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Central Bank of Liberia

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**The Director
Research, Policy and Planning Department
Central Bank of Liberia
P. O. Box 2048/ Cell #: (231) 880-649 103/ 886-246 587 / 770 511 284
Monrovia, Liberia**

Fax #: 00(231) 77059642

Cell #: 0881 551953

OVERVIEW

The global economy experienced steady growth in the first half of 2024, with world output maintaining a 3.2 percent growth rate across both quarters, up from 3.0 percent in the same period of 2023. Advanced economies (AEs) held a stable growth rate of 1.7 percent, while emerging markets and developing economies (EMDEs) saw a slight increase to 4.3 percent, driven by positive trends in investments and economic reforms. The U.S. experienced a minor dip in growth, decreasing from 2.7 percent in the first quarter of 2024 to 2.6 percent in the second quarter, driven by monetary adjustments and uncertainty. The Euro Area experienced modest improvements explained by structural reforms and fiscal policies.

Emerging markets, particularly in Asia, continued to show resilience with growth in China rebounding to 5.0 percent in the second quarter of 2024, supported by government policies. India's growth also accelerated to 7.0 percent, reflecting strong domestic demand. However, Latin America and the Caribbean saw a slight decline in growth, while the Middle East and Central Asia experienced a slowdown due to regional factors, including Saudi Arabia's reduced oil production. Sub-Saharan Africa's growth dipped slightly to 3.7 percent, influenced by global commodity price fluctuations and political instability, though South Africa maintained stable growth due to infrastructure investment and improved business conditions.

Global inflation remained stable at 5.9 percent in the first half of 2024, a significant improvement from the previous year's inflation rate, reflecting the impact of tight monetary policies and improved supply chain dynamics. Advanced economies saw a slight rise in consumer prices, while EMDEs experienced a minor reduction in inflation due to lower commodity prices and effective government interventions.

On the domestic front, Liberia's Real GDP is on track to reach a projected 5.1 percent growth in 2024, up from 4.6 percent in 2023, underpinned mainly by increased investments in agriculture, fisheries, and mining & panning. Key highlights from the second quarter include a 17.4 percent growth in gold production and a 130 percent increase in palm oil output. However, rubber production declined due to an export moratorium and iron ore production slowed due to weak global demand.

In the secondary sector, cement production saw a marginal increase of 0.1 percent, explained by the large inventory buildup, while beverage production rose by 14.4 percent, driven by

increased demand for beverages. The national grid's power output grew by 18 percent to 120.4 million kilowatts during the second quarter. Vessel traffic and cargo movement totaled 107 vessels with 1.96 million metric tons of cargo, showing stable performance compared to the previous quarter.

The outlook for 2024 shows continued growth in the primary sector, especially in agriculture and fisheries, while the secondary and tertiary sectors are expected to moderate. RGDP growth in 2025 is projected to remain resilient at 5.8 percent, supported by government initiatives and investments, though risks include geopolitical tensions, rising energy prices, and global supply chain disruptions.

During the second quarter, rubber and cocoa production saw significant declines, with rubber down 14.1 percent and cocoa down 44.1 percent. Similarly, sawn timber and round logs decreased, mainly due to seasonal effects, while iron ore production decreased due to the decline in global demand. Conversely, crude palm oil, gold, and various manufacturing outputs, including cement, steel, and beverages showed increases, explained by higher demand, inventory buildup, and seasonal factors. Some products like plastic chairs and poly tanks experienced sharp declines due to stock accumulation while pipes production declined owing to reduced construction activity.

Liberia saw a notable decline in inflation metrics during the second quarter of 2024. Headline inflation fell from 10.2 percent in quarter one to 7.4 percent, and from 11.3 percent in quarter two of 2023, mainly due to stable exchange rates and lower fuel prices. Core inflation, excluding food and transport, slightly decreased from 3.2 percent to 3.1 percent quarter-on-quarter and dropped significantly by 8.4 percentage points from 11.5 percent year-on-year.

During the review quarter, major consumer basket categories saw a significant decline in prices, including food & non-alcoholic beverages; clothing & footwear; housing, water, electricity, gas & other fuels; health; and transport, among others. However, prices for alcoholic beverages, tobacco, education, and restaurants increased. Food inflation dropped to 5.5 percent from 8.7 percent a year ago, while non-food inflation slightly rose to 1.9 percent due to increased consumer demand.

Administered prices declined to 0.5 percent, a decrease from 0.6 percent in the first quarter of 2024. Market prices decreased to 6.8 percent from 10.0 percent in the previous quarter, due to

stable exchange rates and increased goods supply. For the third quarter of 2024, inflation is projected to remain in single digit at 7.0 percent with a symmetric bandwidth of +/- 2.0. This projection is on account of effective liquidity management and falling global fuel prices, though risks include global supply chain issues and potential currency depreciation.

In the second quarter of 2024, the monetary policy stance of CBL focused on managing liquidity to stabilize domestic prices through contractionary measures, including using CBL bills and adjusting reserve requirements. The banking sector saw growth in total assets, deposits, capital, and loans, and reported a profit of L\$5.23 billion for the quarter. Capital increased to L\$44.1 billion, with the Capital Adequacy Ratio (CAR) at 23.4 percent, reflecting a solid capital base but a decrease from the previous quarter.

The banking sector experienced a 1.05 percent rise in total loans and advances to L\$98.94 billion, though non-performing loans also increased slightly to L\$17.90 billion, highlighting ongoing challenges. Total assets grew by 3.9 percent to L\$312.79 billion, with liquidity ratios remaining above regulatory requirement of 15.0 percent. Profitability improved, with gross operating income doubling to L\$13.97 billion and profit after tax up to L\$5.23 billion. Total operating expenses for the quarter stood at L\$ 7.76 billion, an increase of 105.0 percent, from L\$3.78 billion recorded at the end of quarter one 2024. Return on assets (ROA) rose to 1.60 percent from 0.87 percent in the previous quarter and return on equity (ROE) increased to 11.8 percent from 6.31 percent.

The stock of commercial bank loans and advances increased by 4.7 percent to L\$98,935.5 million from the previous quarter, with notable growth in sectors like public corporation, agriculture and manufacturing. The USD portion of total loans rose by 4.0 percent to US\$477.05 million from the previous quarter, marking a 1.8 percent annual increase. The LRD component grew by 4.5 percent to L\$5.85 billion, reflecting a 10.2 percent year-on-year rise. Commercial banks' interest rates decreased except for certificate of deposit (CD) rates, which increased. Lending rates fell to 13.06 percent, personal loans to 12.66 percent, mortgages to 12.63 percent, time deposits to 3.26 percent, and savings to 2.45 percent. CD rates rose to 3.35 percent. The spread between lending and saving rates widened to 10.61 percentage points.

Liberian dollar in circulation decreased by 2.0 percent to L\$27,706.89 million due to declines in both currency in and outside banks. However, it increased by 6.3 percent compared to June

2023. Narrow money supply (M1) grew by 9.6 percent to L\$177,874.07 million, driven by 11.4 percent rise in demand deposits. Year-on-year, M1 increased by 36.5 percent. Broad money supply (M2) rose by 8.3 percent to L\$246,456.70 million, with increases in net foreign assets (NFA) and net domestic assets (NDA). Compared to end-June 2023, M2 grew by 32.4 percent, with notable increases in both NFA and NDA. The USD component of M2 increased to 79.2 percent, signifying the constraint to addressing the highly dollarized nature of the economy.

Fiscal operations by the Government of Liberia (GOL) resulted to a fiscal deficit of US\$4.0 million (0.1% of GDP), reversing the previous quarter's surplus due to increased expenditure. Total revenue rose by 6.6 percent to US\$177.9 million, driven by higher tax and non-tax revenues. Government expenditure increased by more than half to US\$181.8 million, reflecting increased recurrent and capital spending. Public debt grew by 6.5 percent to US\$2,569.9 million (53.9% of GDP), with both external and domestic debt increasing. Year-on-year, public debt rose by 20.5 percent.

In the second quarter of 2024, developments in the external sector were mixed. The current account surplus decreased by 18.5 percent to US\$78.0 million (1.6% of GDP), due to lower secondary income transfers. The merchandise trade deficit narrowed by 9.5 percent to US\$118.0 million (2.5% of GDP), with total trade rising by 22.5 percent to US\$784.1 million (16.4% of GDP). Exports grew by 30.7 percent to US\$333.1 million, while imports increased by 17.1 percent to US\$451.0 million (FOB) and 19.4 percent to US\$499.1 million (CIF).

The services account deficit widened by 44 percent to US\$24.6 million (0.5% of GDP), and the primary income deficit increased slightly to US\$26.1 million (0.5% of GDP). Secondary income net inflows fell by 8.3 percent to US\$246.7 million (5.2% of GDP), driven by a decrease in personal remittances, which dropped by 9.6 percent to US\$169.9 million (3.6% of GDP).

The capital account surplus rose by 6.0 percent to US\$127.9 million (2.7% of GDP), mainly due to increased capital transfers. Financial account inflows grew by 32.8 percent to US\$184.1 million (3.9% of GDP), supported by higher other investment inflows, though direct investment inflows slightly decreased by 1.1 percent to US\$153.9 million (3.2% of GDP).

Given these developments, the overall Balance of Payments (BoP) recorded a surplus of 0.3 percent of GDP in quarter two of 2024 against the deficit of 0.4 percent of GDP in the previous quarter.

The gross international reserves (GIR) fell by 2.1 percent to US\$413.5 million (8.7% of GDP), with import cover dropping to 2.2 months, below the ECOWAS benchmark of 3 months. The decline in GIR was mainly explained by decrease in foreign liquid assets including Special Drawing Rights (SDRs) Holdings & Reserves coupled with growth in the CBL's net liquid US dollar denominated liabilities

I. Global Development

1.1 Introduction

The global economic output for the first half of 2024 revealed steady growth with mixed performance across different economic groupings. The world output growth remained unchanged at 3.2 percent in the first and second quarters of 2024, following a slightly lower growth of 3.0 percent in the second quarter of 2023.

Real GDP growth for Advanced economies (AEs) remained the same, while emerging markets & developing economies (EMDEs) grew slightly by 0.1 percentage point to the 4.3 percent projected for 2024. The slight improvement in EMDEs was attributed to ongoing positive trends in the two regions. Technically, AEs' growth exhibited strengthening economic structures, conservative monetary policies, and demographic challenges, while EMDEs demonstrated dynamic growth potential underpinned by investments, demographic advantages, and economic reforms.

1.2 Advanced Economies

Advanced economies revealed a stable growth rate of 1.7 percent in the first and second quarters of 2024. This stability followed a lower growth rate of 1.5 percent in the corresponding quarter of 2023. The growth rate for other advanced economies remained steady at 2.0 percent in the first and second quarters of 2024, influenced by various factors, including prudent economic policies, trade relationships, and regional developments.

The U.S. recorded a slight decrease in growth from 2.7 percent in the first quarter of 2024 to 2.6 percent in the second quarter of the same year, reflecting a modest increase compared to 1.5 percent recorded in the second quarter of 2023. The decrease in the review period was largely attributed to monetary adjustments and economic uncertainty. Growth in the Euro Area slightly increased from 0.8 percent in the first quarter to 0.9 percent in the second quarter of 2024. However, it remained resilient compared to 0.9 percent recorded in the second quarter of 2023. The slight improvement in the review quarter was due to the positive developments arising from structural reforms and fiscal policies, which stimulated growth in some economies, such as France and Spain that offset the constraints in others, like Germany and Italy. Germany's growth remained steady at 0.2 percent in both the first and second quarters of 2024, followed by negative 0.3 percent growth in the second quarter of the previous year, primarily

driven by global supply chain disruptions and lower demand coupled with economic adjustments, which muted exports and trade. France's growth improved marginally from 0.7 percent in the first quarter of 2024 to 0.9 percent in the second quarter of the same year, up from 0.8 percent in the second quarter of 2023, mainly due to fiscal policies and government stimulus measures that strengthened consumer spending and domestic demand. Italy's growth remained steady at 0.7 percent in the first and second quarters of 2024 in comparison to the 1.1 percent growth in the second quarter of 2023, largely due to long-term structural issues, including high public debt and low productivity growth. Robust domestic demand, tourism recovery, and effective economic policies underpinned Spain's economic growth by 0.6 percentage point from the first quarter to 2.5 percent in the second quarter of 2024, up from 2.5 percent in the second quarter of 2023. Growth in Japan moderated from 0.9 percent in the first quarter to 0.7 percent in the second quarter of 2024; however, it fell short of 1.4 percent growth rate in the corresponding quarter of 2023 mainly due to aging population and declining workforce, coupled with weak domestic demand. The UK recorded a slight improvement in growth from 0.5 percent in the first quarter of 2024 to 0.7 percent in the review quarter of the same year, up from 0.4 percent in the same quarter of 2023 on account of trade arrangement as well as robust domestic consumption and investment. Canada's growth increased from 1.2 percent in the first quarter to 1.3 percent in the review quarter of 2024, followed by 1.7 percent in the second quarter of 2023, highly driven by resource exports and investment growth.

1.3 Emerging Market and Developing Economies

Emerging markets and developing economies continued to demonstrate resilience and sustained growth momentum, with a slight increase in output growth from 4.2 percent in the first quarter of 2024 to 4.3 percent in the second quarter. This improvement highlighted several factors, including structural reforms, improved governance, enhanced infrastructure and technological advancements. Additionally, enhanced business environment, economic liberalization, and trade agreements attracted investment and facilitated growth. Emerging and Developing Asia, a critical sub-region within EMDEs, exhibited increase in growth, from 5.3 percent in the second quarter of 2023 to 5.4 percent in the second quarter of 2024, with a slight rise of 0.2 percentage point from the first to the second quarters of 2024. This regional performance was driven by several factors, including expansion of manufacturing capabilities and economic diversification, induced trade, investment flows, and increased demand for goods

and services. China's growth moderated from 5.2 percent in the second quarter of 2023 to 4.6 percent in the first quarter of 2024; however, it rebounded to 5.0 in the second quarter of 2024. The rebound in China's growth in the review period was attributed to prudent government policy measures, such as fiscal stimulus and infrastructure investment. Growth in India continued to expand at a moderate pace, increasing from 6.8 percent in the first quarter of 2024 to 7.0 percent in the second quarter, primarily driven by robust domestic demand, including consumption and investment coupled with economic reforms, infrastructure, and improvements in the business environment. The growth rate for Latin America and the Caribbean slightly decreased from 2.0 percent in the first quarter of 2024 to 1.9 percent in the second quarter of the same year, like the corresponding period in 2023. This decline of 0.1 percentage point reflected regional economic conditions and the performance of key economies such as Brazil and Mexico. Brazil's growth moderated from 2.2 percent in the first quarter to 2.1 percent in the second quarter of 2024, following similar output growth in the corresponding period of 2023 due to several factors, including high inflation, political instability, and fiscal imbalances. Changes in trade policies, tariffs, and economic conditions in the U.S resulted to a moderation in Mexico's growth from 2.4 percent in the first quarter to 2.2 percent in the second quarter of 2024, compared to the 2.6 percent growth in the second quarter of 2023. The growth rate for the Middle East and Central Asia moderated from 2.8 percent in the first quarter to 2.4 percent in the succeeding quarter of 2024 on account of mixed economic factors in the region, including Saudi Arabia. Saudi Arabia's growth rate moderated by 0.9 percentage point in the second quarter to 1.7 percent of 2024. Corresponding analysis revealed a slight decline of 0.1 percentage point in growth relative to the previous year primarily due to the extension of oil production cuts.

