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GLOBAL PRICE	Aug-23	Jun-24	Jul-24	Aug-24		
	(Commodity price per Unit of Measure)				MoM	YoY
Iron ore (US\$/MT)	110.20	107.45	106.85	99.91	(6.5)	(9.34)
Gold (US\$/Oz)	1,918.70	2,326.44	2,398.20	2,470.15	3.0	28.74
Rubber (US\$/MT)	1,469.70	2,261.30	1,650.30	1,737.40	5.3	18.21
Cocoa Beans (US\$/MT)	3,459.61	8,271.04	7,089.17	6,878.10	(3.0)	98.81
Palm oil (US\$/MT)	860.82	873.67	896.09	932.63	4.1	8.34
Crude oil (US\$/BBL)	84.72	81.21	83.26	78.12	(6.2)	(7.79)
Food Price Index (FAO) ¹	122.00	121.00	120.80	120.70	(0.1)	(1.07)
Rice_5% broken (US\$/MT)	600.00	595.00	557.00	560.00	0.5	(6.67)
Sugar (US\$/MT)	528.01	425.27	425.93	405.65	(4.8)	(23.17)
Commodity Price Index No ²	161.37	167.32	166.39	162.64	(2.3)	0.79

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

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1.0 INTRODUCTION

The Monthly Economic Review (MER) is published by the Research, Policy, and Planning Department (RPPD) of the Central Bank of Liberia (CBL). It is a regular publication that provides a snapshot of economic developments in the Liberian economy's key sectors (Real, Monetary, Fiscal, and External). The MER also highlights the Monetary Policy Stance of the CBL and provides a synopsis of exchange rate developments in the West African Monetary Zone (WAMZ).

This Edition represents Volume 10 Number 08.

2.0 OVERVIEW

In August 2024, analysis of real sector statistics revealed mixed performance in the production of key commodities. The outputs of iron ore, diamond, and rubber increased, while the outputs of gold, cement, and beverages declined compared to the previous month.

Headline inflation decreased to 6.2 percent in August 2024, from 6.4 percent reported in July 2024 driven by decrease in prices of food & non-alcoholic beverages, alcoholic beverages, tobacco & narcotics, Furnishings, household equipment & routine household maintenance, communication, recreation & culture, and miscellaneous goods & services.

The Central Bank of Liberia (CBL) monetary policy stance during the month under review was aimed at managing liquidity in the banking system through the use of its policy instruments, such as CBL bills, to maintain price stability. Broad money (M2) supply decreased by 0.5 percent at end-August 2024 compared to the preceding month, mainly due to a significant drop in net foreign assets (NFA) in the banking system.

The banking industry remained compliant with regulatory requirements in August 2024. The liquidity ratio (LR) stood at 50.41 percent from the previous month's ratio of 53.98 percent. Despite the reduction, LR remained well above the minimum requirement. The Capital Adequacy Ratio (CAR) remained at 29.44 percent, also above the minimum requirement. Return on Assets (ROA) increased to 2.29 percent and Return on Equity (ROE) increased to 16.42 percent. Total gross loans increased to L\$100.10 billion, attributed to new facilities in the agriculture and Oil and Gas sectors. However, the non-performing loans ratio exceeded the maximum threshold due mainly to defaults in the Public Corporations and Oil and Gas sectors.

During the review month, the Government of Liberia (GOL) fiscal operation recorded an overall balance (OB) deficit of US\$11.7 million (0.3% of GDP).

7.6 Sugar

The price of sugar dropped by 4.8 percent to US\$405.65 per metric ton in August 2024, down from US\$425.93 in the previous month. Compared to August 2023, there was a 23.2 percent decrease from US\$528.01 per metric ton.

7.7 Palm Oil

The price of palm oil rose significantly by 4.1 percent in August 2024 to US\$932.63 per metric ton, up from US\$896.09 per metric ton the previous month. This increase was due to a growing demand in India. Compared to the previous year, the price of palm oil increased by 8.3 percent, from US\$860.82 per metric ton in August.

7.8 Rice

The price of rice increased slightly by 0.5 percent to US\$560.00 per metric ton in August 2024, up from US\$557.00 per metric ton in July. When compared to the previous year, the price of rice decreased by 6.7 percent, from US\$600.00 per metric ton in August 2023.

7.9 Cocoa Beans

The price for cocoa beans decreased by 3.0 percent in August to \$6,878.10 per metric ton, from \$7,089.17 per metric ton in the preceding month. The annual comparison showed an increase of 98.8 percent, from \$3,459.61 per metric ton.

