



CENTRAL BANK OF LIBERIA

MONTHLY ECONOMIC REVIEW

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Table 8: Developments in Global Commodity Prices

GLOBAL PRICE	Mar- 22	Jan- 23	Feb- 23	Mar- 23	Percent Change	
					MoM	YoY
(Commodity price per Unit of Measure)						
Iron ore (US\$/MT)	152.07	122.23	127.60	128.37	0.60	(15.58)
Gold (US\$/Oz)	1,947.83	1,897.71	1,854.54	1,912.73	3.14	(1.80)
Rubber (US\$/MT)	2,120.00	1,630.00	1,620.00	1,580.00	(2.47)	(25.47)
Cocoa Beans (US\$/MT)	2,460.00	2,620.00	2,650.00	2,750.00	3.77	11.79
Palm oil (US\$/MT)	1,776.96	941.97	949.98	972.06	2.32	(45.30)
Crude oil (US\$/BBL)	112.40	80.41	80.25	76.47	(4.71)	(31.97)
Food Price Index (FAO) ¹	159.70	130.30	129.70	126.90	(2.16)	(20.54)
Rice_5% broken (US\$/MT)	422.00	517.00	492.00	476.00	(3.25)	12.80
Sugar (US\$/MT)	420.00	420.00	450.00	450.00	-	7.14
Commodity Price Index No ²	241.07	181.87	173.85	167.44	(3.69)	(30.54)

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 3.

2.0 OVERVIEW

Production statistics of key commodities revealed mixed performance in March 2023. Outputs of iron ore, gold, cement, and beverages increased while diamond, and rubber productions declined during the review month relative to the outputs reported in February 2023.

In March 2023, headline inflation declined to 6.1 percent, from 8.3 percent in February 2023, largely driven by decrease in the prices of food & non-alcoholic beverages, transport, restaurants & hotels, and miscellaneous goods & services-related items in the Consumer Price Index (CPI) basket.

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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 industry liquidity ratio marginally increased by 0.52 percentage points to 44.55 percent while the Capital Adequacy Ratio (CAR) rose by 3.99 percentage points to 26.75 percent at end-March 2023. Similarly, Return on Assets (ROA) increased by 0.36 percentage points to 0.48 percent while Return on Equity (ROE) grew by 2.75 percentage points to 3.59 percent at end-March 2023.

7.7 Palm Oil

The price of palm oil increased by 2.3 percent to US\$972.06 per metric ton in March 2023, from US\$949.98 per metric ton in the previous month. Compared to March 2022, the price of the commodity fell by 54.3 percent, from US\$1,776.96 per metric ton.

7.8 Rice

The price of rice decreased by 3.3 percent to US\$476.00 per metric ton, from US\$492.00 per metric ton in the preceding month, on account of supply-side conditions related to the Russia-Ukraine conflict. On an annualized basis, the price of the commodity increased by 12.8 percent, from US\$422.00 per metric ton in March 2022.

7.9 Cocoa Beans

Cocoa beans price decreased by 7.8 percent to US\$2,750.00 per metric ton, from US\$2,650.00 per metric ton in February 2023. Compared to March 2022, the price of cocoa beans increased by 11.8 percent from US\$2,240.00 per metric ton.

7.10 Commodity Outlook

The general outlook for commodity prices for April 2023 shows mixed developments. The price index for energy commodity (mainly crude oil, and coal, etc.) is expected to increase by 5.7 percent in April 2023, while 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, it is anticipated to increase by 1.1 percent.

7.2 Gold

The price of gold increased by 3.1 percent to US\$1,912.73 per ounce during the month under review, from US\$1,854.54 per ounce in February 2023. This development was driven by global expectation that interest rate hikes in the United States and other advanced economies would be halted due to moderated inflation. Year-on-year comparison showed that the price of the commodity decreased by 1.8 percent, from the US\$1,947.83 per ounce recorded in March 2022.

7.3 Crude Oil (Petroleum) price

Petroleum price plummeted by 4.7 percent to US\$76.47 per barrel in March 2023, from US\$80.25 per barrel in the preceding month. The decrease was largely driven by OPEC price stabilization in January 2023. When compared to March 2022, the price of petroleum declined by 32.0 percent from US\$112.4 per barrel.

