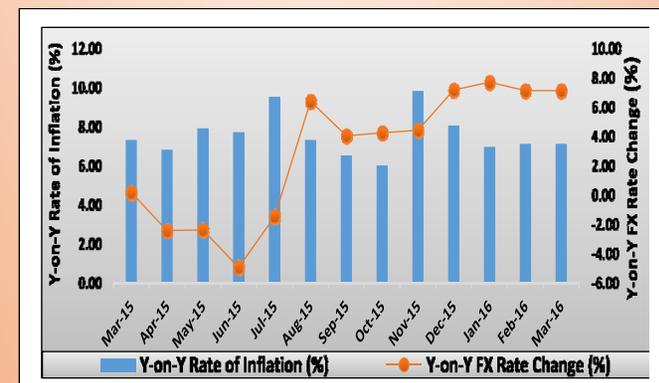


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# CENTRAL BANK OF LIBERIA (CBL)



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**Table 2: Performances of End-of-Period WAMZ  
Exchange Rates against the US Dollar**

Currency	Feb-16	Mar-16	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr (-)/Depr(+)
<b>LRD</b>	90.5	90.5	0.00
<b>FCFA</b>	596.00	579.2	(2.82)
<b>CVE</b>	100.19	97	(2.78)
<b>GHC</b>	3.88	3.79	(2.32)
<b>GMD</b>	43.4	42	(3.69)
<b>GNF</b>	8880.0	8880	0.00
<b>NGN</b>	196.5	196.5	0.00
<b>SLL</b>	5791.8	6044.9	4.37

Sources: Central Banks of Liberia and WAMA: [www.amao-wama.org/en/exchange.aspx](http://www.amao-wama.org/en/exchange.aspx) and [www.amao-wama.org/](http://www.amao-wama.org/)

*LRD—Liberian Dollar*

*FCFA—Franc CFA*

*CVE—Cape Verdean Escudo*

*GHC—Ghanaian Cedi*

*GMD—Gambian Dalasi*

*GNF—Guinean Franc*

*NGN—Nigerian Naira*

*SLL—Sierra Leonean Leone*

*USD—US Dollar*

*GBP—British Pound*

	Dec-15	Jan-16	Feb-16	Mar-16	
11	<b>INFLATION</b>				
	<i>(In percent)</i>				
	Overall (Year-on-year) Rate of Inflation	8.0	7.0	7.1	7.1
	a. Food and Non-alcoholic Beverages Inflation	5.9	7.4	5.5	5.6
	- Domestic Food Inflation	12.0	11.7	9.9	11.3
	- Imported Food Inflation	0.3	3.2	1.2	0.6
	b. Transport Inflation	14.4	9.1	15.6	26.4
	c. Imported Fuels Inflation	-17.5	-5.4	-5.1	-0.7
	Overall (Month-on-Month) Rate of Inflation	0.1	0.1	-1.2	2.0
	<b>CORE INFLATION</b>				
	Inflation excluding Food & Non-alcoholic Beverages	10.6	8.0	9.0	9.0
	Inflation excluding Imported Food	11.1	8.4	9.4	9.8
	Inflation excluding Domestic Food	6.7	5.2	6.1	5.6
	Inflation excluding Food and Transport	9.9	5.9	7.9	6.1
	<b>PRODUCTION</b>				
	<i>(Metric Tons)</i>				
	Iron Ore	378,620	154,875	146,414	80,804
	Rubber	2,762	7,056	3,024	2,903
	Cement	21,704	27,824	23,812	28,490
	Beverages	<i>(In Litres)</i>			
	Alcoholic	1,776,096	1,316,815	1,062,939	1,359,733
	Non-Alcoholic	1,115,657	861,033	524,455	920,217

\* US\$ converted to L\$

\*\* Other Deposits Include Official and Manager Checks

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

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

‡Reserves exclude ECF borrowing from the IMF

± Provisional

° Estimate

‡Revised

‡Not Available (NA)

/1 Average Monthly prices of Dated Brent, West Texas Intermediate & Dubai Fateh

^With liquidity Effect

## REAL SECTOR & PRICE DEVELOPMENTS

### Production

Output during the month of March, 2016 when compared with February, 2016 was characterized by mixed movements in the production of commodities. Rubber output slumped by 4.0 percent, to 2,903 metric tons, down from 3,204 metric tons produced in February, mainly on account of low production by other smaller producers. On the back of increased production of soft drink due to low inventory, beverages output increased by 43.6 percent, to 2.3 million liters, up from a revised 1.6 million liters produced in the previous month. Cement output surged by 19.6 percent, to 28,490 metric tons, down from 23,812 metric tons produced in February, 2016, mainly as a result of increased construction activities. Total output of Iron ore in March slumped to 0.08 million metric tons, down from a revised 0.15 million metric tons produced in the previous month. The 44.9 percent dip in iron ore output was mainly due to the shutdown of one of the major concessionaire.

