

Table 8: Global Commodity Prices

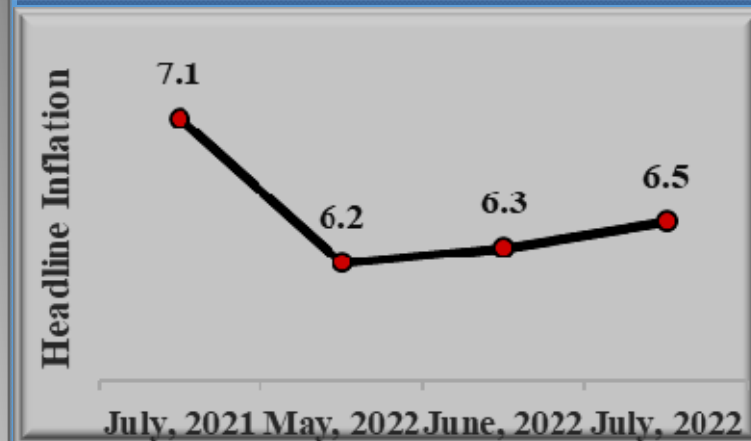
GLOBAL PRICE	July - 21	May - 22	Jun - 22	July - 22	Percent Change	
					MoM	YoY
					(In price per Unit of Measure)	
Iron ore (US\$/MT)	214.14	131.21	130.74	108.57	(16.96)	(49.30)
Gold (US\$/Oz)	1,807.84	1,848.50	1,836.57	1,732.74	(5.65)	(4.15)
Rubber (US\$/MT)	1,870.00	2,060.00	2,030.00	1,780.00	(12.32)	(4.81)
Cocoa Beans (US\$/MT)	2,330.00	2,370.00	2,320.00	2,240.00	(3.45)	(3.86)
Palm Oil (US\$/MT)	1,062.99	1,716.92	1,501.10	1,056.64	(29.61)	(0.60)
Crude Oil (US\$/BBL)	73.28	110.10	116.80	105.08	(10.03)	43.40
Food Price Index (FAO)	124.60	157.40	154.70	140.70	(9.05)	12.92
Rice_5% broken (US\$/MT)	414.00	464.00	444.00	418.00	(5.86)	0.97
Sugar (US\$/MT)	390.00	430.00	420.00	400.00	(4.76)	2.56
Commodity Price Index	166.13	224.73	230.23	228.70	(0.66)	37.66

1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices



CENTRAL BANK OF LIBERIA

MONTHLY ECONOMIC REVIEW



JULY 2022

VOLUME 8 No. 7

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

recession due to the negative impact of higher global interest rates. Year-on-year comparison revealed that rubber priced decreased by 4.8 percent during the review month, from the US\$1,870.00 per metric ton reported in July 2021.

7.5 Food Price (FAO)

FAO food price index (FFPI) fell by 9.1 percent to US\$140.70 compared to the US\$154.70 price in June 2022. This development was influenced by declines in the individual indices of cereal, vegetables, and sugar. FFPI decline followed improved food production prospects in North America, and the Russian Federation, and resumption of exports from the Black Sea ports in Ukraine. Compared to the corresponding month in 2021, however, the FFPI rose by 12.9 percent in July 2022, relative to the US\$124.60 price reported in July 2021.

7.6 Sugar

The price rice of sugar decreased by 4.8 percent to US\$400.00 per metric ton, from US\$420.00 per metric ton in June 2022, triggered by high export from India and lower ethanol prices in Brazil. Annual comparison showed that the price of sugar was high by 2.6 percent in July 2022, from US\$390.00 per metric ton in July 2021.

7.7 Palm Oil

The price of palm oil declined by 29.6 percent to US\$1,056.64 per metric ton, from US\$1,501.10 per metric ton in the preceding month. Compared to the corresponding month a year ago, the price of palm oil also fell by 0.6 percent, from US\$1,062.99 per metric ton.

7.8 Rice

The price of rice plummeted by 5.9 percent to US\$418.00 per metric ton, from the US\$444.00 per metric ton reported in the preceding month. This development was on account of weak demand for the commodity from China and the Near East caused price fall for rice. On an annualized basis, the price of the commodity grew by 1.0 percent, from the US\$ 414.00 per metric ton recorded in July 2021.

