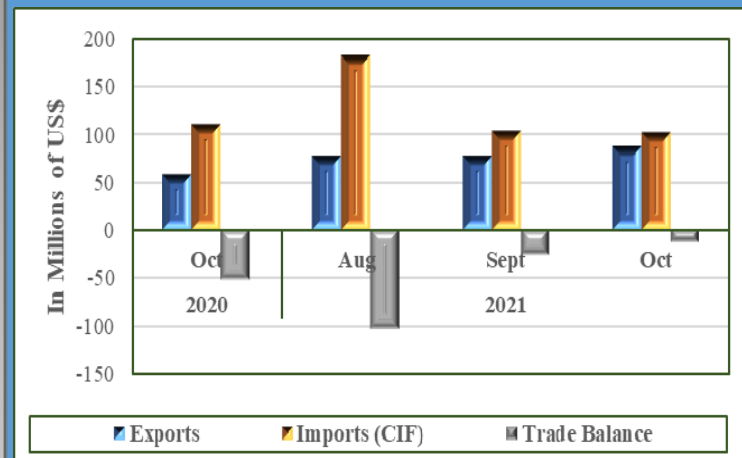


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CENTRAL BANK OF LIBERIA



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Table 8: Global Commodity Prices

GLOBAL PRICE	Oct - 20	Aug - 21	Sep - 21	Oct - 21	Percent Change	
					MoM	YoY
	(In price per Unit of Measure)					
Iron ore (US\$/MT)	119.78	162.16	124.52	122.91	(1.29)	2.61
Gold (US\$/Oz)	1,900.27	1,785.28	1,775.14	1776.85	0.10	(6.49)
Rubber (US\$/MT)	2,190.00	1,900.00	1,790.00	1,870.00	4.45	(14.61)
Cocoa Beans (US\$/MT)	2,290.00	2,480.00	2,558.09	2,572.86	0.58	12.35
Palm oil (US\$/MT)	796.22	1,135.77	1,181.38	1,306.90	10.62	64.14
Crude oil (US\$/BBL)	39.90	68.87	72.80	82.06	12.72	105.66
Food Price Index (FAO)¹	101.24	127.40	128.93	133.20	3.31	31.57
Rice 5% broken (US\$/MT)	471.00	403.00	400.00	401.00	0.25	(14.86)
Sugar (US\$/MT)	300.00	430.00	431.66	424.39	(1.68)	41.46
Commodity Price Index No²	110.62	163.97	108.61	118.98	9.55	7.56

Source : 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](http://www.fao.org/worldfoodsituation/foodpricesindex/en/1/Commodity%20Food%20Price%20Index%20includes%20Cereal%20Vegetable%20Oils%20Meat%20Seafood%20Sugar%20Bananas%20and%20Oranges%20Price%20Indices)
 2/ Commodity Price Index includes both Fuel and Non-Fuel Price Indices
 † - Revised

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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 synopsis of exchange rate developments in the West African Monetary Zone (WAMZ).

2.0 OVERVIEW

Production statistics from the Real Sector generally showed strong performance in October 2021. In the mining subsector, diamond, gold and iron ore output increased on account of the gradual improvement in weather condition. Rubber production in the agriculture subsector also grew during the month reflecting increased price induced by small farm holders. However, production in the manufacturing subsector was mixed as cement output declined, while output of beverages increased.

The moderation in headline inflation continued mainly on account of decline in the prices of items, including furnishings, household equipment and routine household maintenance, transport, and imported food. Month-on-month inflation moderated by 1.9 percentage points to negative 1.8 percent, from 0.1 percent recorded in the preceding month. The decrease was mainly attributed to monthly fall in the prices of all major groups, except housing, water, electricity, and gas & other fuels.

Core inflation (inflation excluding food and transportation) also moderated to 9.14 percent during the month under review, from 11.29 percent in the previous month, largely due to decrease in the prices of furnishings, household equipment and routine household maintenance major groups in the commodity basket.

The CBL monetary policy stance remained anchored on price stability mainly through the management of Liberian dollar liquidity. As part of the CBL's 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.

Preliminary statistics showed that broad money (M2) growth at end-October 2021 contracted by 1.4 percent to L\$142.78 billion driven mainly by decrease in the net domestic assets of the banking sector and decline in demand deposits. However, the stock of Liberian dollars in circulation expanded slightly to L\$22.43 billion compared to the stock reported in the preceding month on account of increase in currency in banks.