### Consumer Prices

Inflation, on a year-on-year basis was relatively stable at 7.1 percent. This was however 0.2 percentage point lower than the 7.3 percent reported the same period a year ago. The slight year-on-year reduction in inflation was mainly due to decline in imported food prices. Imported food prices declined to 0.6 percent at end-March 2016, from 21.1 percent the same period a year ago.

On a Month-on-month basis, the rate of inflation increased by 3.2 percentage points to 2.0 percent, from negative 1.2 percent reported a month ago.

## MONETARY DEVELOPMENTS

### Monetary Policy Stance

The CBL monetary policy stance during the month of March, 2016 remained anchored on price stability through broad exchange rate stability. During the month, the foreign exchange auction, as was the case of the previous month, was the available tool used by the Bank to broadly stabilize the exchange rate.

### Monetary Aggregates and Credit

The revised monetary aggregates show that broad money supply (M2) at end-March, 2016, increased by 2.5 percent to LD\$60,294.0 million, from LD\$58,844.0 million at end-February, 2016. The rise in M2 was occasioned by 4.5 percent rise in Narrow money (M1), which grew on account of a 6.1 percent increase in demand deposits.

Net Foreign Assets (NFA) during the month increased by 4.3 percent, while Net Domestic Assets (NDA) slightly grew by 0.6 percent. Commercial banks loan to private sector denominated in US dollar slightly increased by 0.3 percent to US\$355.8 million, from US\$354.7 million compared with the previous month. Similarly, the Liberian dollar component increased by 1.3 percent to L\$1,955.6 million, from L\$1,930.0 million at end-February, 2016.

### Exchange Rate

The average Liberian dollar exchange rate remained stable at L\$90.5/US\$1.00 during the month ended-March, 2016. On the end-of-period basis, the Liberian dollar also maintained its previous month value of L\$90.5/US\$1.00. However, compared to the corresponding month a year ago, the monthly average exchange rate depreciated by 7.1 percent against the US dollar. The year-on-year depreciation of the Liberian dollar was mainly on account of declines in the prices of the country's major commodity exports, rising import demand and deteriorating terms of trade.

Major currencies in the West African Monetary Zone (WAMZ) experienced mixed results at end-March, 2016. With the exception of the Sierra Leonean Leone that depreciated by 4.4 percent, the Nigerian Naira, Liberian Dollar and Guinean Franc remained stabled during the month ended-March, 2016. During the same period, the Gambian Dalasi and Ghanaian cedi appreciated by 3.69 percent and 2.32 percent, respectively (Table 2).

### Money Market Developments

With a weighted average discount rate of 3.57 percent, total amount of T-bill issued during March, 2016 did not change when compared to the previous month. T-Bills issued in March, as in the previous month, totaled L\$44.8 million. On the other hand, total GoL T-bill redeemed for the month amounted to L\$43.8 million, resulting into a net withdrawal of L\$1.1 million. With regards to CBL bill, there was neither issuance nor redemption during the month.

