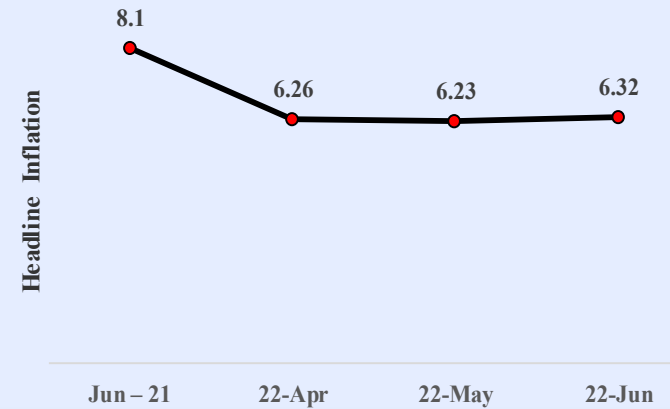




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MONTHLY ECONOMIC REVIEW



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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

7.9 Cocoa Beans

Cocoa beans price declined by 2.1 percent to US\$2,320.00 per metric tons during the review month, from the US\$2,370.00 per metric ton reported in May 2022. Compared to June 2021, the price of cocoa beans declined by 2.1 percent, from US\$2,370.00 per metric ton.

7.10 Commodity Outlook

Outlook of commodity prices for the month of July 2022 remains volatile for uncertainty of the global economy in relation to slowing growth upswing in inflation, especially in the advance economies. Expectation of industrial output decline is keeping demand for commodities on a downward trend on the global commodity market. The constraint in global commodity prices is exacerbated by several factors, including the unabating Ukraine Russia crisis and the US Federal Reserve rate hike to stamp out inflation, and slump in US consumer confidence, China mandatory stay home from COVID-19 outbreaks, sanctions on Russian exports, and Russia's default on payment of interests on its international sovereign debts.

Table 8: Global Commodity Prices

GLOBAL PRICE	June-21	Apr-22	May-22	June-22	Percent Change	
					MoM	YoY
					(In price per Unit of Measure)	
Iron ore (US\$/MT)	214.43	151.25	131.21	130.74	(0.36)	(39.03)
Gold (US\$/Oz)	1,834.57	1,936.86	1,848.50	1,836.57	(0.65)	0.11
Rubber (US\$/MT)	2,120.00	2,090.00	2,060.00	2,030.00	(1.46)	(4.25)
Cocoa Beans (US\$/MT)	2,370.00	2,460.00	2,370.00	2,320.00	(2.11)	(2.11)
Palm Oil (US\$/MT)	1,017.47	1,682.74	1,716.92	1,501.10	(12.57)	47.53
Crude Oil (US\$/BBL)	71.80	103.41	110.10	116.80	6.09	62.67
Food Price Index (FAO)	126.30	158.30	157.40	154.20	(2.03)	22.09
Rice 5% broken (US\$/MT)	466.00	431.00	464.00	444.00	(4.31)	(4.72)
Sugar (US\$/MT)	380.00	430.00	430.00	420.00	(2.33)	10.53
Commodity Price Index	161.67	226.49	212.79	151.50	(4.74)	(6.29)

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

7.3 Crude oil (Petroleum) price

The price of petroleum rose by 6.1 percent to US\$116.80 per barrel, from the US\$110.10 per barrel recorded in the preceding month. The price increase was driven by reduction in natural gas export by Russia through its gas pipeline to Europe. Compared to June 2021, the price of the commodity increased by 62.7 percent, from US\$ 71.80 per barrel.

7.4 Rubber

Price of rubber fell by 1.5 percent to US\$2,030.00 per metric ton, from the US\$2,060.00 per metric ton recorded in May 2022. This development was reflective of fear of the global economy going into recession as a result of interest rates hikes by the US Federal Reserve, and central banks of advanced and emerging market economies, as well as decline in industrial output in China due to COVID-19. Compared to the corresponding month in 2021, the price of the commodity declined by 4.3 percent, from US\$2,120.00 per metric ton.

7.5 Food Price (FAO)

The FAO food price index fell by 2.0 percent in June 2022 compared to the price reported in the previous month, influenced by decreases in the indices of vegetables and sugar. However, food price index rose by 22.1 percent when matched against the price recorded in June 2021.

7.6 Sugar

The price of sugar declined by 2.3 percent to US\$420.00 in June 2022, from the US\$430.00 per metric ton in the previous month, largely due to weak global demand arising from global economic slowdown. Annual comparison showed that the price of sugar increased by 10.5 percent, from US\$380.00 per metric ton in June 2021.

