Central Bank of Liberia Monetary Policy Communiqué – July 2026 (Simplified Version)

Introduction

The Central Bank of Liberia (CBL) met on July 15, 2026, to look at how the Liberian economy and the world economy are doing. The Bank's Monetary Policy Committee (MPC) discussed how to keep prices stable, protect the Liberian dollar, make sure banks remain strong, and support growth in jobs and businesses.

After reviewing the situation, the Committee decided to slightly reduce the interest rate it uses to guide banks. This is because inflation (the rise in prices) has started to ease, the Liberian dollar is more stable, reserves are stronger, and banks are in good shape.

Key Decisions

- The main interest rate was reduced by a small amount, from 16.25% to **16%**. This will help businesses and households borrow at slightly lower costs while still keeping prices under control.
- Banks must continue to keep part of their deposits in reserve: **25% of Liberian dollar deposits** and **10% of U.S. dollar deposits**.
- The Bank adjusted the range for how much interest it pays or charges banks when they deposit or borrow money. This helps make sure its policies work better.

Global Situation

The world economy slowed down in the second quarter of 2026. Conflicts in the Middle East pushed up fuel and fertilizer prices, making life harder for many countries. Global growth is expected to be around **3%**, down from 3.5% last year. Prices of oil rose sharply, while food and other commodities showed mixed trends.

Liberia's Economy

Liberia's economy grew strongly in the second quarter, at about **5.5%**, supported by mining, farming, and services. Prices rose to **5.4%**, mainly because of higher imported food and fuel costs. But the Bank expects inflation to ease in the coming months as conditions improve.

Banking Sector

Liberian banks remain strong and safe. They have more than enough capital and liquidity to serve customers. However, the Bank noted that some loans are not being repaid on time, especially in Liberian dollars. It urged banks to improve how they manage loans and risks.

Government and External Sector

Government spending helped support growth, though the budget deficit remains a concern. Reserves increased, giving Liberia nearly **four months of import cover**, which strengthens the country's ability to withstand shocks. The Liberian dollar also remained stable.

Outlook

The Bank expects the economy to keep growing at about **5.5%** this year. Inflation should ease to around **4.4% ± 2 percentage points** in the third quarter. Risks remain, especially from global conflicts and swings in commodity prices, so the Bank will stay alert and ready to act.

Conclusion

The Central Bank believes Liberia's economy is on a strong path. The Bank will continue to monitor developments closely and adjust policies when needed to keep prices stable, protect the Liberian dollar, and support growth.

The next MPC meeting will be held on **October 8, 2026**.