

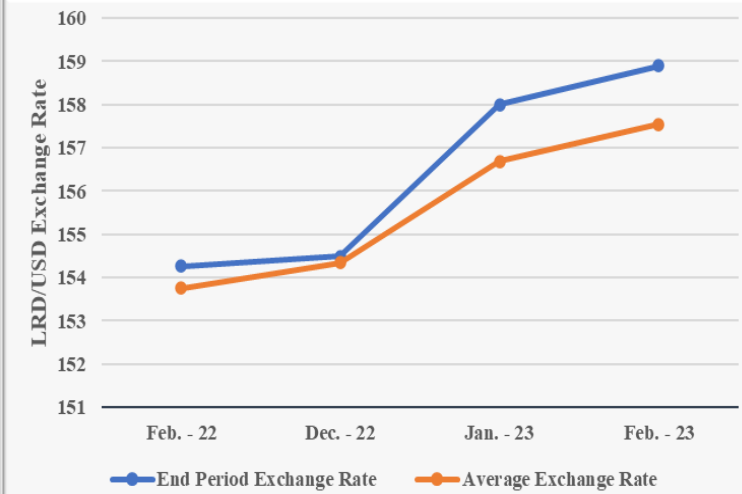
**MONTHLY  
ECONOMIC  
REVIEW**

**FEB. 2023**

**VOLUME 9 No. 2**



**CENTRAL BANK OF LIBERIA**



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

GLOBAL PRICE	Feb-22	Dec-22	Jan--23	Feb-23	Percent Change	
					MoM	YoY
(Commodity price per Unit of Measure)						
Iron ore (US\$/MT)	142.84	111.84	122.23	127.60	4.39	(10.67)
Gold (US\$/Oz)	1,856.30	1,797.55	1,897.71	1,854.54	(2.27)	(0.09)
Rubber (US\$/MT)	2,112.10	1,540.00	1,630.00	1,620.00	(0.61)	(23.30)
Cocoa Beans (US\$/MT)	2,550.94	2,510.00	2,620.00	2,650.00	1.15	3.88
Palm oil (US\$/MT)	1,522.36	940.39	941.97	949.98	0.85	(37.60)
Crude oil (US\$/BBL)	93.54	78.07	80.41	80.25	(0.20)	(14.21)
Food Price Index (FAO) <sup>1</sup>	141.14	132.20	130.30	129.70	(0.46)	(8.11)
Rice_5% broken (US\$/MT)	427.00	467.00	517.00	492.00	(4.84)	15.22
Sugar (US\$/MT)	393.75	810.00	420.00	450.00	7.14	14.29
Commodity Price Index No <sup>2</sup>	203.19	194.03	181.87	173.85	(4.41)	(14.44)

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

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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 2.

## 2.0 OVERVIEW

Analysis of key production statistics showed improvements in outputs for gold, diamond, and cement on account of favorable weather conditions and increase in demand for precious metals. However, iron ore, rubber, and beverages outputs underperformance during the review month partly due to weak demand and inventory spillover.

Headline inflation slightly grew by 0.1 percentage point to 8.3 percent in February 2023, from 8.2 percent in January 2023, due to increase in the prices of clothing & footwear, housing, water, electricity, gas, & other fuels, health, recreation & culture, and restaurants & hotels' related items in the CPI basket.

The CBL's monetary policy stance 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 15.0 percent.

Broad money (M2) supply grew by 3.8 percent to L\$161.03 billion at end-February 2023, from the L\$155.09 billion recorded at end-January 2023. On the liability side, growth was primarily led by increases in demand deposits, time & savings deposits, and other deposits, while from the asset side, the increase was largely due to rise in net domestic asset (NDA) through net credit to government and credit to the private sector.

The financial soundness indicators of the Liberian banking system remained favorable during the review period as commercial banks were largely in compliance with most of the regulatory requirements of the CBL. The Capital Adequacy Ratio (CAR) fell by 2.58 percentage points to 22.76 percent but remained above the minimum regulatory requirement of 10 percent, while the liquidity ratio increased by 0.52 percentage points to 44.03 percent and remained

## 7.7 Palm Oil

The price of palm oil rose by 0.9 percent to US\$949.98 per metric ton, from US\$941.97 per metric ton in January 2023. Compared to the corresponding month in 2022, the price of palm oil fell by 37.6 percent, from US\$1,522.36 per metric ton.

## 7.8 Rice

The price of rice decreased by 4.8 percent to US\$492.00 per metric ton, from US\$517.00 per metric ton in the previous month, on account of supply-side constraints emanating from the Russia-Ukraine conflict. On an annualized basis, the price of the commodity increased by 15.2 percent, from US\$427.00 per metric ton in February 2022.

## 7.9 Cocoa Beans

Cocoa beans price increased by 1.2 percent to US\$2,650.00, from US\$2,620.00 per metric ton in January 2023. Compared to February 2022, the price of the commodity grew by 3.9 percent from US\$2,550.94 per metric ton.