7.4 Rubber

Rubber price decreased by 2.5 percent to US\$1,580.00 per metric ton, from the US\$1,620.00 per metric ton recorded in February 2023. The price fall followed prospect of weak export demand due to expectation of high inflation in the US economy, and continuous US Federal Reserve interest rate hike to lower inflation. Year-on-year comparison showed that the price of rubber declined by 25.5 percent from US\$2,120.00 in March 2022.

7.5 Food Price (FAO)

FAO food price index (FFPI) fell by 2.2 percent to US\$126.90, from US\$129.70 in February 2023. This development was driven by declines in the prices of vegetable oils and dairy products.

7.6 Sugar

The price of sugar remained stable at US\$450.00 per metric ton relative to US\$450.00 per metric ton in the previous month. Annual comparison showed that the price of sugar increased by 7.1 percent from US\$420.00 per metric ton in March 2022.

The Government of Liberia's (GoL) fiscal operations improved during the review month as the overall balance deficit reduced to 0.1 percent of GDP, from 0.5 percent of GDP in February 2023, mainly on account of increase in revenue coupled with reduction in government expenditure. The total public debt narrowed by 0.1 percent to 46.5 percent of GDP at end-March 2023 compared to the debt stock reported at end-February 2023 due to slight decline in domestic debt.

The merchandise trade deficit widened by 7.0 percent to 1.6 percent of GDP in March 2023, while total merchandise trade decreased by 2.1 percent to 5.6 percent of GDP during the review month relative to the preceding month, on account of declines in both import payments and export receipts.

Gross International Reserves (GIR) declined by 1.1 percent to US\$581.7 million (13.4 percent of GDP) at end-March 2023 relative to the amount reported in the previous month, primarily occasioned by increase in the Bank's net liquid US dollar denominated liabilities to commercial banks. Conversely, the months of import cover remained unchanged at 3.7 months, same as in the preceding month.

Net personal remittances inflows (including remittances terminated through mobile wallet) increased by 32.0 percent to US\$67.4 million (1.6 percent of GDP) in March 2023 compared to the amount recorded in February 2023, driven by growth in inward remittances. The Liberian dollar depreciated against the US dollar on both average and end-period basis in March 2023 by 2.1 percent and 2.2 percent to L\$162.28/US\$1.00 and L\$161.07/US\$1.00, respectively. This development was driven by 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 showed mixed developments in output performance of major commodities in March 2023 compared to the preceding month. Productions of iron ore, gold, cement, and beverages increased while diamond, and rubber outputs declined during the review month relative to the outputs reported in February 2023.

In the mining subsector, iron ore and gold outputs grew by 10.7 percent and 24.0 percent to 465,000 metric tons and 39,823 ounces in March 2023, respectively, while diamond fell by 10.6 percent to 10,349 carats during the review month. The growths in iron ore and gold outputs were largely on account of increase in demand, and favorable mining conditions related to the dry season, while the decline in diamond reflected inventory buildup coupled with demand constraints due to price hikes during the period.

For the manufacturing subsector, beverages (alcoholic and nonalcoholic) production rose by 37.7 percent to 1.7 million liters in March 2023 relative to the preceding month. The improvement was driven by an increase in the outputs of both alcoholic (by 17.9 percent to 1,445,577 liters) and non-alcoholic (by 67.3 percent to 244,673 liters) beverages. This development reflected increased retail sales resulting from rise in households' consumption. Of the total production reported during the month, alcoholic beverages accounted for 85.5 percent while non-alcoholic beverages constituted 14.5 percent. Similarly, cement output grew by 28.0 percent to 68,133 metric tons during the review month, from the 53,156 metric tons produced in the previous month, largely on account of the commencement of production by an additional cement producing company as well as increase in construction-related activities.

From the agricultural subsector, rubber output declined by 23.7 percent to 3,250 metric tons, from the 4,258 metric tons recorded in February 2023. This development was mainly explained by fall in the global price of the commodity coupled with minimum incentives to small farm holders.

3.2 Consumer Prices

Headline inflation declined to 6.1 percent in March 2023 from 8.3 percent in February 2023. This development was largely driven by the decrease in the prices of food & non-alcoholic beverages, transport, restaurants & hotels, and miscellaneous goods & services-related items in the Consumer Price Index (CPI) basket.

