

MONTHLY
ECONOMIC
REVIEW

JAN. 2023
VOLUME 9 No. 1



CENTRAL BANK OF LIBERIA



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

TABLE OF CONTENTS

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

1.0 INTRODUCTION

The Monthly Economic Review (MER) is published by the Research, Policy, and Planning Department (RPPD) of the Central Bank of Liberia (CBL). It is a regular publication 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 1.

2.0 OVERVIEW

Analysis of key production statistics showed mixed performance across all sectors in January 2023. Iron ore, rubber, diamond, and cement reported growths in output largely on account of increased global demand for raw materials on account of expectations of recovery of the Chinese economy, while gold and beverages outputs declined due to inventory spillover coupled with slow demand.

Though headline inflation moderated by 1.0 percentage point to 8.2 percent in January 2023, reflecting the pass-through effect of declines in petroleum prices, and transport costs, and prudent monetary policy stance of the Central Bank of Liberia (CBL).

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 slightly increased by 0.9 percent to L\$155.09 billion at end-January 2023, from the L\$153.72 billion recorded at end-December 2023. This development, on the liability side, was mainly triggered by 3.8 percent and 1.4 percent increases in demand deposits and time & savings deposits, while from the asset side, the growth was largely due to 1.4 percent rise in net domestic asset (NDA) to government and 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) decreased by 2.58 percentage points to 22.76 percent well above the minimum regulatory requirement of 10.0 percent, while the liquidity ratio increased to 44.03 percent above its minimum regulatory requirement of 15.0 percent. Return on Assets (ROA) and Return on Equity (ROE) decreased by 1.94 percent, and 12.7 percent, respectively, while the ratio of non-performing loans to total loans slightly fell by 0.78 percentage point to 16.80 percent during the month under review.

Cocoa Beans

Cocoa beans price grew by 4.4 percent to US\$2,620.00 per metric ton, from US\$2,510.00 per metric ton in December. Compared to January 2022, the price of cocoa beans increased by 6.1 percent, from US\$2,470.00 per metric ton.

Commodity Price Outlook

Commodity prices are largely anticipated to decline in February 2023. World Bank Commodity Outlook forecasts for February 2023 showed that the price index for energy commodities (mainly crude oil, and coal, etc.) is expected to fall by 7.4 percent in January 2023. 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, the price index is projected to fall by 0.2 percent.

Table 8: Developments in Global Commodity Prices

GLOBAL PRICE	Jan-22	Nov-22	Dec-22	Jan-22	Percent Change	
					MoM	YoY
(Commodity price per Unit of Measure)						
Iron ore (US\$/MT)	132.53	93.34	111.84	122.23	9.29	(7.77)
Gold (US\$/Oz)	1,816.02	1,725.07	1,797.55	1,897.71	5.57	4.50
Rubber (US\$/MT)	1,970.00	1,432.40	1,540.00	1,630.00	5.84	(17.26)
Cocoa Beans (US\$/MT)	2,470.00	2,412.04	2,510.00	2,620.00	4.38	6.07
Palm oil (US\$/MT)	1,344.79	945.74	940.39	941.97	0.17	(29.95)
Crude oil (US\$/BBL)	83.92	87.38	78.07	80.41	3.00	(4.18)
Food Price Index (FAO) ¹	135.40	134.70	132.20	130.30	(1.44)	(3.77)
Rice_5% broken (US\$/MT)	427.00	440.00	467.00	517.00	10.71	21.08
Sugar (US\$/MT)	400.00	790.00	810.00	420.00	(48.15)	5.00
Commodity Price Index No ²	190.90	191.07	194.03	181.87	(6.27)	(4.73)

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

Provisional statistics showed that the Government of Liberia's (GOL) fiscal operations resulted to an overall balance deficit of 0.6 percent of GDP in January 2023, mainly on account of a significant decrease in total government expenditure which offset the reduction in government total revenue.

The stock of public debt marginally increased by 0.2 percent to 50.7 percent of GDP at end-January 2023, on account of growths in both domestic and external debts.

In the external sector, the merchandise trade deficit narrowed by 55.7 percent to 1.2 percent of GDP in January 2023, while total merchandise trade reduced by 17.9 percent to 5.4 percent of GDP, mainly driven by 29.1 percent decline import payments as export receipts rose by 10 percent.

