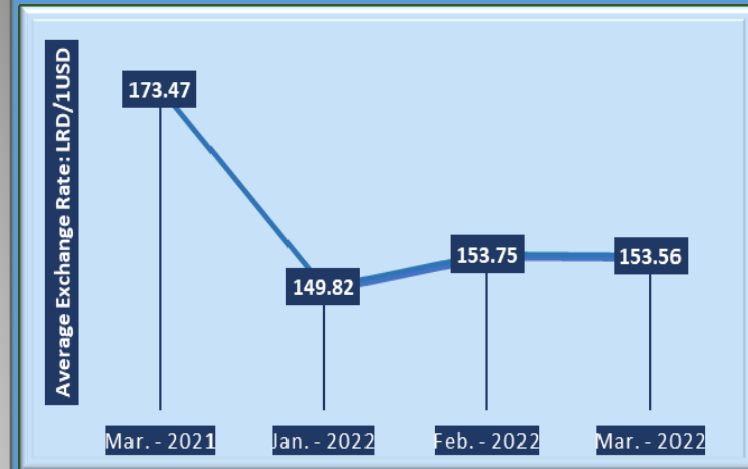




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7.8 Rice

The price of rice declined by 1.2 percent to US\$422.00 per metric ton, from the US\$427.00 per metric ton reported in the preceding month. On an annualized basis, the price of the commodity also fell by 19.6 percent, from the US\$ 525.00 per metric ton recorded in March 2021.

7.9 Cocoa beans

During the review month, the price of cocoa beans fell by 3.6 percent to US\$ 2,460.00 per metric ton, from the US\$2,550.94 per metric ton reported in February 2022. This development reflected the rising inflationary impact on consumption in the United States and Europe - which led to consumers giving preference to essential goods over cocoa products. Compared to March 2021, the price of cocoa beans remained unchanged per metric ton.

7.10 Commodity outlook

The World Bank Commodity Outlook shows mixed prospects for commodity prices for April 2022. The price index of energy commodities (mainly crude oil & coal) was forecast to average US\$153.19 in April 2022. Prices of non-energy commodities including base metals and minerals (iron ore), agricultural products (beverages and food), raw materials (timber, and other raw materials), and fertilizers were forecast to average US\$139.88 during the month, and largely expected to be impacted by the ongoing Russia-Ukraine conflict.

Table 8: Global Commodity Prices

GLOBAL PRICE	Mar-21	Jan-22	Feb-22	Mar-22	Percent Change	
					MoM	YoY
					(In price per Unit of Measure)	
Iron ore (US\$/MT)	168.18	132.53	142.84	152.07	6.46	(9.58)
Gold (US\$/Oz)	1718.23	1,816.02	1,856.30	1,947.83	4.93	13.36
Rubber (US\$/MT)	2,370.00	1,970.00	2,112.10	2,120.00	0.37	(10.55)
Cocoa Beans (US\$/MT)	2,460.00	2,470.00	2,550.94	2,460.00	(3.56)	0.00
Palm Oil (US\$/MT)	1,030.85	1,344.79	1,522.36	1,776.96	16.72	72.38
Crude Oil (US\$/BBL)	63.83	83.92	93.54	112.40	20.16	76.09
Food Price Index (FAO)	119.11	135.40	141.14	159.70	13.15	34.08
Rice_5% broken (US\$/MT)	525.00	427.00	427.00	422.00	(1.17)	(19.62)
Sugar (US\$/MT)	340.00	400.00	393.75	420.00	6.67	23.53
Commodity Price Index	141.38	190.90	203.19	241.07	18.64	70.51

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

7.3 Crude oil (Petroleum) price

During the month, the price of petroleum rose by 20.2 percent to US\$112.40 per barrel, from the US\$93.54 per barrel reported in the preceding month. The increase was driven by supply disruptions from sanction imposed on the exportation of crude oil by Russia. When compared to March 2021, the price of petroleum increased by 76.1 percent from the US\$63.83 per barrel.

7.4 Rubber

The price of rubber rose slightly by 0.4 percent to US\$2, 120.00 per metric ton during the review month, from the US\$2,112.10 per metric ton recorded in the preceding month. The rise in the price of rubber was due to decline in production of the commodity, import constraints and the high cost of crude oil. Compared to the corresponding month in 2021, the price of the commodity declined by 10.6 percent, from the US\$2,370.00 per metric ton reported.

7.5 Food Price (FAO)

The FAO food price index increased by 13.2 percent to US\$159.70, from the US\$141.14 reported in the previous month. This development was influenced by cuts in fertilizers and grains' productions in Ukraine and supply constraints caused by Russia's blockade on Ukraine's seaport. On an annualized basis, food price index rose by 34.1 percent when compared with the price in March 2021.