7.7 Palm oil

The price of palm oil declined by 12.6 percent to US\$1,501.10 per metric ton, from US\$1,716.92 per metric ton in the preceding month. Compared to the same period a year ago, the price of the commodity rose by 47.5 percent, from US\$1,017.47 per metric ton.

7.8 Rice

The price of rice declined by 4.3 percent to US\$444.00 per metric ton, from the US\$464.00 per metric ton registered in the preceding month, driven by weak global demand for the commodity especially from China and the Near East. On an annualized basis, the price of the commodity declined by 4.7 percent, from US\$466.00 per metric ton in June 2021.

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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 comparative 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 8 Number 06.

2.0 OVERVIEW

Production statistics of key commodities showed decline in June 2022 relative to the previous month, largely on account of unfavorable weather conditions, and weak demand. These commodities included beverages (by 8.4 percent); gold (by 39.2 percent); iron ore (by 11.1 percent); rubber (by 51.8 percent); and cement (by 1.0 percent). Conversely, diamond output rose by 19.0 percent during the period under review.

Headline inflation slightly increased to 6.3 percent in June 2022, mainly driven by rise in the price of imported fuel which impacted the prices of other commodities in the Consumer Price Index (CPI) basket. Similarly, on a month-on-month basis, headline inflation rose to 2.0 percent, compared to the 0.8 percent recorded in May 2022.

The monetary policy stance of the Central Bank of Liberia (CBL) continues to be anchored on management of Liberian dollar liquidity for price stability. As part of its monetary policy operations, the Bank issued bills at tenors of two-week, one-month, and three-month at an effective annual rate of 20.0 percent during the review month.

At end-June 2022, broad money (M2) supply rose by 1.8 percent to L\$145.07 billion. The growth was driven (on the liability side) by increases in Time & Savings deposits and demand deposits, respectively, while on the asset side, it was led by growth in Net Domestic Assets (NDA) which reflected increases in domestic credit to both government and 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) stood at 29.55 percent, well above the minimum regulatory requirements of 10 percent, while Return on Assets (ROA) and Return on Equity (ROE) stood at 1.37 percent and 9.49 percent, respectively, at end-June 2022. The liquidity ratio declined by 5.45 percentage points to 39.90 percent to remain well above its minimum regulatory requirement of 15.00 percent. The ratio of non-performing loans to total loan decreased by 3.38 percentage points to 22.55 percent during the review month.

Provisional fiscal statistics showed that the Government of Liberia's (GOL) fiscal operations resulted to a deficit of 0.5 percent of GDP in June 2022, mainly on account of a decrease in total revenue, amidst a rise in expenditure.

Table 7: WAMZ Countries End-of-Period & Liberian dollar (LRD) Average Exchange Rates per United States dollar (USD)

Currency	21-Jun	22-Apr	22-May	22-Jun	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	5.75	7.11	7.66	7.22	6.0	(20.4)
GMD	50.73	56.11	57.80	54.82	5.4	(7.5)
GNF	9,760.99	8,697.08	9,246.02	8,639.07	7.0	13.0
LRD	171.42	151.39	151.62	152.87	(0.8)	12.1
NGN	409.66	415.26	445.04	414.77	7.3	(1.2)
SLL	10,250.99	12,596.23	13,998.93	13,153.15	6.4	(22.1)
Avg Period						
LRD	171.39	152.10	151.15	152.28	(0.7)	12.5

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

Overall, commodity price indices for food commodities, energy and non-energy commodities declined in June 2022. Food commodity price index decreased by 2.0 percent while energy and non-energy commodity index declined by 4.7 percent during the month under review.

7.1 Iron Ore

The price of iron ore decreased by 0.4 percent to US\$130.74 per metric ton in June 2022, from the US\$131.21 per metric ton reported in May 2022. This development was largely due to decline in Chinese demand for steel due to slowdown in investments in real estate, roads and rails. Compared with the price in June 2021, iron ore price plummeted by 39.0 percent, from US\$214.43 per metric ton.

7.2 Gold

The price of gold fell by 0.7 percent to US\$ 1,836.57 per ounce during the month under review, from the US\$ 1,848.50 per ounce reported in May 2022. Price of gold declined against prospects of higher interest rates from increasing US interest rate by the US Federal Reserve, as well as other central banks in advanced and emerging market economies. Year-on-year comparison showed the price was up by 0.11 percent during the review period, from US\$1,834.57 per ounce in June 2021.

machinery & transport equipment) decreased to US\$13.59 million payments to India (mainly for machinery & transport equipment) declined by US\$5.53 million to US\$13.59 million; payments to India (mainly for machinery & transport equipment) reduced to US\$10.09 million during the period under review.