Commodity Price Outlook

The latest World Bank Pink Sheet report predicts that global commodity prices will continue to fluctuate in August 2024. Ongoing tensions in the Middle East and trade disruptions are contributing to these price changes. The overall commodity price indices, including energy, non-energy, agriculture, fertilizers, metal & minerals, and precious metals, are expected to decrease by 2.9 percent to US\$ 104.75, down from the previously projected US\$ 107.87 for July.

7.1 Iron Ore

The price of iron ore decreased by 6.5 percent to US\$99.91 per metric ton in August 2024, down from US\$106.85 per metric ton in the previous month. This decline is due to falling demand caused by slow steel market production. Comparing year-on-year, the price dropped by 9.3 percent from US\$110.20 recorded in August 2023.

7.2 Gold

The price of gold rose by 3.0 percent to US\$2,470.15 in August 2024, from US\$2,398.20 in July 2024. This increase was driven by growing expectations of interest rate cuts by the US Federal Reserve. In a year-on-year comparison, the price showed a 28.7 percent increase from US\$1,918.70 recorded in August 2023.

7.3 Crude Oil (Petroleum) Price

The price of petroleum dropped by 6.2 percent to US\$78.12 per barrel in August 2024. This decrease was influenced by market sentiment. In comparison to August 2023, the price of petroleum fell by 7.8 percent from US\$84.72 per barrel.

7.4 Rubber

The price of rubber increased by 5.3 percent in August 2024, reaching US\$1,737.40 per metric ton, up from US\$1,650.30 per metric ton in July 2024. This rise was attributed to adverse weather conditions in major production areas. In comparison to August 2023, the price of rubber saw an 18.2 percent increase from US\$1,469.70 per metric ton.

7.5 Food Price (FAO)

FAO food price index (FFPI) decreased by 1.1 percent to US\$120.7 in August 2024 from US\$120.8 in July 2024, driven by drops in sugar, meat, and cereals prices

This was due to increased government spending and a decrease in revenue. Total revenue declined by 15.4 percent to US\$48.9 million (1.0% of GDP), mainly because tax revenue fell by 20.7 percent, offsetting the increase in non-tax receipts, which rose by 13 percent to US\$10.3 million (0.2% of GDP).

Government spending rose by 6.7 percent to US\$60.7 million (1.3% of GDP), driven by a rise in recurrent expenditures, which grew by 6.2 percent to US\$60.3 million (1.3% of GDP). As for public debt, the total stock at the end of August 2024 slightly decreased by 0.02 percent to US\$2,583.6 million (54.2% of GDP). There was a 0.1 percent decline in domestic debt, which stood at US\$1,082.0 million (22.7% of GDP), while external debt remained unchanged at US\$1,501.6 million (31.5% of GDP).

During the month under review, the trade deficit significantly rose by more than eleven-fold and total trade increased by 9.5 percent. The trade deficit surged to US\$35.87 million (0.8% of GDP), compared to the previous \$3.21 million (0.1% of GDP). The total merchandise trade also witnessed a rise, reaching US\$252.35 million, (which represents 5.8 percent of the GDP), compared to the previous amount of US\$230.45 million (5.3 percent of the GDP), mainly due to increased import payments.

Gross International Reserves (GIR) declined by 03.4 percent to 8.3 percent of GDP in August 2024 against the GIR reported in the previous month, primarily driven by decreased foreign liquid assets, including Special Drawing Rights (SDR) Holdings & Reserves. Similarly, the months of import cover fell to 2.4 months, 0.6 months below the ECOWAS minimum regional threshold.

Net personal remittance inflows (including remittances terminated through mobile wallet) declined by 22.5 percent to 1.3 percent of GDP in August 2024 compared to the amount reported in the previous month, led by a 17.1 percent decrease in inward remittances. During the review month, the Liberian dollar was broadly stable against the US dollar on both average and end-period basis, marginally appreciating by 0.2 percent and 0.1 percent, respectively, mainly driven by the CBL's tight monetary policy stance.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics of key commodities revealed mix trends in August 2024 relative to the preceding month. Iron ore, gold, and beverages recorded an increase, while diamond, cement, and rubber production showed a decrease during the review period.

In the mining subsector, iron ore production remained flat during the period relative to the preceding month at 370,000 metric tons. When compared to August 2023, production increased by 6.8 percent. Gold production increased by 4.86 percent in the reporting period to 37,366 ounces in August 2024, from 35,639 ounces reported in July 2024 on account of enhanced extraction techniques and improved security at the main mining sites. Compared to the corresponding period in 2023, gold production rose by 3.5 percent. The production of diamonds fell dramatically by 65.5 percent in August 2024 to 1,287 carats, down from 3,725 carats reported in July 2024. This sharp decline was a result of drop in the price of synthetic diamonds. Compared to the same period a year ago, diamond production plummeted by 66.4 percent.

