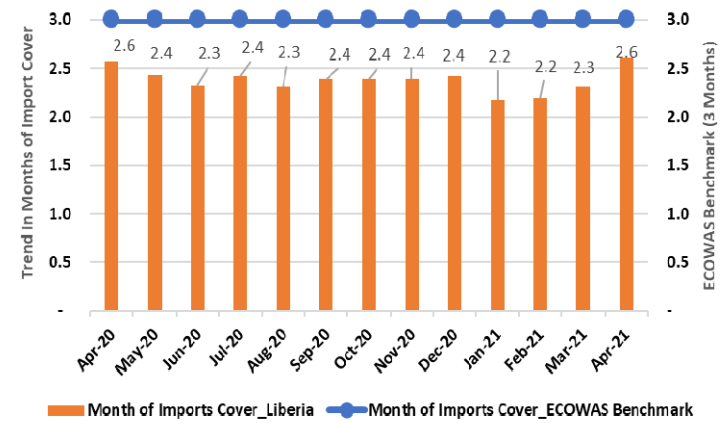




CENTRAL BANK OF LIBERIA



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Table 8: Global Commodity Prices

| GLOBAL PRICE | Apr-20 | Feb-21 | Mar-21 | Apr-21 | Percent Change | |
|--------------------------|--------------------------------|----------|----------|----------|----------------|---------|
| | | | | | MoM | YoY |
| | (In price per Unit of Measure) | | | | | |
| Iron ore (US\$/MT) | 84.73 | 163.8 | 168.18 | 179.83 | 6.93 | 112.24 |
| Gold (US\$/Oz) | 1,683.17 | 1,808.17 | 1,718.23 | 1,760.04 | 2.43 | 4.57 |
| Rubber (US\$/MT) | 1,330.00 | 2,350.00 | 2,370.00 | 2,150.00 | (9.28) | 61.65 |
| Cocoa Beans (US\$/MT) | 2,270.00 | 2,410.00 | 2,460.00 | 2,370.00 | (3.66) | 4.41 |
| Palm oil (US\$/MT) | 608.88 | 1,019.69 | 1,030.85 | 1,078.05 | 4.58 | 77.05 |
| Crude oil (US\$/BBL) | 21.04 | 60.46 | 63.83 | 62.95 | (1.38) | 199.19 |
| Food Price Index (FAO) | 92.40 | 116.40 | 118.90 | 120.90 | 1.68 | 30.84 |
| Rice 5% broken (US\$/MT) | 564.00 | 557.00 | 525.00 | 495.00 | (5.71) | (12.23) |
| Sugar (US\$/MT) | 230.00 | 360.00 | 340.00 | 360.00 | 5.88 | 56.52 |
| Commodity Price Index | 83.63 | 140.56 | 141.38 | 144.86 | 2.46 | 73.22 |

Source : www.indexmundi.com, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>
1/ Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices
2/ Commodity Price Index includes both Fuel and Non-Fuel Price Indices
† - Revised

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INTRODUCTION

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

OVERVIEW

Production statistics showed declines in key commodities in April 2021, following strong performance in the preceding month. Activity in the mining subsector was largely hampered by unfavorable weather condition, while that of the agriculture subsector was due to decreased harvest from the largest producing company and other small farm holders. Output in the manufacturing subsector showed mixed outturn during the month.

Headline inflation in the review month moderated mainly on account of decline in the prices of food and non-alcoholic beverages as well as housing, water, electricity, and other fuel components in the CPI basket. Month-on-month rate of inflation moderated by 1.8 percentage point to 0.4 percent, mainly reflecting a downward change in the prices of all major constituents of the monthly CPI groups, except the recreation and cultural group.

Inflation, excluding food and transportation, increased by 4.4 percentage points to 17.6 percent in the month under review, from 13.2 percent in the previous month, explained largely by increase in the prices of non-food items, especially furnishings, household equipment and routine household maintenance as well as the restaurant and hotel sub-groups (See Table 1).

During the month under review, the CBL monetary policy stance remained focused on price stability through the management of Liberian dollar liquidity. As part of the monetary policy operations, during the month, the CBL bills were offered at the tenors of two-weeks, one-month and three-months.

Broad money supply (M2) expanded by 1.8 percent during the month, reflecting increases in Net Foreign Assets (asset category) and deposits (liability category). The expansion in M2, from the asset category, was driven by 22.5 percent increase in Net Foreign Assets (NFA) induced by growth in the net foreign assets of the banking system. From the liability side, the growth in M2 was largely explained by 11.0 percent rise in time and savings deposits as well as 7.1 percent increase in demand deposits.

The stock of Liberian dollar in circulation fell by 1.1 percent to L\$22.5 billion compared to the stock reported in the preceding month, while currency outside banks accounted for L\$20.8 billion, reflecting a decline by 0.9 percent compared to the amount recorded in the previous period. Despite the structural constraints on the financial sector, the financial soundness indicators of the banking system were generally favorable during the month with increases in Return on Assets (ROA), Return on Equity (ROE) and Liquidity Ratio (LR).

Sugar

During the review month, the price of sugar increased by 5.9 percent to US\$360.0 per metric ton, from US\$340.00 per metric ton recorded in March 2021. The increase in the price of the commodity was, in part, on account of an increase in demand amid low supply of the commodity, mainly from Brazil. Annual comparison showed that the price of sugar increased by 56.5 percent, from US\$230.0 per metric ton in April 2020.

Palm Oil

The price of palm oil further rose by 4.6 percent to US\$1,078.05 per metric ton, from US\$1,030.8 per metric ton in the preceding month. The rise was due to anticipated slowdown in production in the major exporting countries. Year-on-year comparison of the price of palm oil reflected 77.0 percent rise, from US\$608.9 per metric ton in April 2020.