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

Currency	Mar-22	Jan-23	Feb-23	Mar-23	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	7.04	9.71	10.84	11.01	(1.5)	(36.1)
GMD	53.50	60.48	61.24	61.07	0.3	(12.4)
GNF	8,829.52	8,545.94	8,531.12	8,528.85	0.0	3.5
LRD	153.56	155.69	157.54	161.07	(2.2)	(4.7)
NGN	415.85	453.62	460.44	460.45	(0.0)	(9.7)
SLL	11.70	19.12	19.75	20.55	(3.9)	(43.1)
Avg Period						
LRD	152.72	156.88	158.89	162.28	(2.1)	(5.9)

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

On average, commodity price indices for food, FAO food price index (FFPI), fuel & non-fuel commodities declined in March 2023. FAO food commodity price index decreased by 2.2 percent, while the fuel & non-fuel commodity price index decreased by 3.7 percent during the review month.

7.1 Iron ore

The price of iron ore rose by 0.6 percent to US\$128.37 per metric ton in March 2023, from US\$127.60 per metric ton in February 2023, driven by rise in global demand for iron ore due to expectation of inventory buildup after China reopened economy following strict COVID-19 restrictions. Year-on-year comparison showed the price of the commodity fell by 15.6 percent, from the US\$152.07 per metric ton recorded in March 2022.

6.3 Personal Remittances

Personal remittances inflows (net), including remittances terminated through mobile wallet, increased by 32.0 percent to US\$67.4 million (1.6 percent of GDP) in March 2023, compared to the US\$51.1 million (1.2 percent of GDP) recorded in February 2023. This development was driven by a 29.9 percent rise in inward remittances as outward remittances similarly grew by 9.1 percent. Inward and outward remittances amounted to US\$72.9 million and US\$5.5 million, from the US\$56.1 million and US\$5.1 million reported, respectively, in the preceding month.

6.4 Gross International Reserves

Gross International Reserves (GIR) fell by 1.1 percent to US\$581.7 million (13.4 percent of GDP) at end-March 2023, from the US\$587.9 million (13.5 percent of GDP) recorded at end-February 2023. This development was mainly driven by increase in the Bank's net liquid US dollar denominated liabilities to commercial banks. However, the months of import cover remained unchanged at 3.7 months, same as in the preceding month, but remained above the ECOWAS minimum regional threshold of 3 months by 0.7 (Table 6).

6.5 Exchange Rate Developments

The Liberian dollar (on period average basis) depreciated against the United States (US) dollar by 2.1 percent to L\$162.28/US\$1.00 in March 2023, from the L\$158.89/US\$1.00 rate reported in February 2023. The depreciation was primarily due to high demand for US dollars to facilitate payments for imports.

End of period analysis of exchange rates of the West African Monetary Zone (WAMZ) member states' national currencies revealed that four of the six currencies depreciated against the US dollars while two of them appreciated at end-March 2023. The Sierra Leonean leone, Liberian dollar, Ghanaian cedi, and Nigerian Naira depreciated against the US dollar by 3.9 percent, 2.2 percent, 1.5 percent, and approximately 0.0 percent, respectively, at end-March 2023. However, the Gambian dalasi and the Guinean franc appreciated against the US dollar by 0.3 percent and approximately 0.0 percent, respectively, at end-March 2023 relative to the preceding month.

When compared with the corresponding period in 2022, all the WAMZ currencies depreciated against the US dollars, except the Guinean franc which appreciated by 3.5 percent at end-March 2023. The Leone, cedi, dalasi, naira, and the Liberian dollar depreciated by 43.1 percent, 36.1 percent, 12.4 percent, 9.7 percent, and 4.7 percent, respectively, at end-March 2023 relative to end-March 2022.

However, on a month-on-month basis, inflation rose by 0.9 percentage points to 1.1 percent, from 0.2 percent in the previous month, reflecting the producers' reaction to the exchange rate impact. The surge in inflationary pressure is due to an increase in the prices of food & non-alcoholic beverages, furnishings, household equipment & routine household, and communication, especially imported food and fuel subgroups in the CPI basket.

Similarly, core inflation¹ increased also to 9.9 percent from 9.2 in the preceding month. The rise in core inflation was due to increase in the cost of some imported as well as locally manufactured goods, on account of high global inflation, and exchange rate depreciation.