The financial soundness indicators of the banking system remained generally favorable during the review month with compliance of banks in most of the regulatory requirements of the CBL. The Return on Assets (ROA) and Return on Equity (ROE) increased during the period. Liquidity Ratio (LR), though declined, remained above the 15.0 percent regulatory thresholds by 25.39 percentage points, while Capital Adequacy Ratio (CAR) exceeded the minimum regulatory requirement by 17.47 percentage points. However, non-performing loans (NPLs) stood at 3.1 percent of GDP, reflecting a ratio of 25.85 percent to gross loan, which

7.6 Sugar

The price of sugar dropped by 1.7 percent to US\$424.39 per metric ton, from US\$431.66 per metric ton due to increase harvest occasioned by improved weather conditions in the largest sugar exporting country (Brazil). However, annual comparison showed that the price of sugar increased by 41.5 percent from US\$300.00 per metric ton in October 2020.

7.7 Palm oil

The price of palm oil rose by 10.6 percent to US\$1,306.90 per metric ton, from US\$1,181.38 per metric ton in the preceding month, mainly due to increased global import demand. Compared with October in the previous year, the price of crude palm oil rose by 64.1 percent, from US\$796.22 per metric ton.

7.8 Rice

The price of rice rose by 0.3 percent to US\$401.00 per metric ton at end October 2021. The rise in the price from US\$400.00 per metric ton was due to reduced harvests of the commodity from its Asian suppliers amid strong supply chain constraints imposed by Covid-19 pandemic in the United States. On an annualized basis, the price of the commodity declined by 14.9 percent, from US\$471.00 per metric ton in October 2020.

7.9 Cocoa beans

Cocoa beans price rose marginally to US\$2,572.86 per metric ton in the review month, from US\$2,558.09 per metric ton. The rise was on account of the growing demand for the commodity in Europe and North America. Compared to October 2020, the price of cocoa beans increased by 12.4 percent from US\$2,290.00 per metric ton.

7.10 Commodity outlook

Prospects for commodity prices seems mixed for the last two months of 2021 and moving to the first quarter of 2022 based on the World Bank Commodity Outlook, despite increase in the prices of commodities. The price index of energy commodity (mainly crude oil) is forecast to increase in response to anticipated increase in demand. However, prices of non-energy commodities (including metal, agricultural products, and food) are forecast to decrease in the near term on account of global recovery and ease in supply constraints.

7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

The general commodity price index increased during the review period. The rise in commodity price was induced by increase in prices of major commodity groups, including food, energy, and other non-energy commodities such as mineral (mainly gold), and some agricultural products. The movement in prices during the month was basically influenced by demand factors (iron ore, gold, crude oil and rubber).

7.1 Iron ore

The price of iron ore declined by 1.3 percent to US\$122.91 per metric ton in October 2021, from the price of US\$124.52 per metric ton in the preceding month. This development was mainly due to the persistence of slowing demand for the commodity from mainly China (whose iron ore import declined by 4 percent in the fifth consecutive month of declines) emanating from the country's quest to reduce carbon emissions. Compared with the price in the corresponding month in 2020, iron ore price increased slightly by 2.6 percent, from US\$119.78 per metric ton.

7.2 Gold

The price of gold rose during the month by 0.1 percent to US\$1,776.85, from US\$1,775.14 in September 2021 mainly on account of strong interest rate in the US leading speculators to demand more of the mineral. Year-on-year comparison showed that the price decreased by 6.5 percent, from US\$1,900.27 reported in October 2020.

7.3 Crude oil (Petroleum) price

The price of petroleum increased sharply by 12.4 percent to US\$82.06 per barrel, from US\$72.80 per barrel in September 2021 due to increased demand coupled with weather related supply disruptions in the Gulf of Mexico and production restraints imposed by OPEC and its partners. When compared to October 2020, the price of petroleum increased by over hundred percent from US\$39.90 per barrel.

7.4 Rubber

The price of rubber increased by 4.5 percent to US\$1,870.00 per metric ton, from US\$1,790.00 per metric ton recorded in the preceding month. The increase in the price of the commodity was largely due to increase demand of the commodity for the manufacture of gloves and tires. Compared to the corresponding month in 2020, the price of the commodity declined by 14.6 percent, from US\$2,190.00 per metric ton.