The Gross International Reserves (GIR) fell by 0.7 percent to US\$595.9 million (13.7 percent of GDP) at end-January 2023 compared to the preceding month, largely driven by decrease in foreign liquid assets excluding SDR holdings and reserves coupled with rise in CBL's net US dollar denominated liabilities. However, the months of import cover remained well above the regional benchmark of 3.0 months at 3.6 months. Net inflows of personal remittances decreased by 16.3 percent to 1.2 percent of GDP in January 2023 relative to the preceding month, driven by 16.6 percent decline in inward remittances. Though the Liberia dollar depreciated by 1.5 percent against the US dollar in January 2023, it remained broadly stable largely due to the CBL's monetary policy stance of Liberian dollar liquidity management.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Developments in the production of statistics of key commodities showed mixed performances across all major sectors in January 2023. Commodities such as iron ore, rubber, diamond, and cement reported growths in outputs, while gold and beverages outputs declined during the month under review.

In the mining sector, iron ore output grew by 1.1 percent to 465,000 metric tons in January 2023, from the 460,000 metric tons reported in the preceding month. Similarly, output of diamond rose significantly to 7,659 carats, from the 617 carats recorded in December 2022. The improved performance in iron ore and diamond outputs was attributed to increased global demand especially for iron ore on account of expectations of recovery of the Chinese economy. Conversely, gold output moderated by 2.9 percent to 31,474 ounces, from 32,429 ounces in the previous month due to inventory spillover coupled with slow demand.

For the manufacturing subsector, cement production rose by 6.2 percent to 33,748 metric tons in January 2023, from the 31,789 metric tons produced in the previous month. This Development was largely driven by increased number of cement companies. However, beverages (alcoholic & non-alcoholic) output decreased by 10.2 percent to 1,385,633 liters in the reporting period relative to the 1,543,225 liters recorded in December 2022. The decline was largely attributed to decrease in the consumption of alcoholic beverages during the month. When disaggregated, alcoholic beverages constituted 89.5 percent of total beverages while non-alcoholic beverages accounted for 10.5 percent.

Relative to the agricultural subsector, rubber output increased by 8.4 percent to 5,283 metric tons, from the 4,875 metric tons reported in December 2022. This development reflected increase in demand buoyant by seasonal accommodation.

3.2 Consumer Prices

The headline inflation in January 2023 moderated by 1.0 percentage point to 8.2 percent in January 2023, from the 9.2 percent reported in the previous month, reflecting the pass-through effect of declines in petroleum prices, and transport costs. Additionally, the moderation in headline inflation was broadly attributed to downward movements in the prices of alcoholic beverages, tobacco & narcotics, clothing & footwear, furnishings, household equipment & routine household maintenance, health, transport, communication, restaurants & hotels, and miscellaneous goods & services in the Consumer Price Index (CPI) basket. However, the month-on-month rate of inflation rose by 1.5 percentage points to 0.9 percent, from negative 0.6 percent in December 2022, largely on account of increases in the prices of food & non-alcoholic beverages, clothing & footwear, housing, water, electricity, gas & other fuels, furnishings, household

Gold

The price of gold increased by 5.6 percent to US\$1,897.71 ounce during the review month, from US\$1,797.55 per ounce in December 2022. This development was driven by appreciation of the US dollar and increase in the demand for the metal. Year-on-year comparison showed that the price rose by 4.5 percent, from US\$1,816.02 per ounce recorded in January 2022.

Crude Oil (Petroleum) Price

Petroleum price increased by 3.0 percent to US\$80.41 per barrel, from US\$78.07 per barrel in December 2022. The rise in the commodity price was driven by OPEC price hike during the period. When compared to January 2022, the price of petroleum declined by 4.2 percent, from US\$83.93 per barrel.

Rubber

Rubber price grew by 5.8 percent to US\$1,630.00 per metric ton, from the US\$1,540.00 per metric ton recorded in December 2022. Price increase followed strong demand in the US and Europe, and expectation of demand taking off in China after reopening. Year-on-year comparison showed that rubber price decreased by 17.3 percent, from US\$1,970.00 per metric ton in January 2022.

Food Price (FAO)

The FAO food price index (FFPI) fell by 1.4 percent to US\$130.00 in January 2023, from US\$132.20 in December 2022. The fall in the FFPI price was driven by prices of vegetable oils, dairy products, and sugar.