In the agriculture subsector, rubber production decreased by 32.1 percent to 4,617 metric tons in August 2024, down from 6,847 metric tons in July 2024 because of decreased production by smallholder farmers.

In the manufacturing subsector, cement output increased by 56.1 percent in the reporting month to 65,080 metric tons, from 41,674 metric tons reported in July 2024. This increase reflects a depletion in the stock of the commodity. When compared to August 2023, cement production increased by 21.2 percent. Total beverage production (alcoholic and non-alcoholic) significantly declined by 37.1 percent in August 2024 to 2.45 million liters, down from 3.89 million liters in July 2024 due to the accumulation of stock. Compared to the corresponding period a year ago, beverage production increased by 27.7 percent. When disaggregated, alcoholic beverages constituted 46.0 percent while non-alcoholic beverages constituted 54.0 percent.

3.2 Consumer Prices

Headline inflation for August decreased to 6.2 percent, from the 6.4 percent reported in July. The decline in inflation for the month was a result of a decrease in prices of food & non-alcoholic beverages, alcoholic beverages, tobacco & narcotics, Furnishings, household equipment & routine household maintenance, communication, recreation & culture, and miscellaneous goods & services. Similarly, when compared to August 2023, inflation decreased by 5.5 percentage points, from 11.7 percent.

When matched with the corresponding period a year ago, all currencies in the zone depreciated against the United States dollar. The Guinean franc, the Sierra Leonean leone, the Liberian dollar, the Gambian dalasi, the Ghanaian cedi, and the Nigerian naira by 0.6 percent, 4.6 percent, 4.8 percent, 10.4 percent, 27.0 percent and 52.0 percent, respectively.

The depreciation in the WAMZ currencies continues to largely be driven by the Russia-Ukraine war and the instability in the Middle East.

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

Rate & Currency	Aug-23	Jun-24	Jul-24	Aug-24	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	11.01	14.32	14.73	15.08	(2.3)	(27.0)
GMD	59.82	67.14	66.54	66.73	(0.3)	(10.4)
GNF	8,504.12	8,533.06	8,542.01	8,558.12	(0.2)	(0.6)
LRD	186.22	194.39	195.06	195.18	(0.1)	(4.8)

NGN	763.17	1,479.78	1,548.42	1,590.24	(2.6)	(52.0)
SLL	21.45	22.49	22.52	22.49	0.1	(4.6)
LRD End-of-period Exchange Rate						
LRD	185.85	194.14	195.37	195.01	0.2	(4.5)

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

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

7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

The Food and Agriculture Organization (FAO) food price index (FFPI) decreased in August 2024 compared to the revised number for July. The Commodity Price Index for fuel increased, while the index for non-fuel commodities decreased. The decrease in the FFPI index was due to reductions in the price indices for sugar, meat, and cereals, which offset increases in the price indices for vegetable oils and dairy products.

6.2 Direction of Trade (DOT)

In August 2024, the main destination for Liberia's exports was Europe, which accounted for US\$83.4 million in export proceeds. Within Europe, Switzerland accounted for US\$78.7 million of the total. In terms of imports to Liberia, Asia and Africa were the major regions, accounting for US\$66.94 million and US\$48.70 million, respectively. Specifically, imports from China totaled US\$24.29 million, while imports from Cote d'Ivoire amounted to US\$41.58 million during the review month.

6.3 Personal Remittances

Personal remittances in August 2024 saw a decrease in net inflows, falling by 22.5 percent to US\$55.15 million (1.3 percent of GDP), from US\$71.16 million (1.6 percent of GDP) in July 2024. Inward remittances also declined by 17.1 percent to US\$61.26 million, while outward remittances increased by 122.2 percent to US\$6.11 million compared to July 2024.

6.4 Gross International Reserves

Gross International Reserves (GIR) fell by 3.4 percent to US\$394.0 million (8.3 percent of GDP) at end-August 2024, from the US\$407.9 million (8.5 percent of GDP) recorded at the end of the previous month. This development was explained by decreased foreign liquid assets, including Special Drawing Right (SDR) Holdings & Reserves. Similarly, the months of import cover decreased to 2.4 months (below the ECOWAS minimum regional threshold of 3.0 months), from 2.9 months in July 2024, mainly on account of growth in payments for imports (Table 6).

6.5 Exchange Rate Developments

Analysis of the exchange rate for August 2024 showed that the end-of-period average (EOP) exchange rate of the Liberian dollar slightly appreciated against the United States dollar when compared with the rate recorded a month ago. The Liberian dollar appreciated, on average, by 0.2 percent to L\$195.01/US\$1.00, from L\$195.37/US\$1.00 reported for July 2024.