1.4 Sub-Saharan Africa

Sub-Saharan Africa's growth rate decreased slightly from 3.8 percent in the first quarter to 3.7 percent in the second quarter of 2024, following the growth of 3.5 percent in the second quarter of 2023. This performance indicates a modest slowdown, influenced by fluctuations in global commodity prices and political instability in some regions. Growth in Nigeria moderated from 3.3 percent in the first quarter to 3.1 percent in the second quarter of 2024. Similarly, compared with the corresponding period in 2023, output in Nigeria declined by 0.1 percentage point, reflecting macroeconomic challenges and political instability. South Africa's growth rate

remained stable at 0.9 percent in the first and second quarters of 2024. Compared to a year ago, growth appreciated by 0.6 percentage point. The stability in growth during the first and second quarters of 2024, combined with the significant improvement from the second quarter of 2023, was attributed to factors, including investment in infrastructure, improvements in business conditions, and fiscal policies to support economic activities.

1.5 Global Inflation

The global consumer price index remained stable at 5.9 percent in the first and second quarters of 2024, reflecting tight monetary policy responses that induced equilibrium in global inflation. Compared to the corresponding quarter in 2023, inflation moderated by 0.9 percentage point. Moreover, heightened supply chain disruptions encountered in previous years have shown significant improvements, easing cost pressures from logistics and manufacturing, thereby contributing to stable prices. In advanced economies, consumer prices increased slightly from 2.6 percent in the first quarter to 2.7 percent in the second quarter of 2024 due to increasing consumer demand, and wage increases in many advanced economy. However, compared to the corresponding quarter in 2023, inflation moderated by 2.1 percentage points.

Consumer prices in emerging markets and developing economies slightly reduced from 8.3 percent in the first quarter to 8.2 percent in the second quarter of 2024. This reduction was mainly attributed to a decrease in global commodity prices, improvement in local currencies against major currencies like the US dollar, reduced import costs, and effective government interventions through subsidies and fiscal measures. Overall, world consumer prices have stabilized, reflecting the effectiveness of global monetary policy responses and improved supply chain dynamics.

	Q1- 2023	Q2- 2023	Q3- 2023	Q4- 2023	Q1- 2024	Q2- 2024	Difference From April 2024 Update
World Output	2.8	3.0	3.0	3.1	3.2	3.2	0.0
Advanced Economies	1.3	1.5	1.5	1.6	1.7	1.7	0.0
United States	1.6	1.8	2.1	2.5	2.7	2.6	-0.1
Euro Area	0.8	0.9	0.7	0.5	0.8	0.9	0.1
Germany	-0.1	-0.3	-0.5	-0.3	0.2	0.2	0.0
France	0.7	0.8	1.0	0.8	0.7	0.9	0.2
Italy	0.7	1.1	0.7	0.7	0.7	0.7	0.0
Spain	1.5	2.5	2.5	2.4	1.9	2.4	0.5
Japan	1.3	1.4	2.0	1.9	0.9	0.7	-0.2
United Kingdom	-0.3	0.4	0.5	0.5	0.5	0.7	0.2
Canada	1.5	1.7	1.3	1.1	1.2	1.3	0.1
Other Advanced Economies	1.8	2.0	1.8	1.7	2.0	2.0	0.0
Emerging Market and Developing Economies	3.9	4.0	4.0	4.1	4.2	4.3	0.1
Emerging and Developing Asia	5.3	5.3	5.2	5.4	5.2	5.4	0.2
China	5.2	5.2	5.0	5.2	4.6	5.0	0.4
India	5.9	6.1	6.3	6.7	6.8	7.0	0.2
Latin America and the Caribbean	1.6	1.9	2.3	2.5	2.0	1.9	-0.1
Brazil	0.9	2.1	3.1	3.1	2.2	2.1	-0.1
Mexico	1.8	2.6	3.2	3.4	2.4	2.2	-0.2
Middle East and Central Asia	2.9	2.5	2.0	2.0	2.8	2.4	-0.4
Saudi Arabia	3.1	1.9	0.8	-1.1	2.6	1.7	-0.9
Sub-Saharan Africa	3.6	3.5	3.3	3.3	3.8	3.7	-0.1
Nigeria	3.2	3.2	2.9	2.8	3.3	3.1	-0.2
South Africa	0.1	0.3	0.9	0.6	0.9	0.9	0.0
World Consumer Prices	7.0	6.8	6.9	6.8	5.9	5.9	0.0
Advanced Economies	4.7	4.7	4.6	4.6	2.6	2.7	0.1
Emerging Market and Developing Economies	8.6	8.3	8.5	8.4	8.3	8.2	-0.1

Source: "The Global Economy in a Sticky Spot. Washington, DC,"

II Domestic Economy

2.1 Introduction

The Real Gross Domestic Product (RGDP) of Liberia is on track to achieve the projected growth of 5.1 percent in 2024, from the 4.6 percent growth estimated in 2023, largely underpinned by increased investment in priority growth enhancing sector, including the agricultural fisheries subsector and development in the mining (panning) sector. However, growth in all other sectors during the second quarter moderated, yet they maintained positive trend.

In the second quarter, gold, a key commodity of the primary sector grew by 17.4 percent due mainly favorable global demand. Similarly, output of palm oil rose by more than 130 percent on account of expanded production by small holder farmers. However, rubber production and iron ore output fell by 14.1 percent and 13.1 percent, respectively on account of existing moratorium by the GoL on the export of rubber and weak global demand for iron ore.

In the secondary sector, production of cement and beverages rose marginally by 0.1 percent and 14.4 percent, respectively in the second quarter largely attributed to increased construction activity and demand for beverages. However, the increased production of cement in the second quarter is explained by the large inventory buildup during the fourth quarter of 2023, which resulted to low production of cement in the first quarter of 2024.

In relation to selected activity in the service sector during the second quarter, electric power output by the national grid grew by 18 percent to 120,4 million kilowatts, while the number vessels traffic and cargo movement stood at 107 with cargo of 1.96 million metric tons, reflecting a relatively stable performance compared to the previous quarter.

Outlook for 2024

In terms of outlook, the primary sector (Agriculture & Fisheries, Forestry, and Mining & Panning) is projected to grow by 4.5 percent in 2024, up from 2.5 percent in 2023 mainly driven by agriculture & fisheries subsector; and declining but positive rate of growth in the mining & panning, manufacturing, and services subsectors. The mining & panning subsector is expected to grow by 5.1 percent, from 5.7 percent in 2023, due to fall in diamond and gold production. In the agriculture & fisheries subsector, growth is projected to accelerate by 4.8 percent in 2024

when compared to the 0.9 percent growth recorded in 2023, as a result of improvements in the production of rubber, rice, and cocoa. The forestry subsector is projected to remain flat at 1.2 percent in 2024, mainly due to government policy on deforestation that is meant to affect the production of round logs and timber production.

The secondary sector (manufacturing) is projected to moderate by 4.7 percent in 2024, down from 8.9 percent in 2023 primarily driven by other manufacturing commodities. The tertiary sector growth is projected to moderate by 5.3 percent in 2024, from 7.1 percent recorded in 2023 on account of decreased activity in services emanating from government services, base effect of electricity and water, and transportation services related to iron ore.

Outlook

RGDP growth for 2025 is projected to remain resilient at 5.8 percent, indicating growth in the Agriculture & Fisheries (5.2 percent), Mining & Panning (8.5 percent), and Manufacturing (6.9 percent) sub-sectors. The resilience in the growth potential of the economy in the near-to-medium term will partly be backed by government’s commitment through the Arrest agenda to increase investment in agricultural activities, expected investment in the mining and manufacturing subsectors, the reduction in duty exemptions to some individuals and entities, and the expected improvement in the prices of the country’s traditional exports. Notwithstanding, key risks to this growth potential are supply chain constraints and disruption evolving from the ongoing geo-political conflict and tensions in the Russia-Ukraine war and Western Asia involving Israel and Hamas, rise in energy prices, and the fall in financial market transactions.

**Table 2.1: Real Sector Output
(2021-2025)**

	2021	2022	2023	2024	2025
Real GDP	5.0	4.8	4.6	5.1	5.8
Agriculture & Fisheries	4.0	1.2	0.9	4.8	5.2
Forestry	1.0	1.6	1.2	1.2	1.2
Mining & Panning	17.6	14.0	5.7	5.1	8.5
Manufacturing	4.7	2.2	8.9	4.7	6.9
Services	1.9	4.8	7.1	5.3	5.0

2.2 Sectorial Review

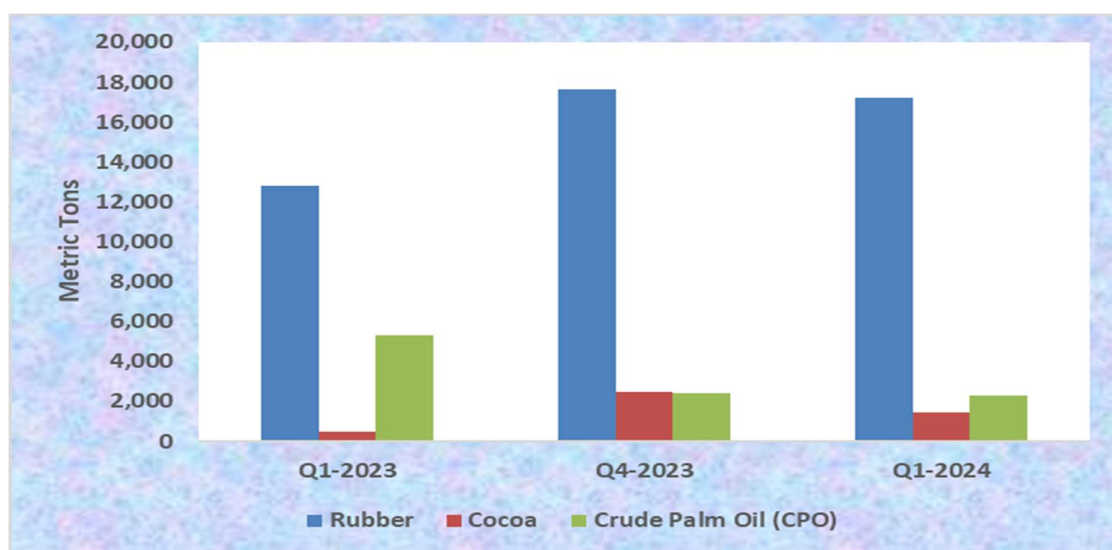
2.2.1 Agriculture and Forestry

**Table 2.1: Key Agricultural Production
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)**

Commodity	Unit	Q2-2023	Q1-2024	Q2-2024
Rubber	Mt	18,060	17,238	14,811
Cocoa	Mt	580	1,476*	825*
Round Logs	M ³	162,989*	166,834*	166,409*
Sawn Timber	Pcs	47,944*	58,715*	50,217*
Crude Palm Oil (CPO)	Mt	9,087	2,275	5,397*

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

**Chart 2.1: Key Agricultural Production
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)**



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

a. Rubber

Rubber production declined by 14.1 percent to 14,811 metric tons at the end of the first quarter of 2024 from 17,238 metric tons produced a quarter ago. The fall in the production of the commodity was notably on account of the Government's moratorium on the export of rubber. Conversely, on an annual basis, production of rubber slumped by 18.0 percent compared to the

same period in 2023.

b. Cocoa

Cocoa output fell by an estimated 44.1 percent to 825 metric tons at the end of the second quarter of 2024, down from 1,476 metric tons produced in the first quarter. The drop in cocoa production was attributed to the continued replantation of the crop by many small holder farmers. On an annual basis, cocoa output grew by 42.2 percent.

c. Sawn Timber

Sawn timber production during the quarter under review fell by an estimated 18.3 percent to 47,944 pieces, down from 58,715 pieces produced at the end of the preceding quarter. The decrease in production was mainly due to the rainy season when construction activities slowed down. When annualized, sawn timber output also decreased by 4.5 percent.

d. Round Logs

Production of round logs declined by an estimated 2.3 percent to 162,989 cubic meters, down from 166,834 cubic meters produced during the previous quarter due to the introduction of the rainy season. On a year-on-year basis, output of round logs dropped by 2.1 percent.

e. Crude Palm Oil (CPO)

Crude palm oil (CPO) production rose by 3,122 metric tons during the review quarter to an estimated 5,397 metric tons, up from 2,275 metric tons reported in the preceding quarter due to the uptick of the global price of the commodity and an increase in production by small holder farmers. Compared to the corresponding second quarter of 2023, CPO production fell by 40.6 percent.

2.2.2 Industrial Production

2.2.2.1 Mining (Gold, Diamond, and Iron Ore)

i. Gold

Gold production increased by 17.4 percent to 117,434 ounces during the second quarter of 2024, from 100,021 ounces produced in the previous quarter on account of the cessation of rioting on one of the major mining sites. Compared to the corresponding period a year ago,

gold output rose by 1.9 percent.

ii. Diamond

Diamond output declined by 2.8 percent to 15,129 carats during the quarter ended June 2024, down from 15,569 carats reported in the previous period due to seasonal effect on mining conditions. When compared to the second quarter a year ago, output increased by 39.6 percent.

iii. Iron Ore

Iron ore production dipped by 13.1 percent to 1.26 million metric tons at the end of the second quarter, from 1.45 million metric tons produced in the fourth quarter on account of declining global demand. On an annualized basis, output of iron ore rose by 6.4 percent.

