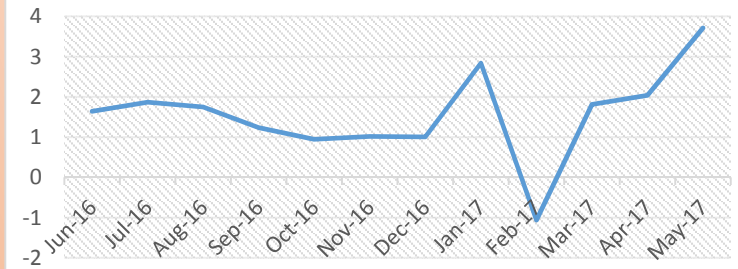




## CENTRAL BANK OF LIBERIA (CBL)

Exchange Rate (Change)



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**Table 2: Performances of End-of-Period WAMZ  
 Exchange Rates against the US Dollar**

Currency	Apr. - 17	May - 17	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr. (-)/Depr. (+)
LRD	106.50	113.13	6.2
GHC	4.19	4.36	4.1
GMD	45.33	46.00	1.5
GNF	9,135.97	8,968.60	-1.8
NGN	305.40	305.40	0.0
SLL	7,271.15	7,340.46	1.0

Sources: Central Banks of Liberia and WAMA: [www.amao-wama.org/en/exchange.aspx](http://www.amao-wama.org/en/exchange.aspx) and [www.amao-wama.org/](http://www.amao-wama.org/)  
 LRD—Liberian Dollar  
 GHC—Ghanaian Cedi  
 GMD—Gambian Dalasi  
 GNF—Guinean Franc  
 NGN—Nigerian Naira  
 SLL—Sierra Leonean Leone  
 USD—US Dollar

## REAL SECTOR &amp; PRICE DEVELOPMENTS

	Feb-17	Mar-17	Apr-17	May-17
<b>External Trade (Volume) – cont'd</b>	<b>(Metric Tons)</b>			
- Petroleum Products	6,995	19,330	4,756	5,443
- Cocoa Beans	350	0.0	500‡	562
- Palm Oil	2,150	774	3,960‡	645
<b>10 Inflation</b>	<b>(In percent)</b>			
<b>Overall (Year-on-year) Rate of Inflation</b>	<b>13.3</b>	<b>11.9</b>	<b>11.5</b>	<b>13.2</b>
a. Food and Non-alcoholic Beverages Inflation	9.9	4.7	6.8	8.9
- Domestic Food Inflation	1.1	-4.9	-1.0	4.5
- Imported Food Inflation	17.0	8.5	12.3	11.0
b. Transport Inflation	24.5	28.5	27.8	25.9
c. Imported Fuels Inflation	19.5	24.5	21.3	22.6
<b>Overall (Month-on-Month) Rate of Inflation</b>	<b>-1.5</b>	<b>0.6</b>	<b>-0.1</b>	<b>1.2</b>
<b>Core Inflation</b>	<b>(In percent)</b>			
Inflation excluding Food & Non-alcoholic Beverages	12.1	14.1	14.1	15.4
Inflation excluding Imported Food	9.1	10.1	10.5	13.2
Inflation excluding Domestic Food	7.4	5.9	7.3	7.6
Inflation excluding Food and Transport	9.8	11.5	11.6	13.4
<b>Production</b>	<b>(Metric Tons)</b>			
Iron Ore	53,062	136,881	101,144±	100,821±
Rubber	1,996	4,171	2,882.9‡	2,016
Cement	27,563	32,514	30,331‡	27,261
<b>Beverages</b>	<b>(In Litres)</b>			
Alcoholic	970,152	977,280*	81,982‡	1,437,134±
Non-Alcoholic	779,689	1,044,237	1,180,227‡	899,683
<b>11 Int'l Commodity Prices</b>	<b>US\$/Unit</b>			
Iron Ore (US\$ /MT)	88.8	87.2	70.4	61.6
Rubber (US\$/MT)	2,711.5	2,366.7	2,231.1	2,174.0
Crude Oil (US\$/Barrel)/1	54.4	51.0	52.2	49.9
Rice (US\$/MT)	368.5	367.8	374.5	402.3
Cocoa Beans (US\$/MT)	2,034.1	2,063.1	1,961.2	1,983.2
Palm Oil	706.8	663.3	623.2	655.5