## 7.10 Commodity Outlook

Outlook of commodity prices for March 2023 largely showed declines in most indices. World Bank Commodity Outlook forecasts for March 2023 showed price index for energy commodity (mainly crude oil, and coal, etc.) is expected to fall while the price index for non-energy commodities including base metals and minerals (iron ore), agricultural products (beverages and food), raw materials (timber, and other raw materials), and fertilizers is anticipated to fall as well.

## 7.2 Gold

The price of gold decreased by 2.3 percent to US\$1,854.54 per ounce in February 2023, from US\$ 1,897.71 per ounce in January 2023. This development was driven by high yields of US stocks and US dollar that resulted in decrease in demand for the metal. Year-on-year comparison showed that the price decreased by 0.1 percent, from US\$1,856.30 per ounce recorded in February 2022.

## 7.3 Crude oil (Petroleum) price

The price of petroleum moderated by 0.2 percent to US\$80.25 per barrel, from US\$80.41 per barrel in January 2023. The decline was driven by stabilization of shock caused by OPEC price hike in January 2023. When compared to February 2022, the price of petroleum declined by 14.2 percent from US\$93.54 per barrel.

## 7.4 Rubber

Rubber price fell by 0.6 percent to US\$1,620.00 per metric ton, from the US\$1,630.00 per metric ton recorded in January 2023. The price rise followed prospect of weak export demand as a result of strong US dollar and fading expectation of demand taking off in China after the reopening of the Chinese economy. Year-on-year comparison showed that rubber price decreased by 23.30 percent from US\$2,112.10 per metric ton in February 2022.

## 7.5 Food Price (FAO)

FAO food price index (FFPI) fell by 0.5 percent to US\$129.70 from US\$130.30 in January 2023. The FFPI fall was driven by prices of vegetable oils and dairy products offset by surge in the price of sugar.

## 7.6 Sugar

The price of sugar increased by 7.1 percent to US\$ 450.00 per metric ton, from US\$420.00 per metric tons in the previous month. Annual comparison showed that the price of the commodity increased by 14.3 percent from US\$393.75 per metric ton in February 2022.

above the minimum regulatory requirement of 10 percent, while the liquidity ratio increased by 0.52 percentage points to 44.03 percent and remained above its minimum regulatory requirement of 15.0 percent. Return on Assets (ROA) and Return on Equity (ROE) decreased by 1.94 percent to 0.12 percent, and 12.7 percent to 12.7 percent, respectively. Similarly, the ratio of non-performing loans to total loans reduced by 0.78 percentage points to 16.80 percent during the month under review.

Provisional statistics showed that the Government of Liberia's (GOL) fiscal operations resulted to an overall balance deficit of 0.5 percent of GDP in February 2023, mainly on account of growth in government expenditure amid a decline in government revenue. The stock of public debt increased by 0.1 percent to US\$2,023.8 million (46.6 percent of GDP) at end-February 2023 against the stock reported at end-January 2023, on account of growth in external debt.

In the external sector, the merchandise trade deficit widened by 18.3 percent, while total trade grew by 7.0 percent in February 2023 relative to the preceding month, largely reflecting increase in payments for imports as export proceeds also recorded growth. The Gross International Reserves (GIR) fell by 1.3 percent to US\$587.9 million (13.5 percent of GDP) at end-February 2023 relative to the previous month, largely driven by decrease in foreign liquid assets including SDR holdings and reserves. Though the months of import cover reduced to 3.3 months during the review month, it exceeded the ECOWAS minimum regional threshold of 3 months. Net inflows of personal remittances increased by 1.0 percent to US\$51.07 million (1.2 percent of GDP) in February 2023 against the preceding month, mainly driven by 1.5 percent growth in inward remittances.

Though the Liberian dollar depreciated against the US dollar by 0.5 percent and 0.6 percent on average and end-period basis, respectively, it remained relatively stable in February 2023 due to the CBL's monetary policy stance coupled with increase in personal inward remittances.

### 3.0 REAL SECTOR & PRICE DEVELOPMENTS

#### 3.1 Production Analyses of Key Commodities

Production statistics of key commodities revealed mixed performance in February 2023 compared to the preceding month. Except gold, diamond, and cement which recorded some improvement in output, other commodities including iron ore, rubber, and beverages declined relative to January 2023.

In the mining subsector, iron ore fell by 9.7 percent to 420,000 metric tons, while both gold and diamond grew by 1.8 percent and 51.1 percent to 32,028 ounces and 11,574 carats during the review month, respectively, relative to January 2023. The decline in iron ore is partly due to weak demand and inventory spillover, while on the other hand, the output growths for gold and diamond were explained largely by favorable weather conditions and increase in demand for precious metals.

In the manufacturing subsector, beverages (alcoholic and nonalcoholic) production fell by 1.5 percent to 1,365,447 liters in February 2023, from the 1,385,633 liters reported during the previous month. This development was on account of a decline in retail sales, due to reduction in households' consumption of beverages, especially alcoholic beverages. Of the total production during the month, alcoholic beverages accounted for 89.2 percent, while non-alcoholic beverages constituted 10.8 percent. Output of cement grew by 8.3 percent to 36,533 metric tons, from the 33,748 metric tons produced in the previous month, driven by an increase in number of cement companies and construction-related activities.

