CIF) ^{1†}	66.76	35.17	68.84	6.47
Minerals, Fuel, Lubricants	60.05	30.4	60.48	3.81
o/w Petroleum Products	21.01	25.11	33.86	39.15
Food and Live Animals (incl. Animal and veg. oil)	0.4	2.07	11.43	10.19
o/w Rice	26.17	40.3	50.96	44.29
Machinery & Transport Equipment	17.65	19.49	20.54	16.73
Manufactured goods classified by materials	19.85	25.7	23.09	18.75
Other categories of imports	66.76	35.17	68.84	6.47
Trade Balance	-72.66	-61.28	-126.64	-34.31
Total Trade	230.22	230.26	267.92	216.47
External Trade (Volume)				
Rubber (MT)	5,668.45	7,338.98	1,008.54	4,396.27
Iron Ore (MT)	400,492.14	105,877.68	147,378.63	205,989.84
Cocoa Beans (MT)	18.6	304.78	-	-
Palm Oil (MT)	1,160.00	2,812.78	1,492.08	-
Gold (Oz)	29,841.50	36,085.50	34,013.19	40,361.68
Diamond (Crt)	177.93	3,820.56	2,386.02	9.84
Petroleum Products (MT)	16,136	10,446.22	1,008.54	4,396.27
Rice (MT)	934.97	3,441.83	20,304.59	20,989.84

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Oct - 22	Aug - 23	Sept - 23	Oct - 23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	23,293.26	26,384.19	29,176.28	29,747.16
-o/w Currency in banks (LD)	2,314.61	1,866.12	2,081.45	2,168.61
Money Supply (M1) in LD only	36,699.19	42,029.33	42,654.69	43,564.57
Quasi Money in LD only	8,321.58	9,125.90	9,716.84	9,810.73
Broad money (M2) in LD only	45,099.79	51,241.92	52,430.70	53,531.23
Broad money (M2) (both LD and USD Converted to LD)	150,920.37	202,252.80	203,248.93	207,863.95
Net Foreign Assets (NFA) – LD	14,701.53	20,735.66	18,674.23	12,336.36
Net Domestic Assets (NDA) – LD	136,218.84	181,517.13	184,574.70	195,527.59
Currency Outside Banks – LD	20,978.65	25,070.21	27,094.83	27,578.55
Demand Deposit – LD	85,212.42	115,384.38	114,537.30	118,162.57
Time & Savings Deposits – LD	44,362.56	61,171.38	61,545.37	61,925.32
Other Deposits – LD	366.73	626.83	71.43	197.51
Loans to Private Sector				
Commercial banks loans to private sector- USD	455.93	466.07	472.82	467.28
Commercial banks loans to private sector - LD	5,336.75	5,368.26	5,455.55	5,591.63
Demand Deposits of commercial Banks				
Demand deposits – USD	452.20	529.58	529.98	545.01
Demand deposits – LRD	15,720.53	16,959.13	15,559.86	15,986.02
Time & savings deposits – USD	234.52	280.03	277.52	277.98
Time & savings deposits – LRD	8,321.58	9,125.90	9,716.84	9,810.73
Other Deposits**				
Actual US\$ component of other Deposits	1.87	2.91	0.07	0.22
Liberian \$ component of other Deposits	79.02	86.69	59.17	155.93
Total Deposits both (USD & LRD) converted to LRD ¹	129,941.72	177,182.59	176,154.10	180,285.40
Liberian Dollar share of Broad Money	29.88%	25.34%	25.80%	25.75%

‡ - 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

During the period under review, the CBL issued bills amounting to L\$5,640.41 million, marking a 45.7 percent difference compared to the previous month's L\$10,381.76 million. This performance was partly attributed to the Nation's electoral season, where speculative rumours surrounding the process significantly influenced investor decisions.

Commercial banks' subscriptions amounted to L\$5,495.00 million, from L\$10,179.10 million in the previous month. Simultaneously, retail investments totalled L\$145.41 million, from L\$202.66 million in the preceding month.

With redemptions totalling L\$6,324.54 million, the CBL recorded a net injection of L\$686.03 million. The overall outstanding CBL bills for October amounted to L\$8,987.66 million during the review month. Notwithstanding, the performance of CBL bills in October 2023 supported the effective management of Liberian dollar liquidity in the economy.

There were no new treasury securities issued by the government during the review period. Consequently, the total outstanding Treasury securities for both Liberian Dollars (LRD) and US Dollars (USD) remained L\$6,900.40 million and US\$108.54 million, respectively. The government is considering the rollover of USD treasury securities in 2023, with a proposed duration of up to 2 years, emphasizing its commitment to fulfilling all interest payments on treasury securities.