\* US\$ converted to L\$    ^With liquidity Effect

\*\* Other Deposits Include Official and Manager Checks

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

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

‡Reserves exclude ECF borrowing from the IMF

± Provisional, Preliminary, Estimate    †Revised    ‡Not Available (NA)

/1 Average Monthly prices of Dated Brent, West Texas Intermediate &amp; Dubai Fateh

**Production**

Trends in outputs of key commodities produced in the economy continued to be mixed in the month of May, 2017. Cement output dropped to 27,261 metric tons, from 30,331 metric tons from end-April, 2017. The 10.1 percent decrease in output was largely due to the slowdown in construction activities as a result of the rainy season. Beverage production increased to an estimated 2.3 million liters, from 2.06 million liters produced during the preceding month. The 13.3 percent rise in beverage output was attributed to the increase in the production of soft drinks and the introduction of a new size of alcoholic beer. Iron ore production fell slightly by 323 metric tons to an estimated 100,821 metric tons, down from an estimated 101,144 metric tons produced in the previous month. The slowdown in Iron ore production was attributed to a decrease in the price of the commodity on the global market. Rubber production shrank to 2,016 metric tons, down from 2,882.9 metric tons recorded in the preceding month. The 866.9 metric tons reduction in output came as a result of a drop in the price of the commodity on the global market.

**Consumer Prices**

Headline inflation for the month of May, 2017 increased to 13.2 percent, from 7.6 percent recorded for the same period a year ago. The 5.6 percentage points rise in inflation was mostly explained by the depreciation of the local currency. The exchange rate pass through negatively affected all of the major groups in the consumer basket. (See Table 1)

Similarly, monthly analysis revealed that the rate of inflation at end-May, 2017 rose to 1.2 percent, from negative 0.1 percent in April, 2017.

**MONETARY DEVELOPMENTS****Monetary Policy Stance**

The monetary policy stance of the CBL during the month ended-May, 2017 continued to be hinged on price stability through broad exchange rate stability. As was the case of the previous month, the foreign exchange auction and the Treasury Bills remained the most available tools utilized by the CBL to conduct its monetary policy operations.

## Monetary Aggregates and Credit

Provisional monetary data indicated that broad money supply (M2) at end-May, 2017 expanded by 3.9 percent to L\$70,703.7 million, from L\$68,044.3 million recorded at end-April, 2017, triggered mainly by 6.5 percent and 1.9 percent growths in demand and Savings & Time deposits, respectively.

Net foreign assets (NFA) for May, 2017 grew by 2.6 percent to US\$34,643.5 million, from US\$33,772.7 million reported at end-April, 2017. The expansion in NFA was largely on account of an 8.7 percent growth in net foreign assets of commercial banks. Net domestic assets (NDA), similarly, surged by 5.2 percent to US\$36,060.2 million from US\$34,271.6 million, occasioned largely by 6.5 increase in credit to the private sector including credit to non-bank financial institutions, NBFIs.

Commercial bank loans to private sector in US dollars also declined by 2.2 percent to US\$381.6 million, from US\$390.1 million at end-May, 2017. The Liberian dollars component of loans to private sector rose by 13.2 percent to L\$3,590.6 million, from L\$3,170.7 million at end-May, 2017.

## Exchange Rate

For the month of May, 2017, the average month-on-month exchange rate between the Liberian and the US dollars depreciated by 3.7 percent to L\$110.10/US\$1.00, from L\$106.50/US\$1.00 recorded in April, 2017. Similarly, the end-of-period (EOP) exchange rate also depreciated by 5.0 percent to L\$111.47/US\$1.00, from L\$106.14/US\$1.00. Year-on-year, analysis on the exchange rate revealed that the average exchange rate for the reported period depreciated by 28.9 percent when compared with the same period a year ago. The main driver of the depreciation of the Liberian dollar remains the growing demand for US dollar to facilitate imports.