7.5 Food Price (FAO)

The FAO food price index showed an increase of 3.1 percent in the review month compared with the September 2021 index. The rise in the index, especially during the tenth month, was engendered by strong demand for mainly cereal and palm oil products coupled with supply constraint from major exporting countries (Canada, Russia and the United States of America). Further analysis showed that annual price of food rose by 31.6 percent compared with the price in October 2020.

is 15.85 percentage points above the 10.0 percent tolerable limit.

Provisional statistics from Government's fiscal operations showed a surplus of 0.4 percent of GDP, from a deficit of 1.0 percent of GDP reported in the preceding month, induced by fall in Government expenditure. The stock of public debt, in GDP term, remained relatively stable at 50.2 percent of GDP, indicating compliance with the ECOWAS regional threshold limit of not exceeding 70.0 percent of GDP.

External sector developments in October 2021 showed an increase in total merchandise trade on account of growth in exports, despite fall in imports. The trade balance improved due to decrease in import payments coupled with rise in export earnings.

Gross International Reserves (GIR) increased by 0.1 percent to US\$648.28 million at end-October 2021, on account of growth in foreign currency and SDR holdings. As a result of the rise in GIR and fall in import payments, the months of import cover rose to 4.9 months, exceeding the minimum ECOWAS regional threshold of 3.0 months.

Net inflow of personal remittances shrank during the review month, mainly on account of the fall in inward remittances as outward remittances increased.

The foreign exchange market remained largely stable as both the end-of-period and period average exchange rates showed appreciation of the Liberian dollar against the US dollar by 13.7 percent and 5.8 percent, respectively. An analysis of the exchange rates of regional currencies in the WAMZ showed that the naira, cedi and leone depreciated against the US dollar, while the Liberian dollar and Guinean franc and dalasi appreciated against the US dollar.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Excluding cement, outputs of major commodities in the Real sector increased in October 2021.

In the mining sector, outputs of all minerals showed improvements due to favorable weather condition. Iron ore output was estimated to increase by 6.3 percent to 388,000 metric tons, compared with the previous month. Similarly, gold output grew by 16.3 percent to 25,229 ounces, from 21,689 ounces produced in September 2021, while diamond output rose by 6.3 percent to 5,321 carats during the month, from 5,004 carats recorded in the previous month.

Preliminary statistics from the agriculture subsector showed significant improvement in rubber production as the commodity rose by over 100.0 percent to 10,855 metric tons in October 2021, from 4,132 metric tons in the previous month, mainly due to signs of increased price by small farm holders.

Performance in the manufacturing subsector was mixed in October 2021, as cement production declined by 8.9 percent to 46,515 metric tons, from 51,036 metric tons produced in the preceding month due to inventory accumulation. However, total beverage production rose by 25.6 percent to 1.46 million liters attributed to rise in production of alcoholic beverages due to increased demand.

3.2 Consumer Prices

Headline inflation in October 2021 sustained its moderation to 4.4 percent, from 6.7 percent in the preceding month mainly reflecting fall in the prices of items relating to furnishings, household equipment and routine household maintenance, transport, and imported food. Similarly, month-on-month inflation moderated by 1.9 percentage points to negative 1.8 percent during the review period, largely driven by reduction in the prices of items in all major groups except housing, water, electricity, and gas & other fuels. The pass-through effect from the appreciation of the Liberian dollar remained the key driver for the persistent moderation in inflation. Similarly, annual core inflation¹ moderated during the month to 9.1 percent, from 11.3 percent in the previous month.