Developments in the period average (AVG) exchange rates in the currencies of the West Africa Monetary Zone (WAMZ) demonstrated that almost all currencies in the zone depreciated against the United States dollar, except for the Leone which appreciated by 0.1 percent. The Liberian dollar depreciated by 0.1 percent, the Guinean franc by 0.2 percent, the Gambian dalasi by 0.3 percent, the Ghanaian cedi by 2.3 percent, and Nigerian naira, by 2.6 percent relative to the exchange rates reported for July.

Consistently, the month-on-month inflation rate declined by 3.2 percentage points to 2.1 percent in the month under review. Except for food & non-alcoholic beverages, and furnishings, household equipment & routine household maintenance, all major groups of the consumer basket contributed to the decline.

However, core inflation¹ increased to 11.0 percent in August 2024, from 7.8 percent in July 2024 mainly driven by an increase in the prices of housing, water, electricity, gas & other fuels; health; restaurants & hotels in addition to exchange rate depreciation.

Table 1: Production and Price Statistics

Production	Aug. - 2023	Jun. - 2024	Jul. - 2024	Aug. - 2024
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	365,000	365,000	370,000	370,000
Gold (Ounces)	36,085	44,093	35,639	37,366
Diamond (Carat)	3,821	3,072	3,725	1,287
Rubber (Metric ton)	9,354	4,040	6,847	4,617
Cement (Metric ton)	53,713	58,621	41,674	65,080
Total Beverages (liter)	1,914,779	4,167,378	3,885,400	2,446,414
Alcoholic	1,002,941	1,519,669	1,467,195	1,321,033
Non-Alcoholic	911,838	2,647,709	2,418,205	1,125,381
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	11.70	6.2	6.4	6.2
a. Food and Non-alcoholic Beverage Inflation	26.66	11.6	5.1	-1.2
- Domestic Food Inflation	27.94	16.6	10.6	0.9
- Imported Food Inflation	25.83	7.4	0.5	-3.1
b. Transport Inflation	2.79	5.2	2.7	2.0
c. Imported Fuels Inflation	-8.98	12.2	2.7	4.2
Overall (M-o-M) Rate of Inflation	2.35	2.1	5.3	2.1
Core Inflation				
Inflation excluding Food & NAB ¹	5.48	3.8	7.1	9.8
Inflation excluding Imported Food	9.01	5.8	7.7	8.2
Inflation excluding Domestic Food	8.87	4.1	5.6	7.1
Inflation excluding Food and Transport	5.91	3.5	7.8	11.0
Annual Gross Domestic Product (GDP)²				
Nominal (NGDP) (in millions US\$)	3,553.2	3,741.4	3,741.4	3,741.4
RGDP growth (in percent)	4.6	5.1	5.1	5.1

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

¹ Non-alcoholic beverages

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

± - Not Available (na) * - estimate

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

The Central Bank of Liberia (CBL) aimed at sustaining the decreasing inflationary pressures in August 2024 by using its policy instruments (including CBL bills) to reduce excess liquidity in the banking system.

4.2 Monetary Aggregates

In August 2024, there was a 0.5 percent month-on-month decrease in broad money supply (M2) to L\$239.99 billion from L\$241.16 billion in the previous month, due to a 25.8 percent decline in net foreign assets (NFA) in the banking system, while net domestic assets rose by 3.2 percent.

Narrowed Money Supply (M1) dropped by 0.4 percent, primarily because of a 0.5 percent decrease in demand deposits. Quasi-money also decreased by 0.7 percent due to a 1.4 percent decline in time and savings deposits.

The amount of Liberian dollars in circulation decreased by 0.1 percent to L\$27.61 billion at the end of August 2024, caused by a 1.3 percent fall in currency in banks, while currency outside banks remained flat in the review month. In August 2024, the Liberian dollar component of commercial banks loans to the private sector increased by 1.3 percent to L\$5.79 billion, supported by increases in loans extended to most of the subsectors. Similarly, the US dollar component increased by 3.4 percent to US\$466.60 million in August 2024, from US\$451.11 million in the previous month. The growth in the US dollar credit was due to increase in loans and advances to the agriculture subsector (16.1%), construction (11.9%), oil & gas (11.7%), trade (10.5%), and extractive subsector (2.0%).

Total deposits converted to Liberian dollars decreased by 0.5 percent to L\$214.54 billion at the end of August 2024, from L\$215.73 billion, mainly due to a 0.7 percent decrease in US dollars deposits. A year-on-year comparison showed a 21.1 percent expansion in total deposits, largely driven by US dollar deposits.

