



## CENTRAL BANK OF LIBERIA

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The Monthly Economic Review is produced by the Central Bank of Liberia (CBL). Inquiries concerning this publication should be addressed to:

**The Director**

**Research, Policy & Planning Department**

**Central Bank of Liberia**

**P. O. Box 2048**

**Ashmun & Lynch Streets, Monrovia, Liberia**

**Contacts: +231-880-649103/886-246587/555-960556**

**Email: [jkambo@cbl.org.lr](mailto:jkambo@cbl.org.lr)**

**Table 8: Global Commodity Prices**

GLOBAL PRICE	Jan-21	Nov-21	Dec-21	Jan-22	Percent Change	
					MoM	YoY
	(In price per Unit of Measure)					
Iron ore (US\$/MT)	169.63	96.24	116.96	132.53	13.31	(21.87)
Gold (US\$/Oz)	1866.98	1,821.76	1,790.43	1,816.02	1.43	(2.73)
Rubber (US\$/MT)	2,300.00	1,930.00	1,920.00	1,970.00	2.60	(14.35)
Cocoa Beans (US\$/MT)	2,390.00	2,390.00	2,380.00	2,470.00	3.78	3.35
Palm Oil (US\$/MT)	990.27	1,340.65	1,270.29	1,344.79	5.86	35.80
Crude Oil (US\$/BBL)	53.60	80.77	74.31	83.92	12.93	56.57
Food Price Index (FAO)	113.28	135.30	134.10	135.40	0.97	19.53
Rice_5% broken (US\$/MT)	545.00	400.00	400.00	427.00	6.75	(21.65)
Sugar (US\$/MT)	340.00	430.00	420.00	400.00	(4.76)	17.65
Commodity Price Index	137.20	183.85	186.94	190.90	2.12	39.14

Source : [www.indexmundi.com](http://www.indexmundi.com), <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>  
 1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices

2/ Commodity Price Index includes both Fuel and Non-Fuel Price Indices

the world's top palm oil exporter, as well as subdued output in major producing countries. When compared to the price of US\$990.27 per metric ton recorded in January 2021, palm oil price rose by 35.8 percent during the review period.

### 7.8 Rice

The price of rice increased by 6.8 percent to US\$427.00 per metric ton in January 2022, from the US\$400.00 per metric ton logged in the preceding month. On an annualized basis, the price of the commodity declined by 21.7 percent, from the US\$545.00 per metric ton recorded in January 2021.

### 7.9 Cocoa Beans

Cocoa beans price rose by 3.8 percent to US\$2,470.00 per metric ton in the review month, from the US\$2,380.00 per metric ton reported in the previous month. This development was due to concerns on the London and New York cocoa markets about improved weather condition from unseasonal rainfalls, and reduced restriction from Omicron variant of the COVID-19 that could have negative impact on cocoa beans productions in Ivory Coast, and Ghana, the world two major producers of the commodity. Year-on-year, the price of cocoa beans rose by 3.4 percent during the review period, from the US\$2,390.00 per metric ton registered in the corresponding period in 2021.

### 7.10 Commodity Outlook

According to the World Bank Commodity Outlook, the prospects for commodity prices remain high. The price index of energy commodity (mainly crude oil, and coal, etc.) is forecast to average US\$129.52 in February, compared to the US\$ 120.27 recorded in January 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 are forecast to average US\$128.79, compared to US\$123.60 in January on account of global supply chain constraints at ports of entries, and inflation expectations.

The price index for agriculture under non-energy commodities is expected to rise to US\$123.86, compared to US\$118.54 in January 2021. Beverages are expected to show rise in price to US\$111.84, compared to US\$109.69 in the review period.

Similarly, the price indices for base metal & minerals (iron ore) and precious metal (gold) are expected to rise to US\$131.18 and US\$142.16 in February 2022, from US\$125.23 and US\$139.13 in the review period, respectively, due to rising demand from steel production recovery in China to restore inventory and expectations of the US Federal Reserve hiking its main interest rate of the Fed bonds, expectation of which makes gold less attractive for safe heaven. And that is causing gold price trajectory downward.

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## 1.0 INTRODUCTION

In January 2022, production statistics of key commodities showed mixed performance. Gold, diamond and cement outputs grew by 44.8 percent and 23.0 percent, respectively, due to increase in mining activity, while cement output rose by 2.6 percent on account of recovery in construction-related activities. Conversely, iron ore and rubber outputs decreased by 3.7 percent and 40.3 percent during the review month, respectively, due to inventory spillovers, while output of beverages declined by 17.4 percent reflecting low demand arising from post-festive season.

## 2.0 OVERVIEW

Headline inflation for the period under review rose to 6.6 percent in January 2022, largely reflected 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 inched up to 1.8 percent, while core inflation<sup>1</sup> increased to 16.0 percent, on account of the exchange rate passed through effect.

Like in the preceding months, the monetary policy stance of the Central Bank of Liberia (CBL) in January 2022 was 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 during the review month.

