

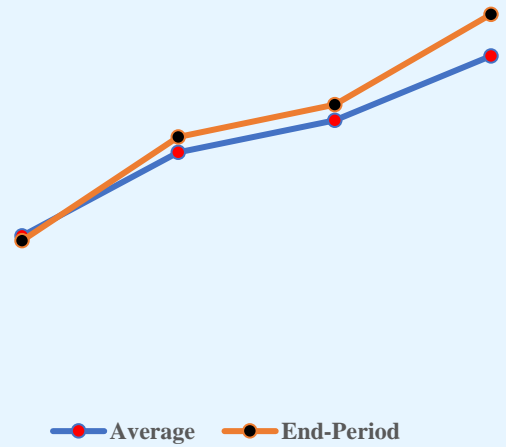
**MONTHLY
ECONOMIC
REVIEW**

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CENTRAL BANK OF LIBERIA

Monthly Exchange Rate Trend
(LRD/1USD)



The Monthly Economic Review is produced by the Central Bank of Liberia (CBL). Inquiries concerning this publication should be addressed to:

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Table 8: Developments in Global Commodity Prices

GLOBAL PRICE	Jun- 22	Apr- 23	May- 23	Jun-23	Percent Change	
					MoM	YoY
(Commodity price per Unit of Measure)						
Iron ore (US\$/MT)	130.74	117.39	105.15	113.45	7.89	(13.22)
Gold (US\$/Oz)	1,836.57	1,999.77	1,992.13	1,942.90	(2.47)	5.79
Rubber (US\$/MT)	2,030.00	1,540.00	1,560.00	1,530.00	(1.92)	(24.63)
Cocoa Beans (US\$/MT)	2,320.00	2,880.00	2,960.00	3,170.00	7.09	36.64
Palm oil (US\$/MT)	1,501.10	1,005.24	934.06	816.97	(12.54)	(45.58)
Crude oil (US\$/BBL)	116.80	82.46	74.12	73.26	(1.16)	(37.28)
Food Price Index (FAO) ¹	154.70	127.70	124.30	122.30	(1.37)	(20.94)
Rice_5% broken (US\$/MT)	444.00	501.00	510.00	514.00	0.78	15.77
Sugar (US\$/MT)	420.00	530.00	560.00	540.00	(3.57)	28.57
Commodity Price Index No ²	182.64	225.28	208.55	204.75	(1.82)	(11.07)

1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices²/ 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 6.

2.0 OVERVIEW

Production statistics of key commodities generally revealed moderation in performance as cement and beverage production increased while iron ore, gold, diamond, and rubber outputs declined in June 2023 relative to May 2023.

Headline inflation rose to 12.4 percent in June 2023, from 12.2 percent in the preceding month. This development was largely on account of the depreciation of the Liberian dollar which negatively impacted the costs of food & non-alcoholic beverages, alcoholic beverages, health, communication, and restaurant & culture-related items in the Consumer Price Index (CPI) basket. In June 2023, the Central Bank of Liberia's (CBL) 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-week, one-month, and three-month at the Monetary Policy Rate (MPR) of 17.5 percent per annum.

Broad money (M2) supply increased by 4.4 percent to L\$186.18 billion at end-June 2023, from the L\$178.42 billion recorded at end-May 2023. The growth was primarily due to increases in time & savings, other deposits as well as growth in credit to the private sector. Currency in circulation marginally declined to L\$26.05 billion at end-June 2023, induced by decrease in currency in banks.

The Liberian banking system financial indicators remained sound and favorable during the review month as commercial banks were mostly in compliance with the regulatory requirements of the CBL. The industry liquidity ratio fell by 1.73 percentage points to 43.01 percent while the Capital Adequacy Ratio (CAR) remained unchanged at 22.29 percent at end-June 2023. Conversely, Return on Assets (ROA) rose by 0.26 percentage points to 1.05 percent and Return on Equity (ROE) increased by 1.91 percentage points to 7.79 percent at end-June 2023.

7.8 Rice

The price for rice grew by 0.8 percent to US\$514.00 per metric ton, from US\$510.00 per metric ton in May 2023. This development was on account of decline in rice inventory in India, and El Nino weather pattern that brings about lower rainfalls in Asia. Annual comparison showed an increase in the global price of rice by 15.8 percent, from US\$444.00 per metric ton in June 2022.

7.9 Cocoa Beans

Cocoa beans price increased by 7.1 percent to US\$3,170.00, from US\$2,960.00 per metric ton during the preceding month, on backdrop of weather condition that threatened cocoa productions in Cote d'Ivoire and Ghana, two of the world major cocoa producers. Compared to June 2022, the price of cocoa beans increased by 36.6 percent, from US\$2,320.00 per metric ton.