7.6 Sugar

Sugar price grew by 6.7 percent to US\$ 420.00 per metric ton during the review month, from the US\$393.75 per metric ton reported in the preceding month. The increase was mainly occasioned by higher crude oil prices, and domestic currency appreciation in Brazil, the world's largest producer of the commodity. An annual comparison showed that the price of sugar also increased by 23.5 percent, from the US\$340.00 per metric ton recorded in March 2021.

7.7 Palm oil

The price of palm oil plummeted by 32.1 percent to US\$1,776.96 per metric ton, from the US\$1,344.79 per metric ton reported in the preceding month. This development was mainly underpinned by higher sunflower seed oil prices coupled with rising crude oil prices, as well as concerns over reduced export by South America. Compared with the price in March 2021, the price rose by 72.4 percent, from the US\$ 1,030.85 per metric ton recorded.

TABLE OF CONTENTS

	PAGE
Introduction	1
Overview	1-2
Real Sector and Price Developments	3-4
Production Analysis of Key Commodities	3
Consumer Prices	3
Monetary Developments	4
Monetary Policy Stance	4
Monetary Aggregates	4
Financial Market Developments	6
Banking Sector Developments	8
Fiscal Sector Developments	9
Total Revenue and Expenditure	9
External Sector Developments	11
Merchandise Trade	11
Direction of Trade	12
Remittances	13
Gross International Reserves and Months of Import Cover	13
Exchange Rates Developments	13
Global Commodity Price Developments	14
<u>TABLE</u>	
Table 1: Production and Price Statistics	3
Table 2: Monetary Aggregates Statistics	5
Table 3: Financial Market and Interest Rates Statistics	7
Table 4: Selected Financial Soundness Indicators, FSIs	9
Table 5: Fiscal Operations Statistics	10
Table 6: External Sector Statistics	11
Table 7: Exchange Rate: Official and WAMZ Countries End-of-Period Exchange...	14
Table 8: Global Commodity Prices	16

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 of the Bank that provides a snapshot of economic developments in key sectors (Real, Monetary, Fiscal and External) of the Liberian economy. 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 8 Number 03.

2.0 OVERVIEW

After a subdued performance in February 2022, the production statistics of key commodities showed improved performance in March 2022. In comparison to previous month, outputs of major commodities grew significantly, including gold (16.2 percent), diamond (33.2 percent), rubber (38.9 percent), and cement (21.6 percent), largely on account of favorable weather condition. Conversely, production of beverages fell by 4.2 percent during the month due to weak demand, while iron ore output remained unchanged - reflecting inventory adjustment.

Headline inflation increased to 9.5 percent in March 2022 relative to the 7.6 percent recorded in February 2022, mainly driven by continued increase in the prices of imported fuel, which impacted the prices of several commodities in the Consumer Price Index (CPI). Similarly, on a month-on-month basis, headline inflation rose to 3.1 percent largely reflecting the rising global oil prices.

The monetary policy stance of the Central Bank of Liberia (CBL) continued to be anchored on price stability, mainly through the management of Liberian dollar liquidity. As part of its monetary policy operations, the Bank issued bills at tenors of two-week, one-month, and three-month at an effective annual rate of 20.0 percent.

At end-March 2022, broad money (M2) rose by 9.5 percent to L\$142.27 billion, reflecting 69.0 percent growth in Net Foreign Assets (NFA) and 23.3 percent rise in the NFA of banking institutions. However, the stock of Liberian dollars in circulation slightly declined to L\$23.11 billion during the review month on account of 3.0 percent decline in currency outside banks.

The financial soundness indicators of the banking system remained mostly favourable during the period under review. The Capital Adequacy Ratio (CAR) stood at 30.65 percent, while Return on Assets (ROA) and Return on Equity (ROE) stood at 0.71 percent and 4.11 percent, respectively, at end-March 2022. The liquidity ratio reduced by 1.08 percentage point to 40.17 percent at end-March 2022. Similarly, the ratio of non-performing loans to total loan decreased by 0.68 percentage point to 24.00 percent during the review month, reflecting increased loans recovery during the month.

From provisional fiscal statistics, Government of Liberia (GOL's) fiscal operations resulted to a deficit of 0.2 percent of GDP in March 2022, mainly on account of growth in public expenditure which outweighed the increase in total revenue.

On year-on-year basis, except the Guinean franc and the Liberian dollar that appreciated by 1.9 percent and 13.3 percent, respectively, all the other WAMZ currencies depreciated against the US dollar at end-March 2022. The cedi depreciated by 19.4 percent against the US dollar at end-March 2022; the leone by 13.9 percent; the naira by 8.7 percent; and the dalasi by 6.1 percent.

