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TABLE OF CONTENTS

OVERVIEW	i-ii
I. DEVELOPMENT IN THE WORLD ECONOMY	1
1.1 Introduction.....	1
1.2 The United States Economy.....	1
1.3 The Euro Area & Other Advanced Economies.....	1
1.4 Emerging Markets and Developing Economies	2
1.5 Sub-Sahara Africa	2
1.6 Global Inflation	3
II. DOMESTIC ECONOMY	5
2.1 Introduction.....	5
2.2 Sectorial Review	6
2.2.1 Agriculture and Forestry	6
2.2.2 Industrial Production.....	7
2.2.2.1 Mining	7
2.2.2.2 Manufacturing	8
2.3 Consumption of Petroleum Products	12
2.4 Sea Port Developments	13
2.5 Electric Power Developments.....	14
2.6 Price Developments	15
2.6.1 Domestic Price Developments	15
2.6.2 Inflation by Group.....	16
2.6.2.1 Contribution to Changes in CPI (%)	16
2.6.2.2 Administered, Food & Non-Alcoholic Beverages and Market Prices	17
2.6.2.3 Inflation Outlook	18
III. MONETARY AND FINANCIAL DEVELOPMENT	22
3.1 Monetary Policy Stance	22
3.2 Banking Sector Developments	22
3.2.1 Capital	22
3.2.2 Asset and Liquidity	23
3.2.3 Profitability	24
3.2.4 Commercial Bank Credit	24

3.2.5 Interest Rate	27
3.2.6 Liberian Dollars in Circulation	27
3.2.7 Money Supply	28
3.2.8 Broad Money Supply	30
3.3 Government Securities	32
3.4 Central Bank of Liberia Bill and SDF	32
IV. FISCAL DEVELOPMENTS	36
4.1 Overview of GOL's Fiscal Operations	36
4.2 Government Revenue	36
4.3 Government Expenditure	37
4.4 Public Debt	38
V. EXTERNAL SECTOR DEVELOPMENTS	40
5.1 Overview	40
5.2 Current Account (CA)	40
5.2.1 Goods Account (Net)	40
5.2.2 Exports	41
5.2.3 Imports (FOB & CIF)	42
5.2.4 Service Account (net)	42
5.2.4.1 Primary Income (net)	42
5.2.4.2 Secondary Income (Net)	42
5.2.4.3 Personal Remittances	43
5.3 Capital Account (KA)	43
5.4 Financial Account (FA)	44
5.4.1 Direct Investment (Net)	46
5.4.2 Direct Investment (Net)	46
5.5 Gross International Reserve Position	46
5.6 Exchange Rate Developments	47

Table 1.1: Selected Global Output.....	4
Table 2.1: Key Key Agriculture Production	6
Table 2.2: Key Industrial Output	11
Table 2.3: Consumption of Petroleum Products	12
Table 2.4: Vessel Traffic and Cargo Movements	13
Table 2.5: Electric Power Developments.....	14
Table 2.6: Inflation by Sub-group (2021-2023)	19
Table 2.7: Headline and Quarterly Changes in CPI (%).....	20
Table 2.8: Hamonized Consumer Price Index (HCPI) By Major Groups	21
Table 3.1: Commercial Bank's Loans by Economic Sectors.....	26
Table 3.2: Commercial Bank's Interest Rates	27
Table 3.3: Currency in Circulation & Its Composition.....	28
Table 3.4: Broad Money Supply and Its Sources.....	29
Table 3.5: CBL Bills	33
Table 3.6: CBL Bills, Q2-2023	34
Table 4.1: Government Revenue	37
Table 4.2: Government Expenditure.....	38
Table 4.3: Liberia's Public Debt Statistics	39
Table 5.1: Balance of Payment Statistics	44
Table 5.2: Maket Exchange Rate: Liberia Dollar (LD) per US Dollar	48

Chart 2.1: Key Agricultural Production	6
Chart 2.2: Consumption of Petroleum Products	12
Chart 2.3: Vessel Traffic.....	14
Chart 2.4: Electricity Generation	15
Chart 2.5: Headline and Core Inflations	16
Chart 2.6: Contributions to CPI	17
Chart 2.7: Food, Non-food, and Headline Inflation	17
Chart 2.8: Administered versus Market Prices	18
Chart 3.1: Percentage Distribution of Commercial Bank Loans by Economic Sectors.....	26
Chart 3.2: Liberian Dollars in Circulation	28
Chart 3.3: Narrow Money Supply (M1).....	30
Chart 3.4: Broad Money Supply (M2)	31
Chart 3.5: Broad Money: Share of US and Liberan Dollars	31
Chart 3.6: Average Quarterly Yields (in Percent) Government of Liberia 91-day Treasury-bill Auctions	32
Chart 4.1: Graphical Outlook of GOL's Fiscal Operations	36
Chart 5.1: Merchandise Trade Balance	41
Chart 5.2: Net Personal Inward Remittances	43
Chart 5.3: Main Balances of the BOP	46
Chart 5.4: Gross International Reserves, Imports and Months of Import Cover	47
Chart 5.5: Buying & Selling Exchange Rates: Liberian Dollar (LD) per US Dollar	48

OVERVIEW

Global growth momentum strengthened in the second quarter of 2023, rising to 3.0 percent from 2.8 percent in the previous quarter, reflecting improved growth rates in various regions, including Advanced Economies (AE) and Emerging Market and Developing Economies (EMDE). The growth was largely underpinned by increasing demand attributed to economic reopening, fiscal support to critical growth sectors, and supply chain management, despite the hike in policy rates in response to the uncertainty of inflationary pressure. Average global headline inflation moderated slightly by 0.2 percentage point in quarter one 2023 to 6.8 percent in the second quarter, induced by stabilized energy prices and monetary policy adjustments, particularly in emerging markets and developing economies.

In the US, growth in the second quarter was revised upward to 1.5 percent, driven by strong consumption and a tight labor market, but further interest rate hike is expected to have adverse implication on future consumption. In the Euro Area, growth increased to 0.9 percent, supported by economic improvement in France, Italy, and Spain. The UK's economy grew marginally by 0.4 percent due to falling energy prices. In Japan, growth rose to 1.4 percent in the second quarter, driven by the service sector and domestic consumption. Sub-Saharan Africa's growth marginally moderated to 3.5 percent in quarter two mainly on account of global financial pressures. Growth remained stable in Nigeria, while South Africa's growth was revised upward.

On the domestic front, Liberia's Real Gross Domestic Product (RGDP) is projected to moderate by 0.2 percentage point to 4.6 percent relative to the 4.8 percent recorded in 2022. Activity in the mining & panning, agriculture & fishery subsectors is projected to slow at 2.8 percent in 2023 from 5.1 percent in 2022; while both the secondary (manufacturing) and tertiary (service) sectors are projected to expand, by 6.4 percent and 6.9 percent, respectively.

In relation to the local price development dynamic, the average headline inflation rose by 3.8 percentage points to 11.3 percent compared to the 7.5 percent reported in the first quarter, reflecting development in food & non-alcoholic beverages, clothing & footwear, etc. Official core inflation¹ rose by 2.3 percentage points to 11.5 percent.

¹ Headline inflation less food and transport

The financial sector remained firm, characterized by expansions in total loans & advances, deposits, assets, and profit. As a share of total loans, non-performing loans (NPLs) declined by 1.1 percentage point to 16.1 percent on account of enhanced regulatory oversight. The average lending rate remained flat at 13.4 percent. At end-June 2023, the stock of L\$ in circulation modestly increased by 1.5 percent to L\$26,059.37 million partly explained by effective liquidity management. Additionally, there were increases in both narrow money (M1) and broad money (M2) to the economy, by 12.8 percent to L\$130,290.17 million and L\$186,180.84 million, respectively.

In terms of fiscal development, the GOL fiscal operations resulted to an improvement in the deficit of the overall fiscal balance (OB) to 0.1 percent of GDP relative to the previous quarter. Government revenue and expenditure totaled US\$191.9 million and US\$195.5 million, respectively. Although in compliance with the ECOWAS debt threshold, Liberia's stock of public debt expanded by 5.1 percent to 49.1 percent of GDP at end-June 2023.

Provisional statistics highlighting the external sector development showed mixed performance. The current account balance improved to 0.2 percent of GDP relative to the deficit of 1.0 percent of GDP reported for the previous quarter. The net inflows in the financial account(net) also recorded increases, to 4.1 percent of GDP. However, the overall Balance of Payments (BOP) recorded a deficit in the second quarter. The country's GIR² modestly fell by 1.4 percentage points to 12.0 percent of GDP, partly resulting in a marginal decline in the months of import cover to 3.1 months from the 3.3 months reported in the previous quarter.

Total merchandise export receipts increased by 9.7 percent to US\$315.3 million (7.3 percent of GDP), while total merchandise import payments decreased by 5.8 percent to US\$391.8 million (9.0 percent of GDP). The net inflow of personal/worker remittances (including remittances transferred via mobile wallet) decreased by 3.1 percent to US\$185.4 million (4.3 percent of GDP).

Notwithstanding the pressure, the variability in the exchange rate stood at remained within the tolerable bandwidth of the ECOWAS convergence target (± 10.0 percent). Relative to the first quarter, the Liberian dollar recorded depreciations in terms of both the average exchange rate and the end-of-period exchange rate.

² Gross International Reserve

I. DEVELOPMENTS IN THE GLOBAL ECONOMY

1.1 Introduction

Global growth momentum strengthened in the second quarter of 2023 with a rise in growth rate to 3.0 percent after the weak performance of a 2.8 percent growth rate in the first quarter, on account of improvement in growth rates in several regions compared to the projections of the World Economic Outlook (WEO) update in April 2023. Both Advanced Economies (AE) and Emerging Market and Developing Economies (EMDE) contributed to this development, driven by economic reopening, government support, and supply chain management. Nevertheless, the high level of uncertainty attributed to high interest rates in response to curbing inflation continues to take a toll on global economic activity, which requires a range of plausible alternative scenarios.

The average global headline inflation moderated marginally from 7.0 percent in the first three months of 2023 to 6.8 percent in the second quarter of the same year. This moderation was on account of improvement in the supply chain arising from energy price stabilization and monetary policy stance. Notably, the speed of global inflation moderation was most pronounced in the emerging market and developing economies.

1.2 The United States (US) Economy

The growth estimate for the US economy was slightly revised upward by 0.2 percentage point to 1.5 percent in the second quarter of 2023 mainly explained by solid consumption growth in the first quarter and a still-tight labor market that has enhanced real income gains and increased demand for necessities and other utilities. However, consumption growth momentum was predicted to be temporary due to heavy drain from consumers' extra savings on account of the expectation of further interest rate hikes by the Federal Reserve.

1.3 The Euro Area & Other Advanced Economies

The growth projection for the Euro Area during the second quarter of 2023 was slightly revised upward. Output growth moderately increased by 0.1 percentage point to 0.9 percent in the reviewed period, from the 0.8 percent recorded in the first quarter of the same year. This development was driven by improvement of economic activity in France, Italy, and Spain, which were estimated to expand by 0.1 percent, 0.4 percent, and 1.0 percent, respectively. The UK's

economy grew by 0.4 percent in the second quarter, after contracting by 0.3 in the first quarter of 2023. This upward revision of 0.7 percentage point in the second quarter of 2023, reflected stronger-than-expected consumption and investment from the positive effects of falling energy prices. Similarly, in Japan, growth was estimated to modestly expand by 0.1 percentage point to 1.4 percent during the second quarter of 2023 from 1.3 percent reported in the previous quarter, mainly driven by improved performance in the service sector, followed by domestic consumption.

1.4 Emerging Markets and Developing Economies

Growth in the emerging markets and developing economies (EMDEs) was upgraded by 0.1 percentage point to 4.0 percent in the second quarter of 2023 relative to the preceding quarter. The revived performance in economic activities in EMDEs was mainly underpinned by easing of inflationary pressures, on account of developments in energy and food prices. In China, growth was estimated to remain stable at 5.3 percent in the second quarter of 2023 relative to the previous quarter, reflecting a tradeoff between stronger-than-expected net exports and weaker investments. However, India's growth is estimated to moderately expand by 0.2 percentage point to 6.1 percent in the second quarter of 2023 compared to the 5.9 percent growth recorded a quarter ago, mainly due to momentum from stronger-than-expected growth spillover, from previous quarters, as a consequence of increased domestic investment.

1.5 Sub-Saharan Africa

In Sub-Saharan Africa, growth marginally moderated further by 0.1 percentage point to 3.5 percent in the second quarter of 2023, compared to the previous WEO update. The continued downward trends in growth were largely attributed to the global financial squeeze, inducing the rise in the costs of borrowing on both domestic and international markets. Nigeria's growth remained stable at 3.2 percent in the reviewed quarter referenced to the April WEO predictions, reflecting security concerns in the oil industry. In South Africa, growth estimate has been revised upward by 0.2 percentage point since the April 2023 WEO, on account of resilience in services activity in the first quarter. In terms of outlook, **growth in sub-Saharan Africa (SSA) is projected at 4.1 percent in 2024** in line with global recovery, subsiding inflation, and a winding down in monetary policy tightening.

1.6 Global Inflation

Global headline inflation moderated by 0.2 percentage point to 6.8 percent in the second quarter of 2023, largely driven by reduction in commodity prices, weak demand, and easing of the supply chain. The level of inflationary adjustment was evident in some advanced economies but more pronounced in Emerging Markets and Developing Economies. Monetary policy tightening is predicted to progressively decrease inflation, although falling international commodity prices remain the key driver of the disinflation forecast as per the current updates (WEO July 2023). The 2024 prediction has been revised upward by 0.3 percentage point, reflecting higher-than-expected core inflation.

In outlook terms, global headline inflation is projected to decrease to 5.2 percent in 2024 largely influenced by the long-run mechanism of monetary policy accommodation, noticeably in advanced economies.

Table 1.1: Selected Global Output and Inflation, 2022-2024

	Difference from				
	July 2023 WEO				
	Estimate	Projections		Update	
	2022	2023	2024	2023	2024
World Output	3.5	3.0	3.0	0.2	0.0
Advanced Economies	2.7	1.5	1.4	0.2	0.0
United States	2.1	1.8	1.0	0.2	-0.1
Euro Area	3.5	0.9	1.5	0.1	0.1
Germany	1.8	-0.3	1.3	-0.2	0.2
France	2.5	0.8	1.3	0.1	0.0
Italy	3.7	1.1	0.9	0.4	0.1
Spain	5.5	2.5	2.0	1.0	0.0
Japan	1.0	1.4	1.0	0.1	0.0
United Kingdom	4.1	0.4	1.0	0.7	0.0
Canada	3.4	1.7	1.4	0.2	-0.1
Other Advanced Economies	2.7	2.0	2.3	0.2	0.1
Emerging Market and Developing Economies	4.0	4.0	4.1	0.1	-0.1
Emerging and Developing Asia	4.5	5.3	5.0	0.0	-0.1
China	3.0	5.2	4.5	0.0	0.0
India	7.2	6.1	6.3	0.2	0.0
Latin America and the Caribbean	3.9	1.9	2.2	0.3	0.0
Brazil	2.9	2.1	1.2	1.2	-0.3
Middle East and Central Asia	5.4	2.5	3.2	-0.4	-0.3
Saudi Arabia	8.7	1.9	2.8	-1.2	-0.3
Sub-Saharan Africa	3.9	3.5	4.1	-0.1	-0.1
Nigeria	3.3	3.2	3.0	0.0	0.0
South Africa	1.9	0.3	1.7	0.2	-0.1
World Consumer Prices	8.7	6.8	5.2	-0.2	0.3
Advanced Economies	7.3	4.7	2.8	0.0	0.2
Emerging Market and Developing Economies	9.8	8.3	6.8	-0.3	0.3

Source: "International Monetary Fund. July 2023. World Economic Outlook: Near-Term Resilience, Persistent Challenges. Washington, DC,"

II DOMESTIC ECONOMY

2.1 Introduction

The Liberian economy, earlier projected to grow by 4.3 percent in 2023, was revised to 4.6 percent due mainly to higher than anticipated output from the mining & panning subsector, specifically gold production. It is, however, important to note that this level of growth is 0.2 percentage point lower than the 4.8 percent real GDP growth recorded in 2022.

In the primary sector (agriculture & fisheries, forestry, and mining & panning), growth is projected at 2.8 percent in 2023, down from 5.1 percent reported in 2022 mainly attributed to positive but declining rate of growth in the mining & panning, forestry, and agriculture & fisheries subsectors. The mining & panning subsector is expected to record lower growth of 7.0 percent from 14.0 percent largely on account of moderation in iron ore and diamond production. Growth in the agriculture & fisheries subsector is projected to recede to 0.7 percent in 2023 compared to 1.2 percent for 2022, reflecting moderation in expected crude palm oil (CPO) production. Similarly, the forestry subsector is expected to grow by 1.2 percent in 2023, from 1.6 percent in 2022 on account of decreases in the production of round logs and timber.

Growth in the secondary sector (manufacturing) is projected at 6.4 percent from 2.2 percent estimated in 2022 mainly underpinned by cement and beverages outputs.

The tertiary subsector is projected to expand by 6.9 percent in 2023, up from 4.8 percent in 2022 on account of activity in services emanating from electricity, financial services, and other services subsectors.

In terms of outlook, RGDP growth for 2024 is projected to increase by 5.3 percent, largely reflecting growth in the agriculture & fisheries sub-sectors. The government's commitment to increase investment in agriculture through duty exemptions and other social protection programs is expected to further improve growth in 2024. The key risks to growth, however, include supply chain constraints and disruption evolving from the Russia-Ukraine conflict and rise in global oil prices.

2.2 Sectorial Review

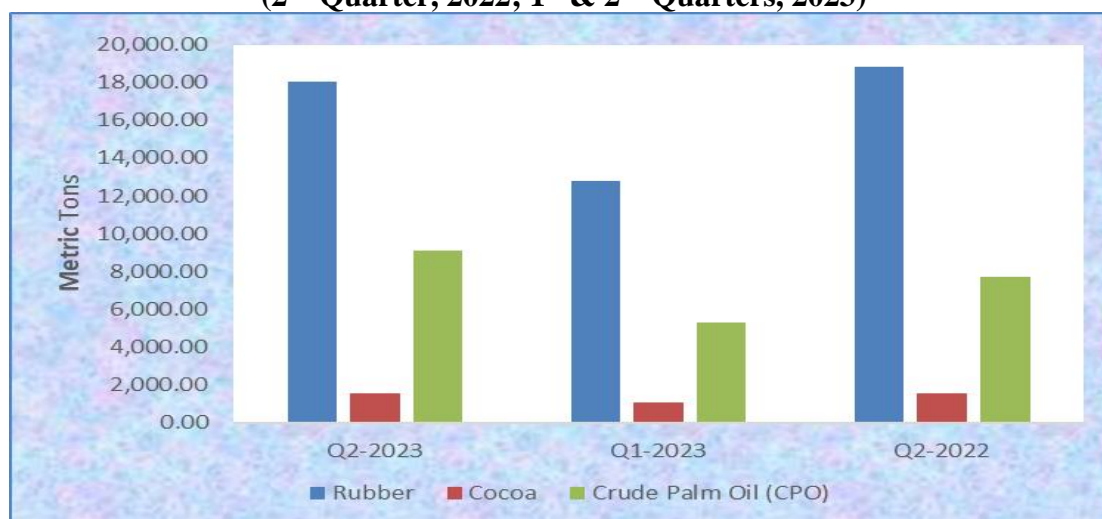
2.2.1 Agriculture and Forestry

Table 2.1: Key Agricultural Production
(2nd & 1st Quarters, 2023; 2nd Quarter, 2022)

Commodity	Unit	Q2-2023	Q1-2023	Q2-2022
Rubber	Mt	18,059.9	12,790.6	18,800.3
Cocoa	Mt	1,535	1,037	1,538
Round Logs	M3	166,409	160,009	153,673*
Sawn Timber	Pcs	50217.2	46,080	49,720*
Crude Palm Oil (CPO)	Mt	9,087.2	5,287.9	7,689.2

Source: Ministry of Commerce & Industry (MOCI); Liberia Produce & Marketing Corporation (LPMC); Forestry Development Authority (FDA) Projections*

Table 2.1: Key Agricultural Production
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)



Source: Ministry of Commerce & Industry (MOCI); Liberia Agricultural Commodities Regulatory Authority (LACRA); Forestry Development Authority (FDA)

a. Rubber

Production of rubber rose by 41.2 percent to 18,059.9 metric tons in the second quarter of 2023, up from 12,790.6 metric tons produced during the previous quarter largely on account of increased production by smallholder farmers. However, production in the reporting quarter decreased by 3.9 percent compared to the corresponding quarter in 2022.

b. Cocoa

Cocoa output for the 2nd quarter was estimated to remain relatively flat at 1,535 metric tons, from 1,538 metric tons produced in the preceding quarter mainly on account of favorable harvest coupled with slight increase in the global price of the commodity. Compared with the corresponding period a year ago, output fell by 24.3 percent.

c. Sawn Timber

Sawn timber production during the quarter increased by 1.0 percent to an estimated 50,217 pieces, up from 46,080 pieces reported for the previous quarter. The rise in output was mainly due to the anticipated high demand for the commodity in preparation for construction activities. Annualized output also increased slightly by 282 pieces.

d. Round Logs

Production of round logs during the quarter fell by an estimated 4.0 percent to 166,409 cubic meters, from 160,009 cubic meters during the previous quarter. The decline in output was attributed to slight slowdown in the global price of the commodity. On an annualized basis, output fell by 11.7 percent.

e. Crude Palm Oil (CPO)

Crude palm oil (CPO) output for the quarter under review increased by 71.8 percent to 9,087.2 metric tons, from 5,287.2 metric tons produced a quarter ago on account of depletion of excess output from previous production due to good harvest. Compared with production in the corresponding quarter a year ago, CPO production rose by 18.2 percent.