6.3 Personal Remittances

Net inflows of personal remittances increased by 25.0 percent to US\$20.0 million (0.5 percent of GDP) in June 2022, from the US\$16.0 million recorded in May 2022, driven by growth in inward remittances. Inward remittances rose by 13.0 percent to US\$26.0 million, while outward remittances decreased by 14.5 percent to US\$6.0 million during the month under review.

6.4 Gross International Reserves

Gross International Reserves (GIR) rose by 0.5 percent to US\$607.10 million (15.4 percent of GDP) at end-June 2022, from the US\$604.27 million (15.3 percent of GDP) recorded at end-May 2022, mainly driven by reduction in the CBL's net liquid US dollar denominated liabilities. However, the months of import cover reduced to 4.3 months, from the 5.2 months recorded in May 2022, mainly attributed to increase in import payments. However, the recorded months of import cover exceeded the ECOWAS minimum regional threshold (3 months) by 1.3 months (Table 6).

6.5 Exchange Rate Developments

The Liberian dollar (on period average basis) depreciated marginally against the United States dollar by 0.7 percent to L\$152.28/US\$1.00 in June 2022, from the L\$151.15/US\$1.00 rate reported in May 2022, on account of increased demand for foreign exchange.

On the regional front, exchange rate developments relative to the currencies of the West African Monetary Zone (WAMZ) member states showed that except for the Liberian dollar that recorded slight month-on-month depreciation by 0.8 percent, all other currencies in the region appreciated against the United States dollar (end-period exchange rate). The Nigerian naira appreciated by 7.3 percent; the Guinean franc by 7.0 percent; the Sierra Leonean leone by 6.4 percent; the Ghanaian cedi by 6.0 percent; and The Gambian dalasi by 5.4 percent at end-June 2022.

Compared to the corresponding period in 2021, four of the WAMZ currencies depreciated against the US dollars. The leone, cedi, dalasi, and the naira depreciated by 22.1 percent, 20.4 percent, 7.5 percent, and 1.2 percent, respectively, at end-June 2022. However, the Guinean franc and Liberian dollar appreciated against the US dollar by 13.0 percent and 12.1 percent, respectively, at end-June 2022.

The stock of public debt grew by 2.9 percentage points to 48.6 percent of GDP at end-June 2022, reflecting growths in both domestic and external debts.

In the external sector, the merchandise trade deficit widened by US\$1.80 million in June 2022, driven largely by increase in import payments. Similarly, total merchandise trade grew to 6.2 percent of GDP, on account of increases in both export receipts and import payments.

The Gross International Reserves (GIR) increased to US\$607.10 million (15.4 percent of GDP) at end-June 2022, largely reflecting reduction in the CBL's net liquid United States dollar denominated liabilities. Consequently, the months of import cover remained well above the regional benchmark of 3.0 months. Net inflows of personal remittances increased by 25.0 percent to US\$20.0 million (0.5 percent of GDP) in June 2022, from the US\$16.0 million recorded in May 2022, driven by growth in inward remittances. Inflows of personal remittances (net) increased by 0.5 percent of GDP to US\$20.0 million during the month under review, due to growth in inward remittances.

The Liberian dollar remained broadly stable during the month due to the Central Bank of Liberia's (CBL) monetary policy stance coupled with increase in inward personal remittances. On the regional front, exchange rate developments relative to currencies of the West African Monetary Zone (WAMZ) showed that The Gambian dalasi, Sierra Leonean leone, Ghanaian cedi, Guinean franc, and the Nigerian naira appreciated against the US dollar at end-June 2022, while the Liberian dollar recorded slight depreciation.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics of key commodities revealed significant declines in output performance in June 2022 compared to May 2022. The output of iron ore, gold, rubber, cement, and beverages fell, while diamond output maintained its upward path relative to the preceding month.

In the mining sector, except for diamond output which rose by 19.0 percent to 6,064 carats, iron ore, and gold outputs fell by 11.1 percent and 39.2 percent to 400,000 metric tons, and 25,245 ounces, respectively. The weak performance of iron ore and gold was largely explained by unfavorable weather condition during the period. However, diamond output remained resilient to the adverse shock of unfavorable weather conditions during the month, recording increase in output due to long-term exploration and less human labor.

