

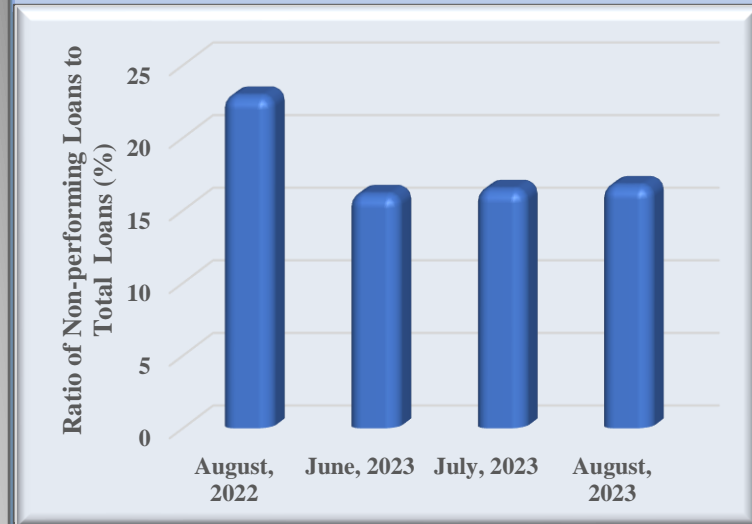
**MONTHLY  
ECONOMIC  
REVIEW**

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**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)**

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**Table 8: Developments in Global Commodity Prices**

GLOBAL PRICE	Aug-22	Jun- 23	Jul-23	Aug-23	Percent Change	
					MoM	YoY
<b>(Commodity price per Unit of Measure)</b>						
Iron ore (US\$/MT)	108.85	113.45	114.43	110.20	(3.70)	1.24
Gold (US\$/Oz)	1,764.56	1,942.90	1,951.02	1,918.70	(1.66)	8.74
Rubber (US\$/MT)	1,610.00	1,530.00	1,492.50	1,469.70	(1.53)	(8.71)
Cocoa Beans (US\$/MT)	2,320.00	3,170.00	3,387.46	3,459.61	2.13	49.12
Palm oil (US\$/MT)	1,025.95	816.97	878.50	860.82	(2.01)	(16.10)
Crude oil (US\$/BBL)	95.97	73.26	78.98	84.72	7.27	(11.72)
Food Price Index (FAO) <sup>1</sup>	137.00	122.30	123.90	121.40	(2.10)	(11.39)
Rice_5% broken (US\$/MT)	431.00	514.00	524.00	600.00	14.50	39.21
Sugar (US\$/MT)	390.00	540.00	521.17	528.01	1.31	35.39
Commodity Price Index No <sup>2</sup>	240.96	154.29	158.73	161.45	2.22	(33.00)

*1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices<sup>2</sup>/ Commodity Price Index includes both Fuel and Non-Fuel Price Indices*

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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 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 9 Number 8.

## 2.0 OVERVIEW

Production statistics of key commodities revealed mixed performances in August 2023 relative to the previous month. Outputs of rubber, diamond, beverages, and cement improved while gold, and iron ore productions declined during the review month against their respective production levels in July 2023.

Headline inflation marginally grew by 0.6 percentage point to 11.7 percent in August 2023, from the 11.1 percent recorded in the preceding month. The slight rise reflected increase in the prices of food & non-alcoholic beverages, alcoholic beverages, tobacco & narcotics, clothing and footwear, transport, recreation and culture and communication-related items in the Consumer Price Index (CPI) basket.

The Central Bank of Liberia's (CBL) monetary policy objective continues to be anchored on price stability with emphasis on 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 the Monetary Policy Rate (MPR) of 20.0 percent per annum.

Broad money (M2) supply increased by 1.6 percent to L\$202.2 billion at end-August 2023, from the L\$199.1 billion reported at the end of the preceding month. This development (from the liability side) was driven mainly by increases in demand, time & savings, and other deposits. From the asset side, the growth was largely due to increase in net domestic asset (NDA).

The financial soundness indicators (FSI) of the Liberian banking system generally remained favorable during the review period as commercial banks were largely in compliance with regulatory requirements. The industry's liquidity ratio and Capital Adequacy Ratio (CAR) declined by 5.10 percentage points and 1.60 percentage points to 40.78 percent and 17.08 percent in August 2023, respectively, against the ratios reported in the previous month but remained well above their respective regulatory requirements.

## 7.8 Rice

Rice price increased by 14.5 percent to US\$600.00 per metric ton, from US\$524.00 per metric ton in July 2023, on account of supply cuts in India and trade restrictions on some producing countries. Annual comparison indicated that the price of rice also grew by 39.2 percent in August 2023, from US\$431.00 per metric ton in August 2022.

## 7.9 Cocoa Beans

Cocoa bean price surged by 2.1 percent to US\$3,459.61 per metric ton in August 2023, from US\$3,387.46 per metric ton in the previous month, occasioned by unfavorable weather conditions that threatened cocoa productions in major cocoa producing countries (Cote d'Ivoire and Ghana), and trade restrictions. Compared to August 2022, the price of the commodity increased by 49.1 percent during the review month, from US\$2,320.00 per metric ton.