2.2.2 Industrial Production

2.2.2.1 Mining (Gold, Diamond, and Iron Ore)

i. Gold

Gold production increased during the quarter by 11.5 percent to 115,234.6 ounces, from 103,324.9 ounces reported a quarter ago, on account of increased mining activities, as a result of favorable weather conditions, coupled with the average increase in the global price of the commodity. On an annualized basis, gold output increased by 24.6 percent.

ii. **Diamond**

The output of diamond during the quarter fell by 63.4 percent to 10,841.1 carats, from 29,582.2 carats recorded in the previous quarter, reflecting the government's adherence to policy on the Kimberly Process. When compared with the corresponding period of 2022, output fell by 12.5 percent.

iii. **Iron Ore**

The production of iron ore witnessed reduction in output during the reporting quarter by 12.6 percent to 1,180,000 metric tons, from 1,350,000 metric tons produced in the previous quarter attributable to decline in external demand as a result of fall in manufacturing of steel related commodities. Relative to the output in the current quarter and corresponding quarter of 2022, output in quarter two 2022 declined by 9.2 percent.

2.2.2.2 Manufacturing

i. **Cement**

Output of cement during the review quarter decreased by 30.0 percent to 118,897 metric tons, from 169,947.2 metric tons reported during the previous quarter, reflecting a decline in construction activity arising from commencement of the rainy season. When annualized, production declined by 20.5 percent.

ii. **Beverages**

Output of beverages (alcoholic and non-alcoholic) slightly fell by 2.8 percent to about 4.3 million liters, down from 4.4 million liters produced a quarter ago due to decrease in demand. On an annualized basis, beverage output decreased by 1.3 percent. A disaggregation of total beverage produced for the quarter ended June 2023 shows that alcoholic beverages was 83.3 percent, while non-alcoholic beverages constituted 16.7 percent.

iii. **Soap**

Soap production for the review quarter declined by 2.4 percent to 124,232.4 kilograms, down from 127,284.6 kilograms reported in the preceding quarter on account of decreased demand for the commodity. However, on a year-on-year basis, soap production increased

by 76.6 percent in the current quarter compared to the quarter ended June 2022.

iv. **Paint (Oil and Water)**

Total paint production, including oil and water paints, decreased to 36,319.5 gallons, compared to 56,261.3 gallons produced during the first quarter of 2023. The reduction in output was on account of low demand caused by the effect of the rainy season. On a disaggregated basis, oil paint constituted 58.0 percent, while water paint accounted for 42.0 percent of the total paint produced. Similarly, compared to the same period a year ago, output fell by 20.6 percent.

v. **Varnish**

The volume of varnish produced during the quarter was 4,768 gallons, down by 12.3 percent from a quarter ago. The decrease in output was on account of a hike in the price caused by an increase in raw materials prices. The volume of varnish decreased by 76.0 percent compared to the corresponding period in 2022.

vi. **Manoline Hair Grease**

Production of manoline hair grease declined in the quarter by 29.5 percent to 4,040.4 kilograms, down from 5,728.0 kilograms produced during the preceding quarter. The decrease in output during the quarter was on account of low demand for the commodity. On an annualized basis, output also reduced by 7.9 percent.

vii. **Thinner**

Total production of thinner at end-June 2023 stood at 4,065 gallons, reflecting a decrease of 2.8 percent relative to the previous quarter on account of lower demand for the commodity due to a hike in the price emanating from increase of raw materials prices. On an annualized basis, output increased by 50.1 percent in the current quarter, compared with the corresponding quarter of 2022.

viii. **Rubbing Alcohol**

The quantity of rubbing alcohol produced in the reporting quarter stood at 155,381.4 liters, 71.0 percent more than the output of the previous quarter. The increase in production was occasioned by a rise in demand for the commodity from neighboring countries. On an

annual basis, output in the quarter under review also surged by more than twice compared with the second quarter of 2022.

ix. **Chlorox**

Chlorox output plummeted by 10.8 percent to 286,358 litres for the quarter ended June 2023, down from 321,040 litres produced a quarter ago, driven by lower demand. However, on a year-on-year basis, output rose by 33.2 percent.

x. **Candle**

Candle output during the quarter stood at 30,796.5 kilograms, up from 12,033 kilograms produced in the preceding quarter, reflecting 155.9 percent expansion in output of the commodity due to the availability of raw materials. Similarly, year-on-year comparisons shows that production increased by 20,002.5 kilogram.

xi. **Mattresses**

Mattress output slightly slumped by 3.6 percent to 33,338 pieces, from 34,570 pieces produced at end-March 2023 on account of the effect of rainy season on the roads, which constrained sales of the commodity. When compared with the same period a year ago, production also declined by 4.8 percent.

xii. **Finished Water**

Total output of finished water during the quarter stood at an estimated 151.02 million gallons, indicating a decrease in output by 4.0 percent compared to the preceding quarter due to decrease in the running hours of pumps. Relative to the same period in 2022, output declined by 21.8 percent.

xiii. **Mineral Water**

The volume of mineral water produced during the review quarter was estimated at 79,985 litres, from 80,912 litres produced during the previous quarter, indicating a decrease of 1.4 percent. The decline was mainly attributed to slow demand attributed to the rainy season in addition to inventory from the previous quarter. Compared to the corresponding period in 2022, production slumped by 27.0 percent.

Table 2.2: Key Industrial Output
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)

Commodity	Unit	Q2-2022	Q1-2023	Q2-2023
Gold	Ounce	92,476.0	103,324.9	115,234.6
Diamond	Carat	12,390.9	29,582.2	10841.1
Iron Ore	Mt.	1,300,000	1,350,000	1,180,000
Cement	Mt.	149,462.7	169,947.2	79,748.1
Spirits	Litre	35,182.8	53,943.3	123,566.4
Beer	Litre	1,901,253.3	1,903,833.3	1,880,015.9
Stout	Litre	1,960,762.3	1,903,833.3	1,613,359.4
Malta	Litre	219,447.4	250,992.7	140,888.9
Soft Drinks	Litre	253,859.8	286,308	557,766
Oil Paint	Gal.	26,512.8	32,917.25	21,062.5
Water Paint	Gal.	16,328 .0	23,344.0	15,257.0
Varnish	Gal.	2,708.0	5,437.0	4,768.0
Manoline H. Grease	Kg	4,384.8	5,728.8	4,040.4
Thinner	Gal	2,708.0	4,181.0	4,065.0
Rubbing Alcohol	Litre	64,903.3	90,882.6	155,381.4
Soap	Kg	70,355.9	127,284.6	124,232.4
Chlorox	Litre	214,980.4	321,039.9	286,358
Candle	Kg	10,794.0	12,033.0	30,796.5
Mattresses	Pcs.	35,031.0	34,570.0	33,338.0
Finished water	Gal.	193,073,927.9	251,640,416.9	151,025,989.0
Mineral Water	Litre	62,985	80,912	79,985
Electricity	kW	49,509,979.0	101,307,600	114,473,600.0

*Source: Ministry of Commerce & Industry (MOCI); Ministry of Lands, Mines & Energy; Liberia Water and Sewer Corporation *Projections*

2.3 Consumption of Petroleum Products

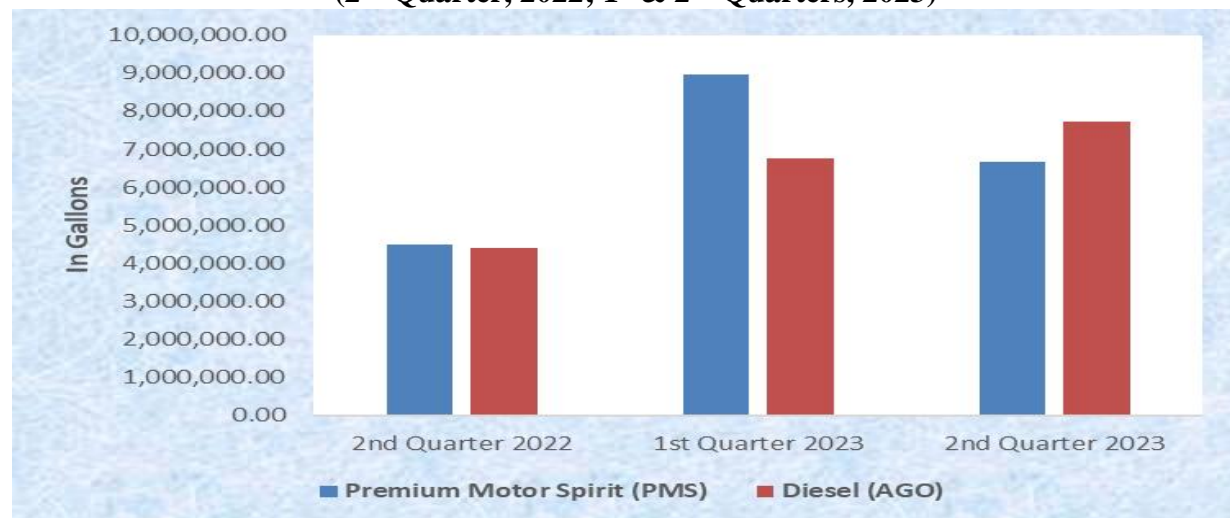
Total consumption of petroleum products, Premium Motor Spirit (PMS) and Diesel or Automotive Gas Oil (AGO), fell by 8.0 percent to 14.4 million gallons, from 15.7 million gallons consumed during the previous quarter. The decline in petroleum products was largely on account of constraints and supply disruptions from the international market during the quarter. However, compared to the corresponding period in 2022, total petroleum consumption increased by 62.0 percent. Disaggregation of total consumption of petroleum products shows that PMS constituted 46.3 percent, while AGO accounted for the remaining 53.6 percent.

**Table 2.3: Consumption of Petroleum Products
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)**

Commodity	Unit	Q2-2022	Q1-2023	Q2-2023
Premium Motor Spirit (PMS)	Gal.	4,495,589.1	8,963,608.7	6,674,869.1
Diesel (AGO)	Gal.	4,393,989.3	6,763,130.5	7,735,365.58
Total	Gal.	8,889,578.4	15,638,477.8	14,498,496.1

Source: Liberia Petroleum Refining Company (LPRC)

**Chart 2.2: Consumption of Petroleum Products
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)**



Source: Liberian Petroleum Refining Company

2.4 Seaport Developments

Traffic of ship vessels for the second quarter of 2023 shows that an estimated 83 vessels with combined Summer Dead Weight Tons (SDWT) of 3.1 million anchored at various ports along the Liberian coast, representing 4.6 percent decrease in the number of vessels that docked compared with the previous quarter. This performance was largely explained by the decline in activity at the Port of Monrovia and Buchanan. In terms of percentage distribution, vessels anchored in Monrovia, Buchanan, Greenville, and Harper accounted for 64.4 percent, 27.9 percent, 4.8 and 2.9 percent, respectively. Compared with the corresponding period a year ago, the number of vessels declined by 17 percent. Disaggregation of total cargo tonnage shows that imports accounted for 39.3 percent, while exports constituted 60.7 percent (Table 2.4).

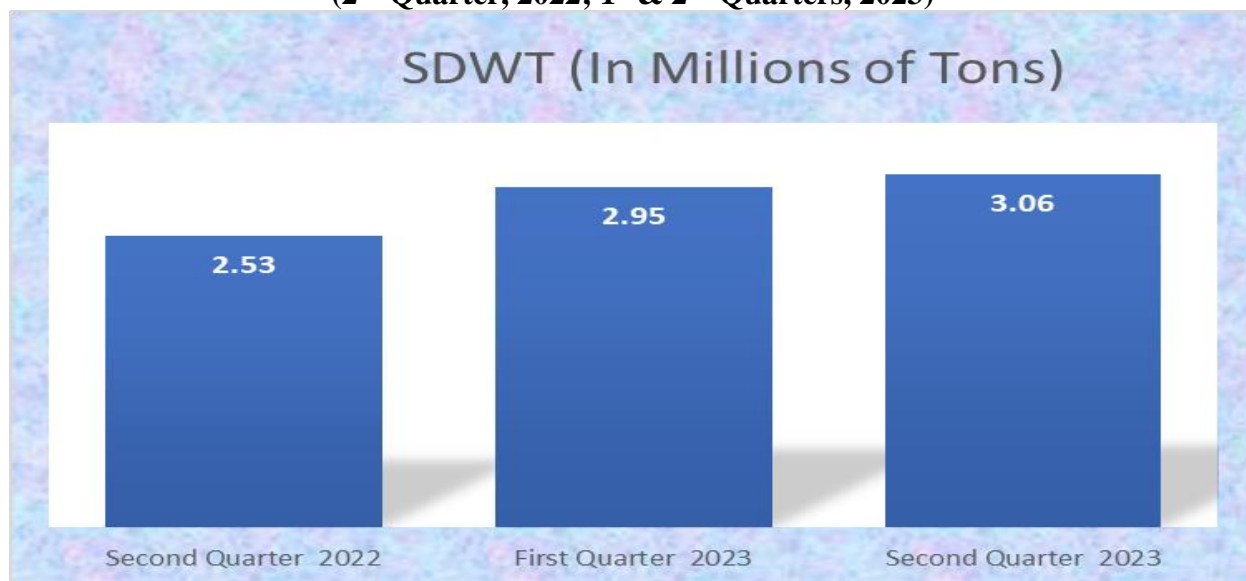
Table 2.4: Vessel Traffic and Cargo Movements
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)

Quarter	No. of Vessels	Vessel Weight (SDWT)	Cargo Tonnage (In Metric Tons)		
			Imports	Exports	Total
Q²-2022	100	2,528,516	654,400	1,056,019	1,710,419
Q¹-2023	87	2,953,724	556,614	1,124,300	1,680,914
Q²*-2023	83	3,055,819	587,257	908,285	1,495,542

Source: National Port Authority (NPA) SDWT=Summer Dead Weight Tons

**Estimates*

Chart 2.3: Vessel Traffic
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)



Source: National Port Authority (NPA) SDWT= Summer Dead Weight Tons

2.5 Electric Power Developments

Electric power produced by the national power generating facilities¹ during the quarter increased by 13.0 percent to 114.5 million kilowatts, up from 101.3 million kilowatts produced in the previous quarter. The rise in electric power generation was on account of higher power generation and the expansion of the CLSG initiative. On a year-on-year basis, electric power generation rose by 131.2 percent.

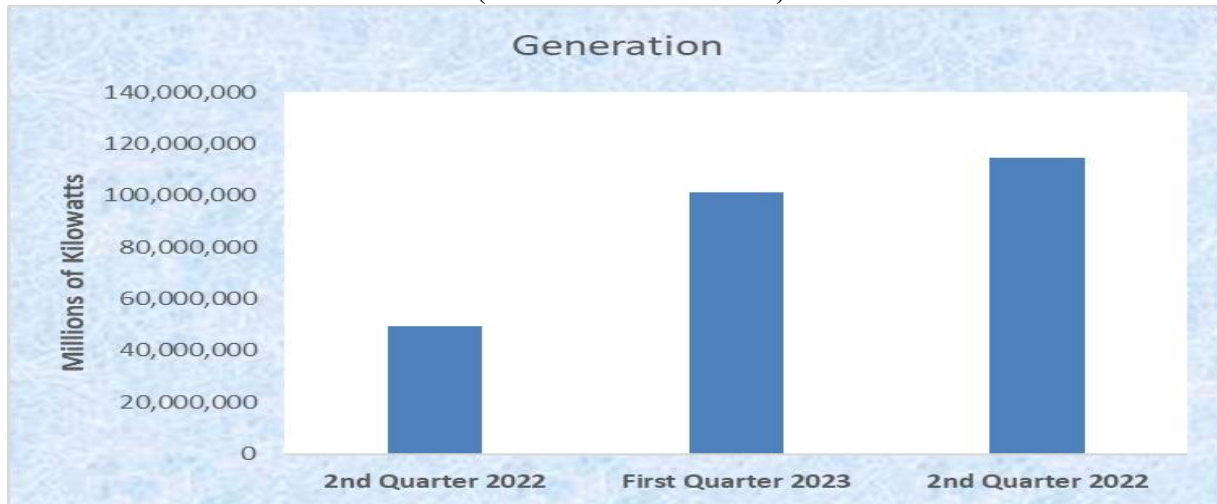
Table 2.5: Electric Power Developments
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Kilowatts)

	Unit	Service	Generation
Q2- 2022	kW	Electricity	49,509,979
Q1-2023	kW	Electricity	101,307,600
Q2-2023	kW	Electricity	114,473,600

Source: Liberia Electricity Corporation

¹ Mount Coffee Hydro, the Heavy Fuel Oil (HFO) Generators, and the High-Speed Diesel (HSD) generators.

Chart 2.4: Electricity Generation
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of kilowatts)



Source: Liberia Electricity Corporation

2.6 Price Developments

2.6.1 Domestic Price Developments

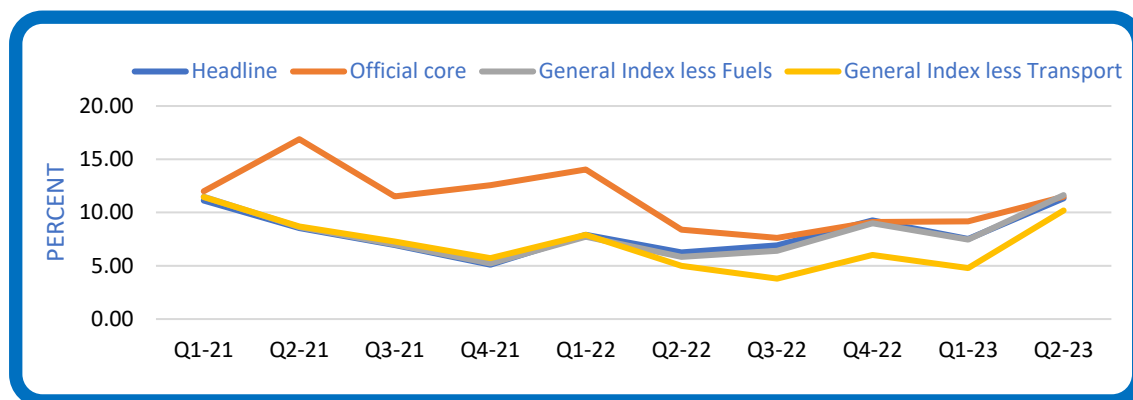
Average headline inflation at end-June 2023 rose by 3.8 percentage points to 11.3 percent from 7.5 percent recorded in the preceding quarter. The increase in headline inflation during the quarter was largely attributed to the upward movement in the prices of food & non-alcoholic beverages, clothing & footwear, furnishing, household equipment & routine household maintenance, health, communication, and recreation & culture compared with the previous quarter. Similarly, when compared with the corresponding period in 2022, inflation during the review quarter surged by 5.1 percentage points, to 6.2 percent. Except for prices of education and restaurant & hotel costs, which abated, prices of all other commodities rose on account of the exchange rate pass-through effect, especially imported items of the consumer price index (Chart 2.7, Table 2.7).