7.9 Cocoa Beans

Cocoa beans' price declined by 3.5 percent to US\$2,240.00 per metric ton, from US\$2,320.00 per metric ton in the preceding month. Compared to the price in July 2021, the price of the commodity shrank by 3.9 percent, from US\$2,330.00 per metric ton.

7.10 Commodity Outlook

Commodity price outlook for the month of August 2022 remains uncertain. Commodity prices are being kept volatile due to fear of the global economy going into recession and causing manufacturing to fall. Expectation of decline in industrial output is keeping demand for the commodities low on the global commodity market.

World Bank Commodity Outlook forecasts for August 2022 showed price index of energy commodity (mainly crude oil, and coal, etc.) expected to rise by 1.4 percent to US\$171.07, from US\$168.76 in the preceding month. Price index of non-energy commodities including base metals & minerals (iron ore), agricultural products (beverages & food), raw materials (timber, & other raw materials), and fertilizers is expected to increase by 0.2 percent to US\$116.89, from US\$116.68. This is on account of the global impact of the Russia-Ukraine war on commodity prices coupled with reflection of concerns over global food security deriving from the war.

NGN	409.66	445.04	414.77	415.46	(0.2)	(1.4)
SLL	10,258.18	13,998.93	13,153.15	13,908.40	(5.4)	(26.2)
Avg Period						
LRD	171.53	151.15	152.28	153.14	(0.6)	12.0

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

In general, the commodity price indices for food commodities, and energy & non-energy commodities declined in July 2022. The food commodity price index decreased by 9.1 percent relative to the previous month, while the energy & non-energy commodity index decreased by 0.7 percent.

7.1 Iron ore

Price of iron ore decreased by 17.0 percent to US\$108.57 per metric ton in July 2022, from the US\$130.74 per metric ton reported in June 2022. This was largely followed by fear of recession mostly in advanced economies as well as emerging market and developing economies. Year-on-year comparison showed that the price of the commodity fell by 49.3 percent, from the US\$214.14 recorded during the corresponding month in 2021.

7.2 Gold

The price of gold fell by 5.7 percent to US\$1,732.74 per ounce in July, from US\$1,836.57 per ounce during the month under review. This was on the backdrop of hikes in interest rate of the US Federal Reserve's Fund, and other central banks of advanced, and emerging market economies in their quests to tackle rising inflation. The non-interest-bearing nature of gold compared to the US Federal Reserve Bond, and other interest-bearing financial assets makes gold less attractive for investors to hold as safe-haven asset against these interest-bearing financial assets. Year-on-year comparison suggested that the commodity's price surged by 5.2 percent, from the US\$1,807.84 per ounce recorded in July 2021.

7.3 Crude Oil (Petroleum) Price

The price of petroleum shrank by 10.0 percent to US\$105.08 per barrel, from US\$116.80 per barrel during the review month. This development was led by fear of the global economy going into recession following hikes in interest rates by the Federal Reserve and other central banks around the world that made borrowings costly in those economies. When compared to July 2021, the price of petroleum was up by 43.4 percent, from US\$73.28 per barrel.

7.4 Rubber

The price of rubber declined by 12.3 percent to US\$1,780.00 per metric ton, from the US\$2,030.00 per metric ton recorded in June 2022. The price fall followed the same trend as iron ore and crude oil relative to fear of the global economy going into

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
Total Public Debt	9
External Sector Developments	11
Merchandise Trade	11
Direction of Trade	13
Remittances	13
Gross International Reserves and Months of Import Cover	14
Exchange Rates Developments	14
Global Commodity Price Developments	15
<u>TABLE</u>	
Table 1: Production and Price Statistics	3-4
Table 2: Monetary Aggregates Statistics	5-6
Table 3: Financial Market and Interest Rates Statistics	6-7
Table 4: Selected Financial Soundness Indicators, FSIs	8-9
Table 5: Fiscal Operations Statistics	10
Table 6: External Sector Statistics	11-12
Table 7: Exchange Rate: Official and WAMZ Countries End-of-Period Exchange...	14-15
Table 8: Global Commodity Prices	17

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 07.