## Commodity Price Outlook

Global commodity market outlook from the World Bank suggests that commodity prices will generally take a rising trend in September 2023. The overall index of commodity price indices measured in US dollars for energy, non-energy, agriculture, fertilizers, metal & minerals, and precious metals, are expected to increase in September 2023 relative to August 2023.

### 7.3 Crude Oil (Petroleum) price

The price of petroleum increased by 7.3 percent to US\$84.72 per barrel in August 2023, from the US\$78.98 per barrel reported in the previous month. This development was driven by ongoing supply cuts led by some OPEC members along with seasonal maintenance. Compared to August 2022, the price of petroleum declined by 11.7 percent from US\$95.97 per barrel.

### 7.4 Rubber

Rubber price plummeted by 1.5 percent to US\$1,469.70 per metric ton, from the US\$1,492.50 per metric ton reported in July 2023, mainly driven by weakening demand and continued trade disruptions. Year-on-year comparison showed that rubber prices decreased by 8.7 percent, from US\$1,610.00 per metric ton in August 2022.

### 7.5 Food Price (FAO)

FAO food price index (FFPI) decreased by 2.1 percent to US\$121.40 in August 2023, from US\$123.90 in the preceding month. The decrease was caused mainly by fall in the indices for dairy products, vegetable oils, meat, and cereals.

### 7.6 Sugar

The price of sugar increased by 1.3 percent to US\$528.01 per metric ton, from US\$521.17 in the previous month. Similarly, annual comparison showed that the price of sugar also grew by 35.4 percent in August 2023, from US\$390.00 per metric ton in August 2022.

### Palm Oil

The price of palm oil declined by 2.0 percent to US\$860.82 per metric ton, from US\$878.50 per metric ton in July 2023. Compared to August in the previous year, the price of palm oil also fell by 16.1 percent, from US\$ 1,025.95 per metric ton.

However, Return on Assets (ROA) rose by 0.24 percentage point to 1.57 percent, while Return on Equity (ROE) increased by 1.97 percentage points to 11.61 percent at end-August 2023. Similarly, the ratio of non-performing loans to total loans (NPLs) grew by 0.26 percentage point to 16.71 percent during the month under review.

The Government of Liberia's (GoL) fiscal operations recorded a deficit in its overall balance amounting to 1.0 percent of GDP in August 2023, from the 0.7 percent of GDP surplus reported in the previous month, driven by a significant reduction in total revenue which outweighed the decrease in total public expenditure. The total public debt slightly rose by 0.7 percent to 50.8 percent of GDP at end-August 2023 compared to the 50.5 percent of GDP reported at the end of the preceding month, explained by 1.3 percent increase external debt.

The merchandise trade deficit and total trade increased to 1.4 percent of GDP and 5.3 percent of GDP in August 2023 against the preceding month, respectively, due mainly to growth in payments for imports as export receipts declined.

Gross International Reserves (GIR) rose by 0.4 percent to 11.6 percent of GDP at end-August 2023 compared to the GIR reported in the previous month, explained mainly by reduction in the CBL's net liquid US dollar denominated liabilities to commercial banks. Conversely, the months of import cover fell to 3.0 months, just equivalent to the ECOWAS minimum regional threshold.

Net personal remittance inflows (including remittances terminated to mobile wallet) increased by 3.6 percent to 1.3 percent of GDP in August 2023 against the amount recorded in the previous month, led by growth in inward remittances. The Liberian dollar remained broadly stable against the US dollar on both average and end-period basis in August 2023 by 1.2 percent (depreciation) and 0.2 percent (appreciation) to L\$186.22 /US\$1.00 and L\$185.85/US\$1.00, respectively, compared to July 2023. This development was mainly driven by demand for foreign exchange to facilitate payments for imports during the period.

### 3.0 REAL SECTOR & PRICE DEVELOPMENTS

#### 3.1 Production Analyses of Key Commodities

Statistics for key production commodities showed mixed trends in August 2023 compared to the preceding month as rubber, diamond, and cement outputs improved while gold, iron ore, beverages' productions declined.

In the mining subsector, gold and iron ore productions declined by 18.8 percent and 1.4 percent to 36,085 ounces and 365,000, respectively, down from the 44,449 ounces and 370,000 produced in July 2023, due mainly to decline in the global prices of the commodities. However, diamond output rose by 21.6 percent to 3,821 carats in August 2023, from 3,141 carats in the previous month, largely explained by improved mining conditions.

For the manufacturing subsector, beverages (alcoholic and nonalcoholic) production grew by 8.0 percent to 1.41 million liters during the review month, from the 1.30 million liters reported in July 2023. This development was on account of excess production of beverages which culminated to inventory build-up from the July 26<sup>th</sup> Independence Day celebration. Of the total beverages produced, alcoholic beverages accounted for 89.4 percent, while non-alcoholic beverages constituted 10.6 percent. Cement output grew by 11.0 percent to an estimated 39,258 metric tons, from the 35,362 metric tons produced in July 2023. The growth in production of the commodity was largely due to quick impact projects (QIPs) tied to the 2023 general elections.