Sugar

The price of sugar decreased by 48.2 percent to US\$420.00 per metric ton in January 2023, from US\$810.00 in the previous month. Annual comparison showed that the price of sugar increased by 5.0 percent, from US\$400.00 per metric ton in January 2022.

Palm Oil

The price of palm oil rose by 0.2 percent to US\$941.97 per metric ton, from US\$ 940.39 per metric ton in December. Compared to January in the previous year, the price of the commodity fell by about 30.0 percent, from US\$1,344.79 per metric ton.

Rice

The price of rice increased by 10.7 percent to US\$517.00 per metric ton, from US\$467.00 per metric ton in December, on account of supply condition from Ukraine. On an annualized basis, the price of the commodity increased by 21.1 percent, from US\$427.00 per metric ton in January 2022

of the Liberia dollar was largely explained by the prudent implementation of CBL's monetary policy relative to Liberian dollar liquidity during the period.

Matched with the corresponding period in 2022, five of the WAMZ currencies depreciated against the US dollars. Relative to the corresponding month in 2022, the cedi, leone, dalasi, naira, and the Liberian dollar depreciated by 44.2 percent, 40.9 percent, 12.3 percent, 9.7 percent, and 3.8 percent, respectively, at end-January 2023. Conversely, the Guinean franc was the only currency that strengthened by 5.5 percent against the US dollar during the period under review compared to end-January 2022.

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

Currency	21-Jan	22-Nov	22-Dec	23-Jan	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	6.02	13.10	8.58	10.80	(20.6)	(44.2)
GMD	52.85	58.78	61.40	60.25	1.9	(12.3)
GNF	9,007.79	8,566.22	8,553.28	8,536.87	0.2	5.5
LRD	152.61	154.12	154.49	156.88	(0.9)	(3.8)
NGN	415.83	444.03	448.55	460.41	(2.6)	(9.7)
SLL	11.46	18.29	18.83	19.41	(2.9)	(40.9)
Avg Period						
LRD	149.82	153.91	154.34	156.69	(1.5)	(4.4)

Source: CBL, WAMA: www.amao-wama.org/

GHC - Ghanaian cedi; LD - Liberian dollar; GMD - Gambian dalasi; GNF - Guinean franc; NGN - Nigerian naira; SLL—Sierra Leonean leone; USD – United States dollar

7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

Generally, the commodity price indices for food, and fuel & non-fuel commodities declined in January 2023.

Iron Ore

The price of iron ore rose by 9.3 percent to US\$122.23 per metric ton in January 2023, from US\$111.84 per metric ton in December 2022. The rise in price of the commodity was on expectation by investors of surge in demand for the steel after China reopened economy following strict COVID-19 restrictions. Year-on-year comparison showed that the price fell by 7.8 percent, from the US\$132.53 per metric ton recorded in January 2022.

equipment & routine household maintenance, and Miscellaneous goods & services subgroups in the CPI basket.

Like headline inflation, core inflation¹ declined by 0.8 percentage point to 8.4 percent in January 2023, from 9.9 percent a month ago. This development was mainly induced by decrease in the prices of non-food and non-transport-related items coupled with exchange rate impact in the near term (Table 1).

Table 1: Production and Price Statistics

Production	Jan.- 22	Nov.-22	Dec.-22	Jan.-23
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	450,000	460,000	460,000	465,000
Gold (Ounces)	46,263	34,743	32,429	31,474
Diamond (Carat)	7,820	6,001	617	7,659
Rubber (Metric ton)	5,730	4,232	4,875	5,283
Cement (Metric ton)	50,505	26,912	31,789	33,748
Total Beverages (liter)	1,333,229	1,251,553	1,543,225	1,385,633
Alcoholic	1,173,395	1,104,059	1,407,555	1,239,858
Non-Alcoholic	159,834	147,494	135,670	145,776
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	6.55	9.49	9.19	8.22
a. Food and Non-alcoholic Beverage Inflation	(6.79)	(0.52)	(2.47)	(1.88)
- Domestic Food Inflation	(3.56)	(6.34)	(3.66)	(7.21)
- Imported Food Inflation	(9.76)	4.38	(1.66)	3.19
b. Transport Inflation	0.53	56.45	56.56	54.39
c. Imported Fuels Inflation	22.54	37.83	36.31	30.28
Overall (M-o-M) Rate of Inflation	1.80	(2.85)	(0.61)	0.90
Core Inflation				
Inflation excluding Food & NAB ¹	14.24	14.13	14.53	12.97
Inflation excluding Imported Food	10.41	10.49	11.30	9.17
Inflation excluding Domestic Food	9.07	12.31	11.41	11.25
Inflation excluding Food and Transport	16.01	9.44	9.85	8.36
Annual Gross Domestic Product (GDP)²				
Nominal (NGDP) (in millions US\$)	3,651	3,651	3,651	4,345.4
RGDP growth (in percent)	4.8	4.8	4.8	4.3

