



# CENTRAL BANK OF LIBERIA

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## OVERVIEW

The global economy performed impressively in the second quarter of 2018, continuing from the growth boom experienced in the previous quarter. Forecasts from the July 2018 edition of the World Economic Outlook Update shows that the world economy is set to grow by 3.9 percent in 2018 and 2019. However, the growth is expected to be less even and less synchronized as some economies have strengthened while others have experienced adverse shocks.

The Liberian economy is expected to experience a higher growth in 2018 as compared to the previous year. The country's real GDP growth for 2018 is projected at 3.2 percent, 0.7 percentage point higher than the 2.5 percent growth in 2017. The growth is anticipated to be driven by improved economic activities mainly in the mining and panning sector and other sectors of the real economy.

Despite the challenges confronting the Liberian economy, the banking sector continued to thrive during the second quarter of 2018 as revealed by key indicators in the industry balance sheet. All nine commercial banks operating in the country were in full compliance with the Capital Adequacy Ratio (CAR) requirement. Total loans supplied by the banking sector during the quarter under review was 23.2 percent higher than the preceding period. Non-performing loans ratio (NPLs) during the quarter under review declined by 2.8 percent from the ratio recorded in the previous quarter. Interest rates trended in opposite directions during the quarter under review. Interest rates on certificate of deposits and personal loans increased while interest rates on mortgage lending, time and savings deposits decreased.

The exchange rate between the Liberian dollar and the United States dollar continued to depreciate in spite of the foreign exchange intervention by the CBL, and this was mainly as a consequence of the rise in the demand for US dollar to service import payments, increased Government's Liberian dollar expenditure, the rising demand for US dollars to facilitate local transactions, and more importantly the departure of UNMIL, which significantly affected FX flows into the country. During the quarter ended June 2018, the Liberian dollar, on average, depreciated by 6.2 percent when compared with the previous quarter.

The stock of Liberian dollar in circulation at end-June 2018 increased by 3.3 percent from the stock recorded at end-March 2018, and this was mainly due to a 68.7 percent rise in currency in banks which counterbalanced the 0.9 percent decline in currency outside banks.

The fiscal operations of the Liberian government during the second quarter of 2018 resulted into budget deficit which constituted 7.7 percent of GDP. The recorded budget deficit during the quarter under review was led by a 10.7 percent decline in total actual revenue and grants that outweighed the 48.6 percent increase in total public expenditure.

Preliminary statistics on Liberia's balance of payments for the second quarter of 2018 revealed that the current account balance resulted into a deficit of 0.7 percent lower than the deficit recorded in the previous quarter occasioned by a decline in payments for goods and services. Statistics on the capital account at end-June 2018 showed a decline in receipts by 14.9 percent from the previous period resulting from a decrease in royalty receipts by general government.

The financial account of the country's balance of payments resulted in liabilities of US\$31.5 million in the quarter under review as compared to net asset position of US\$66.9 million in the preceding quarter. The decline in net financial account was driven mainly by a sharp fall in transactions in other investment (net) resulting from a dip mainly in currency and deposits.

Merchandise trade statistics at the end of the second quarter of 2018 showed that Liberia's trade balance resulted into a deficit which was 19 percent higher than the deficit recorded in the previous quarter. The worsening of the trade deficit during the quarter under review was occasioned by a of sharp deterioration in export receipts that outweighed the decline in payment for merchandise imports.

Liberia's gross international reserve position (including SDRs) at end-June, 2018 reduced by 12.8 percent from the value reported in the previous quarter. The fall in reserves was driven mainly by slumps in US\$ notes and coins, currency balances with banks abroad, and increase in Central Bank of Liberia's liabilities to general government in deposits.



## **I. DEVELOPMENTS IN THE WORLD ECONOMY**

### **1.0 Introduction**

Selected statistics on global growth showed that the world economy is expected to perform better in 2018 and 2019 than in 2017. According to the July 2018 edition of the World Economic Outlook Update (WEO)<sup>1</sup>, the International Monetary Fund (IMF) projected global growth to be 3.9 percent in 2018 and 2019, 0.2 percentage point higher than the growth recorded in 2017, in line with earlier projections in April 2018. However, this forecast is susceptible to risks, as the recently announced and expected tariff increases by the United States and the retaliatory actions by its trading partners could hamper growth in the medium term through direct impact on resource allocation, productivity and increasing uncertainty which negatively impacts investment. Global growth is becoming less even and less synchronized in the world economy as economic activities have strengthened in some major economies while other economies have experienced negative surprises. While growth momentum in the United States is strengthening and the US dollar has appreciated, growth projections have been adjusted downward for the euro area, Japan and the United Kingdom. In emerging market and developing economies, growth prospects are becoming more uneven in the wake of rising oil prices, higher yields in the United States, heightening trade tensions, and market pressures on the currencies of some economies with weaker fundamentals.

### **1.1 The United States Economy**

The U.S. economy is expected to grow from 2.3 percent in 2017 to 2.9 percent in 2018 before slightly falling to 2.7 percent in 2019. This growth projection is underpinned by the expected macroeconomic impact of the US tax reform which is anticipated to stimulate economic activities in the short term; steadier external demand; and the impact of higher public spending following the U.S. bipartisan budget agreement in the first quarter of 2018. It is projected that output will grow above potential and unemployment will markedly lower, due to major fiscal stimulus and robust private demand. In addition, stronger domestic demand is expected to increase the US current account deficit and widen excess global imbalances.

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<sup>1</sup><http://www.imf.org/en/Publications/WEO/Issues/2018/07/02/world-economic-outlook-update-july-2018>

## **1.2 The Euro Area**

In the Euro Area, growth is expected to experience a downward trend from 2.4 percent in 2017 to 2.2 percent in 2018 and 1.9 percent in 2019. Weakened economic activities in Germany and France in the first quarter of 2018 caused the growth forecasts for these countries to be revised downward, and this is expected to contribute to the downward movement in growth of the euro area economy. In Italy, wider sovereign spreads and tighter financial conditions amid the recent political uncertainty are expected to adversely affect domestic demand. Low productivity in the wake of weak reform efforts and unfavorable demographics are also expected to adversely affect medium-term growth in the euro area.

## **1.3 Emerging Market and Developing Economies**

The aggregate growth forecasts for emerging market and developing economies remained unchanged from the figures reported in the April 2018 WEO (i.e. 4.9 percent in 2018 and 5.1 percent in 2019) despite the region having experienced strong economic shocks in recent months, including rising oil prices, higher yields in the United States, the dollar appreciation, trade tensions, and geopolitical conflict. These high growth rates are mainly attributed to the continued strong economic performance in emerging and developing Asia which is expected to grow at 6.5 percent in 2018-19. In China, as external demand weakens and regulations in the financial sector tighten, growth is projected to wane from 6.9 percent in 2017 to 6.6 percent and 6.4 percent in 2018 and 2019, respectively. In India, as the drags from the currency exchange initiative and goods and services tax wear away, growth is expected to trend upward from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019. These growth forecasts for India were revised downward as a result of the negative effects of higher oil prices and monetary policy tightening due to inflationary pressure. In the ASEAN-5<sup>2</sup> region, growth is expected to stabilize around 5.3 percent due to strong domestic demand and the recovery of exports. Growth in emerging and developing Europe is projected to moderate from 5.9 percent in 2017 to 4.3 percent in 2018 and to 3.6 percent in 2019, mainly due to tight financial conditions in some economies with large external deficits (for example, Turkey). In Latin America, growth is projected to increase from 1.3 percent in 2017 to 1.6 percent in 2018 and 2.6 percent in 2019. Despite the fact that higher commodity prices continue to provide support for commodity exporters in the region, idiosyncratic factors in domestic economies have

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<sup>2</sup> The ASEAN-5 includes: Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

caused the outlook for Latin America to be subdued. In the Middle East, North Africa, Afghanistan, and Pakistan region, the impacts of higher oil prices have been mixed, benefiting oil-exporting countries and harming oil-importing countries. However, growth in the region is projected to rise from 2.2 percent in 2017 to 3.5 percent in 2018 and 3.9 percent in 2019.

#### **1.4 Saharan Africa**

In Sub-Saharan Africa, the rise in commodity prices is expected to support the ongoing growth recovery. The region is expected to grow from 2.8 percent in 2017 to 3.4 percent in 2018. In 2019, the growth rate is projected to be 3.8 percent, 0.1 percentage point higher than the forecast in the April 2018 WEO. This upward revision is attributed to improved prospects for the Nigerian economy which is set to grow from 0.8 percent in 2017 to 2.1 percent in 2018 and 2.3 percent in 2019. In South Africa, the economy is expected to recover from the unexpected weak performance experienced in the first quarter of 2018. The improvement in confidence as a result of the country's new leadership is set to boost private investment.

#### **1.5 Global Inflation**

Headline inflation in advanced economies was estimated at 1.7 percent in 2017, and it is projected to be 2.2 percent in 2018 and 2019. In emerging market and developing economies<sup>3</sup>, headline inflation was estimated at 4.0 percent in 2017, and it is projected to be 4.4 percent in 2018 and 2019. The increases in the projection of headline inflation in both regions are driven by the rise in fuel prices.

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<sup>3</sup> Excluding Argentina and Venezuela

**Table 1: Growth of Selected Global Output**

	Projections			Difference from April 2018 WEO	
	2017	2018	2019	2018	2019
World Output	3.7	3.9	3.9	0.0	0.0
Advance Economies	2.4	2.4	2.2	-0.1	0.0
<b>United States</b>	2.3	2.9	2.7	0.0	0.0
<b>Euro Area</b>	2.4	2.2	1.9	-0.2	-0.1
<b>Japan</b>	1.7	1.0	0.9	-0.2	0.0
<b>United Kingdom</b>	1.7	1.4	1.5	-0.2	0.0
<b>Canada</b>	3.0	2.1	2.0	0.0	0.0
Emerging Market and Developing Economies	4.7	4.9	5.1	0.0	0.0
Emerging and Developing Asia	6.5	6.5	6.5	0.0	-0.1
<b>China</b>	6.9	6.6	6.4	0.0	0.0
<b>India</b>	6.7	7.3	7.5	-0.1	-0.3
<b>Latin America and the Caribbean</b>	1.3	1.6	2.6	-0.4	-0.2
<b>Middle East, North Africa, Afghanistan &amp; Pakistan</b>	2.2	3.5	3.9	0.1	0.2
<b>Sub-Saharan Africa</b>	2.8	3.4	3.8	0.0	0.1
<b>Nigeria</b>	0.8	2.1	2.3	0.0	0.4
<b>South Africa</b>	1.3	1.5	1.7	0.0	0.0
Consumer Prices					
<b>Advanced Economies</b>	1.7	2.2	2.2	0.2	0.3
<b>Emerging Markets and Developing Economies</b>	4.0	4.4	4.4	-0.2	0.1

*Source: IMF World Economic Outlook Update, July 2018*

## II. DOMESTIC PRODUCTION AND CONSUMER PRICES

### 2.0 Introduction

Liberia's real GDP growth for 2018 is projected at 3.2 percent or US\$933.04 million, from 2.5 percent or US\$904.1 million recorded in 2017. Although there is a marginal decline in the mining and panning sector, it is still expected to be the main driver of the projected Real GDP growth, especially industrial gold production. Also, growth is expected in all sectors of the real economy. The sub-sectors driving the projected growth in Real GDP are the agriculture and fisheries, projected to grow at 2.7 percent (from a revised negative 1.7 percent in 2017); forestry is projected to grow negative 4.0 percent (from negative 8.0 percent in 2017); manufacturing is projected to grow to 1.6 percent (from 1.4 percent in 2017); services is projected to grow to 1.2 percent (from 1.0 percent in 2017); while mining and panning is projected to decline to 22.3 percent from (28.8 percent in 2017). Average headline inflation at the end of June 2018 stood at 22.3 percent from 17.6 percent for the first quarter, and 11.8 percent for the same period a year ago.

### 2.1 Sectorial Review

#### 2.1.1 Agriculture and Forestry

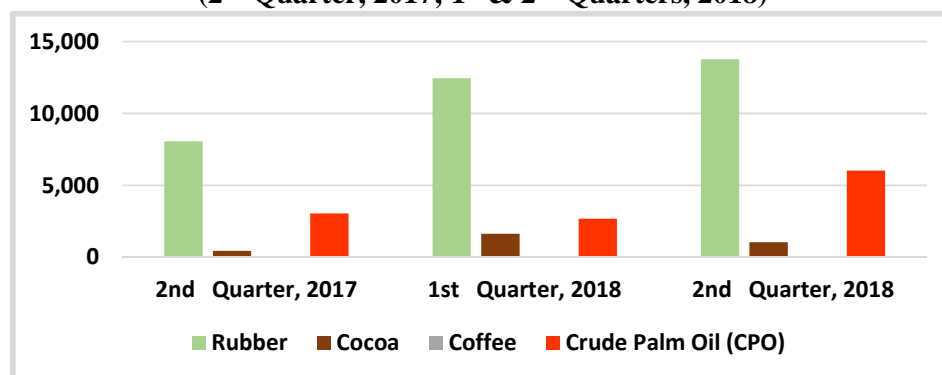
**Table 2: Key Agricultural Production**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2017	1 <sup>st</sup> Quarter, 2018	2 <sup>nd</sup> Quarter, 2018
Rubber	Mt.	8,064	12,448	13,766
Cocoa	Mt.	450	1,641*	1,039
Coffee	Mt.	-	-	-
Round Logs	M <sup>3</sup>	50,095	31,091+	84,557
Sawn Timber	Pcs.	158,619	106,412*	111,875
Crude Palm Oil (CPO)	Mt.	3,054	2,687	6,033

*Source: Ministry of Commerce & Industry; Liberia Produce Marketing Corporation; Forestry Development Authority  
+Revised/actual*

*\*Estimates*

**Chart 1: Key Agricultural Production**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)



**a. Rubber**

Total rubber production during the second quarter of 2018 was estimated at 13,766 metric tons, up from 12,448 metric tons produced during the first quarter of 2018. The 10.6 percent or 1,318-metric ton growth in output was mainly a result of the increase in production share of small holder farm owners. On an annualized basis, production rose by 70.7 percent or 5,702 metric tons.

**b. Cocoa & Coffee**

Cocoa output at end-June 2018 was estimated at 1,039 metric tons, down from 1,641 metric tons reported during the preceding quarter. The estimated 36.7 or 602-metric ton dip in output was due to unfavourable harvest during the quarter. On a year-on-year basis, production surged by 589 metric tons. Analysis on coffee could not be done due to lack of data.

**c. Sawn Timber**

During the review quarter, sawn timber production was 111,875 pieces, up from the estimated 106,412 pieces produced at end-March 2018. The 5.1 percent or 5,463-piece increase in output was a result of piling of the commodity in preparation for the rainy season. On an annualized basis, output shrank by 29.6 percent or 46,744 pieces.

**d. Round Logs**

Total round logs output at end-June 2018 was 84,557 cubic meters, up from 31,091 cubic meters produced during the quarter ended March 2018. The 53,465-cubic meter rise in output was attributed to the lifting of the restriction on logging companies that have regularized their

licences. An annualized analysis revealed that round logs output rose by 34,462 cubic metres or 68.6 percent.

**e. Crude Palm Oil (CPO)**

Production of crude palm oil (CPO) significantly expanded by 124.5 percent to 6,032 metric tons at end-June 2018, up from 2,687 metric tons produced during the previous quarter. The 3,345-metric ton surge in output was on account of the gestation of more trees. On a year-on-year comparison, production of the commodity increased by 2,977 metric tons.

**2.1.2 Industrial Production**

**Mining (Gold, Diamond and iron Ore)**

**(i) Gold**

Total gold output during the quarter under review was 55,769 ounces, down from 70,538 ounces produced in the previous quarter. The 20.9 percent or 14,769-ounces decline in gold production was attributed to the slumps in the average global price of the commodity. When compared with the corresponding period a year ago, output rose by 8.7 percent or 4,455 ounces.

**(ii) Diamond**

A total of 23,467 carats was mined during the quarter under review, down from 24,477 carats during the preceding quarter. The 4.1 percent fall in diamond production was explained by the introduction of the rainy season. On an annualized basis, output grew by 47.2 percent or 7,527 carats.

**(iii) Iron Ore**

During the second quarter, iron ore production was estimated at 642,789 metric tons, up from 469,047 metric tons produced during the first quarter of 2018. The 173,721-metric ton or 37.0 percent increase in iron ore production was attributable to the anticipated increase in the price of the commodity on the global market. On an annualised basis, output increased by 199,795 metric tons or 22.9 percent.

**(iv) Manufacturing**

**(i) Cement**

The total output of cement produced during the second quarter of 2018 was 100,991 metric tons, up from 85,993 metric tons produced during the previous quarter. The 17.4 percent or 14,998-metric ton expansion in the production of cement was explained by the reduction in the factory price to compete with imported cement. When matched against the corresponding period ex a year ago, production rose by 28.0 percent or 22,068 metric tons.

**(ii) Beverages**

Total beverages production (alcoholic and non-alcoholic) during the quarter under review was estimated at 6.5 million litres, up from the 5.9 million litres produced during the preceding quarter. The surge in beverage production by 8.8 percent or 521,751 litres was largely attributed to the anticipated Independence Day celebration. When compared on an annualized basis, output declined by 0.5 percent or 34,438 litres. During the second quarter, alcoholic beverages contributed 53.9 percent to the total beverage production while non-alcoholic beverages contributed 46.1.

**Table 3: Key Industrial Output**  
**(1<sup>st</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**

<b>Commodity</b>	<b>Unit</b>	<b>2<sup>nd</sup> Quarter, 2017</b>	<b>1<sup>st</sup> Quarter, 2018</b>	<b>2<sup>nd</sup> Quarter, 2018</b>
Gold	Ounce	51,314	70,538	55,769
Diamond	Carat	15,941	24,477	37,127
Iron Ore	Mt.	522,974	469,047	642,769
Cement	Mt.	78,923	85,993	100,991
Spirits	Litre	77,599	88,423	58,499
Beer	Litre	1,815,857	1,484,206	1,639,270
Stout	Litre	1,598,169	1,258,528	1,744,641
Malta	Litre	194,650	131,361	182,984
Soft Drinks	Litre	2,742,015	2,978,460	2,656,346
Oil Paint	Gal.	14,882	25,645	8,548
Water Paint	Gal.	15,407	19,364	17,229
Varnish	Gal.	2,465	6,108	5,378
Manoline Hair Grease	Kg.	2,394	1,092	1,436



Thinner	Gal	2,369	5,937	5,285
Rubbing Alcohol	Litre	78,342	76,410	69,982
Soap	Kg	94,657	165,665	152,550
Chlorox	Litre	380,177	338,792	306,309
Candle	Kg	32,120	24,644	21,021
Mattresses	Pcs.	25,397	29,005	32,458
Finished water	Gal.	528,521,324	551,424,921	431,261,412
Mineral Water	Litre	210,126	229,887	231,339
Electricity	kW	60,236,000	48,312,000	47,728,900

*Source: Ministry of Lands, Mines & Energy; Liberia Water & Sewer Corporation; and Ministry of Commerce & Industry*

*\*Estimate*

*+ Revised/Actual*

*N/A Not Available*

### **(iii) Soap**

The volume of soap produced during the reporting period was 152,550 kilograms, down from 165,665 kilograms produced a quarter earlier. The 7.9 percent or 13,115-kilogram dip in output was explained by the availability of other competitive imported soap on the market. When matched against soap production in the same quarter a year ago, output surged by 61.2 percent or 57,893 kilograms.

### **(iv) Paint (Oil and Water)**

Paint output (oil & water) recorded a total production of 60,277 gallons during the second quarter of 2018, up from 45,009 gallons produced during the preceding quarter. The 33.9 percent or 15,268-gallon surge in paint production was on account of increased construction activities after the political transition. When compared with the same quarter a year ago, output grew by 99.0 percent or 30,289 gallons. Disaggregating the second quarter's total paint production, oil paint constituted 56.0 percent, while water paint constituted 43.0 percent.

### **(v) Varnish**

Total varnish production during the quarter ended-June 2018 was 9,983 gallons, up from 6,108 gallons recorded during the preceding period. The 63.4 percent growth in the output of varnish was generally attributed to the increase in construction activities after the wait-and-see attitude by the manufacturers following the 2017 general elections. On a year-on-year basis, output grew by 7,518 gallons.

**(vi) Manoline Hair Grease**

Total Manoline Hair Grease produced during the second quarter was 1,436 kilograms, up from 1,092 kilograms produced in the preceding quarter. The 31.5 percent or 344-kilogram increase in the output of the commodity was a result of the availability of raw material for the production process. When compared to the same period a year ago, output plummeted by 40.0 percent or 958 kilograms, mainly due to the importation of competing brands.

**(vii) Thinner**

Thinner output during the review quarter experienced an upsurge to 10,148 gallons, from 5,937 gallons produced during the previous quarter. The 70.9 percent or 4,211-gallon growth in production was mainly attributed to the increase in construction activities. On an annualized basis, output expanded by 7,779 gallons.

**(viii) Rubbing Alcohol**

Statistical analysis showed that total rubbing alcohol produced during the reporting quarter was 69,982 litres, down from 76,410 litres produced during the previous quarter. The 8.4 percent or 6,428-litre slump in output was explained by the stock of the commodity in inventory. When matched against the corresponding quarter a year ago, output dipped by 10.7 percent or 8,360 litres.

**(ix) Chlorox**

Statistics revealed that chlorox produced during the review quarter was 306,309 litres, down from 338,792 litres produced during the first quarter of 2018. The 9.6 percent or 32,483-litre decline in chlorox production was due to unavailability of raw materials. On an annualized, output fell by 19.4 percent or 73,868 litres.

**(x) Candle**

Total candle produced during the review quarter was 21,021 kilograms, down from 24,644 kilograms produced during the previous quarter. The slump in candle production by 14.7 percent or 3,623 kilograms can be attributed to increasing expansion of electricity around Monrovia and its environs. Compared with the same period of 2017, output fell by 34.6 percent or 11,099 kilograms.

**(xi) Mattresses**

Mattresses output for the quarter ended June 2018 was 32,458 pieces, up from 29,005 pieces reported in the preceding quarter. The 11.9 percent or 3,453-piece increase in the production of the commodity was attributed to the expansion of sales in other counties. On a year-on-year basis, mattresses production increased by 27.8 percent or 7,061 pieces.