Rice

Rice price recorded a decrease by 5.7 percent to US\$495.00 per metric ton in April 2021, from US\$525.00 in previous month, largely on account of weak demand in the face of supply constraints mainly from part of Asia. Annual comparison of the price of the commodity showed 12.2 percent decrease, from US\$564.0 per metric ton in April 2020.

Cocoa Beans

In April 2021, the price of cocoa beans decreased by 3.7 percent to US\$2,370.00 per metric ton, from US\$2,460.00 in the preceding month, on account of decline in demand for the commodity from Europe and North America. However, annual comparison of the price of cocoa beans showed an increase of 4.4 percent, from US\$2,270.0 per metric ton recorded in April 2020.

Outlook for commodity prices is positive for the short term. However, the forecast of growth in prices seems marginal. Index of food price shows an expected increase due to rise in the price of mainly sugar, oil and meat products. Even though OPEC+ had announced to raise production, the effect on the price of petroleum is projected to be minimum. The prices of some precious metal and agricultural products are expected to increase in the short-term owing to the demand for the commodities.

Table 7: WAMZ Countries End-of-Period & Liberian Dollar Average Exchange Rates per US Dollar

| Currency | Mar - 20 | Jan - 21 | Feb - 21 | Mar - 21 | Appr (+)/Depr (-) | |
|---------------------------------------|----------|-----------|-----------|-----------|-------------------|---------|
| | | | | | MoM | YoY |
| End-of-Period Exchange Rate y per USD | | | | | Percent change | |
| GHC | 5.57 | 5.76 | 5.73 | 5.73 | 0.00 | (2.79) |
| GMD | 51.77 | 49.78 | 50.52 | 50.31 | 0.42 | 2.90 |
| GNF | 9,409.42 | 10,080.13 | 10,030.07 | 9,922.32 | 1.09 | (5.17) |
| LD | 198.35 | 173.45 | 173.01 | 172.04 | 0.6 | 15.3 |
| NGN | 306.50 | 379.50 | 379.50 | 379.50 | 0.00 | (19.24) |
| SLL | 9,710.63 | 10,207.30 | 10,208.80 | 10,225.81 | (0.17) | (5.04) |
| Average Exchange Rate (LD/USD) | | | | | | |
| LD | 198.12 | 172.55 | 173.47 | 172.50 | 0.6 | 14.9 |

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

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

GLOBAL COMMODITY PRICE DEVELOPMENTS

Iron ore

During the month, commodity price, both food and nonfood, except fuel and agricultural commodity prices increased compared to the preceding month, underpinned by the rise in the prices of all commodity groups. The prices of agricultural commodities (rubber) and beverage (cocoa beans) fell due mainly to demand factors, while those of food commodities were due largely to supply constraints.

Crude Oil (Petroleum) Price

The price of iron ore increased by 6.9 percent in April 2021 to US\$179.8 per metric ton, from US\$168.2 per metric ton in the preceding month. The rise was, in part, occasioned by increase in demand for the commodity driven by increased steel production in China. Compared with the price in the corresponding month of 2020, iron ore price increased by over hundred percent, from US\$84.7 per metric ton.

Rubber

During the month, the price of petroleum declined by 1.4 percent to US\$62.9 per barrel, from US\$63.8 per barrel in March 2021 due to news by OPEC and allies to raise oil production. However, annual comparison showed that the price of petroleum increased by over hundred percent, from US\$21.0 per barrel in April 2020.

Food Price (FAO)¹

The FAO food price index showed an increase of 1.7 percent in the review month compared with the March 2021 index. The persistent rise in food price index, especially during the month, was on account of increase in the prices of all five commodity groups of the food basket. Annual price of food rose by 37.7 percent compared with the price in April 2020.

LR remained above the 15.0 percent regulatory thresholds by 34.3 percentage points, while Capital Adequacy Ratio (CAR) exceeded the minimum regulatory requirement by 20.1 percentage points. Similarly, nonperforming loans (NPLs), which stood at 3.2 percent of GDP, reflected a ratio to total loan of 24.5 percent against the 10 percent regulatory tolerable limit.

The Government of Liberia (GOL) fiscal operations resulted to a surplus of US\$3.8 million (0.1 percent of GDP), from the deficit of US\$18.4 million (0.5 percent of GDP) reported in the preceding month, occasioned by a rise in total revenue. Total expenditure stood at 1.5 percent of GDP, declining by 0.2 percent compared to the previous period. The stock of public debt fell marginally to 48.7 percent of GDP, from 48.8 percent of GDP in the preceding month, but remained within the ECOWAS regional threshold limit of 70.0 percent of GDP.

Developments in the external sector showed that trade deficit widened by 0.7 percent of GDP, from 0.1 percent of GDP recorded in March 2021, due mainly to decrease in merchandise export earnings and a subsequent rise in payments for imports. Statistics on the direction of trade showed that four countries (France, Switzerland, Germany, and the United Kingdom) were the dominant destinations of Liberia's exports, while five countries (China, India, Netherland, Indonesia, and Turkey) were the main sources of imports.

Gross international reserves (GIR) increased marginally by 0.1 percent to US\$299.6 million during the month compared to the stock reported in the preceding month mainly on account of increase in foreign liquid assets. During the period, the months of import cover rose slightly to 2.6 months, remaining below the ECOWAS regional threshold of 3.0 months.

Net inflow of personal remittances increased during the month compared to the preceding month, mainly explained by improving developments of the health situation in several remitting countries that induced rise in inward remittances. Inward remittances grew by US\$7.8 million to US\$36.9 million, from the previous amount, while outward remittances increased by about US\$3.0 million to US\$6.7 million.