Official core inflation² rose by 2.3 percentage points, to 11.5 percent during the second quarter of 2023, from 9.2 percent in the preceding quarter driven by non-food and non-transport related subgroups of the consumer basket. Similarly, a year-on-year comparative analysis reveals that

² Headline inflation less food and transport

official core inflation during the quarter rose by 3.1 percentage points to 11.5 percent, from the 8.4 percent recorded during the corresponding quarter in 2022 (chart 2.5).

Chart 2.5: Headline and Core Inflation



Source: CBL & LISGIS

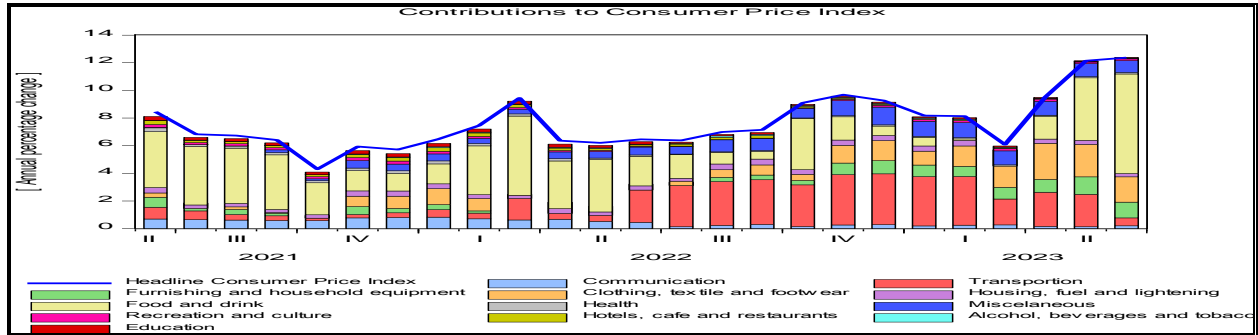
2.6.2 Inflation by Group

Developments in the sub-groups of the consumer basket during the second quarter of 2023 revealed divergence in the movements of prices, reflecting household and industrial demands. Major drivers of the upward movement, include food and non-alcoholic beverages, clothing & footwear, furnishings, household equipment, & routine household maintenance, health, communication, recreation & culture, and miscellaneous goods & services, while alcoholic beverages, tobacco & narcotics, housing, water, electricity, gas & other fuels, transport, education, and restaurant & hotels fell compared to the previous quarter (Table 2.7 & 2.9).

2.6.2.1 Contributions to Changes in CPI (%)

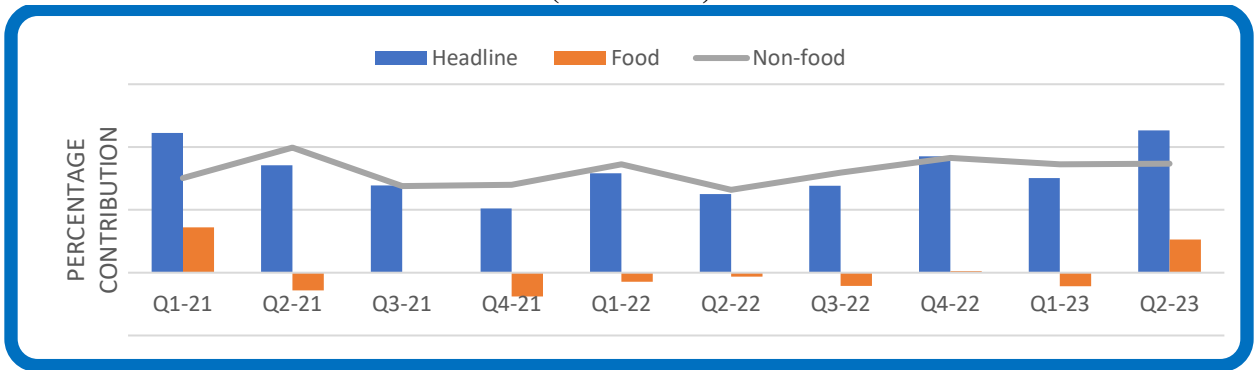
The disaggregated components of the consumer price index (CPI) basket in the second quarter of 2023 show that the following major groups significantly contributed to the upward path of inflation drive: food & non-alcoholic beverages, clothing & footwear, furnishing, household equipment & routine household maintenance, health, and communication. A partial review of the CPI basket, in terms of food and non-food items, reports that food inflation rose by 3.7 percentage points to 2.6 percent, and non-food inflation slightly increased by 0.1 percentage point to 8.7 percent in the second quarter of 2023 relative to the previous quarter. (Charts 2.7 & 2.8).

Chart 2.6: Contributions to CPI



Source: CBL & LISGIS, Monrovia, Liberia

Chart 2.7: Food, Non-food, and Headline Inflation (In Percent)



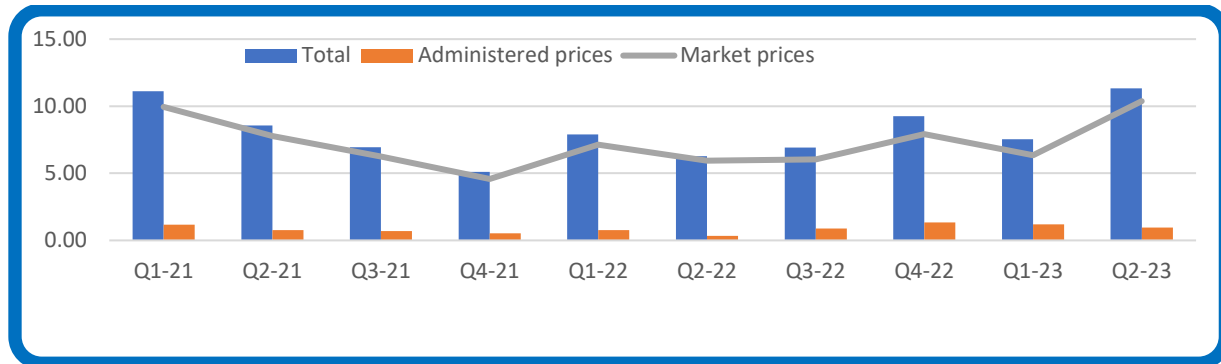
Source: CBL & LISGIS, Monrovia, Liberia

2.6.2.2 Administered, Food & Non-Alcoholic Beverages and Market Prices

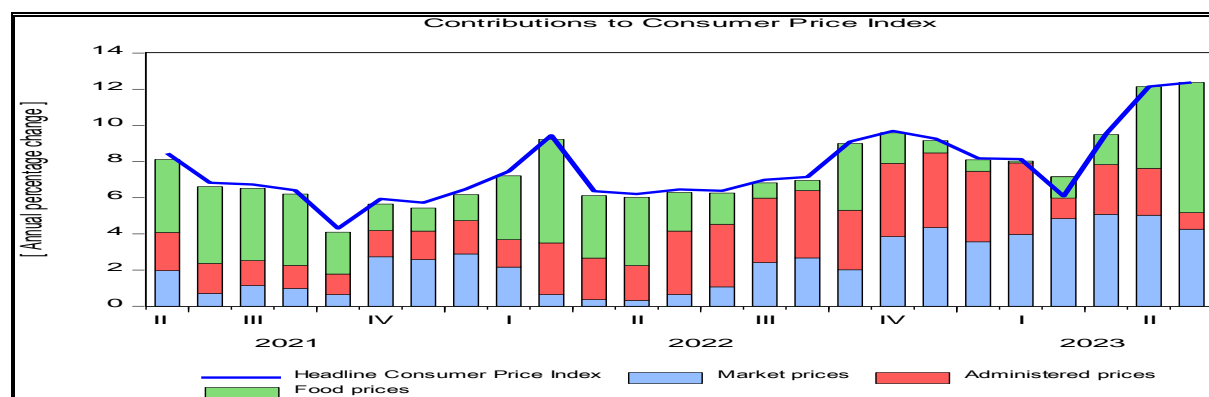
A systematic review of the CPI basket reveals that market prices stepped up by 4.0 percentage points, to 10.4 percent, while administered³ prices slightly declined by 0.2 percentage point to 0.9 percent of the average headline inflation during the quarter under review compared to the first quarter of 2023.

³ Administered prices refer to the prices that do not vary in response to short-run fluctuations in demand and supply conditions. Rather, they are set either directly or indirectly by government.

Chart 2.8: Administered versus Market Prices



Source: Central Bank of Liberia



Source: Central Bank of Liberia

2.6.2.3 Inflation Outlook

In terms of outlook, headline inflation is expected to remain above the upper band of 8 ± 2 percent until the third quarter of 2023, reflecting the exchange rate pass-through effect of imported inflation. Domestic supply disruptions, especially within the food and non-alcoholic beverages industry, will remain helpful in easing price pressures on the local components in the consumer basket.

Table 2.6: Inflation by Sub-group Year-on-Year Changes in CPI (2021-2023)

Food	Weights	Inflation Rates			
		2022Q¹	2022Q²	2023Q¹	2023Q²
Bread and cereals	10.06	-15.8	-4.78	3.44	16.62
Milk, cheese, and eggs	0.68	-6.29	-4.17	3.57	14.26
Meat	4.82	-5.96	-9.22	-0.4	0.54
Non-Food					
Alcoholic Beverages, Tobacco, and Narcotics	0.65	-1.61	6.03	6.03	4.11
Clothing and footwear	5.21	-3.99	13.23	13.23	25.11
Housing, Water, Electricity, Gas, and other fuels	7.22	-0.46	20.02	20.02	17.81
Furnishing, H/Hold Equip., Routine Maintenance of House	5.21	-4.95	12.65	12.65	22.45
Health	9.28	14.55	7.7	7.69	14.94
Transport	7.53	7.84	43.8	43.77	25.11
Communication	3.86	5.20	-0.2	-0.23	8.15
Recreation and Culture	1.03	1.34	9.2	9.17	12.43
Education	4.83	23.19	6.1	6.08	6.08
Restaurant and Hotels	17.12	31.20	5.6	5.63	4.29
Miscellaneous Goods and Services	3.98	-2.66	24.3	24.29	24.49

Source: CBL & LISGIS, Monrovia, Liberia

Table 2.7: Headline and Quarterly Changes in CPI (%)

		Headline Inflation (Y-on-Y changes)			Monthly Changes in HCPI (%)		
		Combined	Food	Non-Food	Combined	Food	Non-Food
2021	January	12.92	16.31	11.06	0.8	3.2	-0.6
	February	10.5	10.48	10.51	-0.88	-5.16	1.58
	March	9.96	5.01	12.73	1.38	-0.59	2.43
	April	9.41	-2.53	16.52	-0.45	-3.42	1.1
	May	8.16	-4.04	15.43	0.86	0.47	1.05
	June	8.1	-3.95	15.15	1.94	0.84	2.49
	July	7.12	0.21	10.73	6.13	3.94	7.2
	August	7	0.1	10.71	1.16	3.04	0.28
	September	6.69	0.18	10.14	0.1	-0.37	0.33
	October	4.42	-2.39	8	-1.85	-2.87	-1.35
	November	5.44	-6.58	12.12	-3.17	-4.71	-2.44
	December	5.46	-7.05	12.4	-0.33	-1.1	0.02
2022	January	6.55	-6.79	14.24	1.8	3.51	1.01
	February	7.64	-1.57	12.6	0.13	0.15	0.12
	March	9.51	2.58	13.13	3.14	3.59	2.92
	April	6.26	-2.39	10.57	-3.41	-8.1	-1.19
	May	6.23	1.17	8.74	0.83	4.14	-0.62
	June	6.32	-1.99	10.37	2.02	-2.31	4.02
	July	6.48	-0.98	10.01	6.28	5	6.84
	August	7.06	-3.85	12.36	1.71	0.06	2.42
	September	7.23	-5.12	13.19	0.25	-1.74	1.07
	October	9.12	3.08	11.99	-0.12	5.53	-2.4
	November	9.49	-0.52	14.13	-2.85	-8.03	-0.58
	December	9.19	-2.47	14.53	-0.61	-3.04	0.38
2023	January	8.22	-1.88	12.97	0.9	4.14	-0.36
	February	8.27	-3.27	13.7	0.18	-1.26	0.77
	March	6.1	-5.38	11.54	1.07	1.33	0.96
	April	9.43	1.38	12.97	-0.39	-1.53	0.07
	May	12.22	8.08	14.12	3.40	11.01	0.40
	June	12.36	13.30	11.95	2.16	2.41	2.04
	July	11.01	16.51	8.66	5.01	7.97	3.70

Source: CBL & LISGIS, Monrovia, Liberia

**Table 2.8: Harmonized Consumer Price Index (HCPI) By Major Groups Year-on-Year Rates of Inflation
(1st & 4th Quarters, 2022; & 1st Quarter, 2023) (December, 2005=100)**

FUNCTIONS	WEIGHTS	22-Apr	22-May	22-Jun	Q2-2022	23-Jan	23-Feb	23-Mar	Q1-2023	23-Apr	23-May	23-Jun	Q2-2023
FOOD AND NON-ALCOHOLIC BEVERAGES	34.08	-2.39	1.17	-1.99	-1.07	-6.79	-1.57	2.58	-1.93	1.38	8.08	13.3	7.59
ALCOHOLIC BEVERAGES, TOBACCO, AND NARCOTICS	0.65	-0.04	-0.55	0.89	0.1	-1.29	-0.47	-3.06	-1.61	2.85	5.83	3.64	4.11
CLOTHING AND FOOTWEAR	5.21	-15.7	-8.36	-7.05	-10.37	-0.48	-0.71	-10.79	-3.99	28.97	26.17	20.18	25.11
HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	7.22	3.57	3.08	6.93	4.53	0.06	-0.53	-0.91	-0.46	17.45	20.01	15.97	17.81
FURNISHINGS, HOUSEHOLD, EQUIPMENT, AND ROUTINE MAINTENANCE OF THE HOUSE	5.21	-8.3	-12.54	-11.99	-10.94	-3.47	-4.8	-6.58	-4.95	17.47	26.28	23.6	22.45
HEALTH	9.28	11.68	7.13	4.73	7.85	18.73	12.44	12.49	14.55	8.97	14.73	21.12	14.94
TRANSPORT	7.53	12.95	13.38	39.52	21.95	0.53	0.2	22.77	7.84	34.19	34.32	6.81	25.11
COMMUNICATION	3.86	4.84	6.19	2.95	4.66	5.02	5.45	5.14	5.2	3.56	7.51	13.38	8.15
RECREATION AND CULTURE	1.03	-1.82	1.03	-2.71	-1.17	2.11	1.28	0.62	1.34	13.28	11.13	12.87	12.43
EDUCATION	4.83	23.19	23.19	23.19	23.19	23.19	23.19	23.19	23.19	6.08	6.08	6.08	6.08
RESTAURANTS AND HOTELS	17.12	21.66	16.18	11.39	16.41	33.68	32.52	27.4	31.2	4.74	2.72	5.4	4.29
MISCELLANEOUS GOODS AND SERVICES	3.89	-0.28	2.93	6.22	2.96	-2.51	-3.06	-2.42	-2.66	25.34	25.35	22.79	24.49
GENERAL RATE OF INFLATION	100	6.26	6.23	6.32	6.27	6.55	7.64	9.51	7.9	9.43	12.22	12.36	11.33

Source: Central Bank of Liberia & LISGIS

III. MONETARY DEVELOPMENTS

3.1 Monetary Policy Stance (MPS)

The Monetary Policy Stance of the Central Bank of Liberia (CBL) during the second quarter of 2023 was primarily concentrated on liquidity management with the aim of smoothing out domestic price volatility through broad exchange rate stability. In this light, the CBL Monetary Policy Stance was targeted mainly at the use of the Bank's policy instruments, including the CBL bills and the Required Reserve Ratio (RRR) of the commercial banks.

3.2 Banking Sector Development

The banking industry remained relatively sound and stable, evidenced by growths in key primary balance sheet items for the review quarter. Key balance sheet indicators, including total loans & advances, total deposits, total assets, capital, and profitability grew, while liquidity fell compared to the previous quarter. When matched with the corresponding quarter a year ago, all balance sheet indicators, including total capital, total assets, liquidity, deposits, and loans & advances grew. Profitability in the banking industry also recorded growth compared to the corresponding quarter of 2022.

3.2.1 Capital

At end-June 2023, the stock of capital in the banking industry stood at L\$35.41 billion, expanding by 13.5 percent (14.3 percentage points above the growth recorded for the first quarter of 2023), from L\$31.19 billion recorded during the previous quarter. When matched against the corresponding quarter of 2022, total capital increased by 24.3 percent from L\$28.49 billion. At end-June 2023, eight of the nine commercial banks in the industry reported Capital Adequacy Ratio (CAR) above the 10.0 percent minimum regulatory requirement. The CAR for the industry during the quarter was 21.5 percent, representing 80 basis points below the CAR reported in the preceding quarter. When matched against the amount recorded at end-June 2022, the CAR of the industry for the reporting quarter was 4.3 percentage points lower.

3.2.2 Asset and Liquidity

Commercial banks' assets recorded at end-June 2023 amounted to L\$262.49 billion, representing 12.9 percent rise from the L\$232.49 billion reported in the first quarter of 2023 due largely to increases reported in short-term securities, account receivable, and cash on hand. On the annual front, total asset rose by 35.2 percent from L\$194.19 billion. The growth was primarily on account of increases in checks for clearing and short-term securities. On the other hand, total liquid assets of the industry decreased by 0.4 percent to L\$87.67 billion, from L\$88.05 billion recorded at end-March 2023 on account of decreases reported in placement with foreign banks and current account balance at the Central Bank. From the annual perspective, liquid asset at end-June 2023 rose by 25.6 percent, from L\$69.80 billion reported in the corresponding quarter a year ago. The expansion was induced by increases in current account balances with local banks and placement with foreign banks.

On the other hand, the industry liquidity ratio rose by 2.6 percentage points to 43.0 percent at end-June 2023 compared with the quarter ended March 2023. When matched against the figure recorded the same quarter a year ago, liquidity ratio grew by 3.1 percentage points, from 39.9 percent.

At end-June 2023, the banking industry reported growth in loans & advances by 12.3 percent to L\$89.10 billion, from L\$79.34 billion recorded for the quarter ended March 2023. Compared to the amount recorded in the corresponding quarter of 2022, total loans advanced to the economy for the review quarter grew by 18.3 percent, from L\$75.33 billion.

Non-performing loans (NPLs), as a share of the total stock of loans & advances in the reporting quarter, declined by 1.1 percentage point to 16.1 percent (L\$14.34 billion) from 17.0 percent recorded at end-March 2023 but remained above 10.0 percent tolerable limit. Compared with the quarter ended June 2022, the volume of NPL fell during the review quarter. The volume of NPL above regulatory threshold is reflective of defaults across various subsectors of the economy.

With respect to the corresponding period a year ago, the NPLs ratio recorded a decline of 6.5 percentage points, from 25.6 percent but remained a major challenge to the banking sector. Seven (7) commercial banks reported NPL ratio above the regulatory requirement of 10.0 percent, while two (2) commercial banks reported below the regulatory requirement.

3.2.3 Profitability

The gross operational income⁴ in the banking industry, at end-June 2023 stood at L\$10.07 billion, with interest income constituting 48.9 percent and non-interest income representing 51.1 percent. The gross operational income rose by 16.6 percent compared with the amount recorded in the corresponding quarter of 2022, largely triggered by growths recorded in interest income and non-interest income.

The total operating expense for the quarter ended June 2023 stood at L\$6.81 billion, reflecting a significant increase (104.6 percent) when matched with the amount recorded at end-March 2023. Compared with the same period a year ago, total operating expenses grew by 21.1 percent. The annual expansion in operating expenses was mainly on account of increases recorded in other expenses.