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

‡ - revise

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

The CBL's monetary policy stance during the period under review 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-week, one-month, and three-month at the annual policy rate (MPR) of 15.0 percent.

4.2 Monetary Aggregates

Monetary aggregates showed that broad money (M2) supply at end-January 2023 rose slightly by 0.9 percent to L\$155.09 billion, from the L\$153.72 billion recorded at the end-December 2022-. From the liability side, this development was mainly triggered by 3.8 percent and 1.4 percent increases in demand deposits and time & savings deposits, respectively. Additionally, from the asset side, the growth was due to 1.4 percent rise in net domestic asset (NDA) mainly through credit to the private sector. Conversely, the stock of Liberian dollars in circulation fell to L\$25.21 billion at end-January 2023, from the L\$26.19 billion recorded at the end of the preceding month. The decline was induced by 9.1 percent reduction in currency outside banks. Currency in banks rose to L\$3.72 billion, from L\$2.54 billion while currency outside banks dropped to L\$21.49 billion from the L\$23.65 billion recorded at end-December 2022.

Commercial banks' loans extended to various sectors of the economy in both currencies declined in January 2023. Loans denominated in Liberian dollar decreased by 6.3 percent to L\$4,831.84 million, on account of reductions in loans to the oil & gas, manufacturing, personal, and services subsectors by 68.3 percent, 60.6 percent, 34.5 percent, and 23.5 percent respectively. Similarly, the US dollar denominated loans fell by 5.6 percent to US\$432.22 million, occasioned by declines in loans advanced to the oil & gas, services, and trade subsectors by 16.4 percent, 7.3 percent, and 6.7 percent, respectively.

Sectoral distribution of commercial banks' credits revealed that loans extended to oil & gas, manufacturing, personal, and services subsectors accounted for 14.7 percent of the total Liberian dollar denominated credits to the private sector. Also, oil & gas, services, and trade subsectors constituted 49.5 percent of total United States dollar denominated credits to the private sector.

All deposits converted to Liberian dollar (as a percent of GDP) grew by 0.2 percentage point to 21.6 percent at end-January 2023, from the 21.4 percent reported in the previous month. The slight growth was largely explained by increases in demand deposits, and time & savings deposits, respectively.

Other Indicators				
Net Foreign Reserves Position	384.3	348.8	337.2	331.6
Import (CIF)	120.2	113.8	180.8	128.2
Gross International Reserves (GIR)/	661.1	614.0	600.1	595.9
Import covers (In Month) †	4.2	4.2	2.7	3.6
Personal Remittances				
Inflows	53.06	56.32	66.36	55.32
Outflows	5.90	6.30	6.00	4.80
Net flows	47.16	50.02	60.36	50.52

6.2 Direction of Trade (DOT)

Europe was the major destination of Liberia's exports in January 2023 amounting to US\$82.5 million. Switzerland was main recipient of US\$46.1 million, while exports to the United States of America (USA) totaled US\$4.6 million during the review month.

Asia and Africa were the major sources of imports to Liberia during the review month, totaling to US\$87.0 million and US\$ 28.9 million, respectively. Most of imports from Asia came from India, (US\$33.51 million), and China (US\$20.3 million), while from Africa, Cote d'Ivoire accounted for US\$61.3 million worth of imports.

6.3 Personal Remittances

Net inflows of personal remittances (including remittances terminated to mobile wallet) fell by 16.3 percent to US\$50.52 million (1.2 percent of GDP) in January 2023, from the US\$60.36 million (1.5 percent of GDP) recorded in December 2022. This development was driven by 16.6 percent decline in Remittance inflows as outflows also decreased by 20.0 percent. Inflows of remittances declined to US\$55.32 million during the month under review from US\$66.36 million, while outflows of remittances fell to US\$4.8 million from the US\$6.0 million recorded in the preceding month.