In the manufacturing subsector, beverages (alcoholic and nonalcoholic) output fell by 8.4 percent due to an increase in the cost of production related to high energy costs coupled with weak demand. Of total production during the month, alcoholic beverages accounted for 88.8 percent while non-alcoholic beverages constituted 11.2 percent. Cement production declined by 1.0 percent to 36,363 metric tons, from the 48,793 metric tons produced in the previous month, driven by slowdown in construction related activities due to the rainy season. In the agriculture subsector, rubber output declined by 51.8 percent to 4,116 metric tons, from the 7,524 metric tons reported in the previous month. This development reflected difficulties encountered by small farm holders in the harvest of the commodity due to heavy rainfall.

3.2 Consumer Prices

Headline inflation remained broadly stable in June 2022, though slightly increased by 0.1 percentage point to 6.3 percent, from 6.2 percent in the preceding month. The marginal increase in headline inflation was driven by rise in the price of imported fuel which impacted the prices of other commodities in the Consumer Price Index (CPI) basket. Similarly, the month-on-month inflation increased to 2.0 percent, from 0.8 percent in May 2022, largely reflecting increases in the prices of transport, furnishings, household equipment & routine household maintenance, alcoholic beverages, tobacco, and narcotics, housing, water, electricity, gas and other fuels, and communication subgroups in the CPI basket.

During the month under review, core inflation¹ moderated by 1.5 percentage points to 6.7 percent, from 8.2 percent in the previous month. The moderation was largely induced by declines in the prices of non-food-related items and adjustment in household consumption demand (Table 1).

Table 1: Production and Price Statistics

Production	Jun – 21	Apr - 22	May - 22	Jun - 22
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	375,000	450,000	450,000	400,000
Gold (Ounces)	12,185	25,700	41,530	25,245
Diamond (Carat)	6,227	1,229	5,098	6,064

External Trade (Volume)				
Rubber (MT)	8,536.00	7,160.08	7,524.21	4,116.04
Iron Ore (MT)	246,128.23	343,534.67	218,148.43	359,134.49
Cocoa Beans (MT)	-	1,250.00	475.00	375.00
Palm Oil (MT)	1,965.00	764.00	6,401.00	1,732.97
Gold (Oz)	12,185.25	25,700.08	41,423.98	25,245.33
Diamond (Crt)	6,226.88	1,229.46	5,097.77	6,063.71
Petroleum Products (MT)	11,675.96	15,017.21	-	11,445.70
Rice (MT)	-	-	-	-
Other Indicators				
Net Foreign Reserves Position	36.80	374.2	337.5	350.3
Import (FOB)	146.60	155.65	79.12	102.06
Gross International Reserves (GIR) ²	312.00	641.47	604.27	607.10
Import covers (In Month)	1.7	3.3	5.2	4.3
Personal Remittances				
	(000 US\$)	(000 US\$)	(000 US\$)	(000 US\$)
Inflows	28.79	25.55	22.96	25.95
Outflows	4.81	6.69	6.95	5.95
Net flows	23.98	18.87	16.01	20.00
Direction of Trade (DOT)				
Destination of Export	60.76	88.53	102.74	116.35
o/w Switzerland	19.04	44.58	63.92	36.34
o/w United Kingdom	-	5.40	-	10.06
o/w France	15.64	13.63	9.11	8.69
o/w Belgium	4.35	4.26	0.27	5.57
Sources of Import (fob)	146.60	155.65	79.12	102.06
o/w China	15.10	76.91	-	28.63
o/w India	21.67	6.58	19.12	13.59
o/w United Arab Emirates	32.60	21.67	10.30	10.09
o/w United States of America	5.86	4.62	4.32	4.41
o/w Turkey	1.85	-	1.65	4.30

¹/ Trade data are primarily sourced from LRA (Custom) with larger coverage than BIVAC.

¹/† as of July 2020, import data reported here are on CIF instead of FOB

²/ (GIR) is the sum of net foreign reserve plus SDR and Reserve tranche

† - Revised; - Not Available (na); * - provisional

6.2 Direction of Trade (DOT)

Switzerland, United Kingdom, France, and Belgium were the main destinations of Liberia's exports, accounting for 52.1 percent of total export earnings. Export earnings from the United Kingdom (largely iron ore) increased to US\$10.06 million, while earnings from Belgium (mainly iron ore) rose to US\$5.57 million during the review month. However, export proceeds from Switzerland (primarily gold) decreased to US\$36.34 million while proceeds from France (mainly iron ore) decreased to US\$ 8.69 million.