Developments in the foreign exchange market favored the Liberian dollar. Considering both the end period and period average exchange rates, the Liberian dollar appreciated, respectively against the US dollar during the review period.

REAL SECTOR & PRICE DEVELOPMENTS**Production Analyses of Key Commodities**

Production statistics showed decline in the outputs of key commodities in April 2021, following strong performance in the preceding month. Iron ore output decreased by 2.3 percent to 430,000.0 metric tons, from 440,000.0 metric tons produced in March 2021. Gold output decreased by 36.4 percent to 14,812.0 ounces, from 23,292.0 ounces produced in March 2021. Total output of diamond stood at 2,851 carats during the month, from 11,254 carats produced in the preceding month. Activity in the mining sector, including the production of gold, diamond, and iron ore, was largely hampered by unfavorable weather condition.

Output in the manufacturing subsector showed mixed outturn during the month. Cement production reduced by 3.3 percent to 48,703.0 metric tons, from 50,353.0 metric tons produced in the previous month due to slowdown in construction activities as a result of the rainy season. However, total beverage production increased by 2.9 percent to 1.74 million liters due to enhancement of machinery, following completion of routine maintenance work on production plant of the largest producer. In the agriculture subsector, rubber output declined by 64.6 percent to an estimated 3,326.0 metric tons, from 9,396 metric tons in the previous month, due to decreased harvest from the largest producing company and other small farm holders.

Consumer Prices

Headline inflation in the fourth month of 2021 further moderated by 0.6 percentage point to 9.4 percent, from 10.0 percent in the preceding month. The moderation in headline inflation was due to fall in the prices of food and non-alcoholic beverages as well as housing, water, electricity, and other fuel components in the CPI basket. Similarly, month-on-month rate of change in inflation decreased by 1.8 percentage points to 0.4 percent, mainly reflecting a monthly downward change in the prices of all major groups, except recreation and cultural major group in the CPI.

However, core inflation¹ increased by 4.4 percentage points to 17.6 percent in the month under review, from 13.2 percent in the previous month. The rise was explained largely by increase in the prices of non-food items, especially furnishings, household equipment and routine household maintenance as well as restaurant and hotels sub-groups. Inflation relating to furnishings, household equipment & routine household maintenance rose to 14.4 percent during the month under review, from 11.6 percent at end-March 2021, while restaurant and hotels inflation rose to 25.7 percent, from 9.7 percent.

Table 1: Production and Price Statistics

| Production | Apr - 20 | Feb- 21 | Mar - 21 | Apr - 21 |
|-------------------------|--|---------|-----------|-----------|
| | <i>(In Metric ton, Ounce, Carat and Liter)</i> | | | |
| Iron Ore (Metric ton) | 495,000 | 400,000 | 440,000 | 430,000 |
| Gold (Ounces) | 12,269 | 22,439 | 23,292 | 14,812 |
| Diamond (Carat) | 0.00 | 0.00 | 11,254 | 2,851 |
| Rubber (Metric ton) | 6,308 | 6,018 | 9,396 | 3,326± |
| Cement (Metric ton) | 28,537 | 43,640 | 50,353 | 48,703 |
| Total Beverages (liter) | 703,499 | 514,690 | 1,693,496 | 1,743,182 |
| Alcoholic | 601,925 | 463,052 | 1,555,395 | 1,581,788 |
| Non-Alcoholic | 101,574 | 51,638 | 138,101 | 161,394 |

payments for services, resulting to 2.6 months of import cover. Compared with the ECOWAS regional benchmark, the months of import cover recorded a shortfall of 0.4 month below the regional threshold of at least 3 months (Table 6).

Direction of Trade (DOT)

In April 2021, France, Switzerland, Germany, and the United Kingdom were the main destinations of Liberia's exports. However, compared to the preceding month, earnings from exports to all the destinations increased except Switzerland. Earnings from exports to France (mainly iron ore) increased by US\$9.2 million to US\$20.4 million from US\$11.3 million. Shipment to Switzerland (mainly Gold) fell by 45.7 percent to US\$18.0 million, from US\$33.2 million recorded in the previous month. Earnings from exports to Germany (mainly iron ore) increased by 42.0 percent to US\$11.6 million, from US\$8.2 million. Similarly, exports to the United Kingdom (predominantly iron ore) increased by 15.4 percent to US\$7.0 million, from US\$6.0 million in the preceding month.

The five main sources of imports during the month were China, India, Netherland, Indonesia, and Turkey. Payments to China, India and Turkey fell, while payments to Netherland and Indonesia rose. Payments, mainly for the purchase of Machinery and Transport equipment as well as manufactured goods from China, decreased by 3.1 percent to US\$16.05 million from US\$16.56 million. Payments to India, mainly for the purchase of Machinery and Transport as well as chemical and related products, declined by 27.5 percent to US\$8.62 million from US\$11.88 million. Payments, mainly for the purchase of manufactured goods and Machinery and Transport equipment from Turkey, dropped by US\$10.99 million to US\$5.86 million from US\$16.85 million. Netherlands (payments for mainly manufactured goods) increased by US\$5.97 million to US\$7.44 million from US\$1.47 million. Similarly, payments to Indonesia (for mainly Animals and vegetables oil and chemicals and related products) rose by 6.4 percent to US\$5.9 million.