7.10 Commodity Outlook

Global commodity market outlook of the World Bank indicates that global commodity prices will trend upward in July 2023. Overall, commodity price indices for energy, non-energy, agriculture, fertilizers, metal & minerals, and precious are all expected to increase.

7.3 Crude Oil (Petroleum) price

Petroleum price fell by 1.2 percent to US\$73.26 per barrel in June 2023 against the price reported in the preceding month. The decrease in petroleum price was largely driven by softer global demand for the commodity amid hikes in interest rates in major economies coupled with disappointing stimulus numbers in China. Compared to June 2022, the price of petroleum declined by 37.3 percent from US\$116.80 per barrel.

7.4 Rubber

The price of rubber declined by 1.9 percent to US\$1,530.00 per metric ton, from US\$1,560.00 per metric ton recorded in May 2023, on account of weak global demand. Year-on-year comparison showed that the price of rubber decreased by 24.6 percent, from US\$2,030.00 in June 2022.

7.5 Food Price (FAO)

The FAO food price index (FFPI) decreased by 1.4 percent to US\$122.3 during the review month, from US\$124.0 in May 2023. This development was caused by decline in the indices of dairy, vegetable oils, and sugar during the month.

7.6 Sugar

The price of sugar fell to US\$540.00 per metric ton in June 2023, from US\$560.00 per metric ton in the previous month. Annual comparison indicated that the price of sugar increased by 28.6 percent, from US\$420.00 per metric ton in June 2022.

Palm Oil

The price of palm oil decreased by 12.5 percent to US\$816.97 per metric ton, from US\$934.06 per metric ton in the previous month. Compared to the same period in 2022, the price of the commodity fell by 45.6 percent, from US\$1,501.10 per metric ton.

The Government of Liberia's (GoL's) fiscal operations improved during the review month as the overall balance recorded a surplus of 0.6 percent of GDP, from the 2.7 percent of GDP deficit reported in May 2023, mainly on account of decrease in government expenditure as total revenue also declined during the review month. Total public debt slightly reduced by 0.1 percent to 49.0 percent of GDP at end-June 2023 compared to the debt stock reported at end-May 2023, due to decline in domestic debt.

The merchandise trade deficit narrowed by 3.5 percent to 0.6 percent of GDP while total merchandise trade decreased by 15.0 percent to 4.9 percent of GDP in June 2023 relative to the preceding month, largely on account of decline in import payments as export receipts increased.

Gross International Reserves (GIR) fell by 3.9 percent to US\$518.9 million (12.0 percent of GDP) at end-June 2023 against the GIR reported at end-May 2023. This development was primarily triggered by depreciation in foreign liquid assets including Special Drawing Right (SDR) Holdings & Reserves. Conversely, the months of import cover increased to 3.7 months in June 2023, and remained above the ECOWAS minimum regional threshold of 3.0 months.

Net personal remittances inflows (including remittances terminated through mobile wallet) decreased by 11.3 percent to US\$57.3 million (1.3 percent of GDP) in June 2023 against the amount recorded in the preceding month, driven mainly by reduction in inward remittances. The Liberian dollar depreciated against the US dollar on both average and end-period basis in June 2023 by 4.5 percent and 6.2 percent to L\$175.13/US\$1.00 and L\$180.28/US\$1.00, respectively. This development was mainly driven by the high 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

Production statistics of key commodities revealed mixed performance in June 2023. Cement and beverage outputs recorded increases while iron ore, gold, diamond, and rubber production plummeted during the review month.

In the mining subsector, iron ore, gold, and diamond fell by 11.3 percent, 35.2 percent, and 12.8 percent to 355,000 metric tons, 30,798 ounces, and 2,978 carats, respectively, in June 2023. The sectoral decline could be attributed to several factors including inventory built-up, fall in global demand, and seasonality.

For the manufacturing subsector, beverages (alcoholic and nonalcoholic) production grew by 3.8 percent to 1.75 million liters, from the 1.68 million liters reported during the previous month. This development was mainly driven by increase in consumers' demand. Of the total beverages produced during the review period, alcoholic beverages accounted for 83.6 percent, while non-alcoholic beverages constituted 16.4 percent. Similarly, cement output increased by 26.7 percent to an estimated 35,537 metric tons, from the 28,039 metric tons produced in the previous month, largely due to increase in demand.

In the agricultural subsector, rubber output fell by 33.5 percent to 5,099 metric tons in June 2023, from the 7,671 metric tons recorded in the previous month. The decline in the output of the commodity was largely explained by fall in global demand during the month.