2.2.2.2 Manufacturing

i. Cement

Cement output increased marginally by 0.1 percent to 194,417 metric tons during the second quarter, from 194,313 metric tons produced during the preceding period occasioned by the inventory buildup in stock. When annualized, cement production rose by 20.2 percent.

ii. Beverages

Production of beverages (alcoholic and non-alcoholic) increased by 14.4 percent to 12.3 million liters, up from 10.7 million liters produced in the previous quarter due primarily to depletion of stock and preparation for the July Independent festive season. On an annualized basis, beverage output increased by 61.4 percent. A disaggregation of total beverage produced for the quarter shows that alcoholic beverages constituted 35.0 percent, while non-alcoholic beverages accounted for 65.0 percent.

iii. Soap

Soap output rose by 20.0 percent to 136,960 kilograms during the reporting quarter, from 114,177 kilograms produced in the preceding quarter on account of stock accumulation. On a year-on year basis, soap production declined by 10.2 percent.

iv. Paint (Oil and Water)

Total paint production (oil and water paints) fell by 34.6 percent to 182,041 gallons during the

second quarter, down from 283,435 gallons produced a quarter ago due to decrease in construction activities arising from the rainy season. Conversely, compared with the same period a year ago, output increased by 6.1 percent. When disaggregated, oil paint constituted 67.4 percent, while water paint accounted for 32.6 percent of the total paint produced.

v. **Varnish**

Varnish production dropped during the second quarter to 5,984 gallons, from 6,542 gallons produced during the preceding quarter mainly occasioned by the rainy season. Compared to the corresponding period of 2023, the volume of varnish produced increased by 25.5 percent.

vi. **Zinc**

Zinc production rose by 19.4 percent to 69,158 pieces during the second quarter of 2024, from 57,910 pieces produced during the first quarter, on account of increased roof reparation during the rainy season. Compared to the production a year ago, zinc production rose by 36.5 percent.

vii. **Steel**

Production of steel increased by 16.2 percent to 8,644 metric tons during the review quarter, up from 7,436 metric tons in the previous quarter largely on account of increased road construction coupled with buildup of stock. Compared to the same period a year ago, steel production rose by 8.5 percent.

viii. **Plastic Chairs**

Plastic chairs output drastically declined by 72.6 percent to 29,859 pieces in the second quarter, down from 108,972 pieces produced in the previous quarter significantly driven by accumulated stock of the commodity. When compared to the corresponding period of 2023, plastic chairs production decreased by 72.7 percent.

ix. **Poly Tanks**

Poly tanks production plunged during the review quarter by 40.6 percent to 440 pieces, down from 741 pieces produced during the previous quarter mainly attributed to accrued stock of the commodity. When annualized, poly tanks output plummeted by 32.7 percent.

x. **Pipes**

Pipes (for both water and sewage) production fell significantly during the quarter ended June 2023 by 86.4 percent to 27,765 pieces, down from 203,851 pieces produced in the previous

quarter largely due to a decline in construction activities. On a year-on-year basis, pipes output dipped by 88.2 percent.

xi. Manoline Hair Grease

Production of manoline hair grease grew during the quarter by 50.8 percent to 6,132 kilograms, up from 4,066 kilograms produced during the previous quarter due to the availability of increased raw materials. Compared to the same period a year ago, manoline hair grease output of the commodity increased by 51.8 percent.

xii. Thinner

Production of thinner at the quarter ending June 2024 stood at 3,065 gallons, from 4,656 gallons produced in the previous quarter. The fall in the production of thinner was attributed to the introduction of the rainy season. Thinner output fell by 24.6 percent compared to the corresponding quarter.

xiii. Rubbing Alcohol

Rubbing alcohol volume produced during the review quarter rose by 47.1 percent to 168,776 liters, from 114,749 liters during the previous quarter occasioned by depletion of stock of the commodity. On an annualized basis, output of rubbing alcohol rose by 8.6 percent.

xiv. Chlorox

Chlorox output in the review quarter exceeded the previous quarter by 28.6 percent to 447,792 liters, from 348,171 liters produced during the quarter ended March 2024, mainly driven by the availability of raw materials for the buildup of stock. When annualized, output grew by 56.4 percent.

xv. Candle

Candle production surged by 32.4 percent to 17,189 kilograms at the end of the second quarter, from 12,978 kilograms produced during the first quarter, mainly due to depletion of stock. Year-on-year comparison shows that production of candles diminished by 44.2 percent.

xvi. Mattresses

Mattresses production took a nosedive during the review quarter by 12.2 percent to 30,221 pieces, down from 34,420 pieces produced during the first quarter on account of decreased sales of the commodity in the leeward counties. When annualized,

production of mattresses reduced by 9.3 percent.

xvii. **Finished Water**

Finished water volume increased by an estimated 4.3 percent to 280.4 million gallons reported in the reported quarter, up from 269.2 million gallons produced in the previous quarter, due to a rise in the water table. Compared to the same period in 2023, finished water production rose by 86.0 percent.

xviii. **Mineral Water**

The volume of mineral water produced during the first quarter rose by 5.9 percent to 633,797 liters, up from 598,245 liters produced during the preceding quarter, mainly attributed to increase water level arising from the rainy season. Compared to the same period a year ago, production of mineral water rose by 463,208 liters.

Table 2.2: Key Industrial Output
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)

Commodity	Unit	Q2-2023	Q1-2024	Q2-2024
Gold	Ounce	115,235	100,021	117,434
Diamond	Carat	10,841	15,569	15,129
Iron Ore	Mt.	1,180,000	1,445,000	1,255,000
Cement	Mt.	194,417	194,313	194,417
Spirits	Litre	161,525	315,673	303,971
Beer	Litre	1,880,052	2,443,005	2,180,027
Stout	Litre	1,613,359	1,401,515	1,757,892
Malta	Litre	140,889	164,989	170,174
Soft Drinks	Litre	3,801,386	6,395,024	7,848,910
Oil Paint	Gal.	110,067	187,529	182,041
Water Paint	Gal.	61,455	95,906	122,647
Varnish	Gal.	4,768	6,542	5,984
Zinc	Pcs	50,655	57,910	69,158
Steel	Mt	7,968	7,436	8,644
Chairs	Pcs	109,528	108,972	29,859
Poly tanks	Pcs	654	741	440
Pipes	Pcs	234,937	203,851	27,765
Manoline H. Grease	Kg	4,040	4,066	6,132
Thinner	Gal	4,065	4,575	3,065
Rubbing Alcohol	Litre	155,381	114,749	168,776
Soap	Kg	124,232	114,177	136,960
Chlorox	Litre	286,358	348,171	447,792
Candle	Kg	30,797	12,978	17,189
Mattresses	Pcs.	33,338	34,420	30,221
Finished water	Gal.	151,025,989	269,193,359	280,841,536*
Mineral Water	Liter	170,589	598,245	633,797
Electricity	kW	114,473,600	102,058,000	120,406,000

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

2.3 Consumption of Petroleum Products

Consumption of petroleum products {Premium Motor Spirit (PMS) and Diesel or Automotive Gas Oil (AGO)}, increased by 1.6 percent to 12.9 million gallons in the second quarter, up from 12.7 million gallons consumed during the first quarter. The rise in petroleum products consumption was largely on account of government policy, which saw the reduction in the prices of the commodity on the local market. When compared to the same period a year ago, petroleum product consumption decreased by 10.9 percent. Disaggregation of the consumption of petroleum products showed that PMS constituted 51.5 percent, while AGO accounted for the remaining 48.5 percent.

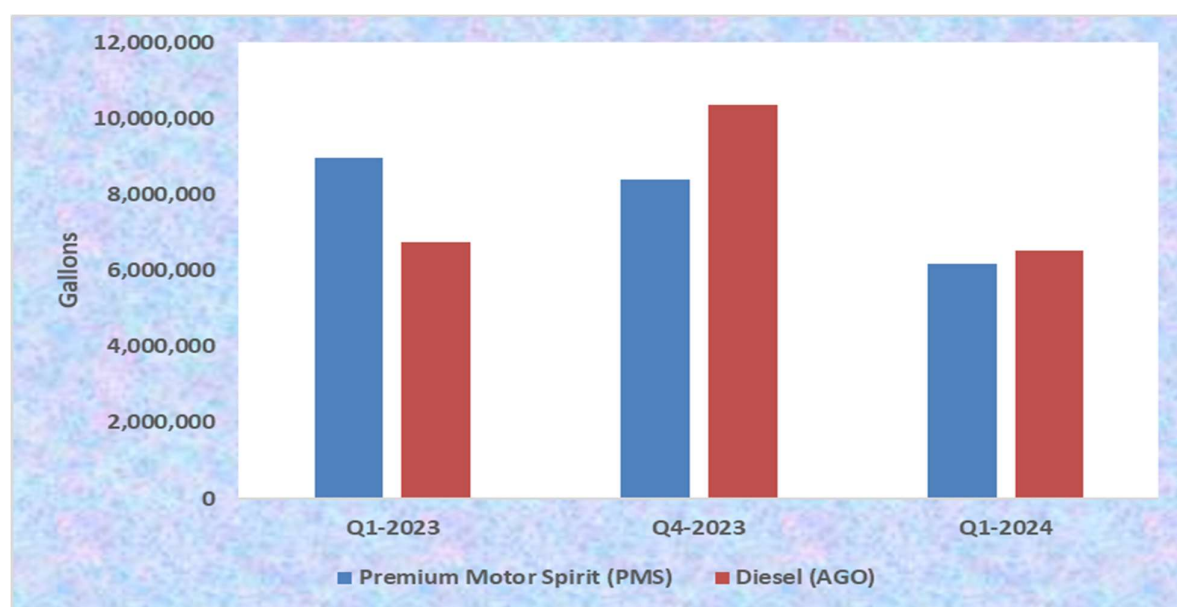
Table 2.3: Consumption of Petroleum Products

(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)

Commodity	Unit	Q2-2023	Q1-2024	Q2-2024
Premium Motor Spirit (PMS)	Gal.	6,674,869.1	6,190,050.9	6,649,338.1
Diesel (AGO)	Gal.	7,735,365.58	6,514,264.7	6,263,602.9
Total	Gal.	14,498,496.1	12,704,315.6	12,912,941

Source: Liberia Petroleum Refining Company (LPRC)

**Chart 2.2: Consumption of Petroleum Products
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)**



Source: Liberian Petroleum Refining Company

2.4 Seaport Developments

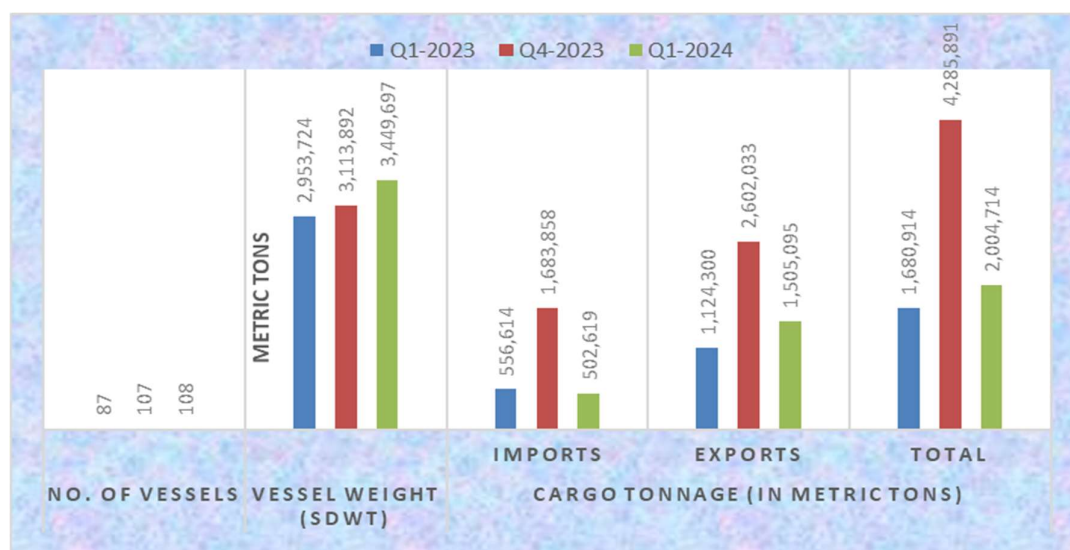
The total number of vessels anchored at the various ports along the Liberian coast during the quarter declined by 0.1 percent to 107 vessels with the combined summer dead weight of 2.7 million, from 108 vessels berthed with a combined summer dead weight of 3.4 million in the second quarter of 2024, largely explained by the fall in activities at the Freeport of Monrovia and the Port of Buchanan. In terms of percentage distribution, vessels docked in Monrovia, Buchanan, Greenville, and Harper accounted for 62.6 percent, 38.8 percent, 6.5 percent, and 6.5 percent, respectively. Compared with the corresponding period a year ago, the number of vessels declined by 6.1 percent. Disaggregation of total cargo tonnage showed that imports accounted for 41.9 percent, while exports constituted 58.1 percent (Table 2.4).

**Table 2.4: Vessel Traffic and Cargo Movements
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)**

Quarter	No. of Vessels	Vessel Weight (SDWT)	Cargo Tonnage (In Metric Tons)		
			Imports	Exports	Total
Q2-2023	114	3,471,742	891,293	1,249,260	2,140,553
Q1-2024	108	3,449,697	502,619	1,505,095	2,004,714
Q2-2024	107	2,672,299	824,409	1,141,645	1,966,054

Source: National Port Authority (NPA) SDWT=Summer Dead Weight Tons *Estimates +Revised

**Chart 2.3: Vessel Traffic
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)**



Source: National Port Authority (NPA) SDWL= Summer Dead Weight Tons & Number of Vessels

2.5 Electric Power Developments

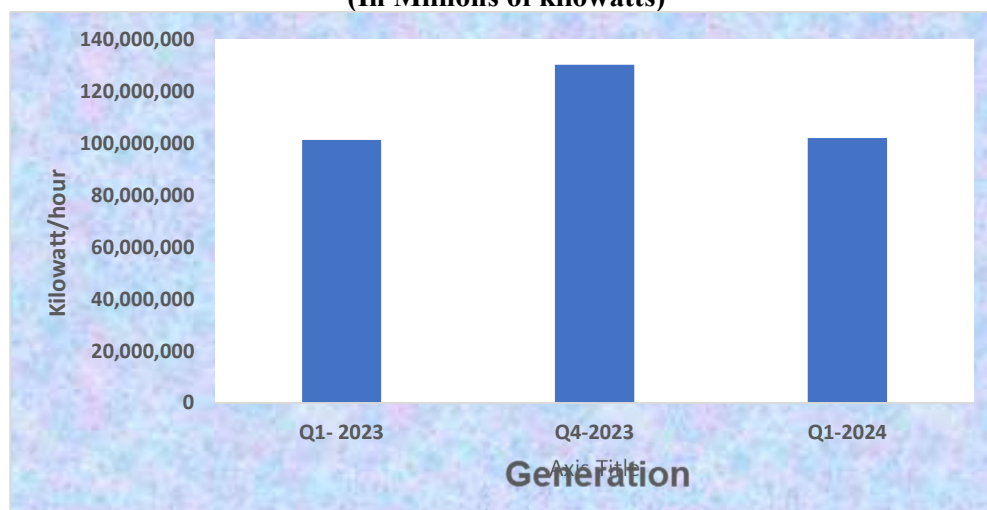
Electric power produced by the national power generating facilities¹ during the review quarter increased by 18.0 percent to 120.4 million kilowatts, up from 102.1 million kilowatts produced in the previous quarter on account of the extension of electricity to more parts of the country and the annulment of load shedding. On an annual basis, electric power generation also rose by 5.2 percent.