Performance in the agriculture subsector revealed output decline for rubber by 19.4 percent to 4,258 metric tons, from the 5,283 metric tons recorded in the previous month. The decline in rubber output was mainly explained by weak global demand and minimum incentives to small farm holders.

#### 3.2 Consumer Prices

The overall Consumer Price Index (CPI) rose moderately to 8.3 percent in February 2022, from the 8.2 percent reported a month ago. This development was mainly explained by a slight increase in the prices of clothing & footwear, housing, water, electricity, gas, & other fuels, health, recreation & culture, and restaurants & hotels' related items in the CPI basket. However, on a month-on-month basis, inflation fell by 0.7 percentage points to 0.2 percent in February 2023, from 0.9 percent in the previous month.

Compared to the corresponding period in 2022, five of the WAMZ currencies also depreciated against the US dollars. The leone, cedi, dalasi, naira, and the Liberian dollar depreciated by 42.0 percent, 40.1 percent, 12.9 percent, 9.6 percent, and 2.9 percent, respectively, at end- February 2023. The Guinean franc was the only currency that recorded slight appreciation against the US dollar by 4.3 percent for the period under review.

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

Currency	Feb. - 22	Dec. - 22	Jan. - 23	Feb. - 23	Appr (+)/Depr (-)	
					MoM	YoY
<b>Exchange Rate</b>	<b>LD/USD</b>				<b>Percent change</b>	
	<b>Currency per USD</b>					
GHC	6.60	8.58	10.80	11.01	(1.9)	(40.1)
GMD	52.81	61.40	60.25	60.62	(0.6)	(12.9)
GNF	8,893.15	8,553.28	8,536.87	8,527.19	0.1	4.3
LRD	154.26	154.49	158.00	158.89	(0.6)	(2.9)
NGN	416.02	448.55	460.41	460.45	(0.0)	(9.6)
SLL	11.70	18.83	19.41	20.18	(3.9)	(42.0)
<b>Avg Period</b>						
LRD	153.75	154.34	156.69	157.54	(0.5)	(2.4)

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

Overall, commodity price indices for food commodities including the FAO food price index (FFPI), and the fuel & non-fuel commodities mostly declined in February 2023.

#### 7.1 Iron ore

The price of iron ore rose by 4.4 percent to US\$127.60 per metric ton in February 2023, from US\$122.23 per metric ton in January 2023. Iron ore price rose on expectation of rise in demand for the commodity after the reopening of the Chinese economy following relaxation of COVID-19 restrictions. Year-on-year comparison showed that the price fell by 10.7 percent, from US\$142.84 recorded in February 2022.

With regards to the main sources of imports, Africa, and Asia were the prime origin of imports to Liberia during the review month accounting for US\$67.46 million and US\$66.52 million, respectively, as imports from Europe also totaled US\$12.65 million. Cote d'Ivoire, India, and China accounted for US\$61.3 million, US\$34.0 million, and US\$20.9 million of total merchandise imports to Liberia, respectively.

### 6.3 Personal Remittances

Net personal remittance inflows (including remittances terminated to mobile wallet) increased by 1.0 percent to US\$51.07 million (1.2 percent of GDP) in February 2023, from the US\$50.55 million (1.2 percent of GDP) recorded in the preceding month, largely on account of growth in inward remittances. Inward remittances rose by 1.5 percent to US\$56.14 million, while outward remittances increased by 6.3 percent to US\$5.07 million relative to the previous month.

### 6.4 Gross International Reserves

Gross International Reserves (GIR) fell by 1.3 percent to US\$587.9 million (13.5 percent of GDP) at end-February 2023, from the US\$595.9 million (13.7 percent of GDP) recorded at end-January 2023, mainly driven by decrease in foreign liquid assets including SDR holdings and reserves. Similarly, the months of import cover reduced to 3.3 months, from 3.6 months in January 2023, mainly attributed to growth in import payments coupled with decline in GIR. However, it exceeded the ECOWAS minimum regional threshold of 3 months by 0.3 (Table 6).

### 6.5 Exchange Rate Developments

The Liberia dollar, on period average, slightly depreciated against the United States dollar by 0.5 percent to L\$157.54/US\$1.00 in February 2023, from L\$156.69/US\$1.00 rate in January 2023. This development was mainly due to rise in the demand for US dollars during the month under review.

On end-period basis, relative to exchange rate developments in the West African Monetary Zone (WAMZ), except for the Guinean franc which appreciated by 0.1 percent, all the other currencies in the Zone depreciated against the US dollar at end-February 2023. The Sierra Leonean leone, and Ghanaian cedi depreciated by 3.9 percent and 1.9 percent, while the, the Gambian dalasi, Liberian dollar, and Nigerian naira depreciated by 0.6 percent, 0.6 percent, and 0.01 percent against the US dollar at end-February 2023, respectively.