Table 1: Production and Price Statistics

Production	Mar.-22	Jan.-23	Feb.-23*	Mar.-23**
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	450,000	465,000	420,000	465,000
Gold (Ounces)	27,060	31,474	32,028	39,823
Diamond (Carat)	14,991	7,659	11,574	10,349
Rubber (Metric ton)	6,150	5,283	4,258	3,250
Cement (Metric ton)	56,199	48,658	53,156	68,133
Total Beverages (liter)	1,496,683	1,385,633	1,365,447	1,690,250
Alcoholic	1,339,019	1,239,858	1,218,585	1,445,577
Non-Alcoholic	157,663	145,776	146,853	244,673
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	9.51	8.22	8.27	6.10
a. Food and Non-alcoholic Beverage Inflation	2.58	(1.88)	(3.27)	(5.38)
- Domestic Food Inflation	6.23	(7.21)	(8.89)	(15.01)
- Imported Food Inflation	(0.64)	3.19	1.97	3.60
b. Transport Inflation	22.77	54.39	54.04	22.89
c. Imported Fuels Inflation	44.34	30.28	30.51	(9.47)
Overall (M-o-M) Rate of Inflation	3.14	0.90	0.18	1.07
Core Inflation				
Inflation excluding Food & NAB ¹	13.13	12.97	13.70	11.54
Inflation excluding Imported Food	11.76	9.17	9.51	6.53
Inflation excluding Domestic Food	11.02	11.25	11.44	9.63
Inflation excluding Food and Transport	11.90	8.36	9.19	9.94
Annual Gross Domestic Product (GDP)²				
Nominal (NGDP) (in millions US\$)	3,992.1	4,345.4	4,345.4	4,345.4
RGDP growth (in percent)	4.8	4.3	4.3	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 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 aggregates showed that broad money (M2) supply grew by 2.5 percent to L\$165.03 billion at end-March 2023, from the L\$161.03 billion recorded at end-February 2023. From the liability side, the growth was mainly triggered by 4.3 percent and 0.8 percent increases in demand, and time & savings deposits, respectively. On the asset side, this development was largely due to 16.6 percent and 1.0 percent growths in net foreign asset (NFA) to banking institutions, and net domestic asset (NDA) through credit to the private sector, respectively.

Additionally, the stock of Liberian dollars in circulation slightly declined to L\$25.64 billion at end-March 2023, from the L\$25.77 billion recorded in the preceding month, induced by 18.6 percent fall in currency in banks. Currency in banks decreased to L\$2.87 billion, from L\$3.53 billion at end-February 2023 while currency outside banks increased to L\$22.77 billion, from the L\$22.23 billion recorded in the previous month.

Commercial banks' loans extended to various sectors of the economy in both currencies varied during the review month. Loans denominated in Liberian dollar declined by 2.5 percent to L\$4,974.32 million in March 2023, on account of decreases in loans to the services, trade, and construction subsectors by 40.2 percent, 11.2 percent, and 0.3 percent, respectively. Conversely, the US dollar denominated loans grew by 5.3 percent to US\$455.36 million during the review month, occasioned by increases in loans advanced to the extractive, trade, and personal subsectors by 65.6 percent, 5.9 percent, and 5.6 percent, respectively.

Sectoral distribution of commercial banks' credits revealed that loans extended to services, trade, and construction subsectors accounted for 61.7 percent of the total Liberian dollar denominated credits to the private sector. Likewise, extractive, trade, and personal subsectors constituted 51.7 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 0.1 percentage point to 22.3 percent of GDP at end-March 2023, from the 22.2 percent of GDP reported in the previous month. The slight increase was largely explained by increases in demand, and time & savings deposits.

