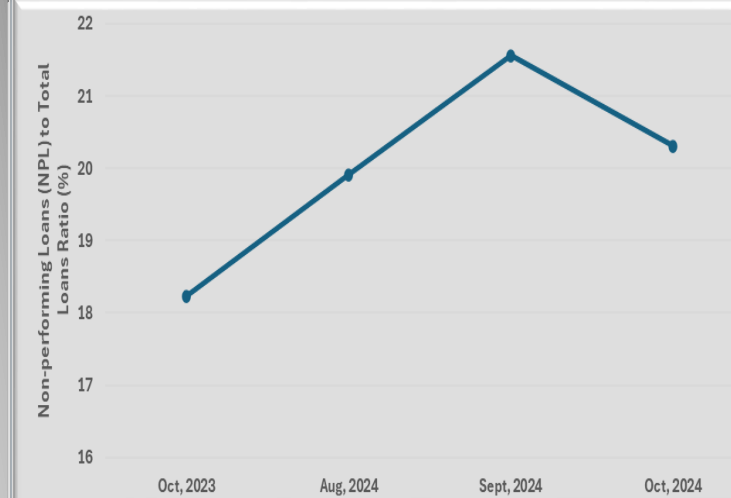


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GLOBAL PRICE	Oct- 23	Aug-24	Sep-24	Oct-24		
	(Commodity price per Unit of Measure)				MoM	YoY
Iron ore (US\$/MT)	118.75	99.91	92.83	101.39	9.2	(14.62)
Gold (US\$/Oz)	1,916.25	2,470.15	2,570.55	2,690.08	4.6	40.38
Rubber (US\$/MT)	1,607.30	1,737.40	1,906.80	2,633.90	38.1	63.87
Cocoa Beans (US\$/MT)	3,629.23	6,878.10	6,523.76	6,657.44	2.0	83.44
Palm oil (US\$/MT)	804.26	932.63	982.83	1,077.25	9.6	33.94
Crude oil (US\$/BBL)	89.08	78.12	72.42	73.97	2.1	(16.96)
Food Price Index (FAO) ¹	120.90	120.70	124.90	126.90	1.6	4.96
Rice_5% broken (US\$/MT)	590.00	560.00	556.00	499.00	(10.3)	(15.42)
Sugar (US\$/MT)	567.03	405.65	447.98	461.65	3.1	(18.58)
Commodity Price Index No ²	167.77	162.64	161.57	166.71	3.2	(0.63)

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 10 Number 10.

2.0 OVERVIEW

Monthly analysis of selected economic indicators in October 2024 showed diverse trends across sectors, with notable movements in production commodities, inflation, monetary aggregates, fiscal operations, and external sector variables.

In October 2024, the production statistics of key commodities showed a rise in iron ore output, contrasting with declines in gold, diamonds, rubber, cement, and beverages compared to September 2024. This mixed performance reflects fluctuations in the mining and agricultural sectors.

Headline inflation decreased to 7.2 percent in October 2024, from 7.7 percent the previous month. This decline was primarily driven by lower prices in several categories, including food and non-alcoholic beverages, alcoholic beverages, and miscellaneous goods & services. The Central Bank of Liberia is actively working to maintain this downward trend in inflation by utilizing policy tools to manage excess liquidity in the banking system.

At the end of October 2024, broad money supply (M2) increased by 1.7 percent to L\$234.82 billion, while narrow money supply (M1) expanded by 2.3 percent due to a rise in currency outside banks and demand deposits. The banking sector remained compliant with regulatory requirements, with the liquidity ratio decreasing slightly but still well above the minimum threshold.

Preliminary data on the Government of Liberia's fiscal operations showed an improvement in the overall balance (OB) to a deficit of US\$2.4 million, reflecting a slight increase in total revenue. Total public debt stock marginally rose by 0.02 percent to US\$2,573.8 million against the stock reported in the preceding month, largely driven by an increase in external debt despite domestic debt declining.

7.6 Sugar

Price of sugar rose by 3.1 percent to US\$461.65 per metric ton in October 2024, from US\$447.98 recorded in the previous month. Annual comparison indicated that the price of sugar declined by 18.6 percent from US\$567.03 per metric ton in October 2023.

7.7 Palm Oil

The price of palm oil surged by 9.6 percent in October 2024 to US\$1,077.25 per metric ton, from US\$982.83 per metric ton in the previous month, induced by a tightening supply by Malaysia, and rising demand. Compared to October of the previous year, the price of palm oil rose by 33.9 percent, from US\$804.26 per metric ton.

7.8 Rice

The price of rice fell by 10.3 percent to US\$499.00 per metric ton in October 2024, from US\$556.00 per metric ton in September. Annual comparison indicated rice price fell by 15.4 percent, from US\$590.00 per metric ton in October 2023.