Examination of the EOP exchange rate movements for the month of May, 2017, compared with April, 2017, in the WAMZ revealed that the Liberian Dollar, the Ghanaian Cedis, the Gambian Dalasi and Sierra Leonean Leone depreciated by 5.0 percent, 4.1 percent, 1.5 percent and 1.0 percent, respectively. The Guinean Franc appreciated by 1.8 percent while the Nigerian Naira was stable for the reporting period (Table 2). The global commodities price trend and the high demand for foreign currency to facilitate imports continue to be the most likely drivers of the depreciation of the sub-Regional currencies.

	Feb-17	Mar-17	Apr-17	May 17
Non-performing Loans (% change)	36.8	-33.4	26.8	-9.1
Returns on Assets (ROA)	0.2	-0.1	0.3	0.3
Returns on Equity (ROE)	0.8	-0.8	1.9	1.5
Liquidity Ratio****	50.7	49.8	52.1	50.7
<b>7 Fiscal Operations</b>				
<b>7a Revenue, Expenditure &amp; Debt</b>	<b>(Millions of US\$)</b>			
Actual Revenue & Grants	34.2	50.7	39.3	43.0
Projected Revenue & Grants	33.7	39.2	49.5	59.2
<b>Expenditure</b>	31.4	46.2	43.9	47.0
<b>Public Debt Stock</b>	<b>780.0</b>	<b>808.9</b>	<b>830.8</b>	<b>798.7</b>
Domestic	268.2	267.7	267.7	268.0
External	511.8	541.2	563.1	530.7
<b>7b Treasury Securities</b>	<b>(Millions of L\$)</b>			
T- Bills Issued	-45.2	-51.8	-52.3	-53.3
T- Bills Redeemed	49.0	49.3	51.3	45.2
Net GoL Treasury Bills Operations^	3.8	-2.5	-1.0	-8.1
Ave. Weighted Discount Rate_T Bills	3.4	3.0	3.2	3.7
Bond Issued (2 yrs.) amount in Billion	0.0	0.0	0.0	0.0
T- Bond Issued	0.0	0.0	0.0	0.0
T- Bond Settled	0.0	0.0	0.0	0.0
Net GoL Treasury Bond Operations^	0.0	0.0	0.0	0.0
Ave. Weighted Discount Rate_T Bond	0.0	0.0	0.0	0.0
<b>8 External Trade (Value)</b>	<b>(Millions of US\$)</b>			
<b>8a Exports/1</b>	<b>10.6</b>	<b>19.1</b>	<b>6.7</b> †	<b>10.6</b>
- O/w Iron Ore	1.4	4.3	0.0	0.0
- O/w Rubber	4.4	9.2	4.0	4.7
- O/w Mineral	4.0	4.3	1.1	4.8
-o/w Cocoa Bean	0.2	0.0	0.4	0.2
-o/w Palm Oil	0.2	0.4	1.0	0.4
<b>8b Imports (F.O.B)/1</b>	<b>100.2</b>	<b>112.3</b>	<b>96.2</b> †	<b>77.9</b>
Minerals, Fuel, Lubricants	36.6	48.4	13.0	13.2
-O/w Petroleum Products	33.3	45.6	9.8	11.2
Food and Live Animals	21.0	26.3	40.5	11.7
-O/w Commercial Rice	13.1	14.7	31.6	1.3
-O/w Non-commercial Rice	0.4	0.6	0.2	0.0
Machinery & Transport Equipment	20.1	14.9	17.0	17.7
Import (C.I.F)	<b>107.6</b>	<b>119.4</b>	<b>106.0</b> †	<b>85.5</b>
Trade Balance	-89.6	-93.2	-89.5	-67.3
<b>9 External Trade (Volume)</b>	<b>(Metric Tons)</b>			
- Rubber	2,216	4,171	2,016	2,883
-Iron Ore	53,062	136,881	0	0
-Commercial Rice	286,821	343,153	363,452	14,377
-Non-commercial Rice	2,151	3,589	2,907	436