At end-January 2022, broad money (M2) growth rose by 8.6 percent to L\$136.22 billion, driven by 12.7 percent increase in net domestic assets (NDA). However, the stock of Liberian dollars in circulation decreased to L\$23.40 billion on account of 6.9 percent decline in currency outside banks.

The financial soundness indicators of the banking system remained largely favourable during the review period as banks were largely in compliant with most of the regulatory requirements of the CBL. The Capital Adequacy Ratio (CAR) stood at 31.80 percent well above the minimum regulatory requirements, while Return on Assets (ROA) and Return on Equity (ROE) stood at 0.16 percent and 0.91 percent, respectively, at end-January 2022. Although the liquidity ratio declined by 2.23 percentage points to 40.36 percent, it remained above the minimum regulatory requirement of 15 percent. The ratio of non-performing loans to total loan grew by 1.31 percentage point to 24.0 percent during the review month, reflecting less recovery of loans.

From provisional statistics, GOL's fiscal operations showed that the overall fiscal balance amounted to a surplus of 0.6 percent of GDP in January 2022, mainly driven by a significant decline in total expenditure. The stock of public debt slightly rose by 0.6 percent to 44.4 percent of GDP at end-January 2022, due to marginal increase in both domestic and external debt stocks.

In the external sector, total merchandise trade decreased by 15.6 percent to US\$200.58 million (5.1 percent of GDP) during the review period, from US\$237.53 million (6.8 percent of GDP) recorded in December 2021.

## 7.2 Gold

The price of gold rose by 1.4 percent to US\$1,816.02 per ounce, from the US\$1,790.43 per ounce logged in December 2021, mainly due to the overshadowing of expectations of the US Federal Reserve raising its interest rate, by the emerging of Russian-Ukrainian crisis. Year-on-year comparison showed that the price decreased by 2.7 percent, from the US\$1,866.98 per ounce reported in January 2021.

## 7.3 Crude oil (Petroleum) price

In January 2021, the average price of petroleum rose by 12.9 percent to US\$83.92 per barrel, from the US\$74.31 per barrel reported in the preceding month. This development was occasioned by increase in the global demand for the commodity coupled with supply-side constraints exacerbated by the Russian-Ukrainian crisis. Relative to January 2021, the price of petroleum increased by 56.6 percent, from the US\$53.60 per barrel recorded a year ago.

## 7.4 Rubber

During the month, the price of rubber grew by 2.6 percent to US\$1,970.00 per metric ton, from the US\$1,920.00 per metric ton recorded in the preceding month, mainly driven by decline in the production of the commodity in India. This situation was caused by the heavy rainfall, in October-November 2021, in the main rubber producing region of India, Kerala, which disrupted the peak tapping season. Relative to the corresponding month in 2021, the price of rubber declined by 14.4 percent, from the US\$2,300.00 per metric ton registered.

## 7.5 Food Price (FAO)

The FAO food price index showed increase of about 1.0 percent during the review month compared to the price recorded in the December 2021 index. The upward trend was engendered by solid gains in vegetable oils, sugar, and cereal (mainly wheat and rice). Compared to January 2021, the price of food rose by 19.5 percent during the review month.

## 7.6 Sugar

The price of sugar shrank by 4.8 percent to US\$400.00 per metric ton, from the US\$420.00 per metric ton reported in the previous month. The decline was mainly due to favorable production prospects and decent harvest progress in major sugar exporting countries, including India and Thailand, coupled with improved rainfalls in major sugar cane growing areas in Brazil. Annual comparison showed that the price of the commodity increased by 17.7 percent during the review month, from the US\$340.00 per metric ton recorded in January 2021.

## 7.7 Palm Oil

The price of palm oil fell by 5.9 percent to US\$1,344.79 per metric ton, from the US\$1,270.29 per metric ton registered in the preceding month, mainly underpinned by concerns over a possible reduction in export availabilities from Indonesia,

On the regional front, except for the Guinean franc that appreciated by 1.5 percent against the US dollar at end-January 2022, all the other currencies in the West African Monetary Zone (WAMZ) depreciated against the US dollar. At end-January 2022, The Gambian dalasi, the Sierra Leonean leone and the Liberian dollar depreciated against the US dollar by 1.9 percent, 1.8 percent, and 4.7 percent, respectively. Similarly, the Nigerian naira, and the Ghanaian cedi weakened against the US dollar by 0.9 percent, and 0.4 percent during the same period, respectively.