2.0 OVERVIEW

Production statistics of key commodities largely showed subdued performance in July 2022. Except gold, output of major commodities including diamond, iron ore, rubber, beverages, and cement reported significant decreases due to unfavorable weather conditions, weak demand, and supply chain disruption of factor inputs.

Headline inflation slightly increased by 0.2 percentage points to 6.5 percent in July 2022, driven mainly by the rise in imported fuels, and transport inflation as general prices for food & non-alcoholic beverages moderated.

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 during the review month.

At end-July 2022, broad money (M2) supply rose by 1.4 percent to L\$146.51 billion, driven largely by 6.1 percent growth in net domestic assets (NDA) – led by domestic credit to government (net). On the liability side, the growth in M2 was due to 2.5 percent and 1.5 percent increases in Time & Savings deposits, and demand deposits, respectively. Additionally, the stock of Liberian dollars in circulation increased to L\$22.85 billion on account of 10.5 percent increase in currency in banks.

The financial soundness indicators of the banking system remained mostly favorable during the review period as banks were largely in compliance with most of the regulatory requirements of the CBL. Return on Assets (ROA) and Return on Equity (ROE) stood at 1.39 percent and 9.61 percent, respectively, at end-July 2022, while the Capital Adequacy Ratio (CAR) stood at 28.6 percent above the minimum regulatory requirements. In addition, the liquidity ratio increased by 0.04 percentage points to 39.94 percent to remain well above its minimum regulatory requirement of 15.00 percent. The ratio of non-performing loans to total loan decreased by 2.3 percentage points to 24.8 percent during the review month.

From fiscal sector statistics, Government of Liberia (GoL's) fiscal operations resulted to a deficit of 1.1 percent of GDP in July 2022 compared to the surplus reported during the preceding month, mainly on account of growth in total public spending coupled with reduction in total revenue.

The stock of public debt marginally decreased by 0.2 percent to 48.5 percent of GDP at end-July 2022 relative to the stock at end-June 2022, reflecting slight declines in both external and domestic debts.

6.4 Gross International Reserves

Gross International Reserves (GIR) decreased by 3.3 percent to US\$587.05 million (14.9 percent of GDP) at end-July 2022, from the US\$607.10 million (15.4 percent of GDP) recorded at end-June 2022, mainly driven by decrease in foreign liquid assets (including SDR holdings and reserves) coupled with growth in CBL's net liquid US dollar denominated liabilities. Similarly, the months of import cover fell to 3.3 months, from the 4.3 months recorded in June 2022, due mainly to growth in payments for imports and services and decline in GIR. However, the recorded months of import cover exceeded the ECOWAS minimum regional threshold (3 months) by 0.3 months (Table 6).

6.5 Exchange Rate Developments

Exchange rate developments showed that the Liberian dollar remained broadly stable during the review month. Both on average and end of period basis, the Liberian dollar slightly depreciated against the United States dollar in July 2022 relative to the preceding month. On average, the Liberian dollar depreciated by 0.6 percent to L\$153.14/US\$1.00, from the L\$152.28/US\$1.00 reported in June 2022. The broad stability of the domestic currency largely reflected the CBL's monetary policy stance along with growth in personal remittances.

The end-of-period (EOP) exchange rates in the currencies of the West Africa monetary Zone (WAMZ) revealed that almost all currencies in the zone depreciated against the US dollar at end-July 2022 compared to the previous month, except The Gambian dalasi and the Guinean franc which appreciated by 1.3 percent and 0.3 percent, respectively. The other currencies that depreciated were the Sierra Leonean leone (by 5.4 percent), the Ghanaian cedi (4.5 percent), the Liberian dollar (0.3 percent), and the Nigerian naira (0.2 percent).

When compared to the corresponding month in 2021, four of the WAMZ currencies recorded depreciations at end-July 2022. They included the Sierra Leonean leone (by 26.2 percent), the Ghanaian cedi (23.3 percent), The Gambian dalasi (10.1 percent), and the Nigerian naira (1.4 percent). However, The Guinean franc and the Liberian dollar appreciated against the US dollar by 12.7 percent and 11.9 percent, respectively.