Table 1: Production and Price Statistics

Production	Oct. - 20	Aug. - 21	Sept. - 21	Oct. - 21
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	360,000	365,000	365,000	388,000*
Gold (Ounces)	13,317	18,051	21,689	25,229
Diamond (Carat)	4,830	4,694	5,004	5,321
Rubber (Metric ton)	4,852	6,698	4,132	10,855
Cement (Metric ton)	39,081	36,869	51,036	46,515
Total Beverages (liter)	1,244,941	1,412,419	1,159,801	1,456,988
Alcoholic	1,079,595	1,275,174	1,025,058	1,321,913
Non-Alcoholic	165,346	137,246	134,743	135,076

The five main sources of imports to Liberia were India, China, Turkey, The United States of America, and Japan. Import payments to India for the purchase of mainly food and live animals increased by US\$19.81 million to US\$33.80 million during the review month. Payments to China, mainly for the purchase of machinery and transport equipment rose by US\$1.54 million to US\$15.30 million and payments for the purchase of chemical and related products from Turkey increased by US\$3.74 million to US\$9.90 million. Payments mainly for the purchase of machinery and transport equipment from the United States of America fell slightly by US\$0.96 million to US\$4.49 million. Lastly, payments predominantly for the purchase of machinery and transport equipment from Japan rose by US\$2.95 million to US\$4.18 million.

6.3 EXCHANGE RATE DEVELOPMENTS

The average exchange rate for October 2021 showed that the Liberian dollar appreciated against the United States dollar during the month by 5.82 percent to L\$161.95/US\$1.00, from L\$171.38/US\$1.00 recorded in September 2021. This development was mainly driven by increased foreign currency inflows. Hence, the variation of the appreciation was in compliance with the ECOWAS convergence bandwidth of ± 10 percent.

Considering the end-of-period (EOP) exchange rate, developments in the currencies of the West African Monetary Zone (WAMZ) were mixed during the month. The naira, cedi, and leone depreciated against the United States dollar by 0.1 percent, 0.5 percent, and 1.9 percent, respectively. In contrast, the Liberian dollar, the Guinean franc, and the dalasi appreciated by 13.7 percent, 1.4 percent, and 1.2 percent, respectively. Following the regional exchange rate statistics, the leone recorded the highest level of depreciation during the month compared to the preceding month.

Year-on-year comparison showed that, except the Liberian dollar, Guinean franc and the dalasi that appreciated by 20.7 percent, 1.9 percent, and 0.1 percent, respectively, all other currencies of the WAMZ countries depreciated against the United States dollar, relative to October 2020 (See Table 7).

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

Rate & Currency	Oct - 20	Aug - 21	Sep - 21	Oct - 21	Appr (+)/Depr (-)	
	End-of-Period Exchange Rate y per USD				MoM	YoY
					Percent change	
GHC	5.71	5.85	5.87	5.90	(0.51)	(3.22)
GMD	51.69	51.28	52.29	51.66	1.22	0.06
GNF	9,755.59	9,744.82	9,710.65	9,574.24	1.42	1.89
LRD	181.45	170.99	170.93	150.34	13.70	20.69
NGN	379.50	409.79	410.30	410.56	(0.06)	(7.57)
SLL	9,962.20	10,359.08	10,579.89	10,780.93	(1.86)	(7.59)
Average Exchange Rate (LD/USD)						
LD	193.23	171.70	171.38	161.95	5.82	22.88

Source: CBL, WAMA: 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

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Direction of Trade (DOT)				
Destination of Export	57.64	77.62	76.76	87.21
o/w France	11.07	13.26	13.36	34.01
o/w Switzerland	18.68	23.25	25.18	30.60
o/w United States	5.04	6.48	6.77	8.46
o/w Belgium	0.24	0.75	1.53	3.83
Sources of Import (fob)	99.27	169.33	94.71	88.42
o/w India	18.31	13.87	13.99	33.80
o/w China	24.12	28.22	13.76	15.30
o/w Turkey	4.33	10.20	6.16	9.90
o/w United States of America	4.59	5.45	5.25	4.49
o/w Japan	1.44	8.35	1.23	4.18

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

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

† - Revised ‡ - Not Available (na) * - estimate/projection

6.2 Personal Remittances

Net inflows of personal remittances decreased by 2.4 percent to US\$16.45 million (0.5 percent of GDP), compared to the amount recorded in September 2021. Inward remittances led the decrease in net inflows of personal remittances as it fell to US\$25.05 million, from US\$27.00 million recorded in the preceding month. However, outward remittances rose by 0.3 percent to US\$8.60 million.

6.3 Gross International Reserves

Gross International Reserves (GIR) at end-October 2021 grew slightly by 0.1 percent to US\$648.28 million compared to the stock recorded in September 2021, mainly due to growth in SDR holdings and foreign currency of banks. Accordingly, months of import cover rose to 4.9 months, from 4.2 months in the previous month due to the rise in GIR. The month of import cover in the review month exceeded the ECOWAS minimum threshold of 3.0 months by 1.9 month (Table 6).