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

Rate & Currency	21-Jan	21-Nov	21-Dec	22-Jan	Appr (+)/Depr (-)	
	End-of-Period Exchange Rate y per USD				MoM	YoY
					Percent change	
GHC	5.76	5.92	6.00	6.02	(0.4)	(4.3)
GMD	49.85	52.74	51.85	52.85	(1.9)	(5.7)
GNF	10,031.37	9,332.90	9,142.07	9,007.79	1.5	11.4
LRD	170.69	142.13	145.36	152.61	(4.7)	11.9
NGN	379.50	410.64	412.20	415.83	(0.9)	(8.7)
SLL	10,177.88	11,117.56	11,255.72	11,464.58	(1.8)	(11.2)
<b>Average Exchange Rate (LD/USD)</b>						
LD	168.55	144.43	142.63	149.82	(4.8)	12.5

Source: CBL, WAMA: [www.amao-wama.org/](http://www.amao-wama.org/)

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

## 7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

Generally, the global commodity market index trended upward in January 2022. The price index of the food group rose by 1.0 percent, while energy and non-energy groups such as petroleum, and mineral (mainly iron ore), increased by 2.2 percent. Developments in global commodity prices during the month were largely influenced by increased global demand.

### 7.1 Iron ore

The price of iron ore increased by 13.3 percent to US\$132.53 per metric ton in January 2022, from the US\$117.00 per metric ton registered in December 2021. This development was mainly driven by strong market demand and supply fundamentals for the commodity due to strong imports' demand from China for inventories build up coupled with supply shocks' expectations in Australia, the world's biggest iron producer. Compared with the price of US\$169.63 per metric ton recorded in the corresponding month in 2021, iron ore price declined by 21.9 percent during the review month.

The merchandise trade deficit reduced by 23.9 percent largely on account of decrease in import payments, while total trade shrank by 15.6 percent mainly due to declines in both exports and imports. Gross International Reserves (GIR) was estimated at US\$667.1 million (17.0 percent of GDP) at end-January 2022, reflecting movements in the Special Drawing Rights (SDR) holdings and other reserve assets, while the months of import cover increased to 4.3, mainly driven by decline in import payments. The net inflows of personal remittances declined by 2.2 percent to US\$24.27 million (0.6 percent of GDP) in January 2022, largely on account of decrease in inward remittances.

The Liberian dollar remained broadly stable during the review period as the currency on an end period and period average basis depreciated against the US dollar by 4.7 percent and 4.8 percent, respectively. On the regional front, except for the Guinean franc that appreciated by 1.5 percent, all the other currencies in the WAMZ depreciated against the US dollar at end-January 2022. The Liberian dollar depreciated by 4.7 percent; the Gambian dalasi by 1.9 percent; Sierra Leonean leone by 1.8 percent; Nigerian naira by 0.9 percent; and Ghanaian cedi by 0.4 percent.

### 3.0 REAL SECTOR & PRICE DEVELOPMENTS

#### 3.1 Production Analyses of Key Commodities

Production statistics of key real sector commodities showed mixed performance in January 2022. Outputs of gold, diamond and cement rose, while iron ore, rubber and beverages outputs declined compared with performance in December 2021.

In the mining subsector, outputs of gold and diamond increased by 44.8 percent and 23.0 percent to 46,263 ounces and 7,820 carats during the review period, respectively, due to increased mining activity, while iron ore output declined by 3.7 percent to an estimated 496,000 metric tons due to inventory spillover (See Table 1).

For the manufacturing subsector, cement production rose by 2.6 percent to 50,505 metric tons, due to recovery in construction-related activities. However, total beverages production decreased by 17.4 percent to 1.33 million liters on account of low demand arising from post-festive season.

In the agriculture subsector, rubber production fell sharply by 40.3 percent to 5,730 metric tons, mainly due to inventory buildup from increased harvest of the commodity in the previous month.

#### 3.2 Consumer Prices

Headline inflation rose to 6.6 percent in January 2022, from 5.5 percent in December 2021, largely driven by continued increase in the prices of imported fuel which negatively impacted the domestic prices in the CPI. Similarly, on a month-on-month basis, headline inflation grew by 2.1 percent to 1.8 percent, while core inflation<sup>1</sup> increased by 1.7 percent to 16.0 percent in January 2022, on account of the exchange rate passed through effect.

**Table 1: Production and Price Statistics**

Production	Jan. - 21	Nov. - 21	Dec. - 21	Jan. - 22
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	440,000	495,000	515,000	496,000*
Gold (Ounces)	20,531	36,216	31,951	46,263
Diamond (Carat)	7,864	4,650	6,360	7,820
Rubber (Metric ton)	5,841	5,167	9,591	5,730
Cement (Metric ton)	45,407	47,079	49,237	50,505
Total Beverages (liter)	2,096,672	1,275,588	1,613,963	1,333,229
Alcoholic	1,938,510	1,134,002	1,455,000	1,173,395
Non-Alcoholic	158,162	141,586	158,962	159,834
<b>Inflation</b>	<i>(In percent)</i>			
<b>Overall (Y-o-Y) Rate of Inflation</b>	<b>12.92</b>	<b>5.44</b>	<b>5.46</b>	<b>6.55</b>
a. Food and Non-alcoholic Beverage Inflation	16.31	(6.58)	(7.05)	(6.79)
- Domestic Food Inflation	20.57	(3.58)	(6.87)	(3.56)
- Imported Food Inflation	12.90	(9.10)	(7.09)	(9.76)
b. Transport Inflation	5.85	(3.67)	(2.57)	0.53

#### 6.2 Personal Remittances

Switzerland, France, The United States of America, and India were the main destinations of Liberia's exports (mainly gold, iron ore, rubber, and crude palm kernel oil) accounting for 92.8 percent of total export earnings. Exports to all regions increased. On the overall, export earnings declined by US\$7.61 million to US\$65.65 million, from the amount recorded in the previous month.

