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OVERVIEW

The momentum of global economic activity further softened in the second quarter of 2019, mainly due to persistent uncertainties arising from the second half of 2018. Growth forecast for 2019 was revised downward to 3.2 percent largely on account of moderation in economic activity. However, projected global growth for 2020 is expected to pick up slightly to 3.5 percent. The July 2019 Edition of the World Economic Outlook (WEO) projects that US growth for 2019 will increase by 0.3 percentage points to 2.6 percent as a result of unanticipated export growth and inventory buildup.

Growth in the euro area is projected to slow down to 1.3 percent for 2019 mainly due to unanticipated slowdown of external demand in Germany and fiscal policy uncertainty that weighed down on investment. Similarly, growth in the emerging market and developing economies is projected to decline to 4.1 percent in 2019 mainly on account of slower demand from China.

Sub-Saharan Africa's growth is projected to pick up to 3.4 percent in 2019 and further expand to 3.6 percent in 2020. For the ECOWAS region, economic recovery, which started since the last quarter of 2016, is expected to improve beyond the 3.3 percent recorded in 2018 on account of increased investment and policy interventions in mining (including oil and gas production) and agriculture.

Real gross domestic product (RGDP) of Liberia is projected to grow modestly by 0.4 percent, from 1.2 percent recorded in 2018 on account of subdued performances in the secondary and tertiary sectors. However, the primary sector is expected to improve reflective of activities in mining as well as agriculture and fisheries subsectors.

On a year-on-year basis, headline inflation at end-June 2019 heightened to 27.3 percent, from 23.7 percent reported for the preceding quarter and from 22.4 percent recorded for the corresponding period of 2018 mainly due to price dynamics in the non-food components. Total output of the real sector, during the review quarter, was mixed. Round logs, crude palm oil, beverages, soap and finished water increased, while production of all other commodities declined.

During the second quarter of 2019, the banking sector remained strong and resilient with the industry recording growth in all key balance sheet items compared with the first quarter of 2019 and the corresponding period in 2018. At the end of June 2019, total capital increased to L\$27.7 billion (by 9.5 percent) compared with the preceding quarter.

Gross operational income at the end of the reporting quarter was significantly more than the amount recorded in the first quarter of 2019, and 42.4 percent higher compared with the corresponding quarter in 2018. The main revenue sources were interest income from loans and advances, and non-interest income from service charges on deposits, commissions and fees on money transfers as well as foreign exchange transactions.

The stock of commercial banks' credits to various sectors of the economy, on a quarterly basis, expanded by 12.5 percent primarily triggered by increases in credits to trade, construction, services, oil & gas and other sectors. Interest rate on personal loan reduced by 14.0 basis points to 12.8 percent, but the rate on mortgage rose by 150.0 basis points to 14.9 percent. However, the rates on lending, saving deposits, certificate of deposits and time deposits were unchanged.

Narrow money (M1) at end-June 2019 expanded by 15.0 percent. Similarly, broad money (M2) during the review period rose by 13.9 percent mainly on account of growths in demand deposits and time and savings deposits. On the assets side, the increase in M2 was supported by expansions in net domestic assets (NDA) and net foreign assets (NFA).

During the review quarter, preliminary statistics on Liberia's balance of payments (BOP) revealed deficit in the current account, which further deteriorated relative to the first quarter of the year. The overall balance decreased to US\$7.5 million (0.93 percent of GDP) at the end of the second quarter 2019 compared to a balance of US\$38.9 million (4.83 percent of GDP) in the preceding quarter. Preliminary statistics of the net financial account showed a reduction in net incurrence of liabilities by the domestic economy to the rest of the world (ROW).

In terms of exchange rate developments, the Liberian dollar, on average, depreciated by 12.3 percent to L\$180.66/US\$1.00 at end-June 2019, from L\$160.91/US\$1.00 recorded at end-March

2019. Compared to the corresponding period a year ago, the Liberian dollar depreciated by 32.5 percent, from L\$136.30/US\$1.00 at end-June 2018.

During the review quarter, Europe and Asia were the two major directions of Liberia's external trade. Europe (mainly Switzerland) remained the leading destination for commodity exports, especially gold. Switzerland recorded 54.4 percent of Liberia total exports earnings from the Europe region. In terms of Liberia's imports, Asia, Africa and Europe were the three leading sources.