7.9 Cocoa Beans

After a slowdown in the previous month, the price of cocoa beans grew by 2.0 percent in October, to USD\$6,657.44 per metric ton. An annual comparison showed that the price of cocoa beans increased sharply by 83.4 percent a year ago from US\$3,629.23 per metric ton.

Commodity Price Outlook

Global commodity market outlook of the World Bank Pink Sheet indicates global commodity prices will fluctuate in November 2024. Heightened tensions in the Middle East coupled with trade disruptions account for the price developments. Global commodity price indices measured in US dollars of energy, non-energy, agriculture, fertilizers, metal & minerals, and precious metals, are expected to increase in the next month.

7.1 Iron Ore

Price of iron ore increased by 9.2 percent to US\$101.39 per metric ton in October 2024, from US\$92.83 per metric ton in the previous month, induced by the new economic stimulus from China. The year-on-year comparison showed the price dropped by 14.6 percent, from US \$118.75 recorded in October 2023.

7.2 Gold

The price of gold grew by 4.6 percent to US\$2,690.08 in October 2024, from US\$2,570.55 in September 2024, caused by escalating geopolitical tensions and uncertainty of the US election. Year-on-year comparison showed the price increased by 40.4 percent, from US\$1,916.25 recorded in October 2023.

7.3 Crude Oil (Petroleum) Price

The price of petroleum increased by 2.1 percent to US\$73.97 per barrel in October 2024, from US\$72.42 per barrel in the preceding month. The rise in the price was driven by rising tensions in the Middle East coupled with cut in production from OPEC+. Compared to October 2023, the price of petroleum fell by 17.0 percent from US\$89.08 per barrel.

7.4 Rubber

Rubber price continued its strong growth for the second month and grew by 38.1 percent in October 2024, to US\$2,633.90 per metric ton, from US\$1,906.80 per metric ton recorded in September 2024, due to explosive demand on the back of supply restrictions. Year-on-year comparison showed rubber price increased by 63.9 percent from US\$1,607.30 in October 2023.

7.5 Food Price (FAO)

FAO food price index (FFPI) increased by 1.6 percent to US\$126.90 in October 2024, from US\$124.90 in September 2024. The increase was driven by a rise in the price index for dairy, sugar, and oils.

The merchandise trade deficit widened significantly by more than one hundred percent due to a fall in exports coupled with rise in imports, while total merchandise trade declined during the review month on account of decrease in exports. Gross International Reserves (GIR) fell by 3.1 percent to US\$458.9 million at end-October 2024, resulting in a decrease in import cover to 2.8 months.

On a positive note, net personal remittances grew by 5.9 percent to US\$61.47 million, reflecting growth in inward remittances.

Overall, while there are signs of improvement in certain areas such as inflation and remittances, significant challenges remain in commodity production and trade deficits.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics of key commodities largely trended downward in October 2024 relative to September 2024. Gold, diamond, rubber, cement and beverages recorded declines while iron ore production rose during the review period against the previous month.

In the mining subsector, iron ore production increased by 6.8 percent to 390,000 metric tons in October 2024, from 365,000 metric tons produced in September 2024, attributed to higher global demand. Gold production decreased by 19 percent in the reporting period to 35,291 ounces, from 43,608 ounces reported in the previous month on account of fluctuations in gold prices. The production of diamond decreased by 62.1 percent in the reporting period to 2,449 carats in October 2024 from 6,462 carats reported in September 2024.

In the agriculture subsector, rubber production declined by 23.8 percent to 6,994 metric tons in October 2024, from 9,178 metric tons in September 2024 due mainly to the decrease in production by small farm holders. When compared to the same period a year ago, rubber production increased by 5.96 percent.

In the manufacturing subsector, cement output declined by 36.3 percent in the reporting month to 29,504 metric tons, from 46,283 metric tons reported in September 2024. This decrease indicates a slowdown in construction activities as a result of the ongoing rainy season. When compared to October 2023, cement production decreased by 33.8 percent. Total beverage production (alcoholic and non-alcoholic) decreased by 7.2 percent in October 2024 to 2.3 million liters, down from 2.5 million liters produced in September 2024 due to accumulated stock. When disaggregated, alcoholic beverages constituted 46.0 percent while non-alcoholic beverages constituted 54.0 percent.