In the agriculture subsector, rubber output rose by 6,167 metric tons to 9,354 metric tons in August 2023, from the 3,187 metric tons reported a month ago. The increase in rubber output was mainly led by stronger global demand for the commodity during the review period.

#### 3.2 Consumer Prices

Headline inflation increased slightly by 0.6 percentage points to 11.7 percent during the review period, from 11.1 percent in July 2023. This development largely reflected increase in the prices of food & non-alcoholic beverages, alcoholic beverages, tobacco & narcotics, clothing and footwear, transport, recreation and culture and communication-related items in the Consumer Price Index (CPI) basket. Conversely, on a month-on-month basis, inflation declined by 2.7 percentage points to 2.6 percent, from negative 5.0 percent in the previous month. The rise was mainly driven by increase in all major commodity groups in the CPI basket except food & non-alcoholic beverages and restaurant & hotels.

Similarly, core inflation<sup>1</sup> moderated to 5.91 percent in August 2023, from the 9.63 percent recorded in the preceding month. The drop was on account of decrease in the prices of non-food, and non-transport-related items.

**Table 7: Exchange Rate Developments in Liberia and the WAMZ Countries**

Rate & Currency	Aug-22	Jun-23	Jul-23	Aug-23	Appr (+)/Depr (-)	
					MoM	YoY
<b>Exchange Rate</b>	<b>LD/USD</b>				<b>Percent change</b>	
	<b>Currency per USD</b>					
GHC	8.23	10.98	11.00	11.01	(0.0)	(25.2)
GMD	56.55	58.55	58.47	59.82	(2.2)	(5.5)
GNF	8,591.37	8,512.00	8,514.31	8,504.12	0.1	1.0
LRD	153.61	175.13	183.98	186.22	(1.2)	(17.5)
NGN	422.88	572.55	768.10	763.17	0.6	(44.6)
SLL	10.88	21.05	20.15	21.45	(6.0)	(49.3)
<b>Avg Period</b>						
LRD	153.83	180.28	186.28	185.85	0.2	(17.2)

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

The Commodity Price Index of fuel increased in August 2023, while the index for non-fuel decreased. Similarly, the Food and Agriculture Organization (FAO) food price index (FFPI) decreased by 2.1 percent due to decline in the price indices for dairy products, vegetable oils, meat, and cereals as the price index for sugar recorded a moderate increase.

#### 7.1 Iron Ore

The price of iron ore decreased by 3.7 percent to US\$110.20 per metric ton in August 2023, from US\$114.43 per metric ton reported in the previous month. The decline in the price of the commodity was due to weak global demand triggered by falling demand for steel in China. The year-on-year comparison showed that the price rose by 1.2 percent, from the US\$108.85 recorded in August 2022.

#### Gold

The price of gold fell by 1.7 percent to US\$1,918.70 during the review month, from US\$1,951.02 in July 2023, on account of weak market sentiments amidst a stronger dollar and higher yields in the U.S. Year-on-year comparison indicated that the price of gold increased by 8.7 percent, from the US\$1,732.74 recorded in August 2022.

### 6.3 Personal Remittances

Personal remittance inflows (net), including remittances terminated to mobile wallet, grew by 3.6 percent to US\$56.8 million (1.3 percent of GDP) in August 2023, compared to the US\$54.8 million (1.3 percent of GDP) recorded in the preceding month. This development was driven by 2.3 percent increase in inward remittances as outward remittances declined by 11.6 percent during the review month. Inward and outward remittances amounted to US\$61.4 million and US\$4.6 million, from the US\$60.0 million and US\$5.2 million recorded, respectively, in July 2023.

### 6.4 Gross International Reserves

Gross International Reserves (GIR) grew slightly by 0.4 percent to US\$504.5 million (11.6 percent of GDP) at end-August 2023, from the US\$502.6 million (11.6 percent of GDP) recorded at end-July 2023. This development was mainly due to reduction in CBL's net liquid US dollar denominated liabilities to commercial banks. However, the months of import cover fell to 3.0 months, from 3.8 months in July 2023, on account of increase in payments for imports, but it satisfied the ECOWAS minimum regional threshold of 3.0 months (Table 6).

### 6.5 Exchange Rate Developments

On end-of-period basis, the Liberian dollar slightly appreciated against the United States dollar by 0.2 percent to L\$185.85/US\$1.00 in August 2023, from the L\$186.28/US\$1.00 rate reported at end-July. This development was largely driven by several factors including the impact of Liberian dollar liquidity management by the CBL relative to the increase in the MPR, increased inflows of foreign exchange, and rise in GoL US dollars expenditure during the period.

The period average exchange rates of the currencies in the West African Monetary Zone (WAMZ) member states were mixed during the review month. Of the six (6) currencies in the WAMZ, the Ghanaian cedi remained broadly stable, the Guinean franc, and Nigerian naira slightly appreciated, while the Liberian dollar, Gambian dalasi and Sierra Leonean leone depreciated against the United States dollars in August 2023. The cedi was at 0.0 percent, the Guinean franc and naira marginally appreciated (by 0.1 percent and 0.6 percent, respectively), while the Liberian dollar, dalasi and leone depreciated (by 1.2 percent, 2.2 percent, and 6.0 percent, respectively) against the US dollar during the review month.