**(xii) Finished Water**

Total finished water produced during the reporting quarter was 431.2 million gallons, down from 551.4 million gallons produced a quarter ago. The fall in finished water production by 21.8 percent or 120.2 million gallons was attributed to the decline in running hours of pumps due to the rainy season. In addition, a difference of 325.7 million gallons between the production of finished water and its consumption was due to leakages on pipes, water theft or both. When analysed on an annual basis, output surged by 25.5 percent or 112.2 million gallons.

**(xiii) Mineral Water**

Mineral water produced at the end of the reporting quarter was 162,012 litres, down from 229,887 litres produced during the preceding quarter. The 29.5 percent or 67,874-litre decrease in mineral water production was attributed to the ongoing rainy season. Compared to the corresponding period a year ago, production plunged by 22.9 percent or 48,113 litres.

## **2.2 Consumption of Petroleum Products**

**Table 4: Consumption of Petroleum Products**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**

Commodity	Unit	2 <sup>nd</sup> Quarter, 2017	1 <sup>st</sup> Quarter, 2018	2 <sup>nd</sup> Quarter, 2018
Premium Motor Spirit (PMS)	Gal.	2,458,460	1,677,485	3,451,537
Diesel Automotive Gas Oil (AGO)	Gal.	2,538,917	2,458,291	8,677,330
Jet-Fuel (Jet-A)	Gal.		-	-
Kerosene	Gal.		-	-
<b>Total</b>		<b>4,997,377</b>	<b>4,135,776</b>	<b>12,128,868</b>

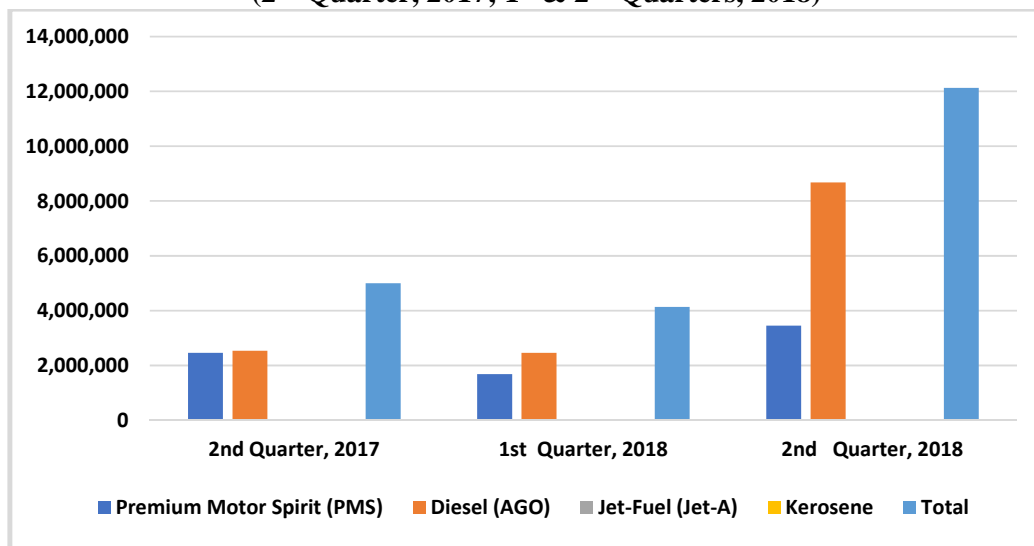
*Source: Liberia Petroleum Refining Company (LPRC)*  
*+ Revised/Actual*

The quarter under review experienced an increase in the consumption of petroleum products to 12.1 million gallons, up from 4.1 million gallons consumed during the preceding quarter. The 8.0 million gallons surge was largely a result of the breakdown of many electric transformers

around the Monrovia area and the accumulation of stock by importers. When matched against the same period of 2017, petroleum consumption rose by 7.1 million gallons.

When disaggregated, the total consumption of premium motor spirit (PMS) constituted 28.5 percent of the total consumption of petroleum products while diesel (AGO) accounted for the balance 71.5 percent. The statistics showed that there was no consumption of Jet-Fuel (Jet A) and Kerosene as they were not imported during the period under review.

**Chart 2: Consumption of Petroleum Products  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**



## 2.3 Sea Port Developments

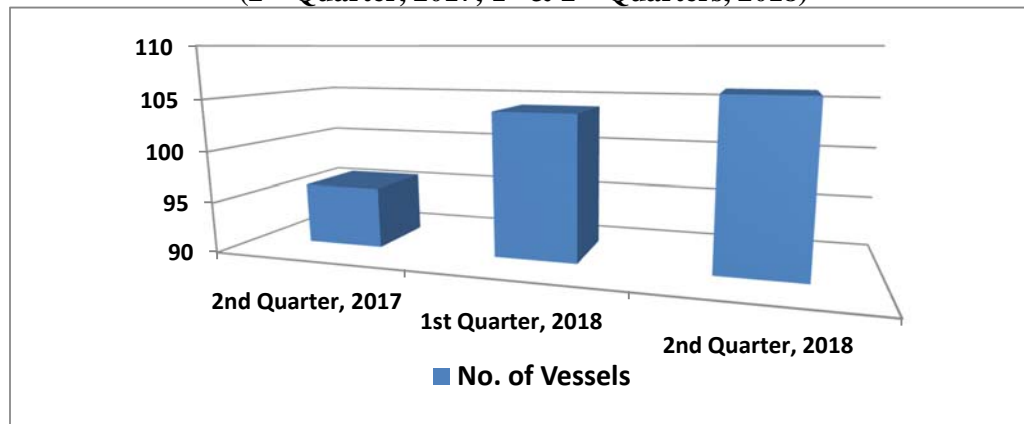
During the reporting quarter, a total of 106 vessels with combined Summer Dead Weight Tons (SDWT) of 3.9 million anchored at various ports along the Liberian coast, up from 104 vessels with a combined SDWT of 14.6 million that docked during the preceding quarter. The increase in vessel traffic by 2 percent or 2 vessels during the review quarter was largely explained by the uptick of activities at the port of Buchanan. Analysis revealed that of the total number of vessel, 70 vessels docked at the Port of Monrovia, 29 vessels berthed at the Port of Buchanan, and 7 vessels anchored at the Port of Greenville. Compared with the corresponding period a year ago, the total traffic of vessels increased by 10 vessels. A disaggregation of total cargo tonnage indicated that imports accounted for 36.9 percent while the balance 63.1 percent was the contribution of exports.

**Table 5: Vessel Traffic and Cargo Movements**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
1 <sup>st</sup> Quarter, 2018	104	14,660,092	426,142	1,228,386	1,654,528
2 <sup>nd</sup> Quarter, 2018	106	3,946,536	708,101	1,209,333	1,917,434
2 <sup>nd</sup> Quarter, 2017	96	2,249,321	612,558	376,625	989,183

*Source: National Port Authority (NPA) SDWT=Summer Dead Weight Tons*

**Chart 3: Vessel Traffic**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)



## 2.4 Electric Power Developments

Total electric power generation from Mount Coffee Hydro, the Heavy Fuel Oil (HFO) generators, and the High-Speed Diesel (HSD) generators during the quarter under review was 47.7 million kilowatts, down from 48.3 million kilowatts produced during the first quarter of 2018. The plunge in electric power generation by 1.2 percent or 0.58 million kilowatts was due to the breakdown of several transformers in the Monrovia area. Additionally, out of the 47.7 million kilowatts produced, only 19.0 million kilowatts was actually consumed. The difference in consumption of electricity from the quantity produced was as a result of power theft. On an annualized basis, electric power generation declined by 12.5 million kilowatts or 20.8 percent.

**Table 6: Electric Power Developments**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
(in Kilowatts)

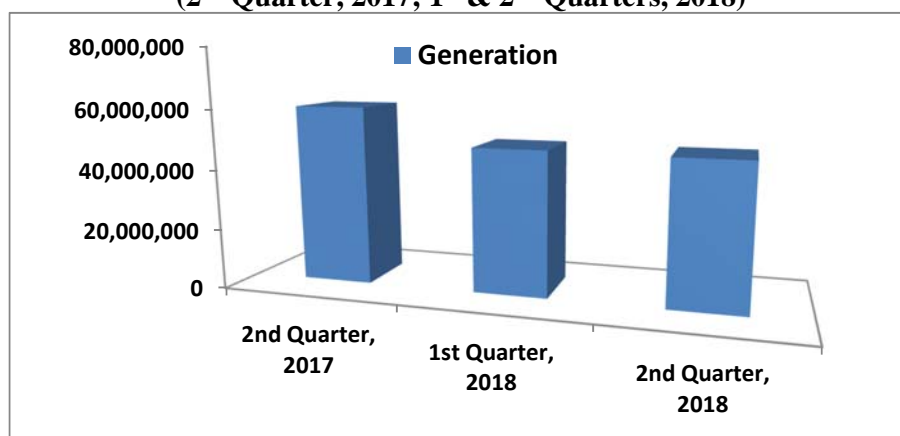
Quarter	Unit	Service	Generation
2 <sup>nd</sup> Quarter, 2017	kW	Electricity	60,236,000
1 <sup>st</sup> Quarter, 2018	kW	Electricity	48,312,000
2 <sup>nd</sup> Quarter, 2018	kW	Electricity	47,728,900

*Source: Liberia Electricity Corporation (LEC)*

*\* Estimate*

*+ Revised/Actual*

**Chart 4: Electricity Generation**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**



## 2.5 Price Developments

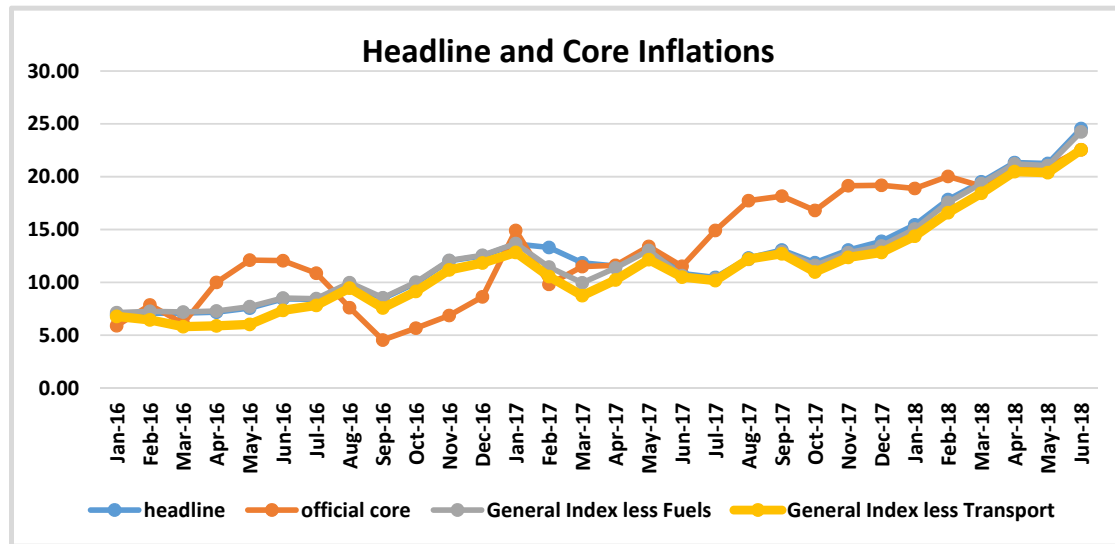
### 2.5.1 Domestic Inflation

Year-on-year rate of inflation during the review quarter was 22.4 percent, up from 17.6 percent reported for the preceding quarter. The 4.8-percentage-point increase in inflation was mainly driven by the depreciation of the Liberian dollars against the US dollars coupled with the pass-through effect of the transport inflation. Compared with the same quarter a year ago, inflation in the second quarter of 2018 rose by 10.6 percent.

Food inflation increased to 20.7 percent at the end of the second quarter of 2018, from 12.3 percent a quarter ago and 7.6 percent recorded in the same period of 2017. Similarly, non-food inflation also rose to 23.3 percent during the review quarter, from 20.7 percent and 16.5 percent over the comparative periods.

Similarly, official core inflation, which is the overall Consumer Price Index (CPI) less food and transport, increased to 21.4 percent, from 12.2 percent and 19.3 percent in the previous quarter and corresponding quarter in 2017, respectively. All core inflation measures increased during the second quarter of 2018.

**Chart 5: Headline and Core inflations**



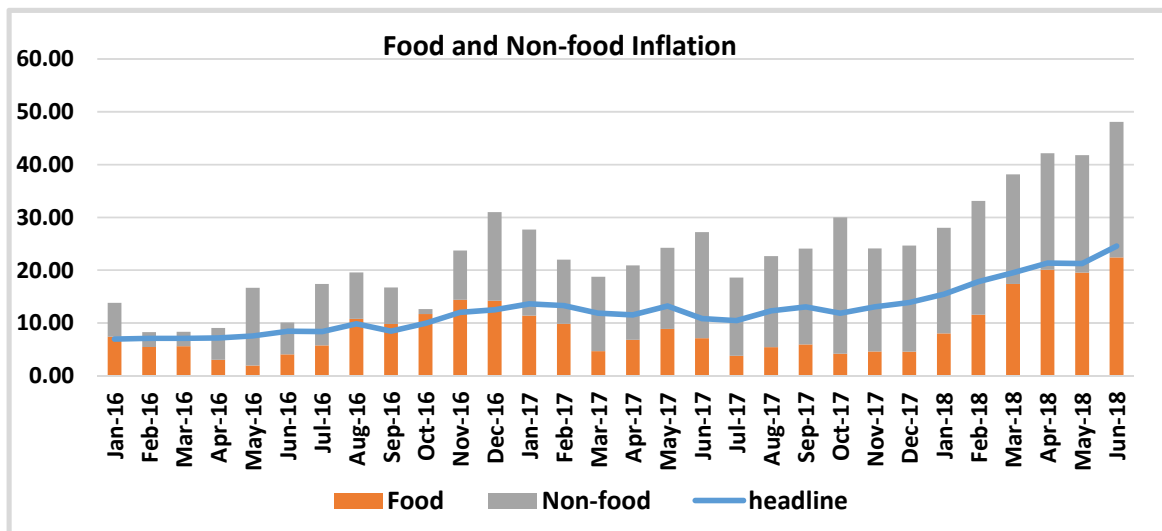
### 2.5.2 Inflation by Group

Prices of all the major groups within the consumer basket (except education) during the reporting quarter revealed that there were increases in inflation compared with the previous quarter and the corresponding quarter a year ago. Transport and restaurant and hotels groups recorded major price increases while education remained unchanged.

### 2.5.3 Contributions to Changes in CPI (%)

A review of the consumer price indices for the second quarter of 2018 revealed that both food and non-food groups contributed to the quarter's change in inflation; that is, both were the driving forces of inflation largely due to the exchange rate depreciation and the poor farm-to-market road because of the rainy season leading to higher transportation cost compared with the previous quarter a year ago. The analysis of data for the second quarter of 2017 and first quarter of 2018 showed that non-food was the main driver of inflation.

**Chart 6: Food and Non-food Inflation**



### 2.5.3.1 Administered versus Market prices

The analytical split between administered<sup>4</sup> and market prices for the quarter under review showed that inflation for the second quarter, 2018 was driven mainly by market prices which reflected the pass-through effect of the depreciation of the exchange rate.

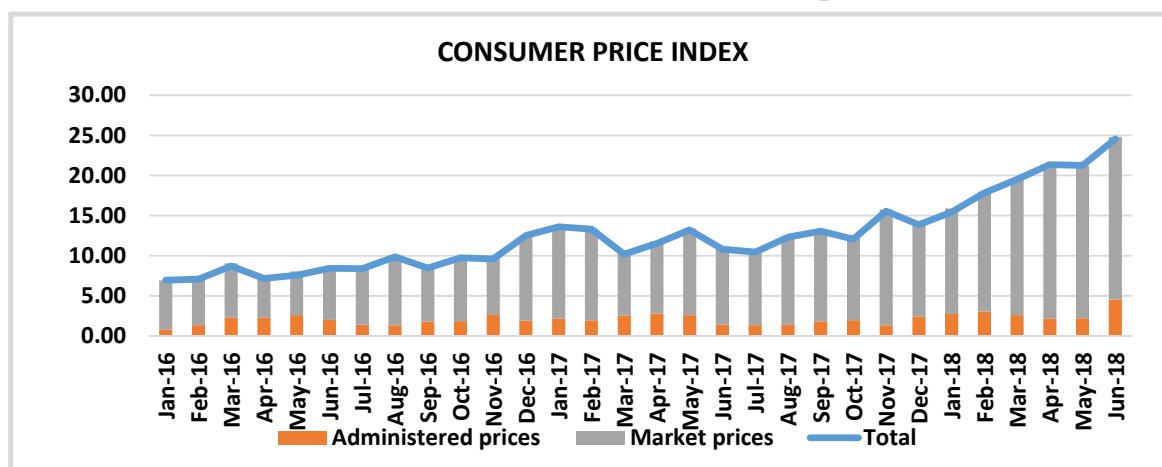
Market prices tend to be more volatile than administered prices, as pricing decisions are made relatively frequently, usually in line with the forces of supply and demand and also the rate of depreciation of the Liberian dollar unlike administered prices.

For the quarter under review, market prices contributed 19.45 percentage points to the 24.56 percent rate of inflation compared to the 9.75 percentage points to the 11.86 rate of inflation and the 15.0 percentage contribution to the 17.60 rate a year and a quarter ago, respectively.

<sup>4</sup> Administered prices refer to the prices that do not vary in response to short-run fluctuations in demand and supply conditions, rather, they are set either directly or indirectly by the government or by some other public institution.



**Chart 7: Administered versus Market prices**



#### 2.5.4 Outlook for Inflation

Year-on-year rate of inflation continues to rise to a higher-level double-digit rate. The realization of a single-digit rate of inflation in the short-run is highly unlikely due to several factors. However, in the medium to long term, the attainment of a single digit rate of inflation could be realized, but will largely depend on the level of volatility in the exchange rate; Government tax policies on key commodities such as rice, petroleum products and other imported commodities; the level of improvement in agricultural facilities for domestic food production including storage facilities; international oil and food prices; infrastructural development such as roads; the level of energy supply; post-election stability; and the level of foreign investment in the short-to-medium term.

**Table 7: Headline and Quarterly Changes in CPI (%)**

		Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI		
		Combined	Food	Non-Food	Combined	Food	Non-Food
2015	Apr	6.8	14.1	-1.1	0.1	-0.1	0.4
	May	7.9	17.5	-2.3	-0.7	0.5	-2.1
	Jun	7.7	12.2	2.7	4.3	1.9	7.4
	Jul	9.5	12.9	5.6	2.6	3.2	1.9
	Aug	7.3	6.9	7.8	-0.8	-3.5	2.4
	Sep	6.5	3.8	9.7	1.8	1.4	2.3
	Oct	6.0	2.8	10.0	0.2	0.4	0.0
	Nov	9.8	9.0	10.6	-1.4	-1.7	-1.0
	Dec	8.0	5.9	4.7	0.1	-0.4	-4.7
2016	Jan	7.0	7.4	6.4	0.1	3.0	2.2
	Feb	7.1	5.5	2.8	-1.2	-2.5	-5.4
	Mar	7.1	5.6	2.7	1.9	3.6	0.1
	Apr	7.2	3.1	6.0	0.2	-2.6	3.6
	May	7.6	1.9	14.7	-0.3	-0.6	5.9
	Jun	8.4	4.1	6.0	5.2	4.1	-0.8
	Jul	8.4	5.8	11.6	2.6	4.8	7.4
	Aug	9.9	10.8	8.8	0.5	1.1	-0.2
	Sep	8.5	9.8	6.9	0.5	0.5	0.6
	Oct	9.9	11.7	0.9	1.6	2.1	-5.6
	Nov	12.0	14.4	9.3	0.5	0.7	7.2
	Dec	12.5	14.2	16.8	0.5	-0.6	1.8
2017	Jan	13.6	11.4	16.3	1.0	0.4	1.8
	Feb	13.3	9.9	12.1	-1.5	-3.8	-0.1
	Mar	11.9	4.7	14.1	0.6	-1.3	1.8
	Apr	11.5	6.8	14.1	-0.1	-0.6	0.2
	May	13.2	8.9	15.4	1.2	1.4	1.1
	Jun	10.8	7.1	20.1	3.0	2.4	3.3
	Jul	10.5	3.8	14.8	2.3	1.6	2.6
	Aug	12.3	5.4	17.2	2.2	2.7	1.9
	Sep	13.1	6.0	18.1	1.2	1.0	1.3
	Oct	11.9	4.2	25.8	0.5	0.4	0.5
	Nov	13.1	4.6	19.5	1.6	1.1	1.8
	Dec	13.9	4.6	20.1	1.2	-0.6	2.2
2018	Jan	15.5	8.0	20.0	2.4	3.7	1.7
	Feb	17.8	11.6	21.5	0.6	-0.7	1.2
	Mar	19.5	17.4	20.7	2.1	3.8	1.1
	Apr	21.4	20.1	22.1	1.4	1.7	1.3
	May	21.3	19.6	22.2	1.1	0.9	1.2
	Jun	24.6	22.4	25.8	5.8	4.9	6.3

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 8: Inflation by Sub-groups: Year-on-Year Changes in CPI**

**(2017-2018)**

Food Group	Weights	Q1-17	Q2-17	Q1-18	Q2-18	Non-Food Group	Weights	Q1-17	Q2-17	Q1- 18	Q2-18
Bread and Cereals (ND)	11.28	23.20	-12.58	4.20	16.90	Alcoholic Beverages, Tobacco and Narcotics	2.55	26.87	28.67	6.51	8.89
Meat (ND)	6.25	9.70	12.40	17.10	30.60	Clothing and Footwear	6.07	16.84	18.30	38.33	34.06
Oils and Fats (ND)	3.69	18.20	-5.60	-8.80	21.50	Housing, Water, Electricity, Gas and Other Fuels	7.32	32.01	3.62	9.72	16.73
Fruits (ND)	1.60	-12.0	-7.20	5.40	12.20	Furnish, H/Hold Equip, Rout. Maintenance of House	5.46	10.25	14.2	29.90	39.28
						Health	8.75	-4.92	-2.96	9.96	12.06
						Transport	8.47	25.49	22.65	29.51	35.33
						Communication	6.73	1.51	2.37	17.3	23.32
						Recreation & Culture	1.38	18.41	22.28	26.42	20.67
						Education	3.15	0.00	0.00	0.00	0.00
						Restaurants & Hotels	8.54	9.55	13.50	27.4	21.98
						Miscellaneous Goods and Services	3.52	14.16	16.85	21.10	26.03

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 9: Harmonized Consumer Price Index (HCPI) By Major Groups**  
**Year-on-Year Rates of Inflation**  
**(2<sup>nd</sup> Quarter 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(December, 2005=100)**

<b>Functions</b>	<b>WEIGHTS</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>2nd Quarter</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>1st Quarter</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>	<b>2nd Quarter</b>
FOOD AND NON-ALCOHOLIC BEVERAGES	38.06	6.82	8.89	7.12	7.61	8.03	11.58	17.40	12.3	20.09	19.56	22.43	20.69
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	2.55	28.99	31.03	25.97	28.67	8.19	6.05	5.28	6.51	8.78	5.21	12.68	8.89
CLOTHING AND FOOTWEAR	6.07	18.32	22.57	14.01	18.30	39.32	39.39	36.27	38.33	35.61	35.14	31.43	34.06
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.32	0.79	3.44	6.62	3.62	9.18	8.48	11.51	9.72	21.64	13.46	15.10	16.73
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.46	16.08	17.28	9.45	14.27	30.58	30.13	29.01	29.90	33.19	41.45	43.21	39.28
HEALTH	8.75	-4.65	-2.77	-1.46	-2.96	7.66	10.50	11.74	9.96	12.18	10.39	13.61	12.06
TRANSPORT	8.47	27.76	25.91	14.26	22.65	26.83	30.92	30.79	29.51	30.26	30.30	45.44	35.33
COMMUNICATION	6.73	1.38	1.85	3.87	2.37	14.08	18.21	19.72	17.34	17.84	25.12	27.01	23.32
RECREATION AND CULTURE	1.38	22.08	25.38	19.38	22.28	28.47	28.71	22.08	26.42	20.87	19.28	21.85	20.67
EDUCATION	3.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESTAURANTS AND HOTELS	8.54	11.62	9.90	18.99	13.50	29.67	30.26	22.45	27.46	20.17	21.62	24.16	21.98
MISCELLANEOUS GOODS AND SERVICES	3.52	14.17	18.19	18.19	16.85	18.13	21.93	23.24	21.1	27.54	24.87	23.64	26.03
GENERAL RATE OF INFLATION	100.00	11.54	13.22	10.83	11.86	15.45	17.83	19.52	17.6	21.35	21.27	24.56	22.39

*Source: CBL & LISGIS, Monrovia, Liberia*

### **III. MONETARY AND FINANCIAL DEVELOPMENTS**

#### **3.0 Money and Banking**

##### **3.1 Banking Development**

The banking sector continues to thrive notwithstanding the challenges in the economy. During the second quarter of 2018, the banking sector recorded increases in key balance sheet indicators compared to the previous quarter. Total capital, total assets, total loans and advances and total deposit during the quarter ended June 2018 increased by 24.6 percent, 16.2 percent 23.2 percent and 12.4 percent, respectively compared with the quarter ended March 2018. On a year-on year basis, there was also significant growth in the key balance sheet items. The depreciation of the Liberian dollar against the US dollar contributed to the significant increases in the key balance sheet indicators.