Table 7: WAMZ Countries End-of-Period & Liberian dollar (LRD) Average Exchange Rates per United States dollar (USD)

Currency	21-Mar	22-Jan	22-Feb	22-Mar	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	5.73	6.02	6.60	7.11	(7.2)	(19.4)
GMD	50.52	52.85	52.81	53.78	(1.8)	(6.1)
GNF	10,030.07	9,007.79	8,893.15	8,807.87	1.0	13.9
LRD	173.01	152.61	154.26	152.72	1.0	13.3
NGN	379.50	415.83	416.02	415.75	0.1	(8.7)
SLL	10,208.80	11,464.58	11,696.92	11,859.94	(1.4)	(13.9)
Avg Period						
LRD	173.47	149.82	153.75	153.56	0.1	13.0

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

Whilst the global commodity indices largely trended upward in March 2022, developments in commodity prices were mixed. The price indices for food, energy and non-energy commodities increased during the month by 13.2 percent, and 18.6 percent, respectively. The price indices of these commodities were largely impacted by the ongoing Russia-Ukraine's conflict, which is negatively influencing the production and trade of crude oil, fertilizers, and grains.

7.1 Iron Ore

The price of iron ore grew by 6.5 percent to US\$152.07 per metric ton in March 2022, from the US\$142.82 per metric ton reported in February 2022. This development was mainly influenced by China's demand for iron ore coupled with supply chain constraints in Australia, the commodity's biggest producer. Compared with the price in March 2021, the price of iron ore declined by 9.6 percent, from the US\$168.18 per metric ton recorded in the corresponding period.

The main sources of imports to Liberia during the review period were Cote d'Ivoire, China, India, Japan, and the USA. Together, they accounted for 67.8 percent of total import payments made in March 2022. Payments to Cote d'Ivoire (mainly for minerals, fuels, and lubricants) rose by US\$20.10 million to US\$38.03 million; payments to China (mainly for the purchase of machinery and transport equipment) increased by US\$9.93 million to US\$22.01 million; payments to Japan (mainly for the purchase machinery and transport equipment) grew by US\$3.29 million to US\$4.55 million; while payments to the USA (mainly for the purchase of machinery and transport equipment) increased by US\$0.99 million to US\$3.91 million during the review month. However, payments to India (mainly for the purchase of machinery and transport equipment) declined by US\$3.91 million to US\$10.04 million in March 2022 compared to February 2022.

6.3 Personal Remittances

Net inflows of personal remittances rose by 14.4 percent to US\$28.28 million (0.7 percent of GDP) in March 2022, from the US\$24.71 million (0.6 percent of GDP) reported during the preceding month driven by 10.4 percent increase in inflows coupled with 7.2 percent reduction in outflows. Inflows of remittances grew to US\$33.60 million during the review month from the US\$30.45 million, while outflows of remittances declined to US\$5.32 million from the US\$5.74 million recorded in February 2022.

6.4 Gross International Reserves

Gross International Reserves (GIR) grew by 3.8 percent to US\$686.00 million (17.4 percent of GDP) at end-March 2022, from the US\$660.90 million (16.8 percent of GDP) recorded at end-February 2022, mainly driven by rise in other reserve assets. However, the months of import cover reduced to 4.5 months, from the 5.4 months recorded in February 2022, mainly due to increase in import payments. However, the recorded months of import cover exceeded the ECOWAS minimum regional threshold of 3 months by 1.5 month (Table 6).

6.5 Exchange Rate Developments

On period average, the Liberian dollar appreciated slightly against the United States dollar by 0.1 percent to L\$153.56/US\$1.00 in March 2022, from the L\$153.75/US\$1.00 rate reported in February 2022. This development was largely driven by increased foreign exchange inflows relative to remittances, and the CBL's monetary policy stance.

On the regional front, exchange rate developments relative to the currencies of member states in the West African Monetary Zone (WAMZ) were mixed. The Ghanaian cedi, The Gambian dalasi, and the Sierra Leonean leone depreciated against the United States (US) dollar by 7.2 percent, 1.8 percent, and 1.4 percent at end-March 2022, respectively. Conversely, the Guinean franc, the Liberian dollar, and the Nigerian naira slightly strengthened against the US dollar by 1.0 percent, 0.1 percent, and 0.1 percent, respectively.

The stock of public debt grew by 1.3 percent to 45.9 percent of GDP at end-March 2022, due to growths in both domestic and external debts.

In the external sector, the merchandise trade deficit increased to 0.9 percent of GDP in March 2022, mainly on account of growth in import payments. Similarly, total merchandise trade grew to 5.7 percent of GDP, led by growths in both exports and imports.

The gross international reserves (GIR) rose by 3.8 percent to US\$686.00 million (17.4 percent of GDP) at end-March 2022 compared to the GIR reported in the preceding month, largely attributed to increase in other reserve assets. However, the months of import cover declined to 4.2 months import payments increased. Personal remittances (net) increased by 0.7 percent of GDP to US\$24.71 million during the review period, reflecting 10.4 percent increase in inflows coupled with 7.2 percent decline in outflows.