I. DEVELOPMENTS IN THE WORLD ECONOMY

1.0 Introduction

Globally, the momentum in economic activity further softened in the second quarter of 2019 on account of persistent uncertainties, since the second half of 2018, despite strong performances recorded in 2017 and the first half of 2018. This moderate momentum in growth dynamics for 2019 resulted to downward revision of growth to 3.2 percent. Economic activity was, however, stronger than expected in some economies during the first half of 2019, largely on account of developments in the service sector.

The WEO, July 2019 update¹, projected global growth for 2020 to pick up slightly to 3.5 percent, indicating 0.1 percentage point lower than the April 2019 WEO projection for both years. The adjustment was due to the combination of factors, including trade tensions between China and the United States (US), slowing economic activity during the second quarter in China, uncertainty about Brexit and the effect of other policy uncertainties on business and consumer long term spending as well as growing disinflationary pressure in some advanced economies.

1.1 The United States (US) Economy

In the US, growth for 2019 was revised upward by 0.3 percentage points to 2.6 percent compared to the projection in the April 2019 Edition of the WEO. The upward revision was driven by unanticipated export growth and inventory buildup. Growth for 2020 is projected to moderate to 1.9 percent, same as projected in the previous quarter.

1.2 The Euro Area

Growth rate in the euro area is projected at 1.3 percent and 1.6 percent for 2019 and 2020, respectively. The expected slowdown in growth for 2019 is mainly attributed to unanticipated slowdown of external demand in Germany and fiscal policy uncertainty that weighed down on investment as well as consumer spending in Italy. Growth is, however, expected to pick up during

¹ *The analysis of the World Economy in the 2nd Quarter Bulletin of the Central Bank of Liberia is a summarized view taken from: International Monetary Fund. 2019. World Economic Outlook: Still Sluggish Global Growth. Update, July 2019.*

the second half of 2019 and continue to 2020, on account of anticipated improvement of external demand in Germany and cessation of street protests in other parts of Europe.

1.3 Emerging Market and Developing Economies

Growth in the emerging market and developing economies is projected to decline to 4.1 percent in 2019, reflecting 0.3 percentage point lower than previously projected in April 2019 due to softer external demand arising from the effects of mounting trade tariffs in China. However, growth is expected to pick up to 4.7 percent in 2020 due to fiscal consolidation in support of economic activity and improved demand in the region. In India, growth for 2019 is projected to remain robust at 7.0 percent and further rise marginally to 7.2 percent in 2020 due to slower domestic demand.

Brazil's growth is projected to moderate to 0.8 percent in 2019, reflecting weaker than expected business and consumers sentiments as uncertainties persist over structural reforms. In Russia, growth is expected to be constrained by weaker private consumption, low gas demand coupled with restricted oil outputs. However, easing monetary policy and fiscal stimulus could boost growth in 2020. In Turkey, growth is expected to be stronger than previously projected, on account reflects stronger-than-expected fiscal support.

1.4 Sub-Saharan Africa

Growth in Sub-Saharan Africa is projected to pick up to 3.4 percent in 2019 from 3.1 percent in 2018, and further increase to 3.6 percent in 2020. Debt distress, tight financial conditions and political uncertainty remained a threat to the region's growth prospects. In Nigeria, growth is expected to rise to 2.3 percent in 2019 and further to 2.6 percent in 2020, indicating 0.2 and 0.1 percentage points upward adjustments, respectively in comparison to the April 2019 WEO update. The upward adjustment in growth forecast for Nigeria is explained by US trade sanctions on Iran and expected production cuts in crude oil. In South Africa, growth is anticipated to contract to 0.7 percent in 2019, and improve to 1.1 percent in 2020, reflecting the impact of strike activity, lower energy supply to support mining and declining agriculture production.

1.5 ECOWAS²

Economic recovery, which started since the last quarter of 2016 in the ECOWAS region, is expected to improve beyond the 3.3 percent recorded in 2018 on account of increased investment and policy interventions in mining (including oil and gas production) and agriculture. Real GDP is projected to rise to 3.8 percent in 2019 and moderate slightly to 3.7 percent in 2020. The improvement in the growth rate of the region is expected to be largely explained by developments in Nigeria.