6.4 Gross International Reserves

Gross International Reserves (GIR) declined by 0.7 percent to US\$595.9 million (13.7 percent of GDP) at end-January 2023, from the US\$600.1 million (15.0 percent of GDP) recorded at end-December 2022. The slight reduction was due to decrease in foreign liquid assets excluding SDR holdings and reserves coupled with rise in CBL's net US dollar denominated liabilities. However, the months of import cover grew to 3.6 months, from the 2.7 months recorded in December 2022, mainly attributed to decline in payments for imports. The recorded months of import cover exceeded the ECOWAS minimum regional threshold of 3 months by 0.6 (Table 6).

6.5 Exchange Rate Developments

The exchange rate for the Liberian dollar (LRD) vis-a-vis the United States dollar remained broadly stable in January 2023. On period average basis, the LRD depreciated against the United States (US) dollar by 1.5 percent to L\$156.69/US\$1.00 in January 2023, from the L\$154.34/US\$1.00 rate reported in December 2022. The broad stability of the

External Trade (Volume)				
Rubber (MT)	5,730.44	3,843.13	4,407.12	4,407.12
Iron Ore (MT)	507,386.11	432,793.13	398,643.71	446,274.3
Cocoa Beans (MT)	1,434.00	-	-	470,088.04
Palm Oil (MT)	714.00	2,133.00	1,505.00	238
Gold (Oz)	46,262.68	35,713.14	32,429.27	34,071.23
Diamond (Crt)	7,820.19	6,001.25	616.75	31,473.96
Petroleum Products (MT)	33,967.60	8,667.08	7,255.19	9,877.63
Rice (MT)	0.00	0.00	0.00	0.00
Direction of Trade (DOT)				
Destination of Export	107.23	79.55	82.05	90.28
Africa	0.6	0.1	1.6	0.9
o/w ECOWAS	0.2	0.0	-	0.3
o/w Neighboring Countries	0.2	-	-	-
Asia	7.2	3.1	1.6	1.8
o/w The Middle East	1.8	1.6	1.3	0.7
o/w United Arab Emirate then China	1.7	0.8	0.1	0.4
Europe	92.9	71.6	73.6	82.5
o/w Euro Zone	3.1	3.2	3.3	4.2
o/w The United Kingdom Switzerland	3.1	-	3.3	-
60.7	46.9	47.0	46.1	
North America & The Caribbean	6.4	9.3	8.4	4.6
o/w USA	6.4	9.3	8.4	4.6
South & Central America	0.1	0.2	1.6	0.9
Sources of Import (cif)	134.93	125.31	203.12	143.94
Africa	53.62	38.08	33.90	28.92
o/w ECOWAS	48.99	32.70	25.04	25.21
o/w Neighboring Countries	47.40	22.87	25.21	61.32
o/w Cote D'ivoire	47.13	28.08	22.53	24.09
Asia	58.46	60.97	135.63	86.97
o/w The Middle East	9.02	3.79	-	-
o/w United Arab Emirate	6.57	2.04	2.36	2.85
o/w China	15.86	20.08	23.91	20.28
o/w India	23.73	7.17	91.51	33.51
Europe	15.86	16.99	22.55	16.43
o/w Europe Zone	11.05	15.22	19.57	13.37
o/w The United Kingdom	0.60	1.49	0.82	1.31
o/w Spain	1.12	0.54	1.56	0.53
North America & The Caribbean	5.23	6.07	6.66	7.38
o/w USA	4.62	5.77	6.27	7.01
South & Central America	1.74	2.96	4.10	3.93
o/w Brazil	1.27	1.97	3.33	3.00
o/w Argentina	0.05	0.05	0.26	0.15
Oceania	0.02	0.25	0.27	0.31
o/w Australia	0.01	0.21	0.26	0.23