The Liberian dollar remained broadly stable during the review month, appreciating against the United States (US) dollar by 0.1 percent on average, reflecting the monetary policy stance of CBL and increased foreign exchange inflows. At the same time, exchange rate developments relative to currencies of the West African Monetary Zone (WAMZ) were mixed as the Ghanaian cedi, The Gambian dalasi, and the Sierra Leonean leone depreciated against the US dollar at end-March 2022, while the Guinean franc, the Liberian dollar, and the Nigerian naira appreciated against the US dollar during the period under review.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics of key commodities showed improved performance of output in March 2022 compared to the preceding month. The outputs of major commodities, including gold, diamond, rubber, and cement revealed significant growths, partly explained by favorable weather condition during the month under review. However, iron ore output remained unchanged due to inventory adjustment, output of total beverages fell on account of weak demand.

Gold and diamond outputs grew by 16.2 percent and 33.2 percent to 27,060 ounces and 14,991 carats in March 2022, respectively. Similarly, rubber and cement outputs increased by 38.9 percent and 21.6 percent to 6,150 metric tons and 56,199 metric tons, respectively. Total production of beverages (alcoholic and non-alcoholic) declined by 4.2 percent relative to the output recorded in the previous month, reflecting weak demand; while iron ore output remained unchanged at 450,000 metric tons compared to the volume recorded a month ago.

3.2 Consumer Prices

Headline inflation rose by 1.9 percentage point to 9.5 percent in March 2022, from the 7.6 percent recorded in February 2022. This development was largely attributed to increased prices of items in the Consumer Price Index (CPI) basket, including food & non-alcoholic beverages, and transport. Similarly, on a month-on-month basis, headline inflation grew by 3.0 percentage points to 3.1 percent, mainly reflecting increases in the prices of food & non-alcoholic beverages, restaurants & hotels and transport.

However, core inflation(Y/Y) moderated by 2.3 percentage points to 11.9 percent in the period under review. The moderation in core inflation was largely attributed to the positive impact of year-on-year relative stability of the Liberian dollar exchange rate, thereby easing the pressure on imported food items.

Table 1: Production and Price Statistics

Production	Mar. - 21	Jan. - 22	Feb. - 22	Mar. - 22
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	440,000	450,000	450,000	450,000
Gold (Ounces)	23,292	46,263	26,557	27,060
Diamond (Carat)	11,254	7,820	2,638	14,991
Rubber (Metric ton)	9,396	5,730	4,428	6,150
Cement (Metric ton)	50,353	50,505	46,202	56,199
Total Beverages (liter)	1,693,496	1,333,229	1,562,810	1,496,683
Alcoholic	1,555,395	1,173,395	1,406,152	1,339,019
Non-Alcoholic	138,101	159,834	156,658	157,663

External Trade (Volume)				
Rubber (MT)	9,396.00	5,730.44	4,428.04	6,150.44
Iron Ore (MT)	404,427.73	507,386.11	300,806.20	361,577.50
Cocoa Beans (MT)	1,175.00	1,434.00	2,800.00	587
Palm Oil (MT)	9,232.06	714.00	3,128.00	6,256.00
Gold (Oz)	23,292.19	46,262.68	26,557.03	27,060.03
Diamond (Crt)	11,253.96	7,820.19	2,638.48	14,990.89
Petroleum Products (MT)	4,453.00	33,967.60	11,455.70	15,953.66
Rice (MT)	-	-	-	-
Other Indicators				
Net Foreign Reserves Position	11.4	391.2	383.5	411.1
Import (FOB)	84.94	120.17	88.58	115.74
Gross International Reserves (GIR) ²	301.0	667.9	660.9	686.0
Import covers (In Month)	2.5	4.3	5.4	4.5
Personal Remittances				
Inflows	29.13	30.18	30.45	33.60*
Outflows	6.71	5.91	5.74	5.32*
Net flows	22.42	24.27	24.71	28.28*
Direction of Trade (DOT)				
Destination of Export	92.47	107.23	71.45	93.98
o/w Switzerland	33.16	60.74	40.27	50.50
o/w United States	4.07	6.38	5.93	7.86
o/w Belgium	5.02	1.20	4.11	4.97
o/w Spain	5.32	3.11	3.51	4.17
Sources of Import (fob)	84.94	120.17	88.58	115.74
o/w Cote d'Ivoire (Ivory coast)	0.35	47.12	17.93	38.03
o/w China	14.71	12.86	12.08	22.01
o/w India	10.87	18.47	13.94	10.04
o/w Japan	0.83	1.49	1.26	4.55
o/w United States of America	4.89	3.84	2.92	3.91

/1 Trade data are primarily sourced from LRA (Custom) with larger coverage than BIVAC.