**Table 2.5: Electric Power Developments
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024
(in Kilowatts)**

	Unit	Service	Generation
Q2- 2023	kW	Electricity	114,473,600
Q1-2024	kW	Electricity	102,058,000
Q2-2024	kW	Electricity	120,406,000

Source: Liberia Electricity Corporation

**Chart 2.4: Electricity Generation
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024
(In Millions of kilowatts)**



Source: Liberia Electricity Corporation

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

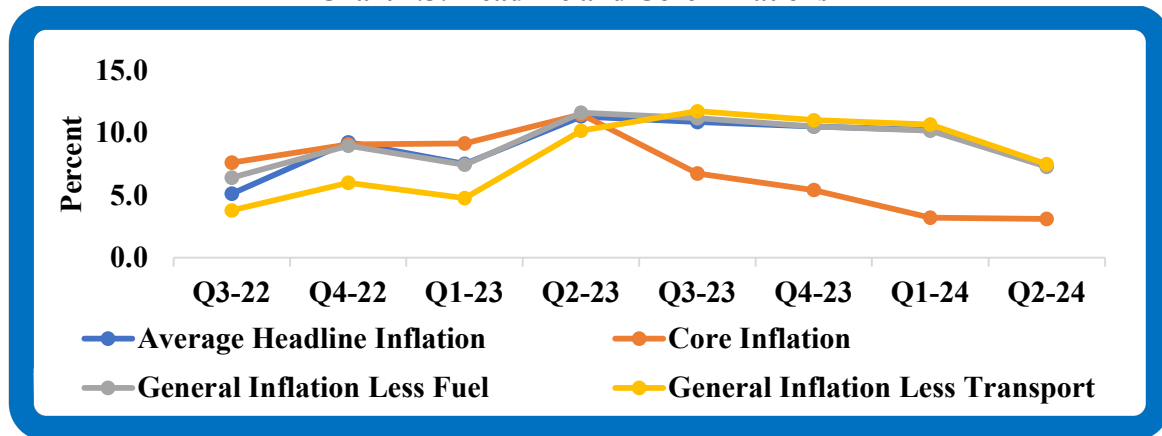
2.6 Price Developments

2.6.1 Domestic Price Developments

The domestic price development in Liberia for the second quarter of 2024 showed significant shifts in inflation metrics compared to the first quarter of 2024 and the corresponding quarter of 2023. The average headline inflation moderated from 10.2 percent in the first quarter to 7.4 percent in the second quarter of 2024, representing a decline by 2.9 percentage points. Compared to the second quarter in 2023, where the inflation was 11.3 percent, the decline in the second quarter of 2024 is even more pronounced, showing a decrease of 3.9 percentage points year-on-year. The noticeable moderation in headline inflation was mainly attributed to stability in the exchange rate and declining fuel prices.

Official core inflation, which excludes food and transport prices, remained relatively stable, with a slight moderation from 3.2 percent in the first quarter to 3.1 percent in the second quarter of 2024. A year-on-year comparative analysis of core inflation shows that core inflation in the reporting quarter reduced significantly by 8.4 percentage points from 11.5 percent reported for same quarter in 2023.

Chart 2.5: Headline and Core Inflations



Source: CBL & LISGIS

2.6.2 Inflation by Group

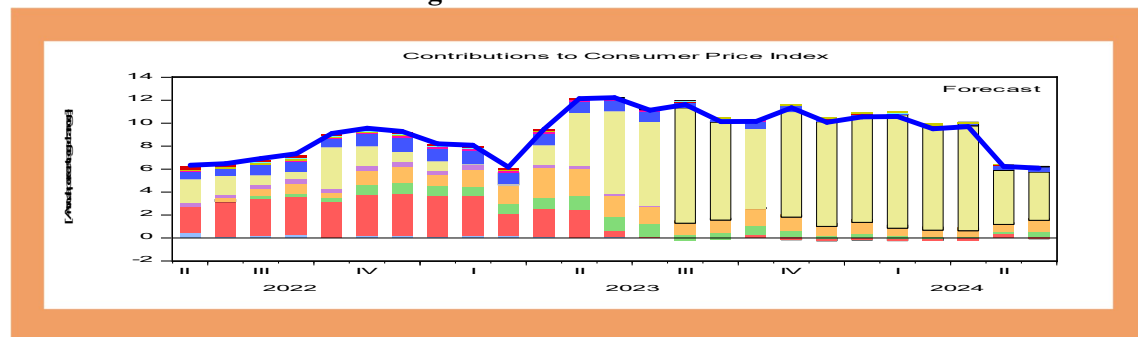
Developments in the major groups of the consumer basket during the second quarter of 2024 reported a considerable decline among the major items of the consumer basket. The primary

groups that accounted for the downward movement in price development include food & non-alcoholic beverages; clothing & footwear; housing, water, electricity, gas & other fuels; furnishings, household equipment & routine maintenance of house; health; transport; communication; recreation & culture; and miscellaneous goods & services. while alcoholic beverages, tobacco & narcotics; education; and restaurants & hotels increased compared to the previous quarter (Table 2.7 & 2.9).

2.6.2.1 Contributions to Changes in CPI (%)

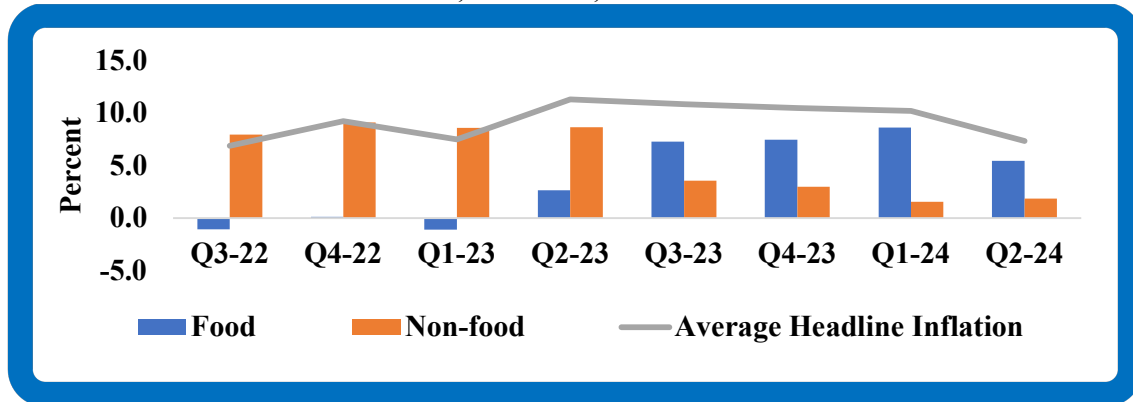
The disaggregated components of the consumer price index (CPI) basket in the second quarter of 2024 show that the following major groups largely contributed to the downward movement of inflation: food & non-alcoholic beverages, clothing & footwear, furnishing, household equipment & routine household maintenance, health, transport, communication, recreation and culture, and miscellaneous goods and services. A review of the CPI basket in terms of food and non-food shows that food inflation moderated to 5.5 percent during the review quarter, from 8.7 percent recorded during the second quarter of 2023. Conversely, non-food inflation increased slightly by 0.3 percentage point to 1.9 percent in the second quarter of 2024, from 1.6 percent reported in the first quarter of 2024. This marginal increase was due to gradual recovery in consumer demand, and increased spending on non-food items. However, a yearly analysis revealed that the non-food inflation reported in the corresponding quarter of 2023 was 7.1 percentage points higher, in comparison to the quarter under review.

Chart 2.6 Contribution to Changes in CPI



Source: CBL & LISGIS, Monrovia, Liberia

Chart 2.7: Food, Non-food, and Headline Inflation



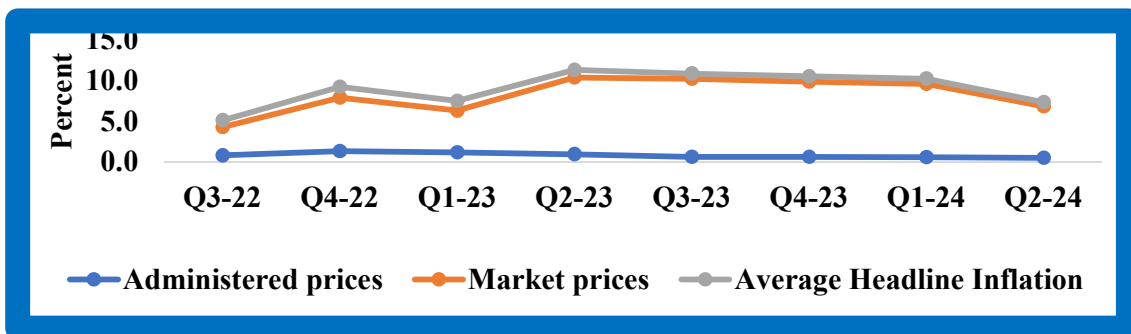
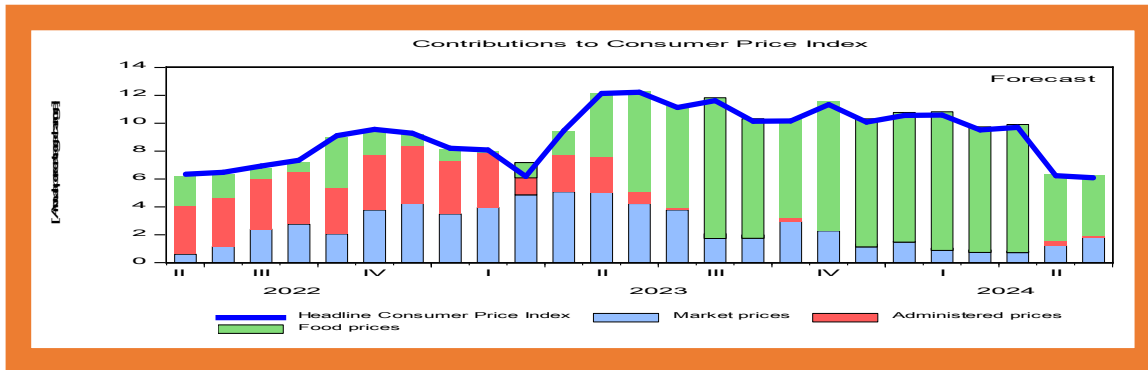
Source: CBL & LISGIS, Monrovia, Liberia

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

An analytical review of the CPI basket shows that market prices contributed 6.8 percentage points to the average inflation rate, while administered prices accounted for 0.5 percentage point during the review quarter. Administered prices, set by government policies or regulations, declined to 0.5 percent in the second quarter of 2024, a decrease of 0.1 percentage point from the first quarter of 2024.

Market prices, determined by supply and demand dynamics in the open market, decreased to 6.8 percent in the second quarter of 2024, reflecting a reduction by 3.2 percentage points, from 10.0 percent reported in the previous quarter. This decline indicates a notable easing of inflationary pressures. Year-on-year comparison shows that market price inflation in the current quarter was 3.6 percentage points lower than the 10.4 percent reported for the quarter ended-June 2023. The key driver for the decline in market prices was the stability of the exchange rate and increased supply of goods on the market, thus, resulting to rising but lower price pressures in the market.

Chart 2.8 Administered versus Market Price



Source: CBL, Monrovia-Liberia

2.6.2.3 Inflation Outlook

Inflation for the third quarter of 2024 is expected to remain in single digit, and is estimated at 7.0 percent with a symmetric bandwidth of +/- 2.0 percent on account of prudent liquidity management of the CBL and sound fiscal policy on the part of the Government as well as moderation in global fuel prices, which has had a favorable impact on domestic prices. However, key risk to sustaining single-digit inflation in the economy during the next quarter and beyond will largely hinge on global supply chain disruptions, rising international food and fuel, prices, the depreciation of the domestic currency, lack of coordination between the fiscal and monetary authorities.

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

Period	Headline Inflation (Year-on-Year changes)			Monthly Changes in HCPI (%)			
	Combined	Food	Non-Food	Combined	Food	Non-Food	
2022	January	6.55	-6.79	14.24	1.80	3.51	1.01
	February	7.64	-1.57	12.60	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	-8.10	-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	5.00	6.84
	August	1.71	0.06	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	-2.40
	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	0.90	4.14	-0.36
	February	8.27	-3.27	13.70	0.18	-1.26	0.77
	March	6.10	-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
	August	11.70	26.66	5.48	2.35	8.78	-0.59
	September	9.96	23.49	4.49	-1.32	-4.21	0.12
	October	10.14	16.86	7.20	0.05	-0.13	0.14
	November	11.43	25.13	5.89	-1.70	-1.53	-1.79
	December	10.01	26.94	3.40	-1.87	-1.64	-1.98
2024	January	10.52	26.11	4.16	1.37	3.45	0.37
	February	10.74	28.37	3.68	0.37	0.51	0.30
	March	9.45	25.51	3.00	-0.11	-0.92	0.30
	April	9.72	25.76	3.38	-0.14	-1.33	0.44
	May	6.24	12.77	3.39	0.13	-0.46	0.41
	June	6.15	11.59	3.77	2.07	1.34	2.42

Source: CBL & LISGIS, Monrovia, Liberia

Table 2.8: Inflation by Sub-group Year-on-Year Changes in CPI (Q1-2022 – Q2-2024)

Food	Weights	INFLATION RATES							
		Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24
Bread and cereals	10.06	3.44	16.62	15.31	23.26	39.43	29.96	30.14	14.35
Meat	4.82	(0.40)	0.54	2.61	9.45	18.98	20.90	17.59	8.53
Fish	5.54	6.19	(13.69)	(16.52)	(14.67)	6.26	23.63	34.21	20.56
Milk, cheese, and eggs	0.68	3.57	14.26	15.47	20.38	21.21	28.51	22.86	12.69
Oils and fats	3.36	6.47	17.46	13.69	(8.72)	(5.42)	(12.51)	(12.26)	(0.01)
Fruit	1.49	(2.60)	(2.03)	7.99	2.17	13.63	17.14	10.56	18.27
Vegetables	4.38	(32.29)	(17.16)	(25.80)	29.37	57.74	41.74	47.89	32.26
Food products	2.38	(12.11)	(5.06)	(10.00)	7.05	15.84	22.30	33.85	17.06
Coffee, tea and cocoa	0.26	31.43	3.05	(6.68)	(13.13)	(22.70)	9.27	18.57	16.73
Non-Food									
ALCOHOLIC BEVERAGES, TOBACCO, AND NARCOTICS	0.65	6.87	6.86	6.03	4.11	3.32	8.29	4.60	4.69
CLOTHING AND FOOTWEAR	5.21	(0.42)	6.65	13.23	25.11	20.49	21.70	18.98	14.97
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.22	9.92	16.62	20.02	17.81	6.39	1.73	(0.72)	(2.07)
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.21	0.61	10.11	12.65	22.45	21.56	16.26	12.15	8.46
HEALTH	9.28	(2.71)	4.53	7.69	14.94	7.79	4.79	4.38	4.23
TRANSPORT	7.53	32.22	53.10	43.77	25.11	2.82	5.90	6.10	6.03
COMMUNICATION	3.86	(6.49)	(1.43)	(0.23)	8.15	20.14	22.14	21.81	16.91
RECREATION AND CULTURE	1.03	(2.67)	2.93	9.17	12.43	16.81	17.11	11.52	9.73
EDUCATION	4.83	4.06	6.08	6.08	6.08	13.48	13.48	13.48	13.48
RESTAURANTS AND HOTELS	17.12	14.19	10.52	5.63	4.29	(4.18)	(4.93)	(8.52)	(6.27)
MISCELLANEOUS GOODS AND SERVICES	3.98	9.19	22.55	24.29	24.49	23.51	21.39	17.82	16.48