The five main sources of imports to Liberia during the review period were Cote d'Ivoire, China, India, USA, and the Netherlands. Import payments to Cote d'Ivoire (mainly for mineral fuels & lubricants) grew to US\$28.63 million; payments to the USA (mainly for

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the external sector were constrained with expansion in the deficit of merchandise trade in June 2022. The merchandise trade balance deteriorated to a deficit of US\$1.80 million (0.0 percent of GDP), from the US\$8.81 million (0.2 percent of GDP) reported in May 2022, driven largely by increase in import payments. Conversely, total merchandise trade increased to US\$234.50 million (6.2 percent of GDP) in June 2022, from the US\$196.68 million (5.2 percent of GDP) recorded in the preceding month, on account of increases in both import payments and exports receipts.

Export earnings increased by 13.2 percent to US\$116.35 million (3.1 percent of GDP), from the US\$102.74 million (2.7 percent of GDP) recorded in the preceding month, led by increases in proceeds from iron ore and the “other exports” category. Payments for merchandise imports increased by 25.8 percent to US\$118.15 million (3.1 percent of GDP), from the US\$93.94 million (2.5 percent of GDP) reported in May 2022, occasioned by increase in payments for primarily minerals, fuels & lubricants.

Table 6: External Sector Statistics

External Trade (Value)	Jun – 21	Apr - 22	May - 22	Jun - 22
	(Millions of US\$; Except Otherwise Indicated)			
Exports ^{1/}	60.76	88.53	102.74	116.35
Iron Ore	23.36	28.62	17.89	30.87
Rubber	9.75	8.46	10.41	8.00
Gold	19.17	44.71	64.03	37.38
Diamond	1.06	0.48	2.36	2.66
Cocoa Bean	-	1.25	0.11	0.03
Palm Oil	1.82	1.08	7.26	2.49
Other commodities	5.60	3.93	0.69	34.92
Imports (CIF) ^{1†}	162.16	171.75	93.94	118.15
Minerals, Fuel, Lubricants	22.73	84.99	7.47	41.12
o/w Petroleum Products	15.04	76.85	-	28.51
Food and Live Animals (incl. Animal and veg. oil)	43.11	42.61	21.52	20.23
o/w Rice	18.10	19.81	0.17	0.25
Machinery & Transport Equipment	53.31	19.01	27.77	23.00
Manufactured goods classified by materials	18.97	10.83	13.46	13.84
Other categories of imports	24.05	14.31	23.72	19.96
Trade Balance	(101.40)	(83.22)	8.81	(1.80)
Total Trade	222.93	260.28	196.68	234.50

Rubber (Metric ton)	8,536	7,160	7,524	4,116
Cement (Metric ton)	36,711	64,306	48,793	36,363
Total Beverages (liter)	1,325,527	1,459,983	1,510,448	1,384,308
Alcoholic	1,189,667	1,294,445	1,347,716	1,229,866
Non-Alcoholic	135,860	165,536	162,732	73,442
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	8.10	6.26	6.23	6.32
a. Food and Non-alcoholic Beverage Inflation	(3.95)	(2.39)	1.17	(1.08)
- Domestic Food Inflation	(5.91)	(2.74)	1.14	(7.08)
- Imported Food Inflation	(2.08)	(2.04)	1.03	(2.34)
b. Transport Inflation	4.85	12.95	13.38	39.52
c. Imported Fuels Inflation	(1.21)	34.62	35.47	55.47
Overall (M-o-M) Rate of Inflation	1.94	(3.41)	0.83	2.02
Core Inflation				
Inflation excluding Food & NAB ^{1/}	15.15	10.57	8.74	10.37
Inflation excluding Imported Food	10.53	8.09	7.30	7.12
Inflation excluding Domestic Food	12.05	8.84	7.75	9.33
Inflation excluding Food and Transport	16.59	10.27	8.16	6.71
Annual Gross Domestic Product (GDP)^{1/2}				
Nominal (NGDP) (in millions US\$)	3,508.90	3,937.60	3,937.60	3,937.60
RGDP growth (in percent)	5.0	3.7	3.7	3.7

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

In the month of June 2022, the CBL’s monetary policy stance was focused on price stability through on the management of Liberian dollar liquidity. As part of the CBL’s monetary policy operations, the Bank issued bills at tenors of two-weeks, one-month, and three-months at the annual policy rate (MPR) of 20.0 percent.