Compared to the corresponding period in 2022, all currencies in the WAMZ depreciated against the US dollars, except the Guinean franc that appreciated by 0.1 percent. The dalasi, Liberian dollar, cedi, naira, and leone depreciated by 5.5 percent, 17.5 percent, 25.2 percent, 44.6 percent, and 49.3 percent, respectively, against the US dollar in August 2023.

**Table 1: Production and Price Statistics**

Production	Aug – 2022	June – 2023	July – 2023	Aug – 2023
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	350,000	355,000	370,000	365,000
Gold (Ounces)	24,870	30,798	44,449	36,085
Diamond (Carat)	6,188	2,978	3,141	3,821
Rubber (Metric ton)	6,005	5,099	3,187	9,354
Cement (Metric ton)	29,017	39,149	35,362	39,258
Total Beverages (liter)	1,412,419	1,384,322	1,304,610	1,408,530
Alcoholic	1,275,174	1,239,283	1,172,259	1,258,882
Non-Alcoholic	1137,246	145,039	132,351	149,648
<b>Inflation</b>	<b><i>(In percent)</i></b>			
<b>Overall (Y-o-Y) Rate of Inflation</b>	<b>7.06</b>	12.36	<b>11.01</b>	<b>11.70</b>
a. Food and Non-alcoholic Beverage Inflation	-3.85	13.3	16.51	26.66
- Domestic Food Inflation	-9.43	11.92	14.76	27.94
- Imported Food Inflation	1.12	14.8	18.07	25.83
b. Transport Inflation	48.09	6.81	2.72	2.78
c. Imported Fuels Inflation	50.99	-15.90	-7.97	-8.98
<b>Overall (M-o-M) Rate of Inflation</b>	<b>1.71</b>	2.16	<b>5.01</b>	<b>2.35</b>
<b>Core Inflation</b>				
Inflation excluding Food & NAB <sup>1</sup>	12.36	11.95	8.66	5.48
Inflation excluding Imported Food	8.26	11.94	9.64	9.01
Inflation excluding Domestic Food	10.50	12.24	10.15	8.87
<b>Inflation excluding Food and Transport</b>	<b>8.19</b>	<b>12.79</b>	<b>9.63</b>	<b>5.91</b>
<b>Annual Gross Domestic Product (GDP)<sup>2</sup></b>	<b>3,398.4</b>	<b>3,553.2</b>	<b>3,553.2</b>	<b>3,553.2</b>
Nominal (NGDP) (in millions US\$)	3,992.1	4,345.4	4,345.4	4,345.4
RGDP growth (in percent)	4.8	4.6	4.6	4.6

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, MB, CEMENCO, CBL & LISGIS.

<sup>1</sup> Non-alcoholic beverages

<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

The CBL's monetary policy objective continues to be anchored on price stability with emphasis on the management of Liberian dollar liquidity. As part of the CBL's monetary policy operations, the Bank issued bills at tenors of two-weeks, one-month, and three-months at the annual policy rate (MPR) of 20.0 percent.

### 4.2 Monetary Aggregates

Provisional monetary aggregates showed that broad money (M2) supply grew by 1.6 percent to L\$202.2 billion at end-August 2023, from the L\$199.1 billion recorded at the end of the previous month. From the liability side, the growth was mainly caused by 1.2 percent, 1.1 percent, and 41.2 percent, increases in demand, time & savings, and other deposits, respectively. Similarly, from the asset side, the growth was largely due to 4.0 percent growth in net domestic asset (NDA). Additionally, the stock of Liberian dollars in circulation grew to L\$26.9 billion at end-August 2023, from L\$26.4 billion at the end of the previous month, mainly due to 3.7 percent rise in currency outside banks. Currency outside banks increased to L\$25.1 billion during the review month, from L\$24.2 billion at end-July 2023.

Commercial banks' loans extended to various sectors of the economy in both currencies reported mixed trend in August 2023. Private sector Loans denominated in Liberian dollars decreased by 0.1 percent to L\$5,368.3 million, on account of decreases in loans extended to the oil & gas, services, construction, and manufacturing subsectors by 37.8 percent, 37.7 percent, 10.0 percent, and 8.6 percent, respectively. Conversely, the US dollars denominated loans extended to the private sector increased slightly by 0.3 percent to US\$466.1 million, from 464.5 million induced by expansion in loans advanced to the services, oil & gas, agriculture, and construction subsectors by 7.9 percent, 4.8 percent, 4.7 percent, and 3.4 percent, respectively.

Sectoral distribution of commercial banks' credits showed that loans extended to oil & gas, services, construction, and manufacturing subsectors accounted for 15.9 percent of the total Liberian dollar denominated credits to the private sector. Likewise, services, oil & gas, agriculture, and construction subsectors constituted 36.6 percent of total United States dollar denominated credits extended to the private sector.

Total deposits in Liberian dollars (including those converted from US dollars) as a percent of GDP grew by 0.3 percentage point to 21.9 percent at end-August 2023, from the 21.6 percent of GDP reported in the previous month. The growth was largely triggered by increases in demand, time & savings, and other deposits.