	Dec-15	Jan-16	Feb-16	Mar-16
<b>6 FINANCIAL SOUNDNESS INDICATORS (FSI)</b>	<b>(In percent)</b>			
Capital Adequacy Ratio (CAR)***	15.3†	17.1†	15.8†	16.2
Non-performing Loans to Total Loans	15.7	16.0†	15.0†	15.7
Non-performing Loans (% change)	-5.2	4.8	-2.3	12.0
Returns on Assets	-1.0	-2.1	-2.1	-2.4
Returns on Equity (ROE)	-26.0	-18.0	-18.0†	-22.1
Liquidity Ratio****	36.8	35.0†	33.0†	34.7
<b>7 FISCAL OPERATIONS</b>				
<b>7a REVENUE, EXPENDITURE &amp; DEBT</b>	<b>(Millions of US\$)</b>			
Actual Revenue & Grants	33.8	67.7	30.5	39.3
Projected Revenue & Grants	37.0	65.0	29.5	36.2
Expenditure	55.8	36.5	37.5	44.2
<b>Public Debt Stock</b>	<b>654.9</b>	<b>704.8*</b>	<b>718.2</b>	<b>707.9</b>
Domestic	269.2	269.5	269.5	269.1
External	385.4	435.3	448.7	438.8
<b>7b TREASURY SECURITIES</b>	<b>(Millions of L\$)</b>			
T- Bills Issued	-43.8	-43.3	-44.8	-44.8
T- Bills Redeemed	88.5	73.1	88.5	43.8
Net GoL Treasury Operation^	44.7	29.8	43.7	-1.1
Average Weighted Discount Rate	4.15	3.69	3.73	3.57
<b>8 EXTERNAL TRADE (VALUE)</b>	<b>(Millions of US\$)</b>			
<b>8a EXPORTS/ 1</b>	<b>21.4</b>	<b>34.7</b>	<b>19.4</b>	<b>15.5</b>
- O/w Iron Ore	11.2	5.6	5.9	3.9
- O/w Rubber	5.3	7.4	3.3	3.2
- O/w Mineral	2.3	2.4	2.6	3.3
<b>8b IMPORTS (F.O.B)/ 1</b>	<b>148.1</b>	<b>106.4</b>	<b>97.6</b>	<b>131.1</b>
-O/w Petroleum Products	35.7	30.1*	33.1*	35.1
-O/w Commercial Rice	0.4	0.7	0.6	11.4
-O/w Non-commercial Rice	0.2	0.6	0.4	0.3
<b>Trade Balance</b>	<b>-143.3</b>	<b>-71.7</b>	<b>-78.2</b>	<b>-115.6</b>
<b>9 EXTERNAL TRADE (VOLUME)</b>	<b>(Metric Tons)</b>			
- Rubber	4,170.6	7,056*	3,024	2,903
-Iron Ore	378,620	154,875*	146,419	80,804
-Commercial Rice	8,913.8	15,326.3	13,136.8*	249,599.7*
-Non-commercial Rice	1,121	3,488.6	2,325.7*	1,744.3*
- Petroleum Products	10,386	11,053	9,946	11,328
<b>10 INT'L COMMODITY PRICES &amp; LIBERIA'S TERMS OF TRADE</b>	<b>US\$/Unit</b>			
Iron Ore (US\$/MT)	39.6	41.3	46.2	55.5
Rubber (US\$/MT)	1,247.6	1,219.8	1,257.5	1,447.1
Crude Oil (US\$/Barrel)/1	36.6	29.9	31.1	37.3
Rice (US\$/MT)	354.4	359.5	373.2	370.5

/1 Trade data now sourced from Customs (LRA) with larger coverage than BIVAC.

**Table 1: Fact Sheet**

	Dec-15	Jan-16	Feb-16	Mar-16
<b>1 MONETARY</b>	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) <sup>‡</sup>	164	166.2	165.4 <sup>†</sup>	164.4
CBL Gross Foreign Reserves (excluding SDRs)	277.7	279.7	261.1 <sup>†</sup>	256.8
Liberian Dollars in Circulation	10,357.3	10,235.5	10,122.8 <sup>†</sup>	10,024.4
Money Supply (M1) in L\$ only	13,458.5	13,118.3	12,701.2 <sup>†</sup>	12,485.7
Broad money (M2) in L\$ only	18,069.4	17,720.4	17,284.6 <sup>†</sup>	16,987.3
Broad money (M2) in both L\$ and US\$*	60,627.3	59,389.9	58,844.0 <sup>†</sup>	60,294.0
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	29.8	29.8	29.4 <sup>†</sup>	28.2
Interest Rates				
- Lending rate	13.7	13.7	13.6	13.6
-Average Deposit rates				
-Savings	2.0	2.0	2.0	2.0
-Time	4.5	4.4	4.2	3.8
Commercial banks loans to private sector - US\$	349.7	354.5	354.7	355.8
Commercial banks loans to private sector - L\$	1,890.1	1,882.4	1,930.0	1,955.6
- Demand Deposits of commercial banks				
Demand deposits - US\$	311.6	292.5	285.4 <sup>†</sup>	307.1
Demand deposits - L\$	3,802.3	4,093.7	4,013.1 <sup>†</sup>	3,872.8
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	168.3	167.5	173.6 <sup>†</sup>	169.1
Time & savings deposits - L\$	4,602.3	4,593.6	4,575.0 <sup>†</sup>	4,492.1
- Other Deposits**				
Actual US\$ component of other deposits	0.96	0.45	0.16 <sup>†</sup>	2.4
Liberian \$ component of other deposits	9.2	8.5	8.4 <sup>†</sup>	9.6
<b>2 CBL'S FOREIGN EXCHANGE AUCTION</b>	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	5.1	1.5	2.0	2.0
Total Subscription	7.0	5.1	5.7	5.6
Over(+)- / Under(-) Subscription	1.9	3.6	3.7	3.6
<b>3 CBL BILLS AUCTION</b>	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	0.0	0.0	1,592.0	0.0
<b>4 PERSONAL REMITTANCES</b>	<i>(Millions of US\$)</i>			
Inflows	33.9	44.8	42.8	46.7
Outflows	21.3	16.7	15.6	26.6
Net flows	12.7	28.1	27.2	20.1
<b>5 EXCHANGE RATE</b>				
End of Period	88.5	90.5	90.5	90.5
Period Average	88.5	89.5	90.5	90.5

**Banking Sector Developments**

The banking sector remained relatively stable on account of relative stability in its Capital Adequacy Ratio (CAR) in March, 2016 when compared with the previous month. The sector's access to capital grew by 0.4 percentage points in its adequacy ratio to 16.2 percent, from a revised 15.8 percent. Liquidity ratio in the sector inched up by a 1.7 percentage points to 34.7 percent, from a revised 28.1 percent in the previous month. However, growth in non-performing loans to total loans increased to 12.0 percent at end-March 2016, from negative 2.3 percent at end-February, 2016. The increasing level of non-performing loans and operating cost of banks remain a risk to the sector's profitability (Table 1).