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

Currency	Jul-21	May-22	Jun-22	Jul-22	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	5.80	7.66	7.22	7.56	(4.5)	(23.3)
GMD	48.67	57.80	54.82	54.12	1.3	(10.1)
GNF	9,707.89	9,246.02	8,639.07	8,610.44	0.3	12.7
LRD	171.63	151.62	152.87	153.38	(0.3)	11.9

o/w United Kingdom	1.21	2.03	3.06	0.00
o/w Isle of Man	0.00	3.35	5.30	0.00
o/w Netherlands	1.14	1.87	0.00	0.00
o/w Germany	3.74	1.35	1.16	0.00
o/w Spain	0.00	0.00	3.71	0.00
o/w France	0.00	0.00	2.41	0.00
o/w Poland	5.79	1.21	0.00	0.00
o/w Ukraine	3.96	0.00	0.00	0.00
o/w Saudi Arabia	2.70	2.92	3.92	4.16
o/w Lebanon	3.02	1.22	3.12	1.60
o/w Turkey	9.47	4.43	3.23	5.04
o/w Malaysia	1.23	1.56	2.49	1.64
o/w Brazil	2.03	2.40	1.88	2.14
o/w Ghana	1.36	1.64	1.63	0.00
o/w Cote d'Ivoire	22.84	0.00	28.64	28.24
o/w Guinea	0.00	1.28	0.00	1.79
o/w Algeria	0.00	2.91	3.44	0.00
o/w Egypt	3.83	1.17	1.46	0.00
o/w Morocco	2.43	0.00	0.00	1.22
o/w South Africa	0.00	2.80	2.28	1.92
o/w Others	22.53	27.08	43.38	16.98
Nominal GDP	3,508.9	3,937.6	3,937.6	3,937.6

6.2 Direction of Trade (DOT)

Switzerland, France, the United States of America (USA) and Germany were the main destinations of Liberia's exports accounting for 78.7 percent of total export earnings. Export earnings from Switzerland increased by 12.8 percent to US\$41.00 million compared to the value recorded in the previous month. Earnings from France increased by 1.8 percent to US\$8.9 million, and export earnings from the USA decreased by 27.6 percent to US\$ 6.52 million, and exports earnings from Germany increased by US\$3.7 million (over hundred percent) to US\$7.01 million during the review month.

The four main sources of imports to Liberia during the review period were China, India, Cote d'Ivoire, and United States of America. Imports payments to China decreased by US\$8.1 million to US\$25.3 million, Payments to India increased by US\$15.6 million to US\$27.3 million; payment to Cote d'Ivoire decreased by US\$0.4 million to US\$28.24, and payments to United States of America increased by US\$ 0.43 million to US\$5.6 million.

6.3 Personal Remittances

Personal remittances (net) increased by 3.0 percent to US\$20.60 million (0.5 percent of GDP) in July 2022, compared to the US\$20.00 recorded in June 2022.

This development was driven mainly by 8.7 percent growth in inward personal remittances which outweighed the 27.9 percent increase in outward remittances.

Inward and outward remittances amounted to US\$28.22 million, and US\$7.6 million during the month under review, respectively.

In the external sector, the merchandise trade deficit increased by 1.4 percent of GDP in July 2022 relative to the previous month, on account of growth in import payments backed by decrease in export proceeds. Similarly, total merchandise trade grew to US\$238.3 million, on account of rise in import payments.

At end-July 2022, the Gross International Reserves (GIR) reduced by 3.3 percent US\$587.1 million (14.9 percent of GDP) at end-May 2022, reflecting decline in foreign liquid assets (including SDR holdings and reserves) coupled with growth in CBL's net liquid US dollar denominated liabilities. Consequently, the months of import cover fell to 3.3 months in July, 0.3 months above the ECOWAS minimum regional threshold of 3.0 months.

The Liberian dollar remained broadly stable during the month under review due largely to the Central Bank of Liberia's (CBL) monetary policy stance, along with increase in personal remittances, despite both the average and end-period rates depreciating against the US dollar by 0.6 percent and 0.3 percent, respectively.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics of key commodities mostly revealed declines in output performance in July 2022 compared to the preceding month. The weak performance was pronounced across all the major commodities, except gold. This development was largely due to unfavorable weather condition, weak demand, and supply chain disruption of factor inputs.