3.2 Consumer Prices

Headline inflation rose to 12.4 percent in June 2023, from the 12.2 percent recorded in May 2023. This development was mainly driven by the depreciation of the Liberian dollar against the United States dollar which negatively impacted the costs of food & non-alcoholic beverages, alcoholic beverages, health, communication, and restaurant & culture-related items in the Consumer Price Index (CPI) basket. However, on a month-on-month basis, inflation fell by 1.2 percentage points to 2.2 percent in June 2023, from 3.4 percent in the previous month. This reflected moderation in the prices of food & non-alcoholic beverages, clothing & footwear, housing, water, electricity, gas & other fuels, furnishings, household equipment and routine household maintenance, and Miscellaneous goods & services subgroups in the CPI basket.

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

Currency	Jun-22	Mar-23	May-23	Jun-23	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	7.22	10.95	10.92	10.98	(0.6)	(34.2)
GMD	54.82	60.71	59.02	58.55	0.8	(6.4)
GNF	8,639.07	8,505.43	8,508.26	8,512.00	(0.0)	1.5
LRD	152.87	163.21	167.19	175.13	(4.5)	(12.7)
NGN	414.77	460.42	460.60	572.55	(19.6)	(27.6)
SLL	13.15	21.72	22.64	21.05	7.6	(37.5)
Avg Period						
LRD	152.28	165.13	169.10	180.28	(6.2)	(15.5)

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

The Commodity Price Index of fuel & non-fuel commodities, and the Food and Agriculture Organization (FAO) food price index (FFPI) declined in June 2023 relative to the preceding month.

7.1 Iron Ore

The price of iron ore increased by 7.9 percent to US\$113.45 per metric ton in June 2023, from US\$105.15 per metric ton in May 2023. This development was due to increase in global demand for the commodity triggered by rise in the demand for steel in China. The year-on-year comparison showed that the price fell by 13.2 percent, from US\$130.74 recorded in June 2022.

Gold

The price of gold decreased by 2.5 percent to US\$1,942.90 per ounce during the review month, from US\$1,992.13 per ounce in May 2023. The price of the commodity was influenced by higher interest rate in the U.S during the period. Year-on-year comparison indicated that the price of gold increased by 5.8 percent, from US\$1,836.57 recorded in June 2022.

6.3 Personal Remittances

Personal remittances inflows (net), including remittances terminated through mobile wallet, declined by 11.3 percent to US\$57.3 million (1.3 percent of GDP) in June 2023 against the US\$64.8 million (1.5 percent of GDP) recorded in May 2023. This development was driven by a 10.2 percent reduction in inward remittances as outward remittances similarly declined by 1.3 percent. Inward and outward remittances totaled US\$65.1 million and US\$7.6 million, from the US\$72.5 million and US\$7.7 million reported, respectively, in the preceding month.

6.4 Gross International Reserves

Gross International Reserves (GIR) decreased by 3.9 percent to US\$518.9 million (12.0 percent of GDP) at end-June 2023, from the US\$539.9 million (12.5 percent of GDP) recorded at end-May 2023. This development was mainly driven by depreciation in foreign liquid assets including Special Drawing Right (SDR) Holdings & Reserves. However, the months of import cover rose to 3.7 months, from 3.4 months in the preceding month, and remained above the ECOWAS minimum regional threshold of 3 months by 0.7 (Table 6).

6.5 Exchange Rate Developments

In June 2023, the end-of-period exchange rate of the Liberian dollar depreciated against the United States dollar by 6.2 percent to L\$180.28/US\$1.00, from the L\$169.10/US\$1.00 rate reported in May 2023. The depreciation was mainly due to high demand for the US dollars to service import payments.

On period average basis, three (3) of the six (6) currencies of member states in the West African Monetary Zone (WAMZ) also depreciated against the US dollar, one remained relative stable, while two (2) recorded appreciations in June 2023. The three currencies that depreciated against the US dollar included the Ghanaian cedi by 0.6 percent; Liberian dollar by 4.5 percent; and the Nigerian naira by 19.6 percent. The Guinean franc was broadly stable at approximately 0.0 percent depreciation. However, the Sierra Leonean leone, and the Gambian dalasi appreciated against the US dollar by 7.6 percent, and 0.8 percent, respectively, in June 2023.

Compared with June 2022, all currencies in the WAMZ depreciated against the US dollar on average basis, except the Guinean franc that appreciated by 1.5 percent. The leone, cedi, naira, Liberian dollar, and dalasi depreciated by 37.5 percent, 34.2 percent, 27.6 percent, 12.7 percent, and 6.4 percent, respectively, at end-June 2023.