Personal Remittances				
Inflows	52.73	59.93	73.90	61.26
Outflows	1.53	3.04	2.75	6.11
Net flows	51.20	56.89	71.16	55.15
Direction of Trade (DOT)				
Destination of Export	85.4	127.5	113.6	92.8
Africa	1.2	3.4	2.3	1.8
o/w ECOWAS	0.0	0.2	1.1	-
o/w Neighboring Countries	-	0.2	1.1	-
Asia	3.6	3.1	13.3	1.3
o/w The Middle East	2.4	1.0	1.4	0.3
o/w United Arab Emirate	1.4	0.7	0.8	0.3
then China	0.1	0.1	-	-
Europe	71.0	114.3	92.0	83.4
o/w Euro Zone	2.7	5.7	2.3	-
o/w The United Kingdom	2.7	5.7	2.3	-
Switzerland	55.3	86.7	70.8	78.7
North America & The Caribbean	9.7	3.6	5.8	6.1
o/w USA	9.7	3.6	5.8	6.1
Sources of Import (cif)	145.77	163.46	116.83	144.38
Africa	43.64	47.52	34.68	48.70
o/w ECOWAS	35.36	41.82	29.34	43.38
o/w Neighboring Countries	35.90	42.07	29.92	44.21
o/w Cote D Ivoire	32.87	39.95	27.13	41.58
Asia	71.30	82.70	53.40	66.94
o/w The Middle East	6.24	5.56	3.39	8.48
o/w United Arab Emirate	2.45	1.18	0.92	1.52
o/w China	44.25	22.98	14.74	24.29
o/w India	11.64	45.22	25.25	11.39
Europe	17.18	19.98	17.85	15.56
o/w Europe Zone	15.83	13.19	16.30	13.93
o/w The United Kingdom	1.51	1.21	3.18	0.89
o/w Spain	1.19	0.67	1.87	1.07
North America & The Caribbean	5.86	6.89	5.72	6.17
o/w USA	5.21	5.59	4.22	4.97
South & Central America	7.39	5.48	4.11	6.67
o/w Brazil	4.66	4.03	3.21	5.40
o/w Argentina	1.54	0.26	0.19	0.37
Oceania	0.40	0.90	1.07	0.33
o/w Australia	0.18	0.90	1.00	0.12
GDP				

Source: CBL

Table 6: External Sector Statistics

External Trade (Value)	Aug_23	Jun_24	Jul_24	Aug_24
	(Millions of US\$; Except Otherwise Indicated)			
Exports ¹	85.39	127.55	113.62	108.24
Iron Ore	5.49	19.95	15.81	15.45
Rubber	14.85	11.65	18.90	10.37
Gold	56.68	87.14	71.48	78.98
Diamond	1.67	1.10	1.27	0.22
Cocoa Bean	1.05	1.25	0.03	0.56
Palm Oil	2.42	3.21	4.78	1.89
Other Commodities	3.23	3.26	1.34	0.78
Imports (CIF) ^{1†}	145.77	163.46	116.83	144.11
Minerals, Fuel, Lubricants	35.17	45.26	29.92	48.94
o/w Petroleum Products	30.40	39.95	27.13	41.33
Food and Live Animals (incl. Animal and veg. oil)	25.11	56.24	39.47	33.37
o/w Rice	2.07	36.76	17.59	3.90
Machinery & Transport Equipment	40.30	33.48	21.73	25.28
Manufactured goods classified by materials	19.49	10.64	12.15	11.96
Other categories of imports	25.70	17.83	13.56	24.57
Trade Balance	(60.38)	(36.31)	(3.21)	(35.87)
Total Trade	231.16	290.61	230.45	252.35
External Trade (Volume)				
Rubber (MT)	8,951.25	7,039.73	6,847.37	4,390.7
Iron Ore (MT)	105,877.68	354,982.85	309,513.37	286,655.00
Cocoa Beans (MT)	304.78	150,695.28	-	-
Palm Oil (MT)	2,812.78	3,669.19	-	-
Gold (Oz)	36,085.50	44,092.80	35,638.61	37,365.64
Diamond (Crt)	3,820.56	3,071.84	3,724.89	1,287.30
Petroleum Products (MT)	10,446	11,340	5,615	13,723
Rice (MT)	3,441.83	61,781.25	63,966.25	8,523.90
Other Indicators				
Net Foreign Reserves Position	266.3	205.7	199.0	186.6
Import (FOB)	136.45	148.24	106.07	131.56
Gross International Reserves (GIR) [†]	504.5	413.5	407.9	394.0
Import covers (In Month) [†]	2.3	2.2	2.9	2.4