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Jan. - 22	Nov. - 22	Dec. - 22	Jan. -23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	23,405.53	24,264.61	26,198.43	25,217.08
-o/w Currency in banks (LD)	2,699.44	2,172.45	2,543.98	3,724.25
Money Supply (M1) in LD only	34,391.83	39,230.20	40,153.90	39,165.68
Quasi Money in LD only	7,014.08	8,387.48	7,623.11	7,504.58
Broad money (M2) in LD only	41,464.87	47,672.07	47,835.45	46,738.79
Broad money (M2) (both LD and USD Converted to LD)	136,231.31	162,858.34	153,724.03	155,090.77
Net Foreign Assets (NFA) – LD	22,831.35	17,161.91	16,440.34	15,933.86
Net Domestic Assets (NDA) – LD	113,399.97	145,696.43	137,283.69	139,156.90
Currency outside banks – LD	20,706.09	22,092.15	23,654.45	21,492.82
Demand deposit – LD	73,882.98	91,429.10	82,580.22	85,723.97
Time & Savings deposits – LD	41,276.49	44,414.58	46,878.66	47,514.12
Other deposits – LD	365.75	4,922.51	610.69	359.85
Loans to Private Sector				
Commercial banks loans to private sector- USD	420.52	469.88	458.27	432.22
Commercial banks loans to private sector - LD	5,109.79	4,762.36	5,155.96	4,831.83
Demand Deposits of commercial banks				
Demand deposits – USD	394.46	482.02	427.73	433.79
Demand deposits – LRD	13,685.74	17,138.05	16,499.44	17,672.86
Time & savings deposits – USD	224.52	233.75	254.10	255.04
Time & savings deposits – LRD	7,014.08	8,387.48	7,623.11	7,504.58
Other Deposits**				
Actual US\$ component of other deposits	2.01	31.59	3.57	1.86
Liberian \$ component of other deposits	58.95	54.39	58.45	68.53
Total Deposits both (USD & LRD) converted to LRD ¹	115,525.22	140,766.19	130,069.57	133,597.94
Liberian Dollar share of Broad Money	30.34	29.27	31.12	30.14

‡ - Reserves excluding ECF borrowing from the IMF;

* - estimate/projection

** - Other Deposits Including Official and Manager Checks;

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

4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

The Bank continued its financial market operations in July 2022 with issuances of the CBL bills in support of its monetary policy objectives. The bills were issued with tenors of 2-week, 1-month, and 3-month at the effective annual policy rate of 15.0 percent with timely redemption of the bills. During the month under review, the CBL bills issued fell by L\$985.92 million to L\$6,889.00 million against the L\$7,875.22 million bills issued in December 2022. The decline was due largely to the festive seasons as household/investors held their funds for other purposes. The decreased in subscription was also evident with retail investors investment which decreased to L\$95.00 million relative to the previous month. Commercial bank subscription increased from L\$3,943.00 million in December 2022 to L\$6,794.00 million in January 2023, while retail investor investment declined by 1.38 percent relative to the total CBL bills issued during the preceding month. During the period under review, an early redemption of L\$70.00 million occurred, bringing the total redemption to L\$5,237.04 million. The total redemption decreased by 56.28 percent compared to the L\$9,430.00 million reported in December 2022, thus, resulting to the total outstanding CBL bills of L\$8,057.00 million for the month under review.

There was no new issuance of GoL securities during the review month. Also, the Government did not pay interest nor repayment principal on United States dollars Treasury securities. GoL US dollars Treasury securities stock for the month stood at US\$153.44 million. Treasury bills amounted to US\$98.36 million with interest amounted to US\$5.73 million. Similarly, Treasury bonds amounted to US\$45.34 million with interest amounting to US\$4.02 million in January 2023. GoL Liberian dollar Treasury bills remained at L\$8,163.78 million, while interest amount stood at L\$809.50 million for the month January 2023.

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. 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. The non-interest-bearing nature of the swap continued during the period under review to compensate for the risks and high cost involved in cash transfers and transshipment with international correspondent banks, and bank branches in Liberia (Table 3).

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the external sector showed that both merchandise trade deficit and total trade reduced by 55.7 percent and 17.9 percent in January 2023, respectively, relative to the preceding month.

Merchandise trade deficit decreased to US\$53.66 million (1.2 percent of GDP), from US\$121.06 million (3.0 percent of GDP) in December 2022. Total merchandise trade decreased to US\$234.22 million (5.4 percent of GDP), from US\$285.17 million (7.1 percent of GDP) in the preceding month. These developments were on account of decrease in import payments which outweighed increase in exports receipts.