Both Return on Assets (ROA) and Return on Equity (ROE) expanded during the reporting quarter. ROA stood at 1.1 percent, from 0.5 percent recorded in the previous quarter, while ROE amounted to 7.8 percent, rising by 4.2 percentage points, compared to the amount reported a quarter ago. Annually, both ROA and ROE fell by 0.3 percentage point and 1.5 percentage point, from 1.4 percent and 9.3 percent, respectively. The industry net operating profit for the quarter ended June 2023 grew by 4.3 percent to L\$2.73 billion, from L\$2.60 billion compared to the corresponding quarter of 2022, partly on account of the expansions in profit generated from interest and non-interest income.

3.2.4 Commercial Bank Credit

At end-June 2023, the stock of commercial banks' loans & advances to the various subsectors of the economy stood at L\$89.77 billion, expanding by 12.3 percent, from L\$79.96 billion reported at end-March 2023. The growth in loans & advances was primarily driven by growths reported in credits extended to manufacturing, agriculture, construction, extractive, oil & gas, services, and trade subsectors.

⁴ The main revenue sources are classified as interest and non-interest income, which include income from loans & advances, service charges on deposits, commissions, and fees on money transfers as well as foreign exchange transactions.

A sectoral disaggregation of the 12.3 percent credit growth were as follows: services, 4.02 percentage points; trade, 2.81 percentage points; construction, 2.46 percentage points; manufacturing, 2.19 percentage points; oil & gas, 1.88 percentage point; agriculture, 1.02 percentage point; extractive, 0.17 percentage point; government, 0.01 percentage point; loans to public corporations, negative 0.03 percentage point; personal loans (households), negative 1.78 percentage point; and loans to other subsectors, negative 0.49 percentage point.

Compared with the stock of loans extended in the second quarter of 2022, total commercial banks' loan to the economy grew by 19.8 percent, largely induced by growths in loans extended to the extractive sector, oil & gas, individuals, and manufacturing subsectors (Table 3.1).

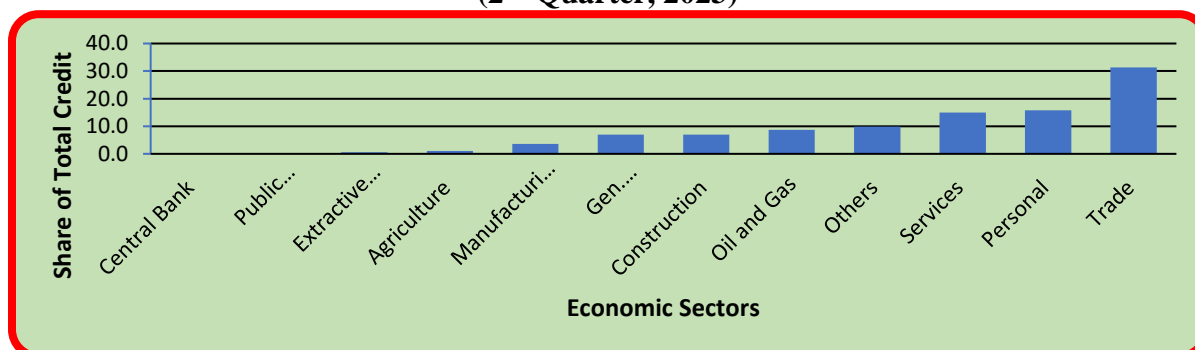
At end-June 2023, both the United States dollar (US\$) denominated loans and the Liberian dollar (L\$) component of the total loan portfolio rose. The US dollar credits to the economy, which accounted for 94.1 percent of total credits, expanded by 1.4 percent to US\$468.51 million compared with US\$461.96 million recorded in the previous quarter. On an annual comparison, the US dollar credits grew by 2.9 percent, from US\$455.14 million reported in the corresponding quarter of 2022. The total stock of credit at the end of the reporting quarter, which stood at L\$89.77 billion, converted to US dollar, expanded by 1.1 percent (2.5 percentage points above the contraction recorded at end-March 2023). During the reporting quarter, total credit advanced to the private sector through the banking system accounted for 98.8 percent (5.1 percentage points above the share recorded for March 2023) of the total credit portfolio in the economy.

Table 3.1: Commercial Bank Loans by Economic Sectors
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of L\$)

	2022		2023				Contribution to Credit Growth	
	Q2	Share	Q1	Share	Q2	Share	Q-o-Q	Y-o-Y
Agriculture	3,067.76	4.09	2,405.83	3.01	3,224.86	3.59	1.02	0.21
Extractive (Mining & Quarrying)	123.66	0.17	414.42	0.52	549.38	0.61	0.17	0.57
Manufacturing	4,801.07	6.41	4,467.36	5.59	6,219.95	6.93	2.19	1.89
Construction	6,733.19	8.99	5,853.92	7.32	7,824.45	8.72	2.46	1.46
Services	12,463.82	16.63	10,223.66	12.79	13,435.71	14.97	4.02	1.30
Trade	23,883.99	31.88	25,896.34	32.39	28,146.25	31.36	2.81	5.69
Personal	10,663.05	14.23	15,563.19	19.46	14,143.47	15.76	(1.78)	4.65
Gen. Government	107.08	0.14	124.44	0.16	134.88	0.15	0.01	0.04
Central Bank	-	-	-	-	-	-	-	-
Public Corporations	1,680.85	2.24	961.66	1.20	933.79	1.04	(0.03)	(1.00)
Oil and Gas	3,357.39	4.48	4,763.72	5.96	6,266.57	6.98	1.88	3.88
Others	8,043.53	10.74	9,280.78	11.61	8,886.46	9.90	(0.49)	1.13
Total Loan All Sectors (LD & USD)	74,925.39	100.00	79,955.33	100.00	89,765.76	100.00	12.27	19.81
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>73,137.46</i>	<i>97.61</i>	<i>78,869.23</i>	<i>98.64</i>	<i>88,697.09</i>	<i>98.81</i>	<i>12.29</i>	<i>20.77</i>

Source: Central Bank of Liberia

Chart 3.1: Percentage Distribution of Commercial Bank Loans by Economic Sectors
(2nd Quarter, 2023)



Source: Central Bank of Liberia

3.2.5 Interest Rate

Development in interest rates showed broad stability for the quarter ended-June 2023 compared to the interest rates recorded at end-March 2023, while mixed results, including stability and expansion, were recorded when compared with end-June 2022. The average interest rate on lending was maintained at 13.4 percent, personal loan rate at 12.8 percent, mortgage rate at 13.4 percent, time deposit rate at 3.5 percent, saving rate at 3.1 percent, and the rate on certificate of deposits at 3.3 percent (Table 3.2). The spread between the average lending and saving rates during the quarter stood at 10.3 percent. In contrast, annual comparison reveals that interest rates on mortgage and certificate of deposit were stable compared with the rates reported in the corresponding period of 2022, while the rates on lending, personal loan, time deposit, and saving expanded by 99.7 basis points, 0.1 basis point, 0.1 basis point, and 100.0 basis points, respectively.

**Table 3.2: Commercial Bank's Interest Rates
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)**

	2022	2023	
	Q ²	Q ¹	Q ²
Avg. Lending Rate	12.44	13.44	13.44
Avg. Personal Loan Rate	12.78	12.78	12.78
Avg. Mortgage Rate	13.38	13.38	13.38
Avg. Time Deposit Rate	3.53	3.53	3.53
Avg. Savings Rate	2.10	3.10	3.10
Avg. Rate on CDs	3.25	3.25	3.25

Source: Central Bank of Liberia, Monrovia, Liberia

3.2.6 Liberian Dollar in Circulation

The stock of Liberian dollar in circulation at end-June 2023 marginally expanded by 1.5 percent to L\$26,059.37 million, from L\$25,648.14 million reported at end-March 2023. The growth was mainly driven by 4.3 percent increase in currency outside banks.

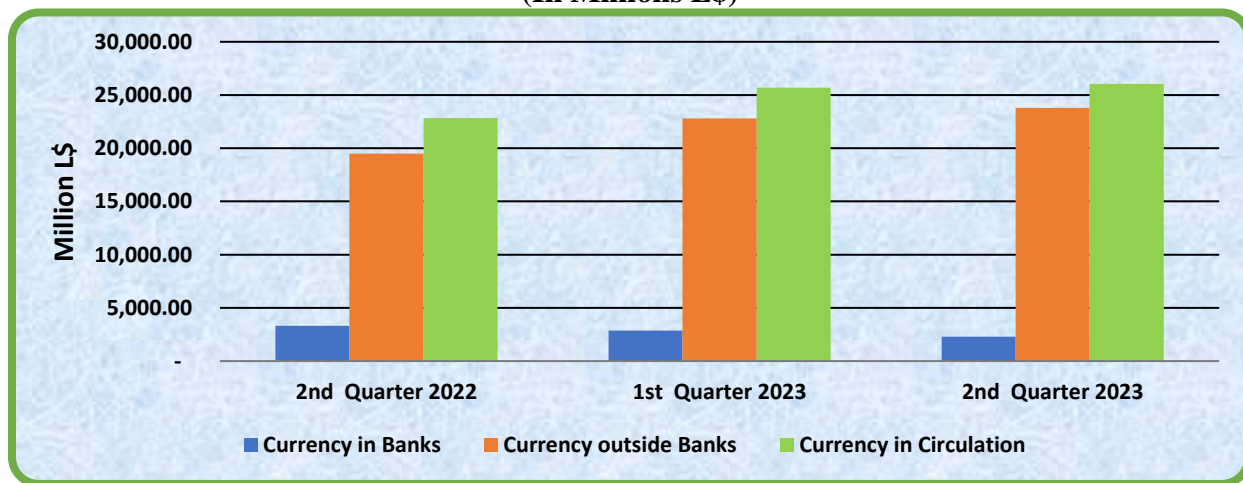
Table 3.3: Currency in Circulation & Its Compositions
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions L\$)

	2022	2023	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Currency in Banks	3,330.03	2,878.05	2,278.12
Currency outside Banks	19,489.15	22,793.16	23,781.26
Currency in Circulation	22,819.18	25,671.21	26,059.37

Source: Central Bank of Liberia, Monrovia, Liberia

In comparison to the stock of currency in circulation reported for the corresponding quarter of 2022, the Liberian dollar in circulation rose by 14.2 percent (Chart 3.2). At end-June 2023, currency in banks constituted only 8.7 percent of total currency in circulation, which suggests a highly cash-driven economy. Currency in circulation as a percent of broad money for the reporting quarter declined by 1.5 percentage points to 14.0 percent, from 15.5 percent recorded at end-March 2023, and by 1.8 percentage points from 15.8 percent reported for the same quarter a year ago.

Chart 3.2: Liberian Dollars in Circulation
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions L\$)



Source: Central Bank of Liberia, Monrovia, Liberia

3.2.7 Money Supply

At end-June 2023, the stock of narrow money supply (M1) expanded by 12.8 percent to L\$130,290.17 million, compared to the L\$115,495.80 million reported at end-March 2023. The expansion in M1 was triggered by 14.9 percent and 4.3 percent growths in demand deposits and

currency outside banks, respectively. In reference to the corresponding period of 2022, M1 rose by 31.1 percent (Table 3.4 and Chart 3.3).

Table 3.4: Broad Money Supply and its Sources
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of L\$)

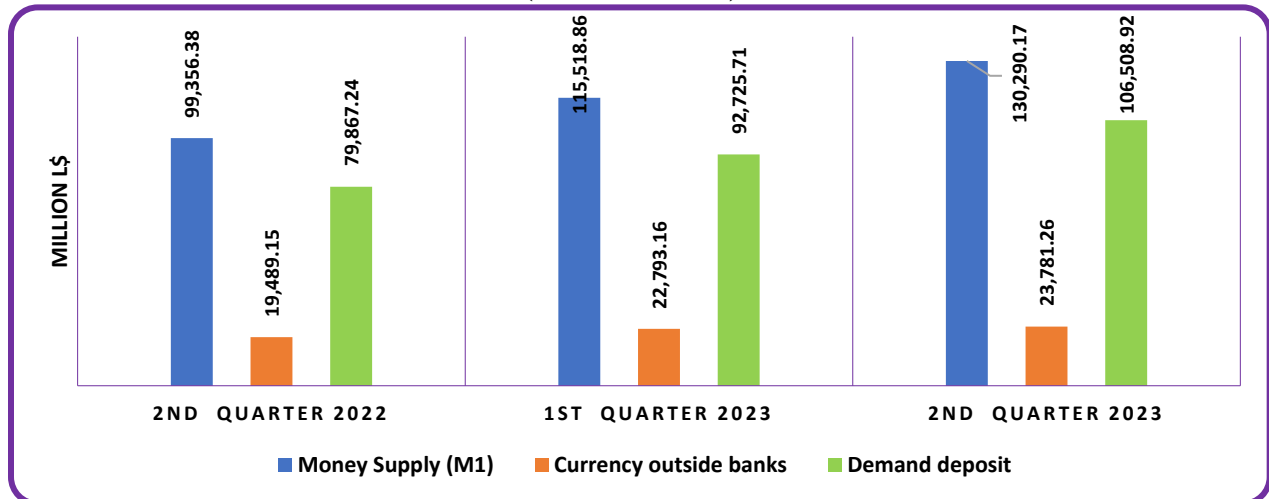
Monetary Aggregates	2022	2023		Percentage Change	
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	144,513.90	165,056.48	186,180.84	12.80	28.83
1.1 Money Supply M1	99,356.38	115,518.86	130,290.17	12.79	31.13
1.1.1 Currency outside banks	19,489.15	22,793.16	23,781.26	4.34	22.02
1.1.2 Demand deposits ^{1/}	79,867.24	92,725.71	106,508.92	14.86	33.36
1.2 Quasi Money	45,157.52	49,537.62	55,890.67	12.82	23.77
1.2.1 Time & Savings deposits	44,827.31	49,016.78	55,433.75	13.09	23.66
1.2.2 Other deposits ^{2/}	330.20	520.84	456.92	-12.27	38.37
2.0 Net Foreign Assets	23,103.58	18,291.69	16,489.27	-9.85	-28.63
2.1 Central Bank	6,843.53	(3,824.11)	(7,089.24)	85.38	-203.59
2.2 Banking Institutions	16,260.04	22,115.79	23,578.51	6.61	45.01
3.0 Net Domestic Assets (1 - 2)	121,410.32	146,764.79	169,691.57	15.62	39.77
3.1 Domestic Credit	177,210.06	211,572.70	248,160.70	17.29	40.04
3.1.1 Government (net)	87,275.22	111,865.27	132,517.55	18.46	51.84
3.1.2 Pvt. Sector & Other Pvt.	89,934.84	99,707.43	115,643.16	15.98	28.59
3.2 Other assets Net (3 - 3.1)	55,799.74	64,807.91	78,469.13	21.08	40.63
Memorandum Items					
1. Overall Liquidity	144,513.90	165,056.48	186,180.84	12.80	28.83
2. Reserve Money	47,002.63	52,606.29	56,695.90	7.77	20.62
Currency in Circulation	22,819.18	25,671.21	26,059.37	1.51	14.20
Banks Reserves	23,853.24	26,414.24	30,179.61	14.26	26.52
Other Deposits at CBL	330.20	520.84	456.92	-12.27	38.37

Source: Central Bank of Liberia

1/Excludes managers cheques from commercial banks

2/ Includes official and managers checks issued by the Central Bank

Chart 3.3: Narrow Money Supply (M1)
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions L\$)

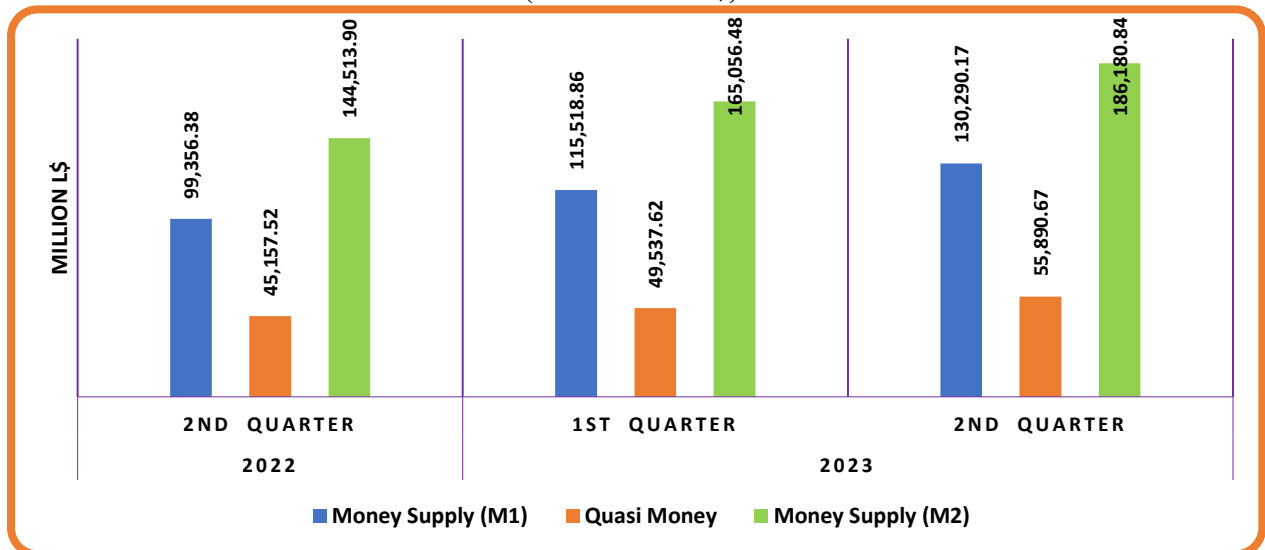


Source: Central Bank of Liberia

3.2.8 Broad Money Supply

Development in monetary aggregates reveals that the stock of broad money supply (M2) at end-June 2023 rose by 12.8 percent to L\$186,180.84 million, from L\$165,033.42 million recorded at end-March 2023. From the liability side, the growth in M2 was largely prompted by increases reported in demand deposits, time & saving deposits, and currency outside banks. In terms of the assets side, M2 rose on account of 15.6 percent expansion in Net Domestic Assets (NDA). Relative to the amount recorded a year ago, broad money rose by 28.8 percent, primarily influenced by the expansion in NDA (see Table 3.4). The rise in NDA at end-June 2023 was primarily triggered by increases in credit to the economy and other assets Net.

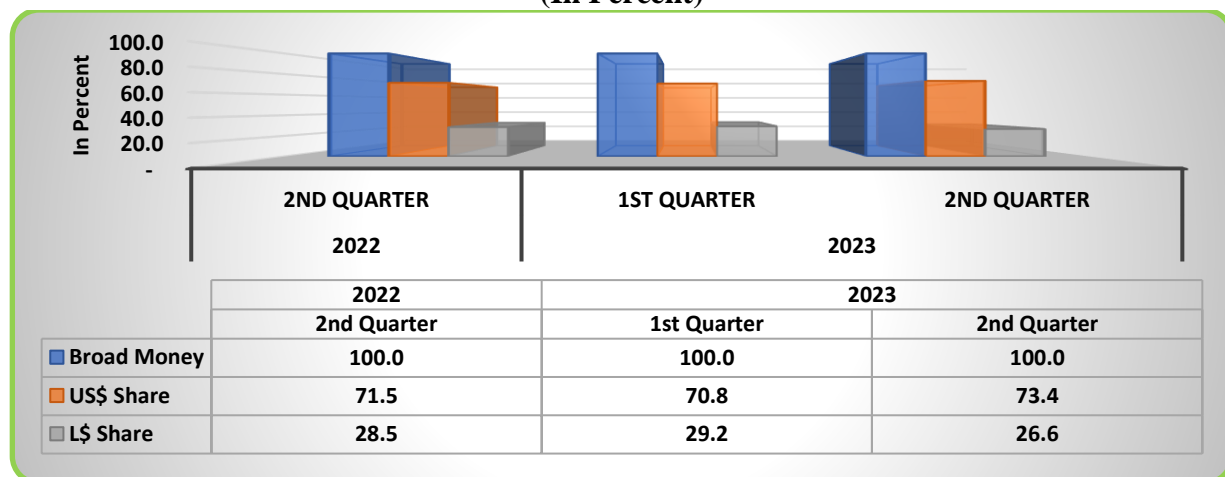
Chart 3.4: Broad Money Supply (M2)
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions L\$)



Source: Central Bank of Liberia

At end-June 2023, the Liberian dollar component of broad money (M2) was 26.6 percent, 2.6 percentage points lower, compared with the share recorded in the previous quarter. The US dollar component of M2 for the review quarter stood at 73.4 percent (2.6 percentage points above the figure recorded a quarter ago and 1.8 percentage points higher when matched with the share reported in the corresponding quarter of 2022), confirming the constraint of de-dollarization (Chart 3.5).