Lending, average savings, and time deposit rates remained unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively, compared to the previous month. However, money market instruments, such as repos, were not traded during the month. In interbank operations, commercial banks engaged 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 Goods and Services	20.05	31.76	28.70	40.72	41.86
o/w Capital Expenditure	2.16	1.51	0.51	1.55	201.58
o/w Payments on Loans, interest & other charges	15.40	5.43	24.75	2.95	(88.09)
Overall Balance (Surplus+; Deficit -)	(39.06)	(39.50)	(15.49)	(17.53)	
Total Debt Stock	1,957.06	2,201.60	2,203.90	2,212.76	0.40
o/w Domestic	836.44	951.04	951.75	951.75	-
o/w Financial Institutions	771.32	823.35	824.06	824.06	-
o/w Other Debts	65.12	127.69	127.69	127.69	-
o/w External	1,120.62	1,250.57	1,252.15	1,261.01	0.71
o/w Multilateral	1,008.91	1,138.42	1,140.35	1,149.21	0.78
o/w Bilateral	111.72	112.14	111.80	111.80	-
Memo Items					
Government Revenue (% of GDP)	1.00	0.91	1.49	1.02	-
Government Expenditure (% of GDP)	1.98	1.82	1.85	1.42	-
Total Debt Stock (% of GDP)	49.24	50.83	50.88	51.08	-
NGDP (at Level)	3,974.44	4,331.56	4,331.56	4,331.56	-

Source: CBL calculation using MFD's data

*Projections

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the external sector showed that the merchandise trade deficit narrowed to US\$34.31 million (0.8 percent of GDP) in October 2023, from US\$126.64 million (2.9 percent of GDP) in the preceding month. This development was driven by growth in exports coupled with decline in imports. Total merchandise trade decreased to US\$216.47 million (5.0 percent of GDP) from US\$267.92 million (6.2 percent of GDP) due to a decrease in import payments that outweighed the increase in export receipts.

Export earnings increased by 28.9 percent to US\$ 91.08 million (2.1 percent of GDP) in October 2023, from US\$70.64 million (1.6 percent of GDP) in September 2023 occasioned by increased receipts from gold.

Conversely, taxes on income & profits increased remarkably by 60.8 percent to US\$16.5 million (0.4 percent of GDP). Similarly, non-tax revenue increased to US\$5.6 million (0.1 percent of GDP) for the quarter, driven by increases in property income and administrative fees & penalties.

Similarly, total expenditure during the period declined by 23.1 percent to US\$61.6 million (1.4 percent of GDP) relative to the preceding month. The reduction in the government spending was primarily led by significant decrease in payments on loans, interest, & other charges, which shrank by 88.1 percent to US\$3.0 million (0.1 percent of GDP) compared to the US\$24.8 million (0.6 percent of GDP) reported for the previous reporting period. Conversely, current expenditure rose by 4.1 percent to US\$57.1 million (1.3 percent of GDP), while capital expenditure surged by more than one hundred percent to US\$1.6 million (approximately 0.0 percent of GDP).

5.2 Total Public Debt

At end-October-2023, Liberia's debt stock marginally increased by 0.4 percent to US\$2,212.8 million (51.1 percent of GDP) compared to the stock reported for the preceding month. The marginal growth was occasioned by a 0.7 percent rise in external debt. The stock of domestic and external debts totaled US\$951.8 million (22.0 percent of GDP) and US\$1,261.0 million (29.1 percent of GDP), respectively, at end-October-2023.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Oct-22	Aug-23	Sep-23	Oct-23	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	39.55	39.28	64.61	44.04	(31.83)
<i>o/w Tax Revenue</i>	34.78	35.02	47.56	38.41	(19.23)
<i>o/w Taxes on Income & Profits</i>	15.46	11.10	10.23	16.45	60.84
<i>o/w Taxes on Int'l Trade (Customs)</i>	15.30	17.95	16.79	13.52	(19.44)
<i>o/w Non-tax Revenue</i>	4.77	4.26	3.09	5.64	82.22
<i>o/w Property Income</i>	3.41	1.84	1.59	3.98	150.33
<i>o/w Administrative Fees & Penalties</i>	1.36	2.42	1.50	1.66	10.33
<i>o/w Other Revenue (Including Grants)</i>	-	-	13.96	-	(100.00)
Government Expenditure	78.62	78.77	80.10	61.58	(23.13)
<i>o/w Current Expenditure</i>	61.06	71.84	54.84	57.08	4.08
<i>o/w Compensation</i>	31.40	33.42	15.95	14.03	(12.01)