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Aug-23	June-24	July-24	Aug-24
	<i>In Millions of LD; Except Otherwise Indicated</i>			
ASSETS				
Net Foreign Assets (NFA)	20,735.66	27,324.69	30,924.62	22,934.43
Net Domestic Assets (NDA)	181,517.13	219,131.83	210,230.98	217,052.75
Domestic Credits	246,905.80	306,967.57	296,969.79	309,984.40
Net Claims on Government	136,052.36	147,196.17	149,784.18	151,906.97
Claims on Private Sector	110,853.45	159,771.39	147,185.61	158,077.43
Other Items Net	(65,388.67)	(87,835.74)	(86,738.81)	(92,931.65)
LIABILITIES				
Broad money (M2)	202,252.80	246,456.52	241,155.60	239,987.19
Narrow Money (M1)	140,454.58	177,874.07	172,265.67	171,577.11
Liberian Dollars in Circulation	25,070.21	25,208.91	25,430.54	25,442.55
Currency in banks	115,384.38	152,665.16	146,835.13	146,134.56
Currency outside banks	61,798.21	68,582.45	68,889.93	68,410.07
Demand deposits	61,171.38	68,490.07	68,778.49	67,814.74
Quasi Money	626.83	92.38	111.45	595.34
Time & Savings deposits	202,252.80	246,456.52	241,155.60	239,987.19
Other deposits	140,454.58	177,874.07	172,265.67	171,577.11
MEMORANDUM				
Broad money (M2) in LRD only	51,241.92	51,257.65	50,418.67	50,891.45
Money Supply (M1) in LRD only	42,029.33	41,964.07	40,967.64	41,501.78
Loans to Private Sector				
Commercial banks loans to private sector- USD	466.07	456.29	451.11	466.60
Commercial banks loans to private sector - LRD	5,368.26	5,843.42	5,712.44	5,788.97
Demand Deposits of commercial banks				
Demand deposits – USD	91.25	86.19	79.53	82.35
Demand deposits – LRD	16,959.13	16,755.16	15,537.10	16,059.24
Time & savings deposits – USD	49.10	47.42	47.92	47.49
Time & savings deposits – LRD	9,125.90	9,218.92	9,362.46	9,260.54
Other Deposits**				
Actual US\$ component of other deposits	0.47	0.38	0.45	0.66
Liberian \$ component of other deposits	86.69	74.66	88.57	129.12
Total Deposits (both USD & LRD) converted to LRD ¹	177,182.59	221,247.61	215,725.06	214,544.64
Liberian Dollar share of Broad Money (% of total Money Supply)	25.3%	20.8%	20.9%	21.2%

† - Reserves excluding ECF borrowing from the IMF;

* - estimate/projection

** - Other Deposits Including Official and Manager Checks;

4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

In August 2024, the Central Bank of Liberia (CBL) continued to issue CBL bills with short tenors of 2 weeks, 1 month, and 3 months at an effective annual rate of 20.0 percent. During this period, the total CBL bills issued increased by over 54 percent to L\$8,610.66 from L\$5,584.70 in the previous month. The total investments of commercial banks rose by about 55 percent from L\$5,387.00 million to L\$8,353.00 million, and the total value of retail investments increased from L\$197.70 million to L\$257.66 million, representing an increment of about 30 percent.

The increase in CBL bill subscriptions was attributed to excess liquidity in the market during the period and investors' confidence in CBL's impeccable redemption record. With redemptions totalling L\$7,939.38 million, CBL recorded a net contraction of L\$671.28 million and total outstanding bills of L\$8,581.36 million. The Bank maintained its commitment to timely redemptions and provided regular updates on its website.

No new issuance of US dollars and Liberian dollars (LRD) Treasury securities by CBL on behalf of the Government. The Liberian dollar treasury security stock remains at L\$8,277.30 million with a total outstanding of L\$483.7 million, while the USD Treasury securities stock remains at US\$149.54 million. However, outstanding obligations on USD Treasury securities increased to US\$11.23 million from 9.87 million in the previous month.

Regarding the commercial bank interest rates, the average rates of lending, savings, and time deposit remained unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively. However, money market instruments such as swaps and placements were traded during the month. In the interbank operations, commercial banks continued to trade with non-interest-bearing swaps to ease the liquidity disparity among banks for their international and intra-country transactions. (Table 3).