This largely reflected declines in the prices of food & non-alcoholic beverages, furnishings, household equipment & routine household maintenance, recreation & culture, and miscellaneous goods & services subgroups in the CPI basket.

Consistent with the headline inflation, core inflation<sup>1</sup> increased by 0.8 percentage point to 9.2 percent in February 2023, from 8.4 percent recorded in the preceding month. The rise was largely induced by increases in the prices of non-food-related and non-transport-related items influenced by exchange rate depreciation.

**Table 1: Production and Price Statistics**

Production	Feb.-2022	Dec.-2022	Jan.-2023	Feb.-2023
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	450,000	460,000	465,000	420,000
Gold (Ounces)	26,557	32,429	31,474	32,028
Diamond (Carat)	2,638	617	7,659	11,574
Rubber (Metric ton)	4,428	4,875	5,283	4,258
Cement (Metric ton)	46,202	31,789	33,748	36,533
Total Beverages (liter)	1,562,810	1,543,225	1,385,633	1,365,447
Alcoholic	1,406,152	1,407,555	1,239,858	1,218,585
Non-Alcoholic	156,658	135,670	145,776	146,853
<b>Inflation</b>	<b><i>(In percent)</i></b>			
<b>Overall (Y-o-Y) Rate of Inflation</b>	<b>7.64</b>	<b>9.19</b>	<b>8.22</b>	<b>8.27</b>
a. Food and Non-alcoholic Beverage Inflation	(1.57)	(2.47)	(1.88)	(3.27)
- Domestic Food Inflation	(2.12)	(3.66)	(7.21)	(8.89)
- Imported Food Inflation	(1.12)	(1.66)	3.19	1.97
b. Transport Inflation	0.20	56.56	54.39	54.04
c. Imported Fuels Inflation	6.42	36.31	30.28	30.51
<b>Overall (M-o-M) Rate of Inflation</b>	<b>0.13</b>	<b>(0.61)</b>	<b>0.90</b>	<b>0.18</b>
<b>Core Inflation</b>				
Inflation excluding Food & NAB <sup>1</sup>	12.60	14.53	12.97	13.70
Inflation excluding Imported Food	9.54	11.30	9.17	9.51
Inflation excluding Domestic Food	10.05	11.41	11.25	11.44
<b>Inflation excluding Food and Transport</b>	<b>14.18</b>	<b>9.85</b>	<b>8.36</b>	<b>9.19</b>
<b>Annual Gross Domestic Product (GDP)<sup>2</sup></b>				
Nominal (NGDP) (in millions US\$)	<b>3,992.1</b>	<b>3,992.1</b>	<b>4,345.4</b>	<b>4,345.4</b>
RGDP growth (in percent)	<b>4.8</b>	<b>4.8</b>	<b>4.3</b>	<b>4.3</b>

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

In the month of February 2023, 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 issued bills at tenors of two-weeks, one-month, and three-months at the annual policy rate (MPR) of 15.0 percent.

### 4.2 Monetary Aggregates

Monetary statistics showed that broad money (M2) supply grew by 3.8 percent to L\$161.03 billion at end-February 2023, from the L\$155.09 billion recorded at end-January 2023. From the liability side, this development was mainly triggered by increases in demand deposits, time & savings deposits, and other deposits, while from the asset side, the increase was largely due to 4.4 percent rise in net domestic asset (NDA) through net credit to government and credit to the private sector. Additionally, the stock of Liberian dollars in circulation rose to L\$25.77 billion at end-February 2023, from the L\$25.21 billion recorded at the end of the previous month. The growth was induced by 3.5 percent expansion in currency outside banks. Currency in banks declined to L\$3.53 billion, from L\$3.72 billion while currency outside banks increased to L\$22.23 billion from the L\$21.49 billion recorded a month ago.

Commercial banks' loans extended to various sectors of the economy in both currencies increased during the review month. Loans denominated in Liberian dollar grew by 5.9 percent to L\$5,114.46 million, on account of increases in loans to the oil & gas, manufacturing, and services subsectors by 593.9 percent, 38.9 percent, and 26.6 percent, respectively. Similarly, the US dollar denominated loans rose slightly by 0.4 percent to US\$433.84 million, occasioned by increases in loans advanced to the oil & gas, agriculture, trade, and services subsectors by 20.3 percent, 17.0 percent, 5.9 percent, and 3.7 percent, respectively.