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	October - 22	August-23	Septemb- er- 23	October- 23
	<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	4,918.01	7,983.58	10,381.76	5,640.41
Redemption during the month (EAR basis)	4,918.01	7,304.90	9,686.50	6,324.54
Bill Outstanding (EAR basis)	7,625.00	8,976.53	9,671.79	8,987.66
Effective Annual Rate (EAR)	15.00	20.00	20.00	20.00
	4,918.01	7,983.58	10,381.76	5,640.41
Total Purchases (coupon rate & EAR)	4,918.01	7,304.90	9,686.50	6,324.54
Total Redemption (coupon rate & EAR)	7,625.00	8,976.53	9,671.79	8,987.66
Total Outstanding Bills (coupon rate & EAR)	4,918.01	7,983.58	10,381.76	5,640.41
CBL Foreign Exchange Auction¹	<i>(In Millions of United States Dollar)</i>			
US Dollar offered	3.92	0.00	0.00	0.00
US Dollar Amount Sold	2.33	0.00	0.00	0.00
Total Subscription	2.33	0.00	0.00	0.00
Over (+)/ Under (-) Subscription	(1.39)	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	1,782.82	0.00	0.00
T-Bills Outstanding	7,726.49	6,900.40	6,900.40	6,900.40
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	0.00	0.00	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.00	2.28	0.00	0.00
T-Bills Outstanding (Repayment principal and interest)	85.71	108.54	108.54	108.54
Ave. Weighted Discount Rate (T-Bills)	7.16	11.00	11.00	11.00
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	0.00	0.00
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)	45.38	36.33	36.33	
Coupon Payments (USD)	0.00	0.85	0.00	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	45.38	36.33	36.33	36.33
	<i>(As specified)</i>			
SCF rate	17.50	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>			
Interest Rates				
- 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
Money Markets Instrument (In percent)				
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

The banking industry relatively remained in compliance with the sector's regulatory requirements. For the month ended October 2023, the industry liquidity ratio increased by 0.20 percentage point to 41.21 percent, from 41.01 percent in September 2023. Additionally, the industry liquidity ratio remained above the minimum regulatory requirement of 15.0 percent by 26.21 percentage points. The Capital Adequacy Ratio (CAR) decreased by 1.93 percentage points from 20.09 percent to 18.16 percent during the review month against the ratio reported in the previous month. However, CAR remained well-above the minimum regulatory requirement of 10 percent by 8.16 percentage points. Additionally, Return on Assets (ROA) increased by 0.23 percentage points to 2.08 percent, and Return on Equity (ROE) grew by 1.42 percentage points to 14.82 percent.

Total gross loans decreased by 0.4 percent to L\$93.49 billion in October 2023, from the L\$93.86 billion reported in the previous month. The decrease in total loans is mainly attributed to declines in loan facilities granted to the “other sector” (by 8.2 percent), extractive sector (by 4.9 percent) and personal sector (by 4.9 percent). However, the ratio of non-performing loans (NPLs) to total loans increased by 2.3 percentage points to 18.2 percent during the month under review against the 10.0 percent regulatory tolerable limit. The growth in NPLs was largely because of the sharp increase in NPLs in the extractive, oil & gas, and construction sectors.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Oct- 22	Aug- 23	Sept-23	Oct - 23
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	78.09	92.14	93.86	93.49
Total Non-performing Loans	15.93	15.40	14.94	17.04
Non-performing Loans to Total Gross Loans (ratio)	20.40	16.71	15.92	18.23
Gross Loan (percent change)	(2.06)	(0.05)	1.87	(0.39)
Non-performing Loans (percent change)	(13.76)	1.51	(2.99)	14.06
Returns on Assets (ROA)	1.85	1.57	1.85	2.08
Returns on Equity (ROE)	12.32	11.61	13.40	14.82
Liquidity Ratio***	40.05	40.78	41.01	41.21
Capital Adequacy Ratio (CAR)****	4.25	17.08	20.09	18.16

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

From provisional statistics, the Government of Liberia (GOL) experienced fiscal deficit in its overall balance (OB) amounting to US\$17.5 million (0.4 percent of GDP) in October 2023, compared to the US\$15.5 million (0.9 percent of GDP) deficit reported for the previous month. The enlargement of the deficit was primarily attributed to a decline in government revenue that outpaced the reduction in government expenditure.

The GOL was also faced with significant downturn in revenue as it decreased by 31.8 percent to US\$44.0 million (1.0 percent of GDP) against the revenue collected in the previous month. This development was driven by decreases in tax receipts and other revenue, including grants. Tax revenue declined by 19.2 percent to US\$38.4 million (0.9 percent of GDP), largely due to a substantial drop in taxes generated from international trade, which fell by 19.4 percent to US\$13.5 million (0.3 percent of GDP).