For the quarter under review, the banking system reported total capital of L\$23.3 billion, 24.6 percent higher than the 18.6 billion reported in the first quarter of 2018. On a year-on-year basis, total capital grew by 49.7 percent. The banking system has periodically shown improvement in cumulative capital over the last two years. The huge increase in the system's capital can be attributed to injection of additional capital by one of the commercial banks during the period under review. With respect to the minimum capital requirement, all the nine banks reported capital in excess of the minimum capital requirement of US\$10.0 million for the review period. In terms of Capital Adequacy Ratio (CAR), all the nine banks were in compliance with the minimum regulatory requirement of 10.0 percent. The cumulative industry CAR for the quarter ended June 2018 stood at 30.6 percent, representing decrease of 3 percentage points and 2.9 percentage points compared with first quarter of 2018 and second quarter, 2017, respectively.

Relative to total loans, the banking sector reported an increase of 23.2 percent in total loans and advances as at end-June 2018 with the sum of L\$70.2 billion compared with the figure recorded in first quarter of 2018. On a year-on year basis, total loans and advances showed significant growth of 46.9 percent. At the same time, the volume of non-performing loans (NPL) recorded for the period under review was L\$10.3 billion compared with L\$9.7 billion recorded in the first quarter of 2018 and L\$6.3 billion recorded in second quarter 2017. The NPL ratio recorded for the second quarter of 2018 was 14.4 percent, representing a decrease of

2.8 percentage points compared with the 17.2 percent recorded in the first quarter of 2018, and an increase of 1.5 percentage points compared to the corresponding quarter a year ago. Though the ratio of NPL is slightly high, efforts by the Government and the CBL toward improving business expectations in the economy will see NPL ratios declining in the near term.

In terms of sectoral credit concentration, as at end-June 2018, 38.6 percent of the total industry credit was directed toward the trade sector, reflecting a decrease of 1.6 percent compared with the value recorded at end-March 2018. Also, 10.6 percent, 10.3 percent, 10.0 percent and 9.2 percent were directed towards services, construction, personal and other sectors, respectively. In the same quarter, 35.6 percent of the total non-performing loans (NPL) came from the trade sector, reflecting 2 percentage points decrease compared to quarter one of 2018; while 18.1 percent, 14.1 percent and 13.0 percent were directed towards services, construction, and other sectors, respectively.

The system recorded total assets of L\$132.05 billion at end-June 2018, representing an increase of 16.2 percent compared with the L\$113.5 billion recorded at end-March 2018 and also a significant increase of 42.9 percent compared with the corresponding quarter in the previous year. The increase in assets can be attributed to increases in both capital and deposits in the banking system.

Despite the slight reduction in the industry's liquidity ratio, there was an increase in the system's liquid assets with eight of the nine banks recording liquidity ratios above regulatory requirement for the period under review. At end-June 2018, the system reported total liquid assets of L\$34.6 billion, representing an increase of 4.9 percent compared with first quarter of 2018 and also an increase of 19.2 percent compared with the corresponding quarter in 2017. However, the system's liquidity ratio as at end-June 2018 decreased by 2.7 percentage points to 40.5 percent compared with the 43.2 percent recorded at end-March 2018. Year-on-year comparison showed that the system's liquidity ratio also reduced by 8.5 percentage points. This situation can be attributed to the expansion in credit to the private sector.

Total deposits in the banking system during the review period increased by 12.4 percent to L\$82.3 billion, from L\$73.20 billion reported in the previous quarter. On a year-on-year basis, total deposits also experienced a significant increase of 34.9 percent. Furthermore, the banking system's source of funding is largely dependent on volatile deposit liabilities. Demand deposits remained the largest segment of total deposits in the banking system with 60.1 percent, while savings deposits and time deposits accounted for 35.4 percent and 4.5 percent, respectively.

The banking system recorded total net income after tax of L\$911.1 million at end-June 2018, increasing by 79.2 percent and 4.8 percent when compared with the values recorded in the first quarter of 2018 and the second quarter of 2017, respectively. For the quarter under review, seven of the nine banks reported positive earnings while two banks reported losses. The system's major sources of income are interests on loans and overdrafts, and treasury bills, and commissions and fees.

### **3.2 Monetary Policy Stance**

The monetary policy objective of the Central Bank of Liberia (CBL) continues to be anchored on price stability through broad exchange rate stability which is accomplished via a sound financial sector that is supportive of sustained and inclusive economic growth and development. To achieve this, the CBL's intervention in the foreign exchange market in addition to the T-bills are the readily available policy instruments to manage monetary conditions in the economy. In an effort to widen the policy instruments, the CBL intends to create a standing deposit facility (SDF) as an additional monetary policy tool to complement the existing instruments in mitigating the persistent pressure on the Liberian dollar and enhance public confidence in the domestic currency. The CBL remains strongly supportive of the national economic development agenda of the Government, with focus on the need for access to finance, through financial inclusion, and credit to critical sectors of the economy, including housing, agriculture and manufacturing.

### **3.3 Commercial Bank Credit**

Total quarter-on-quarter (Q-o-Q) credits to the various sectors of the economy at end-June 2018 expanded by 5.6 percent to L\$59,936.6 million, from L\$56,739.8 million recorded at end-March 2018. This growth for the reporting quarter in the stock of credit was mainly triggered by increases in loans to the Extractive, Agriculture, Trade, Oil & Gas Sectors and credits to the 'others' sector. The favourable planting season for agricultural products along with the gradual pick-up in economic activities during the quarter explains the rise in total loans. Loans to the Construction, Manufacturing, Services sectors as well as personal loan contributed negatively to credit growth during the quarter. About 100 percent of outstanding loans and advances in the reporting quarter was directed to the private sector, which is positive to the development of the private sector and the economy at large. Annualized analysis suggested that credit to the

various economic sectors rose by 25.7 percent (Table 10, Chart 8). The outlook of credits appears positive given the steady pick-up in business activities as a result of ongoing effort of the government to improve the business environment particularly for the private sector.

**Table 10: Commercial Bank Loans by Economic Sector**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

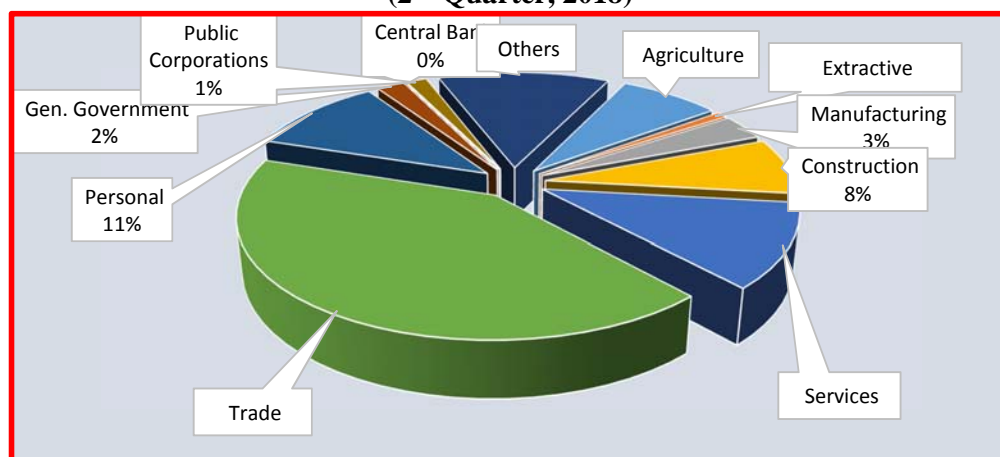
	2017		2018			
	2 <sup>nd</sup> Quarter	Share	1 <sup>st</sup> Quarter	Share	2 <sup>nd</sup> Quarter	Share
Agriculture	1,328.0	2.8	3,745.2	6.6	4,194.8	7.0
Extractive (Mining & Quarrying)	170.6	0.4	245.9	0.4	438.0	0.7
Manufacturing	515.8	1.1	2,094.6	3.7	1,889.0	3.2
Construction	5,134.0	10.8	7,587.9	13.4	4,214.8	7.0
Services	4,472.3	9.4	7,052.7	12.4	6,209.9	10.4
Trade	8,512.2	17.8	22,666.6	33.4	22,978.1	38.3
Personal	20,122.5	42.2	6,440.2	11.4	5,807.6	9.7
Gen. Government	5.0	0.0	543.2	1.0	1,160.6	1.9
Central Bank	-	-	-	-	-	-
Public Corporations	16.8	0.0	1,083.9	1.9	854.6	1.4
Oil and Gas	809.7	1.7	3,358.8	5.9	5,043.3	8.4
Others	6,613.0	13.9	1,921.0	3.4	7,146.1	11.9
<b>Total Loan All Sectors (LD &amp; USD)</b>	<b>47,700.0</b>	<b>100.0</b>	<b>56,739.8</b>	<b>93.5</b>	<b>59,936.6</b>	<b>100.0</b>
<i>O/W TOTAL Private Sector (LD &amp; USD)</i>	<i>47,678.1</i>	<i>99.95</i>	<i>55,112.7</i>	<i>97.13</i>	<i>57,921.4</i>	<i>96.64</i>

*Source: Central Bank of Liberia, Monrovia, Liberia*

*\*Revised +Provisional*



**Chart 8: Percentage Distribution of Commercial Banks' Loans by Economic Sectors  
(2<sup>nd</sup> Quarter, 2018)**



### 3.4 Interest Rate

During the period under review, interest rate indicators drifted in opposite directions. The interest rates on certificate of deposits and personal loan expanded by 2.3 percent and 1.7 percent, respectively, while the interest rates on mortgage loans, time deposits and savings declined by 1.7 percent, 5.4 percent, 3.0 percent and 4.7 percent, respectively, when matched against the first quarter of 2018. Year-on-year comparison of average interest rates revealed that the interest rates on personal loan, time deposit and certificate of deposit grew by 2.6 percent, 1.0 percent and 11.1 percent, respectively, while interest rates on Mortgage, Savings and Lending narrowed down by 7.9 percent, 3.6 percent and 2.0 percent respectively (Table 11). The spread between the average lending and savings rates for the quarter ended-June 2018 slowed down to 10.9 percent from 11.0 percent compared with the first quarter of 2018.

**Table 11: Commercial Bank's Interest Rates  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**

	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Avg. Lending Rate</b>	13.28	13.23	13.01
<b>Avg. Personal Loan Rate</b>	12.94	13.06	13.28
<b>Avg. Mortgage Rate</b>	13.39	13.04	12.33
<b>Avg. Time Deposit Rate</b>	3.53	3.68	3.56
<b>Avg. Savings Rate</b>	2.20	2.23	2.12
<b>Avg. Rate on CDs</b>	3.00	3.26	3.33

*Source: Central Bank of Liberia, Monrovia, Liberia*  
+Provision \*Revised

### 3.5 Exchange Rate

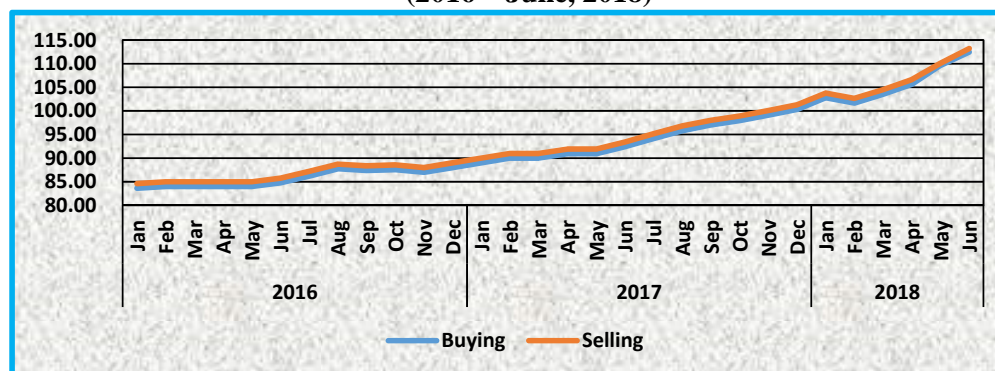
The average exchange rate between the Liberian dollar and the US dollar depreciated by 6.2 percent to L\$136.30/US\$1.00 at end-June 2018, from L\$128.34/US\$1.00 recorded at end-March 2018. The depreciation of the domestic currency was primarily explained by the rise in the demand for US dollar to service import payments, increase in Government Liberian dollar expenditure and the rising demand for US dollars to facilitate local transactions, and more importantly, the departure of UNMIL which significantly impacted FX inflows in the country, despite the foreign exchange intervention by the CBL. For the quarter under review, Government of Liberia (GoL) Liberian dollar expenditures increased by 2.3 percent to L\$4,873.2 million, from L\$4,765.8 recorded in the previous quarter. Government's US dollar expenditure remains low compared with its Liberian dollar counterpart which contributed to the high demand for US dollar in the economy. Also, the end-of-period exchange rate for the reporting quarter depreciated by 14.5 percent on a quarterly basis and 33.3 percent on an annualized basis. A year-on-year analysis indicated that the average exchange rate depreciated by 20.8 percent at end-June 2018 compared with the figure reported the same quarter a year ago.

**Table 12: Market Exchange Rate: Liberia Dollar per US Dollar  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**

	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Market Rate End of Period</b>	113.13	131.64	150.77
<b>Market Rate Period Average</b>	112.84	128.34	136.30

*Source: Central Bank of Liberia, Monrovia, Liberia*

**Chart 9: Monthly Average Buying and Selling Rates of  
Liberian Dollars per US Dollar  
(2016 – June, 2018)**



**Table 13: Monthly Average Buying and Selling Rates of  
Liberian Dollars per US Dollar  
(2016- June 2018)**

Period Average	2016		2017		2018	
	Buying	Selling	Buying	Selling	Buying	Selling
<b>January</b>	89.00	90.00	102.77	103.77	126.46	127.24
<b>February</b>	90.00	91.00	101.67	102.67	126.85	127.26
<b>March</b>	90.00	91.00	103.52	104.52	131.48	131.79
<b>April</b>	90.92	91.92	105.64	106.64	130.94	131.37
<b>May</b>	90.92	91.92	109.62	110.08	134.15	134.63
<b>June</b>	92.42	93.42	112.48	113.19	142.90	143.79
<b>July</b>	94.15	95.15	112.78	113.50		
<b>August</b>	95.81	96.81	114.74	115.50		
<b>September</b>	97.00	98.00	116.82	117.65		
<b>October</b>	97.92	98.92	118.06	118.90		
<b>November</b>	99.08	100.08	123.21	123.94		
<b>December</b>	100.30	101.30	125.18	125.83		
<b>Q1</b>	<b>89.67</b>	<b>90.67</b>	<b>102.65</b>	<b>103.65</b>	<b>128.26</b>	<b>128.76</b>
<b>Q2</b>	<b>91.42</b>	<b>92.42</b>	<b>109.25</b>	<b>109.97</b>	<b>136.00</b>	<b>136.60</b>
<b>Q3</b>	<b>95.65</b>	<b>96.65</b>	<b>114.78</b>	<b>115.55</b>		
<b>Q4</b>	<b>99.10</b>	<b>100.10</b>	<b>122.15</b>	<b>122.89</b>		
<b>Yearly Ave</b>	<b>93.62</b>	<b>94.62</b>	<b>112.21</b>	<b>113.02</b>		

*Source: Central Bank of Liberia, Monrovia, Liberia*

### **3.6 Liberian Dollar in Circulation**

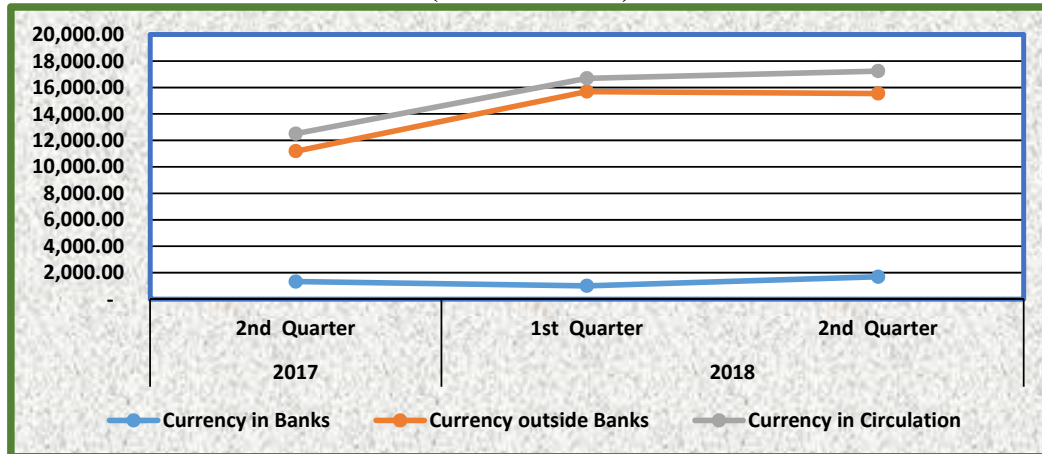
The Liberian dollar in circulation at end-June 2018 expanded by 3.3 percent to L\$17,236.1 million, from L\$16,692.6 million recorded at end-March 2018. The growth in currency in circulation was due to a 68.7 percent rise in currency in banks which offset the 0.9 percent decline in currency outside banks both driven by the demand for cash to facilitate economic transactions. When matched against the same period a year ago, the Liberian dollar in circulation expanded by 38.8 percent on account of a 27.3 percent and 39.0 percent increases in both currency in banks and currency outside banks, respectively (Table 14 & Chart 10).

**Table 14: Liberian Dollars in Circulation**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
Currency in Banks	1,330.10	1,003.92	1,693.12
Currency outside Banks	11,182.70	15,688.67	15,542.96
Currency in Circulation	12,512.80	16,692.59	17,236.08

*Source: Central Bank of Liberia, Monrovia, Liberia*

**Chart 10: Liberian Dollars in Circulation**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**



### 3.7 Money Supply (M1)

Narrow money supply (M1) at end-June 2018 grew by 11.1 percent to L\$63,449.0 million compared to L\$57,109.4 million recorded for the preceding quarter. The rise in M1 was prompted by a 15.7 percent growth in demand deposit which outweighed the 0.9 percent decline in currency outside the banking system. Compared with the corresponding period a year ago, narrow money supply grew by 37.2 percent, triggered by 39.0 percent and 36.6 percent expansions in both currency outside the banking system and demand deposits, respectively (Table 15 & Chart 11).