The five main sources of imports to Liberia in January 2022 were Cote d'Ivoire (Ivory Coast), India, China, United Arab Emirates, and The United States of America. Import payments to Cote d'Ivoire (Ivory Coast) mainly Minerals, fuels, and Lubricants increased by over 100 percent to US\$47.12 million. Payments to India for the purchase of Food and Live Animals decreased by US\$35.99 million to US\$18.47 million during the review month. Payments to China, mainly for the purchase of machinery and transport equipment fell by US\$6.00 million to US\$12.86 million. Payments mainly for the purchase of machinery and transport equipment to the United Arab Emirates increased by US\$4.43 million to US\$6.29 million, while payments for the purchase of machinery and transport equipment from The United States of America declined by US\$5.82 million to US\$3.84 million. On the overall import payments decreased.

#### 6.3 Gross International Reserves

Developments in personal remittances showed seasonal downturn of inflows after the festive season. Net inflows of personal remittances declined by 2.2 percent to US\$24.27 million (0.6 percent of GDP) in December 2021, from the US\$24.81 million (0.6 percent of GDP) recorded in the preceding month, largely on account of decrease in inward remittances. Both inward and outward remittances fell by 6.3 percent and 20.2 percent to US\$30.18 million and US\$5.91 million, from the US\$32.22 million and US\$7.41 million recorded in the previous month, respectively.

#### 6.4 Direction of Trade (DOT)

Gross International Reserves (GIR) was estimated at US\$667.1 million (17.0 percent of GDP) at end-January 2022, from the US\$671.6 million (19.3 percent of GDP) recorded at end-December 2021, driven by movements in the Special Drawing Rights (SDR) holdings and other reserve assets. However, the months of import cover grew to 4.3, from the 3.6 months recorded in December 2021, mainly on account of decline in import payments. Compared with the ECOWAS regional benchmark, the months of import cover in the review month exceeded the regional minimum threshold of 3.0 months by 0.6 months (Table 6).

#### 6.3 EXCHANGE RATE DEVELOPMENTS

The Liberian dollar (on period average) depreciated against the United States dollar by 4.8 percent to L\$149.82/US\$1.00 in January 2022, from the L\$142.63/US\$1.00 reported in December 2021. This development was largely driven by increased demand for foreign exchange to facilitate import payments as export proceeds and inward remittances declined during the review month.

<b>Imports (CIF)/1†</b>	<b>115.81</b>	<b>115.58</b>	<b>164.26</b>	<b>134.93</b>
Minerals, Fuel, Lubricants	16.98	44.35	20.03	50.61
o/w Petroleum Products	13.43	36.34	15.26	47.06
Food and Live Animals (incl. Animal and veg. oil)	45.46	23.26	79.71	31.25
o/w Rice	32.58	0.30	62.29	16.60
Machinery & Transport Equipment	27.59	28.09	26.53	27.54
Manufactured goods classified by materials	10.33	6.52	14.21	7.71
Other categories of imports	15.44	13.36	23.78	17.82
<b>Trade Balance</b>	<b>(25.03)</b>	<b>(39.35)</b>	<b>(91.00)</b>	<b>(69.28)</b>
<b>Total Trade</b>	<b>206.58</b>	<b>191.80</b>	<b>237.53</b>	<b>200.58</b>
<b>External Trade (Volume)</b>	<b>(In Unit as may be specified)</b>			
Rubber (MT)	5,745.60	5,157.04	9,591.29	5,730.44
Iron Ore (MT)	424,383.36	314,465.62	407,329.66	321,747.81
Cocoa Beans (MT)	1,450.00	-	930.00	1,434.00
Palm Oil (MT)	3,148.00	12,504.00	368,858.00	714.00
Gold (Oz)	20,531.39	36,216.13	31,958.20	31,134.32
Diamond (Crt)	7,863.69	4,650.46	6,360.09	7,820.19
Petroleum Products (MT)	-	-	26,758.18	11,908.92
Rice (MT)	-	-	-	-
<b>Other Indicators</b>				
Net Foreign Reserves Position	17.5	360.3	393.3	391.2
Import (FOB)	<b>104.27</b>	<b>106.32</b>	<b>142.92</b>	<b>120.17</b>
Gross International Reserves (GIR) <sup>2</sup>	312.0	649.9	671.6	667.1
<b>Import covers (In Month)</b>	<b>2.2</b>	<b>4.7</b>	<b>3.6</b>	<b>4.3</b>
<b>Personal Remittances</b>				
Inflows	28.54	22.74	32.22	30.18
Outflows	4.40	4.50	7.41	5.91
<b>Net flows</b>	<b>24.14</b>	<b>18.24</b>	<b>24.81</b>	<b>24.27</b>
<b>Direction of Trade (DOT)</b>				
<b>Destination of Export</b>	<b>90.78</b>	<b>76.22</b>	<b>73.27</b>	<b>65.65</b>
o/w Switzerland	32.54	47.36	34.72	37.56
o/w France	15.92	6.41	6.16	13.51
o/w Unite States of America	7.54	5.82	5.40	6.38
o/w India	0.58	0.57	2.99	4.20
<b>Sources of Import (fob)</b>	<b>104.27</b>	<b>106.32</b>	<b>142.92</b>	<b>120.17</b>
o/w Cote d'Ivoire (Ivory coast)	13.48	36.39	15.27	47.12
o/w India	38.59	7.22	54.46	18.47
o/w China	16.29	11.52	18.86	12.86
o/w United Arab Emirates	1.16	10.45	1.85	6.29
o/w United States of America	4.23	4.19	9.66	3.84