6.4 Direction of Trade (DOT)

France, Switzerland, the United States of America, and Belgium were the main destinations of Liberia's exports (mainly iron ore, rubber, and gold) during the review month, accounting for 88.2 percent of total export earnings. Export earnings from France (predominantly iron ore) rose by over hundred percent to US\$34.01 million, and earnings from Switzerland (mainly gold) also increased by US\$5.4 million to US\$30.60 million, compared to the value recorded in the previous month. Export earnings to the United States of America (mainly rubber) grew by 25.0 percent to US\$8.46 million, and at the same time, earnings from Belgium (mainly iron ore) rose by US\$2.30 million to US\$3.83 million.

Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	13.85	7.00	6.69	4.42
a. Food and Non-alcoholic Beverage Inflation	14.85	0.10	0.18	(2.39)
- Domestic Food Inflation	18.69	2.34	4.00	0.65
- Imported Food Inflation	11.93	(1.84)	(2.88)	(4.78)
b. Transport Inflation	11.06	2.17	1.16	(0.90)
c. Imported Fuels Inflation	(9.68)	1.77	1.95	(0.49)
Overall (M-o-M) Rate of Inflation	0.27	1.16	0.10	(1.85)
Core Inflation				
Inflation excluding Food & NAB ¹	13.33	10.71	10.14	8.00
Inflation excluding Imported Food	14.31	9.04	8.97	6.60
Inflation excluding Domestic Food	14.04	8.51	7.78	5.74
Inflation excluding Food and Transport	13.62	11.80	11.29	9.14
Annual Gross Domestic Product (GDP)²				
Nominal (NGDP)(in millions US\$)	3,037.00	3,363	3,363	3,363
RGDP growth (in percent)	(3.0)	3.6	3.6	3.6

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 in April 2021

± - Not Available (na) * - estimate/projection

† - revise

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

In its effort to achieve price stability through broad exchange rate management, the CBL in October 2021 maintained its interest-rate based monetary policy stance to manage Liberian dollar liquidity in the economy. The issuance of CBL bills continued during the month with tenors of two-week, one month and three-month at an effective annual rate of 20.0 percent.

4.2 Monetary Aggregates

Broad money (M2) at end-October 2021 declined by 1.4 percent to L\$142.78 billion, from L\$144.80 billion recorded in the preceding month. From the liability side, the contraction in M2 was due mainly to 3.2 percent decline in demand deposits, while on the asset side, it was driven by decrease in the net domestic assets (NDA) of banks. Conversely, total stock of Liberian dollar in circulation grew slightly to L\$22.43 billion, from the L\$22.42 billion recorded in the preceding month, occasioned by 15.1 percent increase in currency in banks.

Total commercial banks' loans to the private sector marginally expanded on account of growth in Liberian dollar denominated loans. Loans denominated in Liberian dollar grew by 2.4 percent to L\$5,612.29 million on account of growth in loans to the trade and manufacturing subsectors.

In contrast, the US dollar denominated loans declined slightly by 0.04 percent to US\$410.18 million, induced by decreases in new loans advanced to the services, construction, and oil & gas subsectors.

All deposits converted to Liberian dollar, as percent of GDP, expanded by 2.6 percentage points to 24.1 percent of GDP, compared to the 21.5 percent of GDP reported in the preceding month. The growth was largely explained by increases in both Liberian and US dollars' deposits (Table 2).