**Table 15: Broad Money Supply and its Sources**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

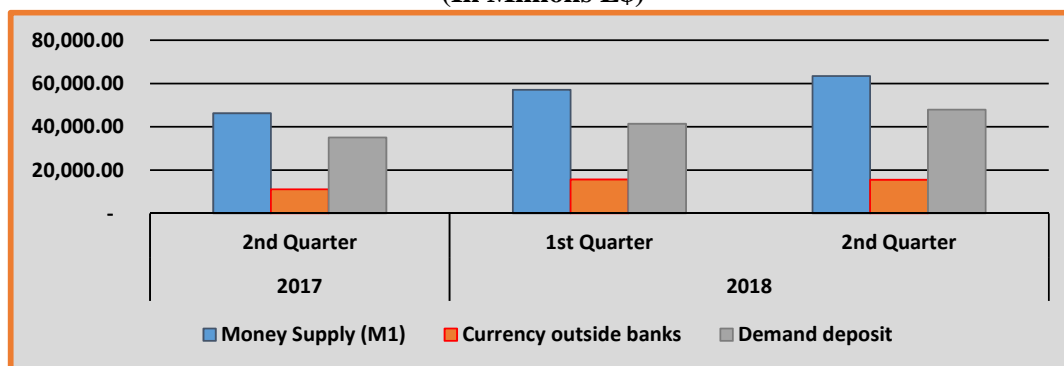
Monetary Aggregates	2017	2018		Percentage Change	
	2nd Quarter	1st Quarter	2nd Quarter	Q-o-Q	Y-o-Y
<b>1.0 Money Supply M2 (1.1 + 1.2)</b>	<b>69,429.25</b>	<b>86,924.79</b>	<b>95,801.19</b>	<b>10.21</b>	<b>37.98</b>
<i>1.1 Money Supply M1</i>	<i>46,242.99</i>	<i>57,109.41</i>	<i>63,449.00</i>	<i>11.10</i>	<i>37.21</i>
<i>1.1.1 Currency outside banks</i>	<i>11,182.73</i>	<i>15,688.67</i>	<i>15,542.96</i>	<i>-0.93</i>	<i>38.99</i>
<i>1.1.2 Demand deposit <sup>1/</sup></i>	<i>35,060.26</i>	<i>41,420.74</i>	<i>47,906.04</i>	<i>15.66</i>	<i>36.64</i>
<b>1.2 Quasi Money</b>	<b>23,186.26</b>	<b>29,815.38</b>	<b>32,352.19</b>	<b>8.51</b>	<b>39.53</b>
<i>1.2.1 Time &amp; Savings deposits</i>	<i>23,108.55</i>	<i>29,588.25</i>	<i>32,198.98</i>	<i>8.82</i>	<i>39.34</i>
<i>1.2.2 Other deposits <sup>2/</sup></i>	<i>77.71</i>	<i>227.13</i>	<i>153.20</i>	<i>-32.55</i>	<i>97.15</i>
<b>2.0 Net Foreign Assets</b>	<b>30,575.68</b>	<b>24,248.38</b>	<b>20,065.76</b>	<b>-17.25</b>	<b>-34.37</b>
2.1 Central Bank	21,561.03	16,465.74	11,541.50	-29.91	-46.47
2.2 Banking Institutions	9,014.66	7,782.63	8,524.25	9.53	-5.44
<b>3.0 Net Domestic Assets (1 - 2)</b>	<b>38,853.57</b>	<b>62,676.41</b>	<b>75,735.43</b>	<b>20.84</b>	<b>94.93</b>
3.1 Domestic Credit	83,814.90	97,628.01	111,865.00	14.58	33.47
3.1.1 Government (net)	26,055.97	27,116.11	32,346.03	19.29	24.14
3.1.2 Pvt. Sector & Other Pvt.	57,758.93	70,511.91	79,518.97	12.77	37.67
3.2 Other assets Net (3 - 3.1)	44,961.33	34,951.60	36,129.57	3.37	-19.64
<b>Memorandum Items</b>					
<b>1. Overall Liquidity</b>	<b>69,429.25</b>	<b>86,924.79</b>	<b>95,801.19</b>	<b>10.21</b>	<b>37.98</b>
2. Reserve Money	26,896.15	37,011.21	37,329.72	0.86	38.79
<i>Currency outside banks</i>	<i>11,182.73</i>	<i>15,688.67</i>	<i>15,542.96</i>	<i>-0.93</i>	<i>38.99</i>
<i>Banks Reserves</i>	<i>14,764.18</i>	<i>20,063.49</i>	<i>20,415.20</i>	<i>1.75</i>	<i>38.28</i>
<i>Other Deposits at CBL</i>	<i>949.23</i>	<i>1,259.05</i>	<i>1,371.56</i>	<i>8.94</i>	<i>44.49</i>

*Source: Central Bank of Liberia, Monrovia*

*1/Excludes managers check from commercial banks*

*2/ Includes official and managers checks issued by the Central Bank*

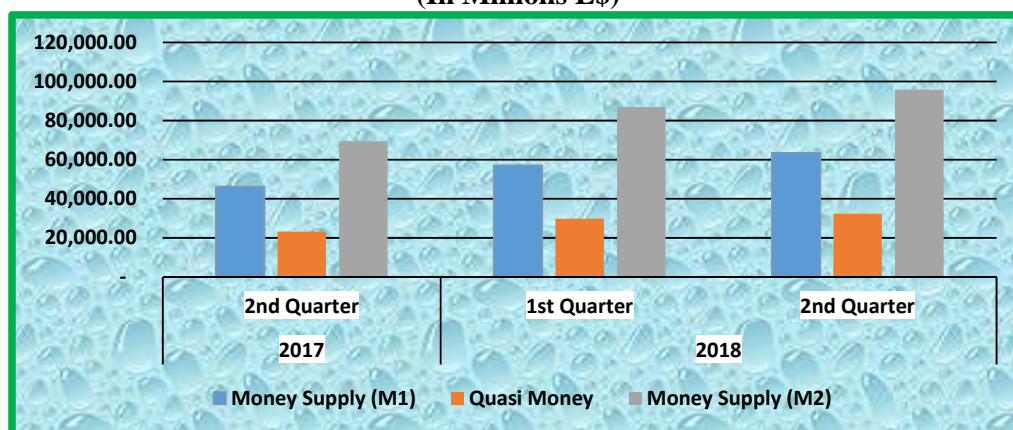
**Chart 11: Narrow Money Supply (M1)**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**



### 3.8 Broad Money Supply (M2)

Money, broadly defined, (M2), at end-June 2018 expanded by 10.2 percent to L\$95,801.2 million, from L\$86,924.8 million recorded at end-March 2018. From the assets side, the expansion in broad money was occasioned by a 20.4 percent growth in net domestic assets which overshadowed the 17.3 percent decline in net foreign assets (NFA). When matched against the corresponding stock recorded in 2017, total liquidity in the banking system (M2) grew by 38.0 percent on account of a 94.9 percent increase in net domestic assets despite the 34.4 percent slowdown in net foreign assets (Table 15 & Chart 12).

**Chart 12: Broad Money Supply (M2)**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Millions L\$)



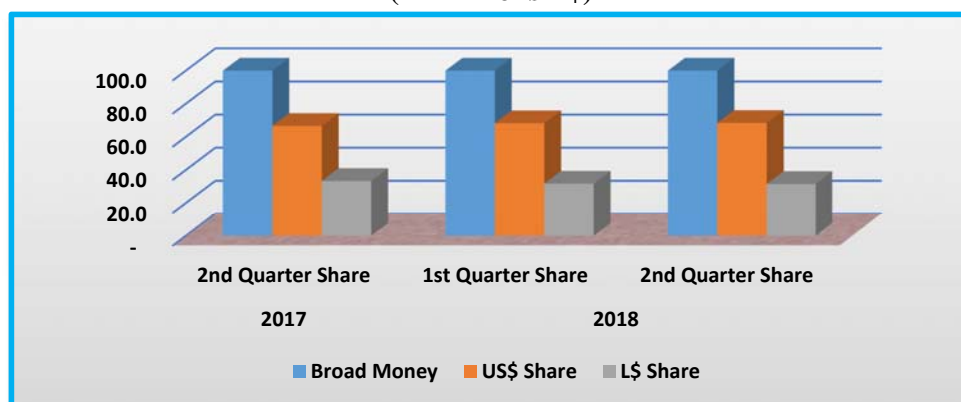
The US and Liberian dollar components of broad money supply at end-June 2018 stood at 68.4 percent and 31.6 percent, respectively. This represents a marginal upward trend of 10 basis points in US dollar share when matched with the first quarter of 2018 which recorded shares of US and Liberian dollars of 68.3 and 31.7 percent, respectively. The huge US component of broad money reflects the high degree of dollarization of the economy.

**Table 16: Broad Money: Share of US and Liberian Dollars**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

	USD and LD Shares of Broad Money					
	2017		2018			
	2 <sup>nd</sup> Quarter	Share	1 <sup>st</sup> Quarter	Share	2 <sup>nd</sup> Quarter	Share
Broad Money	69,429.3	100.0	72,819.8	100.0	95,801.2	100.0
US\$ Share	46,226.4	66.6	49,710.0	68.3	65,567.9	68.4
L\$ Share	23,202.8	33.4	23,109.9	31.7	30,233.3	31.6

*Source: Central Bank of Liberia, Monrovia, Liberia*

**Chart 13: Broad Money: Share of US and Liberian Dollars**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**



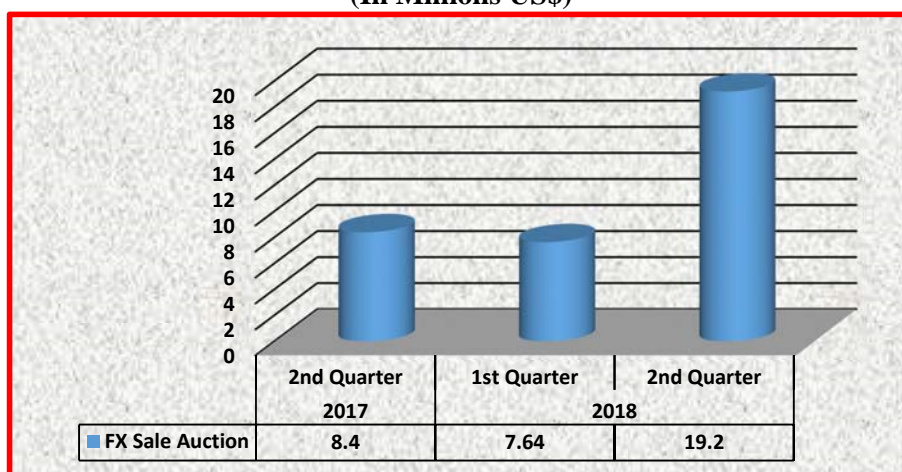
### 3.9 Foreign Exchange Auction

The total quantity of US dollar sold through the foreign exchange auction during the quarter ended-June 2018 amounted to US\$19.2 million. This level of intervention was US\$11.6 million higher than the amount offered in the first quarter of 2018. On a year-on-year basis, total foreign exchange sold during the second quarter of 2018 expanded by 10.8 million. This level of intervention and the continuous deterioration in the value of the domestic currency against the US dollar signify the need to consider the use of other policy instruments in order to reduce the pressure on the foreign reserves.

**Table 17: Foreign Exchange Sale Auction**  
**(2<sup>nd</sup> Quarter 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions US\$)**

FX Sale Auction	2017	2018	
	2nd Quarter	1st Quarter	2nd Quarter
	8.4	7.6	19.2

**Chart 14: Foreign Exchange Sale Auction**  
**(2<sup>nd</sup> Quarter 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions US\$)**



### 3.10 Money Market Developments

Money market operations for the second quarter of 2018 witnessed the issuance of three GoL's 91-day T-bills which amounted to L\$200.5 million with a weighted average discount rate of 2.89 percent. When matched with the preceding quarter, GoL's 91-day T-bill issued in the second quarter, 2018 increased by L\$74.32 million largely on account of the limited number of T-bills sold in the first quarter of 2018. Over subscription, on the other hand, grew by 108.3 percent to L\$136.42 million, from L\$65.49 million reported at end-March 2018. Compared with the corresponding quarter a year ago, over subscription grew by 110.36 million.

The average yield in the second quarter of 2018 remained relatively low and also declined by 20 basis points to 2.89 percent which reflects inadequate alternative investment opportunity for loanable funds in Liberian dollar at the disposal of banks.



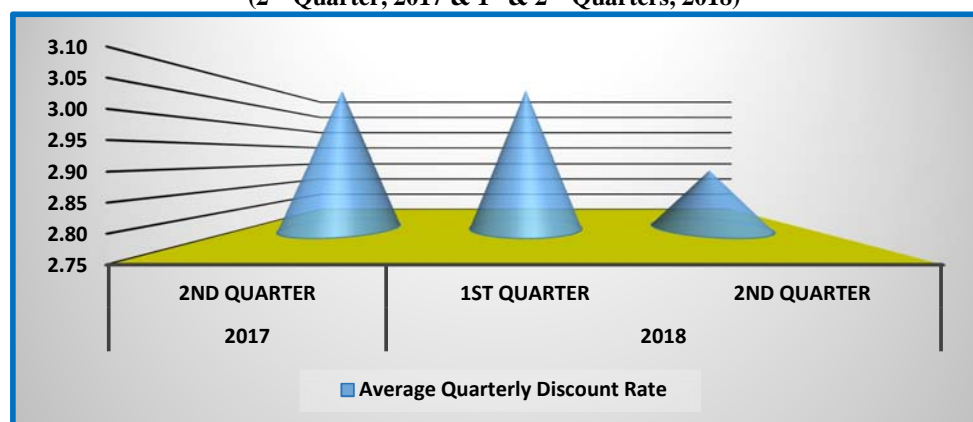
**(Table 18: Government of Liberia Treasury Bill Auction)  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Millions L\$)**

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity	Weighted Average Discount Rate (%)
<b>2<sup>nd</sup> Quarter, 2018</b>							
5-Apr-18	5-Jul-18	65.56	65.56	65.10	32.04	0.46	2.83
3-May-18	2-Aug-18	65.76	65.76	65.28	51.85	0.48	2.94
7-Jun-18	6-Sep-18	69.15	69.15	68.65	52.53	0.50	2.90
<b>Total</b>		<b>200.47</b>	<b>200.47</b>	<b>199.02</b>	<b>136.42</b>	<b>1.44</b>	<b>2.89</b>
<b>1<sup>st</sup> Quarter, 2018*</b>							
4-Jan-18	5-Apr-18	62.73	62.73	62.61	18.80	0.51	3.26
1-Mar-18	3-May-18	63.43	63.43	62.96	46.69	0.46	2.91
<b>Total</b>		<b>126.15</b>	<b>126.15</b>	<b>125.57</b>	<b>65.49</b>	<b>0.97</b>	<b>3.09</b>
<b>2<sup>nd</sup> Quarter, 2017</b>							
6-Jun-17	5-Sep-17	53.74	53.735	55.33	9.406	0.40	2.90
4-May-17	3-Aug-17	53.25	53.25	52.82	8.125	0.43	3.20
6-Apr-17	6-Jul-17	52.25	52.25	51.84	8.525	0.41	3.15
<b>Total</b>		<b>159.24</b>	<b>159.24</b>	<b>160.00</b>	<b>26.06</b>	<b>1.24</b>	<b>3.08</b>

Source: Central Bank of Liberia

\*Revised

**Chart 15: Average Quarterly Yields (in Percent) Government of Liberia 91-day Treasury-bill Auctions  
(2<sup>nd</sup> Quarter, 2017 & 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**



## IV. FISCAL SECTOR DEVELOPMENTS

An estimate of fiscal operations during the 2nd Quarter of 2018 resulted in a budget deficit of L\$8,737.8 million (7.7 % of GDP), down from a surplus of L\$2,625.1 million (2.4 % of GDP) recorded in the previous quarter. Compared to the corresponding period in 2017, the deficit recorded reflects a further decline in fiscal operations by 2.5% of GDP. The budget deficit recorded during the quarter under review was as a result of 10.7 percent decline in total actual revenue and grants which outweighed the 48.6 percent increase in total public expenditure.

Actual revenue and grants declined by 55.0 percent to L\$15,269.3 million against a budgetary projection of L\$33,904.0 million for the period under review. The budgetary gap in actual revenue and grants receipts during the quarter was explained by 27.47 percent and 89.79 percent reductions in actual tax and non-tax revenues, respectively.

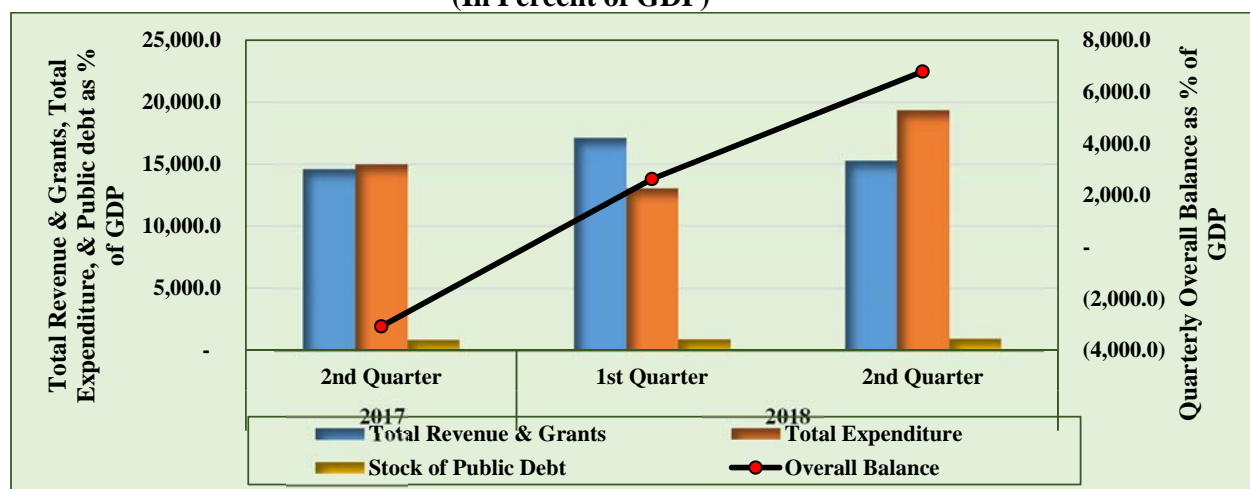
Liberia's public debt stock at end-June 2018 grew by 3.0 percent against the stock recorded at end-March 2018, explained by 4.2 percent growth in external debt obligations mainly to multilateral creditors. Compared to the corresponding period in 2017, the stock of debt increased by 11.0 percent.

**Table 19: Government of Liberia's Fiscal Sector Indicators**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In percent of GDP)

Indicators	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
Total Revenue & Grants	24.4	15.9	13.4
Total Revenue Excluding Grants	20.4	15.4	13.4
Tax Revenue	17.8	11.4	12.1
Nontax Revenue Including Grants	6.6	4.5	1.3
Nontax Revenue Excluding Grants	2.6	3.9	1.3
Grants	4.0	0.6	-
Total Expenditure	25.0	12.1	17.0
Recurrent Expenditure	22.9	11.2	12.5
Capital Expenditure	1.6	0.2	0.5
Loan & Interest Payments & Other Charges	0.5	0.8	4.1
Compensation of Employees	9.1	6.7	6.0
Expenditure on Goods and Services	7.4	2.5	3.9
Overall Balance	(5.2)	2.4	(7.7)
Stock of Public Debt	38.4	27.4	28.2
Stock of External Debt	26.3	19.4	20.2
Stock of Domestic Debt	12.1	8.0	8.0

Source: Ministry of Finance & Development Planning (MFDP)

**Chart 16: Government of Liberia's Fiscal Operations**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Percent of GDP)**



*Source: Ministry of Finance & Development*

#### 4.1 Government Revenue and Grants

Total revenue and grants for the period under review summed up to L\$15,269.3 million (13.4 % of GDP), about L\$1,835.3 million (10.7 percent) below the amount recorded during the preceding quarter. Compared to the corresponding period of 2017, it increased by L\$674.6 million (4.6 percent). This decline in total revenue and grants receipts during the review quarter relative to the previous quarter was attributed to a 68.4 percent fall in non-tax revenue receipts, respectively.

Receipts from actual tax and non-tax revenues amounted to L\$13,742.5 million (12.1% of GDP) and L\$1,526.8 million (1.3 % of GDP), constituting 90.0 percent and 10.0 percent of total actual revenue receipts during the review quarter, respectively. The increase in actual tax revenue during the review quarter was primarily attributed to increases in receipts from taxes on income & profits and international trade taxes. On the contrary, the decline in actual non-tax revenue was caused by a significant decline in receipts from charges & other administrative fees coupled with no grant receipt for the period. Actual tax and non-tax revenues decreased against budgetary targets by 27.47 percent and 89.79 percent, respectively.

#### **4.1.1 International Trade Taxes**

International trade taxes during the quarter increased by 24.4 percent to L\$6,760.5 million, from L\$5,435.5 million recorded in the previous quarter. Compared to the corresponding quarter of 2017, international trade taxes also increased by 56.6 percent from L\$4,316.8 million to L\$6,760.5 million. Both taxes & duties on imports and exports contributed significantly to the rise in receipts for international trade taxes during the quarter. Compared with budgetary target, taxes on international trade declined by 41.5 percent during the period.

#### **4.1.2 Taxes on Income and Profits**

Taxes on income and profits during the quarter increased by 14.1 percent to L\$4,803.3 million, from L\$4,209.3 million recorded in the previous quarter. Additionally, income & profits taxes increased by 0.92 percent against the amount recorded during the corresponding quarter in 2017. Individual taxes on income & profits was the major driver of the increase in taxes on income and profits during the review quarter relative to the preceding period. When matched against budgetary projections for the period, income and profits taxes also fell below target by 8.5 percent.

#### **4.1.3 Sales Taxes on Goods and Services**

Sales taxes on goods and services during the review quarter reduced to L\$1,858.3 million, (16.3%) from L\$2,221.2 million recorded in the previous quarter. On the contrary, sales taxes on goods & services significantly increased by L\$362.9 million (39.6 %) when considering the amount recorded during the corresponding period of 2017. All the sub-categories of sales taxes on goods and services contributed to the decline during the period under consideration. Budgetary comparison showed that actual sales taxes on goods and services fell below budgetary projection for the quarter by L\$588.1 million (24.0 %).

#### **4.1.4 Property and Real Estate Taxes**

Property and real estate taxes increased by 64.4 percent to L\$320.4 million during the quarter, from L\$194.8 million reported in the quarter ended-March 2018 and increased by L\$63.3 million compared with the amount recorded during the corresponding quarter in 2017. When matched against budgetary appropriation for the quarter, property and real estate taxes fell by 37.8 percent to L\$320.4 million.

#### 4.1.5 Charges and Other Administrative Fees

Non-tax revenue from charges and other administrative fees during the quarter stood at L\$1,526.8 million indicating a decline of 68.4 percent from L\$4,827.8 million recorded in the previous quarter. A corresponding period comparison indicates that non-tax revenue from charges & other administrative fees significantly reduced by 61.1 percent, down from L\$3,925.1 million. A budgetary forecast comparison shows that non-tax revenue from charges and other administrative fees remarkably under-performed by 89.8 percent.