4.2 Monetary Aggregates

Monetary statistics analysis showed 1.8 percent growth of broad money (M2) supply to L\$145.07 billion at end-June 2022, from the L\$142.46 billion recorded at end-May 2022. Relative to the liability side, growth in M2 was driven by 2.5 percent and 2.1 percent increases in time & savings deposits and demand deposits, respectively, while on the asset side growth in M2 was driven by 4.8 percent rise in net domestic assets (NDA) which reflected increases in domestic credit to both government and private sector. The stock of Liberian dollars in circulation slightly rose to L\$22.82 billion at end-June 2022, from the L\$22.73 billion recorded at the end of the previous month. This increase reflected a 0.2 percent growth in currency in banks to L\$3.14 billion, from the L\$3.13 billion reported in May 2022.

Total loans advanced to various sectors of the economy in both currencies by commercial banks marginally reduced during the month under review. Loans denominated in Liberian dollar declined slightly by 0.2 percent to L\$5,350.55 million, from the L\$5,358.27 million, on account of decrease in disbursements to the construction, personal, agriculture, and manufacturing subsectors by 98.9 percent, 16.9 percent, 13.8 percent, and 7.8 percent, respectively. Similarly, United States dollar denominated loans decreased by 0.4 percent to US\$443.14 million, from the US\$445.47 million occasioned by decreases in loans advanced to the personal, construction, and services subsectors by 28.1 percent, 20.0 percent, and 2.2 percent, respectively.

Sectoral distribution of credits revealed that loans extended to trade, services, and agriculture subsectors accounted for 79.2 percent of the total Liberian dollar denominated credits to the private sector. Furthermore, trade, services, personal, and construction subsectors constituted 73.4 percent of total United States dollar denominated credits to the private sector.

The aggregate of all deposits converted to Liberian dollar (as a percent of GDP) grew by 0.2 percentage point to 20.8 percent at end-June 2022, from the 20.6 percent reported in the preceding month, mainly driven by growths in demand deposits as well as time & saving deposits.

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	June. - 22	Apr. - 22	May. - 22	June. -22
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	22,414.36	22,436.52	22,733.90	22,819.18
-o/w Currency in banks (LD)	1,624.91	2,755.02	3,129.82	3,135.70
Money Supply (M1) in LD only	32,476.39	32,549.45	32,870.66	34,402.06
Quasi Money in LD only	7,783.95	7,089.44	6,993.02	7,058.69
Broad money (M2) in LD only	40,336.66	39,734.25	40,135.75	41,531.75
Broad money (M2) (both LD and USD Converted to LD)	143,516.16	139,291.88	142,460.02	145,079.77
Net Foreign Assets (NFA) – LD	28,737.52	34,480.21	26,557.32	23,612.88
Net Domestic Assets (NDA) – LD	114,778.63	104,811.67	115,902.69	121,466.90
Currency outside banks – LD	20,789.45	19,681.50	19,604.08	19,683.47
Demand deposit – LD	75,156.99	75,571.68	78,651.53	80,291.45
Time & Savings deposits – LD	45,629.89	43,662.51	43,680.53	44,774.73
Other deposits – LD	1,939.82	376.19	523.87	330.12
Loans to Private Sector				
Commercial banks loans to private sector- USD	379.05	429.57	445.47	443.47
Commercial banks loans to private sector - LD	5,670.56	5,326.95	5,358.27	5,346.16