Memo Items					
Government Revenue (% of GDP)	0.89	1.24	1.21	1.04	-
Government Expenditure (% of GDP)	1.79	0.99	1.45	1.07	-
Total Debt Stock (% of GDP)	50.34	53.97	54.16	54.15	-
NGDP (at Level)	4,390.00	4,771.00	4,771.00	4,771.00	-

Source: CBL calculation using MFD's data

*Projections

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

In August 2024, the merchandise trade deficit widened by US\$35.87 million (-0.8 percent of GDP) from US\$3.21 million (0.1 percent of GDP) in the previous month. Total merchandise trade increased to US\$252.35 million (5.8 percent of GDP), from US\$230.45 million (5.3 percent of GDP) due to an increase in import payments.

Export earnings declined by 4.7 percent to US\$108.24 million (2.5 percent of GDP) in August 2024, from US\$113.62 million (2.6 percent of GDP) in July, primarily due to lower receipts from rubber and palm oil exports. Payments for merchandise imports grew by 23.4 percent to US\$144.11 million (3.3 percent of GDP) from US\$116.83 million (2.7 percent of GDP) in July, driven by increased payments for minerals, fuel, and lubricants, particularly petroleum.

5.2 Total Public Debt

The stock of public debt at end-August 2024 slightly decreased by 0.02 percent to US\$2,583.6 million (54.2 percent of GDP), from US\$2,584.1 million (54.2 percent of GDP) at the end of the preceding month. The slight decrease reflects a 0.1 percent decline in domestic debt with no change in external debt. The stock of domestic and external debts totaled US\$1,082.0 million (22.7 percent of GDP) and US\$1,501.6 million (31.5 percent of GDP), respectively, at the end of the reporting period.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Aug-23	Jun-24	Jul-24	Aug-24	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	39.28	59.02	57.85	49.76	(13.97)
<i>Tax Revenue</i>	35.02	49.35	48.76	38.80	(20.43)
o/w Taxes on Income & Profits	11.10	21.85	28.20	15.96	(43.43)
o/w Taxes on Int'l Trade (Customs)	17.95	17.68	14.56	17.37	19.28
<i>Non-tax Revenue</i>	4.26	9.67	9.09	10.96	20.65
o/w Property Income	1.84	8.19	6.80	8.86	30.34
o/w Administrative Fees & Penalties	2.42	1.48	2.29	2.10	(8.16)
<i>Other Revenue (Including Grants)</i>	-	-	-	-	-
Government Expenditure	78.77	47.33	69.29	50.98	(26.43)
Recurrent Expenditure	77.27	47.25	69.10	50.57	(26.81)
o/w Compensation	33.42	21.43	33.03	17.43	(47.22)
o/w Goods and Services	31.76	11.66	20.33	14.20	(30.12)
o/w Payments on Loans, interest & other charges	5.43	5.63	4.43	10.14	128.86
Capital Expenditure	1.51	0.08	0.19	0.41	110.28
Overall Balance (Surplus+; Deficit -)	(39.50)	11.69	(11.45)	(1.21)	
Total Debt Stock	2,210.06	2,574.89	2,584.08	2,583.61	(0.02)
Domestic Debt	951.04	1,077.86	1,082.53	1,082.04	(0.05)
o/w Financial Institutions	823.35	940.78	945.51	945.51	-
o/w Other Debts	127.69	137.08	137.03	136.54	(0.36)
External Debt	1,259.03	1,497.03	1,501.54	1,501.56	0.00
o/w Multilateral	1,146.88	1,355.74	1,360.25	1,360.27	0.00
o/w Bilateral	112.14	113.47	113.47	113.47	-

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	Aug-23	June-24	July-24	Aug-24
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on an EAR basis	7,983.58	3,911.31	5,584.70	8,610.66
Redemption during the month (EAR basis)	7,304.90	4,773.87	4,257.76	7,939.38
Bill Outstanding (EAR basis)	8,976.53	6,583.00	7,909.94	8,581.36
Effective Annual Rate (EAR)	20.0	20	20	20.0
Total Purchases (coupon rate & EAR)	7,983.58	3,911.31	5,584.70	8,610.66
Total Redemption (coupon rate & EAR)	7,304.90	4,773.87	4,257.76	7,939.38
Total Outstanding Bills (coupon rate & EAR)	8,976.53	6,583.00	7,909.94	8,581.36
Treasury Securities	<i>(In Millions of Liberian Dollars)</i>			
T- Bills Issued (in LD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	1,782.82	0.00	0.00	0.00
T-Bills Outstanding	6,900.40	510.60	510.10	510.10
T-Bills total Stock		8,246.47	8,246.47	8,246.47
Net Treasury Bills Operations^ withdrawal (+)/Injection (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	10.00	10.00	10.00	10.00
T- Bills Issued (In USD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	2.28	0.00	0.00	0.00
T-Bills Outstanding (Repayment principal)	108.54	1.28	1.28	0.90
Total debt stock	108.54	141.44	141.44	142.34
Ave. Weighted Discount Rate (T-Bills)	11.00	10.0	10.0	10.0
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	0.00	0.00	0.00	0.00
Coupon Payment	0.00	0.00	0.00	0.00
Total debt stock	0.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	0.00	0.00	0.00	0.00
Treasury Bond Issued	0.00	0.00	0.00	0.00
Treasury Bond Principal Payments (USD)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In USD)	0.00	0.00	0.00	0.47
Coupon Payments (USD)	0.00	0.00	0.00	0.00
Total debt stock	0.00	35.69	35.69	36.16
	<i>(As specified)</i>			
SDF rate (4.0%)	20.0	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%)	0.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00