**Table 20: Government of Liberia's Total Revenue by Sources**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Millions, L\$)

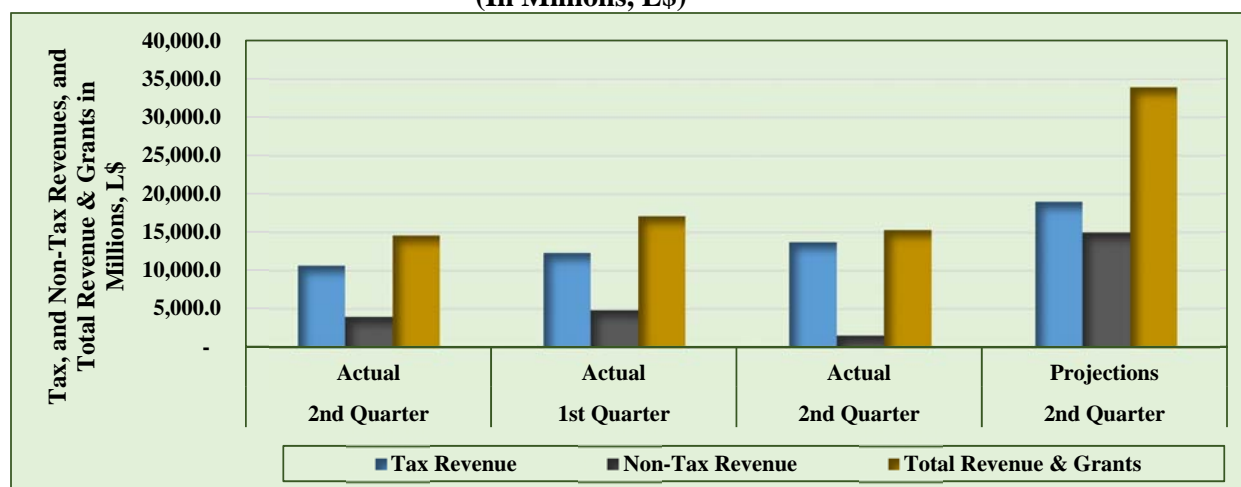
Revenue Sources	2017	2018		
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter
	Actual			Projections
<b>Tax Revenue</b>	<b>10,669.7</b>	<b>12,276.8</b>	<b>13,742.5</b>	<b>18,946.2</b>
<b>International Trade Taxes</b>	<b>4,316.8</b>	<b>5,435.5</b>	<b>6,760.5</b>	<b>11,557.6</b>
<i>Taxes &amp; Duties on Imports</i>	4,305.6	5,422.3	6,740.6	6,564.8
<i>Taxes on Exports</i>	11.2	13.2	19.9	10.8
<b>Taxes on Income &amp; Profits</b>	<b>4,759.4</b>	<b>4,209.3</b>	<b>4,803.3</b>	<b>4,427.2</b>
<i>Individual Taxes on income &amp; profits</i>	3,357.8	4,040.7	4,626.1	4,186.4
<i>Taxes Payable by Corporate Entities</i>	1,401.6	168.6	177.2	240.7
<i>Others</i>	0.0	0.0	-	-
<b>Sale Taxes on Goods &amp; Services</b>	<b>1,331.3</b>	<b>2,221.2</b>	<b>1,858.3</b>	<b>2,446.4</b>
<i>Goods &amp; Service Tax</i>	615.0	808.7	536.1	806.4
<i>Excise Taxes</i>	123.4	134.6	125.4	234.0
<i>Maritime Revenue</i>	387.1	592.4	464.4	1,016.4
<i>Others</i>	205.8	274.7	412.1	389.5
<b>Property &amp; Real Estate Taxes</b>	<b>257.1</b>	194.8	320.4	515.1
<b>Other Tax Revenue<sup>1</sup></b>	<b>5.1</b>	216.0	-	-
<b>Non-Tax Revenue</b>	<b>3,925.1</b>	<b>4,827.8</b>	<b>1,526.8</b>	<b>14,957.8</b>
<b>Administrative Fees &amp; Other Charges</b>	<b>1,551.0</b>	<b>1,488.4</b>	<b>1,526.8</b>	<b>5,814.1</b>
<b>Grants</b>	<b>2,374.0</b>	<b>614.8</b>	-	<b>4,338.0</b>
<b>Others</b>	-	<b>2,724.6</b>	-	<b>4,805.7</b>

<b>Contingent Revenue</b>	-	0.0	-	-
<b>Borrowing</b>	-	2,724.6	-	2,687.8
<b>Carry Forward</b>	-	-	-	-
<b>Grants, loans and other external resource</b>	-	-	-	2,117.9
<b>Total Revenue &amp; Grants</b>	<b>4,594.74</b>	<b>17,104.6</b>	<b>15,269.3</b>	<b>33,904.0</b>

Source: Ministry of Finance & Development Planning)

\*Revised

**Chart 17: Government of Liberia's Total Revenue by Sources**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Millions, L\$)



Source: Ministry of Finance & Development

## 4.2 Government Expenditure

Public expenditure for the quarter ended-June 2018 stood at L\$19,358.2 million (17.0 % of GDP). Matched against the amount of L\$13,024.6 million recorded in the previous quarter, public spending during the review period increased by 48.6 percent largely explained by an 18.1 percent increase in capital expenditure and 453.3 percent increase in expense on loans, interest payments & other charges, respectively. Additionally, on a year-on-year basis, public spending increased by 29.2 percent relative to the amount recorded during the corresponding period. Recurrent and Loan & Interest Payments & Other Charges increased by 3.4 percent and 1,350.2 percent respectively while on the contrary, capital expenditure significantly decreased by 45.3 percent.

Recurrent expenditure during the review quarter increased by 18.1 percent to L\$14,196.8 million against the amount of L\$12,022.3 million recorded in the preceding quarter. Similarly,

recurrent expenditure increased by 3.4 percent compared to the corresponding quarter in 2017. Public spending on capital goods (capital expenditure) during the quarter ended-June 2018 significantly increased by 216.4 percent to L\$513.0 million, from L\$162.1 million recorded in the preceding quarter. On the contrary, capital expenditure sharply declined by 45.3 percent against the amount recorded during the corresponding period in 2017. Expenditure on loans, interest payments & other charges massively increased by 453.3 percent and 1,350.2 percent compared to the amounts recorded during the previous and corresponding periods respectively.

#### **4.2.1 Recurrent Expenditure**

##### **Compensation of Employees**

Spending on employees' compensation (salaries & allowances, and social contributions) during the review quarter amounted to L\$6,880.4 million (6.0 % of GDP), representing 48.5 percent and 35.5 percent of recurrent and total expenditures, respectively. Compared with the previous quarter, employees' compensation decreased by 4.1 percent and increased by 26.3 percent when matched against the corresponding quarter in 2017.

##### **Expenditure on Goods and Services**

Expenditure on goods & services for the quarter totaled L\$4,450.9 million (3.9 % of GDP), and accounted for 31.4 percent and 23.0 percent of recurrent and total expenditures respectively. Compared with the preceding and corresponding quarters, public spending on goods & services increased by 64.6 percent and declined by 0.7 percent, respectively.

##### **Grants**

During the review quarter, provision of grants (to foreign governments, international organizations, other general government units, transfers to non-governmental organizations, and transfers to private entities) amounted to L\$1,172.5 million which constituted 7.6 percent and 5.5 percent of recurrent and total expenditures, respectively. Compared to the previous and corresponding quarters, it increased by 23.8 percent and declined by 42.3 percent, respectively.

##### **Social Benefits**

Public expenditure on social benefits amounted to L\$2.9 million. Considering a comparative analysis with the previous quarter, it drastically reduced by 84.2 percent or L\$15.1 million.

Similarly, spending on social benefits reduced by 87.1 percent or L\$19.0 million when compared to the corresponding period in 2017.

### **Others**

The 'others' category of recurrent expenditure during the quarter under review rose by 42.1 percent to L\$1,790.1 million from L\$1,259.8 million recorded in the previous quarter. Conversely, it significantly declined by 9.5 percent when compared to the same period in 2017.

#### **4.2.2 Capital Expenditure**

##### **Acquisition of Fixed Assets**

Public spending on the acquisition of fixed assets during the review quarter increased by 216.4 percent to L\$513.0 million, from L\$162.1 million recorded in the previous quarter. Similarly, it rose remarkably by 63.4 percent when considering the corresponding quarter in 2017.

#### **4.2.3 Loan, Interest Payments and Other Charges**

Expenditure on Loan, Interest Payments and Other Charges during the quarter amounted to L\$4,648.7 million. When compared to the previous and corresponding periods respectively, it increased tremendously by 453.3 percent and 1,350.2 percent down from LS840.1 million and L\$320.5 million respectively.



## External (Foreign) Debts Repayments & Interest

**Table 21: Government of Liberia's Total Expenditure**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Millions, L\$)

Expenditure by Codes	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Recurrent Expenditure</b>	<b>13,724.5</b>	<b>12,022.3</b>	<b>14,196.8</b>
Compensation of Employees	5,446.5	7,173.6	6,880.4
Expenditure on Goods & Services	4,419.3	2,704.7	4,450.9
Subsidies	-	-	-
Grants	1,859.5	866.3	1,072.5
Social Benefits	21.8	17.9	2.8
Others	1,977.2	1,259.8	1,790.1
<b>Capital Expenditure</b>	<b>938.5</b>	<b>162.1</b>	<b>513.0</b>
Depreciation	624.5	-	-
Acquisition of Fixed Assets	314.0	162.1	513.0
Others	-	-	-
<b>Loan &amp; Interest Payments &amp; Other Charges</b>	<b>320.5</b>	<b>840.1</b>	<b>4,648.7</b>
Domestic Debts Repayment	35.0	390.6	3,090.4
External Debts Repayment	99.1	-	-
Interest on Domestic Debt	179.3	132.6	815.5
Interest on Foreign Debt	7.1	-	187.9
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	-	317.0	554.9
<b>Other Expenditures<sup>1</sup></b>			
	-	-	-
<b>Total Expenditure</b>	<b>14,983.5</b>	<b>13,024.6</b>	<b>19,358.43</b>

*Source: Ministry of Finance & Development*

*+Expenditures not elsewhere mentioned*

**Chart 18: Government of Liberia's Total Expenditure**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions, L\$)**

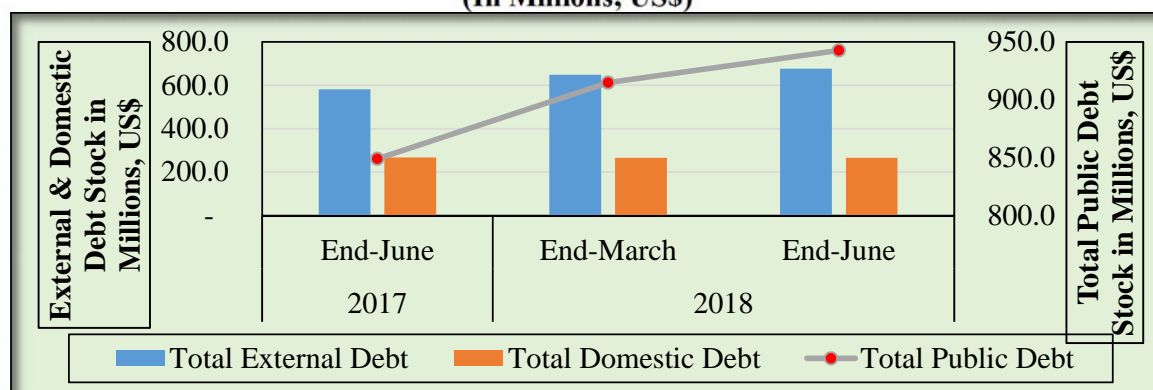


*Source: Ministry of Finance & Development*

### 4.3 Stock of Public Debt

Liberia's public debt stock at end-June 2018 increased by US\$27.7 million (3.0 percent of GDP) to US\$942.6 million (28.2 % of GDP), from US\$914.9 million (27.4 % of GDP) debt stock recorded at end-March 2018. The 3.0 percent rise in total public debt stock at end-June 2018 against the previous quarter (end-March 2018) was mainly driven by a 4.2 percent growth in external debt obligation mainly to multilateral creditors/partners. External and domestic debt stocks at end-June 2018 summed to US\$676.4 million (20.2 % of GDP) and US\$266.2 million (8.0% of GDP), representing 71.8 percent and 28.2 percent of total public debt stocks, respectively.

**Chart 19: Liberia's Overall Public Debt Position by Composition**  
**As At June 30, 2018**  
**(In Millions, US\$)**



*Source: Ministry of Finance & Development*

#### **4.3.1 External Debt**

External debt stock at end-June 2018 rose by US\$27.4 million (4.2 percent) to US\$676.4 million, down from US\$649.0 million recorded at end-March 2018. On a year-on-year basis, external debt stock also rose by US\$94.5 million against the stock of US\$581.9 million recorded at end-June 2017. Multilateral debt boosted the growth in external debt stock as it grew by 4.6 percent and 17.9 percent, respectively, compared the previous quarter and corresponding period a year ago. At end-June, 2018, multilateral and bilateral debt stocks stood at US\$622.7 million and US\$53.7 million, which accounted for 92.1 percent and 7.9 percent of total external debt stock, respectively.

#### **4.3.2 Domestic Debt**

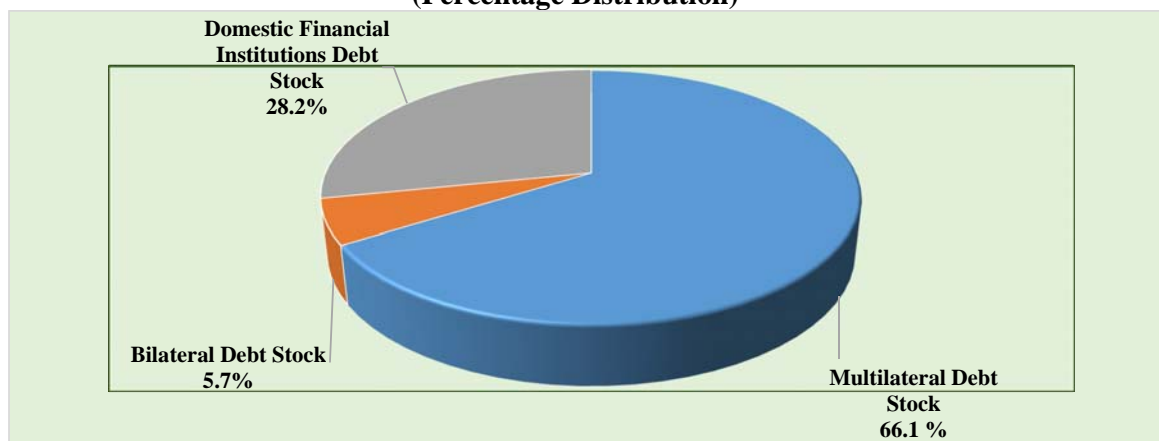
Domestic debt stock at end-June 2018 stood at US\$266.2 million, from US\$265.8 million recorded at end-March 2018. Domestic debt stock to financial institutions prompted the slight increase as it rose by 0.1 percent against the stock recorded at end-March 2018. Conversely, domestic debt stock declined by 0.3 percent to US\$266.2 million, down from the total of US\$267.1 million when compared to the corresponding quarter of 2017. Domestic debt stock to financial institutions also accounted for 28.2 percent of the total public debt stock at end-June 2018.

**Table 22: Liberia's Overall Public Debt Position by Creditors**  
**As At June 30, 2018**  
**(In Millions, US\$)**

Creditors	2017	2018	
	End-June	End-March	End-June
<b>Total Public Debt</b>	<b>849.0</b>	<b>914.9</b>	<b>942.6</b>
<b>External Debt</b>	<b>581.9</b>	<b>649.0</b>	<b>676.4</b>
<b>Multilateral</b>	<b>528.3</b>	<b>595.4</b>	<b>622.7</b>
<i>WORLD BANK GROUP</i>	291.0	340.6	356.1
<i>IMF -RCF Credit<sup>1</sup></i>	44.9	47.0	45.4
<i>AfDB GROUP</i>	69.6	77.8	91.6
<i>EU/EIB</i>	54.7	54.7	54.7
<i>Others</i>	68.1	75.4	74.9
<b>Bilateral</b>	<b>53.6</b>	<b>53.7</b>	<b>53.7</b>
<i>China</i>	5.2	5.2	5.2
<i>Kuwait</i>	14.9	14.9	14.9
<i>Saudi Arabia</i>	33.5	33.5	33.5
<i>Others</i>	-	-	-
<b>Domestic Debt</b>	<b>267.1</b>	<b>265.8</b>	<b>266.2</b>
<b>Financial Institutions</b>	<b>267.1</b>	<b>265.8</b>	<b>265.5</b>
<i>Central Bank of Liberia (CBL)</i>	257.1	255.8	255.5
<i>CBL Infrastructure</i>	10.0	10.0	10.0
<i>Others</i>	-	-	-
<b>Others</b>	-	-	<b>0.7</b>

*Source: Ministry of Finance & Development Planning*

**Chart 20: Liberia's Overall Public Debt Position by Creditors**  
**As At June 30, 2018**  
**(Percentage Distribution)**



*Source: Ministry of Finance & Development*

## V. EXTERNAL SECTOR DEVELOPMENTS

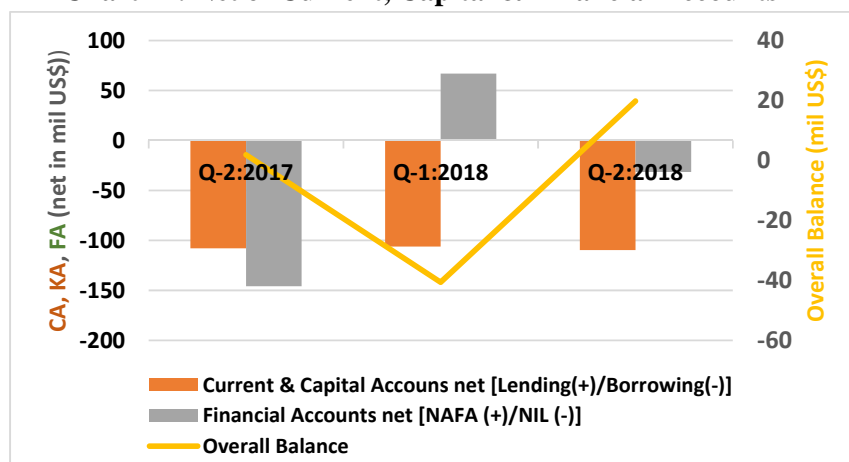
### 5.0 Overview of Balance of Payments (BOP)

From preliminary statistics, net of current and capital accounts balance deteriorated by an estimated US\$3.4 million to a net borrowing of US\$109.6 million at end-June 2018 from the net borrowing of US\$106.2 million reported for the first quarter of 2018. The increase in the deficit was underpinned mainly by further deterioration in goods and services balance to US\$183.7 million in the quarter under review, from US\$178.0 million in the previous quarter.

Similarly, the net financial account indicates a net incurrence of liabilities at estimated US\$31.5 million in the quarter under review compared with the US\$66.9 million recorded in the previous quarter.

The dip in the financial account balance during the

**Chart 21: Net of Current, Capital & Financial Accounts**



quarter was occasioned by a fall in other investment (net) resulting from a sharp decline in currency and deposit assets. The overall balance of payments resulted to a negative balance during the second quarter.

**Table 23: Balance of Payments Statistics**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million US dollars)**

Description	2017	2018	
	Q-2	Q-1*	Q-2**
Current account	<b>-115.6</b>	<b>-135.1</b>	<b>-134.1</b>
<b>Credit</b>	390.0	299.0	283.1
<b>Debit</b>	505.6	434.1	417.2
Goods and services	<b>-192.7</b>	<b>-178.0</b>	<b>-183.7</b>
<b>Credit</b>	114.9	137.4	95.8
<b>Debit</b>	307.6	315.4	279.6
Goods (net)	<b>-148.2</b>	<b>-122.1</b>	<b>-145.3</b>
Credit (Exports)	<b>97.3</b>	<b>135.0</b>	<b>93.3</b>
<b>Iron ore</b>	18.0	21.6	1.5
<b>Rubber</b>	13.7	24.3	18.0
<b>Mineral (Gold &amp; Diamond)</b>	54.9	80.5	63.8
<b>Palm oil</b>	1.8	1.7	2.6
<b>Other exports (excluding gold)</b>	8.9	6.9	8.6
Debit (Imports)	<b>245.6</b>	<b>257.1</b>	<b>238.6</b>
<b>Food and Live Animals (including Animals &amp; Vegetable Oil)</b>	75.6	84.1	55.0
<i>O/w Rice</i>	37.4	25.4	19.8
<b>Minerals, Fuel, Lubricants<sup>1</sup></b>	37.8	43.4	40.2
<i>O/w Petroleum Products</i>	31.0	26.0	30.0
<b>Machinery &amp; Transport Equipment</b>	53.1	60.8	67.6
<b>Other Imports</b>	79.1	68.8	75.8
General merchandise on a balance of payments basis	<b>-194.4</b>	<b>-192.0</b>	<b>-201.1</b>
<b>Credit</b>	51.2	65.1	37.5
<b>Debit</b>	245.6	257.1	238.6
<b>Of which Re-exports (credit)</b>	2.6	25.9	2.4
<b>Nonmonetary Gold (credit)</b>	46.2	69.9	55.9
Services	<b>-44.5</b>	<b>-55.9</b>	<b>-38.5</b>
<b>Credit</b>	17.6	2.4	2.5
<b>Debit</b>	62.1	58.3	41.0
Primary Income	<b>-76.4</b>	<b>-27.5</b>	<b>-29.1</b>
<b>Credit</b>	4.5	6.5	6.4
<b>Debit</b>	80.9	34.0	35.4
Secondary Income	<b>153.5</b>	<b>70.4</b>	<b>78.7</b>
<b>Credit</b>	270.6	155.0	180.9
<b>Debit</b>	117.2	84.6	102.2
Capital Account	<b>16.0</b>	<b>28.8</b>	<b>24.5</b>
<b>Credit</b>	16.0	31.0	26.4
<b>Debit</b>	0.0	2.2	1.9
<b>Net Lending (+)/Net Borrowing (-) balance of Current &amp; Capital Accounts</b>	<b>-99.6</b>	<b>-106.2</b>	<b>-109.6</b>
Financial Account			
<b>Net Lending (+)/Net Borrowing (-) balance of Financial Accounts</b>	<b>-145.7</b>	<b>66.9</b>	<b>-31.5</b>

Direct investment	<b>-77.9</b>	<b>-31.5</b>	<b>-31.8</b>
<b>Net acquisition of financial assets</b>	0.0	0.0	0.0
<b>Net incurrence of liabilities</b>	77.9	31.5	31.8
Other investment	<b>-65.9</b>	<b>57.8</b>	<b>20.1</b>
<b>Net acquisition of financial assets</b>	-47.6	60.3	25.9
<b>Net incurrence of liabilities</b>	18.2	2.5	5.8
Reserve assets	<b>-1.9</b>	<b>40.6</b>	<b>-19.8</b>
<b>NET ERRORS &amp; OMISSIONS</b>	<b>-44.2</b>	<b>132.5</b>	<b>97.8</b>
<i>Overall Balance</i>	1.9	-40.6	19.8
MEMORANDUM ITEMS			
<b>Gross Foreign Reserves Position</b>	403.5	438.7	382.6
<b>Import Payments (cif)</b>	269.8	281.4	263.5
<b>Imports (cif) &amp; Service Payments</b>	331.9	229.8	304.5
<b>Current Account Bal. Excl. Grants</b>	123.8	135.1	-134.1
<b>Nominal GDP<sup>†</sup></b>	821.3	835.3	835.3
<b>Current Account Bal. Incl. Grants % of GDP</b>	-15.1	-16.2	-16.1
<b>Capital Account Bal. (% of GDP)</b>	20.	3.5	2.9
<b>Trade (in goods) Deficit % of GDP</b>	-18.0	-14.6	-17.4
<b>Months of Imports Cover<sup>††</sup></b>	3.6	3.9	3.8

Source: Central Bank of Liberia

**\*\*Preliminary figures**

**\*Revised figures 2017**

<sup>†</sup> 2018 first & second quarters GDP is 1/4th of US\$3,341 mil nominal GDP projection by IMF

2017 second quarter GDP is 1/4th of US\$3,285 mil nominal GDP revised by IMF

<sup>††</sup> Months of imports cover per 3 months

## 5.1 Financial Account

Preliminary statistics showed that net of Financial Account incurred liabilities of US\$31.5 million in the review quarter compared to net asset position of US\$66.9 million in the preceding quarter. The decline in net financial account was predicated upon a sharp fall in transactions in other investment (net) resulting from dip in mainly currency and deposits. The net Financial Account declined by an estimated US\$98.4 million. Annual comparison of statistics on Financial Account shows a further decline in net liabilities by US\$114.2 million from US\$145.7 million, occasioned by slump in direct investment (net) and other investment (net) through investment of direct investors in their investment enterprises and loan liabilities.