Direction of Trade (DOT)				
Destination of Export	88.914	90.28	93.57	88.77
Africa	1.8	0.9	3.0	2.6
o/w ECOWAS	0.0	0.3	2.8	2.5
o/w Neighboring Countries	0.0	-	0.3	0.1
Asia	9.7	1.8	1.4	7.9
o/w The Middle East	4.5	0.7	0.9	4.5
o/w United Arab Emirate	4.4	0.4	0.8	3.6
then China	1.4	-	0.0	-
Europe	68.0	82.5	79.0	71.6
o/w Euro Zone	2.9	4.2	4.0	4.0
o/w The United Kingdom	2.9	-	4.0	4.0
Switzerland	44.5	46.1	47.3	42.6
North America & The Caribbean	6.7	4.6	4.3	3.5
o/w USA	6.7	4.6	4.3	3.5
Sources of Import (cif)	130.82	143.94	157.05	156.70
Africa	44.47	28.92	67.46	53.65
o/w ECOWAS	39.09	25.21	62.78	46.95
o/w Neighboring Countries	38.09	61.32	62.78	47.82
o/w Cote D Ivoire	38.05	24.09	61.26	44.35
Asia	57.31	86.97	66.52	77.34
o/w The Middle East	5.61	-	-	-
o/w United Arab Emirate	1.51	2.85	2.42	4.71
o/w China	27.38	20.28	20.90	23.35
o/w India	11.67	33.51	33.97	26.15
Europe	20.43	16.43	12.65	16.98
o/w Europe Zone	16.44	13.37	8.54	12.22
o/w The United Kingdom	0.49	1.31	2.06	2.63
o/w Spain	2.73	0.53	0.33	2.91
North America & The Caribbean	4.88	7.38	4.62	5.17
o/w USA	4.57	7.01	4.27	4.79
South & Central America	3.54	3.93	5.68	3.40
o/w Brazil	2.94	3.00	3.52	2.74
o/w Argentina	0.07	0.15	1.45	0.27
Oceania	0.00	0.31	0.11	0.00
o/w Australia	0.00	0.23	0.06	0.00

6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in March 2023 was Europe, which accounted for US\$71.6 million worth of export proceeds. Of the total exports to the region, Switzerland accounted for US\$42.6 million. Relative to the sources of imports to Liberia, Asia and Africa were the two main regions accounting for US\$77.3 million and US\$53.7 million, respectively. Imports from Cote d'Ivoire, India, and China amounted to US\$44.4 million, US\$ 26.2 million, and US\$23.4 million, respectively, during the review month.

Table 6: External Sector Statistics

External Trade (Value)	Mar - 22	Jan - 23	Feb - 23	Mar - 23
	(Millions of US\$; Except Otherwise Indicated)			
Exports ¹	88.914	90.28	93.57	88.77
Iron Ore	21.93	30.02	29.63	28.07
Rubber	8.05	9.76	7.50	3.77
Gold	45.53	46.61	47.46	42.61
Diamond	4.80	1.59	2.03	2.51
Cocoa Bean	0.39	0.96	0.18	0.04
Palm Oil	2.59	0.59	2.68	0.14
Other Commodities	5.62	0.77	4.08	11.64
Imports (CIF) ^{1†}	130.82	143.94	157.05	156.70
Minerals, Fuel, Lubricants	43.23	26.90	66.87	50.63
o/w Petroleum Products	37.88	24.05	59.51	44.23
Food and Live Animals (incl. Animal and veg. oil)	29.34	97.64	51.12	43.24
o/w Rice	21.44	51.12	43.24	38.68
Machinery & Transport Equipment	2.35	24.05	28.87	17.65
Manufactured goods classified by materials	32.15	41.73	23.58	40.40
Other categories of imports	13.75	11.47	11.14	13.07
Trade Balance	(41.90)	(53.66)	(63.48)	(67.93)
Total Trade	219.73	234.22	250.62	245.47
External Trade (Volume)				
Rubber (MT)	6,150.44	3,891.22	3,427.54	2,500.18
Iron Ore (MT)	361,577.50	470,088.04	466,782.09	453,312.81
Cocoa Beans (MT)	587.00	-	-	-
Palm Oil (MT)	2,114.00	-	-	-
Gold (Oz)	27,060.03	31,473.96	32,028.00	28,559.00
Diamond (Crt)	14,990.89	7,659.47	11,574.05	10,348.65
Petroleum Products (MT)	15,953.66	33,967.60	11,455.70	15,396.14
Rice (MT)	0.00	0.00	0.00	0.00
Other Indicators				
Net Foreign Reserves Position	411.26	331.57	331.74	326.70
Import (CIF)	130.82	143.94	157.05	156.70
Gross International Reserves (GIR) ¹	686.15	595.89	587.92	581.70
Import covers (In Month) [†]	5.2	4.1	3.7	3.7
Personal Remittances				
Inflows	62.50	55.32	56.14	72.93
Outflows	5.86	4.77	5.07	5.53
Net Inflows	56.64	50.56	51.07	67.40