In the mining sector, iron ore and diamond outputs fell by 12.5 percent, and 55.8 percent to 350,000 metric tons and 2,682 carats, respectively, while gold volume remained resilient with growth of 15.5 percent to 29,167 ounces during the month under review. The declines in output for iron ore and diamond were explained by the continuous shock of energy supply and heavy rainfall during the month. However, out of gold grew to 29,167 ounces relative to the 25,245 ounces reported in June 2022 due to inventory spillover from the previous month.

In the manufacturing subsector, beverages (alcoholic and non-alcoholic) output fell by 5.8 percent to 1,304,610 liters due to consumer preference dynamics and demand switch as demand for basic necessities increased during the period. 84.1 percent of the total decline was attributed to alcoholic beverages while non-alcoholic beverages accounted for 15.9 percent. Cement production declined by 8.4 percent to 33,314 metric tons reflecting to slowdown in construction related activities due to the rainy season.

For the agriculture subsector, rubber output declined by 2.5 percent to 4,012 metric tons during the review month. This development was triggered by harvest related constraints faced by small farm holders due to the heavy downpour of rain experienced in July 2022.

3.2 Consumer Prices

In July 2022, headline inflation slightly increased by 0.2 percentage points to 6.5 percent relative to the 6.3 percent recorded in the preceding month. The marginal increase in headline inflation was driven mainly by the rise in imported fuels, and other items in the Consumer Price Index (CPI), including food & non-alcoholic beverages, alcoholic beverages, tobacco & narcotics, clothing & footwear, furnishings, household equipment & routine, transport, restaurants & hotels, and miscellaneous goods & services. Similarly, the month-on-month rate of change in inflation increased by 4.3 percentage points to 6.3 percent, mainly reflecting a monthly upward change in the prices of components in the CPI basket.

Core inflation¹ decreased by 1.2 percentage points to 5.5 percent in the month under review, from 6.7 percent in the previous month. This was largely induced by decrease in the prices of non-food-related items especially imported fuel and an adjustment in household consumption of capital goods (Table 1).

Table 1: Production and Price Statistics

Production	July - 21	May - 22	June - 22	July - 22
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	360,000	450,000	400,000	350,000
Gold (Ounces)	10,250	41,530	25,245	29,167
Diamond (Carat)	4,491	5,098	6,064	2,682
Rubber (Metric ton)	10,753	7,524	4,116	4,012* ¹
Cement (Metric ton)	31,281	48,793	36,363	33,314
Total Beverages (liter)	1,476,529	1,510,448	1,384,320	1,304,610
Alcoholic	1,340,166	1,347,716	1,239,283	1,172,259
Non-Alcoholic	138,362	162,732	145,039	132,351

External Trade (Volume)				
Rubber (MT)	10,752.53	7,524.21	4,116.04	205.59
Iron Ore (MT)	207,157.88	218,148.43	359,134.49	345,614.65
Cocoa Beans (MT)		475.00	375.00	0.00
Palm Oil (MT)	14,729.00	6,401.00	1,732.97	3,312.00
Gold (Oz)	10,250.19	41,423.98	25,245.33	30,179.20
Diamond (Crt)	4,491.41	5,097.77	6,063.71	2,682.41
Petroleum Products (MT)	-	-	11,445.70	205.59
Rice (MT)	-	-	-	-
Other Indicators				
Net Foreign Reserves Position	26.4	374.2	337.5	350.3
Import (FOB)	122.75	93.94	118.15	153.02
Gross International Reserves (GIR) ²	302.0	641.5	604.3	607.1
Import covers (In Month)	2.2	5.2	4.3	3.3
Personal Remittances	(000 US\$)	(000 US\$)	(000 US\$)	(000 US\$)
Inflows	25.67	22.96	25.95	28.22
Outflows	8.15	6.95	5.95	7.61
Net flows	17.52	16.01	20.00	20.61
Direction of Trade (DOT)				
Destination of Export	59.75	102.74	116.35	80.57
o/w Cameroon	0.00	0.00	0.00	2.12
o/w United States	0.00	0.00	9.00	6.52
o/w India	0.00	0.00	0.00	4.76
o/w Singapore	0.00	0.00	0.00	1.00
o/w Switzerland	12.37	63.92	36.34	41.00
o/w United Kingdom	7.96	0.00-	10.06	0.00
o/w France	6.84	9.11	8.69	8.85
o/w Germany	5.16	2.36	3.31	7.01
o/w Spain	0.00	4.26	0.00	3.15
o/w Belgium	4.90	0.27	5.57	4.94
o/w Others	22.53	27.08	43.38	16.98
Sources of Import (fob)	122.75	93.94	118.15	153.02
o/w China	20.11	24.29	17.19	25.32
o/w Korea (Republic of)	1.12	1.04	0.00	2.78
o/w Japan	1.02	1.03	1.72	3.47
o/w India	10.23	12.08	11.71	27.31
o/w Indonesia	0.00	1.65	0.00	0.00
o/w Thailand	0.00	1.32	0.00	0.00
o/w United of Arab Emirates	1.79	4.77	0.00	4.39
o/w United States of America	8.27	5.08	5.21	5.64
o/w Canada	1.01	0.00	0.00	0.00