<i>Interest Rates</i>	<i>(In Percent)</i>			
- Lending rate	12.44	12.44	12.44	12.44
<i>Average Deposit rates</i>				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
<i>Money Markets Instrument (In percent)</i>				
Repo	0.00	0.00	0.00	0.00
Swap lending		0.00	0.00	0.00

Source : CBL

^ - with Liquidity Effect

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

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

4.4 BANKING SECTOR DEVELOPMENTS

The banking industry remained in compliance with the sector's regulatory requirements. For the month ended August 31, 2024, the industry liquidity ratio decreased by 3.57 percentage points to 50.41 percent compared to the 53.98 percent liquidity ratio reported in the preceding month. The industry liquidity ratio remained above the minimum regulatory requirement of 15.00 percent by 35.41 percentage points. The Capital Adequacy Ratio (CAR) remained constant at 29.44 percent, above the minimum regulatory requirement of 10.00 percent. Additionally, the Return on Assets (ROA) increased by 0.25 percentage points from 2.04 percent to 2.29 percent, and the Return on Equity (ROE) increased by 1.99 percentage points, from 14.43 percent to 16.42 percent.

Total gross loans increased by 2.50 percent to L\$100.10 billion in August 2024, from the L\$97.64 billion reported in the previous month. The increase is attributed to increases in new facilities that were granted to the agriculture (15.06 percent) and Oil and Gas (11.75 percent) sectors. At the same, the ratio of non-performing loans to total loans increased from 17.17 percent to 19.89 percent during the month under review. This means that the end-of-month NPL ratio of 19.89 percent exceeded the maximum regulatory threshold of 10.00 percent. The increase in NPLs was due to increases in defaulted facilities recorded in the public corporations (32.0 percent), and oil and gas (46.0 percent) sectors.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Aug - 2023	Jun. - 2024	Jul - 2024	Aug- 2024
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	92.14	98.94	97.65	100.10
Total Non-performing Loans	15.40	17.91	17.17	19.91
Non-performing Loans to Total Gross Loans (ratio)	16.72	18.03	18.14	19.89
Gross Loan (percent change)	(0.05)	(0.59)	(1.30)	2.50
Non-performing Loans (percent change)	1.53	1.30	1.28	9.75
Returns on Assets (ROA)	1.57	1.67	2.04	2.29
Returns on Equity (ROE)	11.61	11.88	14.43	16.42
Liquidity Ratio***	39.72	44.42	53.98	50.41
Capital Adequacy Ratio (CAR)****	19.18	30.26	29.44	29.44

Source : CBL

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

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

5.0 FISCAL SECTOR DEVELOPMENTS

5.1 Total Revenue and Expenditure

Provisional data on the Government of Liberia's (GOL) fiscal activity revealed a declining deficit in the Overall Balance (OB), attributed to a reduction in government expenditure, outweighing the decrease in total revenue. The deficit amounted to US\$1.2 million (approximately 0.0 percent of GDP).

The fiscal operations in August 2024 recorded a 14.0 percent reduction in the GOL's total revenue to US\$49.8 million (1.0 percent of GDP), attributed to a decrease in tax revenue, despite the rise in non-tax receipts. Tax revenue decreased by 20.4 percent to US\$38.8 million (0.8 percent of GDP) due to a reduction in income & profits, despite growth in international trade taxes. Non-tax revenue increased by 20.7 percent to US\$11.0 million (0.2 percent of GDP), attributed to a rise in property income.

Similarly, the fiscal operations recorded a reduction in government expenditure. Total expenditure decreased by 26.4 percent to US\$51.0 million (1.1 percent of GDP) from US\$69.3 million (1.5 percent of GDP) in the previous month. The decrease in expenditure reflects a reduction in recurrent expenditure, decreasing by 26.8 percent to US\$69.1 million (1.1 percent of GDP) reflecting decreases in employees' compensation and goods & services spending. The fiscal operations, however, reported a marginal increase in capital expenditure.