Source: CBL & LISGIS, Monrovia, Liberia

Table 2.9: Harmonized Consumer Price Index (HCPI) By Major Groups Year-on-Year Rates of Inflation (2ND Quarter, 2023; 1ST & 2ND Quarters, 2024) (December, 2005=100)

MAJOR GROUPS	WEIGHTS	23-Apr	23-May	23-Jun	Q2-23	24-Jan	24-Feb	24-Mar	Q1-24	24-Apr	24-May	24-Jun	Q2-24
FOOD AND NON-ALCOHOLIC BEVERAGES	34.08	1.38	8.08	13.30	7.59	26.11	28.37	25.51	26.66	25.76	12.77	11.59	16.71
ALCOHOLIC BEVERAGES, TOBACCO, AND NARCOTICS	0.65	2.85	5.83	3.64	4.11	5.96	4.39	3.45	4.60	3.47	5.47	5.12	4.69
CLOTHING AND FOOTWEAR	5.21	28.97	26.17	20.18	25.11	21.68	18.31	16.93	18.98	16.36	12.22	16.33	14.97
HOUSING, WATER, ELECTRICITY, GAS, AND OTHER FUELS	7.22	17.45	20.01	15.97	17.81	(0.21)	(0.39)	(1.56)	(0.72)	(1.29)	(2.66)	(2.27)	(2.07)
FURNISHINGS, HOUSEHOLD, EQUIPMENT, AND ROUTINE MAINTENANCE OF THE HOUSE	5.21	17.47	26.28	23.60	22.45	13.13	12.99	10.34	12.15	8.80	6.69	9.89	8.46
HEALTH	9.28	8.97	14.73	21.12	14.94	5.17	4.83	3.13	4.38	5.68	4.97	2.03	4.23
TRANSPORT	7.53	34.19	34.32	6.81	25.11	6.47	6.13	5.71	6.10	6.23	6.68	5.17	6.03
COMMUNICATION	3.86	3.56	7.51	13.38	8.15	22.84	21.76	20.82	21.81	19.11	18.52	13.11	16.91
RECREATION AND CULTURE	1.03	13.28	11.13	12.87	12.43	12.31	11.62	10.63	11.52	9.92	9.24	10.02	9.73
EDUCATION	4.83	6.08	6.08	6.08	6.08	13.48	13.48	13.48	13.48	13.48	13.48	13.48	13.48
RESTAURANTS AND HOTELS	17.12	4.74	2.72	5.40	4.29	(8.22)	(8.67)	(8.67)	(8.52)	(8.52)	(6.72)	(3.57)	(6.27)
MISCELLANEOUS GOODS AND SERVICES	3.89	25.34	25.35	22.79	24.49	18.17	17.68	17.61	17.82	17.63	16.00	15.81	16.48
GENERAL RATE OF INFLATION	100.00	9.43	12.22	12.36	11.33	10.52	10.74	9.45	10.24	9.72	6.24	6.15	7.37

Source: CBL & LISGIS, Monrovia, Liberia

MONETARY DEVELOPMENTS

3.1 Monetary Policy Stance (MPS)

The Monetary Policy Stance of the Central Bank of Liberia (CBL) in quarter two of 2024 remained mainly focused on liquidity management with the objective of smoothening out domestic price volatility through monetary aggregate targeting. In this regard, the CBL monetary policy stance in the quarter was largely contractionary for liquidity management, utilizing the CBL policy instruments including the CBL bills and the reserve requirement to influence the domestic monetary condition.

3.2 Banking Sector Development

During the quarter ended June 2024, the banking sector recorded growth in some key balance sheet indicators. Total assets, total deposits, capital, and total loans rose in the quarter compared with the previous quarter. The sector also reported a cumulative quarter-ended profit of L\$5.23 billion. Year-on-year, the sector recorded increases in all the key balance sheet indicators, compared to the quarter ended June 2023.

3.2.1 Capital

The banking system satisfactorily remained stable in terms of cumulative capital. As at end-June 2024, the industry's total capital stood at L\$ 44.1 billion, reflecting a growth of 6.4 percent from L\$41.4 billion at end-March 2024. Additionally, in comparison with the corresponding quarter in 2023, total capital grew by 24.5 percent, from L\$35.4 billion. This annual capital growth was mainly attributed to the increase in Retained Earnings.

During the reporting quarter, the banking industry Capital Adequacy Ratio (CAR) reported as at end June 2024 stood at 23.4 percent, representing a decrease of 4.9 percentage points compared with 28.3 percent at the end of the previous quarter, indicating more than 10 percentage points above the regulatory threshold. However, the CAR of the industry increased by 6.3 percentage points compared to the corresponding quarter in 2023, from 17.08 percent.

3.2.2 Assets and Liquidity

As at end-June 2024, the banking sector reported an increase of 1.05 percent in total loans and advances to US\$98.94 billion, from L\$94.47 billion recorded in the previous quarter. The

increase in the volume of loans was due to the increase in the extension of new credit facilities to the agriculture, manufacturing, services as well as Oil and Gas sectors. The banking sector also recorded an increase of 0.9 percent in the volume of Non-Performing Loans (NPLs), compared to the amount recorded in quarter one, 2024. The NPLs volume stood at L\$17.90 billion at end-June 2024 compared to L\$17.74 billion recorded at end-March, 2024. The increase in NPL was largely attributed to the increase in the rate of defaults in the agriculture sector (71.31 percent), the Manufacturing sector (79.71 percent), and the Oil and Gas sector (50.74 percent).

The industry's non-performing loans remained a major challenge during the quarter, despite the exerted efforts to ensure gradual reduction from period to period. Except for three banks, the rest of the commercial banks reported NPL ratios above the regulatory minimum of 10.0 percent. The industry NPL ratio recorded at the end of the review quarter stood at 18.10 percent, representing an increase of 0.68 percentage points compared to 18.78 percent recorded at end-quarter one 2024. Similarly, the NPL ratio in the sector recorded an increase of 2.0 percentage points in comparison with 16.18 percent recorded for the corresponding period of 2023.

The banking sector recorded total assets at L\$312.79 billion as at end-June 2024, reflecting an increase of 3.9 percent compared to L\$301.10 billion recorded at end-March 2024. On a year-on-year basis, total assets grew by 19.2 percent compared with the corresponding quarter of 2023. The development in total assets was mostly attributed to increases in Cash on Hand (27.2 percent), balances with commercial banks (75.1 percent), and Bond and long-term security (83.2 percent).

As at end June 2024, all the commercial banks recorded liquidity ratios above the regulatory requirement of 15.0 percent. The industry total liquid assets stood at L\$124.72 billion, indicating an increase of 0.51 percent compared with L\$124.09 billion at end quarter one 2024. On a year-on-year basis, liquid assets decreased by 25.0 percent, from L\$166.44 billion. The yearly decrease in liquid assets is attributed to the decreases in cash on hand (40 percent), clearing check (53 percent) and placement (79 percent).

The banking system also recorded a decrease of 1.1 percentage points in the liquidity ratio to 44.2 percent at end-June 2024 from 45.3 percent in the quarter ended March 2024. In

comparison with the corresponding quarter in 2023, the industry's liquidity ratio increased by 1.19 percentage points.

3.2.3 Profitability

The banking industry's gross operating income for the quarter ended June 2024 stood at L\$13.97 billion, representing an increase of 104.0 percent from L\$ 6.85 billion recorded at end-March 2024. Annual comparison showed a growth of 30.5 percent, compared with the corresponding quarter in 2023 (from L\$10.70 billion). The quarterly increase in gross operating income is attributed to increases in interest income, (111.0 percent) and treasury bill (159 percent). For the review quarter, net interest income constituted 54.0 percent of total operating income, while non-interest income accounted for 46.0 percent.

Total operating expenses for the quarter stood at L\$ 7.76 billion, an increase by 105.0 percent, from L\$3.78 billion recorded at the end of quarter one 2024. The quarterly increase in total operating expenses was due to increases in management's salaries and other remunerations (101.0 percent), Pensions (108.0 percent), and bonus (82.0 percent). Profit after tax of the industry during the review period was recorded at L\$5.23 billion, reflecting an increase of about 100.0 percent, from L\$2.61 billion in the previous quarter.

Returns on assets (ROA) and returns on equity (ROE) stood at 1.60 percent and 11.8 percent, respectively as at June 30, 2024. On a quarterly basis, ROA increased by 0.73 percentage point from 0.87 percent and ROE, by 5.5 percentage points from 6.31 percent, respectively compared to performance of March 2024.

3.2.4 Commercial Bank Credit

At end-June 2024, the stock of commercial banks' loans & advances to all sectors of the economy stood at L\$98,935.5 million (10.6 percent of GDP) compared to L\$94,468.6 million (10.2 percent of GDP) reported at end-March 2024, reflecting a quarter-on-quarter growth of 4.7 percent. On a year-on-year basis, the stock of credit to the economy rose by 10.2 percent. The quarterly increase was largely on account of growths in credits extended to the public corporation (643.4 percent), agriculture (14.9 percent), manufacturing (39.3 percent) services (16.6 percent) as well as a 22.9 percent growth in loans and advances to other sectors. The growth in loans to the agriculture sector aligns with the objective of the CBL to promote credit

to growth enhancing sector. Similarly, the yearly expansion in credit to the economy was influenced by loans and advances to agriculture, extractive, oil & gas and public corporation. Of the total stock of credit to the economy, credit to private sector accounted for 95.9 percent, down from 98.5 percent in the first quarter of 2024.

Sectoral contributions to the quarterly credit growth were as follows: Agriculture, 0.9 percentage point, extractive, 0.0 percentage point, manufacturing, 1.3 percentage points; Construction, -1.0 percentage point; services, 2.3 percentage points; trade, -1.7 percentage points; personal loans, -2.5 percentage points; government, -0.6 percentage point; public corporation, 3.5 percentage points; oil & gas, 0.8 percentage point; and the ‘other subsector’, 1.8 percentage points (chart 3.1).

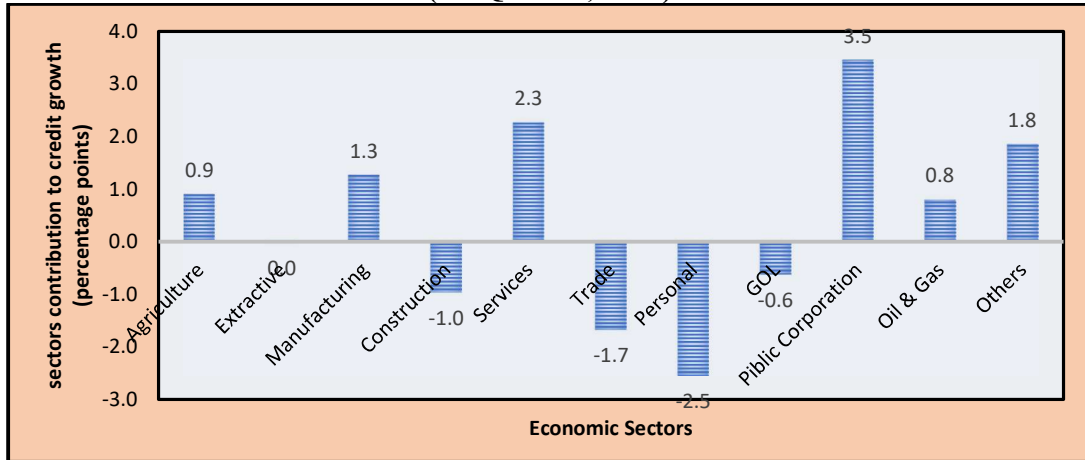
In terms of currency composition of total loans and advances in the reporting quarter, the US-dollar (USD) component grew by 4.0 percent to US\$477.05 million, from US\$458.74 million recorded in the preceding quarter. On an annualized basis, the USD component also grew by 1.8 percent. Similarly, the LRD component rose by 4.5 percent to L\$5.85 billion, from L\$5.59 billion reported at end-March 2024. On a year-on-year basis, the LRD component rose by 10.2 percent in the review period compared to the corresponding quarter in 2023.