Chart 3.5: Broad Money: Share of US and Liberian Dollars
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Percent)

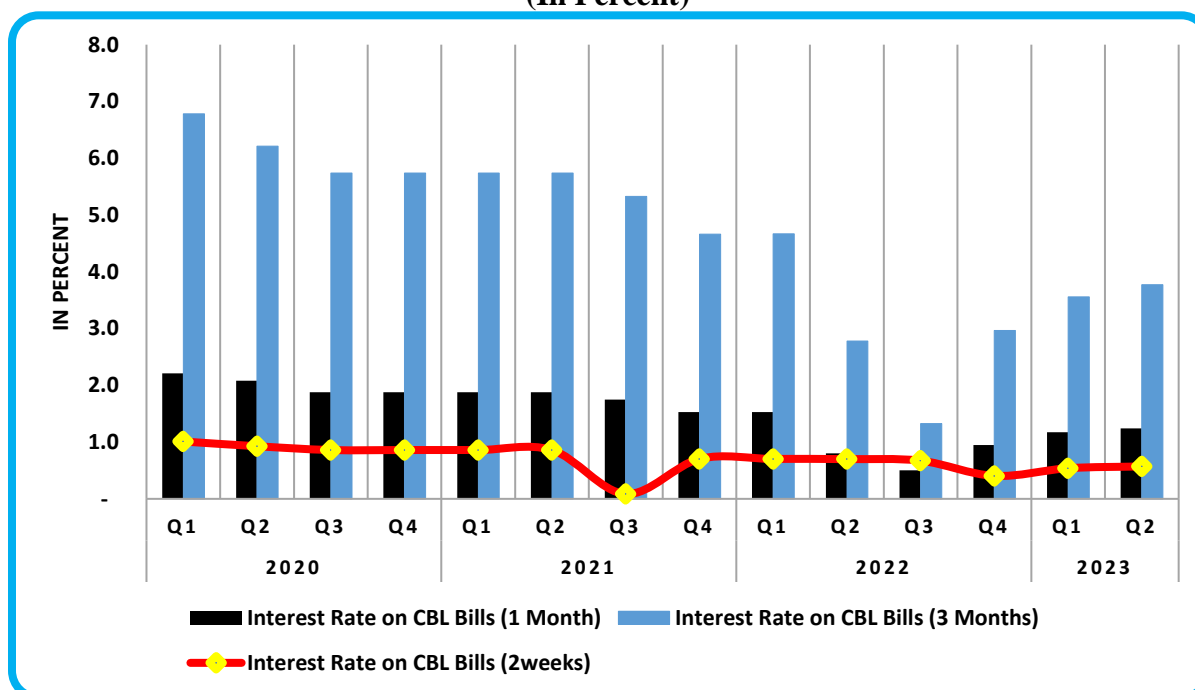


Source: Central Bank of Liberia

3.3. Government Securities

During the second quarter of 2023, the CBL, on behalf of the Government of Liberia, neither issued nor redeemed any Treasury Bills (T-bills) and Treasury Bonds (T-Bonds). However, the outstanding T-bills stood at US\$94.02 million and L\$6.52 billion. For the previous quarter ended March 2023, US\$8.0 million T-bill was issued, but there was no issuance of Treasury Bonds (T-bond). Also, for the reporting quarter ended June 2023, the outstanding Treasury Bond was US\$57.56 million. For the corresponding quarter of 2022, the CBL, on behalf of the Government of Liberia, issued US\$40.00 million Treasury Bills (T-bill).

**Chart 3.6: Average Quarterly Yields
Government of Liberia 91-Day Treasury-bill Auctions (2020-2023Q2)
(In Percent)**



Source: Central Bank of Liberia

3.4 Central Bank of Liberia Bills and SDF

The CBL bills offered during the quarter ended June 2023 stood at L\$19.89 billion, with over 50.0 percent subscription. The offered amount represented 4.2 percent growth when matched against the amount offered during the previous quarter and reflected over hundred percent increase compared with the amount offered during the corresponding quarter of 2022. Subscriptions for

CBL bills continued to be relatively high, primarily on account of increased awareness and growing public confidence in the financial sector for the readily availability of CBL bills.

Table3.5: CBL Bills
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of L\$)

First Issuance Date	Last Maturity Date	Amount Issued	Average Interest Rate (%)
2 WEEKS			
7-Apr-23	14-Jul-23	9,994.00	0.57
1 MONTH			
7-Apr-23	28-Jul-23	4,754.95	1.24
3 MONTHS			
7-Apr-23	29-Sep-23	5,145.09	3.77
Total Amount Issued		19,894.03	
1st Quarter 2023			
First Issuance Date	Last Maturity Date	Amount Issued	Average Interest Rate (%)
2 WEEKS			
6-Jan-23	14-Apr-23	8,349.20	0.54
1 MONTH			
6-Jan-23	28-Apr-23	5,803.69	1.17
3 MONTHS			
6-Jan-23	30-Jun-23	4,828.90	3.56
Total Amount Issued		18,981.79	
2nd Quarter, 2022			
First Issuance Date	Last Maturity Date	Amount Issued	Average Interest Rate (%)
2 WEEKS			
1-Apr-22	14-Apr-22	0.43	0.70
1 MONTH			
1-Apr-22	29-Apr-22	7,345.78	0.80
3 MONTHS			
1-Apr-22	1-Jul-22	4,568.27	2.78
Total Amount Issued		11,914.48	

Source: Central Bank of Liberia

Table 3.6: CBL Bills, Q2-2023
(In Millions of L\$)

Issuance Date	Maturity Date	Unsubscribed Amount	Commercial Banks Issued	Retail Via Commercial Banks Issued	Amount Issued	Interest Rate (%)
THREE MONTHS						
7-Apr-23	7-Jul-23	-	300.00	6.70	306.70	3.56
14-Apr-23	14-Jul-23	-	703.20	11.35	714.55	3.56
21-Apr-23	21-Jul-23	-	300.00	17.86	317.86	3.56
28-Apr-23	28-Jul-23	122.49	162.00	15.51	177.51	3.56
5-May-23	4-Aug-23	-	320.00	27.84	347.84	3.56
12-May-23	11-Aug-23	-	350.00	5.67	355.67	3.56
19-May-23	18-Aug-23	-	600.00	13.18	613.18	3.56
26-May-23	25-Aug-23	-	330.00	11.79	341.79	3.56
2-Jun-23	1-Sep-23	-	500.00	52.23	552.23	4.11
9-Jun-23	8-Sep-23	-	335.83	72.46	408.28	4.11
16-Jun-23	15-Sep-23	-	400.00	9.47	409.47	4.11
23-Jun-23	22-Sep-23	-	291.37	8.63	300.00	4.11
30-Jun-23	29-Sep-23	-	278.39	21.61	300.00	4.11
TOTAL		122.49	4,870.79	274.30	5,145.09	3.77
ONE MONTHS						
7-Apr-23	5-May-23	-	400.00	0.85	400.85	1.17
14-Apr-23	12-May-23	-	510.63	0.94	511.57	1.17
21-Apr-23	19-May-23	-	412.50	13.16	425.66	1.17
28-Apr-23	26-May-23	128.30	155.00	16.70	171.70	1.17
5-May-23	2-Jun-23	-	386.00	17.45	403.45	1.17
12-May-23	9-Jun-23	-	380.00	0.45	380.45	1.17
19-May-23	16-Jun-23	-	550.00	9.78	559.78	1.17
26-May-23	23-Jun-23	40.79	255.50	3.71	259.21	1.17
2-Jun-23	30-Jun-23	-	315.00	8.66	323.66	1.35
9-Jun-23	7-Jul-23	89.38	200.00	10.62	210.62	1.35
16-Jun-23	14-Jul-23	-	500.00	8.00	508.00	1.35
23-Jun-23	21-Jul-23	-	278.52	21.48	300.00	1.35
30-Jun-23	28-Jul-23	-	292.71	7.30	300.00	1.35
TOTAL		258.47	4,635.85	119.09	4,754.95	1.24

TWO WEEKS						
7-Apr-23	21-Apr-23	368.96	700.00	-	700.00	0.54
14-Apr-23	28-Apr-23	1,216.65	600.00	-	600.00	0.54
21-Apr-23	5-May-23	684.51	900.00	-	900.00	0.54
28-Apr-23	12-May-23	764.15	325.00	-	325.00	0.54
5-May-23	19-May-23	1,146.62	900.00	-	900.00	0.54
12-May-23	26-May-23	1,138.50	300.00	-	300.00	0.54
19-May-23	2-Jun-23	989.03	1,250.00	-	1,250.00	0.54
26-May-23	9-Jun-23	79.83	459.50	-	459.50	0.54
2-Jun-23	16-Jun-23	771.01	800.00	-	800.00	0.62
9-Jun-23	23-Jun-23	18.90	1,020.00	-	1,020.00	0.62
16-Jun-23	30-Jun-23	456.95	850.00	-	850.00	0.62
23-Jun-23	7-Jul-23	-	990.44	-	990.44	0.62
30-Jun-23	14-Jul-23	-	899.05	-	899.05	0.62
TOTAL		7,635.10	9,994.00	-	9,994.00	0.57
TOTAL AMOUNT ISSUED					19,894.03	

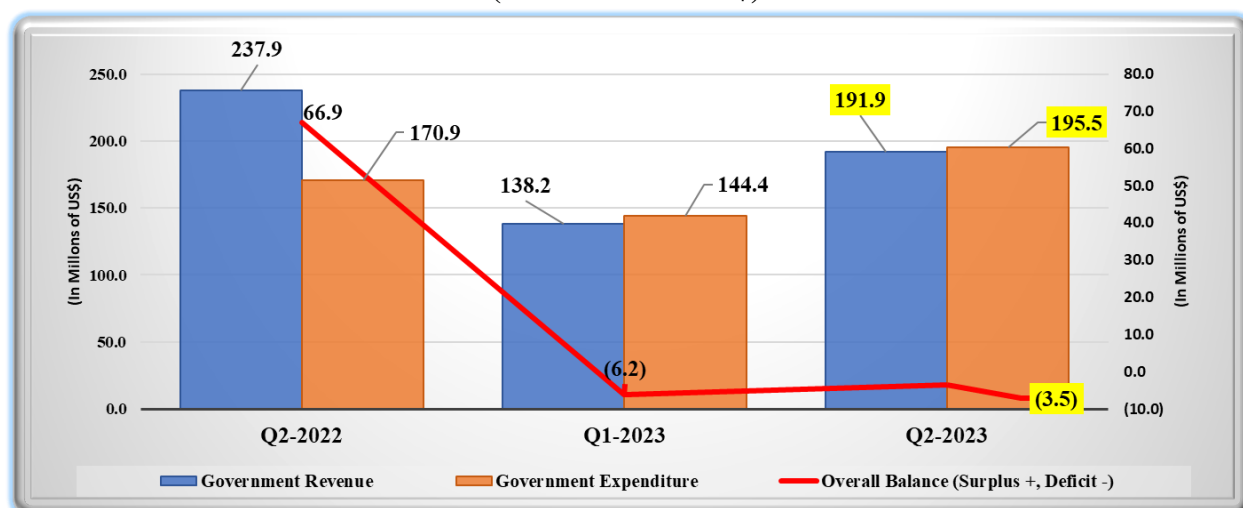
Source: Central Bank of Liberia

IV. FISCAL DEVELOPMENTS

4.1 GOL Fiscal Operations

According to provisional data, the Government of Liberia (GOL) fiscal operations recorded an improvement in the deficit in the overall balance (OB) relative to the first quarter of 2023, amounting to 0.1 percent of GDP. The improvement was mainly on account of a rise in government revenue, offsetting the increase in total government expenditure. Total government revenue and expenditure amounted to US\$191.9 million (4.4 percent of GDP) and US\$195.5 million (4.5 percent of GDP), respectively.

Chart 4.1: Graphical Outlook of GOL's Fiscal Operations
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$)



Source: CBL's Computation Using MFDP's Data

4.2 Government Revenue

During the second quarter of 2023, the fiscal operations was characterized by an improved revenue mobilization relative to the first quarter of 2023. Consequently, total government revenue expanded by 38.9 percent to US\$191.9 million (4.4 percent of GDP), compared to the previous quarter. The increase in total revenue was mainly attributed to a rise in tax revenue and other revenues (including grants), amidst a fall in non-tax receipt. Tax revenue expanded by 27.5 percent to US\$142.7 million (3.3 percent of GDP) from US\$112.0 million (2.6 percent of GDP). The growth in tax revenue was largely driven by a rise in both income & profits tax and international trade tax. Similarly, other revenues (inclusive of grants) also increased during the quarter, to

US\$25.0 million (0.6 percent of GDP). In contrast, non-tax revenue decreased by 7.8 percent to US\$24.2 million (0.6 percent of GDP) compared to US\$26.3 million (0.6 percent of GDP) recorded in the previous quarter. The decrease in non-tax revenue was due to a substantial reduction in property income.

In terms of year-on-year comparison, total revenue contracted, by 19.3 percent compared to the corresponding quarter in 2022. The year-on-year contraction was on account of declines in both non-tax revenue and other revenues (inclusive of grants).

Table 4.1: Government Revenue
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$)

Fiscal Operations	Q ² -22	Q ¹ -23	Q ² -23	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Government Revenue	237.86	138.22	191.94	38.86	(19.31)
Tax Revenue	129.25	111.95	142.72	27.48	10.42
o/w Taxes on Income & Profits	52.88	47.63	70.53	48.07	33.36
o/w Taxes on Int'l Trade	52.15	42.85	48.58	13.37	(6.83)
Non-tax Revenue	57.66	26.27	24.23	(7.80)	(57.99)
o/w Property Income	52.84	20.90	16.06	(23.17)	(69.61)
o/w Administrative fees & Fines	4.82	5.37	8.17	52.03	69.50
Other Revenue (Grants)	50.96	0.00	25.00	-	(50.94)
Memorandum Items					
Total Revenue (% of GDP)	5.98	3.19	4.43		
Tax Revenue (% of GDP)	3.25	2.58	3.29		
Non-tax Revenue (% of GDP)	1.45	0.61	0.56		
Other Revenues (% of GDP)	1.28	0.00	0.58		
<i>GDP (In Millions of USD)</i>	3974.44	4331.56	4331.56		

Source: CBL's Computation Using MFDP's Data

4.3 Government Expenditure

According to provisional statistics, the GOL fiscal operations in the second quarter of 2023 also recorded an increase in government expenditure. Thus, total government expenditure expanded by 35.3 percent to US\$195.5 million (4.5 percent of GDP), compared to the previous quarter. The increase was attributed to growths in current expenditure as well as payments on loans, interest & other charges. Current expenditure expanded by 40.1 percent, to US\$168.2 million (3.9 percent of GDP), mainly on account of increases in both goods & services spending and employees' compensation. Payments on loans, interest & other charges also increased, by 39.3 percent to

US\$14.8 million (0.3 percent of GDP). However, there was a reduction in capital spending by 8.9 percent to US\$12.5 million (0.3 percent of GDP).

Further analysis revealed that government expenditure also increased, by 14.4 percent on a year-on-year comparison, largely driven by increases in current & capital expenditures as well as payments on loans, interest, and other charges.

Table 4.2: Government Expenditure
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$)

Fiscal Operations	Q ² -2022	Q ¹ -2023	Q ² -2023	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Expenditure	170.94	144.43	195.47	35.34	14.35
Current Expenditure	152.65	120.12	168.23	40.05	10.20
o/w Employee Compensation	88.06	40.31	64.95	61.12	(26.25)
o/w Goods & Services	41.62	53.97	83.21	54.18	99.92
Capital Expenditure	6.46	13.72	12.49	(8.94)	93.45
Payments Loan & Interest & Other Charges	11.83	10.59	14.75	39.27	24.69
Memorandum Items					
Total Expenditure (% of GDP)	4.30	3.33	4.51		
Current Expenditure (% of GDP)	3.84	2.77	3.88		
Capital Expenditure (% of GDP)	0.16	0.32	0.29		
Payments Loan, Interest & other Charges (% of GDP)	0.30	0.24	0.34		
GDP (In Millions of USD)	3,974.44	4,331.56	4,331.56		

Source: CBL's Computation Using MFDP's Data

NB: the expenditure data is cash expenditure.

4.4 Public Debt

At end-June 2023, a review of Liberia's debt portfolio shows that the public debt expanded by 5.1 percent, amounting to 49.1 percent of GDP, falling below the ECOWAS debt convergence threshold of 70.0 percent of GDP. The stock of public debt for the quarter totaled US\$2,124.5 million compared to the US\$2,021.3 million reported in the first quarter of 2023. The rise in the public debt stock was due to increases in both external and domestic debts. Domestic debt totaled US\$951.6 million, constituting 22.0 percent of GDP, while external debt amounted to US\$1,172.9 million, constituting 27.1 percent of GDP. Both domestic and external debts expanded by 7.5 percent and 3.2 percent, respectively.

In terms of year-on-year analysis, the public debt stock expanded by 10.9 percent, on account of a 6.9 percent growth in external debt and 16.2 percent increase in domestic debt.

Table 4.3: Liberia's Public Debt Statistics
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$)

Fiscal Operations	Q ² -2023	Q ¹ -2023	Q ² -2023	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Debt Stock	1916.22	2021.34	2124.53	5.11	10.87
External	1097.23	1136.47	1172.92	3.21	6.90
o/w Multilateral	984.16	1024.33	1060.77	3.56	7.78
o/w Bilateral	113.07	112.14	112.14	0.00	(0.81)
Domestic	819.00	884.86	951.62	7.54	16.19
o/w Financial Institutions	748.82	827.93	823.93	(0.48)	10.03
o/w CBL	575.48	605.48	630.48	4.13	9.56
o/w Commercial Banks	173.33	222.45	193.44	(13.04)	11.60
o/w Other Debts	70.18	56.93	127.69	124.29	81.95
Memorandum Items					
Total Debt Stock (% of GDP)	48.21	46.67	49.05		
External (% of GDP)	27.61	26.24	27.08		
Domestic Debt (% of GDP)	20.61	20.43	21.97		
Debt Service (% of GDP)	0.11	0.09	0.28		
GDP (In Millions of USD)	3,974.44	4,331.56	4,331.56		

Source: CBL's Computation Using MFDP's Data

V. EXTERNAL SECTOR DEVELOPMENTS

5.1 Overview

Provisional statistics showed mixed developments in the external sector in quarter two of 2023. The current account balance improved with a surplus of 0.2 percent of GDP compared to the deficit of 1.0 percent of GDP recorded in the preceding quarter, mainly driven by improvements in the trade deficit and the balance on services account (net). Similarly, net inflows in the financial account (net) increased to 4.1 percent of GDP during the review quarter against the 3.3 percent of GDP net inflows reported in the first quarter of 2023, largely on account of growth in other investment inflows.

Conversely, the estimated surplus in the capital account (net) declined to 1.3 percent of GDP in quarter two of 2023 relative to the 1.5 percent of GDP recorded in the previous quarter, mainly due to a reduction in capital transfers.

Consequently, the overall Balance of Payments (BoP) recorded a deficit of 0.7 percent of GDP in quarter two compared to the deficit reported in quarter one 2023.

Liberia's Gross International Reserves (GIR) at end-June 2023 declined to 12.0 percent of GDP against the 13.4 percent of GDP reported in the preceding quarter. This development partly reflected depreciation of the Special Drawing Right (SDRs) holdings & reserves. Similarly, the months of import cover reduced to 3.1 months from 3.3 months in the first quarter largely due to decline in the GIR.