### 5.1.1 Direct Investment

Direct investment flows to the Liberian economy increased to US\$31.8 million during the review quarter, from US\$31.5 million recorded in the previous quarter. The 1.0 percent growth in direct investment (net) was driven by a moderate rise in reinvested earnings of direct

investment enterprises by 3.2 percent to US\$6.5 million, from US\$6.3 million in the previous quarter of 2018. On a year-on-year basis, direct investment during the period reduced by an estimated US\$46.1 million when compared with the corresponding period of 2017. This annual decline was due to a slowdown in investment by direct investment enterprises in Liberia.

### **5.1.2 Other Investment**

Preliminary statistics on Other Investment revealed that the net of other investment also declined by US\$37.7 million to US\$20.1 million from US\$57.8 million in the previous quarter. The fall was mainly due to a US\$3.3 million decline in currency and deposits (net) which was a result of falls in currency and deposits of deposit-taking Corporation and other sector and also a US\$0.9 million decline in loan (net) mainly on account of more than proportionate decline in loan liabilities to general government.

Annual analysis of other investment net also shows an improvement of US\$45.8 million to a net acquisition of US\$20.1 million in assets, from net liabilities of US\$65.9 million. The growth in other investment was mainly occasioned by acquisition of additional loan by general government.

### **5.1.3 Reserve Assets**

Statistics on Reserve assets during the quarter under review recorded a drawdown by US\$19.8 million, from a revised buildup of US\$40.6 million reported in the previous quarter. The drawdown on reserve was a result of slumps in US\$ Notes & Coins, currency Balances with Banks Abroad as well as increase in CBL's liabilities to general government in deposits.

Year-on-year comparison shows that slump in change in reserve of US\$19.8 million during the second quarter of 2018 was much higher than the US\$1.9 million recorded during the same quarter in 2017, resulting from slump in US\$ Notes & Coins of the CBL.

## **5.2 Capital Account**

Preliminary statistics on capital account balance at end-June 2018 showed a decline in receipts by US\$4.3 million to US\$24.5 million, a 14.9 percent decline when compared with the US\$28.8 million recorded in the preceding quarter. The fall in capital account balance during the quarter was occasioned mainly by decline in royalty receipts by general government for natural resource exploration from major concessionaires.



### **5.3 The Current Account**

Preliminary statistics on current account balance at end-June 2018 showed a narrowed deficit of US\$134.1 million, from the revised US\$135.1 million recorded during the first quarter of the year. The relative slight improvement in the current account balance was basically anchored on reduction in payments for trade in goods and services that together declined by 11.4 percent, from US\$315.4 million recorded at end-March 2018 to US\$279.6 million in the review quarter. Even though payments for goods declined by 7.2 percent, the estimated 29.7 percent decline in services payments significantly lowered the current account deficit.

Year-on-year analysis of the current account balance showed a deterioration. The deficit rose by 16.0 percent, from US\$115.6 owing to rise in all subaccounts of the current account, but mainly in nets of secondary and primary incomes. Secondary income balance slumped by 45.8 percent to US\$78.7 million in the review quarter, from US\$145.3 million in the corresponding quarter in 2017. The slump in secondary income was a result of growth in payments of income to multilateral organizations and personal transfers to nonresidents. Primary income balance declined by US\$47.4 million during the quarter under review mainly on account of increase in receipts due to rise in earnings from compensation to employees.

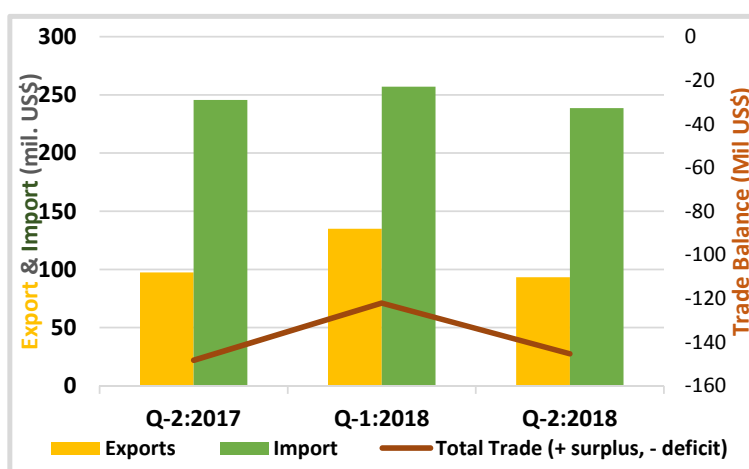
#### **5.3.1 Goods Account**

##### **5.3.1.1 Merchandise Trade Balance**

Statistics on Liberia's merchandise trade balance continues to show deficit. At end of the second quarter of 2018, trade deficit stood at US\$145.3 million, up from the revised deficit of US\$122.1 million reported in the previous quarter. The expansion in trade deficit during the quarter was a result of sharp deterioration in export receipts that outweighed the decline in payment for merchandise imports. The 30.9 percent deterioration in export receipts was on the back of slowdown in investor's export appetites as production and subsequent sales of Liberia's major export commodities declined.

**Chart 22: Quarterly Trade Balance**

Annual comparison of merchandise trade balance showed a moderate 2.0 percent deficit from US\$148.3 million to US\$145.3 million. The deficit points to a much favorable trade balance occasioned by a slight decline in payments for imports from US\$245.6 million in the preceding quarter to US\$238.6 million.



**Table 24: Quarterly Trade Balance**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Million USD, except otherwise indicated)

	2017	2018	
	Q-2	Q-1*	Q-2**
<b>Exports</b>	97.3	135.0	93.3
<b>Import</b>	245.6	257.1	238.6
<b>Total Trade (+ surplus, - deficit)</b>	-148.3	-	-145.3
		122.1	

Source: Liberia Revenue Authority (ASYCUDA), Firestone Liberia Ltd, Total Liberia

\*\*Preliminary figures

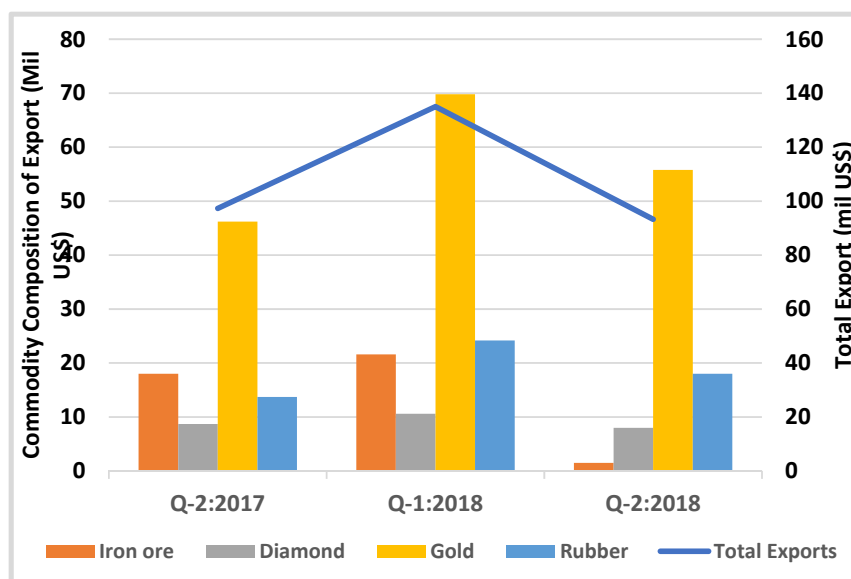
\*Revised

### 5.3.1.2 Merchandise Exports

Merchandise export earnings for the second quarter ended-June 2018 decreased by 30.9 percent to US\$93.3 million, from US\$135.0 million recorded in the previous quarter. The fall in export earnings was occasioned mainly by decrease in receipts from all major export commodities (but mainly minerals and rubber).

**Chart 23: Commodity Composition of Exports**

Similarly, earnings from rubber export plummeted by 25.9 percent as a result of decrease export volume of the commodity during the quarter, while at the same time, earnings from minerals (both Gold and Diamond), plummeted by 20.8 percent to US\$63.8 million owing to slowdown in mining operations by key direct investment enterprises.



Yearly comparison showed that export earnings fell by 4.1 percent to US\$93.3 million, from US\$97.3 million in the same quarter a year ago, driven by decrease in receipts from mineral (gold and diamond) and rubber by 16.2 percent and 31.4 percent, respectively.

**Table 25: Commodity Composition of Exports**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Commodity	Unit	2017			2018					
		Q-2*			Q-1*			Q-2**		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	17,778.1	13.7	14.1	27,440.6	24.2	18.0	9,303.9	18.0	19.3
Cocoa Bean	Mt.	1.3	0.6	0.6	0.9	0.4	0.3	100.0	0.1	0.1
Coffee Bean	Mt.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iron ore	Mt.	523.0	18.0	18.5	1,038.4	21.6	16.0	35.0	1.5	1.6
Mineral			54.9	56.4	93.0	80.5	59.7	47,054.2	63.8	68.4
o/w Diamond	Carat	15.9	8.7	15.8	24.5	10.6	13.2	10,007.6	8.0	12.5
o/w Gold	Oz	51.3	46.2	84.2	68.5	69.8	86.8	37,046.6	55.8	87.5
Other Exports		10.0	6.5	6.6	224.8	4.3	3.2	291,886	6.3	6.8
Good Procured*		-	3.7	3.8		3.8	2.8		3.6	3.9
<b>Total Exports</b>			<b>97.3</b>	<b>100</b>		<b>135.0</b>	<b>100</b>		<b>93.3</b>	<b>100</b>

Source: Liberia Revenue Authority (ASYCUDA), Firestone Liberia Ltd, Total Liberia

! Goods procured in ports by carrier;

\*\* Preliminary figures

\* Revised

### 5.3.1.3 Destination of Exports

During the quarter under review, Europe (especially other European Countries excluding the Eurozone) and North and Central America (particularly the United States) were the leading destination of Liberia's exports. Europe accounted for 60.9 percent of total export earnings, with gold being the main commodity exported to the region. North and Central America accounted for 18.0 percent of total export earnings, with rubber being the main commodity exported to the region.

**Table 26: Destination of Exports**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Commodity Composition of Exports	2017		2018			
	Q-2*		Q-1*		Q-2**	
	Value	% share	Value	% share	Value	% share
<b>Africa</b>	1.8	1.9	6.0	4.5	4.2	4.5
o/w ECOWAS	0.3	17.1	4.7	77.4	0.9	21.4
o/w Neighboring Countries	0.3	96.9	4.2	89.2	0.1	11.1
<b>Asia</b>	0.8	0.8	4.0	2.9	3.1	3.3
o/w China	0.1	11.1	0.4	9.5	0.3	9.7
<b>Europe</b>	5.6	5.8	91.5	67.8	56.8	60.9
o/w Eurozone	5.6	100.0	16.0	17.5	2.0	3.5
<b>North &amp; Central America</b>	13.6	14.0	17.6	13.1	16.8	18.0
o/w United States of America	13.6	100.0	17.6	100.0	16.8	100.0
<b>Middle East</b>	53.8	55.3	11.9	8.8	8.5	9.1
<b>South &amp; Central America</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Oceania &amp; the Caribbean</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Other Countries (n.i.e)</b>	21.6	22.2	4.0	2.9	3.8	5.3
<b>TOTAL EXPORTS BY DESTINATION</b>	<b>97.3</b>	<b>100</b>	<b>135.0</b>	<b>100</b>	<b>93.3</b>	<b>100</b>

*Source: Liberia Revenue Authority (ASYCUDA), Firestone Liberia Ltd, Total Liberia, Ministry of Lands, Mines & Energy*

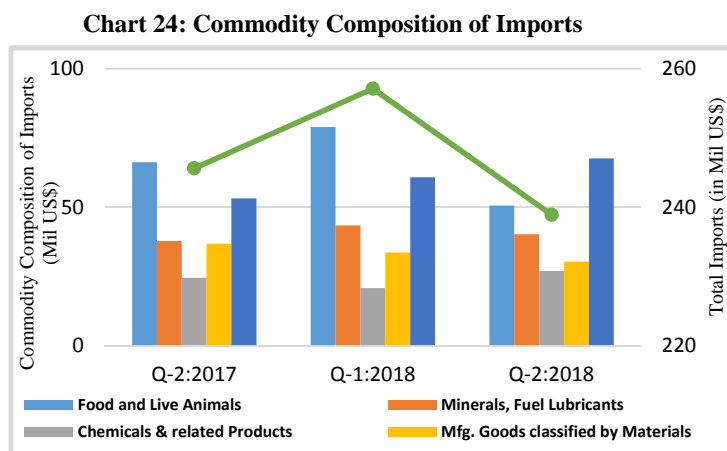
*\*\*Preliminary figures*

*\*Revised*

### 5.3.2 Merchandise Imports

Merchandise import payments for the second quarter of 2018 decreased by US\$ 18.2 million, to US\$ US\$238.9 million, from 257.1 million recorded in the previous quarter. The 7.1 percent drop in merchandise import payments was mainly driven by a 36.0 percent decrease in payment for Food and Animals. Payments for Minerals, Fuel & Lubricants and Manufactured Goods classified by Materials declined during the review quarter by 7.4 percent and 9.8 percent, respectively, which also contributed to the drop in import payments.

Also, on a year-on-year basis, total merchandise import payments declined by 2.7 percent to 238.9 million from US\$245.6 million recorded in the second quarter of 2017.



**Table 27: Commodity Composition of Imports**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Commodity Composition of Import	2017		2018			
	Q-2		Q-1*		Q-2**	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
<b>Food and Live Animals</b>	66.2	27.0	78.9	30.7	50.5	21.1
o/w Commercial Rice	36.4	55.0	24.5	31.1	19.2	38.0
o/w Non-Commercial Rice	0.9	1.4	0.8	1.0	0.6	1.2
Beverages and Tobacco	4.6	1.9	3.8	3.5	5.7	2.4
Crude Material & Inedible, except Fuel	3.7	1.5	4.6	1.8	5.1	2.1
Minerals, Fuel Lubricants	37.8	15.4	43.4	16.9	40.2	16.8
o/w Petroleum products	31.0	82.0	26.0	59.9	30.0	74.6
Animals and Vegetable Oil	9.4	3.8	5.3	2.1	4.5	1.9
Chemicals & related Products	24.5	10.0	20.7	8.1	26.9	11.3
Mfg. Goods classified by Materials	36.8	15.0	33.6	13.1	30.3	12.7
Machinery & Transportation Equipment	53.1	21.6	60.8	23.6	67.6	28.3
Misc. Mfg. Articles	9.4	3.8	6.2	2.4	8.0	3.3
<b>TOTAL IMPORTS</b>	<b>245.6</b>	<b>100.0</b>	<b>257.1</b>	<b>100.0</b>	<b>238.9</b>	<b>100.0</b>

Source: Liberia Revenue Authority (ASYCUDA)

\*\*Preliminary figures

\*Revised

### 5.3.2.1 Sources of Imports

During the period under review, Asia benefitted from 42.7 percent of total import payments, followed by Africa, Europe and Middle East with 18.8 percent, 18.0 percent and 10.8 percent respectively. North America accounted for 7.3 percent of total import payments during the period.

On a year-on-year basis, import payments declined by 2.7 percent and the largest declines were reported from the Middle East by US\$ 8.5 million and North America by US\$3.7 million.

**Table 28: Sources of Imports**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2017		2018			
	Q-2		Q-1*		Q-2	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
Africa	41.0	16.7	36.02	14.0	44.8	18.8
o/w ECOWAS	35.6	86.8	31.27	87.0	38.8	86.6
o/w Neighboring Countries	34.1	95.8	28.32	79.0	34.5	88.9
Asia	96.0	39.1	135.97	53.0	102.0	42.7
o/w China	54.8	57.1	47.13	35.0	40.5	39.7
Europe	45.4	18.5	42.16	16.0	43.1	18.0
o/w Eurozone	21.7	47.8	31.23	74.0	29.2	67.7
North America	21.1	8.6	16.54	6.0	17.4	7.3
o/w United States of America	19.7	93.4	15.32	93.0	15.3	87.9
Middle East	34.3	14.0	20.98	8.0	25.8	10.8
South & Central America	5.7	2.3	4.88	2.0	5.3	2.2
Oceania & the Caribbean	2.1	0.9	0.54	0.2	0.5	0.2
<b>TOTAL IMPORTS BY SOURCES</b>	<b>245.6</b>	<b>100.0</b>	<b>257.1</b>	<b>100.0</b>	<b>238.9</b>	<b>100.0</b>

Source: Liberia Revenue Authority (ASYCUDA)

\*\*Preliminary figures

\*Revised

#### **5.4 Service Payment (net)**

Preliminary statistics on services account showed a relative favorable balance of US\$17.4 million resulting from a fall in services (net) from US\$55.9 million in the preceding quarter of 2018 to US\$38.5 million recorded in the reporting quarter. The moderate improvement in balance of services was due to an estimated 29.7 percent drop in payments for services rendered by nonresident enterprises to Liberian residents. The US\$17.3 million fall in payments for services was mainly attributed to payments for other business services associated with technical and trade related services as well as government goods and services.

In the same way, on an annualized basis, net services payments also fell during the quarter by 13.5 percent when compared with the amount registered in the corresponding quarter of 2017. The decline in net services payments during the interval was explained by increase in services payments attributed mainly to decrease in other business services associated with technical and trade related services as well as government goods and services to nonresident carriers.

#### **5.5 Primary Income (net)**

Primary income (net) rose by 5.5 percent to a deficit of US\$29.0 million during the quarter under review, from a deficit of US\$27.5 million recorded in the quarter ended-March 2018. The rise in primary income net is a worsening condition mainly explained by interest payments on loans and subsequent fall in primary income receipts due to an estimated 2.0 percent decline in compensation to employees. Interest payments rose by an estimated US\$1.8 million.

On a year-on-year basis, the deficit on primary income (net) narrowed by an estimated US\$47.4 million when compared to the US\$76.4 million recorded during the same period a year ago. The annual improvement in primary income net was predicated upon increase in receipts due to rise in earnings from compensation to employees.

#### **5.6 Secondary Income (net)**

Analysis of secondary income (net) at end-June 2018 showed that secondary income (net) rose on a quarter-on-quarter basis but declined on an annual basis. During the quarter under review, secondary income balance rose by 11.8 percent to US\$78.7 million, from US\$70.4 million recorded in the preceding quarter due to increase in receipts which magnitude outweighed the rise in payments. The rise in receipts was occasioned by increased transfers to general government. On the other hand, year-on-year analysis revealed that secondary income (net) dropped by 45.8 percent compared to US\$144.7 million recorded a year ago due mainly to growth in payments of income to multilateral organizations and personal transfers.



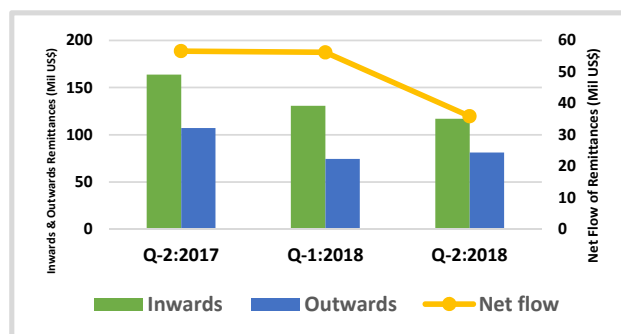
## 5.7 Personal Remittances

Statistics on both inward and outward personal remittances showed that net personal worker remittances decreased by 36.2 percent during the second quarter of 2018 to US\$35.9 million, down from US\$56.2 million, occasioned by 10.5 percent slumped in inflow of remittances to residents as against the increase in outward remittances. Outward remittances grew owing to decisions by some enterprises to pay towards trade credit on goods and services.

Annual comparison of personal remittance

flows indicated a further decline in net personal remittances by 36.6 percent from US\$56.6 million, due to drop in both inward and outward remittances flow.