<b>Direction of Trade (DOT)</b>				
<b>Destination of Export</b>	77.8	98.37	97.75	84.49
Africa	4.6	5.4	1.4	1.2
o/w ECOWAS	3.3	0.2	0	0
o/w Neighboring Countries	1.5	0	-	-
Asia	3	4.2	3	3.6
o/w The Middle East	2.1	3.4	2	2.4
o/w United Arab Emirate	0.6	1.5	1.5	1.4
then China	68	0	0	0.1
Europe	61	80	86.5	71
o/w Euro Zone	9.2	5	0.1	2.7
o/w The United Kingdom	9.2	5	-	2.7
Switzerland	32.7	49.1	70.7	55.3
North America & The Caribbean	9.2	4.8	5.9	9.7
o/w USA	9.2	4.8	5.4	9.7
<b>Sources of Import (cif)</b>	<b>149.03</b>	<b>119.48</b>	<b>110.31</b>	<b>145.77</b>
Africa	44.32	24.77	9.13	43.64
o/w ECOWAS	37.7	16.9	1.59	35.36
o/w Neighboring Countries	34.89	17.18	2.59	35.9
o/w Cote D Ivoire	34.52	15.82	-	32.87
Asia	74.03	68.21	75.57	71.3
o/w The Middle East	8.21	5.39	5.12	6.24
o/w United Arab Emirate	2.54	1.89	2.11	2.45
o/w China	29.45	38.75	26.61	44.25
o/w India	12.61	8.76	32.37	11.64
Europe	21.24	17.11	15.08	17.18
o/w Europe Zone	18.03	12.77	13.23	15.83
o/w The United Kingdom	5.6	2.91	0.74	1.51
o/w Spain	1.06	1.32	0.73	1.19
North America & The Caribbean	5.45	5.33	7.68	5.86
o/w USA	5.13	4.85	7.33	5.21
South & Central America	3.62	3.65	2.63	7.39
o/w Brazil	2.33	2.47	1.41	4.66
o/w Argentina	0.1	0.53	0.23	1.54
Oceania	0.36	0.4	0.23	0.4
o/w Australia	0.12	0.14	0.09	0.18

### 6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in August 2023 was Europe, which accounted for US\$71.0 million worth of the export proceeds (o/w Switzerland accounted for US\$55.3 million). Relative to the sources of imports to Liberia, Asia and Africa were the two major origins, accounting for US\$71.3 million and US\$43.6 million, respectively. Imports from China, India, and Cote d'Ivoire amounted to US\$44.3 million, US\$ 11.6 million, and US\$32.9 million, respectively, during the review month.



Table 6: External Sector Statistics

External Trade (Value)	Aug-22	Jun-23	Jul-23	Aug-23
	(Millions of US\$; Except Otherwise Indicated)			
Exports <sup>1</sup>	<b>77.8</b>	<b>98.37</b>	<b>97.75</b>	<b>84.49</b>
Iron Ore	27.45	25.94	10.11	5.49
Rubber	9.25	9.06	10.47	14.85
Gold	32.73	49.17	72.17	55.77
Diamond	2.62	2.35	2.16	1.67
Cocoa Bean	0.13	0.05	0.12	1.05
Palm Oil	1.84	5.05	1.93	2.42
Other Commodities	3.78	6.74	0.78	3.23
Imports (CIF) <sup>1†</sup>	<b>149.03</b>	<b>119.48</b>	<b>110.31</b>	<b>145.77</b>
Minerals, Fuel, Lubricants	40.02	20.23	4.49	35.17
o/w Petroleum Products	34.52	15.73	-	30.4
Food and Live Animals (incl. Animal and veg. oil)	34.57	23.8	37.66	25.11
o/w Rice	1.15	0.24	19.47	2.07
Machinery & Transport Equipment	29.32	37.6	32.67	40.3
Manufactured goods classified by materials	20.64	18.28	17.96	19.49
Other categories of imports	24.47	19.57	17.52	25.7
<b>Trade Balance</b>	<b>-71.23</b>	<b>-21.11</b>	<b>-12.56</b>	<b>-61.28</b>
<b>Total Trade</b>	<b>226.83</b>	<b>217.85</b>	<b>208.06</b>	<b>230.26</b>
<b>External Trade (Volume)</b>				
Rubber (MT)	5,749.17	4,839.17	2,137.44	7,338.98
Iron Ore (MT)	448,172.62	300,434.72	180,099.54	105,877.68
Cocoa Beans (MT)	1,693.69	16.62	35.03	304.78
Palm Oil (MT)	1793.45972	6181.37753	2,196.93	2,811.27
Gold (Oz)	24,780.03	30,797.84	44,448.66	36,085.50
Diamond (Crt)	6,188.32	2,977.81	3,140.55	3,820.56
Petroleum Products (MT)	11,676	11,970	5,960	10,446.22
Rice (MT)	2,668.21	466.93	37,156.49	3,450.00
<b>Other Indicators</b>				
Net Foreign Reserves Position	331.68	290.27	274.38	257.70
Import (CIF)	132.98	126.39	108.56	97.17
Gross International Reserves (GIR) <sup>1</sup>	585.73	539.95	518.90	502.60
Import covers (In Month) <sup>†</sup>	3.2	3.7	3.8	3.0
<b>Personal Remittances</b>				
Inflows	54.60	61.66	60.02	61.37
Outflows	6.30	7.62	5.22	4.61
<b>Net Inflows</b>	<b>48.30</b>	<b>54.04</b>	<b>54.80</b>	<b>56.76</b>