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

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the External sector showed that the merchandise trade deficit, and total trade recorded increases July 2022 relative to the preceding month, mainly reflecting growth in import payments.

Merchandise trade deficit increased to US\$57.18million (1.4 percent of GDP), from the US\$1.8 million (0.04 percent of GDP) reported in June 2022, driven largely by increase in import payments. Total merchandise trade increased to US\$238.32 million (6.1 percent of GDP) in July 2022, from US\$ 234.50 million (6.0 percent of GDP) recorded in June, on account of growth in import payments which outweighed the decrease in exports receipts.

Export earnings decreased by 26.7 percent to US\$85.30 million (2.2 percent of GDP) in July 2022, from the US\$116.35 million (3.0 percent of GDP) in June, driven primarily by decline in receipts from iron ore. Conversely, payments for merchandise imports increased by 29.5 percent to US\$153.02 million (3.9 percent of GDP), from the US\$118.15 million (3.0 percent of GDP) reported in the preceding month. This development was occasioned by increase in payments for food & live animals (including animal & vegetable oil), machinery & transport equipment, manufactured goods classified by materials, and the “other imports” categories.

Table 6: External Sector Statistics

External Trade (Value)	July – 21	May - 22	June - 22	July - 22
	(Millions of US\$; Except Otherwise Indicated)			
Exports ^{1/}	59.76	102.74	116.35	85.30
Iron Ore	27.00	17.89	30.87	19.01
Rubber	12.92	10.41	8.00	16.05
Gold	13.88	64.03	37.38	41.03
Diamond	1.32	2.36	2.66	1.80
Cocoa Bean	1.40	0.11	0.03	1.40
Palm Oil	1.57	7.26	2.49	1.97
Other commodities	1.71	0.69	34.92	5.48
Imports (CIF) ^{1†}	122.75	93.94	118.15	153.02
Minerals, Fuel, Lubricants	29.54	7.47	41.12	36.35
o/w Petroleum Products	22.73	-	28.51	28.15
Food and Live Animals (incl. Animal and veg. oil)	15.64	21.52	20.23	37.95
o/w Rice	0.34	0.17	0.25	17.65
Machinery & Transport Equipment	34.50	27.77	23.00	35.64
Manufactured goods classified by materials	16.29	13.46	13.84	18.75
Other categories of imports	26.77	23.72	19.96	24.33
Trade Balance	(62.99)	(8.81)	(1.80)	(57.18)
Total Trade	182.51	196.68	234.50	238.32

Inflation	(In percent)			
Overall (Y-o-Y) Rate of Inflation	7.12	6.23	6.32	6.48
a. Food and Non-alcoholic Beverage Inflation	0.21	1.17	(1.08)	(0.98)
- Domestic Food Inflation	4.33	1.14	(7.08)	(4.51)
- Imported Food Inflation	(3.03)	1.03	(2.34)	1.94
b. Transport Inflation	4.88	13.38	39.52	48.71
c. Imported Fuels Inflation	(2.21)	35.47	55.47	55.54
Overall (M-o-M) Rate of Inflation	6.13	0.83	2.02	6.28
Core Inflation				
Inflation excluding Food & NAB ¹	10.73	8.74	10.37	10.01
Inflation excluding Imported Food	9.52	7.30	7.12	7.39
Inflation excluding Domestic Food	8.44	7.75	9.33	8.74
Inflation excluding Food and Transport	11.45	8.16	6.71	5.51
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

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

During the period under review, 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) supply grew by 1.4 percent to L\$146.51 billion at end-July 2022, from the L\$144.51 billion recorded at end-June 2022. From the asset side, this development was largely due to 6.1 percent growth in net domestic assets (NDA) led by increased domestic credit to government (net). Similarly, from the side, the growth in M2 was mainly driven by 2.5 percent and 1.5 percent increases in Time & Savings deposits, and demand deposits, respectively.