/1† as of July 2020, import data reported here are on CIF instead of FOB

/2 (GIR) is the sum of net foreign reserve plus SDR and Reserve tranche

† - Revised; - Not Available (na); * - provisional

6.2 Direction of Trade (DOT)

Switzerland, the United States of America (USA), Belgium, and Spain were the main destinations for Liberia's exports (mainly gold, iron ore and rubber), accounting for 71.8 percent of total export earnings. Export earnings from Switzerland (mainly gold) increased by 25.4 percent to US\$50.50 million in March 2022, from the US\$40.27 million reported in the previous month. Similarly, earnings from the USA (mostly rubber) rose by 32.5 percent to US\$7.86 million in March 2022, from the US\$5.93 million in the preceding month; earnings from Belgium (mainly iron ore) increased by 20.9 percent to US\$4.97 million, from US\$4.11 million; while earnings from Spain (largely iron ore) grew by 18.9 percent to US\$4.17 million, from US\$3.51 million recorded in the previous month.

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

External sector developments during the review month showed increases in both merchandise trade deficit and value of trade. Merchandise trade deficit grew by 23.7 percent to US\$36.83 million (0.9 percent of GDP), from the US\$29.78 million (0.8 percent of GDP) reported in February 2022, driven largely by increase in import payments. Similarly, total merchandise trade increased to US\$224.80 million (5.7 percent of GDP) in March 2022, from the US\$172.67 million (4.4 percent of GDP) recorded in the preceding month, on account of increases in both imports and exports.

Export earnings grew by 31.5 percent to US\$93.98 million (2.4 percent of GDP) in March 2022, from the US\$71.45 million (1.8 percent of GDP) recorded in the preceding month. This development was occasioned by increased export proceeds from mainly gold, iron ore and rubber. Similarly, payments for merchandise imports increased by 29.2 percent to US\$130.82 million (3.3 percent of GDP), from the US\$101.22 million (2.6 percent of GDP) reported in February 2022. The growth in imports was driven by increased payments for mainly Minerals, Fuels & Lubricants, and Machinery & Transport equipment.

Table 6: External Sector Statistics

External Trade (Value)	Mar. - 21	Jan. - 22	Feb. -22	Mar. -22
	(Millions of US\$; Except Otherwise Indicated)			
Exports ^{1/}	92.47	107.23	71.45	93.98
Iron Ore	41.67	30.74	18.61	21.93
Rubber	9.64	7.48	6.60	10.16
Gold	33.26	61.86	41.50	51.68
Diamond	1.87	1.86	1.37	1.62
Cocoa Bean	0.13	0.31	1.33	0.39
Palm Oil	1.81	0.88	1.60	3.26
Other commodities	4.09	4.11	0.43	4.95
Imports (CIF) ^{1†}	94.23	134.93	101.22	130.82
Minerals, Fuel, Lubricants	5.68	50.61	20.61	43.23
o/w Petroleum Products	0.16	47.06	17.79	37.88
Food and Live Animals (incl. Animal and veg. oil)	24.80	31.25	29.34	21.44
o/w Rice	0.30	16.60	11.08	2.35
Machinery & Transport Equipment	34.03	27.54	27.69	32.15
Manufactured goods classified by materials	11.90	7.71	9.04	13.75
Other categories of imports	17.81	17.82	14.53	20.24
Trade Balance	(1.76)	(27.70)	(29.78)	(36.83)
Total Trade	186.69	242.16	172.67	224.80

Inflation	(In percent)			
Overall (Y-o-Y) Rate of Inflation	9.96	6.55	7.64	9.51
a. Food and Non-alcoholic Beverage Inflation	5.01	(6.79)	(1.57)	2.58
- Domestic Food Inflation	6.90	(3.56)	(2.12)	6.23
- Imported Food Inflation	3.48	(9.76)	(1.12)	(0.64)
b. Transport Inflation	9.11	0.53	(0.20)	22.77
c. Imported Fuels Inflation	(8.52)	22.54	6.42	44.34
Overall (M-o-M) Rate of Inflation	1.38	1.80	0.13	3.14
Core Inflation				
Inflation excluding Food & NAB ¹	12.73	14.24	12.60	13.13
Inflation excluding Imported Food	11.52	10.41	9.54	11.76
Inflation excluding Domestic Food	11.49	9.07	10.05	11.02
Inflation excluding Food and Transport	13.21	16.01	14.18	11.90
Annual Gross Domestic Product (GDP)²				
Nominal (NGDP)(in millions US\$)	3,508.9	3,937.6*	3,937.6	3,937.6
RGDP growth (in percent)	5.0	3.7	3.7	3.7

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

± - Not Available (na) * - estimate

† - revise

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

In March 2022, the CBL's monetary policy stance was anchored on price stability with emphasis on the management of Liberian dollar liquidity. As part of its monetary policy operations, the Bank issued bills at tenors of two-weeks, one-month, and three-months at the annual policy rate (MPR) of 20.0 percent.