Similarly, core inflation¹ increased by 1.3 percentage points to 12.8 percent in June 2023, from 11.5 percent recorded in the preceding month. The rise was largely induced by increase in the prices of non-food-related and non-transport-related items largely influenced by the depreciation of the domestic currency.

Table 1: Production and Price Statistics

Production	Jun. -2022	Apr.-2023	May. -2023	Jun. -2023
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	400,000	425,000	400,000	355,000
Gold (Ounces)	25,245	36,885	47,551	30,798
Diamond (Carat)	6,064	4,449	3,414	2,978
Rubber (Metric ton)	4,116	5,290	7,671	5,099
Cement (Metric ton)	36,363	31,558	28,039	35,537
Total Beverages (liter)	1,384,322	888,346	1,681,961	1,745,326
Alcoholic	1,239,283	745,628	1,412,285	1,459,065
Non-Alcoholic	145,039	142,718	269,676	286,260
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	6.32	9.43	12.22	12.36
a. Food and Non-alcoholic Beverage Inflation	-1.99	1.38	8.08	13.30
- Domestic Food Inflation	(7.08)	(5.94)	(0.40)	11.92
- Imported Food Inflation	2.34	7.24	15.76	14.80
b. Transport Inflation	39.52	34.19	34.32	6.81
c. Imported Fuels Inflation	55.47	(3.22)	(3.83)	(15.90)
Overall (M-o-M) Rate of Inflation	2.02	(0.39)	3.40	2.16
Core Inflation				
Inflation excluding Food & NAB ¹	10.37	12.97	14.12	11.95
Inflation excluding Imported Food	7.12	9.79	11.53	11.94
Inflation excluding Domestic Food	9.33	11.34	14.05	12.24
Inflation excluding Food and Transport	6.71	10.22	11.48	12.79
Annual Gross Domestic Product (GDP)²				
Nominal (NGDP) (in millions US\$)		4,331.6	4,331.6	4,331.6
RGDP growth (in percent)	4.8	4.6	4.6	4.6

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

¹ Non-alcoholic beverages

² GDP was revised following the IMF- ECF review mission in April 2021

± - Not Available (na) * - estimate

† - revise

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

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 17.5 percent.

4.2 Monetary Aggregates

Monetary statistics showed broad money (M2) supply grew by 4.4 percent to L\$186.18 billion at end-June 2023, from the L\$178.42 billion recorded at the end of the preceding month. From the liability side, this rise was mainly triggered by 12.1 percent and 4.3 percent increases in time & savings deposits, and other deposits, respectively. Similarly, from the asset side, this development was largely due to 8.4 percent increase in net domestic asset (NDA) to the private sector. Additionally, the stock of Liberian dollars in circulation fell to L\$26.05 billion at end-June 2023, from L\$26.21 billion at end-May 2023. This development was led by 14.0 percent reduction in currency in banks. Currency in banks fell to L\$2.28 billion, from L\$2.65 billion at end-May 2023, while currency outside banks rose by 0.9 percent to L\$23.8 billion, from the L\$23.6 billion reported at the end of the preceding month.

Commercial banks' loans extended to various sectors of the economy in both currencies increased in June 2023. Loans denominated in Liberian dollars rose by 5.0 percent to L\$5,300.42 million during the month under review, on account of increases in loans extended to the services, personal, manufacturing, and construction subsectors by 37.4 percent, 32.6 percent, 15.2 percent, and 10.6 percent, respectively. Likewise, the US dollars denominated loans increased by 1.8 percent to US\$462.61 million, induced by expansion in loans advanced to the construction, oil & gas, manufacturing, and agriculture subsectors by 44.7 percent, 38.6 percent, 29.8 percent, and 22.5 percent, respectively.

Sectoral distribution of commercial banks' credits showed that loans extended to services, personal, manufacturing, and construction subsectors accounted for 26.3 percent of the total Liberian dollar denominated credits to the private sector. Additionally, construction, oil & gas, manufacturing, and agriculture subsectors constituted 27.1 percent of total United States dollar denominated credits to the private sector.

All deposits converted to Liberian dollars (as a percent of GDP) fell slightly by 0.3 percentage point to 20.7 percent at end-June 2023, from the 21.0 percent reported in the previous month. The growth was largely explained by increases in time & savings deposits as well as other deposits.