EXCHANGE RATE DEVELOPMENTS

At end-April 2021, both the end-of-period (EOP) and average (AVG) exchange rates showed appreciation in the Liberian dollar against the US dollar. The EOP exchange rate showed that the Liberian dollar appreciated marginally against the US dollar by 0.6 percent to L\$172.04/US\$1.00. Similarly, the Liberia dollar, using the average exchange, appreciated by 0.6 percent to L\$172.50/US\$1.00, from L\$173.50/US\$1.00 recorded in the preceding month. The firming of the Liberia dollar was attributed to the monetary policy stance and increased inflow of foreign exchange.

Considering the EOP exchange rate, the currencies in the West African Monetary Zone (WAMZ) were generally stable during the month. Except the Sierra Leonean Leone that depreciated marginally by 0.2 percent, the Nigerian Naira and the Ghanaian Cedi were relatively stable at NGN379.50/US\$1.00 and GHC5.73/US\$1.00, while the Guinean Franc and the Gambian Dalasi appreciated marginally by 1.1 percent and 0.4 percent, respectively compared to the preceding month. Annual comparison showed that, except the Liberian dollar and the Gambian Dalasi, all the WAMZ currencies depreciated against the United States dollar, relative to the corresponding month in 2020. The Nigerian Naira recorded the highest depreciation rate of 19.2 percent, while the Ghanaian Cedi accounted for the lowest depreciation of 2.8 percent. (See Table 7)

| | | | | |
|---|--------------------------------------|-----------------|-----------------|-----------------|
| Manufactured goods classified by materials | 4.29 | 10.63 | 11.90 | 20.13 |
| Other categories of imports | 8.41 | 14.38 | 17.81 | 21.51 |
| Trade Balance | 15.97 | (22.87) | (3.30) | (23.06) |
| Total Trade | 90.65 | 182.09 | 185.16 | 168.51 |
| | Apr - 20 | Feb - 21 | Mar - 21 | Apr - 21 |
| External Trade (Volume) | <i>(In Unit as may be specified)</i> | | | |
| Rubber (MT) | 6,307.80 | 6,017.64 | 9,396.00 | 3,326.00 |
| Iron Ore (MT) | 489,360.58 | 348,834.84 | 404,427.73 | 448,207.81 |
| Cocoa Beans (MT) | 575.00 | 925.00 | 1,175.00 | 1,500.00 |
| Palm Oil (MT) | 240.00 | 3,228.00 | 7,105.00 | 13,330.00 |
| Gold (Oz) | 12,268.54 | 22,439.49 | 23,292.19 | 14,812.24 |
| Diamond (Crt) | 0.00 | 0.00 | 11,253.96 | 2,850.62 |
| Petroleum Products (MT) | 1,989.14 | 11,670.62 | 4,452.87 | 0.00 |
| Rice (MT) | 5,377.64 | 21,599.61 | 21,845.22* | 0.00 |
| | | | | |
| Other Indicators | | | | |
| Import (FOB) | 52.53 | (5.31) | 9.63 | 22.61 |
| Gross International Reserves (GIR) ² | 33.60 | 92.92 | 91.45 | 85.70 |
| Net Foreign Reserves Position | 251.17 | 288.83 | 299.26 | 299.60 |
| Import covers (In Month) | 2.6 | 2.2 | 2.3 | 2.6 |
| | | | | |
| Personal Remittances | | | | |
| Inflows | 24.47 | 27.29 | 29.13 | 36.86 |
| Outflows | 9.10 | 6.24 | 6.71 | 9.65 |
| Net flows | 15.37 | 21.05 | 22.42 | 27.21 |
| | | | | |
| Direction of Trade (DOT) | | | | |
| Destination of Export | 53.31 | 79.61 | 90.93 | 72.71 |
| o/w Switzerland | 0.00 | 16.84 | 11.27 | 20.42 |
| o/w France | 14.47 | 32.58 | 33.16 | 18.00 |
| o/w Poland | 1.91 | 8.47 | 8.16 | 11.59 |
| o/w Germany | 3.40 | 0.00 | 6.04 | 6.97 |
| Sources of Import (fob) | 33.60 | 92.92 | 88.44 | 85.70 |
| o/w Turkey | 3.24 | 9.82 | 16.56 | 16.05 |
| o/w China | 6.39 | 20.94 | 11.88 | 8.62 |
| o/w India | 1.39 | 1.22 | 1.47 | 7.44 |
| o/w United States of America | 0.24 | 0.48 | 5.55 | 5.91 |
| o/w Indonesia | 2.14 | 8.50 | 16.85 | 5.86 |

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

Remittances

During the month, both inward and outward remittances increased as a result of improving economic conditions in remitting countries. However, the increase in inward remittances exceeded the rise in outward remittances, resulting to a higher net inflow of US\$27.2 million (0.8 percent of GDP), from US\$22.4 million (0.7 percent of GDP) reported in March 2021.

Gross International Reserves

Gross international reserves (GIR) rose slightly by 0.1 percent to a stock of US\$299.6 million in April 2021. The rise in GIR during the month was supported by decreases in

| Inflation | <i>(In percent)</i> | | | |
|--|---------------------|---------|--------|--------|
| Overall (Y-o-Y) Rate of Inflation | 22.51 | 10.50 | 9.96 | 9.41 |
| a. Food and Non-alcoholic Beverage Inflation | 30.24 | 10.48 | 5.01 | (2.53) |
| - Domestic Food Inflation | 36.45 | 20.44 | 6.90 | (5.71) |
| - Imported Food Inflation | 25.38 | 2.62 | 3.48 | 0.36 |
| b. Transport Inflation | 23.71 | 6.73 | 9.11 | 8.40 |
| c. Imported Fuels Inflation | 5.33 | (12.56) | (8.52) | 4.40 |
| Overall (M-o-M) Rate of Inflation | 0.93 | (0.88) | 1.38 | (0.45) |
| | | | | |
| Core Inflation | | | | |
| Inflation excluding Food & NAB/1 | 18.33 | 10.51 | 12.73 | 16.52 |
| Inflation excluding Imported Food | 21.90 | 12.44 | 11.52 | 11.61 |
| Inflation excluding Domestic Food | 20.19 | 9.86 | 11.49 | 13.61 |
| Inflation excluding Food and Transport | 17.69 | 11.01 | 13.21 | 17.63 |
| | | | | |
| Annual Gross Domestic Product (GDP) ² | | | | |
| Nominal (NGDP) | 3,037 | 3,363 | 3,363 | 3,363 |
| RGDP growth (in percent) | (3.0) | 3.6 | 3.6 | 3.6 |