Total export earnings increased by 10.0 percent to US\$90.28 million (2.1 percent of GDP) in January 2023, from US\$82.05 million (2.1 percent of GDP) in December 2022, led by increase in receipts from mainly rubber and gold exports. Payments for merchandise imports decreased by 29.1 percent to US\$143.94 million (3.3 percent of GDP), from the US\$203.12 million (5.1 percent of GDP) recorded in December, occasioned by decrease in payments for minerals, fuel & lubricants (mostly petroleum products), and food & live animals (including animals & vegetable oil).

Table 6: External Sector Statistics

External Trade (Value)	Jan – 22	Nov - 22	Dec - 22	Jan- 23
	(Millions of US\$; Except Otherwise Indicated)			
Exports/ ¹	107.23	79.55	82.05	90.28
Iron Ore	30.74	22.37	21.71	30.02
Rubber	7.48	5.12	8.15	9.76
Gold	61.86	47.17	46.92	46.61
Diamond	1.86	2.00	1.27	1.59
Cocoa Bean	0.31	-	-	0.96
Palm Oil	0.88	2.00	1.25	0.59
Other Exports	4.11	0.89	2.75	0.77
Imports (CIF)/ ^{1†}	134.93	125.31	203.12	143.94
Minerals, Fuel, Lubricants	50.61	32.71	31.48	26.90
o/w Petroleum Products	47.06	26.12	22.40	24.05
Food and Live Animals (incl. Animal and veg. oil)	31.25	33.12	97.64	51.12
o/w Rice	16.60	20.97	79.79	24.05
Machinery & Transport Equipment	27.54	30.90	41.09	41.73
Manufactured goods classified by materials	7.71	11.64	13.28	11.47
Other categories of imports	17.82	16.94	19.62	12.71
Trade Balance	(27.70)	(45.77)	(121.06)	(53.66.)
Total Trade	242.16	204.86	285.17	234.22

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Jan-22	Nov-22	Dec-22	Jan-23	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	47.49	118.55	49.49	44.29	(10.52)
o/w Tax Revenue	39.97	28.51	43.24	39.26	(9.22)
o/w Taxes on Income & Profits	19.10	11.08	20.21	15.32	(24.22)
o/w Taxes on International Trade (Customs)	15.78	15.49	15.38	14.96	(2.75)
o/w Non-tax Revenue	7.52	5.84	6.25	5.03	(19.55)
o/w Property Income	6.08	3.97	4.91	3.19	(34.97)
o/w Administrative Fees, Penalties & Forfeits	1.43	1.87	1.34	1.83	37.11
o/w Other Revenue (Including Grants)	0.00	84.20	0.00	0.00	-
Government Expenditure	91.10	70.36	105.34	19.43	(81.56)
o/w Current Expenditure	82.47	61.79	93.86	17.10	(81.78)
o/w Compensation	34.91	19.43	27.55	10.23	(62.86)
o/w Goods and Services	38.74	25.04	49.09	4.29	(91.26)
o/w Capital Expenditure	0.60	1.15	5.04	1.17	(76.78)
o/w Payments on Loans, Interest & other charges	8.03	7.41	6.44	1.16	(82.05)
Overall Balance (Surplus+; Deficit -)	(43.62)	48.19	(55.85)	24.86	
Total Debt Stock	1746.50	1963.40	2018.69	2022.87	0.21
o/w Domestic	715.63	836.44	884.41	888.04	0.41
o/w Financial Institutions	639.63	771.32	829.96	829.96	0.00
o/w Other Debts	76.00	65.12	54.45	58.07	6.65
o/w External	1030.87	1126.96	1134.27	1134.83	0.05
o/w Multilateral	917.63	1015.25	1022.56	1023.12	0.05
o/w Bilateral	113.24	111.72	111.72	111.72	0.00
Memo Items					
Government Revenue (% of GDP)	1.35	2.97	1.24	1.11	-
Government Expenditure (% of GDP)	2.60	1.76	2.64	0.49	-
Total Debt Stock (% of GDP)	49.77	49.18	50.57	50.67	-
NGDP (at Level)	3508.86	3992.07	3992.07	3992.07	-