**Table 3.1: Commercial Bank Loans by Economic Sectors
(1st & 4th Quarters, 2023; 1st Quarter, 2024)
(In Millions of L\$)**

	2023		2024				% Change	
	2 nd Quarter	Share	1 st Quarter	Share	2 nd Quarter	Share	Q-o-Q	Y-o-Y
Agriculture	3,224.9	3.6	5,723.6	6.1	6,575.7	6.6	14.9	103.9
Extractive	549.4	0.6	1,885.5	2.0	1,879.3	1.9	-0.3	242.1
Manufacturing	6,219.9	6.9	3,043.2	3.2	4,240.4	4.3	39.3	-31.8
Construction	7,824.5	8.7	8,319.6	8.8	7,414.2	7.5	-10.9	-5.2
Services	13,435.7	15.0	12,946.9	13.7	15,081.8	15.2	16.5	12.3
Trade	28,146.2	31.4	28,778.6	30.5	27,200.7	27.5	-5.5	-3.4
Personal	14,143.5	15.8	16,623.0	17.6	14,221.6	14.4	-14.4	0.6
Government of Liberia, GOL	134.9	0.2	866.9	0.9	281.6	0.3	-67.5	108.8
Public Corporation	933.8	1.0	507.5	0.5	3,772.3	3.8	643.4	304.0
Oil & Gas	6,266.6	7.0	8,156.6	8.6	8,907.0	9.0	9.2	42.1
Others	8,886.5	9.9	7,617.1	8.1	9,361.0	9.5	22.9	5.3
Total Credit to the Economy	89,765.8	100.0	94,468.6	100.0	98,935.5	100.0	4.7	10.2
O/w Credit to Private Sector	88,697.1	98.8	93,094.2	98.5	94,881.6	95.9	1.9	7.0

Source: Central Bank of Liberia

**Chart 3.1: Percentage Distribution of Commercial Bank Loans by Economic Sectors
(2nd Quarter, 2024)**

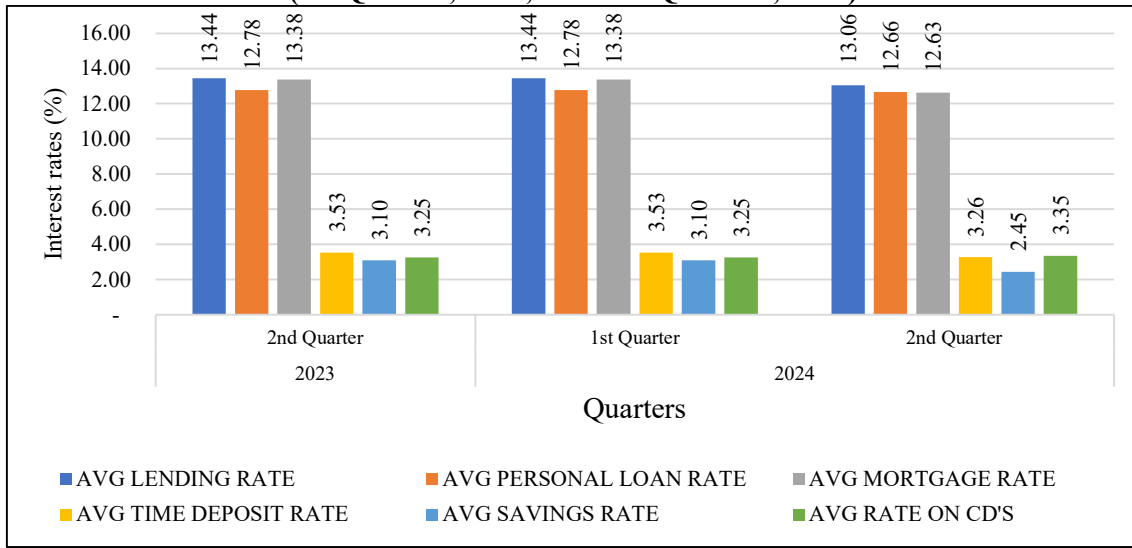


Source: Central Bank of Liberia

3.2.5 Interest Rate

The average commercial banks' interest rates (preliminary) exhibited a downward trend in the second quarter ended June 2024 except certificate of deposit (CD) rate which trended upward in the quarter. A year-on-year comparison also revealed similar pattern. The average interest rate on lending fell to 13.06 percent, from 13.44 percent in the preceding and corresponding quarters. Similarly, personal loan rate declined to 12.66 percent, from 12.78 percent. Similarly, mortgage rate declined to 12.63 percent, from 13.38 percent, time deposit rate fell to 3.26 percent, from 3.53 percent and saving rate fell to 2.45 percent, from 3.10 percent. However, the CD rate increased to 3.35 percent from 3.25 percent (Chart 3,2). Consequently, the spread between the average lending and saving rates during the quarter stood at 10.61 percentage points from 10.34 percentage points compared to the previous and corresponding quarter, an increase of 27.0 basis points.

**Chart 3.2: Commercial Bank's Interest Rates
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)**

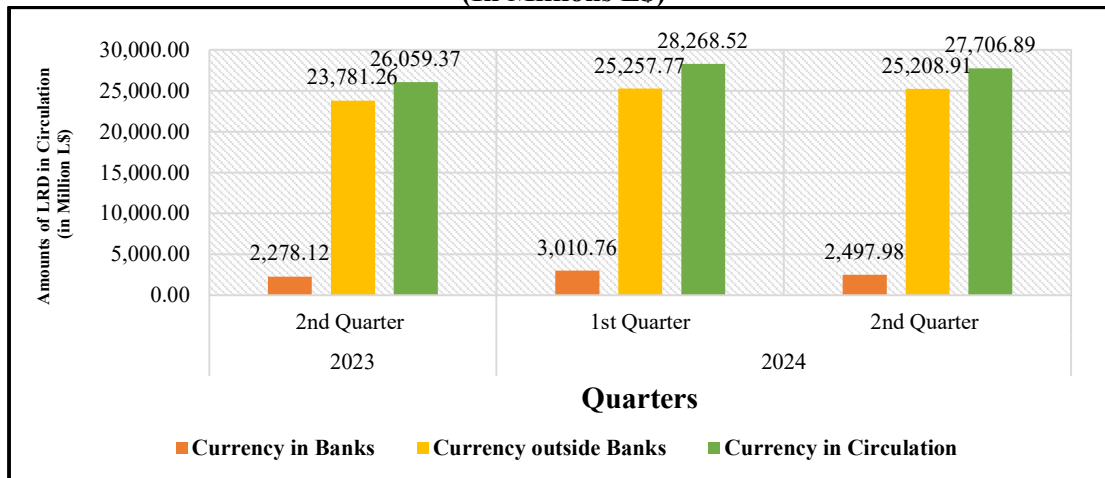


Source: Central Bank of Liberia

3.2.6 Liberian Dollar in Circulation

The stock of Liberian dollar in circulation at the end of quarter-two, 2024 contracted by 2.0 percent to L\$27,706.89 million, from L\$28,268.52 million reported at end-March 2024. The decline was driven by 17.0 percent and 0.2 percent contractions in both currency in banks and outside banks, respectively. Compared to the currency stock at end-June 2023, the Liberian dollar in circulation rose by 6.3 percent, occasioned by annual increases in currency in banks and outside banks.

**Chart 3.3: Liberian Dollars in Circulation
(2nd Quarter 2023; 1st & 2nd Quarters, 2024)
(In Millions L\$)**

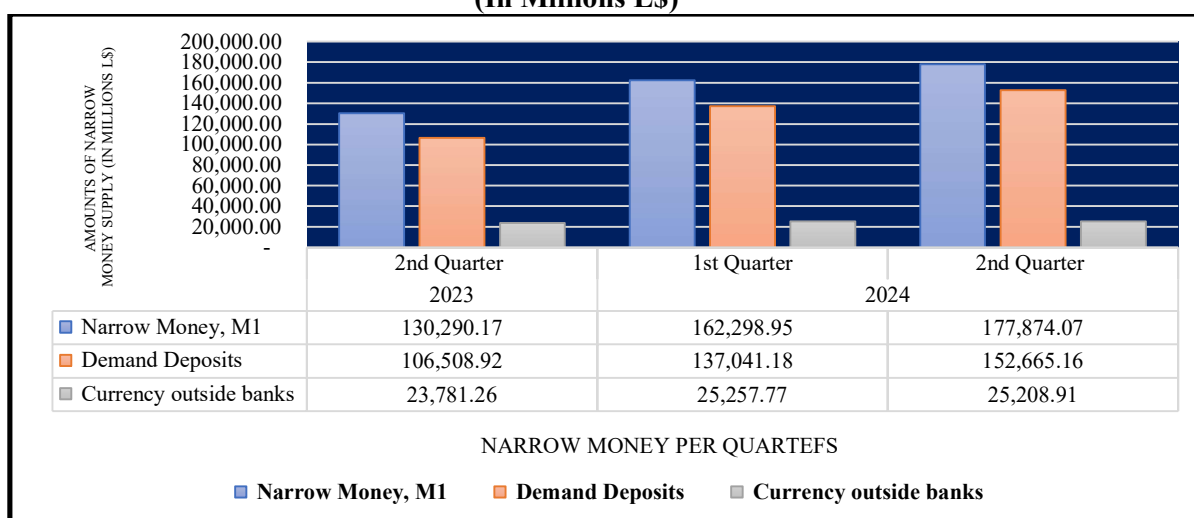


Source: Central Bank of Liberia

3.2.7 Money Supply

Narrow money supply (M1) grew by 9.6 percent in the review quarter to L\$177,874.07 million, from L\$162,298.95 million recorded at end-March 2024. The growth in M1 occurred on the back of an increase in demand deposits by 11.4 percent, which was dampened by a 0.2 percent decline in currency outside the banking system. Against the corresponding quarter of 2023, M1 grew by 36.5 percent, supported by growths in demand deposits and currency outside banks.

**Chart 3.4: Narrow Money Supply (M1)
(2nd Quarter 2023; 1st & 2nd Quarters, 2024)
(In Millions L\$)**



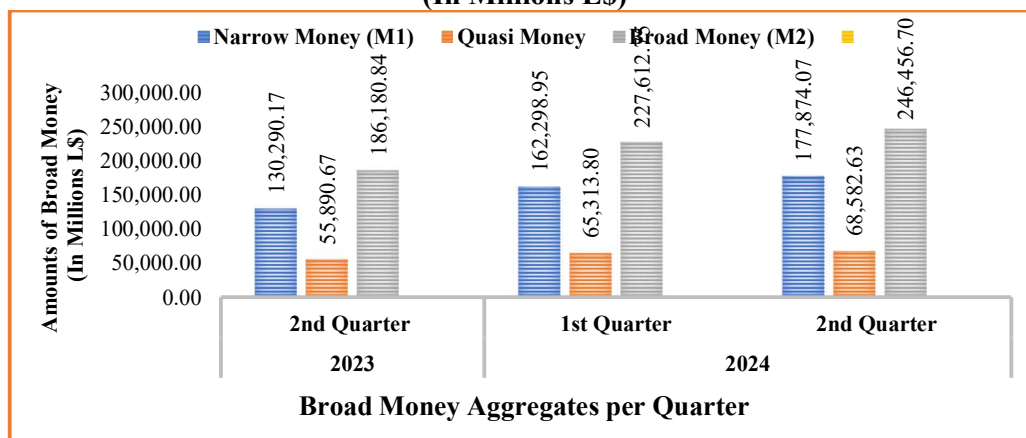
Source: Central Bank of Liberia

3.2.8 Broad Money Supply

The stock of broad money supply (M2) at the end of the second quarter of 2024 rose by 8.3 percent to L\$246,456.70 million, from L\$227,612.75 million recorded at end-March 2024. The quarterly growth of broad money was on account of 12.7 percent and 7.8 growths in net foreign assets (NFA) and net domestic assets (NDA), respectively.

Year-on-year comparison shows an M2 growth of 32.4 percent, from the base of L\$186.180.84 million recorded at end-June 2023. The annual growth in broad money supply was explained by NDA which expanded (year-on-year) by 29.1 percent as well as NFA which also grew by 65.7 percent. On the liability side, the annual growth in M2 was reflected in 9.6 percent and 5.0 percent growths in M1 and quasi money, respectively.

**Chart 3.5: Broad Money Supply (M2) and its Uses
(2nd Quarter 2023; 1st & 2nd Quarters, 2024)
(In Millions L\$)**



Source: Central Bank of Liberia

**Table 3.2: Broad Money Supply and its Sources
(2nd Quarter 2023; 1st & 2nd Quarters, 2024)
(In Millions of L\$)**

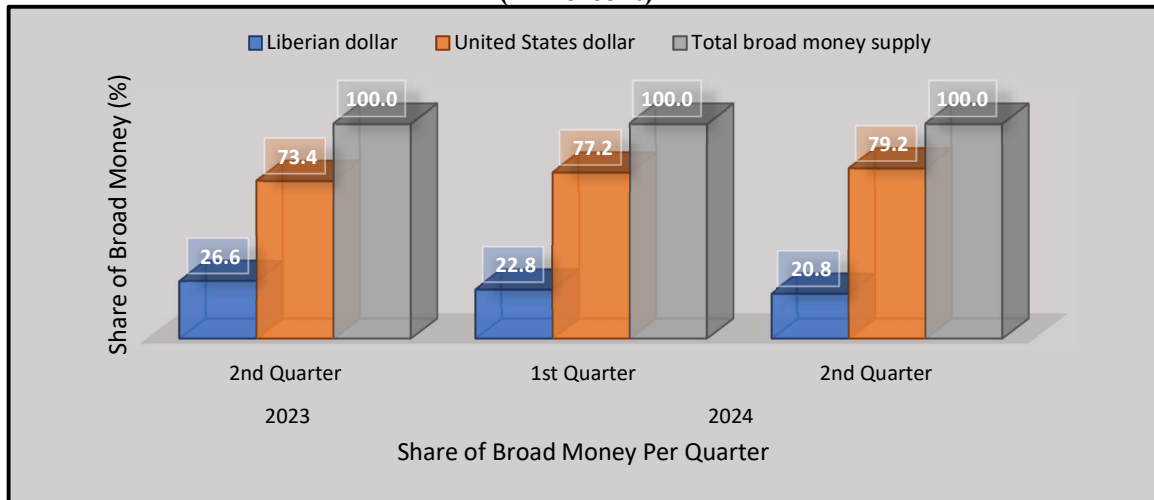
	2023		2024		percentage Change	
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	YoY	
1.0 Money Supply M2 (1.1 + 1.2)	186,180.84	227,612.75	246,456.70	8.3	32.4	
1.1 Money Supply M1	130,290.17	162,298.95	177,874.07	9.6	36.5	
1.1.1 Currency outside banks	23,781.26	25,257.77	25,208.91	-0.2	6.0	
1.1.2 Demand deposit	106,508.92	137,041.18	152,665.16	11.4	43.3	
1.2 Quasi Money	55,890.67	65,313.80	68,582.63	5.0	22.7	
1.2.1 Time & Savings deposits	55,433.75	65,135.80	68,490.07	5.1	23.6	
1.2.2 Other deposits ^{1/}	456.9180597	177.9973172	92.55766323	-48.0	-79.7	
2.0 Net Foreign Assets	16,489.27	24,243.61	27,324.87	12.7	65.7	
2.1 Central Bank	-7,089.24	-21,642.73	-14,131.66	-34.7	99.3	
2.2 Banking Institutions	23,578.51	45,886.34	41,456.52	-9.7	75.8	
3.0 Net Domestic Assets (1 - 2)	169,691.57	203,369.14	219,131.83	7.8	29.1	
3.1 Domestic Credit	248,160.70	298,812.20	306,968.98	2.7	23.7	
3.1.1 Government (net)	132,517.55	154,831.24	147,197.59	-4.9	11.1	
3.1.2 Pvt. Sector & Other Pvt. Sector	115,643.16	143,980.96	159,771.39	11.0	38.2	
3.2 Other assets Net (3 - 3.1)	-78,469.13	-95,443.06	-87,837.15	-8.0	11.9	
MEMORANDUM ITEMS						
1. Overall Liquidity	186,180.84	227,612.75	246,456.70	8.3	32.4	
2. Reserve Money	56,695.90	57,200.61	64,471.87	12.7	13.7	
2.1 Banks Reserves	30,179.61	28,754.09	36,672.42	27.5	21.5	
2.2 Other Deposits at CBL	456.92	178.00	92.56	-48.0	-79.7	
2.3 Currency in Circulation	26,059.37	28,268.52	27,706.89	-2.0	6.3	
2.3.1 Currency outside Banks	23,781.26	25,257.77	25,208.91	-0.2	6.0	
2.3.2 Currency in Banks	2,278.12	3,010.76	2,497.98	-17.0	9.7	

Source: Central Bank of Liberia

^{1/} Includes official and managers checks issued by the Central Bank

The Liberian dollar component of broad money (M2) further declined to 20.8 percent as at end-June 2024, from 22.8 percent recorded in the previous quarter. Consequently, the US dollar component rose to 79.2 percent, from 77.2 percent in the preceding quarter. The increase in the USD share of broad money supply, once again, signifies the constraint to address the highly dollarized nature of the economy.