5.2 Current Account (CA)

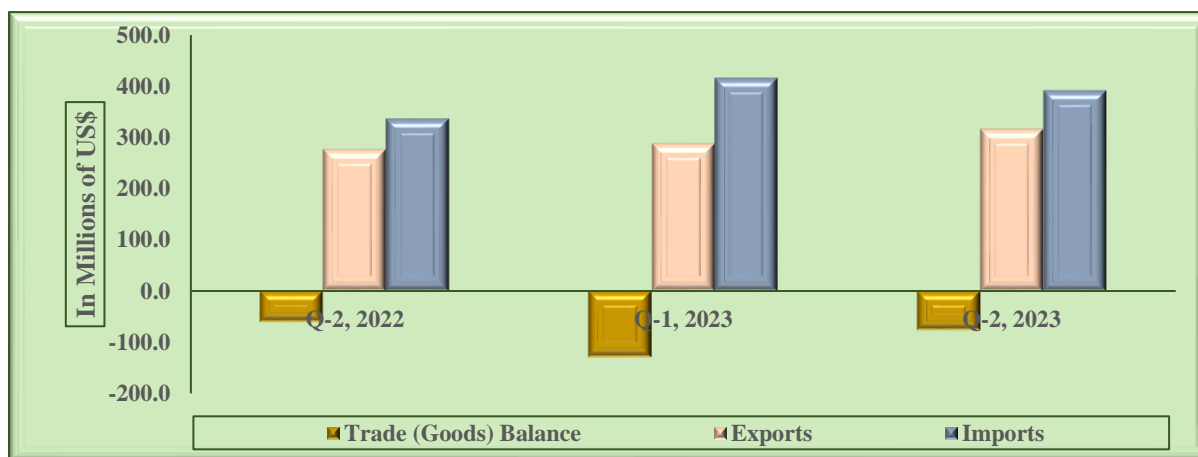
The current account balance improved to a surplus of US\$9.7 million (0.2 percent of GDP) in quarter two of 2023, from the US\$44.8 million (1.0 percent of GDP) deficit reported in the preceding quarter. This development was largely driven by a significant decline in the trade balance deficit as well as improvement in the services account (net).

5.2.1 Goods Account (net)

The deficit in the merchandise trade balance significantly improved to US\$76.5 million (1.8 percent of GDP) during the review quarter, from US\$128.6 million (3.0 percent of GDP) in quarter

one of 2023. The improvement was mainly explained by growth in export receipts coupled with a decrease in payments for imports. Total merchandise trade (with imports on fob basis) increased slightly by 0.5 percent to US\$707.1 million, from the US\$703.5 million reported in the previous quarter mainly on account of a rise in export receipts. However, total merchandise trade (with imports on cif basis) declined marginally by 0.2 percent to US\$743.8 million against the US\$745.1 million in the preceding quarter due to a reduction in import payments.

Chart 5.1: Merchandise Trade Balance
(2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)



Source: Central Bank of Liberia

5.2.2 Exports

Merchandise export earnings grew by 9.7 percent to US\$315.3 million (7.3 percent of GDP) during the review quarter, from the US\$287.5 million (6.6 percent of GDP) reported at end-March 2023. The increase was attributed mainly to growth in receipts from major export commodities, including gold, and rubber. Proceeds from gold and rubber rose by 21.4 percent and 45.5 percent to US\$188.2 million and US\$25.5 million in quarter two of 2023, from the US\$155.0 million and US\$17.5 million, respectively, reported in the preceding quarter. However, export proceeds from iron ore, diamond, and the “other exports” category declined to US\$86.5 million, US\$5.4 million, and US\$9.2 million during the quarter under review, from the US\$87.7 million, US\$6.1 million, and US\$16.4 million reported in quarter one of 2023.

5.2.3 Imports (FOB & CIF)

Payments for imports on Freight on Board (FOB) basis plummeted by 5.8 percent to US\$391.8 million (9.0 percent of GDP) in quarter two of 2023, from the US\$416.0 million (9.6 percent of GDP) recorded in the preceding quarter. This development was explained by a decline in payments for food & live animals, including vegetable oil (by 32.6 percent to US\$74.4 million); mineral, fuel & lubricants (by 9.1 percent to US\$129.6 million); and machinery & transport equipment (by 6.0 percent to US\$93.9 million). However, categories of imports payments that increased, included chemicals & related products (by 45.7 percent to US\$30.2 million); manufactured goods chiefly classified by materials (by 47.6 percent to US\$45.0 million); and the 'other imports' category (by 54.6 percent to US\$18.8 million).

On Cost Insurance and Freight (CIF) basis, import payments similarly fell during the quarter by 6.4 percent to US\$428.6 million (9.9 percent of GDP), from the US\$457.7 million (10.6 percent of GDP) recorded in the first quarter of 2023.

5.2.4 Services Account (net)

The deficit in the services account (net) improved to US\$62.0 million (1.4 percent of GDP) in quarter one of 2023 relative to the US\$72.4 million (1.7 percent of GDP) recorded in the previous quarter. The improvement was occasioned by decrease in payments for transport (largely freight), maintenance & repair, and insurance & pension-related services, while payments for travel, government goods, and other business-related services increased.

5.2.4.1 Primary Income (net)

The primary income balance widened to a deficit of US\$28.9 million (0.7 percent of GDP), from the US\$26.6 million (0.6 percent of GDP) deficit recorded in the previous quarter. This largely reflected growth in investment income payments.

5.2.4.2 Secondary Income (net)

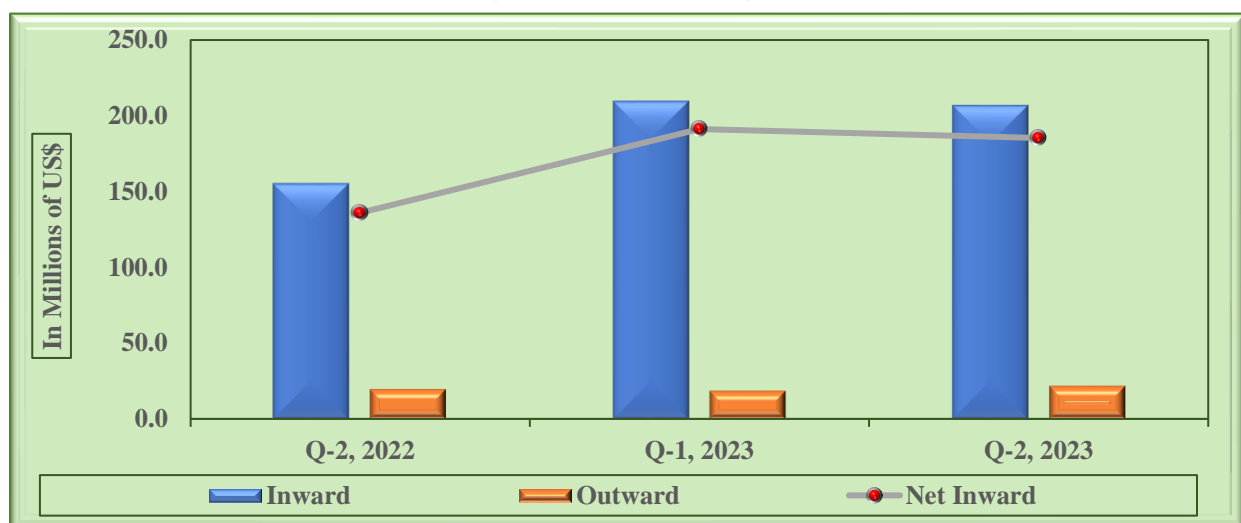
Net inflows from the secondary income account declined by 3.1 percent to US\$177.0 million (4.1 percent of GDP) during the review period, from US\$182.7 million (4.2 percent of GDP) in the preceding quarter, mainly on account of a decrease in personal transfers.

5.2.4.3 Personal Remittances

Net personal remittances (including remittances terminated through mobile wallets) reduced by 3.1 percent to US\$185.4 million (4.3 percent of GDP) at end-June 2023, from the US\$191.2 million (4.4 percent of GDP) recorded in the preceding quarter. This development was explained by 1.3 percent decline in inward personal remittances coupled with 16.8 percent increase in outward personal remittances during the period. The reduction in inward remittances also reflected a decrease in personal assistance to domestic residents from relatives and friends residing abroad. Inward and outward personal remittances amounted to US\$207.1 million and US\$21.7 million, from the US\$209.8 million and US\$18.6 million reported in quarter one of 2023, respectively.

Chart 5.2: Net Personal Inward Remittances
(2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

(In Millions of US\$)



Source: Central Bank of Liberia

5.3 Capital Account (KA)

The estimated surplus in the capital account balance declined by 11.4 percent to US\$57.5 million (1.3 percent of GDP) in the second quarter of 2023, from US\$64.9 million (1.5 percent of GDP) in the previous quarter, mainly reflecting an estimated reduction in investment grants from development partners.

5.4 Financial Account (FA)

From provisional statistics, the net incurrence of liabilities in the financial account grew by 22.9 percent to US\$176.3 million (4.1 percent of GDP), from US\$143.5 million (3.3 percent of GDP) in quarter one of 2023. This development was mainly attributed to an increase in other investments' inflows as direct investment declined.

Table 5.1: Balance of Payments Statistics
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$; except otherwise indicated)

Balance of Payments (BoP) Statement	Q2-22	Q1-23	Q2-23*	Percent of GDP		
				Q2-22	Q1-23	Q2-23
Current Account Balance	(25.70)	(44.80)	9.70	(0.60)	(1.00)	0.20
<i>Credit</i>	441.80	509.10	535.30	11.10	11.80	12.40
<i>Debit</i>	467.60	553.90	525.60	11.80	12.80	12.10
Goods and services	(128.30)	(200.90)	(138.40)	(3.20)	(4.60)	(3.20)
<i>Credit</i>	279.70	290.90	319.20	7.00	6.70	7.40
<i>Debit</i>	408.00	491.90	457.70	10.30	11.40	10.60
Trade Balance (Goods)	(60.70)	(128.60)	(76.50)	(1.50)	(3.00)	(1.80)
Credit (Exports)	276.10	287.50	315.30	6.90	6.60	7.30
<i>Iron Ore</i>	77.40	87.70	86.80	1.90	2.00	2.00
<i>Rubber</i>	26.90	17.50	25.50	0.70	0.40	0.60
<i>Minerals</i>	151.60	161.20	193.70	3.80	3.70	4.50
<i>Diamond</i>	5.50	6.10	5.40	0.10	0.10	0.10
<i>Gold</i>	146.10	155.00	188.20	3.70	3.60	4.30
<i>Cocoa Beans</i>	1.40	1.20	0.10	0.00	0.00	0.00
<i>Raw Palm Oil</i>	10.80	3.40	0.00	0.30	0.10	0.00
<i>Round Logs</i>	1.40	0.10	0.00	0.00	0.00	0.00
<i>Other Exports</i>	6.60	16.40	9.20	0.20	0.40	0.20
Debit (Imports)	336.80	416.00	391.80	8.50	9.60	9.00
<i>Food and Live Animals</i>	71.50	110.30	74.40	1.80	2.50	1.70
<i>Minerals, Fuel, Lubricants</i>	123.70	142.60	129.60	3.10	3.30	3.00
<i>Chemicals & Related Products</i>	30.60	20.70	30.20	0.80	0.50	0.70
<i>Mfg. Goods classified chiefly by</i>	31.10	30.50	45.00	0.80	0.70	1.00
<i>Materials</i>						
<i>Machinery & Transport</i>	62.40	99.80	93.90	1.60	2.30	2.20
<i>Equipment</i>						
<i>Other Imports</i>	17.50	12.10	18.80	0.40	0.30	0.40
General merchandise on a balance of payments basis	(206.90)	(283.60)	(264.70)	(5.20)	(6.50)	(6.10)
<i>Credit</i>	130.00	132.40	127.10	3.30	3.10	2.90
<i>Debit</i>	336.80	416.00	391.80	8.50	9.60	9.00
Nonmonetary gold	146.10	155.00	188.20	3.70	3.60	4.30

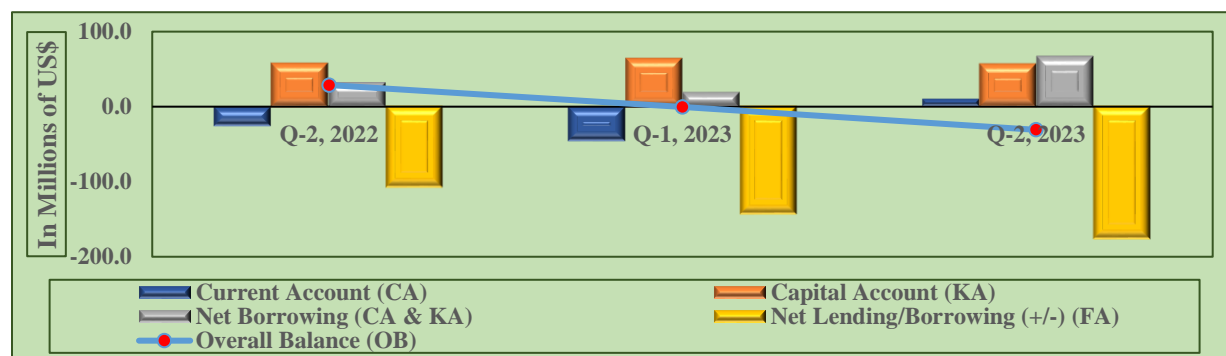
<i>Credit</i>	146.10	155.00	188.20	3.70	3.60	4.30
<i>Debit</i>	0.00	0.00	0.00	0.00	0.00	0.00
Services (net)	(67.60)	(72.40)	(62.00)	(1.70)	(1.70)	(1.40)
<i>Credit</i>	3.60	3.50	3.90	0.10	0.10	0.10
<i>Debit</i>	71.10	75.80	65.90	1.80	1.80	1.50
Primary Income (net)	(28.10)	(26.60)	(28.90)	(0.70)	(0.60)	(0.70)
<i>Credit</i>	5.00	5.20	5.00	0.10	0.10	0.10
<i>Debit</i>	33.10	31.80	33.90	0.80	0.70	0.80
Secondary Income (net)	130.60	182.70	177.00	3.30	4.20	4.10
<i>Credit</i>	157.10	212.90	211.10	4.00	4.90	4.90
<i>Debit</i>	26.50	30.20	34.10	0.70	0.70	0.80
Workers' remittances (net)	136.00	191.20	185.40	3.40	4.40	4.30
<i>Credit (Inward)</i>	155.60	209.80	207.10	3.90	4.80	4.80
<i>Debit (Outward)</i>	19.60	18.60	21.70	0.50	0.40	0.50
Capital Account (net)	58.60	64.90	57.50	1.50	1.50	1.30
<i>Credit</i>	58.60	64.90	57.50	1.50	1.50	1.30
<i>Debit</i>	0.00	0.00	0.00	0.00	0.00	0.00
Net lending (+) / net borrowing (-) (CA & KA)	32.80	20.10	67.20	0.80	0.50	1.60
Financial Account (FA)						
Net lending (+) / net borrowing (FA) (-) (FA)	(108.50)	(143.50)	(176.30)	(2.70)	(3.30)	(4.10)
Direct Investment (net)	(115.90)	(178.60)	(144.90)	(2.90)	(4.10)	(3.30)
<i>Net acquisition of financial assets</i>	0.00	0.00	0.00	0.00	0.00	0.00
<i>Net incurrence of liabilities</i>	115.90	178.60	144.90	2.90	4.10	3.30
Other Investment (net)	(21.40)	35.40	(0.60)	(0.50)	0.80	0.00
<i>Net acquisition of financial assets</i>	(12.80)	33.60	24.00	(0.30)	0.80	0.60
<i>Net incurrence of liabilities</i>	8.60	(1.80)	24.60	0.20	0.00	0.60
Special drawing rights (Net incurrence of liabilities)	(20.30)	5.30	(5.60)	(0.50)	0.10	(0.10)
Reserve Assets	28.80	(0.30)	(30.80)	0.70	0.00	(0.70)
Net Errors & Omissions (NEO)	(141.30)	(163.60)	(243.50)	(3.60)	(3.80)	(5.60)
Overall Balance (OB)	28.80	(0.30)	(30.80)	0.70	0.00	(0.70)
Financing	(28.80)	0.30	30.80	(0.70)	0.00	0.70
<i>Changes in Reserve Assets (-increase; +decrease)</i>	(28.80)	0.30	30.80	(0.70)	0.00	0.70
Memorandum Items						
<i>Gross International Reserves</i>	587.10	580.00	518.90	14.70	14.50	11.90
<i>Import cover (In Months)</i>	3.90	3.30	3.10	-	-	-
<i>Imports (CIF)</i>	383.80	457.70	428.60	9.60	11.50	9.90
<i>Service Payments</i>	71.10	75.80	65.90	1.80	1.90	1.50
<i>Total Imports of Goods/Services</i>	455.00	533.50	494.40	11.40	13.40	11.40
<i>Current Account Bal. Excl. Grants</i>	(26.70)	(46.20)	8.20	(0.70)	(1.20)	0.20
<i>End-of-Period Exchange Rate (LRD/1USD)</i>	152.87	162.28	180.28			

Period Average Exchange Rate (LRD/1USD)	151.84	158.10	168.51
Nominal GDP (In Millions of US\$)	3,974.40	4,331.60	4,331.60

Source: Central Bank of Liberia

*Provisional

Chart 5.3: Main Balances of the BoP
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)



Source: Central Bank of Liberia

5.4.1 Direct Investment

Direct investment (net) inflows amounted to US\$144.9 million (3.3 percent of GDP) in quarter two of 2023 compared to the US\$178.6 million (4.1 percent of GDP) reported in the preceding quarter, indicating a reduction in investment liabilities (foreign direct investment inflows) during the review period.

5.4.2 Other Investment (net)

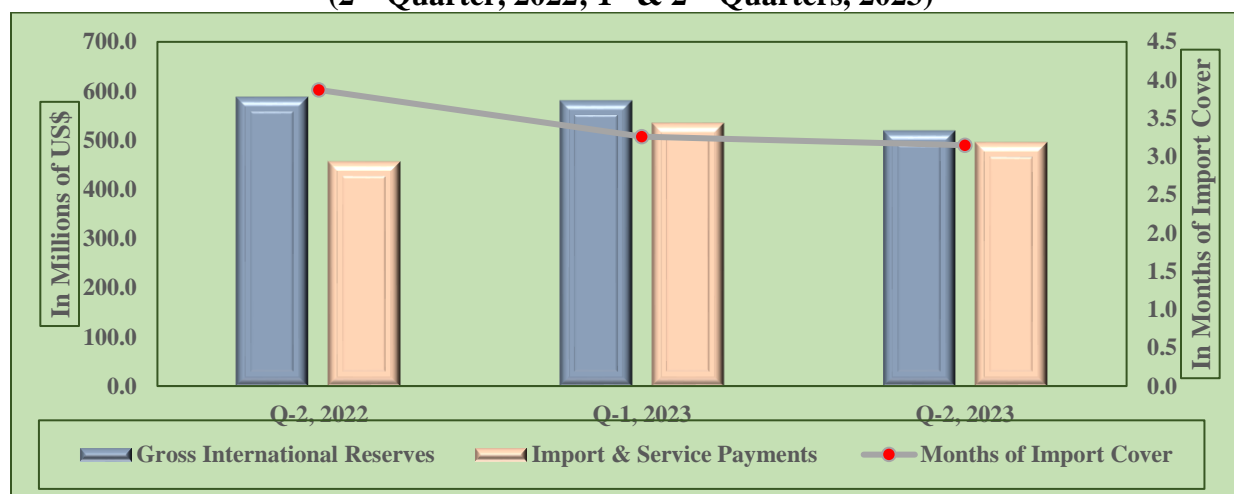
Other investment (net) inflows doubled to US\$0.6 million (approximately less than 0.01 percent of GDP), from the US\$35.4 million (0.8 percent of GDP) net outflows reported in the previous quarter, driven by an increase in the acquisition of loans. Net inflows from loans amounted to US\$34.5 million, while net outflows from currency & deposits, and trade credit & advances amounted to US\$19.1 million and US\$9.2 million, respectively, during the quarter under review.

5.5 Gross International Reserves (GIR)

Liberia's GIR reduced by 6.4 percent to US\$518.9 million (12.0 percent of GDP) at end-June 2023, from US\$580.0 million (13.4 percent of GDP) at end-March 2023. This development was mainly driven by depreciation of SDRs holdings & reserves. Similarly, the months of import cover

relative to the GIR fell slightly to 3.1 months, from the 3.3 months reported in the previous quarter, mainly reflecting a decline in GIR. However, the months of import cover remained above the 3.0 months ECOWAS macroeconomic convergence benchmark by 0.1 month (less than a week).