Direction of Trade (DOT)				
Destination of Export	84.82	109.64	110.66	92.39
Africa	1.6	2.6	1.2	5.4
o/w ECOWAS	1.1	2.5	1.1	0.2
o/w Neighboring Countries	0.4	0.1	0.6	0
Asia	4.1	7.9	0.8	4.2
o/w The Middle East	2.5	4.5	0.3	3.4
o/w United Arab Emirate	1.4	3.6	0.3	1.5
then China	20.5	-	0.1	0
Europe	68.4	71.6	103.5	80
o/w Euro Zone	10.1	4	0.3	5
o/w The United Kingdom	10.1	4	0.3	5
Switzerland	36.3	42.6	59.8	49.1
North America & The Caribbean	0	3.5	4.5	4.8
o/w USA	0	3.5	4.5	4.8
Sources of Import (cif)	118.15	170.34	138.73	119.48
Africa	38.71	53.65	46.07	24.77
o/w ECOWAS	30.52	46.95	36.01	16.9
o/w Neighboring Countries	28.69	47.82	36.12	17.18
o/w Cote D Ivoire	28.64	44.35	33.68	15.82
Asia	51.04	77.34	66.93	68.21
o/w The Middle East	11.72	-	-	-
o/w United Arab Emirate	3.39	4.71	5.89	1.89
o/w China	17.19	23.35	22.66	38.75
o/w India	11.71	26.15	19.56	8.76
Europe	19.92	16.98	13.76	17.11
o/w Europe Zone	13.8	12.22	11.33	12.77
o/w The United Kingdom	3.06	2.63	3.43	2.91
o/w Spain	3.71	2.91	0.76	1.32
North America & The Caribbean	5.45	5.17	6.35	5.33
o/w USA	5.21	4.79	6.13	4.85
South & Central America	2.79	3.4	5.48	3.65
o/w Brazil	1.88	2.74	4.61	2.47
o/w Argentina	0.07	0.27	0.27	0.53
Oceania	0.24	0	0.15	0.4
o/w Australia	0.22	0	0.13	0.14

6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in June 2023 was Europe, which accounted for US\$80.0 million worth of export proceeds. Of the total exports to the region, Switzerland accounted for US\$49.1 million. For the sources of imports to Liberia, Asia and Africa remained the two main regions accounting for US\$68.2 million and US\$24.8 million, respectively. Imports from Cote d'Ivoire, China, and India amounted to US\$15.8 million, US\$38.8 million, and US\$8.8 million, respectively, during the review month.

Table 6: External Sector Statistics

External Trade (Value)	Jun-22	Apr-23	May-23	Jun-23
	(Millions of US\$; Except Otherwise Indicated)			
Exports ¹	84.82	109.64	110.66	92.39
Iron Ore	30.87	38.11	22.7	25.94
Rubber	8	9.49	7.76	11.00
Gold	37.38	60.83	78.2	49.17
Diamond	2.66	1.11	1.99	2.35
Cocoa Bean	0.03	0.09	-	0.05
Palm Oil	2.49	0.01	0	0.01
Other Commodities	3.39	0	0	3.87
Imports (CIF) ^{1†}	118.15	170.34	138.73	119.48
Minerals, Fuel, Lubricants	41.12	71.98	42.45	20.23
o/w Petroleum Products	28.51	64.9	29.26	15.73
Food and Live Animals (incl. Animal and veg. oil)	20.23	35.85	27.5	23.8
o/w Rice	0.25	19.77	9.46	0.24
Machinery & Transport Equipment	23	26.31	36.35	37.6
Manufactured goods classified by materials	13.84	18.12	13.91	18.28
Other categories of imports	19.96	18.09	18.52	19.57
Trade Balance	-33.33	-60.7	-28.07	-27.09
Total Trade	202.97	281.47	249.39	211.87
External Trade (Volume)				
Rubber (MT)	4,116.04	8,317.75	5,121.80	4,839.17
Iron Ore (MT)	359,134.49	445,319.62	269,035.38	300,434.72
Cocoa Beans (MT)	375	30,347.80	-	16.62
Palm Oil (MT)	1,732.97	8.16	1.15	6.18
Gold (Oz)	25,245.33	38,326.65	47,551.41	30,797.84
Diamond (Crt)	6,063.71	4,449.35	3,413.92	2,977.81
Petroleum Products (MT)	11,676	25,307	11,970	5,960
Rice (MT)	571.83	39,467.12	18,555.44	473.18
Other Indicators				
Net Foreign Reserves Position	330.29	313.73	290.27	274.38
Import (CIF)	102.06	156.83	126.39	108.56
Gross International Reserves (GIR) ¹	587.10	569.07	539.95	518.90
Import covers (In Month) [†]	4.1	3.0	3.4	3.7
Personal Remittances				
Inflows	51.20	69.61	72.48	65.05
Outflows	5.95	6.40	7.72	7.62
Net Inflows	45.26	63.21	64.76	57.43