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

/1 Non-alcoholic beverages

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

± - Projection

† revise

MONETARY DEVELOPMENTS

Monetary Policy Stance

In April 2021, the CBL continued to maintain tight monetary policy stance. The CBL monetary policy measure was anchored on interest-rate based instruments to manage Liberian dollar liquidity for price stability through broad exchange rate management. The Bank maintained its policy rate at 25.0 percent, anchored on the CBL bills issued at two-weeks, one month and three-month tenors. Subscriptions for the CBL bills increased during the period under review, largely reflecting improved public confidence.

Monetary Aggregates

At end-April 2021, broad money supply (M2) expanded by 1.8 percent to L\$137.95 billion, from L\$135.51 billion recorded at end of March 2021. On the liability side, the expansion in M2 was mainly explained by 11.0 percent rise in time and savings deposits as well as 7.1 percent increase in demand deposits. The increase in M2, from the asset side, was driven by increase in Net Foreign Assets (NFA) by 22.5 percent on account of increase in the net foreign assets of banking industry. Additionally, the total stock of Liberian dollar in circulation fell by 1.1 percent to L\$22.5 billion compared to the stock reported in the preceding month. Currency outside banks accounted for L\$20.8 billion, indicating a decline of L\$179.0 million compared to the amount recorded in the previous period.

The stock of commercial banks' loans denominated in Liberian dollar advanced to private sector marginally increased, while the US dollar denominated loans decreased during the review month. The US dollar share of private sector credit declined by 0.9 percent to US\$386.3 million, reflecting a decrease in loans advanced to manufacturing,

trade, construction, and the agriculture. On the other hand, the share of loans denominated in Liberian dollar increased by 1.0 percent to L\$5,675.5 million on account of increase in loans to trade and agriculture.

At end of the reporting month, all deposits converted to Liberian dollar stood at L\$117.16 billion (20.3 percent of GDP), up by 0.6 percentage point compared with the 19.7 percent of GDP reported in the preceding month, partly explained by exchange rate pass-through effect, which mainly affected time and savings as well as other deposits (Table 2).

Table 2: Monetary Aggregates

| Monetary Aggregates | Apr - 20 | Feb- 21 | Mar - 21 | Apr - 21 |
|--|----------------------|-------------------|-------------------|-------------------|
| | <i>(In Millions)</i> | | | |
| Liberian Dollars in Circulation (LD) | 20,888.34 | 23,179.84 | 22,825.33 | 22,583.20 |
| Currency outside banks (LD) | 19,292.1 | 20,695.87 | 20,964.62 | 20,785.6 |
| Money Supply (M1) in LD only | 28,332.53 | 32,726.89 | 33,350.70 | 33,118.90 |
| Broad money (M2) in LD only | 36,448.68 | 40,385.42 | 40,744.35 | 40,813.76 |
| Broad money (M2) (both LD and USD Converted to LD) | 123,362.75 | 140,220.18 | 135,512.02 | 137,947.33 |
| Net Foreign Assets (NFA) – LD | 20,769.96 | 14,428.38 | 14,602.56 | 17,893.03 |
| Net Domestic Assets (NDA) – LD | 102,592.79 | 125,791.80 | 120,909.46 | 120,054.30 |
| | | | | |
| Loans to Private Sector | | | | |
| Commercial banks loans to private sector USD | 385.56 | 387.98 | 389.91 | 386.27 |
| Commercial banks loans to private sector - LD | 6,706.09 | 5,663.73 | 5,619.68 | 5,675.45 |
| Demand Deposits of commercial banks | | | | |
| Demand deposits - USD | 252.81 | 364.27 | 359.74 | 351.84 |
| Demand deposits - LD | 9,040.40 | 12,031.02 | 12,386.08 | 12,333.26 |
| Time & savings deposits - USD | 183.35 | 209.67 | 186.14 | 210.89 |
| Time & savings deposits - LD | 8,021.95 | 7,582.58 | 7,324.04 | 7,594.38 |
| | | | | |
| Other Deposits** | | | | |
| Actual US\$ component of other deposits | 2.02 | 1.64 | 1.89 | 1.88 |
| Liberian \$ component of other deposits | 94.19 | 75.95 | 69.61 | 100.48 |
| | | | | |
| Total Deposits (both USD & LD) converted to Liberian dollar ¹ | 104,070.62 | 119,524.31 | 114,547.40 | 117,161.69 |
| | <i>(In percent)</i> | | | |
| Liberian Dollar share of Broad Money | 29.55 | 28.80 | 30.07 | 29.59 |

Source: CBL

‡ - Reserves excluding ECF borrowing from the IMF;

** - Other Deposits Including Official and Manager Checks;

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

FINANCIAL MARKET (FM) DEVELOPMENTS

During the period under review, the issuance of CBL bills continued at shorter tenors of 2-weeks, 1-month, and 3-months at an effective annual rate of 25.0 percent. The total CBL bills issued amounted to L\$4,441.7 million, rising by 4.8 percent compared with the preceding month. Of the total amount issued, commercial banks' subscriptions remained high at 94.6 percent (L\$4,203.2 million).