Table 2: Monetary Aggregates

Monetary Aggregates	Oct - 20	Aug - 21	Sep - 21	Oct - 21*
	<i>(In Millions of LD; Except Otherwise Indicated)</i>			
Liberian Dollars in Circulation - (LD)	22,410.00	22,436.82	22,419.57	22,428.20
-o/w Currency in banks (LD)	706.90	1,447.64	1,112.56	1,280.10
Money Supply (M1) in LD only	32,245.73	33,236.45	32,224.50	32,730.47
Quasi Money in LD only	8,271.02	8,040.28	7,882.17	7,895.10
Broad money (M2) in LD only	40,516.75	41,276.73	40,106.67	40,625.57
Broad money (M2) (both LD and USD Converted to LD)	132,214.20	140,898.97	144,800.61	142,783.66
Net Foreign Assets (NFA) – LD	14,513.70	30,153.27	25,219.86	27,686.57
Net Domestic Assets (NDA) – LD	117,700.60	110,745.69	119,580.75	115,097.10
Currency outside banks – LD	21,703.20	20,989.18	21,307.01	21,148.10
Demand deposit – LD	10,542.53	73,969.45	78,953.97	76,461.71
Time & Savings deposits – LD	7,912.64	45,341.46	44,144.07	44,742.76
Other deposits – LD	358.38	598.88	395.55	431.09
Loans to Private Sector				
Commercial banks loans to private sector- USD	367.43	393.89	410.35	410.18
Commercial banks loans to private sector - LD	6,586.75	5,563.65	5,482.65	5,612.29
Demand Deposits of Commercial Banks				
Demand deposits – USD	311.28	359.27	398.03	431.56
Demand deposits – LD	10,542.53	12,247.27	10,917.49	11,582.38
Time & savings deposits – USD	192.87	218.74	212.54	245.81
Time & savings deposits – LD	7,912.64	7,763.02	7,812.89	7,787.95
Other Deposits **				
Other deposits (USD)	1.64	1.87	1.91	2.15
Other deposits	358.38	277.26	69.28	107.15
Total Deposits ¹	110,511.04	119,909.79	123,493.59	121,635.57
(In Percent)				
Liberian Dollar share of Broad Money	30.6	29.30	27.70	28.5

Source: CBL

‡ - 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.

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

External Trade (Value)	Oct - 20	Aug- 21	Sep - 21	Oct-21
	(Millions of USD; Except Otherwise Indicated)			
Exports¹	57.64	77.62	76.76	87.21
Iron Ore	28.73	41.59	31.72	34.01
Rubber	5.72	8.28	7.74	14.31
Gold	19.87	23.25	26.78	30.6
Diamond	0.63	1.16	1.89	1.23
Cocoa Bean	0.41	0.35	0.09	0.13
Palm Oil	1.84	1.90	4.00	5.23
Other commodities	0.44	1.09	4.54	1.7
Imports (CIF)^{1†}	110.35	181.39	103.20	101.48
Minerals, Fuel, Lubricants	20.48	50.64	6.93	6.25
o/w Petroleum Products	17.55	48.02	0.88	0.00
Food and Live Animals (incl. Animal and veg. oil)	37.00	21.66	38.38	40.91
o/w Rice	24.31	0.24	22.46	26.52
Machinery & Transport Equipment	20.14	52.45	21.77	25.95
Manufactured goods classified by materials	13.96	25.57	13.08	12.08
Other categories of imports	18.76	31.07	23.04	16.30
Trade Balance	(52.71)	(103.57)	(26.44)	(13.78)
Total Trade	167.99	258.81	179.96	189.21
External Trade (Volume)	(In Unit as may be specified)			
Rubber (MT)	4,851.58	6,698.12	4,131.75	11,016.37
Iron Ore (MT)	398,658.62	315,451.93	245,689.77	370,923.06
Cocoa Beans (MT)	2,425.00	350.00	100.00	492.00
Palm Oil (MT)	1,384.26	2,014.00	29,759.00	29,571.00
Gold (Oz)	13,316.89	18,051.00	21,689.10	25,228.64
Diamond (Crt)	4,829.78	4,694.32	5,004.00	5,320.92
Petroleum Products (MT)	8,766.50	23,489.23	460.65	0.00
Rice (MT)	52,067.80	0.00	0.00	0.00
Other Indicators				
Net Foreign Reserves Position	36.23	379.85	376.15	381.08
Import (FOB)	99.27	169.33	94.71	88.42
Gross International Reserves (GIR) ²	279.87	654.57	647.91	648.28
Import covers (In Month)	2.6	4.7	4.7	4.9
Personal Remittances				
Inflows	29.89	25.67	27.00	25.05
Outflows	6.86	8.08	8.18	8.60
Net flows	23.03	17.59	18.82	16.45

5.2 Total Public Debt

The stock of public debt at end-October 2021 slightly grew to US\$1,688.30 million compared to the stock of US\$1,687.93 million in the preceding month. The growth was driven by a marginal surge in external debt to multilateral institutions.