4.2 Monetary Aggregates

From preliminary monetary statistics, broad money (M2) supply grew by 9.5 percent to L\$142.27 billion at end-March 2022, from the L\$129.95 billion recorded at end-February 2022. From the liability side, this development was mainly driven by increases in demand deposits and time & savings deposits at 7.9 percent and 5.9 percent, respectively. Whereas, on the asset side, the increase reflected 69.0 percent growth in NFA, which was driven by 23.3 percent rise in the NFA of banking institutions. Conversely, the stock of Liberian dollars in circulation declined slightly to L\$23.11 billion at end-March 2022, from the L\$23.20 billion recorded at the end of the previous month. The reduction was led by 3.0 percent decline in currency outside banks to L\$19.69 billion, from the L\$20.31 billion reported in the preceding month.

Loans extended to various sectors of the economy by commercial banks, in both currencies, declined during the review period. Loans denominated in Liberian dollar decreased by 7.1 percent to L\$5,063.72 million, on account of declines in loans to the agriculture, personal, manufacturing, and services subsectors.

Similarly, US dollar denominated loans fell slightly by 1.5 percent to US\$427.51 million, occasioned by declines in loans advanced to the extractive, agriculture, manufacturing, and services subsectors. Sectoral disaggregation of commercial banks' credits showed that loans extended to the agriculture (2.6 percent), manufacturing (3.5 percent), services (11.5 percent), trade (57.3 percent) and personal (2.9 percent) subsectors accounted for 77.7 percent of the total Liberian dollar denominated credits to the private sector. Similarly, the agriculture (2.8 percent), manufacturing (4.8 percent), services (16.1 percent), trade (30.4 percent) and personnel (19.7 percent) accounted for 73.8 percent of total United States dollar denominated credits to the private sector.

Commercial banks deposits converted to Liberian dollar (as a percent of GDP) grew by 21.2 percent at end-March 2022, from the 18.7 percent reported in the preceding month, partly explain by the growing confident in the banking sector as a result of the ongoing currency reform.

Commercial banks deposits converted to Liberian dollar (as a percent of GDP) grew by 21.2 percent at end-March 2022, from the 18.7 percent reported in the preceding month, partly explain by the growing confident in the banking sector as a result of the ongoing currency reform.

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Jan. - 21	Nov. - 21	Dec. - 21	Jan. - 22
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	22,825.33	23,399.64	23,204.20	23,110.43
-o/w Currency in banks (LD)	1,860.71	2,699.44	2,896.81	3,418.66
Money Supply (M1) in LD only	33,350.70	34,385.94	34,067.07	32,753.41
Quasi Money in LD only	7,324.04	7,014.08	6,928.28	6,927.59
Broad money (M2) in LD only	40,744.35	41,458.98	41,091.24	40,115.27
Broad money (M2) (both LD and USD Converted to LD)	135,512.02	136,225.42	129,952.10	142,273.85
Net Foreign Assets (NFA) – LD	14,602.56	22,813.16	19,789.67	33,440.65
Net Domestic Assets (NDA) – LD	120,909.46	113,412.26	110,162.43	108,833.19
Currency outside banks – LD	20,964.62	20,700.20	20,307.39	19,691.77
Demand deposit – LD	74,623.06	73,882.98	69,228.31	74,687.24
Time & Savings deposits – LD	39,527.97	41,276.49	40,134.62	42,483.82
Other deposits – LD	396.37	365.75	281.78	5,411.02
Loans to Private Sector				
Commercial banks loans to private sector- USD	389.91	420.44	433.81	427.51
Commercial banks loans to private sector - LD	5,619.68	5,106.47	5,450.23	5,063.72

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Mar-21	Jan-22	Feb-22	Mar-22	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	56.80	46.92	38.24	59.61	55.88
o/w Tax Revenue	34.31	39.75	30.38	51.27	68.74
o/w Taxes on Income & Profits	13.23	19.18	12.32	26.02	111.15
o/w Taxes on International Trade (Customs)	17.59	15.50	13.91	20.63	48.34
o/w Non-tax Revenue	5.69	7.17	7.86	7.20	(8.34)
o/w Property Income	4.17	5.77	6.30	5.39	(14.47)
o/w Administrative Fees, Penalties & Forfeits	1.51	1.39	1.56	1.82	16.39
o/w Other Revenue (Including Grants)	16.80	0.00	0.00	1.14	-
Government Expenditure	57.85	23.18	41.47	68.66	65.58
o/w Current Expenditure	44.44	19.48	33.63	60.72	80.55
o/w Compensation	18.52	9.56	11.79	19.73	67.30
o/w Goods and Services	16.15	9.34	18.92	34.29	81.22
o/w Capital Expenditure	0.30	0.00	0.60	1.85	209.41
o/w Payments on Loans, Interest & other charges	13.11	3.70	7.24	6.09	(15.88)
Overall Balance (Surplus+; Deficit -)	(1.05)	23.74	(3.22)	(9.05)	-
Total Debt Stock	1639.61	1741.75	1783.83	1806.78	1.29
o/w Domestic	675.39	710.88	736.88	744.88	1.09
o/w Financial Institutions	622.96	634.88	660.88	668.88	1.21
o/w Other Debts	52.44	76.00	76.00	76.00	0.00
o/w External	964.22	1030.87	1046.95	1061.90	1.43
o/w Multilateral	851.54	917.63	933.72	948.67	1.60
o/w Bilateral	112.68	113.24	113.24	113.24	0.00
Memo Items					
Government Revenue (% of GDP)	1.62	1.19	1.00	1.51	-
Government Expenditure (% of GDP)	1.65	0.59	1.05	1.74	-
Total Debt Stock (% of GDP)	46.73	44.23	45.30	45.89	-
NGDP (at Level)	3,508.9	3,937.6*	3,937.6	3,937.6	-