**Chart 25: Remittances Flows**



**Table 29: Inward & Outward Personal Remittances**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Million USD)

Personal Remittances	2017	2018	
	Q-2	Q-1*	Q-2
Inwards	163.8	130.8	117.1
Outwards	107.2	74.6	81.2
Net flow	56.6	56.2	35.9

Source: Central Bank of Liberia

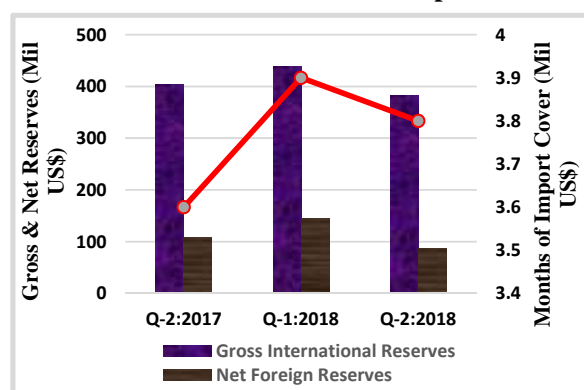
\*Revised

## 5.8 International Reserves Position and Months of Imports Cover

At end of the second quarter of 2018, the stock of international reserve (see revised Methodology in Table 31), went down by 12.8 percent after an appreciable increase in the first quarter. Reserve position rose to US\$382.6 million, from US\$438.7 million recorded at end of the first quarter 2018. The fall in reserve was

mainly driven by slumps in US\$ Notes & Coins, currency Balances with Banks Abroad as well as increase in CBL's liabilities to general government in deposits. On year-on-year basis, reserve position also fell by 5.2 percent, occasioned by further slump in US\$ Notes & Coins of the CBL.

**Chart 26: Stock of Reserves & Import Cover**



Similarly, net foreign reserves position declined during the same quarter under review relative to the previous and corresponding quarters by 39.0 percent and 19.2 percent, respectively.

The country's international reserves in months of imports cover at end-June 2018 showed that reserve position can sustain Liberia's payments for imports within the period of 3.8 months, which is a slight decline from the 3.9 months of cover recorded in the previous quarter. The decline in month of imports was a result of a fall in foreign assets of the Central Bank of Liberia in US\$ Notes & Coins as well as currency Balances with Banks Abroad.

**Table 30: Stock of International Reserves**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Million USD, except otherwise indicated)

Quarter	2017	2018	
	Q-2	Q-1*	Q-2
Gross International Reserves+	403.5	438.7	382.6
Net Foreign Reserves	108.8	144.0	87.9
<i>Months of Imports Cover</i>	3.6	3.9	3.8

Source: Central Bank of Liberia

\*Revised

+ Gross International Reserve = CBL liquid foreign assets less net liquid liabilities to government and commercial banks plus SDR including Reserve Tranche

# STATISTICAL APPENDIX

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Table B-10: Government of Liberia Treasury Bill Auction

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Table C-4: Liberia Overall Public Debt Position -by Creditors (As at End June 30, 2018)

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Table D-7: Inward & Outward Personal Remittance (2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

Table D-8: Stock of International Reserves (2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

**Table 1: Growth of Selected Global Output**

	Projections			Difference from April 2018 WEO	
	2017	2018	2019	2018	2019
World Output	3.7	3.9	3.9	0.0	0.0
Advance Economies	2.4	2.4	2.2	-0.1	0.0
<b>United States</b>	2.3	2.9	2.7	0.0	0.0
<b>Euro Area</b>	2.4	2.2	1.9	-0.2	-0.1
<b>Japan</b>	1.7	1.0	0.9	-0.2	0.0
<b>United Kingdom</b>	1.7	1.4	1.5	-0.2	0.0
<b>Canada</b>	3.0	2.1	2.0	0.0	0.0
Emerging Market and Developing Economies	4.7	4.9	5.1	0.0	0.0
Emerging and Developing Asia	6.5	6.5	6.5	0.0	-0.1
<b>China</b>	6.9	6.6	6.4	0.0	0.0
<b>India</b>	6.7	7.3	7.5	-0.1	-0.3
<b>Latin America and the Caribbean</b>	1.3	1.6	2.6	-0.4	-0.2
<b>Middle East, North Africa, Afghanistan &amp; Pakistan</b>	2.2	3.5	3.9	0.1	0.2
<b>Sub-Saharan Africa</b>	2.8	3.4	3.8	0.0	0.1
<b>Nigeria</b>	0.8	2.1	2.3	0.0	0.4
<b>South Africa</b>	1.3	1.5	1.7	0.0	0.0
Consumer Prices					
<b>Advanced Economies</b>	1.7	2.2	2.2	0.2	0.3
<b>Emerging Markets and Developing Economies</b>	4.0	4.4	4.4	-0.2	0.1

Source: IMF World Economic Outlook Update, July 2018

**Table 2: Key Agricultural Production**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2017	1 <sup>st</sup> Quarter, 2018	2 <sup>nd</sup> Quarter, 2018
Rubber	Mt.	8,064	12,448	13,766
Cocoa	Mt.	450	1,641*	1,039
Coffee	Mt.	-	-	-
Round Logs	M <sup>3</sup>	50,095	31,091+	84,557
Sawn Timber	Pcs.	158,619	106,412*	111,875
Crude Palm Oil (CPO)	Mt.	3,054	2,687	6,033

Source: Ministry of Commerce & Industry; Liberia Produce Marketing Corporation; Forestry Development Authority

+Revised/actual

\*Estimates

**Table 3: Key Industrial Output**  
(1<sup>st</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2017	1 <sup>st</sup> Quarter, 2018	2 <sup>nd</sup> Quarter, 2018
Gold	Ounce	51,314	70,538	55,769
Diamond	Carat	15,941	24,477	37,127
Iron Ore	Mt.	522,974	469,047	642,769
Cement	Mt.	78,923	85,993	100,991
Spirits	Litre	77,599	88,423	58,499
Beer	Litre	1,815,857	1,484,206	1,639,270
Stout	Litre	1,598,169	1,258,528	1,744,641
Malta	Litre	194,650	131,361	182,984
Soft Drinks	Litre	2,742,015	2,978,460	2,656,346
Oil Paint	Gal.	14,882	25,645	8,548
Water Paint	Gal.	15,407	19,364	17,229
Varnish	Gal.	2,465	6,108	5,378
Manoline Hair Grease	Kg.	2,394	1,092	1,436
Thinner	Gal	2,369	5,937	5,285
Rubbing Alcohol	Litre	78,342	76,410	69,982
Soap	Kg	94,657	165,665	152,550
Chlorox	Litre	380,177	338,792	306,309
Candle	Kg	32,120	24,644	21,021
Mattresses	Pcs.	25,397	29,005	32,458
Finished water	Gal.	528,521,324	551,424,921	431,261,412
Mineral Water	Litre	210,126	229,887	231,339
Electricity	kW	60,236,000	48,312,000	47,728,900

*Source: Ministry of Lands, Mines & Energy; Liberia Water & Sewer Corporation; and Ministry of Commerce & Industry*

*\*Estimate*

*+ Revised/Actual*

*N/A Not Available*

**Table 4: Consumption of Petroleum Products**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2017	1 <sup>st</sup> Quarter, 2018	2 <sup>nd</sup> Quarter, 2018
Premium Motor Spirit (PMS)	Gal.	2,458,460	1,677,485	3,451,537
Diesel Automotive Gas Oil (AGO)	Gal.	2,538,917	2,458,291	8,677,330
Jet-Fuel (Jet-A)	Gal.		-	-
Kerosene	Gal.		-	-
<b>Total</b>		<b>4,997,377</b>	<b>4,135,776</b>	<b>12,128,868</b>

*Source: Liberia Petroleum Refining Company (LPRC)*  
*+ Revised/Actual*

**Table 5: Vessel Traffic and Cargo Movements**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
1 <sup>st</sup> Quarter, 2018	104	14,660,092	426,142	1,228,386	1,654,528
2 <sup>nd</sup> Quarter, 2018	106	3,946,536	708,101	1,209,333	1,917,434
2 <sup>nd</sup> Quarter, 2017	96	2,249,321	612,558	376,625	989,183

*Source: National Port Authority (NPA) SDWT=Summer Dead Weight Tons*

**Table 6: Electric Power Developments**  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(in Kilowatts)

Quarter	Unit	Service	Generation
2 <sup>nd</sup> Quarter, 2017	kW	Electricity	60,236,000
1 <sup>st</sup> Quarter, 2018	kW	Electricity	48,312,000
2 <sup>nd</sup> Quarter, 2018	kW	Electricity	47,728,900

*Source: Liberia Electricity Corporation (LEC)*

*\* Estimate*

*+ Revised/Actual*



**Table 7: Headline and Quarterly Changes in CPI (%)**

		Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI		
		Combined	Food	Non-Food	Combined	Food	Non-Food
2015	Apr	6.8	14.1	-1.1	0.1	-0.1	0.4
	May	7.9	17.5	-2.3	-0.7	0.5	-2.1
	Jun	7.7	12.2	2.7	4.3	1.9	7.4
	Jul	9.5	12.9	5.6	2.6	3.2	1.9
	Aug	7.3	6.9	7.8	-0.8	-3.5	2.4
	Sep	6.5	3.8	9.7	1.8	1.4	2.3
	Oct	6.0	2.8	10.0	0.2	0.4	0.0
	Nov	9.8	9.0	10.6	-1.4	-1.7	-1.0
	Dec	8.0	5.9	4.7	0.1	-0.4	-4.7
2016	Jan	7.0	7.4	6.4	0.1	3.0	2.2
	Feb	7.1	5.5	2.8	-1.2	-2.5	-5.4
	Mar	7.1	5.6	2.7	1.9	3.6	0.1
	Apr	7.2	3.1	6.0	0.2	-2.6	3.6
	May	7.6	1.9	14.7	-0.3	-0.6	5.9
	Jun	8.4	4.1	6.0	5.2	4.1	-0.8
	Jul	8.4	5.8	11.6	2.6	4.8	7.4
	Aug	9.9	10.8	8.8	0.5	1.1	-0.2
	Sep	8.5	9.8	6.9	0.5	0.5	0.6
	Oct	9.9	11.7	0.9	1.6	2.1	-5.6
	Nov	12.0	14.4	9.3	0.5	0.7	7.2
	Dec	12.5	14.2	16.8	0.5	-0.6	1.8
2017	Jan	13.6	11.4	16.3	1.0	0.4	1.8
	Feb	13.3	9.9	12.1	-1.5	-3.8	-0.1
	Mar	11.9	4.7	14.1	0.6	-1.3	1.8
	Apr	11.5	6.8	14.1	-0.1	-0.6	0.2
	May	13.2	8.9	15.4	1.2	1.4	1.1
	Jun	10.8	7.1	20.1	3.0	2.4	3.3
	Jul	10.5	3.8	14.8	2.3	1.6	2.6
	Aug	12.3	5.4	17.2	2.2	2.7	1.9
	Sep	13.1	6.0	18.1	1.2	1.0	1.3
	Oct	11.9	4.2	25.8	0.5	0.4	0.5
	Nov	13.1	4.6	19.5	1.6	1.1	1.8
	Dec	13.9	4.6	20.1	1.2	-0.6	2.2
2018	Jan	15.5	8.0	20.0	2.4	3.7	1.7
	Feb	17.8	11.6	21.5	0.6	-0.7	1.2
	Mar	19.5	17.4	20.7	2.1	3.8	1.1
	Apr	21.4	20.1	22.1	1.4	1.7	1.3
	May	21.3	19.6	22.2	1.1	0.9	1.2
	Jun	24.6	22.4	25.8	5.8	4.9	6.3

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 8: Inflation by Sub-groups: Year-on-Year Changes in CPI**

(2017-2018)											
Food Group	Weights	Q1-17	Q2-17	Q1-18	Q2-18	Non-Food Group	Weights	Q1-17	Q2-17	Q1- 18	Q2-18
Bread and Cereals (ND)	11.28	23.20	-12.58	4.20	16.90	Alcoholic Beverages, Tobacco and Narcotics	2.55	26.87	28.67	6.51	8.89
Meat (ND)	6.25	9.70	12.40	17.10	30.60	Clothing and Footwear	6.07	16.84	18.30	38.33	34.06
Oils and Fats (ND)	3.69	18.20	-5.60	-8.80	21.50	Housing, Water, Electricity, Gas and Other Fuels	7.32	32.01	3.62	9.72	16.73
Fruits (ND)	1.60	-12.0	-7.20	5.40	12.20	Furnish, H/Hold Equip, Rout. Maintenance of House	5.46	10.25	14.2	29.90	39.28
						Health	8.75	-4.92	-2.96	9.96	12.06
						Transport	8.47	25.49	22.65	29.51	35.33
						Communication	6.73	1.51	2.37	17.3	23.32
						Recreation & Culture	1.38	18.41	22.28	26.42	20.67
						Education	3.15	0.00	0.00	0.00	0.00
						Restaurants & Hotels	8.54	9.55	13.50	27.4	21.98
						Miscellaneous Goods and Services	3.52	14.16	16.85	21.10	26.03

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 9: Harmonized Consumer Price Index (HCPI) By Major Groups**  
**Year-on-Year Rates of Inflation**  
**(2<sup>nd</sup> Quarter 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(December, 2005=100)**

<b>Functions</b>	<b>WEIGHTS</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>2nd Quarter</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>1st Quarter</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>	<b>2nd Quarter</b>
FOOD AND NON-ALCOHOLIC BEVERAGES	38.06	6.82	8.89	7.12	7.61	8.03	11.58	17.40	12.3	20.09	19.56	22.43	20.69
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	2.55	28.99	31.03	25.97	28.67	8.19	6.05	5.28	6.51	8.78	5.21	12.68	8.89
CLOTHING AND FOOTWEAR	6.07	18.32	22.57	14.01	18.30	39.32	39.39	36.27	38.33	35.61	35.14	31.43	34.06
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.32	0.79	3.44	6.62	3.62	9.18	8.48	11.51	9.72	21.64	13.46	15.10	16.73
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.46	16.08	17.28	9.45	14.27	30.58	30.13	29.01	29.90	33.19	41.45	43.21	39.28
HEALTH	8.75	-4.65	-2.77	-1.46	-2.96	7.66	10.50	11.74	9.96	12.18	10.39	13.61	12.06
TRANSPORT	8.47	27.76	25.91	14.26	22.65	26.83	30.92	30.79	29.51	30.26	30.30	45.44	35.33
COMMUNICATION	6.73	1.38	1.85	3.87	2.37	14.08	18.21	19.72	17.34	17.84	25.12	27.01	23.32
RECREATION AND CULTURE	1.38	22.08	25.38	19.38	22.28	28.47	28.71	22.08	26.42	20.87	19.28	21.85	20.67
EDUCATION	3.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESTAURANTS AND HOTELS	8.54	11.62	9.90	18.99	13.50	29.67	30.26	22.45	27.46	20.17	21.62	24.16	21.98
MISCELLANEOUS GOODS AND SERVICES	3.52	14.17	18.19	18.19	16.85	18.13	21.93	23.24	21.1	27.54	24.87	23.64	26.03
GENERAL RATE OF INFLATION	100.00	11.54	13.22	10.83	11.86	15.45	17.83	19.52	17.6	21.35	21.27	24.56	22.39

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 10: Commercial Bank Loans by Economic Sector**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

	2017		2018			
	2 <sup>nd</sup> Quarter	Share	1 <sup>st</sup> Quarter	Share	2 <sup>nd</sup> Quarter	Share
Agriculture	1,328.0	2.8	3,745.2	6.6	4,194.8	7.0
Extractive (Mining & Quarrying)	170.6	0.4	245.9	0.4	438.0	0.7
Manufacturing	515.8	1.1	2,094.6	3.7	1,889.0	3.2
Construction	5,134.0	10.8	7,587.9	13.4	4,214.8	7.0
Services	4,472.3	9.4	7,052.7	12.4	6,209.9	10.4
Trade	8,512.2	17.8	22,666.6	33.4	22,978.1	38.3
Personal	20,122.5	42.2	6,440.2	11.4	5,807.6	9.7
Gen. Government	5.0	0.0	543.2	1.0	1,160.6	1.9
Central Bank	-	-	-	-	-	-
Public Corporations	16.8	0.0	1,083.9	1.9	854.6	1.4
Oil and Gas	809.7	1.7	3,358.8	5.9	5,043.3	8.4
Others	6,613.0	13.9	1,921.0	3.4	7,146.1	11.9
<b>Total Loan All Sectors (LD &amp; USD)</b>	<b>47,700.0</b>	<b>100.0</b>	<b>56,739.8</b>	<b>93.5</b>	<b>59,936.6</b>	<b>100.0</b>
<i>O/W TOTAL Private Sector (LD &amp; USD)</i>	<i>47,678.1</i>	<i>99.95</i>	<i>55,112.7</i>	<i>97.13</i>	<i>57,921.4</i>	<i>96.64</i>

*Source: Central Bank of Liberia, Monrovia, Liberia*

*\*Revised +Provisional*

**Table 11: Commercial Bank's Interest Rates**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**

	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Avg. Lending Rate</b>	13.28	13.23	13.01
<b>Avg. Personal Loan Rate</b>	12.94	13.06	13.28
<b>Avg. Mortgage Rate</b>	13.39	13.04	12.33
<b>Avg. Time Deposit Rate</b>	3.53	3.68	3.56
<b>Avg. Savings Rate</b>	2.20	2.23	2.12
<b>Avg. Rate on CDs</b>	3.00	3.26	3.33

*Source: Central Bank of Liberia, Monrovia, Liberia*

*+Provision \*Revised*

**Table 12: Market Exchange Rate: Liberia Dollar per US Dollar  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**

	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Market Rate End of Period</b>	113.13	131.64	150.77
<b>Market Rate Period Average</b>	112.84	128.34	136.30

*Source: Central Bank of Liberia, Monrovia, Liberia*

**Table 13: Monthly Average Buying and Selling Rates of  
Liberian Dollars per US Dollar  
(2016- June 2018)**

Period Average	2016		2017		2018	
	Buying	Selling	Buying	Selling	Buying	Selling
<b>January</b>	89.00	90.00	102.77	103.77	126.46	127.24
<b>February</b>	90.00	91.00	101.67	102.67	126.85	127.26
<b>March</b>	90.00	91.00	103.52	104.52	131.48	131.79
<b>April</b>	90.92	91.92	105.64	106.64	130.94	131.37
<b>May</b>	90.92	91.92	109.62	110.08	134.15	134.63
<b>June</b>	92.42	93.42	112.48	113.19	142.90	143.79
<b>July</b>	94.15	95.15	112.78	113.50		
<b>August</b>	95.81	96.81	114.74	115.50		
<b>September</b>	97.00	98.00	116.82	117.65		
<b>October</b>	97.92	98.92	118.06	118.90		
<b>November</b>	99.08	100.08	123.21	123.94		
<b>December</b>	100.30	101.30	125.18	125.83		
<b>Q1</b>	<b>89.67</b>	<b>90.67</b>	<b>102.65</b>	<b>103.65</b>	<b>128.26</b>	<b>128.76</b>
<b>Q2</b>	<b>91.42</b>	<b>92.42</b>	<b>109.25</b>	<b>109.97</b>	<b>136.00</b>	<b>136.60</b>
<b>Q3</b>	<b>95.65</b>	<b>96.65</b>	<b>114.78</b>	<b>115.55</b>		
<b>Q4</b>	<b>99.10</b>	<b>100.10</b>	<b>122.15</b>	<b>122.89</b>		
<b>Yearly Ave</b>	<b>93.62</b>	<b>94.62</b>	<b>112.21</b>	<b>113.02</b>		

*Source: Central Bank of Liberia, Monrovia, Liberia*

**Table 14: Liberian Dollars in Circulation  
(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)  
(In Millions L\$)**

	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
Currency in Banks	1,330.10	1,003.92	1,693.12
Currency outside Banks	11,182.70	15,688.67	15,542.96
Currency in Circulation	12,512.80	16,692.59	17,236.08

*Source: Central Bank of Liberia, Monrovia, Liberia*

**Table 15: Broad Money Supply and its Sources**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

Monetary Aggregates	2017	2018		Percentage Change	
	2nd Quarter	1st Quarter	2nd Quarter	Q-o-Q	Y-o-Y
<b>1.0 Money Supply M2 (1.1 + 1.2)</b>	<b>69,429.25</b>	<b>86,924.79</b>	<b>95,801.19</b>	<b>10.21</b>	<b>37.98</b>
<i>1.1 Money Supply M1</i>	<i>46,242.99</i>	<i>57,109.41</i>	<i>63,449.00</i>	<i>11.10</i>	<i>37.21</i>
<i>1.1.1 Currency outside banks</i>	<i>11,182.73</i>	<i>15,688.67</i>	<i>15,542.96</i>	<i>-0.93</i>	<i>38.99</i>
<i>1.1.2 Demand deposit 1/</i>	<i>35,060.26</i>	<i>41,420.74</i>	<i>47,906.04</i>	<i>15.66</i>	<i>36.64</i>
<b>1.2 Quasi Money</b>	<b>23,186.26</b>	<b>29,815.38</b>	<b>32,352.19</b>	<b>8.51</b>	<b>39.53</b>
<i>1.2.1 Time &amp; Savings deposits</i>	<i>23,108.55</i>	<i>29,588.25</i>	<i>32,198.98</i>	<i>8.82</i>	<i>39.34</i>
<i>1.2.2 Other deposits 2/</i>	<i>77.71</i>	<i>227.13</i>	<i>153.20</i>	<i>-32.55</i>	<i>97.15</i>
<b>2.0 Net Foreign Assets</b>	<b>30,575.68</b>	<b>24,248.38</b>	<b>20,065.76</b>	<b>-17.25</b>	<b>-34.37</b>
2.1 Central Bank	21,561.03	16,465.74	11,541.50	-29.91	-46.47
2.2 Banking Institutions	9,014.66	7,782.63	8,524.25	9.53	-5.44
<b>3.0 Net Domestic Assets (1 - 2)</b>	<b>38,853.57</b>	<b>62,676.41</b>	<b>75,735.43</b>	<b>20.84</b>	<b>94.93</b>
3.1 Domestic Credit	83,814.90	97,628.01	111,865.00	14.58	33.47
3.1.1 Government (net)	26,055.97	27,116.11	32,346.03	19.29	24.14
3.1.2 Pvt. Sector & Other Pvt.	57,758.93	70,511.91	79,518.97	12.77	37.67
3.2 Other assets Net (3 - 3.1)	44,961.33	34,951.60	36,129.57	3.37	-19.64
<b>Memorandum Items</b>					
<b>1. Overall Liquidity</b>	<b>69,429.25</b>	<b>86,924.79</b>	<b>95,801.19</b>	<b>10.21</b>	<b>37.98</b>
2. Reserve Money	26,896.15	37,011.21	37,329.72	0.86	38.79
<i>Currency outside banks</i>	<i>11,182.73</i>	<i>15,688.67</i>	<i>15,542.96</i>	<i>-0.93</i>	<i>38.99</i>
<i>Banks Reserves</i>	<i>14,764.18</i>	<i>20,063.49</i>	<i>20,415.20</i>	<i>1.75</i>	<i>38.28</i>
<i>Other Deposits at CBL</i>	<i>949.23</i>	<i>1,259.05</i>	<i>1,371.56</i>	<i>8.94</i>	<i>44.49</i>