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

/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

c. Imported Fuels Inflation	(22.59)	(7.57)	(4.36)	22.54
<b>Overall (M-o-M) Rate of Inflation</b>	<b>0.75</b>	<b>(3.17)</b>	<b>(0.33)</b>	<b>1.80</b>
<b>Core Inflation</b>				
Inflation excluding Food & NAB <sup>1</sup>	11.06	12.12	12.40	14.24
Inflation excluding Imported Food	12.98	8.97	8.42	10.41
Inflation excluding Domestic Food	12.48	7.61	8.41	9.07
<b>Inflation excluding Food and Transport</b>	<b>11.76</b>	<b>14.20</b>	<b>14.35</b>	<b>16.01</b>
<b>Annual Gross Domestic Product (GDP)<sup>2</sup></b>				
Nominal (NGDP)(in millions US\$)	<b>3,483</b>	<b>3,483</b>	<b>3,483</b>	<b>3,926</b>
RGDP growth (in percent)	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>	<b>4.5</b>

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

± - Not Available (na) \* - estimate

† - revise

## 4.0 MONETARY DEVELOPMENTS

### 4.1 Monetary Policy Stance

In January 2022, the CBL's monetary policy stance was anchored on price stability with emphasis on the management of Liberian dollar liquidity. As part of the CBL's monetary policy operations, the Bank during the review month 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

Broad money (M2) growth rose by 8.6 percent to L\$136.22 billion at end-January 2022, from the L\$125.41 billion recorded at end-December 2021. From the liability side, this development was mainly driven by 18.0 percent and 9.1 percent increases in demand deposits and other deposits, respectively. While on the asset side, the growth was due to 12.7 percent increase in the net domestic assets (NDA). However, the stock of Liberian dollars in circulation declined to L\$23.40 billion at end-January 2022, from the L\$24.10 billion recorded at the end of the preceding month. This development was occasioned by 6.9 percent decrease in currency outside banks to L\$20.70 billion, from the L\$22.23 billion recorded in the previous period.

Sectoral distribution of commercial banks' credits showed that loans extended to the agriculture, personal, extractive, and trade subsectors accounted for 60.7 percent of the total Liberian dollar denominated credits to the private sector. Additionally, trade, personal and services subsectors constituted 66.7 percent of total United States dollar denominated credits to the private sector; construction, manufacturing and agriculture subsectors accounted for 19.6 percent; while the extractive, oil & gas, and the "others category" subsectors accounted for 13.7 percent. However, disbursement of commercial banks' loans in both currencies varied. Loans denominated in Liberian dollar declined by 4.5 percent to L\$5,106.47 million, on account of decreases in loans to the agriculture, personal, extractive, and trade subsectors. In contrast, the US dollar denominated loans expanded by 1.7 percent to US\$420.44 million, occasioned by growths in loans

advanced to the manufacturing, personal, and agricultural subsectors.

All deposits converted to Liberian dollar grew by 22.5 percent of GDP at end-January 2022, from the 21.1 percent reported in the preceding month, largely explained by the depreciation of the Liberian dollar against the US dollar.