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Mar. - 22	Jan. - 23	Feb. - 23	Mar. - 23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	23,110.43	25,217.08	25,770.72	25,648.14
-o/w Currency in banks (LD)	3,418.66	3,724.25	3,534.94	2,878.05
Money Supply (M1) in LD only	32,753.41	39,165.68	39,578.49	40,854.08
Quasi Money in LD only	6,927.59	7,504.58	7,512.48	7,185.22
Broad money (M2) in LD only	40,115.28	46,738.79	47,323.27	48,220.50
Broad money (M2) (both LD and USD Converted to LD)	142,274.24	155,090.77	161,032.72	165,033.42
Net Foreign Assets (NFA) – LD	33,458.89	15,933.86	15,688.06	18,291.73
Net Domestic Assets (NDA) – LD	108,815.35	139,156.90	145,344.65	146,741.69
Currency Outside Banks – LD	19,691.77	21,492.82	22,235.79	22,770.10
Demand Deposit – LD	74,687.24	85,723.97	88,879.60	92,725.71
Time & Savings Deposits – LD	42,483.82	47,514.12	48,650.84	49,016.78
Other Deposits – LD	5,411.42	359.85	1,266.50	520.84
Loans to Private Sector				
Commercial banks loans to private sector- USD	427.51	431.56	432.60	455.36
Commercial banks loans to private sector - LD	5,063.72	4,819.65	5,102.27	4,974.32
Demand Deposits of commercial Banks				
Demand deposits – USD	403.51	433.79	450.23	459.96
Demand deposits – LRD	13,061.64	17,672.86	17,342.70	18,083.98
Time & savings deposits – USD	232.82	255.04	258.91	257.78
Time & savings deposits – LRD	6,927.59	7,504.58	7,512.48	7,185.22
Other Deposits**				
Actual US\$ component of other Deposits	32.59	1.86	6.51	2.09
Liberian \$ component of other Deposits	434.28	68.53	232.31	181.20
Total Deposits both (USD & LRD) converted to LRD ¹	122,582.47	133,597.94	138,796.93	142,263.32
Liberian Dollar share of Broad Money	28.20	30.14	29.39	29.22

[‡] - 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 in March 2023 showed continuous issuance, and timely redemption of CBL bills 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 effective annual policy rate of 15.0 percent. The Bank's monetary policy implementation through the issuance of the CBL bills showed a net contraction of L\$678.86 million liquidity into the economy for the month of March 2023.

The total CBL bills issued amounted to L\$7,704.78 million in March 2023, reflecting 9.5 percent under-performance relative to the total amount offered. compared to the preceding month's L\$4,387.71 million which reflected 36.2 percent undersubscription against the amount offered. The improvement in subscription was largely due to increase in liquidity through but not limited to the timely redemption of CBL bills, which served as motivation for investors to make maximum use of excess liquidity. Additionally, retail investors' subscription increased to L\$161.23 million, from L\$149.61 million in the previous month, and constituted 2.1 percent of the total amount issued. The total redemption grew to L\$7,025.92 million, from L\$4,894.05 million in the preceding month, with the total outstanding bills amounted to L\$8,300.00 million.

The CBL, on behalf of the GoL, issued US\$2.00 million Treasury bills and the proceeds were used to pay coupon of US\$1.38 million in March 2013, amounting the total T-bills outstanding securities to US\$110.82 million. The Liberian Dollars Treasury bills outstanding reduced to L\$7,957.60 million, from L\$8,973.28 million in the preceding month, due to the coupon payment of L\$290.00 million. The total outstanding United States dollars Treasury bond reduced to US\$47.41 million, led by the partial principal payment of US\$0.71 million during the review month. There was no new issuance and outstanding Liberian dollars Treasury bond during the month under review.

The lending, average savings, and time deposit rates were unchanged at 12.4 percent, 2.1 percent, and 3.5 percent in March 2023, respectively, relative to the previous month. However, money markets instruments such as repo were not traded during the month. In interbank market 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).