1.6 Global Inflation

Disinflationary effects would remain in the advanced economies. Inflation rate in advanced economy is estimated to drop to 1.6 percent in 2019, from 2.0 percent in 2018, but forecast to inch up to 2.0 percent in 2020. Similarly, inflation in emerging market and developing economies eased, reflective of decline in core inflation. The moderate inflation numbers were mainly due to slowdown in global demand on account of low wage growth in many economies' vis-a-vis increasing commodity supply, despite recent buildup in oil prices. For emerging market and developing economies, inflation is estimated to remain at 4.8 percent in 2019 and projected to fall by 0.1 percentage point in 2020.

² Economic Community of West African States

Table 1: Selected Global Output, 2018-20

	Projections			Difference from April 2019 WEO Update	
	2018	2019	2020	2019	2020
World Output	3.6	3.2	3.5	-0.1	-0.1
Advanced Economies	2.2	1.9	1.7	0.1	0.0
United States	2.9	2.6	1.9	0.3	0.0
Euro Area	1.9	1.3	1.6	0.0	0.1
Japan	0.8	0.9	0.4	-0.1	-0.1
United Kingdom	1.4	1.3	1.4	0.1	0.0
Canada	1.9	1.5	1.9	0.0	0.0
Emerging Markets and Developing Economies	4.5	4.1	4.7	-0.3	-0.1
Emerging and Developing Asia	6.4	6.2	6.2	-0.1	-0.1
China	6.6	6.2	6.0	-0.1	-0.1
India	6.8	7.0	7.2	-0.3	-0.3
Latin America & the Caribbean	1.0	0.6	2.3	-0.8	-0.1
Middle East, North Africa, Afghanistan & Pakistan	1.6	1.0	3.0	-0.5	-0.2
Sub-Sahara Africa	3.1	3.4	3.6	-0.1	-0.1
ECOWAS	3.3	3.8	3.7	-	-
Nigeria	1.9	2.3	2.6	0.2	0.1
South Africa	0.8	0.7	1.1	-0.5	-0.4
Consumer Prices					
Advanced Economies	2.0	1.6	2.0	0.0	-0.1
Emerging Markets and Developing Economies	4.8	4.8	4.7	-0.1	0.0

Source: IMF World Economic Outlook Update, July 2019

II. DOMESTIC PRODUCTION AND CONSUMER PRICES

2.0 Introduction

Real gross domestic product (RGDP) in the Liberian economy is projected to grow modestly by 0.4 percent to US\$1,442.6 million in 2019 (from 1.2 percent or US\$1,436.3 million recorded in 2018) due to structural factors constraining significant expansion in the secondary and tertiary sectors. The primary sector is, however, expected to improve on account of activities relating to mining as well as agriculture and fisheries subsectors.

In the primary sector (agriculture, forestry and mining and panning), growth is projected to expand by 3.3 percent in 2019, down from the 7.0 percent estimated for 2018, and expected to be driven by continued expansion in mining, especially commercial gold production. In terms of outlook, output in the mining and panning subsector is expected to expand by 13.2 percent in 2019, compared to 24.2 percent in 2018. Agriculture and fisheries subsector are expected to slow down marginally to 2.8 percent in 2019, from 3.1 percent in 2018 due to slowdown in cocoa production, while the forestry is projected to improve, remaining in contraction at 6.2 percent in 2019, as a result of limited logs and timber production.

The secondary sector (manufacturing) is expected to improve to negative 3.2 percent in 2019, from negative 5.7 percent estimated for 2018 on account of projected increase in cement output. Notwithstanding this significant improvement, growth in the sector remains constrained mainly by limited energy supply. Similarly, contraction in the tertiary sector is expected to continue at 2.6 percent, from 2.2 percent in 2018. This dismal performance of the sector is mainly reflective of reductions in services emanating from government and financial institutions.

Headline inflation, year-on-year, for the quarter ended June 2019 was 27.3 percent, up from the 23.7 percent reported in the fourth quarter of 2018 and 22.4 percent in June 2018. This inflationary development was on account of price dynamics mainly in the non-food components.