*Source: Central Bank of Liberia, Monrovia*

*1/Excludes managers check from commercial banks*

*2/ Includes official and managers checks issued by the Central Bank*

**Table 16: Broad Money: Share of US and Liberian Dollars**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

	USD and LD Shares of Broad Money					
	2016		2017			
	2 <sup>nd</sup> Quarter	Share	1 <sup>st</sup> Quarter	Share	2 <sup>nd</sup> Quarter	Share
Broad Money	69,429.3	100.0	72,819.8	100.0	95,801.2	100.0
US\$ Share	46,226.4	66.6	49,710.0	68.3	65,567.9	68.4
L\$ Share	23,202.8	33.4	23,109.9	31.7	30,233.3	31.6

*Source: Central Bank of Liberia, Monrovia, Liberia*

**Table 17: Foreign Exchange Sale Auction**  
**(2<sup>nd</sup> Quarter 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions US\$)**

FX Sale Auction	2017	2018	
	2nd Quarter	1st Quarter	2nd Quarter
	8.4	7.6	19.2

**(Table 18: Government of Liberia Treasury Bill Auction)**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions L\$)**

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity	Weighted Average Discount Rate (%)
<b>2<sup>nd</sup> Quarter, 2018</b>							
5-Apr-18	5-Jul-18	65.56	65.56	65.10	32.04	0.46	2.83
3-May-18	2-Aug-18	65.76	65.76	65.28	51.85	0.48	2.94
7-Jun-18	6-Sep-18	69.15	69.15	68.65	52.53	0.50	2.90
<b>Total</b>		<b>200.47</b>	<b>200.47</b>	<b>199.02</b>	<b>136.42</b>	<b>1.44</b>	<b>2.89</b>
<b>1<sup>st</sup> Quarter, 2018*</b>							
4-Jan-18	5-Apr-18	62.73	62.73	62.61	18.80	0.51	3.26
1-Mar-18	3-May-18	63.43	63.43	62.96	46.69	0.46	2.91
<b>Total</b>		<b>126.15</b>	<b>126.15</b>	<b>125.57</b>	<b>65.49</b>	<b>0.97</b>	<b>3.09</b>
<b>2<sup>nd</sup> Quarter, 2017</b>							
6-Jun-17	5-Sep-17	53.74	53.735	55.33	9.406	0.40	2.90
4-May-17	3-Aug-17	53.25	53.25	52.82	8.125	0.43	3.20
6-Apr-17	6-Jul-17	52.25	52.25	51.84	8.525	0.41	3.15
<b>Total</b>		<b>159.24</b>	<b>159.24</b>	<b>160.00</b>	<b>26.06</b>	<b>1.24</b>	<b>3.08</b>

*Source: Central Bank of Liberia*

*\*Revised*

**Table 19: Government of Liberia's Fiscal Sector Indicators**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In percent of GDP)**

Indicators	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
Total Revenue & Grants	24.4	15.9	13.4
Total Revenue Excluding Grants	20.4	15.4	13.4
Tax Revenue	17.8	11.4	12.1
Nontax Revenue Including Grants	6.6	4.5	1.3
Nontax Revenue Excluding Grants	2.6	3.9	1.3
Grants	4.0	0.6	-
Total Expenditure	25.0	12.1	17.0
Recurrent Expenditure	22.9	11.2	12.5
Capital Expenditure	1.6	0.2	0.5
Loan & Interest Payments & Other Charges	0.5	0.8	4.1
Compensation of Employees	9.1	6.7	6.0
Expenditure on Goods and Services	7.4	2.5	3.9
Overall Balance	(5.2)	2.4	(7.7)
Stock of Public Debt	38.4	27.4	28.2
Stock of External Debt	26.3	19.4	20.2
Stock of Domestic Debt	12.1	8.0	8.0

*Source: Ministry of Finance & Development Planning (MFDP)*



**Table 20: Government of Liberia's Total Revenue by Sources**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions, L\$)**

Revenue Sources	2017	2018		
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter
	Actual			Projections
<b>Tax Revenue</b>	<b>10,669.7</b>	<b>12,276.8</b>	<b>13,742.5</b>	<b>18,946.2</b>
<b>International Trade Taxes</b>	<b>4,316.8</b>	<b>5,435.5</b>	<b>6,760.5</b>	<b>11,557.6</b>
<i>Taxes &amp; Duties on Imports</i>	4,305.6	5,422.3	6,740.6	6,564.8
<i>Taxes on Exports</i>	11.2	13.2	19.9	10.8
<b>Taxes on Income &amp; Profits</b>	<b>4,759.4</b>	<b>4,209.3</b>	<b>4,803.3</b>	<b>4,427.2</b>
<i>Individual Taxes on income &amp; profits</i>	3,357.8	4,040.7	4,626.1	4,186.4
<i>Taxes Payable by Corporate Entities</i>	1,401.6	168.6	177.2	240.7
<i>Others</i>	0.0	0.0	-	-
<b>Sale Taxes on Goods &amp; Services</b>	<b>1,331.3</b>	<b>2,221.2</b>	<b>1,858.3</b>	<b>2,446.4</b>
<i>Goods &amp; Service Tax</i>	615.0	808.7	536.1	806.4
<i>Excise Taxes</i>	123.4	134.6	125.4	234.0
<i>Maritime Revenue</i>	387.1	592.4	464.4	1,016.4
<i>Others</i>	205.8	274.7	412.1	389.5
<b>Property &amp; Real Estate Taxes</b>	<b>257.1</b>	<b>194.8</b>	<b>320.4</b>	<b>515.1</b>
<b>Other Tax Revenue<sup>1</sup></b>	<b>5.1</b>	<b>216.0</b>	<b>-</b>	<b>-</b>
<b>Non-Tax Revenue</b>	<b>3,925.1</b>	<b>4,827.8</b>	<b>1,526.8</b>	<b>14,957.8</b>
<b>Administrative Fees &amp; Other Charges</b>	<b>1,551.0</b>	<b>1,488.4</b>	<b>1,526.8</b>	<b>5,814.1</b>
<b>Grants</b>	<b>2,374.0</b>	<b>614.8</b>	<b>-</b>	<b>4,338.0</b>
<b>Others</b>	<b>-</b>	<b>2,724.6</b>	<b>-</b>	<b>4,805.7</b>
<i>Contingent Revenue</i>	-	0.0	-	-
<i>Borrowing</i>	-	2,724.6	-	2,687.8
<i>Carry Forward</i>	-	-	-	-
<i>Grants, loans and other external resource</i>	-	-	-	2,117.9
<b>Total Revenue &amp; Grants</b>	<b>4,594.74</b>	<b>17,104.6</b>	<b>15,269.3</b>	<b>33,904.0</b>

Source: Ministry of Finance & Development Planning)

\*Revised

**Table 21: Government of Liberia's Total Expenditure**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Millions, L\$)**

Expenditure by Codes	2017	2018	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Recurrent Expenditure</b>	<b>13,724.5</b>	<b>12,022.3</b>	<b>14,196.8</b>
Compensation of Employees	5,446.5	7,173.6	6,880.4
Expenditure on Goods & Services	4,419.3	2,704.7	4,450.9
Subsidies	-	-	-
Grants	1,859.5	866.3	1,072.5
Social Benefits	21.8	17.9	2.8
Others	1,977.2	1,259.8	1,790.1
<b>Capital Expenditure</b>	<b>938.5</b>	<b>162.1</b>	<b>513.0</b>
Depreciation	624.5	-	-
Acquisition of Fixed Assets	314.0	162.1	513.0
Others	-	-	-
<b>Loan &amp; Interest Payments &amp; Other Charges</b>	<b>320.5</b>	<b>840.1</b>	<b>4,648.7</b>
Domestic Debts Repayment	35.0	390.6	3,090.4
External Debts Repayment	99.1	-	-
Interest on Domestic Debt	179.3	132.6	815.5
Interest on Foreign Debt	7.1	-	187.9
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	-	317.0	554.9
<b>Other Expenditures<sup>1</sup></b>			
	-	-	-
<b>Total Expenditure</b>	<b>14,983.5</b>	<b>13,024.6</b>	<b>19,358.43</b>

*Source: Ministry of Finance & Development*

*+Expenditures not elsewhere mentioned*

**Table 22: Liberia's Overall Public Debt Position by Creditors**  
**As At June 30, 2018**  
**(In Millions, US\$)**

<b>Creditors</b>	<b>2017</b>	<b>2018</b>	
	<b>End-June</b>	<b>End-March</b>	<b>End-June</b>
<b>Total Public Debt</b>	<b>849.0</b>	<b>914.9</b>	<b>942.6</b>
<b>External Debt</b>	<b>581.9</b>	<b>649.0</b>	<b>676.4</b>
<b>Multilateral</b>	<b>528.3</b>	<b>595.4</b>	<b>622.7</b>
<i>WORLD BANK GROUP</i>	<i>291.0</i>	<i>340.6</i>	<i>356.1</i>
<i>IMF -RCF Credit<sup>1</sup></i>	<i>44.9</i>	<i>47.0</i>	<i>45.4</i>
<i>AfDB GROUP</i>	<i>69.6</i>	<i>77.8</i>	<i>91.6</i>
<i>EU/EIB</i>	<i>54.7</i>	<i>54.7</i>	<i>54.7</i>
<i>Others</i>	<i>68.1</i>	<i>75.4</i>	<i>74.9</i>
<b>Bilateral</b>	<b>53.6</b>	<b>53.7</b>	<b>53.7</b>
<i>China</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>
<i>Kuwait</i>	<i>14.9</i>	<i>14.9</i>	<i>14.9</i>
<i>Saudi Arabia</i>	<i>33.5</i>	<i>33.5</i>	<i>33.5</i>
<i>Others</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Domestic Debt</b>	<b>267.1</b>	<b>265.8</b>	<b>266.2</b>
<b>Financial Institutions</b>	<b>267.1</b>	<b>265.8</b>	<b>265.5</b>
<i>Central Bank of Liberia (CBL)</i>	<i>257.1</i>	<i>255.8</i>	<i>255.5</i>
<i>CBL Infrastructure</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>
<i>Others</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Others</b>	<b>-</b>	<b>-</b>	<b>0.7</b>

*Source: Ministry of Finance & Development Planning*

**Table 23: Balance of Payments Statistics**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million US dollars)**

Description	2017	2018	
	Q-2	Q-1*	Q-2**
Current account	<b>-115.6</b>	<b>-135.1</b>	<b>-134.1</b>
<b>Credit</b>	390.0	299.0	283.1
<b>Debit</b>	505.6	434.1	417.2
Goods and services	<b>-192.7</b>	<b>-178.0</b>	<b>-183.7</b>
<b>Credit</b>	114.9	137.4	95.8
<b>Debit</b>	307.6	315.4	279.6
Goods (net)	<b>-148.2</b>	<b>-122.1</b>	<b>-145.3</b>
Credit (Exports)	<b>97.3</b>	<b>135.0</b>	<b>93.3</b>
<b>Iron ore</b>	18.0	21.6	1.5
<b>Rubber</b>	13.7	24.3	18.0
<b>Mineral (Gold &amp; Diamond)</b>	54.9	80.5	63.8
<b>Palm oil</b>	1.8	1.7	2.6
<b>Other exports (excluding gold)</b>	8.9	6.9	8.6
Debit (Imports)	<b>245.6</b>	<b>257.1</b>	<b>238.6</b>
<b>Food and Live Animals (including Animals &amp; Vegetable Oil)</b>	75.6	84.1	55.0
<i>O/w Rice</i>	37.4	25.4	19.8
<b>Minerals, Fuel, Lubricants<sup>1</sup></b>	37.8	43.4	40.2
<i>O/w Petroleum Products</i>	31.0	26.0	30.0
<b>Machinery &amp; Transport Equipment</b>	53.1	60.8	67.6
<b>Other Imports</b>	79.1	68.8	75.8
General merchandise on a balance of payments basis	<b>-194.4</b>	<b>-192.0</b>	<b>-201.1</b>
<b>Credit</b>	51.2	65.1	37.5
<b>Debit</b>	245.6	257.1	238.6
<b>Of which Re-exports (credit)</b>	2.6	25.9	2.4
<b>Nonmonetary Gold (credit)</b>	46.2	69.9	55.9
Services	<b>-44.5</b>	<b>-55.9</b>	<b>-38.5</b>
<b>Credit</b>	17.6	2.4	2.5
<b>Debit</b>	62.1	58.3	41.0
Primary Income	<b>-76.4</b>	<b>-27.5</b>	<b>-29.1</b>
<b>Credit</b>	4.5	6.5	6.4
<b>Debit</b>	80.9	34.0	35.4
Secondary Income	<b>153.5</b>	<b>70.4</b>	<b>78.7</b>
<b>Credit</b>	270.6	155.0	180.9
<b>Debit</b>	117.2	84.6	102.2
Capital Account	<b>16.0</b>	<b>28.8</b>	<b>24.5</b>
<b>Credit</b>	16.0	31.0	26.4
<b>Debit</b>	0.0	2.2	1.9
<b>Net Lending (+)/Net Borrowing (-) balance of Current &amp; Capital Accounts</b>	<b>-99.6</b>	<b>-106.2</b>	<b>-109.6</b>
Financial Account			
<b>Net Lending (+)/Net Borrowing (-) balance of Financial Accounts</b>	<b>-145.7</b>	<b>66.9</b>	<b>-31.5</b>

Direct investment	-77.9	-31.5	-31.8
<b>Net acquisition of financial assets</b>	0.0	0.0	0.0
<b>Net incurrence of liabilities</b>	77.9	31.5	31.8
Other investment	-65.9	57.8	20.1
<b>Net acquisition of financial assets</b>	-47.6	60.3	25.9
<b>Net incurrence of liabilities</b>	18.2	2.5	5.8
Reserve assets	-1.9	40.6	-19.8
<b>NET ERRORS &amp; OMISSIONS</b>	-44.2	132.5	97.8
<i>Overall Balance</i>	1.9	-40.6	19.8
MEMORANDUM ITEMS			
<b>Gross Foreign Reserves Position</b>	403.5	438.7	382.6
<b>Import Payments (cif)</b>	269.8	281.4	263.5
<b>Imports (cif) &amp; Service Payments</b>	331.9	229.8	304.5
<b>Current Account Bal. Excl. Grants</b>	123.8	135.1	-134.1
<b>Nominal GDP†</b>	821.3	835.3	835.3
<b>Current Account Bal. Incl. Grants % of GDP</b>	-15.1	-16.2	-16.1
<b>Capital Account Bal. (% of GDP)</b>	20.	3.5	2.9
<b>Trade (in goods) Deficit % of GDP</b>	-18.0	-14.6	-17.4
<b>Months of Imports Cover††</b>	3.6	3.9	3.8

Source: Central Bank of Liberia

\*\*Preliminary figures

\*Revised figures 2017

† 2018 first & second quarters GDP is 1/4th of US\$3,341 mil nominal GDP projection by IMF

2017 second quarter GDP is 1/4th of US\$3,285 mil nominal GDP revised by IMF

†† Months of imports cover per 3 months

**Table 24: Quarterly Trade Balance**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

	2017	2018	
	Q-2	Q-1*	Q-2**
<b>Exports</b>	97.3	135.0	93.3
<b>Import</b>	245.6	257.1	238.6
<b>Total Trade (+ surplus, - deficit)</b>	-148.3	-	-145.3
		122.1	

Source: Liberia Revenue Authority (ASYCUDA), Firestone Liberia Ltd, Total Liberia

\*\*Preliminary figures

\*Revised

**Table 25: Commodity Composition of Exports**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Commodity	Unit	2017			2018					
		Q-2*			Q-1*			Q-2**		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	17,778.1	13.7	14.1	27,440.6	24.2	18.0	9,303.9	18.0	19.3
Cocoa Bean	Mt.	1.3	0.6	0.6	0.9	0.4	0.3	100.0	0.1	0.1
Coffee Bean	Mt.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iron ore	Mt.	523.0	18.0	18.5	1,038.4	21.6	16.0	35.0	1.5	1.6
Mineral			54.9	56.4	93.0	80.5	59.7	47,054.2	63.8	68.4
o/w Diamond	Carat	15.9	8.7	15.8	24.5	10.6	13.2	10,007.6	8.0	12.5
o/w Gold	Oz	51.3	46.2	84.2	68.5	69.8	86.8	37,046.6	55.8	87.5
Other Exports		10.0	6.5	6.6	224.8	4.3	3.2	291,886	6.3	6.8
Good Procured*		-	3.7	3.8		3.8	2.8		3.6	3.9
<b>Total Exports</b>			<b>97.3</b>	<b>100</b>		<b>135.0</b>	<b>100</b>		<b>93.3</b>	<b>100</b>

Source: Liberia Revenue Authority (ASYCUDA), Firestone Liberia Ltd, Total Liberia

!Goods procured in ports by carrier;

\*\*Preliminary figures

\*Revised

**Table 26: Destination of Exports**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Commodity Composition of Exports	2017		2018			
	Q-2*		Q-1*		Q-2**	
	Value	% share	Value	% share	Value	% share
<b>Africa</b>	1.8	1.9	6.0	4.5	4.2	4.5
o/w ECOWAS	0.3	17.1	4.7	77.4	0.9	21.4
o/w Neighboring Countries	0.3	96.9	4.2	89.2	0.1	11.1
<b>Asia</b>	0.8	0.8	4.0	2.9	3.1	3.3
o/w China	0.1	11.1	0.4	9.5	0.3	9.7
<b>Europe</b>	5.6	5.8	91.5	67.8	56.8	60.9
o/w Eurozone	5.6	100.0	16.0	17.5	2.0	3.5
<b>North &amp; Central America</b>	13.6	14.0	17.6	13.1	16.8	18.0
o/w United States of America	13.6	100.0	17.6	100.0	16.8	100.0
<b>Middle East</b>	53.8	55.3	11.9	8.8	8.5	9.1
<b>South &amp; Central America</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Oceania &amp; the Caribbean</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Other Countries (n.i.e)</b>	21.6	22.2	4.0	2.9	3.8	5.3
<b>TOTAL EXPORTS BY DESTINATION</b>	<b>97.3</b>	<b>100</b>	<b>135.0</b>	<b>100</b>	<b>93.3</b>	<b>100</b>

Source: Liberia Revenue Authority (ASYCUDA), Firestone Liberia Ltd, Total Liberia, Ministry of Lands, Mines & Energy

\*\*Preliminary figures

\*Revised

**Table 27: Commodity Composition of Imports**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Commodity Composition of Import	2017		2018			
	Q-2		Q-1*		Q-2**	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
<b>Food and Live Animals</b>	66.2	27.0	78.9	30.7	50.5	21.1
o/w Commercial Rice	36.4	55.0	24.5	31.1	19.2	38.0
o/w Non-Commercial Rice	0.9	1.4	0.8	1.0	0.6	1.2
Beverages and Tobacco	4.6	1.9	3.8	3.5	5.7	2.4
Crude Material & Inedible, except Fuel	3.7	1.5	4.6	1.8	5.1	2.1
Minerals, Fuel Lubricants	37.8	15.4	43.4	16.9	40.2	16.8
o/w Petroleum products	31.0	82.0	26.0	59.9	30.0	74.6
Animals and Vegetable Oil	9.4	3.8	5.3	2.1	4.5	1.9
Chemicals & related Products	24.5	10.0	20.7	8.1	26.9	11.3
Mfg. Goods classified by Materials	36.8	15.0	33.6	13.1	30.3	12.7
Machinery & Transportation Equipment	53.1	21.6	60.8	23.6	67.6	28.3
Misc. Mfg. Articles	9.4	3.8	6.2	2.4	8.0	3.3
<b>TOTAL IMPORTS</b>	<b>245.6</b>	<b>100.0</b>	<b>257.1</b>	<b>100.0</b>	<b>238.9</b>	<b>100.0</b>

*Source: Liberia Revenue Authority (ASYCUDA)*

*\*\*Preliminary figures*

*\*Revised*

**Table 28: Sources of Imports**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Commodity Composition of Import	2017		2018			
	Q-2		Q-1*		Q-2	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
Africa	41.0	16.7	36.02	14.0	44.8	18.8
o/w ECOWAS	35.6	86.8	31.27	87.0	38.8	86.6
o/w Neighboring Countries	34.1	95.8	28.32	79.0	34.5	88.9
Asia	96.0	39.1	135.97	53.0	102.0	42.7
o/w China	54.8	57.1	47.13	35.0	40.5	39.7
Europe	45.4	18.5	42.16	16.0	43.1	18.0
o/w Eurozone	21.7	47.8	31.23	74.0	29.2	67.7
North America	21.1	8.6	16.54	6.0	17.4	7.3
o/w United States of America	19.7	93.4	15.32	93.0	15.3	87.9

Middle East	34.3	14.0	20.98	8.0	25.8	10.8
South & Central America	5.7	2.3	4.88	2.0	5.3	2.2
Oceania & the Caribbean	2.1	0.9	0.54	0.2	0.5	0.2
<b>TOTAL IMPORTS BY SOURCES</b>	<b>245.6</b>	<b>100.0</b>	<b>257.1</b>	<b>100.0</b>	<b>238.9</b>	<b>100.0</b>

Source: Liberia Revenue Authority (ASYCUDA)

\*\*Preliminary figures

\*Revised

**Table 29: Inward & Outward Personal Remittances**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD)**

Personal Remittances		2017	2018	
		Q-2	Q-1*	Q-2
Inwards		163.8	130.8	117.1
Outwards		107.2	74.6	81.2
	Net flow	<b>56.6</b>	<b>56.2</b>	<b>35.9</b>

Source: Central Bank of Liberia

\*Revised

**Table 30: Stock of International Reserves**  
**(2<sup>nd</sup> Quarter, 2017; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2018)**  
**(In Million USD, except otherwise indicated)**

Quarter	2017	2018	
	Q-2	Q-1*	Q-2
Gross International Reserves+	403.5	438.7	382.6
Net Foreign Reserves	108.8	144.0	87.9
<i>Months of Imports Cover</i>	3.6	3.9	3.8

Source: Central Bank of Liberia

\*Revised

+ Gross International Reserve = CBL liquid foreign assets less net liquid liabilities to government and commercial banks plus SDR including Reserve Tranche