Overall Balance (Surplus+; Deficit -)	(10.56)	10.49	(19.42)	(5.48)	
Total Debt Stock	1,808.04	2,022.87	2,023.71	2,021.96	(0.09)
o/w Domestic	746.13	888.04	887.55	885.49	(0.23)
o/w Financial Institutions	670.13	829.96	829.96	827.93	(0.24)
o/w Other Debts	76.00	58.07	57.58	57.55	(0.05)
o/w External	1,061.91	1,134.83	1,136.16	1,136.47	0.03
o/w Multilateral	948.67	1,023.12	1,024.02	1,024.33	0.03
o/w Bilateral	113.24	111.72	112.14	112.14	-
Memo Items					
Government Revenue (% of GDP)	1.56	1.02	0.94	1.11	-
Government Expenditure (% of GDP)	1.82	0.78	1.39	1.23	-
Total Debt Stock (% of GDP)	45.29	46.55	46.57	46.53	-
NGDP (at Level)	3,992.07	4,345.40	4,345.40	4,345.40	-

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 widened by 7.0 percent to US\$67.9 million in March 2023, from the US\$63.5 million reported during the preceding month. Additionally, total merchandise trade declined by 2.1 percent to US\$245.5 million compared to the US\$250.6 million recorded in February 2023. These developments were driven by declines in both import payments and export receipts.

Export earnings shrank by 5.1 percent to US\$88.8 million (2.0 percent of GDP), from US\$93.6 million (2.2 percent of GDP) in previous month, led by decrease in receipts from iron ore, gold, and palm oil. Similarly, Payments for merchandise imports declined by 0.2 percent to US\$156.7 million (4.1 percent of GDP) during the month under review, from the US\$157.1 million (4.1 percent of GDP) reported in February 2022, occasioned by decrease in payments for food & live animals, and minerals, fuel, & lubricants (mainly petroleum products).

Conversely, total government expenditure declined by 11.0 percent to US\$53.6 million (1.2 percent of GDP) relative to the previous month. This development was driven by reductions in current expenditure, and payments on loans, interest & other charges by 12.0 percent and 33.0 percent, respectively. Current expenditure amounted to US\$42.4 million (1.0 percent of GDP), while payments on loans, interest & other charges totaled US\$4.3 million (0.1 percent of GDP). However, capital spending increased by 23.3 percent to US\$6.9 million (0.2 percent of GDP) during the month under review.

5.2 Total Public Debt

At end-March 2023, Liberia's public debt modestly narrowed by 0.1 percent to US\$2,022.0 million (46.5 percent of GDP), the US\$2,023.71 million reported at end-February 2023. The slight reduction in total public debt stock was on account of 0.2 percent decline in domestic debt. However, external debt marginally rose by less than one percent during the month under review. Domestic and external debt stocks amounted to US\$885.5 million (22.2 percent of GDP) and US\$1,136.5 million (28.5 percent of GDP), respectively, at end-March 2023.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Mar-22	Jan-23	Feb-23	Mar-23	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	62.10	44.33	40.79	48.13	18.00
o/w Tax Revenue	53.28	39.30	31.83	36.95	16.10
o/w Taxes on Income & Profits	27.20	15.27	12.85	18.17	41.43
o/w Taxes on International Trade (Customs)	20.55	15.06	13.64	14.16	3.80
o/w Non-tax Revenue	7.69	5.03	8.96	11.18	24.74
o/w Property Income	5.88	3.19	7.29	9.33	28.00
o/w Administrative Fees, Penalties & Forfeits	1.81	1.83	1.68	1.86	10.60
o/w Other Revenue (Including Grants)	1.14	-	-	-	-
Government Expenditure	72.67	33.84	60.21	53.61	(10.97)
o/w Current Expenditure	58.55	27.77	48.22	42.42	(12.02)
o/w Compensation	18.84	10.23	14.35	15.78	10.01
o/w Goods and Services	27.54	14.96	18.72	18.57	(0.80)
o/w Capital Expenditure	5.75	1.17	5.60	6.90	23.34
o/w Payments on Loans, Interest & other charges	8.37	4.90	6.40	4.28	(33.03)
o/w Payments on Loans, interest & other charges	72.67	33.84	60.21	53.61	(10.97)