| Debt Service | 0.78 | 5.80 | 14.14 | 11.08 |
|----------------------|------|------|-------|-------|
| Interest Payments | 0.00 | 1.57 | 6.06 | 4.97 |
| Principal Repayments | 0.78 | 4.24 | 8.08 | 6.11 |

Source: CBL's calculation using MFDP's data : Revenue Department, Expenditure Department and Debt Management Unit, MFDP

‡ - revised

± - Estimate

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

In April 2021, preliminary statistics showed that the deficit in merchandise trade balance widened to US\$23.1 million (0.7 percent of GDP), from US\$3.3 million (0.1 percent of GDP) recorded in March 2021. This performance was due mainly to decrease in merchandise export earnings and a subsequent rise in payments for imports on merchandise trade.

Total trade decreased by 9.0 percent to US\$168.5 million (5.0 percent of GDP), from US\$185.2 million (5.5 percent of GDP) due mainly to fall in earnings from exports. Payments for merchandise imports rose by 1.7 percent to US\$95.8 million (2.9 percent of GDP), from US\$94.2 million (2.8 percent of GDP), driven mainly by US\$8.2 million increase in payments for manufactured goods in the form of raw materials. Payments for other imports increased by 20.8 percent to US\$21.5 million compared to payments in the preceding month.

Earnings from exports decreased by 20.0 percent to US\$72.7 million (2.2 percent of GDP), from US\$90.9 million (2.7 percent of GDP), occasioned by decrease in receipts from gold and rubber. Receipt from gold exports fell by 40.8 percent to US\$19.8 million (0.6 percent of GDP), from US\$33.3 million (1.0 percent of GDP) recorded in the preceding period, while earnings from rubber exports declined by 45.0 percent to US\$5.3 million (0.2 percent of GDP), from US\$9.6 million (0.3 percent of GDP), due to fall in the volume of the commodities exported.

Table 6: External Sector Statistics

| Trade Statistics External Trade (Value) | Apr - 20 | Feb- 21 | Mar - 21 | Apr - 21 |
|--|--------------------------|---------------|--------------|--------------|
| | <i>(Millions of USD)</i> | | | |
| Exports¹ | 53.31 | 79.61 | 90.93 | 72.72 |
| Iron Ore | 29.81 | 36.10 | 41.67 | 44.40 |
| Rubber | 6.31 | 7.05 | 9.64 | 5.30 |
| Gold | 15.73 | 33.39 | 33.26 | 19.70 |
| Diamond | 0.00 | 0.00 | 1.87 | 1.32 |
| Cocoa Bean | 0.55 | 0.93 | 0.13 | 1.26 |
| Palm Oil | 0.18 | 0.99 | 0.07 | 0.57 |
| Other commodities | 0.73 | 1.17 | 4.30 | 0.16 |
| | | | | |
| Imports (CIF)^{1†} | 37.34 | 102.48 | 94.23 | 95.79 |
| Minerals, Fuel, Lubricants | 2.94 | 20.36 | 5.68 | 4.01 |
| o/w Petroleum Products | 2.05 | 16.53 | 0.16 | 0.00 |
| Food and Live Animals (incl Animal and veg. oil) | 12.69 | 32.23 | 24.80 | 23.91 |
| o/w Rice | 3.05 | 16.79 | 0.30 | 0.36 |
| Machinery & Transport Equipment | 9.00 | 24.88 | 34.03 | 26.22 |

FISCAL SECTOR DEVELOPMENTS

Preliminary statistics showed that Government of Liberia (GOL) fiscal operations in April 2021 resulted to a surplus of US\$3.8 million (0.1 percent of GDP), against the deficit of US\$18.4 million (0.5 percent of GDP) reported in the preceding month. The performance was mainly attributed to an increase in total revenue to US\$53.6 million (1.6 percent of GDP), reflecting 35.7 percent increase from the amount recorded in the preceding month. The positive outturn in revenue was on account of increases in both tax and non-tax revenue. Tax revenue rose by 30.3 percent to US\$44.6 million (1.3 percent of GDP) induced by increases in international trade, income and profit taxes. Non-tax revenue also increased significantly to US\$9.0 million (0.3 percent of GDP), mainly induced by substantial rise in property income. In contrast, Government's total expenditure decreased by 14.0 percent to US\$49.7 million (1.5 percent of GDP), from US\$57.8 million (1.7 percent of GDP) reported in the preceding month, reflecting reduction in recurrent expenditure. When disaggregated, current expenditure declined by 5.3 percent to 1.3 percent of GDP, due mainly to 22.9 percent reduction in grants and subsidies and payments on loans, interest, and other charges fell by 48.0 percent.

The total stock of public debt decreased by 0.1 percent to 48.7 percent of GDP compared to debt stock in the previous month. The decline in public debt was explained by servicing of domestic debt.