**Chart 3.6: Broad Money: Share of US and Liberian Dollars
(2nd Quarter 2023; 1st & 2nd Quarters, 2024)
(In Percent)**



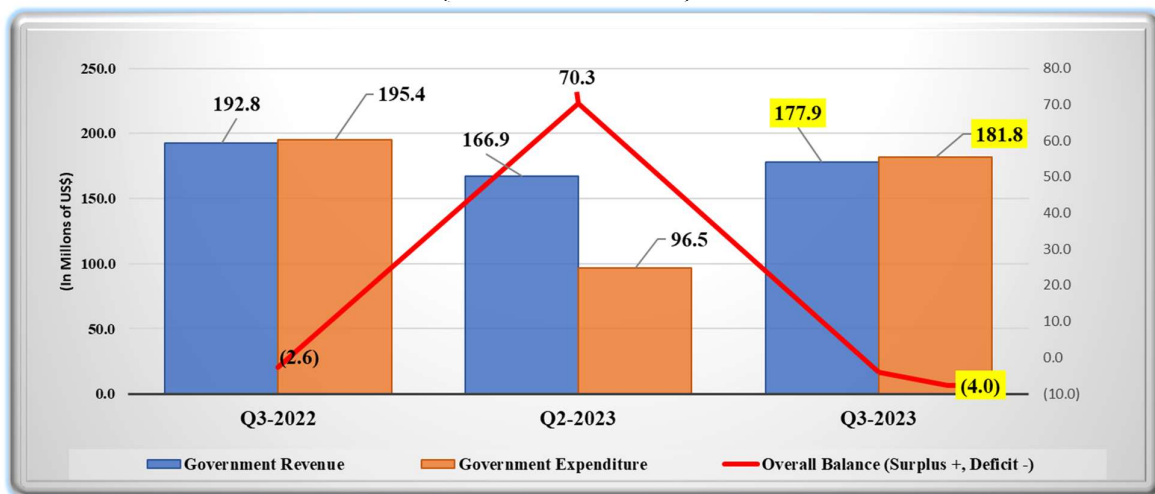
Source: Central Bank of Liberia

IV. FISCAL DEVELOPMENTS

4.1 GOL Fiscal Operations

Based on provisional data, the GOL fiscal operations for the second quarter of 2023 resulted to a deficit in the overall balance (OB) compared to the surplus realized in the first quarter of 2024, primarily on account of an increase in government expenditure offsetting the growth in total revenue. The deficit in the OB amounted to US\$4.0 million (0.1 percent of GDP). Total revenue and expenditure for the reporting quarter were US\$177.9 million (3.7 percent of GDP) and US\$181.8 million (3.1 percent of GDP), respectively.

**Chart 4.1: Graphical Outlook of GOL’s Fiscal Operations
(2nd Quarter-2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$)**



Source: CBL's Construction Using MFDP's Data

4.2 Government Revenue

Revenue mobilization in the second quarter of 2024 was favourable on account of effective fiscal operations of GOL. Total revenue increased by 6.6 percent to US\$177.9 million (3.7 percent of GDP) from the US\$166.9 million (3.5 percent of GDP) mobilized in the first quarter of 2024, indicating growths in both tax and non-tax revenues. Tax revenue expanded by 5.3 percent to US\$149.1 million (3.1 percent of GDP), largely attributed to a rise in income & profit tax, despite reduction in taxes mobilized from international trade. Non-tax revenue also increased, by 14.0 percent to US\$28.8 million (0.6 percent of GDP) on account of increases in property income and administrative fees & penalties. Other revenue (inclusive of grants) was unchanged during the quarter.

In terms of year-over-year comparison, the fiscal operations reported a reduction in total revenue compared to the corresponding quarter in 2023, largely attributed to reduction in other revenues (including grants).

Chart 4.1: Graphical Outlook of GOL's Fiscal Operations
(2nd Quarter-2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$)

Fiscal Operations	Q ² -23	Q ¹ -24	Q ² -24	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Government Revenue	192.80	166.86	177.85	6.59	(7.75)
Tax Revenue	143.60	141.63	149.09	5.27	3.82
o/w Taxes on Income & Profits	71.47	62.82	75.58	20.32	5.75
o/w Taxes on Int'l Trade	48.58	56.53	52.12	(7.80)	7.28
Non-tax Revenue	24.20	25.23	28.76	13.97	18.85
o/w Property Income	18.35	20.60	23.03	11.78	25.47
o/w Administrative Fees & Penalties	5.84	4.63	5.73	23.73	(1.91)
Other Revenue (Grants)	25.00	0.00	0.00	-	(100.00)
Memorandum Items					
Total Revenue (% of GDP)	4.39	3.50	3.73	-	-
Tax Revenue (% of GDP)	3.27	2.97	3.13	-	-
Non-tax Revenue (% of GDP)	0.55	0.53	0.60	-	-
Other Revenues (% of GDP)	0.57	0.00	0.00	-	-
<i>GDP (In Millions of USD)</i>	4390.00	4771.00	4771.00	-	-

Source: CBL's Construction Using MFDP's Data

4.3 Government Expenditure

Similarly, the GOL fiscal operations showed a substantial rise in government expenditure, largely reflecting the passage of the national budget that provided the fiscal leeway for the GOL to increase its spending. Total government expenditure for the quarter increased by more than half to US\$181.8 million (3.8 percent of GDP) compared to the expenditure of US\$96.5 million (2.0 percent of GDP) in the first quarter of 2024. The increase in government expenditure was mainly due to expansions in recurrent and capital expenditures. Recurrent expenditure for the period increased by 77.3 percent to US\$171.1 million (3.6 percent of GDP) relative to the US\$96.5 million (2.0 percent of GDP) expended in the preceding quarter. The rise in recurrent

expenditure was driven by increases in payments on loans, interest & other charges, spending on goods & services, and employees' compensation'

Similarly, the GOL's capital expenditure for the second quarter also expanded, by more than fivefold to US\$10.7 million (0.2 percent of GDP) relative to the modestly US\$0.02 million (approximately 0.0 percent of GDP) expended in the previous quarter. Notwithstanding, in terms of annual comparison, further analysis shows that the GOL's total expenditure decreased compared to the corresponding quarter in 2023.

**Chart 4.1: Graphical Outlook of GOL's Fiscal Operations
(2nd Quarter-2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$)**

Fiscal Operations	Q ² -2023	Q ¹ -2024	Q ² -2024	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Expenditure	195.41	96.54	181.82	88.33	(6.95)
Recurrent Expenditure	182.77	96.52	171.10	77.26	(6.38)
o/w Employee Compensation	65.11	58.18	75.51	29.77	15.97
o/w Goods & Services	82.17	13.92	42.92	208.33	(47.77)
o/w Payments on Loan, Interest & Other Charges	15.44	9.91	20.44	106.23	32.38
Capital Expenditure	12.64	0.02	10.72	61926.69	(15.22)
Memorandum Items					
Total Expenditure (% of GDP)	4.45	2.02	3.81	-	-
Current Expenditure (% of GDP)	4.16	2.02	3.59	-	-
Capital Expenditure (% of GDP)	0.29	0.00	0.22	-	-
Payments Loan, Interest & other Charges (% of GDP)	0.35	0.21	0.43	-	-
GDP (In Millions of USD)	4,390.00	4,771.00	4,771.00	-	-

Source: CBL's Construction Using MFDP's Data

4.4 Public Debt

For the quarter ended, a review of the Liberia's public debt portfolio at end-June 2024 reveals a rise in the stock of public debt, increasing by 6.5 percent to US\$2,569.9 million constituting 53.9 percent of GDP relative to the US\$2,413.1 million stock of public debt in the preceding quarter, constituting 50.6 percent of GDP. The marginal increase in the public debt was reflective of 7.4 percent increase in external debt and 5.3 percent increase in domestic debt. The stock of external debt totalled US\$1,497.5 million, representing 31.4 percent of GDP. In addition, the stock of domestic debt amounted to US\$1,072.4 million, constituting 22.5 percent

of GDP. Similarly, the public debt stock expanded by 20.5 percent compared to the stock of public debt reported in the corresponding period a year ago.

Chart 4.1: Graphical Outlook of GOL's Fiscal Operations
(2nd Quarter-2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$)

Fiscal Operations	Q ² -2023	Q ¹ -2024	Q ² -2024	Q-O-Q	Y-O-Y
	(Millions of USD)			(% Change)	
Total Debt Stock	2132.32	2413.12	2569.85	6.49	20.52
External	1181.99	1394.76	1497.48	7.36	26.69
o/w Multilateral	1069.84	1263.09	1354.24	7.22	26.58
o/w Bilateral	112.14	115.42	115.42	0.00	2.92
o/w Others	0.00	16.26	27.82	71.11	
Domestic	950.33	1018.36	1072.37	5.30	12.84
o/w Financial Institutions	822.64	884.92	940.78	6.31	14.36
o/w CBL	630.48	676.11	740.11	9.47	17.39
o/w Commercial Banks	192.16	208.81	200.67	(3.90)	4.43
o/w Other Debts	127.69	133.44	131.59	(1.38)	3.06
Memorandum Items					
Total Debt Stock (% of GDP)	48.57	50.58	53.86	-	-
External (% of GDP)	26.92	29.23	31.39	-	-
Domestic Debt (% of GDP)	21.65	21.34	22.48	-	-
Debt Service (% of GDP)	0.26	0.10	0.01	-	-
GDP (In Millions of USD)	4,390.00	4,771.00	4,771.00	-	-

Source: CBL's Construction Using MFDP's Data

V. External Sector Developments

5.1 Overview

Provisional statistics for quarter two 2024 showed that developments in the external sector were optimistic. Though the current account balance narrowed to a surplus of 1.6 percent of GDP mainly due to reduction in the secondary income transfers, the capital and financial accounts' inflows increased to 2.7 percent of GDP and 3.9 percent of GDP, respectively, in the 2nd quarter of 2024 relative to the preceding quarter. The developments in the capital and financial accounts were largely driven by growths in capital transfers and other investment, respectively. Accordingly, the overall Balance of Payments (BoP) recorded a surplus of 0.3 percent of GDP in quarter two 2024 against the deficit of 0.4 percent of GDP in the previous quarter.

The gross international reserves (GIR) declined to US\$413.5 million (8.7 percent of GDP) at end-June 2024, from US\$422.2 million (8.8 percent of GDP) in the previous quarter, reflecting depreciation in foreign liquid assets including Special Drawing Rights (SDRs) Holdings & Reserves coupled with increase in the CBL's net liquid US dollar denominated liabilities. Consequently, the GIR in months of imports cover remained below the ECOWAS regional benchmark of 3.0 months at 2.2 months, from the 2.6 months reported in quarter one 2024.

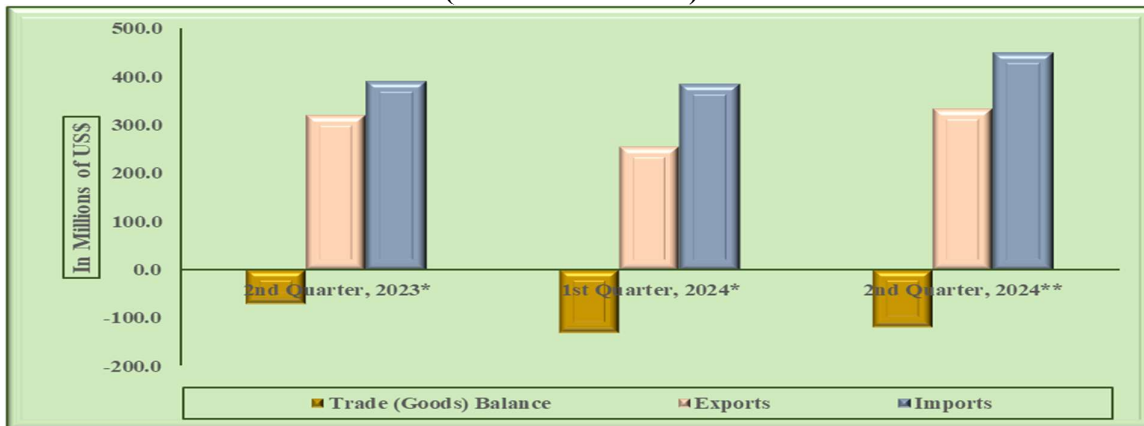
5.2 Current Account (CA)

The current account balance moderated by 18.5 percent to a surplus of US\$78.0 million (1.6 percent of GDP) in the 2nd quarter of 2024, from the US\$95.8 million (2.0 percent of GDP) surplus recorded in the preceding quarter. This development was on account of decline in secondary income transfers during the quarter.

5.2.1 Goods Account (net)

During the quarter under review, the merchandise trade deficit narrowed by 9.5 percent to US\$118.0 million (2.5 percent of GDP), from US\$130.3 million (2.7 percent of GDP) in the previous quarter, driven by growth in export receipts. Similarly, total merchandise trade (with imports on fob basis) increased by 22.5 percent to US\$784.1 million (16.4 percent of GDP), from US\$639.9 million (13.4 percent of GDP) in quarter one 2024, due to growths in both exports and imports.

**Chart 5.1: Merchandise Trade Balance
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$)**



Source: Central Bank of Liberia

5.2.1.1 Exports

Total merchandise exports rose by 30.7 percent to US\$333.1 million (7.0 percent of GDP) in the 2nd quarter of 2024, from the US\$254.8 million (5.3 percent of GDP) reported in the previous quarter. This development was attributed to growths in export earnings from gold by 32.0 percent to US\$231.8 million; iron ore by 51.1 percent to US\$48.7 million; palm oil by over one hundred percent to US\$9.8 million; and diamond by 53.4 percent to US\$7.1 million during the quarter under review relative to quarter one 2024. However, export earnings of commodities that declined during the quarter included rubber by 9.9 percent to US\$26.5 million; cocoa beans by 25.6 percent, and ‘other exports’ by 2.9 percent US\$7.3 million.