3.2 Consumer Prices

Headline inflation for October 2024 decreased to 7.2 percent, from 7.7 percent reported in the preceding month. The decrease in inflation for the month resulted from decrease in prices of food & non-alcoholic beverages; alcoholic beverages, tobacco & narcotics; Furnishings, household equipment & routine household maintenance; communication; recreation & culture; and miscellaneous goods & services. When compared to October 2023, inflation decreased by 2.9 percentage points. Consistent with headline inflation, the month-on-month inflation rate declined by 0.5 percentage points to 0.1 percent in the month under review, mainly as a result of housing, water, electricity, gas & other fuels; furnishings, household equipment & routine household maintenance; recreation & culture; education; and restaurants & hotels.

The Leone depreciated by 0.1 percent; the Nigerian naira by 1.0 percent; the Gambia dalasi by 1.9 percent; and Ghana cedi by 2.7 percent. The Liberian dollar and Gunina frac were the two currencies that appreciated against the United States dollars in the zone for the month of October.

A year-on-year comparison indicates that all currencies in the Zone depreciated against the United States dollar as indicated in the table below.

The depreciation across WAMZ currencies continues to primarily be attributed to the high demand for imports payments.

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

Rate & Currency	Oct. - 2023	Aug. - 2024	Sept. - 2024	Oct. - 2024	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent Change	
	Currency per USD					
DALASI-GMD	62.58	66.73	66.75	68.06	-1.9	-8
CEDI-GHS	11.32	15.08	15.54	15.96	-2.7	-29.1
FRANC GUINEEN-GNF	8,493.16	8,558.12	8,594.12	8,571.09	0.3	-0.9
LIBERIA DOLLAR-LRD	186.98	195.18	194.43	192.42	1	-2.8
NAIRA-NGN	792.77	1,590.24	1,617.63	1,633.55	-1	-51.5
LEONE-SLL	22.51	22.49	22.56	22.59	-0.1	-0.3

Source: CBL, WAMA: www.amao-wama.org/
 GHC - Ghanaian cedi; LD - Liberian dollar; GMD - Gambian dalasi; GNF - Guinean franc; NGN - Nigerian naira; SLL—Sierra Leonean leone; USD – United States dollar

7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

The Commodity Price Index of fuel increased, and the index of non-fuel commodities increased also in October 2024. Food and Agriculture Organization (FAO) food price index (FFPI) increased from the revised number for September. The increase in the FFPI index was caused by a rise in the price index for dairy, oils, and sugar.

6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in October 2024 was Europe, which accounted for US\$98.9 million worth of the export proceeds, of which Switzerland accounted for US\$80.2 million. For the sources of imports to Liberia, Asia was the major region accounting for US\$88.80 million. During the review month, imports from China and India amounted to US\$39.92 million and US\$29.68 million.

6.3 Personal Remittances

Net inwards personal remittances in October 2024 grew by 5.9 percent to US\$61.47 million (1.3 percent of GDP), compared to US\$58.03 million (1.2 percent of GDP) recorded in September 2024. Inward remittances also improved by 6.5 percent to US\$64.16 million, and outward increased by 21.7 percent to US\$2.69 million in the same month, compared to the amount in September 2024.

6.4 Gross International Reserves

Gross International Reserves (GIR) fell by 3.1 percent to US\$458.9 million (9.6 percent of GDP) at end-October 2024, from the US\$473.5 million (9.9 percent of GDP) recorded at the end of the previous month. This development was explained by a decline in Special Drawing Right (SDR) Holdings and GoL demand deposits. Similarly, the months of import cover decreased to 2.8 months (below the ECOWAS minimum regional threshold of 3.0 months), from 3.2 months in September 2024, mainly on account of a decrease in the GIR coupled with increase in imports.

6.5 Exchange Rate Developments

Development in foreign exchange market in October 2024, showed that the Liberian dollar's end-of-period (EOP) exchange rate appreciated against the United States dollar when compared with the corresponding month. EOP appreciated by 0.8 percent to L\$191.70/US\$1.00, from L\$193.26/US\$1.00 reported at end-September 2024. Similarly, the average exchange rate appreciated by 1.0 percent to L\$192.4/US\$1.00 relative to the rate reported for the preceding month. The appreciation in the month under review continues to mainly center around the issuance of CBL's bills to mop-up excess Liberia dollar liquidity in banking system.

On a regional front, the average exchange rates (monthly) of currencies of the West Africa Monetary Zone (WAMZ) predominantly depreciated against the United States dollar except the Guinea franc and Liberian dollar.

Similarly, core inflation¹ (headline inflation less food and transport) decreased to 10.7 percent in October 2024, from 11.3 percent a month ago mainly driven by decrease in the prices of clothing and footwear, Housing, water, electricity, Furnishings, household equipment & routine household maintenance, health, communication, recreation & culture, education, and miscellaneous goods and services. On an annual basis, core inflation dipped by 2.6 percentage points.