Table 5. GOL's Fiscal Operations Statistics

| Fiscal Operations | Apr - 20 | Feb- 21 | Mar - 21 | Apr - 21 |
|--|--|-----------------|-----------------|-----------------|
| | <i>(In Millions of United States Dollar)</i> | | | |
| Government Revenue | 24.38 | 39.20 | 39.48 | 53.57 |
| Tax Revenue | 22.14 | 33.03 | 34.22 | 44.57 |
| O/W Taxes on Income & Profits | 12.25 | 11.93 | 13.16 | 20.73 |
| O/W Taxes on International Trade | 7.48 | 15.85 | 17.59 | 18.42 |
| Non-tax Revenue (excluding grants) | 2.24 | 6.17 | 4.71 | 9.01 |
| O/W Property Income | 1.87 | 4.70 | 3.20 | 7.54 |
| O/W Administrative Fees and Fines | 0.36 | 1.48 | 1.51 | 1.47 |
| Other tax Revenue (including grant) | 0.00 | 0.00 | 0.55 | 0.00 |
| Government Expenditure by Codes | 45.71 | 34.80 | 57.84 | 49.74 |
| Current Expenditure | 44.45 | 31.12 | 44.49 | 42.13 |
| O/W Compensation | 25.64 | 14.21 | 18.35 | 19.75 |
| O/W Goods and Services | 13.08 | 11.59 | 16.49 | 17.11 |
| Capital Expenditure | 0.00 | 0.23 | 0.25 | 0.79 |
| Payments on Loans, interest and others | 1.26 | 3.44 | 13.11 | 6.82 |
| Overall Balance (Surplus+; Deficit -) | (21.33) | 4.40 | (18.36) | 3.83 |
| Public Sector Debt | 1,508.40 | 1,597.35 | 1,639.61 | 1,637.59 |
| <i>Domestic</i> | 604.40 | 642.86 | 675.39 | 669.77 |
| Financial Sector | 552.71 | 589.53 | 622.96 | 618.22 |
| Other debt | 51.70 | 53.33 | 52.44 | 51.55 |
| <i>External</i> | 903.99 | 954.49 | 964.22 | 967.82 |
| Multilateral | 790.04 | 841.81 | 851.54 | 855.14 |
| Bilateral | 113.95 | 112.68 | 112.68 | 112.68 |

Source: CBL's calculation using MFDP's data : Revenue Department, Expenditure Department and Debt Management Unit, MFDP

† - revised

± - Estimate

Notwithstanding, the total retail investors issuance was L\$238.5 million, increasing by L\$181.7 million compared to the preceding month. The rise in the subscriptions for the bills was mainly due to increased liquidity in the banking system on account of growth in deposit balances at commercial banks and the gradual increase in public confidence in the bills. The CBL recorded a net issuance of about L\$449.9 million, supporting the level of Liberian dollar liquidity in the economy in the month of April 2021. On the other hand, the total redemption for the month was L\$3,991.8 million. The total outstanding CBL bills increased by 8.0 percent to L\$6,104.2 million. In the face of the increased subscriptions, the regular and timely redemption of the CBL bills continued, while periodic reports on redemption were displayed on the CBL's website.

While there was no issuance of Treasury securities during the period, the Government made partial coupon payment of L\$215.92 million on its outstanding L\$6,000.0 million Treasury bond, thereby reducing the coupon outstanding to L\$264.08 million. The total outstanding coupon and principal for Liberian dollar Treasury bond reduced to L\$6,264.08 million, while the United States dollar T-Bond remained at US\$55.10 million from the previous month. Regarding the Liberian and United States dollars Treasury bills during the month under review, the outstanding bills remained unchanged at L\$1,250.3 million and US\$5.52 million, respectively.

The lending, average savings, and time deposits rates remained unchanged at 12.4 percent, 3.5 percent, and 2.1 percent, respectively in April 2021. However, money markets instruments such as repo were not traded. Nevertheless, swap lending among commercial banks remained traded as non-interest-bearing instruments to ease the liquidity variance among the commercial banks for their international and intra-country transactions. The non-interest-bearing nature of the swap compensates for the risks and high cost involved in cash transfers and transshipment with corresponding banks, internationally and to bank branches in the Country.

Table 3. Financial Market and Interest Rates Statistics

| Market Instruments (CBL indexed Bills) | Apr - 20 | Feb- 21 | Mar - 21 | Apr - 21 |
|--|---|-----------------|-----------------|-----------------|
| | <i>(In Millions of Liberian Dollar)</i> | | | |
| Bills Purchased per month on coupon basis | 0.00 | 0.00 | 0.00 | 0.00 |
| Redemption during the month (coupon rate) | 150.00 | 0.00 | 0.00 | 0.00 |
| Bills (Index) outstanding on coupon basis | 504.17 | 0.00 | 0.00 | 0.00 |
| Coupon rate on Index Bill (in %) | 7.00 | 7.00 | 7.00 | 7.00 |
| Bills Purchased per month on EAR basis | 3,371.53 | 2,558.43 | 4,239.68 | 4,441.66 |
| Redemption during the month (EAR basis) | 2,030.00 | 3,251.34 | 4,037.75 | 3,991.80 |
| Bill Outstanding (EAR basis) | 3,223.21 | 5,425.37 | 5,654.30 | 6,104.16 |
| Effective Annual Rate (EAR) | 30.00 | 25.00 | 25.00 | 25.00 |
| Total Purchases (coupon rate & EAR) | 3,371.53 | 2,558.43 | 4,239.68 | 4,441.66 |
| Total Redemption (coupon rate & EAR) | 2,180.00 | 3,251.34 | 4,037.75 | 3,991.80 |
| Total Outstanding Bills (coupon rate & EAR) | 3,727.38 | 5,452.37 | 5,654.30 | 6,104.16 |