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Aug - 22	June - 23	July - 23	Aug -23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	21,767.17	26,059.37	26,384.19	26,936.32
-o/w Currency in banks (LD)	2,307.94	2,278.12	2,216.32	1,866.12
Money Supply (M1) in LD only	33,980.70	41,623.43	41,302.10	42,029.33
Quasi Money in LD only	7,159.94	7,911.04	8,985.48	9,125.90
Broad money (M2) in LD only	41,292.13	49,594.96	50,369.80	51,241.92
Broad money (M2) (both LD and USD Converted to LD)	146,773.51	186,180.84	199,143.30	202,252.80
Net Foreign Assets (NFA) – LD	16,927.13	16,489.27	24,686.93	20,735.66
Net Domestic Assets (NDA) – LD	129,846.38	169,691.57	174,456.38	181,517.13
Currency Outside Banks – LD	19,459.23	23,781.26	24,167.87	25,070.21
Demand Deposit – LD	82,280.89	106,508.92	114,043.74	115,384.38
Time & Savings Deposits – LD	44,625.63	55,433.75	60,488.00	61,171.38
Other Deposits – LD	407.8	456.9	443.7	626.8
<b>Loans to Private Sector</b>				
Commercial banks loans to private sector- USD	454.95	462.61	464.50	466.07
Commercial banks loans to private sector - LD	5,351.43	5,300.42	5,375.39	5,368.26
<b>Demand Deposits of commercial Banks</b>				
Demand deposits – USD	440.49	491.84	520.24	529.58
Demand deposits – LRD	14,521.47	17,842.17	17,134.23	16,959.13
Time & savings deposits – USD	243.56	263.61	276.48	280.03
Time & savings deposits – LRD	7,159.94	7,911.04	8,985.48	9,125.90
<b>Other Deposits**</b>				
Actual US\$ component of other Deposits	1.67	2.20	1.94	2.91
Liberian \$ component of other Deposits	151.48	60.49	82.22	86.69
Total Deposits both (USD & LRD) converted to LRD <sup>1</sup>	127,314.28	162,399.59	174,975.44	177,182.59
Liberian Dollar share of Broad Money	28.13%	26.64%	25.29%	25.34%

<sup>‡</sup> - 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.

### 4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

To manage Liberian dollar liquidity with the sole purpose of attaining price stability, the CBL continued the issuance of CBL bills at the tenors of 2-weeks, 1-month, and 3-months with an increase in the effective annual rate from 17.50 percent to 20.00 percent as at end-August 2023.

The CBL bills issued increased by 18.7 percent to L\$7,983.58 million at end-August 2023, from L\$6,725.29 million in the preceding month. The growth in subscription of the bills could largely be attributed to the increase of the policy rate and the Monetary Policy Committee's (MPC's) decision to remove the ceiling on the offer amounts of the bills. Commercial banks subscription increased by 19.4 percent to L\$7,868.00 million, from L\$6,588.67 million in July 2023, while retail investors' bids increase by 28.2 percent in August 2023 against the previous month. The total redemption for the month amounted to L\$7,304.90 million, while the unredeemed bills amounted to L\$678.68 million for the month under review. The total outstanding CBL bills rose by 8.2 percent to L\$8,976.53 million during the review month, from L\$8,300.00 million in the previous month.

The CBL, on behalf of the GoL, issued new Treasury securities in Liberian and US dollars in the amounts of L\$4,000.0 million and US\$25.84 million, respectively. The GoL paid US\$2.28 million interest on Treasury securities and US\$0.050 million as partial principal repayment to commercial banks in August 2023. Additionally, the CBL (on behalf of the GoL) paid L\$290.0 million as coupon payment on Liberian dollars security during the review month. The GoL continues to consider the roll-over of US dollars treasury securities in 2023 for at most 2-years but has committed itself of paying all interests on Treasury securities.

The lending, average savings, and time deposit rates were unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively, during the review month relative to the previous month. However, money markets instruments such as repo were not traded during the month. In the interbank market, commercial banks continued to trade with only non-interest-bearing swaps to ease the liquidity disparity among banks for their international and intra-country transactions.