Table 1: Production and Price Statistics

Production	Oct. - 2023	Aug. - 2024	Sept. - 2024	Oct. - 2024
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	400,000	370,000	365,000	390,000
Gold (Ounces)	40,362	37,366	43,608	35,291
Diamond (Carat)	10	1,287	6,462	2,449
Rubber (Metric ton)	7,437	4,617	9,178	6,994
Cement (Metric ton)	44,565	65,080	46,283	29,504
Total Beverages (liter)	2,068,422	2,446,414	2,502,372	2,321,121
Alcoholic	727,289	1,321,033	1,068,086	1,069,373
Non-Alcoholic	1,341,133	1,125,381	1,434,286	1,251,748
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	10.1	6.2	7.7	7.2
a. Food and Non-alcoholic Beverage Inflation	16.9	-1.2	2.9	2.5
- Domestic Food Inflation	28.2	0.9	11.0	10.8
- Imported Food Inflation	9.2	-3.1	-3.4	-3.9
b. Transport Inflation	5.3	2.0	2.1	1.7
c. Imported Fuels Inflation	7.2	4.2	4.8	3.3
Overall (M-o-M) Rate of Inflation	0.0	2.1	0.1	-0.4
Core Inflation				
Inflation excluding Food & NAB ¹	7.2	9.8	10.0	9.5
Inflation excluding Imported Food	10.3	8.2	10.2	9.7
Inflation excluding Domestic Food	7.2	7.1	7.3	6.7
Inflation excluding Food and Transport	7.5	11.0	11.3	10.7
Annual Gross Domestic Product (GDP)²	3,554.2	3,725.5	3,725.5	3,725.5
Nominal (NGDP) (in millions US\$)	4,390.5	4,787	4,787	4,787
RGDP growth (in percent)	4.6	4.8	4.8	4.8

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

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

The Central Bank of Liberia (CBL) aimed at sustaining the decreasing inflationary pressures in October 2024 by using its policy instruments (including CBL bills) to reduce excess liquidity in the banking system.

4.2 Monetary Aggregates

Data on Monetary aggregates at end-October 2024 established a month-on-month increase of 1.7 percent in broad money supply (M2) to L\$234.82 billion, from L\$230.92 billion recorded at the end of the previous month. The surge was credited to a 14.3 percent growth in net foreign assets (NFA) and a 0.6 percent rise in net domestic assets (NDA) of the banking system.

Narrowed Money Supply (M1) expanded in October 2024 by 2.3 percent, attributed to a 6.3 percent increase in currency outside banks and a 1.5 percent expansion in demand deposits. Quasi-money also grew in the reporting month by 0.3 percent, largely due to a 0.3 percent increase in time & savings deposits and a 28.6 percent increase in other deposits.

Additionally, Liberian dollars in circulation expanded by 4.1 percent to L\$29.01 billion at end-October 2024, from L\$27.86 billion recorded at the end of the preceding month. The growth was solely triggered by a 6.3 percent increase in currency outside banks as currency in banks contracted by 24.8 percent.

The Liberian dollar component of commercial banks' loans to the private sector in October 2024 increased by 3.1 percent to L\$6.04 billion from 5.86 billion in the previous month on account of growth in loans and advances to the personal subsector (by 48.1%), services subsector (by 29.4%), trade subsector (by 12.6%), manufacturing subsector (by 9.5%) and agriculture subsector (by 3.8%). Furthermore, the US dollar component grew by 2.5 percent to US\$490.40 million from US\$478.60 million in the previous month on account of increases in loans and advances to the manufacturing subsector (by 67.6%), agriculture subsector (by 27.5%), services subsector (by 11.0%), construction subsector (by 4.3%) and others subsector (by 1.7%).

The stock of total deposits converted to Liberian dollars rose by 1.1 percent to L\$207.28 billion (23.0% of GDP) at end-October 2024, from 205.02 billion (22.0% of GDP) at end-September 2024, ideally caused by 1.6 percent and 4.9 percent rise in both USD and LRD deposits, respectively. Likewise, year-on-year comparison showed total deposits increased by 15.1 percent, due to growth in both US and Liberian dollar deposits.