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	June. - 22	Apr. - 23	May. - 23	June -23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	22,819.18	26,450.89	26,213.82	26,059.37
-o/w Currency in banks (LD)	3,330.03	2,660.93	2,649.20	2,278.12
Money Supply (M1) in LD only	34,027.05	40,149.41	41,523.70	41,623.43
Quasi Money in LD only	7,057.51	7,513.56	7,876.02	7,911.04
Broad money (M2) in LD only	41,155.66	47,743.29	49,484.10	49,594.96
Broad money (M2) (both LD and USD Converted to LD)	144,513.90	167,163.87	178,416.43	186,180.84
Net Foreign Assets (NFA) – LD	23,103.58	17,156.55	21,872.89	16,489.27
Net Domestic Assets (NDA) – LD	121,410.32	150,007.32	156,543.54	169,691.57
Currency Outside Banks – LD	19,489.15	23,789.96	23,564.62	23,781.26
Demand Deposit – LD	79,867.24	94,533.84	104,954.79	106,508.92
Time & Savings Deposits – LD	44,827.31	44,275.35	49,458.79	55,433.75
Other Deposits – LD	330.20	4,564.73	438.23	456.92
Loans to Private Sector				
Commercial banks loans to private sector- USD	443.47	459.92	454.42	462.61
Commercial banks loans to private sector - LD	5,346.16	5,068.67	5,047.88	5,300.42
Demand Deposits of commercial Banks				
Demand deposits – USD	427.36	473.40	514.47	491.84
Demand deposits – LRD	14,537.91	16,359.45	17,959.08	17,842.17
Time & savings deposits – USD	247.08	222.62	245.91	263.61
Time & savings deposits – LRD	7,057.51	7,513.56	7,876.02	7,911.04
Other Deposits**				
Actual US\$ component of other Deposits	1.70	27.16	2.09	2.20
Liberian \$ component of other Deposits	71.10	80.32	84.39	60.49
Total Deposits both (USD & LRD) converted to LRD ¹	125,024.75	143,373.92	154,851.81	162,399.59
Liberian Dollar share of Broad Money	28.48%	28.56%	27.74%	26.64%

[†] - 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 showed the continuous issuance of CBL bills in June 2023 in support of the Bank's monetary policy objectives. The bills were issued with tenors of 2-weeks, 1-month, and 3-months at the monetary policy rate of 17.5 percent with an upper band of plus 500 basis points for standing credit facility.

The total CBL bills issued during the month increased by 32.4 percent to L\$8,171.75 million, from the L\$6,171.00 million issued in May 2023. This amounted reflected a 92.8 percent of the total amount offered (L\$8,806.35 million) during the month. The rise in the subscription of the bills was largely attributed to increase in the effective monetary policy rate to 17.50 percent from 15.00 percent. Additionally, the increased public confidence in the monetary policy instrument resulting from its regular issuance and timely redemption continues played a key role in the increased subscription of the bills. The total redemption for the period increased by 53.6 percent to L\$8,039.27 million in June 2023 relative to the preceding month. However, the CBL recorded a net contraction of L\$132.48 million, which constituted 1.6 percent of the total outstanding CBL bills from the preceding month, thus bringing the current outstanding CBL bills to L\$8,300.00 million.

During the review month, the CBL did not issue new US dollar and Liberian dollar Treasury securities on behalf of the GoL. However, the outstanding US dollar T-bills securities remained US\$110.82 million, while the outstanding Liberian dollar Treasury bills stood at L\$7,957.60 million at end-June 2023. Similarly, the US dollar Treasury bond stood at US\$46.50 million in June 2023.

The lending, average savings, and time deposit rates were unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively, in June 2023 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 (Table 3).

Overall Balance (Surplus+; Deficit -)		(8.60)	(11.20)	(2.66)	0.62
Total Debt Stock	1,916.22	2,106.15	2,126.55	2,124.53	(0.09)
o/w Domestic	819.00	961.06	960.93	951.62	(0.97)
o/w Financial Institutions	748.82	833.25	833.25	823.93	(1.12)
o/w Other Debts	70.18	127.81	127.69	127.69	-
o/w External	1,097.23	1,145.10	1,165.62	1,172.92	0.63
o/w Multilateral	984.16	1,032.95	1,053.47	1,060.77	0.69
o/w Bilateral	113.07	112.14	112.14	112.14	-
Memo Items					
Government Revenue (% of GDP)	1.36	1.33	1.83	1.05	-
Government Expenditure (% of GDP)	1.58	1.59	1.89	1.03	-
Total Debt Stock (% of GDP)	48.22	48.62	49.09	49.04	-
NGDP (at Level)	3,974.00	4,332.00	4,332.00	4,332.00	-