**Chart 5.4: Gross International Reserves, Imports & Months of Import Cover
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)**

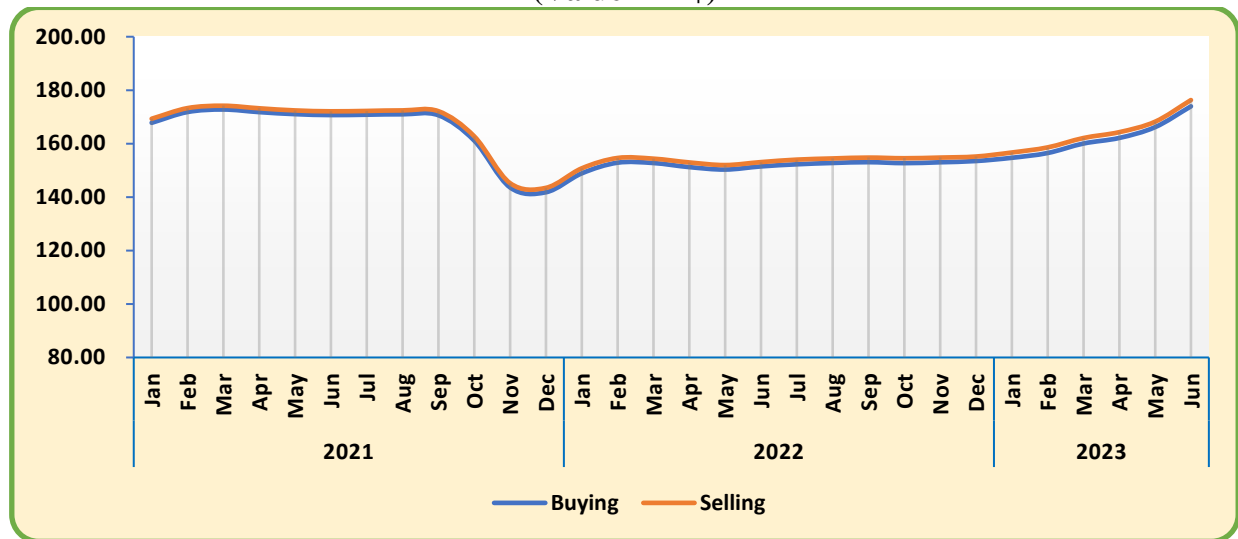


Source: Central Bank of Liberia

5.6 Exchange Rate Developments

The variation in the average exchange rate remained within the tolerable bound of the ECOWAS convergence target (± 10.0 percent) when matched with the first quarter of 2023. Compared with the rates recorded in the previous quarter, the period average exchange rate revealed that the Liberian dollar (L\$) depreciated against the United States dollar by 6.6 percent to L\$168.51/US\$1.00 at end-June 2023, from L\$158.10/US\$1.00 recorded at end-March 2023, while the end-of-period exchange rate also showed depreciation of the Liberian dollar by 11.1 percent to L\$180.28/US\$1.00, from L\$162.28/US\$1.00 reported a quarter ago. Compared with the corresponding quarter of 2022, the Liberian dollar depreciated by 11.0 percent on average, from L\$151.84/US\$1.00 and by 17.9 percent, from L\$152.87/US\$1.00 on end-of-period exchange rate basis. The quarterly and yearly depreciations of the average exchange rate were mainly triggered by the high demand for foreign exchange to service imports.

**Chart 5.5: Buying & Selling Exchange Rates: Liberia Dollar (LD) per US Dollar
(2021, 2022, & 2023)
(Value In L\$)**



Source: Central Bank of Liberia

**Table 5.2: Market Exchange Rate: Liberia Dollar (LD) per US Dollar
(2nd Quarter, 2022 1st & 2nd Quarters, 2023)
(Value In L\$)**

	2022		2023		% Change: Depreciation (-) & Appreciation (+)	
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y	
Market Rate End of Period	152.87	162.28	180.28	11.09	17.93	
Market Rate Period Average	151.84	158.10	168.51	6.58	10.98	
Buying	151.00	157.08	167.42	6.58	10.87	
Selling	152.68	159.12	169.60	6.58	11.08	

Source: Central Bank of Liberia

/1 – Period Average Exchange Rate is the average of both the buying & selling rates of the Liberian Dollar relative to the US\$

STATISTICAL APPENDIX

CHAPTER I

Table 1.1: Selected Global Output and Inflation, 2022-2024

CHAPTER II

Table 2.1: Key Agricultural Production (2nd & 1st Quarters, 2023; & 2nd Quarter, 2022)

Table 2.2: Key Industrial Output (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 2.3: Consumption of Petroleum Products (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 2.4: Vessel Traffic and Cargo Movements (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 2.5: Electric Power Developments (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 2.6: Inflation by Sub-group Year-on-Year Changes in CPI (2021-2023)

Table 2.7: Headline and Quarterly Changes in CPI (%)

Table 2.8: Harmonized Consumer Price Index (HCPI) by Major Groups Developments (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

CHAPTER III

Table 3.1: Commercial Bank Loans by Economic Sectors (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 3.2: Commercial Bank's Interest Rates (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 3.3: Currency in Circulation & Its Composition (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 3.4: Broad Money Supply and its Sources (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 3.5: CBL Bills (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 3.6: CBL Bills, Q1-2023

CHAPTER IV

Table 4.1: Government Revenue (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 4.2: Government Expenditure (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 4.3: Liberia's Public Debt Statistics (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

CHAPTER V

Table 5.1: Balance of Payments Statistics (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 5.2: Market Exchange Rate: Liberia Dollar (LD) per US Dollar (2nd Quarter, 2022; & 1st & 2nd Quarters, 2023)

Table 1.1: Selected Global Output and Inflation, 2022-2024

	Difference from				
	July 2023 WEO				
	Estimate	Projections		Update	
	2022	2023	2024	2023	2024
World Output	3.5	3.0	3.0	0.2	0.0
Advanced Economies	2.7	1.5	1.4	0.2	0.0
United States	2.1	1.8	1.0	0.2	-0.1
Euro Area	3.5	0.9	1.5	0.1	0.1
Germany	1.8	-0.3	1.3	-0.2	0.2
France	2.5	0.8	1.3	0.1	0.0
Italy	3.7	1.1	0.9	0.4	0.1
Spain	5.5	2.5	2.0	1.0	0.0
Japan	1.0	1.4	1.0	0.1	0.0
United Kingdom	4.1	0.4	1.0	0.7	0.0
Canada	3.4	1.7	1.4	0.2	-0.1
Other Advanced Economies	2.7	2.0	2.3	0.2	0.1
Emerging Market and Developing Economies	4.0	4.0	4.1	0.1	-0.1
Emerging and Developing Asia	4.5	5.3	5.0	0.0	-0.1
China	3.0	5.2	4.5	0.0	0.0
India	7.2	6.1	6.3	0.2	0.0
Latin America and the Caribbean	3.9	1.9	2.2	0.3	0.0
Brazil	2.9	2.1	1.2	1.2	-0.3
Middle East and Central Asia	5.4	2.5	3.2	-0.4	-0.3
Saudi Arabia	8.7	1.9	2.8	-1.2	-0.3
Sub-Saharan Africa	3.9	3.5	4.1	-0.1	-0.1
Nigeria	3.3	3.2	3.0	0.0	0.0
South Africa	1.9	0.3	1.7	0.2	-0.1
World Consumer Prices	8.7	6.8	5.2	-0.2	0.3
Advanced Economies	7.3	4.7	2.8	0.0	0.2
Emerging Market and Developing Economies	9.8	8.3	6.8	-0.3	0.3

Source: "International Monetary Fund. July 2023. World Economic Outlook: Near-Term Resilience, Persistent Challenges. Washington, DC,"

Table 2.1: Key Agricultural Production
(2nd & 1st Quarters, 2023; 2nd Quarter, 2022)

Commodity	Unit	Q2-2023	Q1-2023	Q2-2022
Rubber	Mt	18,059.9	12,790.6	18,800.3
Cocoa	Mt	1,535	1,037	1,538
Round Logs	M3	166,409	160,009	153,673*
Sawn Timber	Pcs	50217.2	46,080	49,720*
Crude Palm Oil (CPO)	Mt	9,087.2	5,287.9	7,689.2

Source: Ministry of Commerce & Industry (MOCI); Liberia Produce & Marketing Corporation (LPMC); Forestry Development Authority (FDA) Projections*

Table 2.2: Key Industrial Output
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)

Commodity	Unit	Q2-2022	Q1-2023	Q2-2023
Gold	Ounce	92,476.0	103,324.9	115,234.6
Diamond	Carat	12,390.9	29,582.2	10841.1
Iron Ore	Mt.	1,300,000	1,350,000	1,180,000
Cement	Mt.	149,462.7	169,947.2	79,748.1
Spirits	Litre	35,182.8	53,943.3	123,566.4
Beer	Litre	1,901,253.3	1,903,833.3	1,880,015.9
Stout	Litre	1,960,762.3	1,903,833.3	1,613,359.4
Malta	Litre	219,447.4	250,992.7	140,888.9
Soft Drinks	Litre	253,859.8	286,308	557,766
Oil Paint	Gal.	26,512.8	32,917.25	21,062.5
Water Paint	Gal.	16,328 .0	23,344.0	15,257.0
Varnish	Gal.	2,708.0	5,437.0	4,768.0
Manoline H. Grease	Kg	4,384.8	5,728.8	4,040.4
Thinner	Gal	2,708.0	4,181.0	4,065.0
Rubbing Alcohol	Litre	64,903.3	90,882.6	155,381.4
Soap	Kg	70,355.9	127,284.6	124,232.4

Chlorox	Litre	214,980.4	321,039.9	286,358
Candle	Kg	10,794.0	12,033.0	30,796.5
Mattresses	Pcs.	35,031.0	34,570.0	33,338.0
Finished water	Gal.	193,073,927.9	251,640,416.9	151,025,989.0
Mineral Water	Litre	62,985	80,912	79,985
Electricity	kW	49,509,979.0	101,307,600	114,473,600.0

*Source: Ministry of Commerce & Industry (MOCI); Ministry of Lands, Mines & Energy; Liberia Water and Sewer Corporation *Projections*

**Table 2.3: Consumption of Petroleum Products
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)**

Commodity	Unit	Q2-2022	Q1-2023	Q2-2023
Premium Motor Spirit (PMS)	Gal.	4,495,589.1	8,963,608.7	6,674,869.1
Diesel (AGO)	Gal.	4,393,989.3	6,763,130.5	7,735,365.58
Total	Gal.	8,889,578.4	15,638,477.8	14,498,496.1

Source: Liberia Petroleum Refining Company (LPRC)

**Table 2.4: Vessel Traffic and Cargo Movements
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)**

Quarter	No. of Vessels	Vessel Weight (SDWT)	Cargo Tonnage (In Metric Tons)		
			Imports	Exports	Total
Q²-2022	100	2,528,516	654,400	1,056,019	1,710,419
Q¹-2023	87	2,953,724	556,614	1,124,300	1,680,914
Q²*-2023	83	3,055,819	587,257	908,285	1,495,542

Source: National Port Authority (NPA) SDWT=Summer Dead Weight Tons

**Estimates*

Table 2.5: Electric Power Developments
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Kilowatts)

	Unit	Service	Generation
Q2- 2022	kW	Electricity	49,509,979
Q1-2023	kW	Electricity	101,307,600
Q2-2023	kW	Electricity	114,473,600

Source: Liberia Electricity Corporation

Table 2.6: Inflation by Sub-group Year-on-Year Changes in CPI (2021-2023)

Food	Weights	Inflation Rates			
		2022Q¹	2022Q²	2023Q¹	2023Q²
Bread and cereals	10.06	-15.8	-4.78	3.44	16.62
Milk, cheese, and eggs	0.68	-6.29	-4.17	3.57	14.26
Meat	4.82	-5.96	-9.22	-0.4	0.54
Non-Food					
Alcoholic Beverages, Tobacco, and Narcotics	0.65	-1.61	6.03	6.03	4.11
Clothing and footwear	5.21	-3.99	13.23	13.23	25.11
Housing, Water, Electricity, Gas, and other fuels	7.22	-0.46	20.02	20.02	17.81
Furnishing, H/Hold Equip., Routine Maintenance of House	5.21	-4.95	12.65	12.65	22.45
Health	9.28	14.55	7.7	7.69	14.94
Transport	7.53	7.84	43.8	43.77	25.11
Communication	3.86	5.20	-0.2	-0.23	8.15
Recreation and Culture	1.03	1.34	9.2	9.17	12.43
Education	4.83	23.19	6.1	6.08	6.08
Restaurant and Hotels	17.12	31.20	5.6	5.63	4.29
Miscellaneous Goods and Services	3.98	-2.66	24.3	24.29	24.49

Source: CBL & LISGIS, Monrovia, Liberia

Table 2.7: Headline and Quarterly Changes in CPI (%)

		Headline Inflation (Y-on-Y changes)			Monthly Changes in HCPI (%)		
		Combined	Food	Non-Food	Combined	Food	Non-Food
2021	January	12.92	16.31	11.06	0.8	3.2	-0.6
	February	10.5	10.48	10.51	-0.88	-5.16	1.58
	March	9.96	5.01	12.73	1.38	-0.59	2.43
	April	9.41	-2.53	16.52	-0.45	-3.42	1.1
	May	8.16	-4.04	15.43	0.86	0.47	1.05
	June	8.1	-3.95	15.15	1.94	0.84	2.49
	July	7.12	0.21	10.73	6.13	3.94	7.2
	August	7	0.1	10.71	1.16	3.04	0.28
	September	6.69	0.18	10.14	0.1	-0.37	0.33
	October	4.42	-2.39	8	-1.85	-2.87	-1.35
	November	5.44	-6.58	12.12	-3.17	-4.71	-2.44
	December	5.46	-7.05	12.4	-0.33	-1.1	0.02
2022	January	6.55	-6.79	14.24	1.8	3.51	1.01
	February	7.64	-1.57	12.6	0.13	0.15	0.12
	March	9.51	2.58	13.13	3.14	3.59	2.92
	April	6.26	-2.39	10.57	-3.41	-8.1	-1.19
	May	6.23	1.17	8.74	0.83	4.14	-0.62
	June	6.32	-1.99	10.37	2.02	-2.31	4.02
	July	6.48	-0.98	10.01	6.28	5	6.84
	August	7.06	-3.85	12.36	1.71	0.06	2.42
	September	7.23	-5.12	13.19	0.25	-1.74	1.07
	October	9.12	3.08	11.99	-0.12	5.53	-2.4
	November	9.49	-0.52	14.13	-2.85	-8.03	-0.58
	December	9.19	-2.47	14.53	-0.61	-3.04	0.38
2023	January	8.22	-1.88	12.97	0.9	4.14	-0.36
	February	8.27	-3.27	13.7	0.18	-1.26	0.77
	March	6.1	-5.38	11.54	1.07	1.33	0.96
	April	9.43	1.38	12.97	-0.39	-1.53	0.07
	May	12.22	8.08	14.12	3.40	11.01	0.40
	June	12.36	13.30	11.95	2.16	2.41	2.04
	July	11.01	16.51	8.66	5.01	7.97	3.70

Source: CBL & LISGIS, Monrovia, Liberia

**Table 2.8: Harmonized Consumer Price Index (HCPI) By Major Groups Year-on-Year Rates of Inflation
(1st & 4th Quarters, 2022; & 1st Quarter, 2023) (December, 2005=100)**

FUNCTIONS	WEIGHTS	22-Apr	22-May	22-Jun	Q2-2022	23-Jan	23-Feb	23-Mar	Q1-2023	23-Apr	23-May	23-Jun	Q2-2023
FOOD AND NON-ALCOHOLIC BEVERAGES	34.08	-2.39	1.17	-1.99	-1.07	-6.79	-1.57	2.58	-1.93	1.38	8.08	13.3	7.59
ALCOHOLIC BEVERAGES, TOBACCO, AND NARCOTICS	0.65	-0.04	-0.55	0.89	0.1	-1.29	-0.47	-3.06	-1.61	2.85	5.83	3.64	4.11
CLOTHING AND FOOTWEAR	5.21	-15.7	-8.36	-7.05	-10.37	-0.48	-0.71	-10.79	-3.99	28.97	26.17	20.18	25.11
HOUSING, WATER, ELECTRICITY, GAS & OTHER FUELS	7.22	3.57	3.08	6.93	4.53	0.06	-0.53	-0.91	-0.46	17.45	20.01	15.97	17.81
FURNISHINGS, HOUSEHOLD, EQUIPMENT, AND ROUTINE MAINTENANCE OF THE HOUSE	5.21	-8.3	-12.54	-11.99	-10.94	-3.47	-4.8	-6.58	-4.95	17.47	26.28	23.6	22.45
HEALTH	9.28	11.68	7.13	4.73	7.85	18.73	12.44	12.49	14.55	8.97	14.73	21.12	14.94
TRANSPORT	7.53	12.95	13.38	39.52	21.95	0.53	0.2	22.77	7.84	34.19	34.32	6.81	25.11
COMMUNICATION	3.86	4.84	6.19	2.95	4.66	5.02	5.45	5.14	5.2	3.56	7.51	13.38	8.15
RECREATION AND CULTURE	1.03	-1.82	1.03	-2.71	-1.17	2.11	1.28	0.62	1.34	13.28	11.13	12.87	12.43
EDUCATION	4.83	23.19	23.19	23.19	23.19	23.19	23.19	23.19	23.19	6.08	6.08	6.08	6.08
RESTAURANTS AND HOTELS	17.12	21.66	16.18	11.39	16.41	33.68	32.52	27.4	31.2	4.74	2.72	5.4	4.29
MISCELLANEOUS GOODS AND SERVICES	3.89	-0.28	2.93	6.22	2.96	-2.51	-3.06	-2.42	-2.66	25.34	25.35	22.79	24.49
GENERAL RATE OF INFLATION	100	6.26	6.23	6.32	6.27	6.55	7.64	9.51	7.9	9.43	12.22	12.36	11.33

Source: Central Bank of Liberia & LISGIS

Table 3.1: Commercial Bank Loans by Economic Sectors
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of L\$)

	2022		2023				Contribution to Credit Growth	
	Q2	Share	Q1	Share	Q2	Share	Q-o-Q	Y-o-Y
Agriculture	3,067.76	4.09	2,405.83	3.01	3,224.86	3.59	1.02	0.21
Extractive (Mining & Quarrying)	123.66	0.17	414.42	0.52	549.38	0.61	0.17	0.57
Manufacturing	4,801.07	6.41	4,467.36	5.59	6,219.95	6.93	2.19	1.89
Construction	6,733.19	8.99	5,853.92	7.32	7,824.45	8.72	2.46	1.46
Services	12,463.82	16.63	10,223.66	12.79	13,435.71	14.97	4.02	1.30
Trade	23,883.99	31.88	25,896.34	32.39	28,146.25	31.36	2.81	5.69
Personal	10,663.05	14.23	15,563.19	19.46	14,143.47	15.76	(1.78)	4.65
Gen. Government	107.08	0.14	124.44	0.16	134.88	0.15	0.01	0.04
Central Bank	-	-	-	-	-	-	-	-
Public Corporations	1,680.85	2.24	961.66	1.20	933.79	1.04	(0.03)	(1.00)
Oil and Gas	3,357.39	4.48	4,763.72	5.96	6,266.57	6.98	1.88	3.88
Others	8,043.53	10.74	9,280.78	11.61	8,886.46	9.90	(0.49)	1.13
Total Loan All Sectors (LD & USD)	74,925.39	100.00	79,955.33	100.00	89,765.76	100.00	12.27	19.81
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>73,137.46</i>	<i>97.61</i>	<i>78,869.23</i>	<i>98.64</i>	<i>88,697.09</i>	<i>98.81</i>	<i>12.29</i>	<i>20.77</i>

Source: Central Bank of Liberia

Table 3.2: Commercial Bank's Interest Rates
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)

	2022	2023	
	Q ²	Q ¹	Q ²
Avg. Lending Rate	12.44	13.44	13.44
Avg. Personal Loan Rate	12.78	12.78	12.78
Avg. Mortgage Rate	13.38	13.38	13.38
Avg. Time Deposit Rate	3.53	3.53	3.53
Avg. Savings Rate	2.10	3.10	3.10
Avg. Rate on CDs	3.25	3.25	3.25