Additionally, the stock of Liberian dollars in circulation slightly rose to L\$22.85 billion at end-July 2022, from the L\$22.82 billion recorded at the end of the preceding month. This was induced by 10.5 percent increase in currency in banks to L\$3.68 billion, from the L\$3.33 billion recorded a month ago.

Commercial banks’ loans extended to various sectors of the economy in both currencies varied during the review month.

Non-performing Loans to Total Gross Loans (ratio)	23.13	19.17	22.55	24.84
Gross Loan (percent change)	2.08	(17.71)	24.81	1.06
Non-performing Loans (percent change)	10.09	(30.22)	46.76	10.48
Returns on Assets (ROA)	1.93	1.85	1.37	1.39
Returns on Equity (ROE)	11.65	11.32	9.49	9.61
Liquidity Ratio***	46.91	45.35	39.90	39.94
Capital Adequacy Ratio (CAR)****	28.59	29.22	29.55	28.60

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

Statistics on GOL's fiscal operations showed that the overall balance (OB) recorded a deficit of US\$41.4 million (1.1 percent of GDP) in July 2022 compared to the US\$20.86 million deficit reported in the previous month. This development was led to increase in government expenditure supported by decline in total revenue.

Total revenue fell by 5.3 percent to US\$51.1 million (1.3 percent of GDP), from the US\$54.0 million (1.4 percent of GDP) reported in June 2022, mainly due to decreases in both tax and non-tax revenues. Tax revenue marginally declined by 2.4 percent to US\$45.1 million (1.2 percent of GDP), while non-tax receipt also decreased by 29.5 percent to US\$4.8 million (0.1 percent of GDP). However, the "other revenues" category (including grants) rose to 28.1 percent to US\$1.2 million.

Total government expenditure grew by 23.6 percent to US\$92.5 million (2.4 percent of GDP), from the US\$74.9 million (1.9 percent of GDP) spent during the previous month. The increase in expenditure was mainly underpinned by 24.7 percent growth in current expenditure which was induced by a substantial increase in employees' remuneration, and 78.7 percent rise in payments on loans, interest & other charges. Conversely, capital expenditure reduced to US\$0.6 million, from the US\$3.2 million reported in the preceding month.

5.2 Total Public Debt

At end-July 2022, Liberia's stock of public debt stood at US\$1,910.7 million (48.5 percent of GDP), slightly decreasing by 0.2 percent relative to the US\$1,915.0 million (48.6 percent of GDP) stock reported at end-June 2022. The decrease was due to marginal declines in both domestic and external debts. Domestic debt totaled US\$816.0 million (20.7 percent of GDP), while external borrowing amounted to US\$1,094.7 million (27.8 percent of GDP).

This development was occasioned by 5.0 percent and 1.4 percent growths in domestic debt and external borrowings. Domestic and external debts totaled US\$817.7 million (20.8 percent of GDP), and US\$1,097.2 million (27.9 percent of GDP) at end-June 2022.

Total Deposits (both USD & LRD) converted to LRD ¹	119,029.94	122,855.94	125,024.67	127,340.22
Liberian Dollar share of Broad Money	30.58	28.17	28.63	28.21

¹ - 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 July 2022 with issuances of the CBL bills in support of its monetary policy objectives. The bills were issued with tenors of 2-week, 1-month, and 3-month at the effective annual policy rate of 20.0 percent with timely redemption of the bills.

The total CBL bills issued during the month grew by 32.5 percent to L\$5,088.12 million, from the L\$3,839.05 million reported in the preceding month, largely reflecting the regular redemption of the bill which has increased investor's confidence. Retail investors subscription amounted to L\$96.09 million, and accounted for 1.9 percent of the total subscription, while commercial banks' subscriptions totalled L\$4,992.03 million, and constituted 98.1 percent of the total subscription. Similarly, total redemption increased to L\$5,088.12 million at the end of the month.