Source: CBL calculation using MFDP's data

*Projections

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the external sector showed that the merchandise trade deficit narrowed by 3.5 percent while total trade declined by 15.0 percent in June 2023. The trade deficit narrowed to US\$27.1 million (0.6 percent of GDP), from US\$28.1 million (0.6 percent of GDP) in May 2023, due to decline in import payments. Similarly, total merchandise trade decreased to US\$211.9 million (4.9 percent of GDP), from US\$249.4 million (5.8 percent of GDP) in the preceding month, driven by declines in both import payments and export receipts.

Export earnings plummeted by 16.5 percent to US\$92.4 million (2.1 percent of GDP) in June 2023, from US\$110.7 million (2.6 percent of GDP) in the previous month, mainly on account of decrease in gold exports as iron ore, rubber and diamond exports increased. Similarly, payments for imports decreased by 13.9 percent to US\$119.5 million (2.8 percent of GDP), from the US\$138.7 million (3.2 percent of GDP) recorded in May 2023, largely explained by declines in payments for minerals, fuel & lubricants (primarily petroleum products), and food & live animals (including animals & vegetable oil).

Similarly, total government expenditure reduced by 45.6 percent to US\$44.7 million (1.0 percent of GDP) in June 2023 compared to the US\$81.9 million (1.9 percent of GDP) recorded in the previous month. This development was occasioned by decrease in current expenditure, capital expenditure, and payments on loans, interest & other charges. Current expenditure declined by 42.8 percent to US\$39.6 million (0.9 percent of GDP), while capital expenditure, and payments on loans, interest & other charges decreased by 98.0 percent and 7.8 percent to US\$0.2 million (approximately 0.0 percent of GDP) and US\$4.9 million (0.1 percent of GDP), respectively, during the period under review.

5.2 Total Public Debt

At end-June 2023, Liberia's stock of public debt marginally decreased by 0.1 percent to US\$2,124.5 million (49.0 percent of GDP) compared to the stock of US\$2,126.55 million (49.1 percent of GDP) reported at end-May 2023. The reduction was largely due to a 1.0 percent decline in domestic debt amidst a 0.6 percent growth in external debt. Domestic and external debt stocks totaled US\$951.6 million (22.0 percent of GDP) and US\$1,172.9 million (27.1 percent of GDP), respectively, at end-June 2023.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Jun-22	April-23	May-23	Jun-23	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	54.00	57.73	79.22	45.28	(42.84)
<i>o/w Tax Revenue</i>	46.23	51.42	42.91	41.15	(4.10)
<i>o/w Taxes on Income & Profits</i>	16.04	30.53	20.93	15.97	(23.70)
<i>o/w Taxes on Int'l Trade (Customs)</i>	17.42	14.43	16.54	17.61	6.46
<i>o/w Non-tax Revenue</i>	6.82	6.31	11.32	4.13	(63.47)
<i>o/w Property Income</i>	5.25	4.32	9.08	2.51	(72.33)
<i>o/w Administrative Fees & Penalties</i>	1.57	1.99	2.24	1.62	(27.53)
<i>o/w Other Revenue (Including Grants)</i>	0.96	-	25.00	-	(100.00)
Government Expenditure	62.60	68.93	81.88	44.66	(45.45)
<i>o/w Current Expenditure</i>	54.13	59.27	69.32	39.64	(42.82)
<i>o/w Compensation</i>	28.45	25.38	26.41	13.16	(50.19)
<i>o/w Goods and Services</i>	18.47	27.15	35.21	20.85	(40.79)
<i>o/w Capital Expenditure</i>	3.92	5.08	7.27	0.15	(97.98)
<i>o/w Payments on Loans, interest & other charges</i>	4.56	4.58	5.29	4.88	(7.80)