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	March - 22	Jan - 23	Feb - 23	March - 23
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	00.0	00.0	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	3,920.47	6,889.00	4,387.71	7,704.78
Redemption during the month (EAR basis)	3,920.47	5,377.00	4,824.05	7,025.92
Bill Outstanding (EAR basis)	7,000.00	8,057.00	7,621.14	8,300.00
Effective Annual Rate (EAR)	20.00	15.00	15.00	15.00
Total Purchases (coupon rate & EAR)	3,920.47	6,889.00	4,387.71	7,704.78
Total Redemption (coupon rate & EAR)	3,920.47	5,377.00	4,824.05	7,025.92
Total Outstanding Bills (coupon rate & EAR)	7,000.00	8,057.00	7,621.14	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	0.00	0.00	290.00
T-Bills Outstanding	2,437.72	8,247.6	8,247.6	7,957.60
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	0.00	6.00	2.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.209	0.00	0.00	1.38
T-Bills Outstanding (Repayment principal and interest)	47.66	98.36	110.04	110.82
Ave. Weighted Discount Rate (T-Bills)	7.16	7.16	7.16	7.16
Treasury Bond Issued (in LD for 2 years)	6,000.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	0.00	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	0.00	0.33	0.71
Treasury Bond Outstanding (In USD) (Coupon and Principal)	59.89	45.34	45.00	47.41
Coupon Payments (USD)	0.00	0.00	0.63	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	0.00	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	0.05	0.07	0.07	0.07
SDF Amount (In Millions LD)		0.00	0.00	0.00
	<i>(As specified)</i>			
	<i>Interest Rates</i>			
- Lending rate	12.44	12.44	12.44	12.44
	<i>Average Deposit rates</i>			
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
	<i>Money Markets Instrument (In percent)</i>			
Repo	5.50	0.00	0.00	0.00
Swap lending	6.00	3.00	0.00	0.00

Source : CBL

^ - with Liquidity Effect

/1 – CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency

/2 – Treasury Bill issued and redeemed during the month were in US Dollar

4.4 BANKING SECTOR DEVELOPMENTS

The banking industry largely remained in compliance with the sector's regulatory requirements in March 2023. The industry liquidity ratio marginally increased by 0.52 percentage points to 44.55 percent at end-March 2023, compared to the liquidity ratio reported at end-February 2023. This showed that the industry liquidity ratio remained above the minimum regulatory requirement of 15.0 percent by 29.55 percentage points. Additionally, the Capital Adequacy Ratio (CAR) rose by 3.99 percentage points to 26.75 percent and remained above the minimum regulatory requirement of 10.0 percent by 16.75 percentage points during the review month. Similarly, Return on Assets (ROA) grew by 0.36 percentage points to 0.48 percent, and Return on Equity (ROE) grew by 2.75 percentage points to 3.59 percent at end-March 2023.

Total gross loan increased to L\$79.33 billion in March 2023, from L\$77.45 billion in the previous month. However, the ratio of non-performing loans to total loans decreased by 0.44 percentage points to 16.36 percent during the month under review against the 10.0 percent regulatory tolerable limit.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Mar. - 22	Jan. - 23	Feb. - 23	Mar. - 23
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	73.50	77.61	77.45	79.33
Total Non-performing Loans	17.47	13.64	13.01	12.83
Non-performing Loans to Total Gross Loans (ratio)	23.77	17.58	16.80	16.36
Gross Loan (percent change)	3.98	(2.26)	(0.21)	2.43
Non-performing Loans (percent change)	3.00	(13.88)	3.16	(1.38)
Returns on Assets (ROA)	0.72	2.06	0.12	0.48
Returns on Equity (ROE)	4.24	13.54	0.84	3.59
Liquidity Ratio***	42.31	43.51	44.03	44.55
Capital Adequacy Ratio (CAR)****	25.91	25.34	22.76	26.75

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 improvement in GoL's fiscal operations as the overall balance decreased to US\$5.5 million (0.1 percent of GDP) in March 2023, from the US\$19.4 million (0.5 percent of GDP) deficit reported in February 2023. This development was mainly attributed to increased total revenue coupled with reduction in total government expenditure.

Total government revenue expanded by 18.0 percent to US\$48.1 million (1.1 percent of GDP) in March 2023, from the US\$40.8 million (0.9 percent of GDP) generated in February 2023. The growth was attributed to increase in both tax and non-tax receipts. Tax revenue grew by 16.1 percent to US\$37.0 million (0.9 percent of GDP), while non-tax revenue rose by 24.7 percent to US\$11.2 million (0.3 percent of GDP). The increase in tax revenue was mainly due to growths in taxes on income & profits, and international trade tax (customs).