Personal Remittances				
Inflows	47.76	61.26	60.24	64.16
Outflows	3.29	6.11	2.21	2.69
Net flows	44.48	55.15	58.03	61.47
Direction of Trade (DOT)				
Destination of Export	91	114.1	125.1	110.6
Africa	3.9	1.8	0.1	1.7
o/w ECOWAS	-	-	0.1	1.7
o/w Neighboring Countries	-	-	-	1.6
Asia	1.8	1.3	4.2	2.2
o/w The Middle East	0.3	0.3	1.5	0.5
o/w United Arab Emirate	0.3	0.3	0.5	0.4
then China	-	-	-	0
Europe	79	96.6	109.7	98.9
o/w Euro Zone	1.2	-	3.2	2.9
o/w The United Kingdom	1.2	-	3.2	2.9
Switzerland	64.2	78.7	93.7	80.2
North America & The Caribbean	6.2	14	8.2	7.8
o/w USA	6.2	14	6.6	7.8
Sources of Import (cif)	125.39	144.38	126.75	139.27
Africa	12.17	48.7	41.4	21.29
o/w ECOWAS	5.78	43.38	36.72	16.91
o/w Neighboring Countries	5.91	44.21	37.15	17.14
o/w Cote D Ivoire	3.89	41.58	34.1	15.85
Asia	83.12	66.94	49.66	88.8
o/w The Middle East	6.25	8.48	5.93	4.06
o/w United Arab Emirate	1.95	1.52	3.23	1.45
o/w China	34.48	24.29	14.91	39.92
o/w India	21.08	11.39	15.36	29.68
Europe	20.22	15.56	26.12	12.37
o/w Europe Zone	17.97	13.93	19.1	10.08
o/w The United Kingdom	3.09	0.89	3.47	1.2
o/w Spain	2.76	1.07	1.77	1.22
North America & The Caribbean	4.6	6.17	3.04	8.02
o/w USA	3.85	4.97	2.49	7.04
South & Central America	4.93	6.67	6.38	8.61

Source: CBL

Table 6: External Sector Statistics

External Trade (Value)	Oct-23	Aug-24	Sept-24	Oct-24
	(Millions of US\$; Except Otherwise Indicated)			
Exports ¹	90.98	114.12	125.07	110.65
Iron Ore	13.16	13.17	10.39	11.42
Rubber	8.31	18.5	11.84	15.9
Gold	64.48	78.98	94.15	80.5
Diamond	0.01	0.22	1.86	0.53
Cocoa Bean	0.53	0.56	1.26	-
Palm Oil	4.01	1.89	1.46	0
Other Commodities	0.47	0.8	4.1	2.29
Imports (CIF) ^{1†}	197.28	144.38	126.75	139.27
Minerals, Fuel, Lubricants	68.84	48.94	35.16	23.04
o/w Petroleum Products	60.48	41.33	34.1	15.79
Food and Live Animals (incl. Animal and veg. oil)	33.86	33.37	26.15	42.77
o/w Rice	11.43	3.9	3.3	17.78
Machinery & Transport Equipment	50.96	25.28	32.18	34
Manufactured goods classified by materials	20.54	11.96	13.83	19.24
Other categories of imports	23.09	24.84	19.43	20.22
Trade Balance	-160.4	-30.26	-1.68	-28.62
Total Trade	288.26	258.5	251.82	249.92
External Trade (Volume)				
Rubber (MT)	7,436.89	4,390.77	6,818.93	6,994.65
Iron Ore (MT)	205,989.84	256,758.82	202,260.96	257,290.55
Cocoa Beans (MT)	145.4	-	0.01	-
Palm Oil (MT)	4,989.17	-	1,489.17	-
Gold (Oz)	40,361.68	37,365.64	43,155.50	35,290.97
Diamond (Crt)	9.84	1,287.30	6,462.17	2,448.95
Petroleum Products (MT)	1,297	13,723	11,931	5,706
Rice (MT)	3,668.03	66,114.83	64,081.30	9,801.61
Other Indicators				
Net Foreign Reserves Position	246.87	186.62	220.91	224.68
Import (FOB)	112.9	131.56	116.47	123.74
Gross International Reserves (GIR) ¹	503.09	433.86	473.46	458.9
Import covers (In Month) [†]	2.3	2.6	3.2	2.8