<b>Overall Balance (Surplus+; Deficit -)</b>	<b>10.06</b>	<b>8.57</b>	<b>32.14</b>	<b>(42.09)</b>	
Total Debt Stock	<b>1,956.11</b>	<b>2,124.53</b>	<b>2,186.11</b>	<b>2,201.39</b>	<b>0.70</b>
o/w Domestic	<b>837.84</b>	<b>951.62</b>	<b>951.62</b>	<b>950.83</b>	<b>(0.08)</b>
o/w Financial Institutions	771.82	823.93	823.93	823.14	(0.10)
o/w Other Debts	66.02	127.69	127.69	127.69	-
o/w External	<b>1,118.27</b>	<b>1,172.92</b>	<b>1,234.49</b>	<b>1,250.57</b>	<b>1.30</b>
o/w Multilateral	1,006.55	1,060.77	1,122.34	1,138.42	1.43
o/w Bilateral	111.72	112.14	112.14	112.14	-
<b>Memo Items</b>					
Government Revenue (% of GDP)	1.31	1.23	2.67	0.83	-
Government Expenditure (% of GDP)	1.06	1.04	1.92	1.80	-
Total Debt Stock (% of GDP)	49.22	49.05	50.47	50.82	-
NGDP (at Level)	3,974.44	4,331.56	4,331.56	4,331.56	-

Source: CBL calculation using MFD's data

\*Projections

### 6.0 EXTERNAL SECTOR DEVELOPMENTS

#### 6.1 Merchandise Trade

Developments in the external sector showed that merchandise trade deficit increased to 1.4 percent of GDP in August 2023, from the 0.3 percent of GDP deficit recorded in the preceding month. Similarly, total trade rose to 5.3 percent of GDP, from 4.8 percent of GDP in July 2023. Trade deficit grew by over three hundred percent to US\$ 61.28 million, from US\$ 12.56 million in July 2023, explained by 32.1 percent growth in import payments. Total merchandise trade increased by 10.7 percent to US\$ 230.3 million, from the US\$208.1 million recorded in the review period, driven by 32.1 percent increase in payments for imports as export proceeds declined by 13.6 percent.

Export earnings fell by 13.6 percent to US\$84.5 million (2.0 percent of GDP) in August 2023, from US\$97.8 million (2.3 percent of GDP) in July 2023, occasioned mainly by decrease in receipts from gold and iron ore exports. Conversely, payments for merchandise imports increased by 32.2 percent to US\$145.8 million (3.4 percent of GDP), from the US\$110.3 million (2.5 percent of GDP) reported in the previous month, driven largely by increase in payments for minerals, fuel & lubricants (mainly petroleum), and machinery & transport equipment.

Similarly, total government expenditure decreased by 6.6 percent to US\$77.8 million (1.8 percent of GDP) in August 2023, from the US\$83.3 million (1.9 percent of GDP) reported in the previous month. This development was driven by reductions in capital expenditure and payments on loans, interest & other charges as current expenditure increased during the review month. Capital expenditure decreased by 74.3 percent to US\$1.5 million (approximately 0.0 percent of GDP), while payments on interest & other charges declined by 75.8 percent to US\$3.2 million (0.1 percent of GDP). However, current expenditure expanded by 13.9 percent to US\$73.1 million (1.7 percent of GDP) during the month under review.

## 5.2 Total Public Debt

At end-August 2023, the stock of Liberia's public debt marginally grew by 0.7 percent to US\$2,201.4 million (50.8 percent of GDP) relative to the US\$2,186.1 million (50.5 percent of GDP) reported at end-July. The slight growth was due to 1.3 percent increase in external debt as domestic debt marginally reduced by 0.1 percent during the period. The stock of domestic and external debts stood at US\$950.8 million (22.0 percent of GDP) and US\$1,250.6 million (28.9 percent of GDP), respectively, at end-August 2023.

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

Fiscal Operations	Aug-22	Jun-23	Jul-23	Aug-23	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	52.16	53.42	115.49	35.75	(69.05)
<i>o/w Tax Revenue</i>	43.75	46.97	43.85	31.58	(27.99)
<i>o/w Taxes on Income &amp; Profits</i>	20.55	17.70	19.24	8.92	(53.61)
<i>o/w Taxes on Int'l Trade (Customs)</i>	19.19	17.61	14.23	17.95	26.12
<i>o/w Non-tax Revenue</i>	8.41	6.45	6.64	4.17	(37.17)
<i>o/w Property Income</i>	6.74	2.51	1.38	1.76	27.53
<i>o/w Administrative Fees &amp; Penalties</i>	1.67	3.94	5.26	2.41	(54.16)
<i>o/w Other Revenue (Including Grants)</i>	-	-	65.00	-	(100.00)
Government Expenditure	42.10	44.84	83.35	77.84	(6.62)
<i>o/w Current Expenditure</i>	34.26	39.82	64.19	73.11	13.89
<i>o/w Compensation</i>	12.34	13.26	30.45	31.59	3.74
<i>o/w Goods and Services</i>	18.95	20.88	23.88	34.84	45.89
<i>o/w Capital Expenditure</i>	0.60	0.15	5.87	1.51	(74.33)
<i>o/w Payments on Loans, interest &amp; other charges</i>	7.24	4.88	13.29	3.22	(75.76)