In terms of outlook, Real GDP growth in 2020 is projected to increase by 1.2 percentage points, exceeding the projection for 2019 to 1.6 percent. The marginal growth is expected to be driven by

the primary sector, especially mining and panning, agricultural and fisheries. Contractions in the services and forestry subsectors are expected to improve slightly.

2.1 Sectorial Review

2.1.1 Agriculture and Forestry

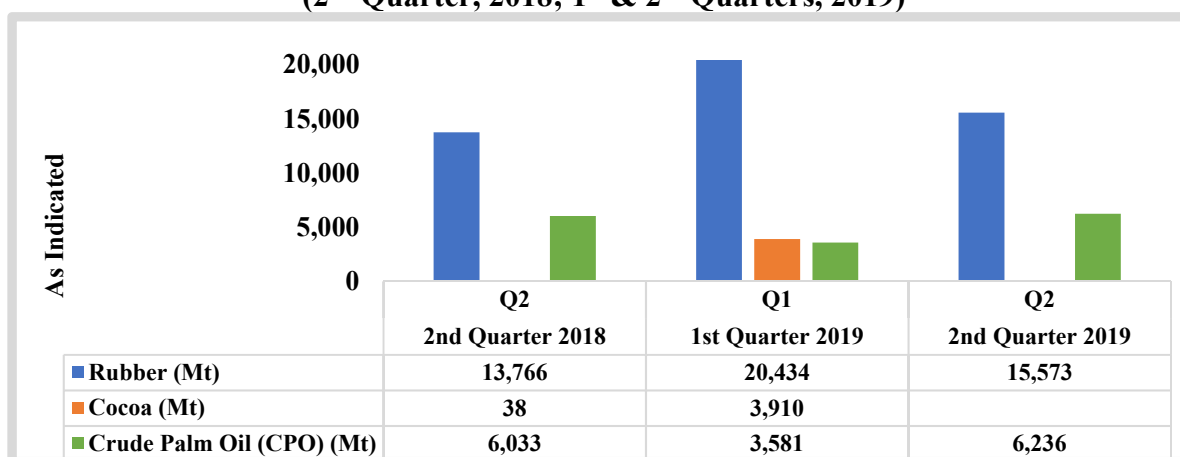
Table 2: Key Agricultural Production
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

Commodity	Unit	2 nd Quarter, 2018	1 st Quarter, 2019	2 nd Quarter, 2019
Rubber	Mt.	13,766	20,434	15,573
Cocoa	Mt.	38	3,910	3,527
Round Logs	M3	84,557	30,170	285,053
Sawn Timber	Pcs.	111,875	216,797	102,949
Crude Palm Oil (CPO)	Mt.	6,033	3,581	6,236

Source: Ministry of Commerce & Industry (MOCI); Liberia Produce & Marketing Corporation (LPMC); Forestry Development Authority (FDA)

** Estimates + Revised/Actual*

Chart 1: Key Agricultural Production
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)



Source: Ministry of Commerce & Industry (MOCI); Liberia Produce & Marketing Corporation (LPMC); Forestry Development Authority (FDA)

a) Rubber

Analysis of rubber production for the quarter under review revealed that output fell by 24.0 percent to 15,573 metric tons, from 20,434 metric tons during the preceding quarter. Despite the favorable global price of the commodity. The decline in output was attributed to reduction in production mainly from small farm holders. Compared to the corresponding period of 2018, output increased by 13.1 percent.

b) Cocoa

Cocoa production for the quarter under review was estimated to be 3,527 metric tons, indicating a decline, from 3,910 metric ton produced a quarter ago on account of unfavourable harvest arising from the rainy season during the quarter. On a year-on-year comparison, production surged by 3,489 metric tons.

c) Sawn Timber

Report of the second quarter showed that the volume of sawn timber produced stood at 102,949 pieces, down from 216,797 pieces reported in the previous quarter. The decline in output was explained by disruption in production impacted by the rainy season. When annualized, output grew by 8,926 pieces.

d) Round Logs

Total production of round logs during the quarter ended June-2019 increased by 254,883 cubic meters, from 30,170 cubic meters during the previous quarter reflecting production of larger logs in the second quarter of 2019. It is important to note that the volume in cubic meters of logs is directly proportional to the size of the logs. On an annual basis, output increased by 200,496 cubic meters.

e) Crude Palm Oil (CPO)

Production of crude palm oil (CPO) for the quarter increased by 74.1 percent to 6,236 metric tons, up from 3,581 metric tons produced during the preceding quarter mainly on account of gestation of more trees. On an annualized basis, production of CPO increased by 3.4 percent.