Sectoral distribution of commercial banks' credits revealed that loans extended to oil & gas, manufacturing, and services subsectors accounted for 12.0 percent of the total Liberian dollar denominated credits to the private sector. Additionally, oil & gas, agriculture, trade, and services subsectors constituted 56.8 percent of total United States dollar denominated credits to the private sector.

o/w The United Kingdom	-	3.3	-	4.0
Switzerland	40.3	47.0	46.1	47.3
North America & The Caribbean	5.9	8.4	4.6	4.3
o/w USA	5.9	8.4	4.6	4.3
<b>Sources of Import (cif)</b>	<b>101.22</b>	<b>203.12</b>	<b>143.94</b>	<b>157.05</b>
Africa	27.71	33.90	28.92	67.46
o/w ECOWAS	20.23	25.04	25.21	62.78
o/w Neighboring Countries	18.18	25.21	61.32	62.78
o/w Cote D'ivoire	17.95	22.53	24.09	61.26
Asia	50.43	135.63	86.97	66.52
o/w The Middle East	4.66	-	-	-
o/w United Arab Emirate	1.58	2.36	2.85	2.42
o/w China	15.11	23.91	20.28	20.90
o/w India	17.83	91.51	33.51	33.97
Europe	15.14	22.55	16.43	12.65
o/w Europe Zone	12.30	19.57	13.37	8.54
o/w The United Kingdom	0.82	0.82	1.31	2.06
o/w Spain	0.92	1.56	0.53	0.33
North America & The Caribbean	4.82	6.66	7.38	4.62
o/w USA	3.56	6.27	7.01	4.27
South & Central America	3.01	4.10	3.93	5.68
o/w Brazil	2.59	3.33	3.00	3.52
o/w Argentina	0.03	0.26	0.15	1.45
Oceania	0.11	0.27	0.31	0.11
o/w Australia	0.11	0.26	0.23	0.06
<b>Other Indicators</b>				
Net Foreign Reserves Position	382.12	337.24	331.57	331.74
Import (FOB)	88.58	180.85	128.22	143.15
Gross International Reserves (GIR)	659.49	600.08	595.89	587.92
Import covers (In Month)	5.4	2.7	3.6	3.3
<b>Personal Remittances</b>				
Inflows	53.45	66.36	55.32	56.14
Outflows	5.74	5.96	4.77	5.07
<b>Net flows</b>	<b>47.71</b>	<b>60.40</b>	<b>50.55</b>	<b>51.07</b>

### 6.2 Direction of Trade (DOT)

Europe was Liberia's main exports destination during the review month accounting for US\$79.0 million of the country's total exports. Switzerland accounted for US\$47.3 million, while exports to the United Kingdom amounted to US\$4.0 million.



Table 6: External Sector Statistics

External Trade (Value)	Feb - 22	Dec - 22	Jan- 23	Feb- 23
	(Millions of US\$; Except Otherwise Indicated)			
Exports/ <sup>1</sup>	<b>71.45</b>	<b>82.05</b>	<b>90.28</b>	<b>93.57</b>
Iron Ore	18.61	21.71	30.02	29.63
Rubber	6.60	8.15	9.76	7.50
Gold	41.50	46.92	46.61	47.46
Diamond	1.37	1.27	1.59	2.03
Cocoa Bean	1.33	-	0.96	0.18
Palm Oil	1.60	1.25	0.59	2.68
Other Commodities	0.43	2.75	0.77	4.08
Imports (CIF)/ <sup>1†</sup>	<b>101.22</b>	<b>203.12</b>	<b>143.94</b>	<b>157.05</b>
Minerals, Fuel, Lubricants	20.61	31.48	26.90	66.87
o/w Petroleum Products	17.79	22.40	24.05	59.51
Food and Live Animals (incl. Animal and veg. oil)	29.34	97.64	51.12	43.24
o/w Rice	11.08	79.79	24.05	28.87
Machinery & Transport Equipment	27.69	41.09	41.73	23.58
Manufactured goods classified by materials	9.04	13.28	11.47	11.14
Other categories of imports	14.53	19.62	12.71	12.22
<b>Trade Balance</b>	<b>(29.78)</b>	<b>(121.07)</b>	<b>(53.66)</b>	<b>(63.48)</b>
<b>Total Trade</b>	<b>172.67</b>	<b>204.87</b>	<b>234.22</b>	<b>250.62</b>
<b>External Trade (Volume)</b>				
Rubber (MT)	4,428.04	4,407.12	3,891.22	3,427.54
Iron Ore (MT)	300,806.20	398,643.71	470,088.04	466,782.09
Cocoa Beans (MT)	2,800.00	-	-	-
Palm Oil (MT)	3,128.00	1,505.00	-	-
Gold (Oz)	26,557.03	32,429.27	31,473.96	32,028.00
Diamond (Crt)	2,638.48	616.75	7,659.47	11,574.05
Petroleum Products (MT)	11,455.70	7,255.19	33,967.60	11,455.70
Rice (MT)	0.00	0.00	0.00	0.00
<b>Direction of Trade (DOT)</b>				
<b>Destination of Export</b>	71.45	82.05	90.28	93.57
Africa	0.5	1.6	0.9	3.0
o/w ECOWAS	-	-	0.3	2.8
o/w Neighboring Countries	-	-	-	0.3
Asia	3.9	1.6	1.8	1.4
o/w The Middle East	1.9	1.3	0.7	0.9
o/w United Arab Emirate then China	1.2	0.1	0.4	0.8
Europe	128.2	0.0	-	0.0
o/w Euro Zone	61.0	73.6	82.5	79.0
	-	3.3	4.2	4.0