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	June-22	April-23	May-23	June-23
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	00.0	0.00	0.00	0.00
Redemption during the month (coupon rate)	00.0	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	00.0	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	Na	Na	Na	Na
Bills Purchased per month on EAR basis	3,839.05	5,551.40	6,171.00	8,171.75
Redemption during the month (EAR basis)	3,839.05	6,566.34	5,235.00	8,039.27
Bill Outstanding (EAR basis)	7,000.00	7,285.06	8,221.00	8,300.00
Effective Annual Rate (EAR)	20.00	15	15	17.5
Total Purchases (coupon rate & EAR)	3,839.05	5,551.40	6,171.00	8,171.75
Total Redemption (coupon rate & EAR)	3,839.05	6,566.34	5,235.00	8,039.27
Total Outstanding Bills (coupon rate & EAR)	7,000.00	7,285.06	8,221.00	8,300.00
CBL Foreign Exchange Auction¹	<i>(In Millions of United States Dollar)</i>			
US Dollar offered	0.00	0.00	0.00	0.00
US Dollar Amount Sold	0.00	0.00	0.00	0.00
Total Subscription	0.00	0.00	0.00	0.00
Over (+)/ Under (-) Subscription	0.00	0.00	0.00	0.00
Treasury Securities	<i>(In Millions of Liberian Dollar)</i>			
T- Bills Issued (in LD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	0.00	290.00	0.00	0.00
T-Bills Outstanding	2,437.72	8,683.22	8,683.22	8,683.22
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)	40.00	2.00	0.00	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.00	1.38	0.00	0.00
T-Bills Outstanding (Repayment principal and interest)	85.59	110.82	110.82	110.82
Ave. Weighted Discount Rate (T-Bills)	7.00	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	0.00	0.91	0.00	0.00
Treasury Bond Outstanding (In USD) (Coupon and Principal)	49.54	46.50	46.50	46.50
Coupon Payments (USD)	0.167	0.00	0.00	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	49.54	0.00	0.00	0.00
	<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	0.07	0.07	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	0.00	0.00	0.00	0.00
Swap lending	0.00	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

During the month under review, the banking industry was noticeably vibrant and remained largely in compliance with the sector's regulatory requirements. The industry liquidity ratio decreased by 1.73 percentage points to 43.01 percent compared to the liquidity ratio reported at end-May 2023. Despite this development, the industry liquidity ratio remained above the minimum regulatory requirement of 15.0 percent by 28.01 percentage points. The Capital Adequacy Ratio (CAR) remained unchanged for the period under review relative to the preceding month. However, it remained above the minimum regulatory requirement of 10 percent by 12.29 percentage points. Additionally, Return on Assets (ROA) increased by 0.26 percentage points to 1.05 percent, and Return on Equity (ROE) grew by 1.91 percentage points to 7.79 percent in June 2023.

Total gross loans grew by 8.5 percent to L\$89.10 billion in June 2023, from the L\$82.13 billion reported in the previous month. This development was mainly attributed to increase in loan facilities granted to various sectors of the economy including the extractive, and oil & gas sectors. Additionally, the ratio of non-performing loans to total loans increased by 0.33 percentage points to 16.10 percent during the month under review against the 10.0 percent regulatory tolerable limit. The growth in NPLs was mainly due to increased defaults in the repayments of loan obligations from the agricultural, oil & gas, and construction sectors.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Jun. - 22	Apr. - 23	May - 23	Jun - 23
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	75.32	81.75	82.13	89.10
Total Non-performing Loans	16.98	15.11	12.95	14.34
Non-performing Loans to Total Gross Loans (ratio)	22.55	18.11	15.77	16.10
Gross Loan (percent change)	0.26	3.05	0.46	8.48
Non-performing Loans (percent change)	(6.08)	17.77	(2.34)	10.73
Returns on Assets (ROA)	1.37	0.59	0.79	1.05
Returns on Equity (ROE)	9.31	4.25	5.88	7.79
Liquidity Ratio***	39.90	42.04	44.58	43.01
Capital Adequacy Ratio (CAR)****	25.75	22.29	22.29	22.29

Source : CBL

**** - The Minimum Capital Adequacy Ratio is 10%

*** - The Required Minimum Liquidity Ratio is 15%

5.0 FISCAL SECTOR DEVELOPMENTS

5.1 Total Revenue and Expenditure

Provisional statistics showed that the overall fiscal operations reported a surplus of 0.6 percent of GDP in June 2023 against the deficit recorded in the previous month. The realization of the surplus was on account of a reduction in government expenditure which was insufficient to outweigh the decrease in government revenue during the month.

Total government revenue decreased by 42.8 percent to US\$45.3 million (1.1 percent of GDP) in June 2023 relative to the US\$79.22 million (1.8 percent of GDP) recorded in the previous month. The reduction in revenue was largely driven by decreases in tax, and non-tax receipts. Tax revenue totaled US\$41.2 million (1.0 percent of GDP), while non-tax revenue amounted to US\$4.1 million (0.1 percent of GDP). Income & profit tax was the major driver of the decrease in tax revenue, while property income, and administrative fees & penalties were the main drivers for the reduction in non-tax revenue.