Table 5. GOL's Fiscal Operations

Fiscal Operations	Oct - 20	Aug - 21	Sep - 21	Oct - 21
	<i>(In Millions of United States Dollar)</i>			
Government Revenue	44.07	53.89	41.31	46.29
Tax Revenue	36.79	42.95	35.13	40.75
O/W Taxes on Income & Profits	16.61	16.74	14.33	18.32
O/W Taxes on International Trade	16.09	22.56	17.06	16.46
Non-tax Revenue (excluding grants)	5.08	9.90	6.18	5.54
O/W Property Income	3.56	8.79	4.54	4.01
O/W Administrative Fees and Fines	1.51	1.11	1.65	1.51
Other tax Revenue (including grant)	2.21	1.04	0.00	0.00
Government Expenditure by Codes	45.71	38.61	73.77	32.64
Current Expenditure	40.28	32.63	58.64	27.21
O/W Compensation	19.22	10.99	25.93	4.28
O/W Goods and Services	16.72	16.27	22.42	16.08
Capital Expenditure	0.38	0.00	0.34	0.27
Payments on Loans, interest and others	5.06	5.98	14.79	5.16
Overall Balance (Surplus+; Deficit -)	(1.64)	15.28	(32.46)	13.65
Public Sector Debt	1,583.70	1,679.85	1,687.93	1,688.30
Domestic	644.50	692.24	692.24	691.58
Financial Sector	586.02	621.44	621.44	621.44
Other debt	58.49	70.80	70.80	70.14
External	939.20	987.61	995.69	996.72
Multilateral	826.22	874.20	882.28	883.31
Bilateral	112.97	113.41	113.41	113.41

Source: CBL's calculation using MFDP's data : Revenue Department, Expenditure Department and Debt Management Unit, MFDP

† - revised

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the external sector showed relative improvement. Merchandise trade deficit improved to US\$13.78 million in October 2021, from US\$26.44 million in the preceding month mainly due to reduction in payments for imports. Total merchandise trade increased to US\$189.21 million (5.6 percent of GDP) in October 2021, from US\$179.96 million (5.4 percent of GDP) recorded in September 2021.

The growth in total merchandise trade was driven by export earnings which surged by 13.6 percent to US\$87.21 million (2.6 percent of GDP), from US\$76.76 million (2.3 percent of GDP), reflecting increases in receipts from mainly iron ore, gold, and rubber.

4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

The Financial markets activities among others was primarily focused on the issuance of CBL bills using interest rate-based instruments in support of price stability. The instruments were issued with tenors of 2-week, 1-month, and 3-months at an effective annual rate of 20.0 percent. In the month of October 2021, the total bills issued amounted to L\$5,114.30 million, an increase of 14.11 percent compared to the purchased amount in the preceding month. Hence, the CBL recorded a net issuance of about 62.74 million, and 0.9 percent increase in the total outstanding CBL bills from the previous month to L\$7,000.00 million. The regular issuance and redemption of CBL bills and the dissemination of periodic redemption report on the CBL website have increased public confidence in the bill, thus creating over-subscription of the CBL bills. Commercial banks' subscription remained high at approximately 98.05 percent (L\$5,014.38 million), whilst retail investors' subscription increased by 57.23 percent to L\$99.92 million compared to the previous month. The total redemption for the month increased by 16.27 percent to L\$5,051.56 million.

During the month of October 2021, the Government issued a new 2-year semi-annual USD Treasury bond in the amount of US\$1.84 million, while an amount of US\$0.93 million was paid as coupon payment against the USD Treasury bond. Also, the Government paid 0.07 million coupons on the United States dollar T-bills reflecting a reduction in the outstanding coupon and principal to US\$5.66 million, while Treasury bills in Liberian dollar remained at L\$2,437.72 million.

Lending, average savings, and time deposits rates remained unchanged during the 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. 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 (See Table 3).