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Oct-23	Aug-24	Sept-24	Oct-24
	<i>In Millions of LD; Except Otherwise Indicated</i>			
ASSETS				
Net Foreign Assets (NFA)	12,274.56	22,902.09	17,720.32	20,246.08
Net Domestic Assets (NDA)	195,379.50	216,876.55	213,200.75	214,578.81
Domestic Credits	259,530.14	310,103.97	307,036.76	305,739.71
Net Claims on Government	150,668.78	151,804.46	151,843.66	146,473.57
Claims on Private Sector	108,861.36	158,299.51	155,193.09	159,266.14
Other Items Net	(64,150.64)	(93,227.41)	(93,836.01)	(91,160.90)
LIABILITIES				
Broad money (M2)	207,654.06	239,778.65	230,921.07	234,824.88
Narrow Money (M1)	145,678.45	171,398.11	163,047.35	166,738.40
Liberian Dollars in Circulation	27,622.99	25,391.10	25,904.45	27,543.90
Currency in banks	118,055.45	146,007.01	137,142.90	139,194.50
Currency outside banks	61,975.62	68,380.54	67,873.72	68,086.48
Demand deposits	61,778.11	67,785.20	67,755.62	67,934.63
Quasi Money	197.51	595.34	118.10	151.86
Time & Savings deposits	207,654.06	239,778.65	230,921.07	234,824.88
Other deposits	145,678.45	171,398.11	163,047.35	166,738.40
MEMORANDUM				
Broad money (M2) in LRD only	53,568.68	50,698.75	51,671.47	54,563.55
Money Supply (M1) in LRD only	43,628.01	41,297.58	41,879.62	44,519.64
Loans to Private Sector				
Commercial banks loans to private sector- USD	467.28	466.60	478.60	490.40
Commercial banks loans to private sector - LRD	5,591.63	5,788.97	5,856.19	6,039.59
Demand Deposits of commercial banks				
Demand deposits – USD	544.34	667.14	625.36	637.54
Demand deposits – LRD	16,005.02	15,906.48	15,975.17	16,975.74
Time & savings deposits – USD	277.33	300.05	299.56	302.56
Time & savings deposits – LRD	9,784.75	9,272.04	9,713.17	9,933.12
Other Deposits**				
Actual US\$ component of other deposits	0.22	2.39	0.20	0.21
Liberian \$ component of other deposits	155.93	129.12	78.67	110.79
Total Deposits (both USD & LRD) converted to LRD ¹	180,031.07	214,387.54	205,016.62	207,280.98
Liberian Dollar share of Broad Money (% of total Money Supply)	25.8%	21.1%	22.4%	23.2%

‡ - Reserves excluding ECF borrowing from the IMF;

* - estimate/projection

** - Other Deposits Including Official and Manager Checks;

4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

In October 2024, the Monetary Policy Committee reduced the policy rate further to 17.0 percent from 17.5 percent. Financial Market operations continued during month under review through the issuance of CBL bills in the tenors of 2- weeks, 1 month, and 3 months. The issuance of 2-week CBL bills remained restricted to commercial banks only.

During the month, the total CBL bills issued amounted to L\$7,656.08 million, rising by 28.84 percent from the amount of L\$5,447.92 million issued in the preceding month. Commercial banks' subscription reflects 96.39 percent (L\$7,380.00 million) of total subscription, while retail investors' subscription stood at 3.61 percent (L\$276.09 million), which signifies an increase in retail investors' purchases of CBL bills compared to the preceding month of L\$255.04 million. The increased public confidence in the monetary policy instrument resulting from its regular issuance and redemption has led to an increase in retail investors' subscriptions. Total redemption for the period under review increased by 27.15 percent to L\$7,609.55 million from the previous month's redemption of L\$5,543.40 million. Hence, the CBL recorded a net issuance of about L\$46.54 million. Outstanding CBL bills rose by 0.55 percent to L\$8,532.42 million from the amount in the previous month. Positively, the performance of the CBL bills served its purpose by supporting the management of Liberian dollar liquidity in the economy in the month of October 2024.

There was no new issuance of USD and LRD Treasury securities by CBL on behalf of the government. The Liberian Dollars Treasury security stock remains at L\$8,277.30 million with a total outstanding of L\$483.7 million, while USD Treasury securities stock remained at US\$149.54 million. The government paid an interest of US\$1.99 million on USD treasury securities and US\$0.373 million on promissory notes thereby reducing outstanding obligations on USD Treasury securities to US\$9.76 million from US\$11.75 million in the preceding month.

Preliminary data on commercial banks' interest rate in October 2024 shows a decline in the average lending rate by about 0.63 percentage points to 12.25 percent compared to 12.88 percent in the previous month. However, average term deposits and savings rates rose by 0.3 and 0.14 percentage points to 4.50 percent and 2.14 percent, respectively, compared to 4.20 percent and 2.00 percent in September 2024. In the interbank operations, commercial banks continued to trade with non-interest-bearing swaps to ease the liquidity disparity among banks for their international and intra-country transactions (Table 3).

External Debt	1,269.47	1,501.56	1,496.08	1,497.51	0.10
o/w Multilateral	1,157.67	1,360.27	1,361.69	1,364.24	0.19
o/w Bilateral	111.80	113.47	106.57	105.45	(1.05)

Memo Items					
Government Revenue (% of GDP)	1.00	1.02	1.20	1.24	-
Government Expenditure (% of GDP)	1.79	1.65	1.67	1.29	-
Total Debt Stock (% of GDP)	50.95	53.87	53.75	53.76	-
NGDP (at Level)	4,390.00	4,787.29	4,787.29	4,787.29	-

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 US\$26.9 million in October 2024, from the deficit recorded in the previous month, while total trade marginally reduced by US\$1.9 million relative to the preceding month. Trade deficit rose to US\$28.62 million (0.6 percent of GDP), from US\$1.68 million (0.04 percent of GDP) in the previous month, driven by reduction in export receipts coupled with rise in payments for imports. Total merchandise trade decreased to US\$249.92 million (5.2 percent of GDP), from US\$251.82 million (5.3 percent of GDP), occasioned by a decline in export receipts.