Source: CBL calculation using MFDP's data

*Projections

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Mar. - 21	Jan. - 22	Feb. -22	Mar. -22
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	73.30	70.68	75.60	73.51
Total Non-performing Loans	21.11	16.97	18.65	17.50
Non-performing Loans to Total Gross Loans (ratio)	27.31	24.00	24.68	24.00
Gross Loan (percent change)	0.17	6.25	6.96	2.76
Non-performing Loans (percent change)	10.17	12.83	9.90	6.16
Returns on Assets (ROA)	0.73	0.16	0.38	0.71
Returns on Equity (ROE)	4.69	0.91	2.07	4.11
Liquidity Ratio***	47.60	40.36	41.25	40.17
Capital Adequacy Ratio (CAR)****	30.29	31.80	31.80	30.65

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 statistics on GOL's fiscal operations revealed a marginal deficit of 0.2 percent of GDP in the overall balance in March 2022, compared to the deficit of 0.1 percent of GDP in the preceding month. The increase in deficit was mainly on account of growth in public expenditure that outweighed the rise in revenue.

Total revenue rose by 55.9 percent to US\$59.6 million (1.5 percent of GDP) during the review month, from the US\$38.2 million (1.0 percent of GDP) recorded in February 2022, mainly driven by 68.7 percent increase in tax revenue. Tax revenue totaled US\$51.3 million (1.3 percent of GDP), comprising increases in taxes on international trade, and income & profits. However, non-tax revenue reduced by 8.3 percent to US\$7.20 million (0.2 percent of GDP) mainly due to decline in the property income tax category.

Total government expenditure grew by 65.6 percent to US\$68.7 million (1.7 percent of GDP), from US\$41.5 million (1.1 percent of GDP), largely driven by 80.6 percent and US\$1.25 million rise in current and capital expenditures, respectively. Current expenditure amounted to US\$60.7 million (1.5 percent of GDP) from the US\$33.6 million (0.9 percent of GDP) recorded in February 2022 and capital expenditure totaled US\$1.9 million (0.0 percent of GDP). Spending on loans, interest & other charges dropped by 15.9 percent to US\$6.1 million (0.2 percent of GDP).

5.2 Total Public Debt

The stock of public debt rose by 1.3 percent to US\$1,806.8 million (45.9 percent of GDP) at end-March 2022, from the US\$1,783.8 million (45.3 percent of GDP) reported at end-February 2022. This development was attributed to 1.1 percent growth in domestic debt and 1.4 percent rise in external debt during the review period. Domestic debt totaled US\$744.9 million (18.9 percent of GDP), while external debt amounted to US\$1,061.9 million (27.0 percent of GDP) at end-March 2022.

<i>Demand Deposits of commercial banks</i>				
Demand deposits – USD	359.74	394.46	359.57	403.51
Demand deposits – LRD	12,386.08	13,685.74	13,759.68	13,061.64
Time & savings deposits – USD	186.14	224.52	215.26	232.82
Time & savings deposits – LRD	7,324.04	7,014.08	6,928.28	6,927.59
Other Deposits**				
Actual US\$ component of other deposits	1.89	2.01	1.21	32.59
Liberian \$ component of other deposits	69.61	58.95	95.89	434.27
Total Deposits (both USD & LRD) converted to LRD ¹	114,547.40	115,525.22	109,644.72	122,582.08
Liberian Dollar share of Broad Money	30.07	30.43	21.62	28.20

‡ - Reserves excluding ECF borrowing from the IMF;

* - estimate/projection

** - Other Deposits Including Official and Manager Checks;

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

4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

The Bank continued its financial market operations in March 2022 with issuances of the CBL bills in support of its monetary policy objectives.