Source: Central Bank of Liberia, Monrovia, Liberia

Table 3.3: Currency in Circulation & Its Compositions
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions L\$)

	2022	2023	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Currency in Banks	3,330.03	2,878.05	2,278.12
Currency outside Banks	19,489.15	22,793.16	23,781.26
Currency in Circulation	22,819.18	25,671.21	26,059.37

Source: Central Bank of Liberia, Monrovia, Liberia

Table 3.4: Broad Money Supply and its Sources
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of L\$)

Monetary Aggregates	2022	2023	Percentage Change		
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	144,513.90	165,056.48	186,180.84	12.80	28.83
1.1 Money Supply M1	99,356.38	115,518.86	130,290.17	12.79	31.13
1.1.1 Currency outside banks	19,489.15	22,793.16	23,781.26	4.34	22.02
1.1.2 Demand deposit <i>u</i>	79,867.24	92,725.71	106,508.92	14.86	33.36
1.2 Quasi Money	45,157.52	49,537.62	55,890.67	12.82	23.77
1.2.1 Time & Savings deposits	44,827.31	49,016.78	55,433.75	13.09	23.66
1.2.2 Other deposits <i>u</i>	330.20	520.84	456.92	-12.27	38.37
2.0 Net Foreign Assets	23,103.58	18,291.69	16,489.27	-9.85	-28.63
2.1 Central Bank	6,843.53	(3,824.11)	(7,089.24)	85.38	-203.59
2.2 Banking Institutions	16,260.04	22,115.79	23,578.51	6.61	45.01
3.0 Net Domestic Assets (1 - 2)	121,410.32	146,764.79	169,691.57	15.62	39.77
3.1 Domestic Credit	177,210.06	211,572.70	248,160.70	17.29	40.04
3.1.1 Government (net)	87,275.22	111,865.27	132,517.55	18.46	51.84
3.1.2 Pvt. Sector & Other Pvt.	89,934.84	99,707.43	115,643.16	15.98	28.59
3.2 Other assets Net (3 - 3.1)	55,799.74	64,807.91	78,469.13	21.08	40.63
Memorandum Items					
1. Overall Liquidity	144,513.90	165,056.48	186,180.84	12.80	28.83
2. Reserve Money	47,002.63	52,606.29	56,695.90	7.77	20.62

<i>Currency in Circulation</i>	22,819.18	25,671.21	26,059.37	1.51	14.20
<i>Banks Reserves</i>	23,853.24	26,414.24	30,179.61	14.26	26.52
<i>Other Deposits at CBL</i>	330.20	520.84	456.92	-12.27	38.37

Source: Central Bank of Liberia

1/Excludes managers cheques from commercial banks

2/ Includes official and managers checks issued by the Central Bank

Table3.5: CBL Bills
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of L\$)

First Issuance Date	Last Maturity Date	Amount Issued	Average Interest Rate (%)
2 WEEKS			
7-Apr-23	14-Jul-23	9,994.00	0.57
1 MONTH			
7-Apr-23	28-Jul-23	4,754.95	1.24
3 MONTHS			
7-Apr-23	29-Sep-23	5,145.09	3.77
Total Amount Issued		19,894.03	
1st Quarter 2023			
First Issuance Date	Last Maturity Date	Amount Issued	Average Interest Rate (%)
2 WEEKS			
6-Jan-23	14-Apr-23	8,349.20	0.54
1 MONTH			
6-Jan-23	28-Apr-23	5,803.69	1.17
3 MONTHS			
6-Jan-23	30-Jun-23	4,828.90	3.56
Total Amount Issued		18,981.79	
2nd Quarter, 2022			
First Issuance Date	Last Maturity Date	Amount Issued	Average Interest Rate (%)
2 WEEKS			
1-Apr-22	14-Apr-22	0.43	0.70
1 MONTH			
1-Apr-22	29-Apr-22	7,345.78	0.80
3 MONTHS			
1-Apr-22	1-Jul-22	4,568.27	2.78
Total Amount Issued		11,914.48	

Source: Central Bank of Liberia

Table 3.6: CBL Bills, Q2-2023
(In Millions of L\$)

Issuance Date	Maturity Date	Unsubscribed Amount	Commercial Banks Issued	Retail Via Commercial Banks Issued	Amount Issued	Interest Rate (%)
THREE MONTHS						
7-Apr-23	7-Jul-23	-	300.00	6.70	306.70	3.56
14-Apr-23	14-Jul-23	-	703.20	11.35	714.55	3.56
21-Apr-23	21-Jul-23	-	300.00	17.86	317.86	3.56
28-Apr-23	28-Jul-23	122.49	162.00	15.51	177.51	3.56
5-May-23	4-Aug-23	-	320.00	27.84	347.84	3.56
12-May-23	11-Aug-23	-	350.00	5.67	355.67	3.56
19-May-23	18-Aug-23	-	600.00	13.18	613.18	3.56
26-May-23	25-Aug-23	-	330.00	11.79	341.79	3.56
2-Jun-23	1-Sep-23	-	500.00	52.23	552.23	4.11
9-Jun-23	8-Sep-23	-	335.83	72.46	408.28	4.11
16-Jun-23	15-Sep-23	-	400.00	9.47	409.47	4.11
23-Jun-23	22-Sep-23	-	291.37	8.63	300.00	4.11
30-Jun-23	29-Sep-23	-	278.39	21.61	300.00	4.11
TOTAL		122.49	4,870.79	274.30	5,145.09	3.77
ONE MONTHS						
7-Apr-23	5-May-23	-	400.00	0.85	400.85	1.17
14-Apr-23	12-May-23	-	510.63	0.94	511.57	1.17
21-Apr-23	19-May-23	-	412.50	13.16	425.66	1.17
28-Apr-23	26-May-23	128.30	155.00	16.70	171.70	1.17
5-May-23	2-Jun-23	-	386.00	17.45	403.45	1.17
12-May-23	9-Jun-23	-	380.00	0.45	380.45	1.17
19-May-23	16-Jun-23	-	550.00	9.78	559.78	1.17
26-May-23	23-Jun-23	40.79	255.50	3.71	259.21	1.17
2-Jun-23	30-Jun-23	-	315.00	8.66	323.66	1.35
9-Jun-23	7-Jul-23	89.38	200.00	10.62	210.62	1.35
16-Jun-23	14-Jul-23	-	500.00	8.00	508.00	1.35
23-Jun-23	21-Jul-23	-	278.52	21.48	300.00	1.35
30-Jun-23	28-Jul-23	-	292.71	7.30	300.00	1.35
TOTAL		258.47	4,635.85	119.09	4,754.95	1.24

TWO WEEKS						
7-Apr-23	21-Apr-23	368.96	700.00	-	700.00	0.54
14-Apr-23	28-Apr-23	1,216.65	600.00	-	600.00	0.54
21-Apr-23	5-May-23	684.51	900.00	-	900.00	0.54
28-Apr-23	12-May-23	764.15	325.00	-	325.00	0.54
5-May-23	19-May-23	1,146.62	900.00	-	900.00	0.54
12-May-23	26-May-23	1,138.50	300.00	-	300.00	0.54
19-May-23	2-Jun-23	989.03	1,250.00	-	1,250.00	0.54
26-May-23	9-Jun-23	79.83	459.50	-	459.50	0.54
2-Jun-23	16-Jun-23	771.01	800.00	-	800.00	0.62
9-Jun-23	23-Jun-23	18.90	1,020.00	-	1,020.00	0.62
16-Jun-23	30-Jun-23	456.95	850.00	-	850.00	0.62
23-Jun-23	7-Jul-23	-	990.44	-	990.44	0.62
30-Jun-23	14-Jul-23	-	899.05	-	899.05	0.62
TOTAL		7,635.10	9,994.00	-	9,994.00	0.57
TOTAL AMOUNT ISSUED					19,894.03	

Source: Central Bank of Liberia

Table 4.1: Government Revenue
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$)

Fiscal Operations	Q ² -22	Q ¹ -23	Q ² -23	Q-O-Q	Y-O-Y
	(Millions of USD)		(% Change)		
Total Government Revenue	237.86	138.22	191.94	38.86	(19.31)
Tax Revenue	129.25	111.95	142.72	27.48	10.42
o/w Taxes on Income & Profits	52.88	47.63	70.53	48.07	33.36
o/w Taxes on Int'l Trade	52.15	42.85	48.58	13.37	(6.83)
Non-tax Revenue	57.66	26.27	24.23	(7.80)	(57.99)
o/w Property Income	52.84	20.90	16.06	(23.17)	(69.61)
o/w Administrative fees & Fines	4.82	5.37	8.17	52.03	69.50
Other Revenue (Grants)	50.96	0.00	25.00	-	(50.94)
Memorandum Items					
Total Revenue (% of GDP)	5.98	3.19	4.43		
Tax Revenue (% of GDP)	3.25	2.58	3.29		
Non-tax Revenue (% of GDP)	1.45	0.61	0.56		
Other Revenues (% of GDP)	1.28	0.00	0.58		
<i>GDP (In Millions of USD)</i>	3974.44	4331.56	4331.56		

Source: CBL's Computation Using MFDP's Data

Table 4.2: Government Expenditure
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$)

Fiscal Operations	Q ² -2022	Q ¹ -2023	Q ² -2023	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Expenditure	170.94	144.43	195.47	35.34	14.35
Current Expenditure	152.65	120.12	168.23	40.05	10.20
o/w Employee Compensation	88.06	40.31	64.95	61.12	(26.25)
o/w Goods & Services	41.62	53.97	83.21	54.18	99.92
Capital Expenditure	6.46	13.72	12.49	(8.94)	93.45
Payments Loan & Interest & Other Charges	11.83	10.59	14.75	39.27	24.69
Memorandum Items					
Total Expenditure (% of GDP)	4.30	3.33	4.51		
Current Expenditure (% of GDP)	3.84	2.77	3.88		
Capital Expenditure (% of GDP)	0.16	0.32	0.29		
Payments Loan, Interest & other Charges (% of GDP)	0.30	0.24	0.34		
GDP (In Millions of USD)	3,974.44	4,331.56	4,331.56		

Source: CBL's Computation Using MFDP's Data

NB: the expenditure data is cash expenditure.

Table 4.3: Liberia's Public Debt Statistics
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$)

Fiscal Operations	Q ² -2023	Q ¹ -2023	Q ² -2023	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Debt Stock	1916.22	2021.34	2124.53	5.11	10.87
External	1097.23	1136.47	1172.92	3.21	6.90
o/w Multilateral	984.16	1024.33	1060.77	3.56	7.78
o/w Bilateral	113.07	112.14	112.14	0.00	(0.81)
Domestic	819.00	884.86	951.62	7.54	16.19
o/w Financial Institutions	748.82	827.93	823.93	(0.48)	10.03
o/w CBL	575.48	605.48	630.48	4.13	9.56
o/w Commercial Banks	173.33	222.45	193.44	(13.04)	11.60
o/w Other Debts	70.18	56.93	127.69	124.29	81.95
Memorandum Items					
Total Debt Stock (% of GDP)	48.21	46.67	49.05		
External (% of GDP)	27.61	26.24	27.08		
Domestic Debt (% of GDP)	20.61	20.43	21.97		
Debt Service (% of GDP)	0.11	0.09	0.28		
GDP (In Millions of USD)	3,974.44	4,331.56	4,331.56		

Source: CBL's Computation Using MFDP's Data

Table 5.1: Balance of Payments Statistics
(2nd Quarter, 2022; 1st & 2nd Quarters, 2023)
(In Millions of US\$; except otherwise indicated)

Balance of Payments (BoP) Statement	Q2-22	Q1-23	Q2-23*	Percent of GDP		
				Q2-22	Q1-23	Q2-23
Current Account Balance	(25.70)	(44.80)	9.70	(0.60)	(1.00)	0.20
<i>Credit</i>	441.80	509.10	535.30	11.10	11.80	12.40
<i>Debit</i>	467.60	553.90	525.60	11.80	12.80	12.10
Goods and services	(128.30)	(200.90)	(138.40)	(3.20)	(4.60)	(3.20)
<i>Credit</i>	279.70	290.90	319.20	7.00	6.70	7.40
<i>Debit</i>	408.00	491.90	457.70	10.30	11.40	10.60
Trade Balance (Goods)	(60.70)	(128.60)	(76.50)	(1.50)	(3.00)	(1.80)
Credit (Exports)	276.10	287.50	315.30	6.90	6.60	7.30
<i>Iron Ore</i>	77.40	87.70	86.80	1.90	2.00	2.00
<i>Rubber</i>	26.90	17.50	25.50	0.70	0.40	0.60
<i>Minerals</i>	151.60	161.20	193.70	3.80	3.70	4.50
<i>Diamond</i>	5.50	6.10	5.40	0.10	0.10	0.10
<i>Gold</i>	146.10	155.00	188.20	3.70	3.60	4.30
<i>Cocoa Beans</i>	1.40	1.20	0.10	0.00	0.00	0.00
<i>Raw Palm Oil</i>	10.80	3.40	0.00	0.30	0.10	0.00
<i>Round Logs</i>	1.40	0.10	0.00	0.00	0.00	0.00
<i>Other Exports</i>	6.60	16.40	9.20	0.20	0.40	0.20
Debit (Imports)	336.80	416.00	391.80	8.50	9.60	9.00
<i>Food and Live Animals</i>	71.50	110.30	74.40	1.80	2.50	1.70
<i>Minerals, Fuel, Lubricants</i>	123.70	142.60	129.60	3.10	3.30	3.00
<i>Chemicals & Related Products</i>	30.60	20.70	30.20	0.80	0.50	0.70
<i>Mfg. Goods classified chiefly by</i>	31.10	30.50	45.00	0.80	0.70	1.00
<i>Materials</i>						
<i>Machinery & Transport</i>	62.40	99.80	93.90	1.60	2.30	2.20
<i>Equipment</i>						
<i>Other Imports</i>	17.50	12.10	18.80	0.40	0.30	0.40
General merchandise on a balance of payments basis	(206.90)	(283.60)	(264.70)	(5.20)	(6.50)	(6.10)
<i>Credit</i>	130.00	132.40	127.10	3.30	3.10	2.90
<i>Debit</i>	336.80	416.00	391.80	8.50	9.60	9.00
Nonmonetary gold	146.10	155.00	188.20	3.70	3.60	4.30
<i>Credit</i>	146.10	155.00	188.20	3.70	3.60	4.30
<i>Debit</i>	0.00	0.00	0.00	0.00	0.00	0.00
Services (net)	(67.60)	(72.40)	(62.00)	(1.70)	(1.70)	(1.40)
<i>Credit</i>	3.60	3.50	3.90	0.10	0.10	0.10
<i>Debit</i>	71.10	75.80	65.90	1.80	1.80	1.50
Primary Income (net)	(28.10)	(26.60)	(28.90)	(0.70)	(0.60)	(0.70)
<i>Credit</i>	5.00	5.20	5.00	0.10	0.10	0.10
<i>Debit</i>	33.10	31.80	33.90	0.80	0.70	0.80

Secondary Income (net)	130.60	182.70	177.00	3.30	4.20	4.10
<i>Credit</i>	<i>157.10</i>	<i>212.90</i>	<i>211.10</i>	<i>4.00</i>	<i>4.90</i>	<i>4.90</i>
<i>Debit</i>	<i>26.50</i>	<i>30.20</i>	<i>34.10</i>	<i>0.70</i>	<i>0.70</i>	<i>0.80</i>
Workers' remittances (net)	136.00	191.20	185.40	3.40	4.40	4.30
<i>Credit (Inward)</i>	<i>155.60</i>	<i>209.80</i>	<i>207.10</i>	<i>3.90</i>	<i>4.80</i>	<i>4.80</i>
<i>Debit (Outward)</i>	<i>19.60</i>	<i>18.60</i>	<i>21.70</i>	<i>0.50</i>	<i>0.40</i>	<i>0.50</i>
Capital Account (net)	58.60	64.90	57.50	1.50	1.50	1.30
<i>Credit</i>	<i>58.60</i>	<i>64.90</i>	<i>57.50</i>	<i>1.50</i>	<i>1.50</i>	<i>1.30</i>
<i>Debit</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Net lending (+) / net borrowing (-) (CA & KA)	32.80	20.10	67.20	0.80	0.50	1.60
Financial Account (FA)						
Net lending (+) / net borrowing (FA) (-) (FA)	(108.50)	(143.50)	(176.30)	(2.70)	(3.30)	(4.10)
Direct Investment (net)	(115.90)	(178.60)	(144.90)	(2.90)	(4.10)	(3.30)
<i>Net acquisition of financial assets</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Net incurrence of liabilities</i>	<i>115.90</i>	<i>178.60</i>	<i>144.90</i>	<i>2.90</i>	<i>4.10</i>	<i>3.30</i>
Other Investment (net)	(21.40)	35.40	(0.60)	(0.50)	0.80	0.00
<i>Net acquisition of financial assets</i>	<i>(12.80)</i>	<i>33.60</i>	<i>24.00</i>	<i>(0.30)</i>	<i>0.80</i>	<i>0.60</i>
<i>Net incurrence of liabilities</i>	<i>8.60</i>	<i>(1.80)</i>	<i>24.60</i>	<i>0.20</i>	<i>0.00</i>	<i>0.60</i>
Special drawing rights (Net incurrence of liabilities)	(20.30)	5.30	(5.60)	(0.50)	0.10	(0.10)
Reserve Assets	28.80	(0.30)	(30.80)	0.70	0.00	(0.70)
Net Errors & Omissions (NEO)	(141.30)	(163.60)	(243.50)	(3.60)	(3.80)	(5.60)
Overall Balance (OB)	28.80	(0.30)	(30.80)	0.70	0.00	(0.70)
Financing	(28.80)	0.30	30.80	(0.70)	0.00	0.70
<i>Changes in Reserve Assets (-increase; +decrease)</i>	<i>(28.80)</i>	<i>0.30</i>	<i>30.80</i>	<i>(0.70)</i>	<i>0.00</i>	<i>0.70</i>
Memorandum Items						
<i>Gross International Reserves</i>	<i>587.10</i>	<i>580.00</i>	<i>518.90</i>	<i>14.70</i>	<i>14.50</i>	<i>11.90</i>
<i>Import cover (In Months)</i>	<i>3.90</i>	<i>3.30</i>	<i>3.10</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Imports (CIF)</i>	<i>383.80</i>	<i>457.70</i>	<i>428.60</i>	<i>9.60</i>	<i>11.50</i>	<i>9.90</i>
<i>Service Payments</i>	<i>71.10</i>	<i>75.80</i>	<i>65.90</i>	<i>1.80</i>	<i>1.90</i>	<i>1.50</i>
<i>Total Imports of Goods/Services</i>	<i>455.00</i>	<i>533.50</i>	<i>494.40</i>	<i>11.40</i>	<i>13.40</i>	<i>11.40</i>
<i>Current Account Bal. Excl. Grants</i>	<i>(26.70)</i>	<i>(46.20)</i>	<i>8.20</i>	<i>(0.70)</i>	<i>(1.20)</i>	<i>0.20</i>
<i>End-of-Period Exchange Rate (LRD/1USD)</i>	<i>152.87</i>	<i>162.28</i>	<i>180.28</i>			
<i>Period Average Exchange Rate (LRD/1USD)</i>	<i>151.84</i>	<i>158.10</i>	<i>168.51</i>			
<i>Nominal GDP (In Millions of US\$)</i>	<i>3,974.40</i>	<i>4,331.60</i>	<i>4,331.60</i>			

Source: Central Bank of Liberia

*Provisional

Table 5.2: Market Exchange Rate: Liberia Dollar (LD) per US Dollar
(2nd Quarter, 2022 1st & 2nd Quarters, 2023)
(Value In L\$)

	2022	2023	% Change: Depreciation (-) & Appreciation (+)		
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y
Market Rate End of Period	152.87	162.28	180.28	11.09	17.93
Market Rate Period Average	151.84	158.10	168.51	6.58	10.98
<i>Buying</i>	<i>151.00</i>	<i>157.08</i>	<i>167.42</i>	6.58	10.87
<i>Selling</i>	<i>152.68</i>	<i>159.12</i>	<i>169.60</i>	6.58	11.08

Source: Central Bank of Liberia

/1 – Period Average Exchange Rate is the average of both the buying & selling rates of the Liberian Dollar relative to the US\$