Export earnings fell by 11.5 percent to US\$110.65 million (2.3 percent of GDP) in October 2024, from US\$125.07 million (2.6 percent of GDP) in the previous month, led mainly by decline in receipts from gold exports. Payments for merchandise imports grew by 9.9 percent to US\$139.27 million (2.9 percent of GDP), from the US\$126.75 million (2.7 percent of GDP) recorded in the preceding month, on the back of improvement in payments for food and live animals.

Despite the reduction in government expenditure, the fiscal operations increased its capital expenditure, increasing by more than twofold to US\$1.6 million (approximately 0.0 percent of GDP).

5.2 Total Public Debt

At end-October 2024, the fiscal operations reported a modest increase in the public debt stock. Hence, the stock of public debt expanded by 0.02 percent to US\$2,573.8 (53.8 percent of GDP), on account of a modest increase in external debt, despite a slight decrease in domestic debt. In so doing, the stock of external debts increased by 0.1 percent to US\$1,497.5 million (31.3 percent of GDP) while the stock of domestic debt fell by 0.1 percent to US\$1,076.3 million (22.5 percent of GDP), respectively, at the end of the reporting period.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Oct-23	Aug-24	Sep-24	Oct-24	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	44.04	49.00	57.61	59.18	2.74
<i>Tax Revenue</i>	<i>38.41</i>	<i>37.53</i>	<i>43.67</i>	<i>48.47</i>	<i>10.99</i>
o/w Taxes on Income & Profits	16.45	14.63	21.03	19.72	(6.25)
o/w Taxes on Int'l Trade (Customs)	13.52	17.37	17.51	20.57	17.46
<i>Non-tax Revenue</i>	<i>5.64</i>	<i>11.47</i>	<i>13.94</i>	<i>10.72</i>	<i>(23.12)</i>
o/w Property Income	3.98	8.80	7.66	7.16	(6.60)
o/w Administrative Fees & Penalties	1.66	2.68	6.28	3.56	(43.27)
<i>Other Revenue (Including Grants)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Government Expenditure	78.62	78.77	80.10	61.58	(23.13)
Recurrent Expenditure	76.46	77.27	79.59	60.03	(24.58)
o/w Compensation	31.40	33.42	15.95	14.03	(12.01)
o/w Goods and Services	20.05	31.76	28.70	40.72	41.86
o/w Payments on Loans, interest & other charges	15.40	5.43	24.75	2.95	(88.09)
Capital Expenditure	2.16	1.51	0.51	1.55	201.58
Overall Balance (Surplus+; Deficit -)	(34.57)	(29.77)	(22.50)	(2.39)	
Total Debt Stock	2,236.72	2,578.88	2,573.40	2,573.79	0.02
Domestic Debt	967.25	1,077.32	1,077.32	1,076.28	(0.10)
o/w Financial Institutions	839.56	945.51	945.51	945.01	(0.05)
o/w Other Debts	127.69	131.81	131.81	131.27	(0.41)

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	Oct-23	Aug-24	Sept-24	Oct-24
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on an EAR basis	5,640.41	8,610.66	5,447.92	7,656.08
Redemption during the month (EAR basis)	6,324.54	7,939.38	5,543.40	7,609.55
Bill Outstanding (EAR basis)	8,987.66	8,581.36	8,485.88	8,532.42
Effective Annual Rate (EAR)	20.00	20.00	17.50	17.00
Total Purchases (coupon rate & EAR)	5,640.41	8,610.66	5,447.92	7,656.08
Total Redemption (coupon rate & EAR)	6,324.54	7,939.38	5,543.40	7,609.55
Total Outstanding Bills (coupon rate & EAR)	8,987.66	8,581.36	8,485.88	8,532.42
Treasury Securities	<i>(In Millions of Liberian Dollars)</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	6,900.40	483.70	483.70	483.70
T-Bills total Stock		8,277.30	8,277.30	8,277.30
Net Treasury Bills Operations^ withdrawal (+)/Injection (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	10.00	10.00	10.00	10.00
T- Bills Issued (In USD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	2.28	0.00	0.00	0.00
T-Bills Outstanding (Repayment principal)	108.54	11.75	11.75	9.76
Total debt stock	108.54	149.54	149.54	149.54
Ave. Weighted Discount Rate (T-Bills)	11.00	10.0	10.0	10.0
Treasury Bond Issued (in LD for 2 years)	0.00	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
Total debt stock	0.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	0.00	0.00	0.00	0.00
Treasury Bond Issued	0.00	0.00	0.00	0.00
Treasury Bond Principal Payments (USD)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In USD)	0.00	0.00	0.47	0.47
Coupon Payments (USD)	0.00	0.00	0.00	0.00
Total debt stock	0.00	35.69	36.16	36.16
	<i>(As specified)</i>			
SDF rate (4.0%)	20.0	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight monthly rate (0.07%)	0.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00