**Table 2: Monetary Aggregates**

Monetary Aggregates	Jan. - 21	Nov. - 21	Dec. - 21	Jan. - 22
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	23,608.48	22,880.90	24,080.06	23,399.64
-o/w Currency in banks (LD)	2,030.25	911.56	1,852.72	2,699.44
Money Supply (M1) in LD only	33,133.47	32,802.51	33,009.66	34,385.94
Quasi Money in LD only	7,595.16	7,180.33	6,863.58	7,014.08
Broad money (M2) in LD only	40,874.62	40,124.73	39,953.61	41,458.98
Broad money (M2) (both LD and USD Converted to LD)	135,707.94	125,513.96	125,410.72	136,225.42
Net Foreign Assets (NFA) – LD	15,262.11	20,540.44	24,736.13	22,813.16
Net Domestic Assets (NDA) – LD	120,445.83	104,973.52	100,674.59	113,412.26
Currency outside banks – LD	21,578.23	21,969.33	22,227.33	20,700.20
Demand deposit – LD	71,849.03	66,104.42	62,598.76	73,882.98
Time & Savings deposits – LD	41,839.79	36,626.08	40,249.44	41,276.49
Other deposits – LD	440.90	814.12	335.19	365.75
<b>Loans to Private Sector</b>				
Commercial banks loans to private sector- USD	391.10	402.92	413.40	420.44
Commercial banks loans to private sector - LD	5,686.40	5,603.40	5,345.74	5,106.47
<b>Demand Deposits of Commercial Banks</b>				
Demand deposits – USD	353.23	388.88	356.46	394.46
Demand deposits – LD	11,555.25	10,833.18	10,782.33	13,685.74
Time & savings deposits – USD	200.62	207.17	229.67	224.52
Time & savings deposits – LD	7,595.16	7,180.33	6,863.58	7,014.08
<b>Other Deposits **</b>				
Other deposits (USD)	1.73	4.73	1.75	2.01
Other deposits	145.99	141.88	80.37	58.95
Total Deposits (both USD & LRD) converted to LRD <sup>1</sup>	114,129.72	103,544.62	103,183.39	115,525.22
<b>(In Percent)</b>				
Liberian Dollar share of Broad Money	30.12	31.97	31.86	30.43

Source: CBL

‡ - Reserves excluding ECF borrowing from the IMF;

\* - estimate/projection

\*\* - Other Deposits Including Official and Manager Checks;

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

o/w Financial Institutions	589.53	621.44	634.88	634.88	0.00
o/w Other Debts	57.56	70.14	70.14	76.00	8.35
<b>o/w External</b>	<b>954.49</b>	<b>1027.36</b>	<b>1026.61</b>	<b>1030.87</b>	<b>0.42</b>
o/w Multilateral	841.81	913.95	913.37	917.63	0.47
o/w Bilateral	112.68	113.41	113.24	113.24	0.00
<b>Memo Items</b>					
Government Revenue (% of GDP)	1.33	1.40	1.60	1.20	-
Government Expenditure (% of GDP)	2.13	1.69	2.32	0.59	-
Total Debt Stock (% of GDP)	45.98	49.35	49.72	44.36	-
NGDP (at Level)	3483.00	3483.00	3483.00	3926.00	-

Source: CBL calculation using MFDP's data

## 6.0 EXTERNAL SECTOR DEVELOPMENTS

### 6.1 Merchandise Trade

External sector developments showed improvement in the trade deficit, declines in the total merchandise trade and gross international reserves as well as the depreciation of the Liberia dollar against the US dollar during the review month. The merchandise trade deficit narrowed to US\$69.28 million in January 2022, from the US\$91.00 million registered in December 2021, mainly driven by a significant decline in import payments. Similarly, total merchandise trade plummeted by 15.6 percent to US\$200.58 million (5.1 percent of GDP), from the US\$237.53 million (6.8 percent of GDP) recorded in December 2021, due to decrease in both exports and imports.

Export earnings shrank by 10.4 percent to US\$65.65 million (1.7 percent of GDP) during the review period, from the US\$73.27 million (2.1 percent of GDP) recorded in the previous month, reflecting decreases mainly from iron ore and rubber export proceeds. Similarly, payments for merchandise imports declined by 17.9 percent to US\$134.93 million (3.4 percent of GDP), from the US\$164.26 million (4.7 percent of GDP) in the preceding month, driven by decreases in payments for food and live animals (including animals and vegetable oil) and manufactured goods.

**Table 6: External Sector Statistics**  
**Table 1: Production and Price Statistics**

External Trade (Value)	Jan. - 21	Nov. - 21	Dec. - 21	Jan. - 22
	<i>(Millions of USD; Except Otherwise Indicated)</i>			
<b>Exports<sup>1</sup></b>	<b>90.78</b>	<b>76.22</b>	<b>73.27</b>	<b>65.65</b>
Iron Ore	43.56	14.12	16.93	13.45
Rubber	8.06	10.39	10.30	7.48
Gold	32.54	47.36	34.72	37.56
Diamond	2.01	0.64	1.35	1.86
Cocoa Bean	0.64	-	0.93	0.31
Palm Oil	2.38	0.60	8.25	0.88
Other commodities	1.59	3.11	0.79	4.11



## 5.0 FISCAL SECTOR DEVELOPMENTS

### 5.1 Total Revenue and Expenditure

Provisional statistics on GOL's fiscal operations revealed a surplus of US\$23.7 million (0.6 percent of GDP), compared to the deficit reported in December 2021. This development was largely due to a significant reduction in total expenditure that outweighed the decline in total revenue.