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

Market Instruments (CBL indexed Bills)	August-22	June-23	July-23	August-23
	<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
<b>Bills (Index) outstanding on coupon basis</b>	<b>0.00</b>	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	Na	Na	Na	Na
Bills Purchased per month on EAR basis	3,730.95	8,171.75	6,725.29	7,983.58
Redemption during the month (EAR basis)	3,730.95	8,092.92	6,725.29	7,304.90
<b>Bill Outstanding (EAR basis)</b>	<b>7,000.00</b>	8,300.00	8,300.00	8,976.53
Effective Annual Rate (EAR)	20.00	17.5	17.5	20.00
<b>Total Purchases (coupon rate &amp; EAR)</b>	<b>3,730.95</b>	8,171.75	6,725.29	7,983.58
<b>Total Redemption (coupon rate &amp; EAR)</b>	<b>3,730.95</b>	8,039.27	6,725.29	7,304.90
<b>Total Outstanding Bills (coupon rate &amp; EAR)</b>	<b>7,000.00</b>	8,300.00	8,300.00	8,976.53
<b>CBL Foreign Exchange Auction<sup>1</sup></b>	<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>	<b>0.00</b>	0.00	0.00	0.00
<b>Treasury Securities</b>	<i>(In Millions of Liberian Dollar)</i>			
T- Bills Issued (in LD)	6,000.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	0.00	0.00	0.00	1,782.82
T-Bills Outstanding	2,437.72	8,683.22	8,683.22	6,900.40
<b>Net Treasury Bills Operations<sup>^</sup> withdrawal (+)/Injection (-)</b>	<b>0.00</b>	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	5.00	10.00	10.00	10.00
T- Bills Issued (In USD)	24.00	0.00	0.00	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.00	0.00	0.00	2.28
T-Bills Outstanding (Repayment principal and interest)	0.00	110.82	110.82	108.54
Ave. Weighted Discount Rate (T-Bills)	24.00	0.00	0.00	0.00
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	0.00	0.00	0.00	0.00

Coupon Payment	479.10	0.00	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	0.00	0.00	0.00
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)	0.00	46.50	37.18	36.33
Coupon Payments (USD)	0.00	0.00	9.32	0.85
Total T-Bond Outstanding (Coupon & Principal In USD)	0.00	46.50	37.18	36.33
	<i>(As specified)</i>			
SCF rate	25.00	17.5	17.5	20.0
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.00	0.07	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
	<i>(As specified)</i>			
	<b>Interest Rates</b>			
- Lending rate	12.44	12.44	12.44	12.44
	<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	0.00	0.00	0.00	0.00
Swap lending	2.00	0.00	0.00	0.00

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 largely remained in compliance with the sector's regulatory requirements during the review month. The industry liquidity ratio decreased by 5.1 percentage points to 40.78 percent in August 2023, from 45.87 percent liquidity ratio reported at end-July 2023. Despite its decline, the industry liquidity ratio remained above the minimum regulatory requirement of 15.0 percent by 25.78 percentage points. The Capital Adequacy Ratio (CAR) declined by 1.60 percentage points to 17.08 percent compared to the previous month but remained above the minimum regulatory requirement of 10.0 percent by 7.08 percentage points. However, Return on Assets (ROA) increased by 0.24 percentage points to 1.57 percent, and Return on Equity (ROE) grew by 1.97 percentage points to 11.61 percent.

Total gross loans reduced by 0.05 percent to L\$92.1 billion in August 2023, from the L\$92.2 billion reported in the previous month. The decrease was mainly attributed to declines in new facilities to various sectors of the economy. However, the ratio of non-performing loans to total loans (NPLs) increased by 0.26 percentage point to 16.71 percent during the month under review against the 10.0 percent regulatory tolerable limit. The increase in NPLs largely reflected increased defaults during the review month.

**Table 4: Selected Financial Soundness Indicators (FSIs)**

Financial Soundness Indicators	Aug. - 22	Jun. - 23	Jul. - 23	Aug. - 23
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	77.87	89.10	92.19	92.14
Total Non-performing Loans	17.81	14.34	15.17	15.40
Non-performing Loans to Total Gross Loans (ratio)	22.88	16.10	16.45	16.71
Gross Loan (percent change)	2.30	8.48	3.47	(0.05)
Non-performing Loans (percent change)	3.67	10.73	5.75	1.51
Returns on Assets (ROA)	1.59	1.05	1.33	1.57
Returns on Equity (ROE)	10.38	7.79	9.64	11.61
Liquidity Ratio***	40.08	43.01	45.87	40.78
Capital Adequacy Ratio (CAR)****	25.30	22.29	18.68	17.08

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

From provisional statistics, the Government of Liberia's (GOL's) fiscal operations recorded a deficit in the overall balance amounting to US\$42.1 million (1.0 percent of GDP) in August 2023, from the US\$32.1 million (0.7 percent of GDP) surplus reported in the previous month. The recorded deficit was attributed to significant reduction in total revenue which outweighed the decrease in total public expenditure.

Total revenue declined by 69.0 percent to US\$35.8 million (0.8 percent of GDP) relative to the US\$115.5 million (2.7 percent of GDP) collected in July 2023. This development was mainly due to declines in tax revenue and non-tax revenue (including grants). Tax revenue totaled US\$31.6 million (0.7 percent of GDP), decreasing by 28.0 percent, while non-tax revenue decreased by 37.2 percent to US\$4.2 million (0.1 percent of GDP) during the review month. The reduction in tax revenue was largely explained by 26.1 percent decline in property income tax, while the major driver for the decrease in non-tax revenue was administrative fees & penalties.