| CBL Foreign Exchange Auction¹ | | | | |
|--|-------------|-------------|-------------|-------------|
| <i>(In Millions of United States Dollar)</i> | | | | |
| US Dollar offered | 0.00 | 0.00 | 0.00 | 0.00 |
| US Dollar Amount Sold | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Subscription | 0.00 | 0.00 | 0.00 | 0.00 |
| Over (+)/ Under (-) Subscription | 0.00 | 0.00 | 0.00 | 0.00 |
| Treasury Securities | | | | |
| <i>(In Millions of Liberian Dollar)</i> | | | | |
| T- Bills Issued (in LD) | 0.00 | 0.00 | 0.00 | 0.00 |
| T- Bills Redeemed (in LD) | 0.00 | 0.00 | 0.00 | 0.00 |
| T-Bills Outstanding | 860.94 | 1,250.26 | 1,250.26 | 1,250.26 |
| Net Treasury Bills Operations[^] withdrawal (+)/Inject'n (-) | 0.00 | 0.00 | 0.00 | 0.00 |
| Ave. Weighted Discount Rate (T-Bills) | 7.47 | 5.00 | 5.00 | 5.00 |
| T- Bills Issued (In USD) | na | 0.00 | 0.00 | 0.00 |
| T- Bills Redeemed (In USD) | na | na | na | na |
| T-Bills Outstanding | 2.60 | 5.52 | 5.52 | 5.52 |
| Ave. Weighted Discount Rate (T-Bills) | 7.00 | 6.50 | 6.50 | 6.50 |
| Treasury Bond Issued (in LD for 2 years) | na | 0.00 | 0.00 | 0.00 |
| Treasury Bond Outstanding (In LD) | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 |
| Outstanding coupon on Treasury Bond | 0.00 | 278.61 | 0.00 | 215.92 |
| Coupon Payment | 0.00 | 0.00 | 480.00 | 264.08 |
| Early Redemption | 0.00 | 0.00 | 0.00 | 0.00 |
| Coupon rate (%) | 16.00 | 16.00 | 16.00 | 16.00 |
| Treasury Bond Principal Payments (USD) | na | 0.00 | 4.58 | 0.00 |
| Coupon Payments (USD) | na | 0.167 | 0.55 | 0.00 |
| Treasury Bond Outstanding (In USD) | na | 60.23 | 55.10 | 55.10 |
| <i>(As specified)</i> | | | | |
| SDF rate (4.0%) | 0.04 | 0.00 | 0.00 | 0.00 |
| SDF Amount (In Millions LD) | 0.00 | 0.00 | 0.00 | 0.00 |
| SDF overnight monthly rate (0.07%) | 0.07 | 0.07 | 0.07 | 0.07 |
| SDF Amount (In Millions LD) | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest Rates | | | | |
| <i>(In Percent)</i> | | | | |
| - Lending rate | 12.44 | 12.44 | 12.44 | 12.44 |
| Average Deposit rates | | | | |
| -Savings | 2.10 | 2.10 | 2.10 | 2.10 |
| -Time | 3.53 | 3.53 | 3.53 | 3.53 |

Source : CBL

[^] - with Liquidity Effect¹ - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency² - Treasury Bill issued and redeemed during the month were in US Dollar

- revised

| Money Markets Instrument (In percent) | | | | |
|--|------|------|------|------|
| Repo | 5.50 | 5.50 | na | na |
| Swap lending | 6.00 | 6.00 | 0.00 | 0.00 |

Source : CBL

[^] - with Liquidity Effect¹ - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency² - Treasury Bill issued and redeemed during the month were in US Dollar

- revised

BANKING SECTOR DEVELOPMENTS

In the fourth month of 2021, the banking industry was generally in compliance with regulatory requirements. Data on the financial soundness indicators generally showed favorable performances compared to March 2021. Return on Assets (ROA) increased by 0.2 percentage point to 0.9 percent. Similarly, Return on Equity (ROE) increased by 1.2 percentage point to 5.9 percent compared with the previous month. Capital Adequacy Ratio, on the other hand, stood at 30.1 percent compared to the preceding month and remained above the minimum regulatory requirement by 20.1 percentage points. Liquidity ratio also increased by 1.7 percent and remained above the minimum regulatory requirement by 34.3 percentage points.

During the month, non-performing loans (NPLs) improved, while gross loans and advances decreased. Gross loans decreased by 1.4 percent to L\$76.2 billion (13.2 percent of GDP), occasioned by slowdown in the granting of new loans by commercial banks during the month. Similarly, non-performing loans (NPLs) improve to L\$18.7 billion (3.2 percent of GDP), from L\$21.2 billion (3.6 percent of GDP) recorded in the preceding month. The ratio of non-performing loans to total loan decreased by 2.9 percentage points to 24.5 percent, against the 10 percent regulatory tolerable limit. The fall in non-performing loans during the month was partly induced by restructuring of delinquent loans in the face of economic slowdown over the last two years.

Table 4: Selected Financial Soundness Indicators, FSIs

| Financial Soundness Indicators | Apr - 20 | Feb- 21 | Mar - 21 | Apr - 21 |
|---|---|---------|----------|----------|
| | <i>(In Billions of Liberian Dollar)</i> | | | |
| Total Gross Loans | 84.74 | 77.18 | 77.30 | 76.21 |
| Total Non-performing Loans | 15.67 | 19.16 | 21.18 | 18.67 |
| <i>(In Unit As May Be Specified)</i> | | | | |
| Non-performing Loans to Total Gross Loans (ratio) | 18.49 | 24.83 | 27.40 | 24.50 |
| Gross Loan (percent change) | (1.26) | 4.75 | 0.16 | (1.41) |
| Non-performing Loans (percent change) | (7.27) | 0.58 | 10.54 | (11.85) |
| Returns on Assets (ROA) | 0.49 | 0.46 | 0.73 | 0.93 |
| Returns on Equity (ROE) | 2.93 | 2.83 | 4.69 | 5.91 |
| Liquidity Ratio*** | 39.70 | 46.21 | 47.60 | 49.29 |
| Capital Adequacy Ratio (CAR)**** | 28.53 | 31.41 | 31.41 | 30.08 |

Source : CBL

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

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

† - Revised