Total revenue fell by 15.8 percent to US\$46.9 (1.2 percent of GDP) due to reduction in both tax and non-tax revenue. Tax revenue decreased by 18.1 percent to US\$39.8 million (1.0 percent of GDP), while non-tax revenue amounted to US\$7.2 million (0.2 percent of GDP), reducing by 0.5 percent during the review month. Similarly, government expenditure significantly declined by 71.3 percent to US\$23.2 million (0.6 percent of GDP) on account of reduction in recurrent spending. Recurrent expenditure reduced by 75.4 percent to US\$19.2 million (0.5 percent of GDP), while there was no spending on capital goods in the review period. However, interest payments and other charges rose by more than 100.0 percent to US\$4.0 million (0.1 percent of GDP) during the review period.

### 5.2 Total Public Debt

The stock of public debt rose slightly by 0.6 percent to US\$1,741.75 million (44.4 percent of GDP) at end-January 2022, compared to the US\$1,731.63 million (49.72 percent of GDP) registered at end-December 2021. This development was explained mainly by 0.8 percent and 0.4 percent increases in domestic and external debts, respectively. Domestic debt stood at US\$710.88 million (18.1 percent of GDP), while external debt amounted to US\$1,030.87 million (26.3 percent of GDP) at end-January 2022.

**Table 5. GOL's Fiscal Operations**

Fiscal Operations	Dec-20	Oct-21	Nov-21	Dec-21	M-O-M
	<i>(In Millions of USD)</i>				<i>(% Change)</i>
<b>Government Revenue</b>	<b>46.25</b>	<b>48.87</b>	<b>55.71</b>	<b>46.92</b>	(15.79)
<i>o/w Tax Revenue</i>	<i>38.57</i>	<i>44.73</i>	<i>48.51</i>	<i>39.75</i>	<i>(18.06)</i>
o/w Taxes on Income & Profits	18.89	26.74	22.77	19.18	(15.75)
o/w Taxes on International Trade (Customs)	15.68	12.65	19.04	15.50	(18.63)
<i>o/w Non-tax Revenue</i>	<i>6.19</i>	<i>4.14</i>	<i>7.21</i>	<i>7.17</i>	<i>(0.52)</i>
o/w Property Income	4.95	2.74	5.39	5.77	7.14
o/w Administrative Fees & Forfeits	1.24	1.40	1.82	1.39	(23.30)
<i>o/w Other Revenue (Including Grants)</i>	<i>1.49</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	-
<b>Government Expenditure</b>	<b>74.23</b>	<b>58.76</b>	<b>80.82</b>	<b>23.18</b>	(71.32)
o/w Current Expenditure	57.52	44.27	78.16	19.23	(75.39)
o/w Compensation	24.37	24.68	35.51	9.56	(73.08)
o/w Goods and Services	23.21	14.17	30.74	9.09	(70.42)
o/w Capital Expenditure	0.39	0.20	1.13	0.00	(100.00)
o/w Payments on Loans, interest, and other charges	16.32	14.29	1.52	3.95	159.02
<b>Overall Balance (Surplus+; Deficit -)</b>	<b>(27.98)</b>	<b>(9.88)</b>	<b>(25.10)</b>	<b>23.74</b>	
<b>Total Debt Stock</b>	<b>1601.59</b>	<b>1718.94</b>	<b>1731.63</b>	<b>1741.75</b>	<b>0.58</b>
<b>o/w Domestic</b>	<b>647.10</b>	<b>691.58</b>	<b>705.02</b>	<b>710.88</b>	<b>0.83</b>

## 4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

As part of its monetary policy implementation, aimed at price stability mainly through the management of Liberian dollar liquidity, the CBL through the Financial Market Department, issued bills at tenors of two-weeks, one-month, and three-months at an effective annual rate of 20.0 percent during the review month.

In January 2022, the total bills issued decreased by 31.4 percent to L\$3,819.9 million, from the L\$5,018.1 million recorded in December 2021. The retail investors subscription increased by more than 100.0 percent to L\$120.2 million, from the L\$56.7 million in the preceding month. Although the institutional subscriptions declined by 2.0 percent, it remained high at L\$3,699.7 million, which represented 96.9 percent during the review month. Similarly, the total redemption fell by 23.9 percent to L\$3,819.9 million, from the L\$5,017.7 million recorded in December 2021.

There was no issuance of new Treasury securities by the Government in January 2022. The outstanding principal on Liberian dollar T-Bond remained unchanged at L\$6,000.0 million during the review period. The Government of Liberia (GOL) paid US\$0.17 million coupons to commercial banks on its infrastructure loan, reducing the outstanding coupon and principal on its US dollars T-bond to US\$57.4 million. Similarly, the GOL made an interest payment of US\$0.29 million on its US dollars Treasury bills of US\$20.16 million, while the Treasury bills in Liberian dollars remained unchanged at L\$2,437.7 million.

The lending, average savings, and time deposit rates were unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively. However, money markets instruments, including repo were not traded during the review month. Relative to interbank operations, commercial banks traded with interest and non-interest-bearing interbank transactions. The non-interest-bearing swaps helped to ease the liquidity disparity among banks for their international and intra-country transactions. The interest-bearing interbank transactions in both the Liberian and United States dollars traded at the interest rates of 7.0 and 2.0 percent, respectively (see Table 3).