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Feb. - 22	Dec. - 22	Jan. - 23	Feb. -23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	23,204.20	26,198.43	25,217.08	25,770.72
-o/w Currency in banks (LD)	2,896.81	2,543.98	3,724.25	3,534.94
Money Supply (M1) in LD only	34,067.07	40,153.90	39,165.68	39,578.49
Quasi Money in LD only	6,928.28	7,623.11	7,504.58	7,512.48
Broad money (M2) in LD only	41,091.24	47,835.45	46,738.79	47,323.27
Broad money (M2) (both LD and USD Converted to LD)	129,952.10	153,724.03	155,090.77	161,032.72
Net Foreign Assets (NFA) – LD	19,808.49	16,440.34	15,933.86	15,688.06
Net Domestic Assets (NDA) – LD	110,143.61	137,283.69	139,156.90	145,344.65
Currency outside banks – LD	20,307.39	23,654.45	21,492.82	22,235.79
Demand deposit – LD	69,228.31	82,580.22	85,723.97	88,879.60
Time & Savings deposits – LD	40,134.62	46,878.66	47,514.12	48,650.84
Other deposits – LD	281.78	610.69	359.85	1,266.50
<b>Loans to Private Sector</b>				
Commercial banks loans to private sector- USD	433.94	458.27	432.22	433.84
Commercial banks loans to private sector - LD	5,452.25	5,155.96	4,831.83	5,114.46
<b>Demand Deposits of commercial banks</b>				
Demand deposits – USD	359.57	427.73	433.79	450.23
Demand deposits – LRD	13,759.68	16,499.44	17,672.86	17,342.70
Time & savings deposits – USD	215.26	254.10	255.04	258.91
Time & savings deposits – LRD	6,928.28	7,623.11	7,504.58	7,512.48
<b>Other Deposits**</b>				
Actual US\$ component of other deposits	1.21	3.57	1.86	6.51
Liberian \$ component of other deposits	95.89	58.45	68.53	232.31
Total Deposits both (USD & LRD) converted to LRD <sup>1</sup>	109,644.72	130,069.57	133,597.94	138,796.93
Liberian Dollar share of Broad Money	31.62	31.12	30.14	29.39

‡ - 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

Financial Markets activities for February 2023 showed the continuous issuance of CBL bills in support of the Bank's monetary policy objectives. The bills were issued with tenors of 2-week, 1-month, and 3-months at the effective annual policy rate of 15.0 percent.

The Central Bank continued its regular and timely redemption of the CBL bills and the dissemination of redemption reports on the CBL's website. The CBL monetary policy implementation through the issuance of the CBL bills showed an injection of L\$436.34 million liquidity into the economy for the month of February 2023.

The total CBL bills issued during the month amounted to L\$4,387.71 million, reflecting 36.3 percent decrease from the preceding month. The bills also recorded a 36.2 percent undersubscription of the total bids submitted during the review month. The decrease in subscription was largely attributed to the rapid depreciation of the Liberian dollar which may have resulted in the loss of investors' appetite. However, retail investors subscription increased from L\$95.80 million to L\$149.61 million accounting for 3.9 percent of the total amount issued. The total redemption decreased from L\$5,231.48 million in January 2023 to L\$4,894.05 million in February 2023 which resulted to the total outstanding of L\$7,621.14 million.

The Ministry of Finance and Development Planning (MFDP) instructed the CBL to refinance GoL US dollar Treasury securities past due obligations through the issuance of Treasury bills. The GoL issued new US dollar Treasury bills in the amount of US\$6.00 million, and the available proceeds were used to settle coupon and partial principal for US dollars Treasury bonds were paid totalling the amount of US\$0.35 million. Additionally, the GoL paid coupons of US\$0.61 million through the issuance of checks to commercial banks. The total outstanding US dollars Treasury bond stood at US\$48.39 million, while USD Treasury bills outstanding increase to US\$110.39 million. The Liberian dollars Treasury bills outstanding remained unchanged at L\$8,973.28 million for coupon and repayment principal.

The lending, average savings, and time deposit rates were unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively in reference to the previous month.

Overall Balance (Surplus+; Deficit -)	(25.24)	(55.85)	10.49	(19.42)	
<b>Total Debt Stock</b>	<b>1,785.09</b>	<b>2,018.69</b>	<b>2,022.87</b>	<b>2,023.71</b>	<b>0.04</b>
o/w Domestic	738.13	884.41	888.04	887.55	(0.06)
o/w Financial Institutions	662.13	829.96	829.96	829.96	0.00
o/w Other Debts	76.00	54.45	58.07	57.58	(0.84)
o/w External	<b>1,046.96</b>	<b>1,134.27</b>	<b>1,134.83</b>	<b>1,136.16</b>	<b>0.12</b>
o/w Multilateral	933.72	1,022.56	1,023.12	1,024.02	0.09
o/w Bilateral	113.24	111.72	111.72	112.14	0.38
<b>Memo Items</b>					
Government Revenue (% of GDP)	0.99	1.24	1.02	0.94	-
Government Expenditure (% of GDP)	1.62	2.64	0.78	1.39	-
Total Debt Stock (% of GDP)	44.72	50.57	46.55	46.57	-
NGDP (at Level)	3,992.07	3,992.07	4,345.40	4,345.4	-

Source: CBL calculation using MFDP's data  
\*Projections

### 6.0 EXTERNAL SECTOR DEVELOPMENTS

#### 6.1 Merchandise Trade

Developments in the External sector showed that merchandise trade deficit widened by 18.3 percent, while total trade grew by 7.0 percent in February 2023 relative to the preceding month.