5.2.1.2 Imports (FOB & CIF)

Import payments (on fob basis) increased by 17.1 percent to US\$451.0 million (9.5 percent of GDP) in the 2nd quarter of 2024, from US\$385.1 million (8.1 percent of GDP) in the previous quarter. This development was due to growths in payments for food & live animals (including vegetable oils) by 77.1 percent to US\$134.2 million; minerals, fuel & lubricants (mainly petroleum products) by 15.1 percent to US\$141.2 million, and chemicals & related products by 41.8 percent to US\$32.4 million. Conversely, import categories that recorded declines during the quarter under review against the preceding quarter were machinery & transport equipment by 13.6 percent to US\$90.9 million; manufactured goods chiefly classified by materials by 12.3 percent to US\$34.1 million; and other imports by 7.6 percent to US\$18.1 million.

Similarly, payments for imports (on cif basis) rose by 19.4 percent to US\$499.1 million (10.5 percent of GDP) in the 2nd quarter of 2024, from the US\$419.9 million (8.8 percent of GDP) reported in the preceding quarter.

5.2.2 Services Account (net)

The deficit in the services account (net) grew by 44 percent to US\$24.6 million (0.5 percent of GDP) in quarter two of 2024, compared to the US\$17.1 million (0.4 percent of GDP) recorded in the preceding quarter. The increase was occasioned largely by growths in payments for travel and business-related services.

5.2.3 Primary Income (net)

In terms of the primary income balance, the deficit slightly grew by 0.8 percent to US\$26.1 million (0.5 percent of GDP) in quarter two 2024, from the US\$25.9 million (0.5 percent of GDP) recorded in the preceding quarter, primarily driven by increase in investment income (net).

5.2.4 Secondary Income (net)

Net inflows from the secondary income account shrank by 8.3 percent to US\$246.7 million (5.2 percent of GDP) during the quarter under review, from US\$269.0 million (5.6 percent of GDP) in the previous quarter, mainly due to decrease in personal remittances (net).

5.2.4.1 Personal Remittances

Net inflow of personal/worker remittances (including remittances terminated to mobile wallet) in the 2nd quarter of 2024 declined by 9.6 percent to US\$169.9 million (3.6 percent of GDP) compared to the US\$188.0 million (3.9 percent of GDP) reported in the previous quarter. This development was attributed to 7.9 percent reduction in inward remittances coupled with 45.6 percent growth in outward remittances during the review period. Inward and outward remittances amounted to US\$178.6 million (3.7 percent of GDP) and US\$8.7 million (0.2 percent of GDP) in the 2nd quarter of 2024, from US\$194.0 million (4.1 percent of GDP) and US\$5.9 million (0.1 percent of GDP), respectively, in the previous quarter.

**Chart 5.2: Net Personal Inward Remittances
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$)**



Source: Central Bank of Liberia

5.3 Capital Account (KA)

The surplus in the capital account (net) increased by 6.0 percent to US\$127.9 million (2.7 percent of GDP) during the review quarter, from US\$120.7 million (2.5 percent of GDP) in the preceding quarter, mainly reflecting growth in capital transfers through investment grants from development partners.

**Table 5.2: Balance of Payments Statistics
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$; Except Otherwise Indicated)**

Balance of Payments (BoP) Statement	2023		2024		In Percent of GDP		
	Q-2 ^r	Q-1 ^r	Q-2 ^p	Q-2, 2023	Q-1, 2024	Q-2, 2024	
Current Account Balance	64.3	95.8	78.0	1.5	2.0	1.6	
<i>Credit</i>	591.6	600.3	657.9	13.5	12.6	13.8	
<i>Debit</i>	527.3	504.5	579.9	12.0	10.6	12.2	
Goods and Services (net)	-114.1	-147.4	-142.6	-2.6	-3.1	-3.0	
<i>Credit</i>	356.9	303.1	378.5	8.1	6.4	7.9	
<i>Debit</i>	471.0	450.4	521.1	10.7	9.4	10.9	
Trade Balance (Goods)	-71.3	-130.3	-118.0	-1.6	-2.7	-2.5	
Credit (Exports)	320.5	254.8	333.1	7.3	5.3	7.0	
<i>Iron Ore</i>	86.8	32.2	48.7	2.0	0.7	1.0	
<i>Rubber</i>	26.3	29.4	26.5	0.6	0.6	0.6	
<i>Minerals</i>	193.9	180.2	239.0	4.4	3.8	5.0	
<i>Gold</i>	188.5	175.6	231.8	4.3	3.7	4.9	
<i>Diamond</i>	5.4	4.7	7.1	0.1	0.1	0.1	
<i>Cocoa Beans</i>	0.6	2.5	1.8	0.0	0.1	0.0	
<i>Raw Palm Oil</i>	6.1	3.0	9.8	0.1	0.1	0.2	
<i>Other Exports</i>	6.8	7.5	7.3	0.2	0.2	0.2	
Debit (Imports)	391.8	385.1	451.0	8.9	8.1	9.5	

<i>Food & Live Animals (Inc. Animals & Vegetable Oil)</i>	74.4	75.8	134.2	1.7	1.6	2.8
<i>Minerals, Fuel, Lubricants</i>	129.6	122.8	141.4	3.0	2.6	3.0
<i>Chemicals & Related Products</i>	30.2	22.9	32.4	0.7	0.5	0.7
<i>Mfg. Goods classified chiefly by Materials</i>	45.0	38.8	34.1	1.0	0.8	0.7
<i>Machinery & Transport Equipment</i>	93.9	105.2	90.9	2.1	2.2	1.9
<i>Other Imports</i>	18.8	19.6	18.1	0.4	0.4	0.4
General merchandise on a balance of payments basis	-259.7	-305.9	-349.8	-5.9	-6.4	-7.3
Credit	132.1	79.3	101.3	3.0	1.7	2.1
Debit	391.8	385.1	451.0	8.9	8.1	9.5
Nonmonetary gold	188.5	175.6	231.8	4.3	3.7	4.9
Credit	188.5	175.6	231.8	4.3	3.7	4.9
Debit	0.0	0.0	0.0	0.0	0.0	0.0
Services (net)	-42.9	-17.1	-24.6	-1.0	-0.4	-0.5
Credit	36.4	48.2	45.5	0.8	1.0	1.0
Debit	79.2	65.3	70.1	1.8	1.4	1.5
Primary Income (net)	-29.3	-25.9	-26.1	-0.7	-0.5	-0.5
Credit	5.0	5.2	5.0	0.1	0.1	0.1
Debit	34.3	31.1	31.1	0.8	0.7	0.7
Secondary Income (net)	207.7	269.0	246.7	4.7	5.6	5.2
Credit	229.7	292.1	274.3	5.2	6.1	5.7
Debit	22.0	23.0	27.6	0.5	0.5	0.6
Workers' remittances (net)	148.4	188.0	169.9	3.4	3.9	3.6
<i>Credit (Inward)</i>	<i>157.0</i>	<i>194.0</i>	<i>178.6</i>	<i>3.6</i>	<i>4.1</i>	<i>3.7</i>
<i>Debit (Outward)</i>	<i>8.5</i>	<i>5.9</i>	<i>8.7</i>	<i>0.2</i>	<i>0.1</i>	<i>0.2</i>
Capital Account Balance	90.5	120.7	127.9	2.1	2.5	2.7
Credit (Inflows)	91.7	121.5	129.0	2.1	2.5	2.7
Debit (Outflows)	1.1	0.8	1.2	0.0	0.0	0.0
Net Borrowing (-) (CA & KA)	154.8	216.4	205.9	3.5	4.5	4.3
Financial Account (FA) Balance	-149.5	-138.7	-184.1	-3.4	-2.9	-3.9
Direct Investment (net)	-135.9	-155.7	-153.9	-3.1	-3.3	-3.2
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	135.9	155.7	153.9	3.1	3.3	3.2
Other Investment (net)	17.3	34.6	-46.3	0.4	0.7	-1.0
Net acquisition of financial assets	13.2	55.1	-4.6	0.3	1.2	-0.1
Net incurrence of liabilities	-4.1	20.5	41.7	-0.1	0.4	0.9
<i>Special drawing rights (Net incurrence of liabilities)</i>	<i>-5.6</i>	<i>-6.5</i>	<i>-3.2</i>	<i>-0.1</i>	<i>-0.1</i>	<i>-0.1</i>
Reserve Assets	-30.8	-17.6	16.1	-0.7	-0.4	0.3
Net Errors & Omissions (NEO)	-304.3	-355.1	-390.0	-6.9	-7.4	-8.2
Overall Balance (OB)	-30.8	-17.6	16.1	-0.7	-0.4	0.3

Financing	30.8	17.6	-16.1	0.7	0.4	-0.3
Changes in Reserve Assets (-increase; +decrease)	30.8	17.6	-16.1	0.7	0.4	-0.3

Memorandum Items

Gross International Reserves	518.9	422.2	413.5	11.8	8.8	8.7
Import cover (In Months)	3.1	2.6	2.2	-	-	-
Imports (cif)	428.6	417.9	499.1	9.8	8.8	10.5
Service Payments	79.2	65.3	70.1	1.8	1.4	1.5
Total Imports of Goods/Services	507.8	483.2	569.1	11.6	10.1	11.9
Total Trade (FoB)	712.3	639.9	784.1	16.2	13.4	16.4
Total Trade (CiF)	749.1	672.7	832.1	17.1	14.1	17.4
Current Account Bal. Excl. Grants	-6.0	5.6	-5.9	-0.1	0.1	-0.1
End-of-Period Exchange Rate (LRD/IUSD)	180.28	192.80	194.39			
Period Average Exchange Rate (LRD/IUSD)	168.51	190.85	193.58			
Annual Nominal GDP market prices	4390.0	4771.0	4771.0			

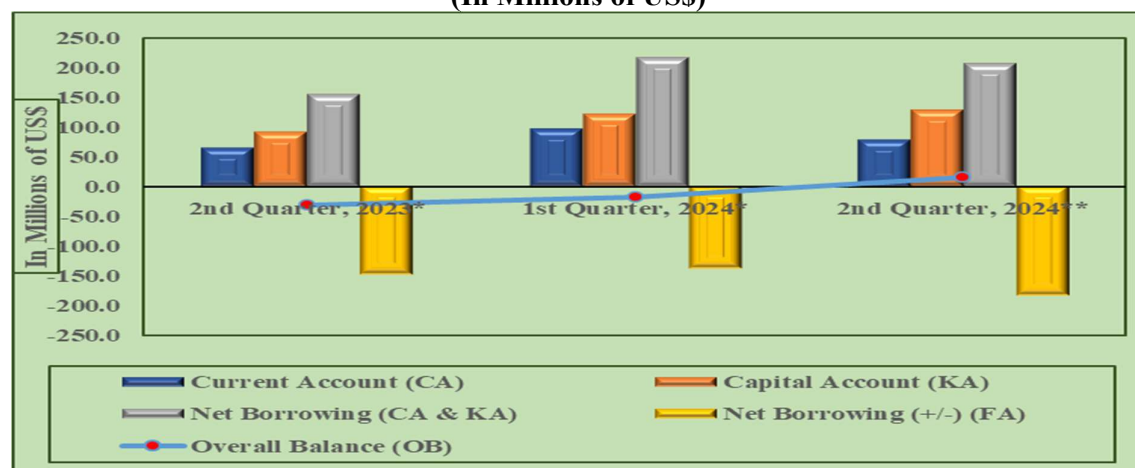
Source: Central Bank of Liberia staff

r - revised; p - provisional

5.4 Financial Account (FA)

From provisional statistics, the financial account inflows (net) grew by 32.8 percent to US\$184.1 million (3.9 percent of GDP) in quarter two 2024, from the US\$138.7 million (2.9 percent of GDP) recorded in the previous quarter. The increase was due to growth in other investment inflows (net) as direct investment inflows (net) remained positive during the period.

**Chart 5.3: Main Balances of the BoP
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$)**



Source: Central Bank of Liberia

5.4.1 Direct Investment (net)

Direct investment inflows (net) slightly fell by 1.1 percent to US\$153.9 million (3.2 percent of GDP) in quarter two 2024, from US\$155.7 million (3.3 percent of GDP) in the preceding quarter. This development was largely underpinned by marginal decline in inflows from direct investors to direct investment enterprises during the quarter under review.

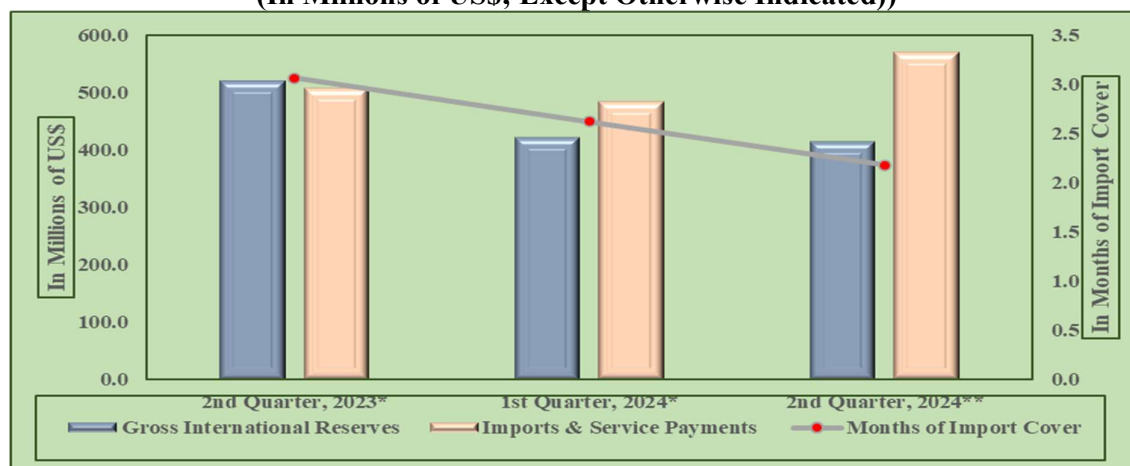
5.4.2 Other Investment (net)

Other investment inflows (net) increased to US\$46.3 million (1.0 percent of GDP) compared to the net outflows of US\$34.6 million (0.7 percent of GDP) reported in quarter one 2024. This development largely reflected increase in inflows from loans, and currency & deposits of deposit taking corporations' (except the central bank) balances held abroad.

5.5 Gross International Reserves

From provisional data, the country's gross international reserves (GIR) at end-June 2024 fell by 2.1 percent to US\$413.5 million (8.7 percent of GDP), from US\$422.2 million (8.8 percent of GDP) at end-March 2024. This development was mainly explained by decrease in foreign liquid assets including Special Drawing Rights (SDRs) Holdings & Reserves coupled with growth in the CBL's net liquid US dollar denominated liabilities. Additionally, the months of import cover relative to the GIR reduced to 2.2 months in quarter two 2024, from 2.6 months in the preceding quarter, and remained below the ECOWAS regional 3 months benchmark.

**Chart 5.4: Gross International Reserves, Imports & Months of Import Cover
(2nd Quarter, 2023; 1st & 2nd Quarters, 2024)
(In Millions of US\$; Except Otherwise Indicated)**



Source: Central Bank of Liberia