

KEYNOTE ADDRESS

BY

HON. HENRY F. SAAMOI

EXECUTIVE GOVERNOR OF THE CENTRAL BANK OF LIBERIA

**AT THE OPENING CEREMONY OF THE REGIONAL COURSE
ON MONETARY POLICY FRAMEWORKS AND ANALYTICAL TOOLS**

MONROVIA, LIBERIA

MAY 26-JUNE 3, 2024

VENUE: BELLA CASA HOTEL, 2ND STREET, SINKOR, MONROVIA, LIBERIA

DATE: MAY 26, 2025.

TIME: 9:00 A.M.

The Director-General of WAIFEM, Dr. Baba Y. Musa,
Distinguished Directors of the Central Bank of Liberia,
Esteemed Facilitators and Participants,
Members of the Press,
Ladies and Gentlemen,

Good morning.

On behalf of the Management and staff of the Central Bank of Liberia (CBL), it is my distinct honour and pleasure to welcome you all to Monrovia and to the opening ceremony of this important Regional Course on Monetary Policy Frameworks and Analytical Tools, organized by WAIFEM. To our guests from outside Liberia, I trust your journey was smooth and that you will find time to enjoy the warmth and hospitality of our people, as well as the beauty and vibrancy of our capital city.

Director-General, distinguished guests, this course could not have come at a more opportune time. As we all know, the design and implementation of monetary policy remain central to macroeconomic management and stability. A sound monetary policy framework provides the essential anchor for central banks in achieving their primary objective of price stability while also navigating the complex trade-offs among various macroeconomic goals.

Monetary policy frameworks refer to the institutional and legal arrangements that define a central bank's objectives, operational targets, and instruments. These frameworks, whether Exchange Rate Targeting, Monetary Targeting,

Inflation Targeting, or hybrid models—must align with a country's exchange rate regime, macroeconomic fundamentals, and financial market development. The selected framework also shapes how policy decisions are communicated, evaluated, and adjusted over time.

For instance, under an Inflation Targeting regime, central banks adopt explicit inflation targets and use forward-looking models to forecast inflation. Interest rates and other monetary tools such as open market operations, repos, and reserve requirements are then employed to steer inflation expectations toward the desired target. Conversely, in monetary targeting frameworks, control over monetary aggregates becomes the main lever to influence price levels.

Here in Liberia, the CBL's primary mandate remains ensuring price stability. Yet, this mandate is pursued alongside other important objectives—such as supporting financial stability and economic development, facilitating credit growth in the private sector, and managing exchange rate volatility. These competing goals sometimes create trade-offs and policy dilemmas, particularly in an economy with structural challenges and a dual currency regime.

Despite these complexities, the CBL continues to demonstrate resilience and adaptability. Our policy stance remains firmly focused on stabilizing prices and the exchange rate, while also supporting sustainable economic transformation. We are also strengthening collaboration with fiscal authorities to ensure better policy coordination, which is critical to achieving inclusive growth, job creation, and long-term development.

Currently, Liberia operates a monetary targeting framework. The Monetary Policy Rate (MPR), Standing Credit Facility Rate (SCFR), Standing Deposit Facility Rate (SDFR), and the Required Reserve Ratio are the key tools used to influence monetary aggregates and control inflation. Due to the underdeveloped nature of our financial markets, these instruments play more of a signaling role than an active market-based one. Nonetheless, they serve as important tools for policy guidance.

In response to recent inflationary pressures, where headline inflation rose from 8.7 percent in Q4 2024 to 12.5 percent in Q1 2025, the CBL's Monetary Policy Committee increased the MPR by 25 basis points to 17.25 percent. This decision reflects our commitment to disinflation and macroeconomic stability, consistent with the ECOWAS Monetary Cooperation Programme's convergence criteria. The Committee also maintained the asymmetric interest rate corridor and reserve requirement ratios to manage liquidity and inflation expectations effectively.

Director-General, Ladies and Gentlemen, this course aims to deepen participants' understanding of the theoretical foundations and practical applications of monetary policy. It will cover analytical tools such as the Quarterly Projection Model, inflation forecasting, and liquidity management strategies. As member countries of WAIFEM seek closer policy harmonization under ECOWAS' integration agenda, building a common understanding of these frameworks and tools is both timely and necessary.

I am pleased to note that WAIFEM has assembled a highly experienced team of facilitators to deliver this course. I encourage all participants to engage actively, share experiences, and ask questions freely. This is a valuable opportunity to sharpen your technical skills and broaden your policy perspectives. While the programme is intensive, I also urge you to make time to explore the cultural and historic attractions of Monrovia.

Once again, I extend a very warm welcome to you all and wish you a fruitful and enriching training experience. With these remarks, Director-General, distinguished guests, ladies and gentlemen, I now have the honour to declare open the WAIFEM Regional Course on Monetary Policy Frameworks and Analytical Tools.

Thank you for your kind attention.