**Table 3. Financial Market and Interest Rates Statistics**

Market Instruments (CBL indexed Bills)	Jan. - 21	Nov. - 21	Dec. - 21	Jan. - 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	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Coupon rate on Index Bill (in %)	7.00	na	na	na
Bills Purchased per month on EAR basis	4,103.78	3,754.60	5,018.10	3,819.90
Redemption during the month (EAR basis)	2,602.75	3,755.00	5,017.70	3,819.90
Bill Outstanding (EAR basis)	6,145.28	6,999.60	7,000.00	7,000.00
Effective Annual Rate (EAR)	25.00	20.00	20.00	20.00

<b>Total Purchases</b> (coupon rate & EAR)	<b>4,103.78</b>	<b>3,754.6</b>	<b>5,018.10</b>	<b>3,819.9</b>
<b>Total Redemption</b> (coupon rate & EAR)	<b>2,602.75</b>	<b>3,755.00</b>	<b>5,017.70</b>	<b>3,819.9</b>
<b>Total Outstanding Bills</b> (coupon rate & EAR)	<b>6,145.28</b>	<b>6,999.60</b>	<b>7,000.00</b>	<b>7,000.00</b>
<b>CBL Foreign Exchange Auction</b> <sup>1</sup>	<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
<b>Over (+)/ Under (-) Subscription</b>	0.00	0.00	0.00	0.00
<b>Treasury Securities</b>	<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	1,250.26	2,437.72	2,437.72	2,437.72
<b>Net Treasury Bills Operations<sup>^</sup></b> <b>withdrawal (+)/Injection (-)</b>	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	18.018	0.00
T- Bills Redeemed (In USD)	na	0.00	3.512	0.29
T-Bills Outstanding	5.53	5.66	25.82	25.82
Ave. Weighted Discount Rate (T-Bills)	6.5	6.50	7.16	7.16
Treasury Bond Issued (in LD for 2 years)	na	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	6,000.00	6,000.00	6,000.00	6,000.00
Coupon Payment	0.00	0.00	0.00	0.00
Outstanding coupon on Treasury Bond	278.61	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	0.00	0.00
Treasury Bond Principal Payment	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In USD) (Coupon and Principal)	na	57.56	57.56	57.39
Coupon Payments (USD)	0.00	0.00	0.00	0.166
Outstanding coupon on Treasury Bond	na	0.00	0.00	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	60.40	57.56	57.56	57.39
	<i>(As specified)</i>			
SCF rate	0.04	25.00	25.00	25.00
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.07	0.05	0.05	0.05
SDF Amount (In Millions LD)	19,245.00	0.00	0.00	0.00

<b>Interest Rates</b>	<b>(In Percent)</b>			
- Lending rate	0.04	25.00	25.00	25.00
<b>Average Deposit rates</b>				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
<b>Money Markets Instrument (In percent)</b>				
Repo	5.50	0.00	0.00	0.00
Swap lending	6.0	0.00	0.00	2.00

Source : CBL

<sup>^</sup> - with Liquidity Effect<sup>1</sup> - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency<sup>2</sup> - Treasury Bill issued and redeemed during the month were in US Dollar

#### 4.4 BANKING SECTOR DEVELOPMENTS

The commercial banks remained largely in compliant with the banking industry's regulatory requirements. At end-January 2022, the Capital Adequacy Ratio (CAR) of the industry stood at 31.80 percent, 21.80 percentage points above the 10.00 percent minimum regulatory requirement. The Return on Assets (ROA) stood at 0.16 percent, while Return on Equity (ROE) was recorded at 0.91 percent. Additionally, liquidity ratio declined by 2.23 percentage points to 40.36 percent but remained above the minimum regulatory requirement of 15.00 percent.

The ratio of non-performing loans to total loan increased by 1.31 percentage point to 24.0 percent at end-January 2022, compared to the 22.69 percent recorded at end-December 2021 - against the 10.0 percent regulatory limit, reflecting less recovery of loans and the exchange rate passed through effect.

**Table 4: Selected Financial Soundness Indicators, FSIs**

<b>Financial Soundness Indicators</b>	<b>Jan. - 21</b>	<b>Nov. - 21</b>	<b>Dec. - 21</b>	<b>Jan. - 22</b>
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	73.68	65.52	66.52	70.68
Total Non-performing Loans	19.05	13.57	15.04	16.97
	<b>(In Unit As May Be Specified)</b>			
Non-performing Loans to Total Gross Loans (ratio)	25.86	20.71	22.69	24.00
Gross Loan (percent change)	1.95	(6.80)	1.53	6.25
Non-performing Loans (percent change)	22.29	(25.03)	10.83	12.83
Returns on Assets (ROA)	0.29	3.11	3.38	0.16
Returns on Equity (ROE)	1.72	17.74	18.52	0.91
Liquidity Ratio***	40.50	44.17	42.59	40.36
Capital Adequacy Ratio (CAR)****	30.29	27.47	31.80	31.80

Source : CBL

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

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