This development was occasioned by 5.0 percent and 1.4 percent growths in domestic debt and external borrowings. Domestic and external debts totaled US\$817.7 million (20.8 percent of GDP), and US\$1,097.2 million (27.9 percent of GDP) at end-June 2022.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Jun-21	Apr-22	May-22	Jun-22	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	123.67	80.02	101.95	53.43	(47.60)
o/w Tax Revenue	45.01	41.25	40.01	45.65	14.09
o/w Taxes on Income & Profits	14.31	20.41	16.52	16.19	(1.99)
o/w Taxes on International Trade (Customs)	18.92	15.70	18.99	17.49	(7.91)
o/w Non-tax Revenue	8.77	38.77	11.94	6.82	(42.84)
o/w Property Income	7.16	37.04	10.40	5.25	(49.53)
o/w Administrative Fees, Penalties & Forfeits	1.60	1.73	1.54	1.58	2.36
o/w Other Revenue (Including Grants)	69.89	0.00	50.00	0.96	(98.09)
Government Expenditure	59.12	79.46	66.06	74.86	13.32
o/w Current Expenditure	41.88	63.13	59.13	66.91	13.15
o/w Compensation	19.16	28.14	13.59	17.51	28.81
o/w Goods and Services	15.59	26.49	28.80	42.18	46.45
o/w Capital Expenditure	0.01	0.93	0.95	3.21	237.03
o/w Payments on Loans, Interest & other charges	17.24	15.40	5.98	4.75	(20.66)
Overall Balance (Surplus+; Deficit -)	64.54	0.56	35.88	(21.44)	-
Total Debt Stock	1673.51	1808.16	1861.17	1914.97	2.89
o/w Domestic	690.76	734.59	778.72	817.74	5.01
o/w Financial Institutions	620.22	659.56	707.56	747.56	5.65
o/w Other Debts	70.54	75.02	71.16	70.18	(1.38)
o/w External	982.75	1073.57	1082.45	1097.23	1.37
o/w Multilateral	869.34	960.34	969.21	984.16	1.54
o/w Bilateral	113.41	113.24	113.24	113.07	(0.15)
Memo Items					
Government Revenue (% of GDP)	3.52	2.03	2.59	1.36	-
Government Expenditure (% of GDP)	1.68	2.02	1.68	1.90	-
Total Debt Stock (% of GDP)	47.69	45.92	47.27	48.63	-
NGDP (at Level)	3,508.90	3,937.60	3,937.60	3,937.60	-

Source: CBL calculation using MFDP's data
*Projections

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Jun - 21	Apr. - 22	May. 22	Jun - 22
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	73.33	73.34	75.12	75.32
Total Non-performing Loans	16.20	16.58	18.08	16.98
Non-performing Loans to Total Gross Loans (ratio)	22.15	22.69	24.07	22.55
Gross Loan (percent change)	(4.08)	(0.23)	2.42	0.26
Non-performing Loans (percent change)	(17.35)	(5.26)	9.04	(6.08)
Returns on Assets (ROA)	0.69	0.90	1.85	1.37
Returns on Equity (ROE)	3.95	5.81	11.32	9.49
Liquidity Ratio***	40.25	46.64	45.35	39.90
Capital Adequacy Ratio (CAR)****	28.53	29.22	29.22	29.55

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 Government of Liberia's (GOL) fiscal operations showed a deficit 0.5 percent of GDP in the overall balance (OB) in June 2022, compared to the 0.9 percent of GDP surplus recorded in the previous month. This development occurred on account of decrease in total revenue coupled with growth in total public expenditure.

Total revenue decreased by 47.6 percent to US\$53.4 million (1.4 percent of GDP), from the US\$102.0 million (2.6 percent of GDP) reported in May 2022, mainly driven by declines in non-tax revenue and grants. The "other revenue" category decreased to US\$1.0 million from the US\$50.0 million, while non-tax receipts declined to US\$6.8 million (0.2 percent of GDP) from the US\$11.9 million reported in May 2022. However, tax receipt increased by 14.1 percent to US\$45.7 million (1.2 percent of GDP), from the US\$40.0 million recorded during the preceding month.

Total government expenditure grew by 13.2 percent to US\$74.9 million (1.9 percent of GDP) in June 2022, from the US\$66.1 million (1.7 percent of GDP) during the preceding month, driven by 13.1 percent rise in current expenditure mainly reflecting 28.1 percent and 46.7 percent increases in employees' compensation and goods & services spending, respectively. Current expenditure rose to US\$66.9 million during the month under review, from US\$59.1 million, while capital expenditure increased to US\$3.2 million, from the US\$1.0 million reported in May 2022. However, payments on loans, interest & other charges shrank by 20.7 percent to US\$4.8 million, from the US\$6.0 million recorded in the previous month.

5.2 Total Public Debt

At end-June 2022, Liberia's total public debt stock grew by 2.9 percent to US\$1,915.0 million (48.6 percent of GDP), from the US\$1,861.2 million (47.3 percent of GDP) at end-May 2022.

<i>Demand Deposits of commercial banks</i>				
Demand deposits – USD	370.26	414.19	431.25	428.96
Demand deposits – LRD	11,686.94	12,867.95	13,266.58	14,718.58
Time & savings deposits – USD	220.78	241.58	241.97	246.73
Time & savings deposits – LRD	7,783.95	7,089.44	6,993.02	7,058.69
Other Deposits**				
Actual US\$ component of other deposits	10.87	1.86	1.66	1.70
Liberian \$ component of other deposits	76.31	95.36	272.08	71.01
Total Deposits (both USD & LRD) converted to LRD ¹	122,726.70	119,610.38	122,855.94	125,396.30
Liberian Dollar share of Broad Money	28.11	28.53	28.17	28.63

‡ - 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

During the month under review, the total CBL bills issued rose by 1.3 percent of the amount purchased in May 2022 to L\$3,839.05 million. Commercial banks' subscription accounted for 98.1 percent (L\$3,764.85 million) while retail investors' subscription constituted 1.9 percent (L\$74.190 million) of the total subscription for the month. The total redemption for the period under review amounted to L\$3,839.05 million.