The CBL bills issuance increased by 6.6 percent to L\$3,920.47 million, from the L\$3,678.58 million reported in the preceding month, reflecting increase in investors' appetite for the bills. Of the total amount of CBL bills issued, commercial banks' investments constituted 98.8 percent, while retail investors' investments accounted for 1.2 percent. Additionally, the total redemption of CBL bills grew by 6.6 percent to L\$3,920.47 million, thus totalling the outstanding CBL bills to L\$7,000.00 million at end-March 2022.

The GoL issuance of US dollar Treasury bills totaled US\$40.00 million during the review month. Additionally, the GOL repaid a maturing T-bill principal and interest in the amount of US\$12.00 million and US\$0.209 million, respectively, thus netting the outstanding USD T-bill to US\$47.66 million. The outstanding principal and interest on the GOL Liberian dollars T-bills remained L\$2,437.72 million, while Treasury bonds in both Liberian and United States dollars remained unchanged at L\$6,000.00 million and US\$59.79 million at end-March 2022.

Interest rates, including the rates on money market instruments, lending, average savings, and time deposits remained unchanged during the review month. The interest rate on lending was kept at 12.4 percent, while the rates on time and savings deposits remained at 3.5 percent and 2.1 percent, respectively.

Money markets instruments such as repo was untraded, whereas currency swap among commercial banks was traded as non-interest-bearing instruments to address the liquidity mismatch among the commercial banks in different regions of the country during the month. The attractive non-interest-bearing nature of the swap compensated for the risks and high cost involved in transshipping the cash to commercial banks branches in the rural parts of the country (Table 3).

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	Mar - 21	Jan. - 22	Feb. - 22	Mar-22
	<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)	0.00	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	0.00	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	7.00	na	na	na
Bills Purchased per month on EAR basis	4,239.68	3,819.90	3,678.58	3,920.47
Redemption during the month (EAR basis)	4,037.75	3,819.90	3,678.58	3,920.47
Bill Outstanding (EAR basis)	5,654.30	7,000.00	7,000.00	7,000.00
Effective Annual Rate (EAR)	25.00	20.00	20.00	20.00
Total Purchases (coupon rate & EAR)	4,239.68	3,819.9	3,678.58	3,920.47
Total Redemption (coupon rate & EAR)	4,037.75	3,819.9	3,678.58	3,920.47
Total Outstanding Bills (coupon rate & EAR)	5,654.30	7,000.00	7,000.00	7,000.00
CBL Foreign Exchange Auction ¹	<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	2,437.72	2,437.72	2,437.72	2,437.72
Net Treasury Bills Operations [^] withdrawal (+)/Injection (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	5.00	5.00	5.00	5.00
T- Bills Issued (In USD)	2.01	0.00	0.00	40.00
T- Bills Principal payment (In USD)	0.00	0.00	0.00	12.00
T- Bills interest payment (In USD)	0.00	0.29	0.00	0.209
T-Bills Outstanding	5.53	19.87	19.87	47.66
Ave. Weighted Discount Rate (T-Bills)	6.50	7.16	7.16	7.16
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	6,000.00	6,000.00	6,000.00	6,000.00
Coupon Payment	0.00	0.00	479.99	0.00

Outstanding coupon on Treasury Bond	0.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	16.00	16.00	16.00	16.00
Treasury Bond Issued (USD)	0.00	0.00	2.5	0.00
Treasury Bond Principal Payment	4.58	0.00	0.00	0.00
Treasury Bond Outstanding (In USD) (Coupon and Principal)	55.10	57.56	59.89	59.79
Coupon Payments (USD)	0.55	0.166	0.10	0.00
Outstanding coupon on Treasury Bond	na	0.00	0.00	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	55.10	57.39	59.79	59.79
	<i>(As specified)</i>			
SCF rate	0.00	25.00	25.00	25.00
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.00	0.05	0.05	0.05
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
	<i>(As specified)</i>			
	<i>Interest Rates</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	5.50	0.00	0.00	0.00
Swap lending	6.0	0.00	2.00	2.00

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

4.4 BANKING SECTOR DEVELOPMENTS

The banking industry remained largely in compliance with the sector's regulatory requirements. The sector's Capital Adequacy Ratio (CAR) remained well above the minimum regulatory requirement of 10.00 percent by 20.65 percentage points to 30.65 percent at end-March 2022. Return on Assets (ROA) increased by 0.33 percentage point to 0.71 percent, while Return on Equity (ROE) grew by 2.04 percentage points to 4.11 percent during the review period. Similarly, the liquidity ratio of the sector moderated by 1.08 percentage point to 40.17 percent but remained above the minimum regulatory requirement of 15 percent.

The total gross loans during the month declined to L\$73.51 billion, from L\$75.60 billion in February 2022, reflecting slowdown in disbursement of new loan facilities by commercial banks. The ratio of non-performing loans to total loan also decreased marginally by 0.68 percentage point to 24.00 percent against the 10.0 percent regulatory tolerable limit.