Source: CBL calculation using MFDP's data

*Projections

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	Jan - 22	Nov - 22	Dec - 22	Jan. - 23
	(In Millions of Liberian Dollar)			
Bills Purchased per month on coupon basis	0.00	0.00	0.00	0.00
Redemption during the month (coupon rate)	0.00	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	0.00	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	na	na	na	na
Bills Purchased per month on EAR basis	3,819.90	6,576.45	7,875.22	6,889.00
Redemption during the month (EAR basis)	3,819.90	6,171.45	9,430.00	5,377.00
Bill Outstanding (EAR basis)	7,000.00	8,030.00	6,475.22	8,057.00
Effective Annual Rate (EAR)	20.00	15.00	15.00	15.00
Total Purchases (coupon rate & EAR)	3,819.90	6,576.45	7,875.22	6,889.00
Total Redemption (coupon rate & EAR)	3,819.90	6,171.45	9,430.00	5,377.00
Total Outstanding Bills (coupon rate & EAR)	7,000.00	8,030.00	6,475.22	8,057.00
CBL Foreign Exchange Auction¹				
(In Millions of United States Dollar)				
US Dollar offered	0.00	0.73	2.00	0.00
US Dollar Amount Sold	0.00	0.71	0.60	0.00
Total Subscription	0.00	0.71	0.60	0.00
Over (+)/ Under (-) Subscription	0.00	-0.01	(1.40)	0.00
US Dollar offered				
Treasury Securities				
(In Millions of Liberian Dollar)				
T- Bills Issued (in LD)	0.00	521.11	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	8,973.28
Net Treasury Bills Operations[^] withdrawal (+)/Injection (-)	0.00	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)	0.00	1.86	12.5	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.29	0.00	0.016	0.00
T-Bills Outstanding (Repayment principal and interest)	25.82	87.57	104.09	104.09
Ave. Weighted Discount Rate (T-Bills)	7.16	7.16	7.16	7.16
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	0.00	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	57.39	45.51	49.51	49.35
Treasury Bond Outstanding (In USD) (Coupon and Principal)	0.166	0.00	0.16	0.00
Coupon Payments (USD)	0.00	0.00	0.00	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	57.39	45.51	49.35	49.35
<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	0.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
<i>(As specified)</i>				
Interest Rates				
- 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	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

Generally, the banking industry remained in compliance with the sector's regulatory requirements during the month under review. The industry liquidity ratio marginally increased by 0.52 percentage point to 44.03 percent at end-January 2023 compared to the ratio reported at end-December 2022. This showed that the industry's liquidity ratio remained above the minimum regulatory requirement of 15.0 percent by 29.03 percentage points. Contrary to the recorded growth in the industry's liquidity ratio, Capital Adequacy Ratio (CAR) decreased by 2.58 percentage point to 22.76 percent but remained above the minimum regulatory requirement of 10.00 percent by 12.76 percentage points. Similarly, Return on Assets (ROA) declined by 1.94 percentage points to 0.12 percent, and Return on Equity (ROE) decline by 12.7 percentage points to 0.84 percent at end-January 2023.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Jan. - 22	Nov. - 22	Dec. - 22	Jan. - 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

Provisional statistics on GoL operations showed that fiscal operations resulted in an overall balance (OB) surplus of 0.6 percent of GDP. This development was due to a substantial reduction in government expenditure which offset the reduction in government total revenue.

Total government revenue declined by 10.5 percent to US\$44.3 million (1.1 percent of GDP) relative to the preceding month. The decrease was led by reductions in both tax and non-tax revenues by 9.2 percent and 19.6 percent, respectively. Tax revenue amounted to US\$39.3 million (1.0 percent of GDP) while non-tax revenue totaled US\$5.0 million (0.1 percent of GDP).

Similarly, total government expenditure significantly reduced by 81.6 percent to US\$19.4 million (0.5 percent of GDP) during the review month. This development reflected decreases in current expenditure, capital expenditure, and payments on loans, interest & other charges by 81.8 percent, 76.8 percent, and 82.1 percent, respectively. Current expenditure totaled to US\$17.1 million (0.4 percent of GDP) while payments on loans, interest & other charges amounted to US\$1.2 million (approximately 0.0 percent of GDP). Capital spending amounted to US\$1.2 million (approximately 0.0 percent of GDP).

5.2 Total Public Debt

At end of January-2023, Liberia's stock of public debt marginally grew by 0.2 percent to US\$2,022.9 million (50.7 percent of GDP). The expansion was induced by a 0.4 percent increase in domestic debt and a 0.1 percent rise in external debt. Domestic and external debts totaled to US\$888.0 million (22.3 percent of GDP) and US\$1,134.8 million (28.4 percent of GDP), respectively at end-January 2023.