<i>Interest Rates</i>	(In Percent)			
- Lending rate	12.44	12.12	12.88	12.25
<i>Average Deposit rates</i>				
-Savings	2.10	2.11	2.00	2.14
-Time	3.53	3.11	4.20	4.50
<i>Money Markets Instrument (In percent)</i>				
Repo	0.00	0.00	0.00	0.00
Swap lending		0.00	0.00	0.00

Source : CBL

^ - with Liquidity Effect

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

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

4.4 BANKING SECTOR DEVELOPMENTS

The banking industry remained in compliance with the sector's regulatory requirements. For the month ended October 31, 2024, the industry liquidity ratio decreased by 1.45 percentage points to 46.93 percent from 48.38 percent reported in the previous month. The industry liquidity ratio remained above the minimum regulatory requirement of 15.00 percent by 31.93 percentage points. The Capital Adequacy Ratio (CAR) rose to 31.81 percent, from 27.60 percent, well above the minimum regulatory requirement of 10.00 percent. Additionally, the Return on Assets (ROA) increased by 0.38 percentage points from 2.65 percent to 3.03 percent, and the Return on Equity (ROE) increased by 4.65 percentage points, from 16.42 percent to 21.07 percent.

Total gross loans increased by 1.01 percent to L\$103.17 billion in October 2024, from the L\$102.14 billion reported in the previous month. The increase is mainly attributed to increases in new facilities that were granted in the industry. At the same, the ratio of non-performing loans to total loans slightly decreased by 1.25 percentage points from 21.56 percent to 20.31 percent during the month under review. This means that the end-of-month NPL ratio of 20.31 percent violates the maximum regulatory threshold of 10.00 percent tolerable limit. The decrease in NPLs was largely due to decreases in defaulted facilities recorded in the Agriculture and Services sectors.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Oct- 23	Aug- 2024	Sep- 2024	Oct- 2024
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	93.49	100.10	102.13	103.16
Total Non-performing Loans	17.04	19.91	22.01	20.96
Non-performing Loans to Total Gross Loans (ratio)	18.23	19.91	21.56	20.31
Gross Loan (percent change)	-0.40	2.50	2.02	1.01
Non-performing Loans (percent change)	14.05	9.75	10.54	-4.77
Returns on Assets (ROA)	2.08	2.29	2.65	3.03
Returns on Equity (ROE)	14.82	16.42	18.66	21.07
Liquidity Ratio***	41.21	50.41	48.38	46.93
Capital Adequacy Ratio (CAR)****	28.04	29.44	27.60	31.81

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

Preliminary statistics on the Government of Liberia's (GOL) fiscal operations revealed an improvement in the Overall Balance (OB) leading to a reduction in the deficit relative to the preceding quarter. The improvement reflects a marginal increase in total revenue. The deficit in the OB amounted to US\$2.4 million, from US\$22.5 million in the preceding month, reflecting marginal growth in total revenue during the period.

During the reporting period, the fiscal operations recorded a 2.7 percent increase in GOL revenue, amounting to US\$59.2 million (1.2 percent of GDP). A rise in tax revenue occasioned by the increased revenue mobilization. Tax revenue expanded by 11.0 percent, totaling US\$48.5 million (1.0 percent of GDP). The increase was attributed to a rise in international trade tax. Taxes generated from international trade and income & profits amounted to US\$20.6 million (0.4 percent of GDP) and US\$19.7 million (0.4 percent of GDP), respectively. However, non-tax receipts decreased by 23.1 percent to US\$10.7 million (0.2 percent of GDP) due to a reduction in property income and administrative fees & penalties.

Conversely, the fiscal operations reported a reduction in government expenditure. Total expenditure decreased by 23.1 percent to US\$61.6 million (1.3 percent of GDP) from US\$80.1 million (1.7 percent of GDP) in the previous month. The reduction in total expenditure was attributed to a decrease in recurrent expenditure. Recurrent expenditure fell by 24.6 percent to US\$60.0 million (1.3 percent of GDP) due to reductions in employees' compensation and payments on loans, interest & other charges.