Table 3. Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	Oct - 20	Aug - 21	Sep - 21	Oct - 21
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	0.00	0.00	00.0	0.00
Redemption during the month (coupon rate)	0.00	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	0.01	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	7.00	na	na	Na
Bills Purchased per month on EAR basis	3,027.36	2,465.44	4,481.93	5,114.30
Redemption during the month (EAR basis)	3,005.09	2,665.50	4,344.61	5,051.56
Bill Outstanding (EAR basis)	5,208.79	6,799.94	6,937.26	7,000.00
Effective Annual Rate (EAR)	25.00	20.00	20.00	20.00
Total Purchases (coupon rate & EAR)	3,027.36	2,465.44	4,481.93	5,114.30
Total Redemption (coupon rate & EAR)	3,005.09	2,665.50	4,334.61	5,051.56
Total Outstanding Bills (coupon rate & EAR)	5,208.	6,799.94	6,937.26	7,000.00

CBL Foreign Exchange Auction¹	(In Millions of United States Dollar)			
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				
	(In Millions of Liberian Dollar)			
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	0.00	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)	7.47	5.00	5.00	5.00
T- Bills Issued (In USD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (In USD)	0.00	0.00	0.00	0.07
T-Bills Outstanding	2.60	5.73	5.73	5.66
Ave. Weighted Discount Rate (T-Bills)		6.50	6.50	6.50
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	5,811.39	6,000.00	6,000.00	6,000.00
Coupon Payment	0.00	479.09	0.00	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 Principal Payments (USD)	0.00	0.00	0.00	1.84
Treasury Bond Outstanding (In USD)	0.00	56.65	56.65	58.49
Coupon Payments (USD)	0.00	0.16	0.16	0.93
Outstanding coupon on Treasury Bond	0.00	0.16	0.00	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	0.00	56.81	56.65	57.56
(As specified)				
SDF rate (4.0%)	0.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight monthly rate (0.07%)	0.07	0.07	0.07	0.07
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
(In Percent)				
- Lending rate	12.44	12.44	12.44	12.44
Average Deposit rates				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
Money Markets Instrument (In percent)				
Repo	5.50	0.00	0.00	0.00
Swap lending	6.00	0.00	0.00	0.00

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 regulatory requirements. Compared to the preceding month, Return on Assets (ROA) increased by 0.5 percentage point to 2.95 percent, and Return on Equity (ROE) rose by 2.2 percentage points to 16.54 percent. Similarly, Capital Adequacy Ratio (CAR) stood at 27.47 percent in October 2021, rising above the minimum regulatory requirement by 17.5 percentage points. However, liquidity ratio lowered slightly by 2.1 percent but remained above the minimum regulatory requirement by 25.4 percentage points.

Gross loans and advances decreased to 12.2 percent of GDP in October 2021, from 13.8 percent in the preceding month occasioned by commercial banks' slowdown on disbursement of new loans to increase loan recovery. Non-performing loans (NPLs) also declined to 3.1 percent of GDP, from 3.4 percent of GDP in the preceding month. The ratio of non-performing loans to total loan stood at 25.85 percent, against the 10.0 percent regulatory tolerable limit.

Table 4: Selected Financial Soundness Indicators, FSIs

Financial Soundness Indicators	Oct - 20	Aug - 21	Sep - 21	Oct - 21
	(In Billions of Liberian Dollar)			
Total Gross Loans	74.34	77.06	79.29	70.28
Total Non-performing Loans	16.51	19.98	19.29	18.1
(In Unit As May Be Specified)				
Non-performing Loans to Total Gross Loans (ratio)	22.21	25.93	24.33	25.85
Gross Loan (percent change)	(14.54)	1.17	2.90	(11.36)
Non-performing Loans (percent change)	(22.12)	5.21	(3.45)	(6.17)
Returns on Assets (ROA)	1.16	2.30	2.45	2.95
Returns on Equity (ROE)	7.05	13.06	14.32	16.54
Liquidity Ratio***	36.48	43.19	42.44	40.39
Capital Adequacy Ratio (CAR)****	31.41	26.38	26.38	27.47

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 showed that the Government of Liberia (GOL) fiscal operations resulted to a surplus of US\$13.65 million (0.4 percent of GDP), largely driven by growth in total revenue during the month coupled with decline in total expenditure. Total revenue rose by 12.1 percent to US\$46.29 million (1.4 percent of GDP), explained by 16.0 percent increase in tax revenue mainly from income and profits taxes. Conversely, total expenditure decreased by 1.2 percent of GDP to US\$32.64 million mainly occasioned by declines in compensation of employees, spending on goods and services and payments on loans, interest, and other charges.