Though the government did not issue new Treasury securities during the month under review, it made interest payment amounting to US\$0.36 million, and principal repayment totaling US\$23.52 million. These payments ultimately reduced the US dollar Treasury bills total outstanding to US\$61.71 million, with the outstanding Liberian dollars Treasury securities remaining at L\$2,437.72 million. The total outstanding principal and coupon on the US dollar T-bond reduced to US\$45.11 million due to the coupon payment of US\$0.089 million, and repayment principal of US\$4.17 million. The outstanding Liberian dollars T-bond principal remained unchanged at L\$6,000.00.

Interest rates remained stable in July 2022. Lending, average savings, and time deposits rates were unchanged during the month. The interest rate on lending was kept at 12.4 percent, while the rates on time & savings deposits remained at 3.5 percent and 2.1 percent, respectively. However, money markets instruments such as repo was not traded during the month. Similarly, swap lending among commercial banks remained traded at non-interest-bearing instruments to address the liquidity mismatch among the commercial banks in different regions of the country during the month (Table 3).

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	July - 21	May - 22	June - 22	July - 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 %)	na	na	na	na

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	July - 21	May - 22	June - 22	July - 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 %)	na	na	na	na
Bills Purchased per month on EAR basis	4,232.20	3,791.83	3,839.05	5,088.12
Redemption during the month (EAR basis)	3,654.78	3,791.83	3,839.05	5,088.12
Bill Outstanding (EAR basis)	7,000.00	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)	4,232.20	3,791.83	3,839.05	5,088.12
Total Redemption (coupon rate & EAR)	3,654.78	3,791.83	3,839.05	5,088.12
Total Outstanding Bills (coupon rate & EAR)	7,000.00	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)	0.00	00.00	40.00	00.00
T- Bills Principal payment (In USD)	0.00	2.00	2.00	23.52
T- Bills interest payment (In USD)	0.00	00.07	0.00	0.36
T-Bills Outstanding	5.73	45.59	85.59	61.71
Ave. Weighted Discount Rate (T-Bills)	6.50	7.00	7.00	7.00
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	443.07	0.00	0.00	0.00
Outstanding coupon on Treasury Bond	480.00	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	0.00	0.00
Treasury Bond Principal Payment	0.00	0.00	0.00	4.17

Treasury Bond Outstanding (In USD) (Coupon and Principal)	51.65	49.54	49.54	45.20
Coupon Payments (USD)	0.00	0.00	0.167	0.089
Outstanding coupon on Treasury Bond	0.16			
Total T-Bond Outstanding (Coupon & Principal In USD)	51.81	49.54	49.37	45.11
	<i>(As specified)</i>			
SCF rate	30.00	25.00	25.00	25.00
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.07	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00
Swap lending	0.00	2.00	2.00	2.00

Source : CBL

[^] - with Liquidity Effect^{/1} - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency^{/2} - Treasury Bill issued and redeemed during the month were in US Dollar**4.4 BANKING SECTOR DEVELOPMENTS**

The banking industry remained basically in compliance with the sector's regulatory requirements. Compared to the previous month, Return on Assets (ROA) increased by 0.02 percentage points to 1.39 percent, while Return on Equity (ROE) grew by 0.12 percentage points to 9.61 percent. Capital Adequacy Ratio (CAR) stood at 28.60 percent during the period under review, decreasing by 0.95 percentage points against the previous month. The CAR also remained above the minimum regulatory requirement of 10.0 percent by 18.60 percentage points. Additionally, the liquidity ratio increased by 0.04 percentage points to 39.94 percent and remained above the minimum regulatory requirement of 15.00 percent by 24.94 percentage points.

Total gross loans rose to L\$76.12 billion in July 2022, from the L\$75.32 billion disbursed during the preceding month. The growth in gross loans was due to an increase in extension of new loans and advances. The ratio of non-performing loans to total loans decreased by 2.3 percentage points to 24.8 percent, against the 10.0 percent regulatory tolerable limit.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	July - 21	May - 22	Jun - 22	July - 22
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	76.17	60.35	75.32	76.12
Total Non-performing Loans	17.49	11.57	16.98	18.76