**FISCAL DEVELOPMENTS****Revenue (including Grants) & Expenditures**

Fiscal operations in March, 2016, resulted in a deficit of US\$4.82 million, up from US\$6.96 million deficit recorded in the previous month. The deficit was explained by month-on-month 17.9 percent growth in total public expenditure that outweighed the 29.0 percent increase in total actual revenue for the review period. Tax and non-tax revenue & grants constituted 87.0 percent and 13.0 percent of total revenue and grants, respectively. Actual revenue and grants rose above budgetary target for the month by US\$3.17 million or 8.8 percent. Recurrent and capital expenditure accounted for 87.1 percent and 12.9 percent of total public expenditure for the review month, respectively.

Liberia's public debt stock at end-March, 2016, stood at US\$707.9 million, reducing by 1.4 percent against the stock recorded in the preceding month, mainly explained by 2.2 percent dropped in external debt stock through payments to multilateral institution for the review period. Domestic and external debt stocks constituted 38.0 percent and 62.0 percent of Liberia's total public debt stock at end-March, 2016, respectively (Table 1).

**EXTERNAL SECTOR DEVELOPMENTS****Merchandise Trade**

For the period ended-March, 2016, merchandise trade statistics showed that Liberia's trade balance worsened by 48.0 percent, due to a 20.0 percent decline in export receipts (Table 1).

**Exports**

During the review month, significant improvements were recorded in global prices of the country's major export commodities (rubber and iron ore); however, export receipts slumped by 20.1 percent to US\$15.5 million, from US\$19.4 million recorded in the previous month. The decline in export receipts was largely attributed to a 33.9 percent and a 3.0 percent declines in iron ore and rubber earnings, respectively (Table 1).

**Imports**

Import payments (free on board - fob) in the reviewed month rose by 34.3 percent to US\$131.1 million, from US\$97.6 million recorded during the previous month. The significant jump was attributed to increased import payments on commercial rice (Table 1).

**Global Commodity Price Review**

Global commodity prices, for the second time in 2016, rose by 9.0 percent at end-March, 2016, from 2.0 percent in February 2016. The sharp increase in commodity prices was mainly driven by a surge in oil prices. However, compared with the same period a year ago, global commodity price index fell by 21.1 percent on account of substantial falls in the prices of crude oil and rubber.

**Iron ore**

Iron ore price rose by 20.3 percent to US\$55.8 per metric ton at end-March, 2016, from US\$41.2 per metric ton in the previous month largely due to growing demand for the commodity mainly from China (Table 1) .

**Rubber**

Rubber price at end-March 2016 slightly inched up by 15.1 percent to US\$1,447.1 per metric ton, from US\$1,257.5 per metric ton in February, 2016. The surge in the price of rubber for the third consecutive period, March 2016 was mainly on account of rising demand for the commodity from China in response to weaker global supply of the commodity.

**Petroleum (Crude Oil)<sup>1</sup>**

Amid discussions among major oil producing economies in anticipation of substantial production freeze, crude oil prices at end-March, 2016 rose again by 20.3 percent to US\$37.3 per barrel, from US\$31.1 per barrel in February, 2016. In the wake of continued expected decline in global demand prospects, the increase in the price of oil is, on the other hand, being pressured by strong supply from OPEC member states.

**Food (Rice)**

Rice price for the third month of 2016 declined by 0.7 percent to US\$370.5 per metric ton, from US\$373.2 per metric ton recorded in February, 2016 as global food price index for the Month slightly inched up. The fall in the price of the commodity was marked by weak demand from Asia that outweighed lower expected output growth in the region.

**Gross Foreign Reserves**

Gross foreign reserves position (excluding SDR<sup>2</sup> holdings) of the Central Bank declined by 1.7 percent to US\$256.8 million at end-March, 2016, from US\$ US\$261.1 million recorded in February. The fall in gross foreign reserves was, in part, attributed to a 31.6 percent reduction in US Dollar Notes & Coins that outweighed the US\$20.0 million increase in Banknotes in Transit between Banks.

<sup>1</sup>Crude oil price is the average of the three global oil price benchmarks: Dated Brent, West Texas Intermediate and Dubai Fateh.

<sup>2</sup>Special Drawing Rights