**/1 Trade data now sourced from Customs (LRA) with larger coverage than BIVAC.**

**Table 1: Fact Sheet**

	Feb-17	Mar-17	Apr-17	May-17
<b>1 Monetary</b>	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs)†	170.3	187.9	178.4	161.8±
CBL Gross Foreign Reserves (excluding SDRs)	261.6	233.5	225.1	210.8±
Liberian Dollars in Circulation	12,239.6	12,569.5	12,424.5	12,492.1±
Money Supply (M1) in L\$ only	16,032.0	16,508.7	16,501.3	17,411.4±
Broad money (M2) in L\$ only	21,276.9	21,843.7	21,886.8	22,864.9±
Broad money (M2) in both L\$ and US\$*	67,353.5	67,616.7	68,044.3	70,703.7±
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	31.6	32.3	32.2	32.3±
Interest Rates				
- Lending rate	13.0	13.3	13.3	13.3±
-Average Deposit rates				
-Savings	2.2†	2.2†	2.2†	2.2±
-Time	5.1	4.6	3.6	3.5±
	<i>(In Millions of Currencies)</i>			
Commercial banks loans to private sector - US\$	381.9	379.1	390.1	381.6±
Commercial banks loans to private sector - L\$	3,036.1	3,000.2	3,170.7	3,590.6±
- Demand Deposits of commercial banks				
Demand deposits - US\$	287.5	280.2	274.4	273.5.0±
Demand deposits - L\$	5,269.2	5,558.2	5,625.4	6,529.9±
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	162.0	158.5	159.5	155.0±
Time & savings deposits - L\$	5,231.4	5,321.1	5,371.9	5,441.4±
- Other Deposits**				
US\$ component of other deposits	1.4	1.3	0.9	0.6 ±
Liberian \$ component of other deposits	13.4	13.9	13.6	12.2 ±
<b>2 CBL's Foreign Exchange Auction</b>	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	4.0	1.9	2.9	2.9
Total Subscription	1.5	4.1	4.5	4.5
Over(+)- / Under(-) Subscription	(2.5)	2.2	1.6	1.6
<b>3 CBL Bills Auction</b>	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	0.0	0.0	0.0	0.0
<b>4 Personal Remittances</b>	<i>(Millions of US\$)</i>			
Inflows	47.4	174.9	167.3	38.7
Outflows	36.9	67.4	48.0	33.4
<b>Net flows</b>	10.5	107.4	119.3	5.3
<b>5 Exchange Rate</b>	<i>(USD/LD)</i>			
End of Period	103.5	104.5	106.5	111.5
Period Average	102.2	104.0	106.1	110.1
<b>6 Financial Soundness Indicators (FSI)</b>	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	1.4	17.4†	18.5†	18.6†
Non-performing Loans to Total Loans	17.6	15.8	16.5	18.2

**Financial Market Developments**

Development in the T-bill market for the month of May, 2017 indicates a net withdrawal of Liberian dollars totalling 8.1 million compared with a net withdrawal of L\$1.0 million in the preceding month, simply explained by excess issuance over redemption. The weighted average yield remained stable at 3.2 percent, for May, 2017 compared with the previous month.

**Banking Sector Developments**

The banking industry continued to show viability with capital adequacy ratio and liquidity position remaining well above the minimum requirements of 10.0 percent and 15.0 percent, respectively. Provisional banking sector data at end-May, 2017 showed that liquidity position of the industry fell by 1.4 percentage points to 50.7 percent below the 52.1 percent recorded in April, 2017 and the industry capital adequacy ratio (CAR) improved by 0.1 percentage point to 18.6 percent, from 18.5 percent in the previous month. Non-performing loans ratio declined by 1.6 percentage points to 18.2 percent, from 19.8 percent recorded in the preceding month.

**FISCAL DEVELOPMENTS****Revenue (including Grants) & Expenditures**

For the month ended-May, 2017, actual revenue and grants rose by 9.4 percent to **US\$43.0 million**, from US\$39.3 million reported in the preceding month. Actual revenue and grants in the review month fell short of total public expenditure by 9.3 percent. Thus, resulting to a deficit of US\$4.0 million during May, 2017.