The merchandise trade deficit increased to US\$63.5 million (1.5 percent of GDP), from US\$53.7 million (1.2 percent of GDP) in January 2023. Similarly, total merchandise trade rose to US\$250.6 million (5.8 percent of GDP) in February 2023, from US\$234.2 million (5.4 percent of GDP) in the previous month. These developments were mostly driven by increase in import payments as export receipts also recorded growth.

Export earnings increased by 3.6 percent to US\$93.6 million (2.2 percent of GDP) in February 2023, from US\$90.3 million (2.1 percent of GDP) in the previous month, led by growths in receipts from gold, diamond, palm oil, and the "other exports" category. Similarly, payments for merchandise imports rose by 9.1 percent to US\$157.1 million (3.6 percent of GDP), from the US\$143.9 million (3.3 percent of GDP) recorded in January 2023, occasioned mainly by increase in payments for minerals, fuel, & lubricants (mostly petroleum products).

Conversely, total government expenditure significantly increased by 77.9 percent to US\$60.2 million (1.5 percent of GDP) during the review month relative to the previous month. The growth reflected an increase in current expenditure, capital expenditure as well as payments on loans, interest & other charges. Current expenditure amounted to US\$48.2 million (1.2 percent of GDP) while payments on loans, interest & other charges amounted to US\$6.4 million (0.2 percent of GDP). Additionally, capital spending totaled US\$5.6 million (0.1 percent of GDP) in February 2023.

## 5.2 Total Public Debt

At end-February 2023, Liberia's stock of public debt marginally expanded to US\$2,023.7 million (46.6 percent of GDP) against the stock reported at end-January 2023. The modest growth was induced by a 0.1 percent increase in external debt as domestic debt marginally decreased by 0.1 percent at end-February 2023. Domestic and external debts amounted to US\$887.6 million (20.4 percent of GDP) and US\$1,136.2 million (26.2 percent of GDP), respectively, at end-February 2023.

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

Fiscal Operations	Jan-22	Nov-22	Dec-22	Jan-23	M-O-M
	(Millions of USD)				(% Change)
<b>Government Revenue</b>	<b>39.50</b>	<b>49.49</b>	<b>44.33</b>	<b>40.79</b>	<b>(7.98)</b>
o/w Tax Revenue	30.87	43.24	39.3	31.83	(19.02)
o/w Taxes on Income & Profits	12.44	20.21	15.27	12.85	(15.87)
o/w Taxes on International Trade (Customs)	14.22	15.38	15.06	13.64	(9.44)
o/w Non-tax Revenue	<b>8.63</b>	<b>6.25</b>	<b>5.03</b>	<b>8.96</b>	<b>78.31</b>
o/w Property Income	7.02	4.91	3.19	7.29	128.10
o/w Administrative Fees, Penalties & Forfeits	1.61	1.34	1.83	1.68	(8.43)
o/w Other Revenue (Including Grants)	-	-	-	-	-
<b>Government Expenditure</b>	<b>64.73</b>	<b>105.34</b>	<b>33.84</b>	<b>60.21</b>	<b>77.92</b>
o/w Current Expenditure	48.8	93.86	27.77	48.22	73.65
o/w Compensation	13.17	27.55	10.23	14.35	40.26
o/w Goods and Services	27.72	49.09	14.96	18.72	25.10
o/w Capital Expenditure	1.89	5.04	1.17	5.6	378.62
o/w Payments on Loans, Interest & other charges	<b>(43.62)</b>	<b>48.19</b>	<b>(55.85)</b>	<b>24.86</b>	-
o/w Payments on Loans, interest & other charges	14.04	6.44	4.9	6.4	30.42

However, money markets instruments such as repo were not traded during the month. In the interbank operations, 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 (Table 3).