The Government issued new United States dollars T-bill in the amount of US\$40.0 million given the total T-bill outstanding to US\$85.59 million. However, the government made US\$0.167 coupon payment reducing its outstanding United States dollar T-bond amount of US\$49.37 million. Both the Liberian dollar T-bill and T-bond securities remained unchanged at L\$2,437.72 million and L\$6,000.00 million, respectively, 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 June 2022. However, money markets instruments including repo were not traded during the month. Within the interbank market, commercial banks continued to trade only in 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 to compensate for the risks and high cost associated with cash transfers and transshipment with international corresponding banks, and bank branches in Liberia (Table 3).

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

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	June -21	Apr - 22	May - 22	June - 22
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	0.00	0.00	0.00	0.00
Redemption during the month (coupon rate)	0.00	0.00	0.00	0.00
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	4,076.22	4,832.79	3,791.83	3,839.05
Redemption during the month (EAR basis)	3,929.12	4,832.79	3,791.83	3,839.05
Bill Outstanding (EAR basis)	6,422.58	7,000.00	7,000.00	7,000.00
Effective Annual Rate (EAR)	25.00	20.00	20.00	20.00
Total Purchases (coupon rate & EAR)	4,076.22	4,832.79	3,791.83	3,839.05
Total Redemption (coupon rate & EAR)	3,929.12	4,832.79	3,791.83	3,839.05
Total Outstanding Bills (coupon rate & EAR)	6,422.58	7,000.00	7,000.00	7,000.00
CBL Foreign Exchange Auction ¹	<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	0.00
T-Bills Outstanding	2,437.72	2,437.72	2,437.72	2,437.72
Net Treasury Bills Operations [^] withdrawal (+)/Injection (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	5.00	5.00	5.00	5.00
T- Bills Issued (In USD)	0.00	0.00	0.00	40.00
T- Bills Principal payment (In USD)	0.00	0.00	2.00	0.00
T- Bills interest payment (In USD)	0.00	0.00	0.07	0.00
T-Bills Outstanding	5.73	47.66	45.59	85.59
Ave. Weighted Discount Rate (T-Bills)	6.50	7.16	7.00	7.00
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	6,000.00	6,000.00	6,000.00	6,000.00
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	16.00	16.00	16.00
Treasury Bond Issued (USD)	0.00	0.00	0.00	0.00
Treasury Bond Principal Payment	0.00	9.32	0.00	0.00
Treasury Bond Outstanding (In USD) (Coupon and Principal)	51.65	49.54	49.54	49.54
Coupon Payments (USD)	0.00	0.93	0.00	0.167
Outstanding coupon on Treasury Bond	0.16	0.00	0.00	
Total T-Bond Outstanding (Coupon & Principal In USD)	51.81	49.54	49.54	49.37
	<i>(As specified)</i>			
SCF rate	25.00	25.00	25.00	25.00
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.05	0.05	0.05	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
	<i>(As specified)</i>			
	<i>(As specified)</i>			
Interest Rates	<i>(As specified)</i>			
- 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	2.00	2.00	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 remained basically in compliance with the sector's regulatory requirements. Comparing June 2022 with the previous month, it was observed that Return on Assets (ROA) decreased by 0.50 percentage points to 1.37 percent and Return on Equity (ROE) fell by 1.83 percentage points to 9.49 percent. Capital Adequacy Ratio (CAR) stood at 29.55 percent during the period under review and increased by 0.33 percentage point when compared with the previous month. The CAR also remained above the minimum regulatory requirement of 10.0 percent by 19.55 percentage points. On the other hand, the liquidity ratio declined by 5.45 percentage points to 39.90 percent but remained above the minimum regulatory requirement of 15 percent by 24.90 percentage points.

Notwithstanding, the sector recorded a slight increase in gross loans during the month to L\$75.32 billion. The ratio of non-performing loans to total loans decreased by 1.52 percentage points to 22.55 percent, against the 10.0 percent regulatory tolerable limit.