Of total actual revenue and grants, tax and non-tax revenue & grants accounted for 86.7 percent and 31.2 percent, respectively; while recurrent and capital expenditure respectively accounted for 94.5 percent and 3.8 percent of total public expenditure for the review period.

Liberia's public debt stock at end-May, 2017, stood at US\$798.7 million, reducing by 3.9 percent against the stock of US\$830.8 million recorded at end-April, 2017, mainly explained by reduction in external debt stock to multilateral creditors during the review period.

Domestic and external debt stocks constituted 33.6 percent and 66.4 percent of Liberia's total public debt stock at end-May, 2017, respectively (See Table 1).

## EXTERNAL SECTOR DEVELOPMENTS

### Merchandise Trade

Merchandise trade balance at end-May 2017 recorded a deficit of US\$67.3 million, from a revised deficit of US\$89.5 million at end-April, 2017. A month-on-month comparison showed that the deficit in merchandise trade improved by 24.8 percent, occasioned by significant improvement in export receipts (Table 1).

### Exports

Receipts from merchandise exports during the month ended-May, 2017 increased to US\$10.6 million, from a revised amount of US\$6.7 million recorded at end-April, 2017. The US\$3.9 million increase in receipts was mainly due to increases in earnings from rubber and mineral exports by 17.8 percent and 32.1 percent, respectively.

### Imports

Payments for imports at end-May, 2017, declined to US\$77.9 million, from a revised figure of US\$96.2 million during April, 2017. The 19.0 percent reduction was mainly attributed to reduced payments on Food and Live Animals (o/w payments on commercial rice dropped by US\$28.7 million).

### Global Commodity Price Review

A monthly comparison of global commodity price showed that at end-May, 2017, global price fell for the third time by 2.3 percent compared with a decline of 0.1 percent in April, 2017. The 2.3 percentage points decline in average global commodity price, when compared with the previous month, was largely a result of reduction in the prices of both energy (mainly crude oil) and metal (especially Iron ore).

### Iron ore

The international price of iron ore, for the large part in May, 2017, declined to US\$61.6 per metric ton, from US\$70.4 per metric ton at end-April, 2017. The 12.5 percent slump in the price of the commodity was a result of growing stock of low grade iron ore in the wake of slowing demand for the commodity. It is expected that price will rebound in the near term.

### Rubber (natural)

At end-May 2017, the global price of rubber declined, but less than the decline experienced during April, 2017. The price of the commodity fell by 2.6 percent to US\$2,174.0 per metric ton, from US\$2,232.2 per metric ton recorded during the preceding month due to speculation of supply increase, coupled with slowing demand for the commodity from China.

### Petroleum (Crude Oil)<sup>1</sup>

The average global price of petroleum dropped by 4.4 percent to US\$49.9 per barrel at end-May, 2017, after the moderate revival in the previous month of US\$52.2 per barrel. The fall in the price of the commodity was occasioned by the gradual increase in inventories of the United States Shale petroleum.

### Food (Rice)

Global food price recovered at end-May, 2017 due to increase in all of its subgroups except sugar. In line with increase in the price of cereal (a subgroup of food) at end-May, 2017, the price of rice surged by 7.4 percent to US\$402.3 per metric ton, from US\$374.5 per metric ton in the preceding month due mainly to growing demand for the commodity especially from part of Asia.

### Palm Oil

The international price of Crude palm oil rebound from three successive months of decline in 2017. At end-May 2017, the price of crude palm oil rose to US\$655.5 per metric ton, from US\$623.2 per metric ton at end-April, 2017. The 5.2 percent rise in the price of the commodity was on account of rising global demand at this time of the year.

### Gross Foreign Reserves

Provisional Foreign reserves position (excluding SDR holdings) of the CBL declined by 6.4 percent to US\$210.8 million, from US\$225.1 million reported during the previous month, due mainly to slump in cash balances with Banks abroad during the period (See Table 1).

<sup>1</sup>Crude oil price is the average of the three global oil price benchmarks: Dated Brent, West Texas Intermediate and Dubai Fateh.

<sup>3</sup>Calculated by dividing the stock of gross foreign reserve (excluding SDRs) in the month by total import payments (on cif basis, excluding service payments) in the same month