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

Market Instruments (CBL indexed Bills)	Jan - 22	Nov - 22	Dec - 22	Jan. - 23
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	0.00	0.00	00.0	<b>0.00</b>
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>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Coupon rate on Index Bill (in %)	na	na	na	na
Bills Purchased per month on EAR basis	3,678.58	7,875.22	6,889.00	4,387.71
Redemption during the month (EAR basis)	3,678.58	9,430.00	5,377.00	4,824.05
<b>Bill Outstanding (EAR basis)</b>	<b>7,000.00</b>	<b>6,475.22</b>	<b>8,057.00</b>	<b>7,621.14</b>
Effective Annual Rate (EAR)	20.00	15.00	15.00	15.00
<b>Total Purchases (coupon rate &amp; EAR)</b>	<b>3,678.58</b>	<b>7,875.22</b>	<b>6,889.00</b>	<b>4,387.71</b>
<b>Total Redemption (coupon rate &amp; EAR)</b>	<b>3,678.58</b>	<b>9,430.00</b>	<b>5,377.00</b>	<b>4,824.05</b>
<b>Total Outstanding Bills (coupon rate &amp; EAR)</b>	<b>7,000.00</b>	<b>6,475.22</b>	<b>8,057.00</b>	<b>7,621.14</b>
<b>CBL Foreign Exchange Auction<sup>1</sup></b>	<i>(In Millions of United States Dollar)</i>			
US Dollar offered	0.00	2.00	0.00	0.00
US Dollar Amount Sold	0.00	0.60	0.00	0.00
Total Subscription	0.00	0.60	0.00	0.00
<b>Over (+)/ Under (-) Subscription</b>	<b>0.00</b>	<b>(1.40)</b>	<b>0.00</b>	<b>0.00</b>
<b>Treasury Securities</b>	<i>(In Millions of Liberian Dollar)</i>			
T- Bills Issued (in LD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	0.00	0.00	0.00	0.00
T-Bills Outstanding	2,437.72	8,247.6	8,247.6	8,247.6
<b>Net Treasury Bills Operations<sup>^</sup> withdrawal (+)/Injection (-)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Ave. Weighted Discount Rate (T-Bills)	5.00	10.00	10.00	10.00
T- Bills Issued (In USD)	0.00	12.5	0.00	6.00
T- Bills Redeemed (Principal or Interest) (In USD)			5.73	6.04
T-Bills Outstanding (Repayment principal and interest)	0.00	0.016	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	19.87	104.09	98.36	110.04
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	6,000.00	0.00	0.00	0.00

Coupon Payment	479.99	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)	2.5	0.00	0.00	0.00
Treasury Bond Principal Payment			4.02	3.39
Treasury Bond Outstanding (In USD) (Coupon and Principal)	0.00	0.00	0.00	0.33
Coupon Payments (USD)	59.89	49.01	45.34	45.00
Total T-Bond Outstanding (Coupon & Principal In USD)	0.10	0.16	0.00	0.63
	<i>(As specified)</i>			
SCF rate	25.00	17.5	17.5	17.5
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.05	0.07	0.07	0.07
SDF Amount (In Millions LD)		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	5.50	0.00	0.00	0.00
Swap lending	6.00	2.00	3.00	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 broadly remained in compliance with the sector's regulatory requirements.

For the period under review, the industry liquidity ratio marginally increased by 0.52 percentage points to 44.03 percent compared to the liquidity ratio reported at end-January 2023. This showed that the industry liquidity ratio remained above the minimum regulatory requirement of 15.0 percent by 29.03 percentage points.

Contrary to the growth in the industry liquidity ratio, Capital Adequacy Ratio (CAR) decreased by 2.58 percentage points to 22.76 percent but remained above the minimum regulatory requirement of 10

percent by 12.76 percentage points. Similarly, Return on Assets (ROA) decreased by 1.94 percentage points to 0.12 percent, and Return on Equity (ROE) declined by 12.7 percentage points to 0.84 percent.

Total gross loans marginally fell to L\$77.45 billion in February 2023, from L\$77.61 billion in the previous month. The ratio of non-performing loans to total loans decreased by 0.78 percentage points to 16.80 percent during the month under review relative to the preceding month and remained well above the 10.0 percent regulatory tolerable limit.

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

Financial Soundness Indicators	Feb. - 22	Dec. - 22	Jan. - 23	Feb. - 23
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	70.68	79.41	77.61	77.45
Total Non-performing Loans	16.96	15.84	13.64	13.01
Non-performing Loans to Total Gross Loans (ratio)	23.79	20.15	17.58	16.80
Gross Loan (percent change)	6.25	1.69	(2.26)	(0.21)
Non-performing Loans (percent change)	1.10	(0.56)	(13.88)	3.16
Returns on Assets (ROA)	0.16	1.95	2.06	0.12
Returns on Equity (ROE)	0.91	13.13	13.54	0.84
Liquidity Ratio***	40.36	41.78	43.51	44.03
Capital Adequacy Ratio (CAR)****	25.91	25.30	25.34	22.76

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 data, the Government of Liberia's (GoL) fiscal operations resulted in an overall balance deficit amounting to US\$19.4 million (0.5 percent of GDP) in February 2023, compared to a surplus of US\$10.5 million (0.2 percent of GDP) in the preceding month. This development was attributed to growth in government total expenditure amid a decrease in government total revenue.

Total government revenue declined by 8.0 percent to US\$40.8 million (1.0 percent of GDP) in February 2023 relative to the amount generated in January 2023. The decrease was occasioned by a reduction in tax revenue despite significant growth in non-tax receipts. Tax revenue amounted to US\$31.8 million (0.8 percent of GDP), decreasing by 19.0 percent while non-tax revenue rose by 78.3 percent to US\$9.0 million (0.2 percent of GDP). The decrease in tax revenue was mainly led by taxes on income & profits and international trade tax (customs).