2.1.2 Industrial Production

Mining (Gold, Diamond and iron Ore)

i. Gold

Gold output has been on a decline since recording a high production volume of 70,538 ounces in the first quarter of 2018. For the quarter under review, production of gold fell by 4.0 percent to 48,008 ounces compared with the output in the previous quarter. The fall in gold production

during the quarter was mainly attributed to regulatory procedures that constrained mining activities for the month of June 2019. Compared with the corresponding period of 2018, output fell by 13.9 percent.

ii. Diamond

The volume of diamond produced during the second quarter decreased by 19.5 percent, to 11,610 carats, explained by a significant fall in production for the month of June 2019. Compared with the corresponding period of 2018, output slumped by 11,857 carats mainly explained by regulatory procedures that subdued production during the month of June 2019.

iii. Iron Ore

Iron ore production during the reporting quarter was 1,167,793 metric tons, down by 12.7 percent from 1,337,553 metric tons recorded in the preceding quarter as result of unfavorable weather condition. On a year-on-year basis, output also decreased by 9.0 percent.

2.1.3 Manufacturing

i. Cement

Cement output during the second quarter reduced by 20.7 percent to 93,735 metric tons, from 118,252 metric tons in the first quarter of 2019. The reduction in cement output was due to general decline in the economy's activities that are linked to the construction sector. When matched against the corresponding quarter of 2018, production fell by 7,256 metric tons.

ii. Beverages

Output of beverages (alcoholic and non-alcoholic) was 5.1 million litres in the review quarter, up from 5.0 million litres during the preceding quarter of the year. The increase in production of beverages was mainly attributed to a 34.0 percent rise in production of alcoholic beverages which offset the 22.5 percent decline in output of non-alcoholic beverages. Compared to the same quarter in 2018, output dropped by 14.6 percent. A disaggregation of total output of beverages produced showed a 58.2 percent contribution of alcoholic beverages, while non-alcoholic beverages constituted 41.8 percent quarter's total output.

Table 3: Key Industrial Output
(2nd Quarter 2018; 1st & 2nd Quarters, 2019)

Commodity	Unit	2 nd Quarter, 2018	1 st Quarter, 2019	2 nd Quarter, 2019
Gold	Ounce	55,769	50,059	48,008
Diamond	Carat	23,467	14,423	11,610
Iron Ore	Mt.	1,282,765	1,337,553	1,167,793
Cement	Mt.	100,991	118,252	93,735
Spirits	Litre	101,670	77,101	65,098
Beer	Litre	1,639,270	1,562,107	1,642,511
Stout	Litre	1,304,796	597,089	1,288,465
Malta	Litre	182,984	170,367	153,656
Soft Drinks	Litre	2,794,162	2,600,704	1,994,188
Oil Paint	Gal.	33,772	24,251	18,321
Water Paint	Gal.	26,505	22,872	17,322
Varnish	Gal.	9,983	7,547	6,171
Manoline Hair Grease	Kg.	1,436	2,797	2,260
Thinner	Gal	10,148	6,362	5,361
Rubbing Alcohol	Litre	69,982	97,265	74,342
Soap	Kg	152,550	127,777	129,712
Chlorox	Litre	306,309	273,243	273,031
Candle	Kg	21,021	22,638	19,667
Mattresses	Pcs.	32,458	32,045	27,733
Finished water	Gal.	431,261,412	332,719,473	314,586,261
Mineral Water	Litre	162,012	201,221	158,357
Electricity	kW	47,728,900	54,740,010	53,578,540

Source: Ministry of Commerce & Industry (MOCI); Ministry of Lands, Mines & Energy; Liberia Water and Sewer Corporation Projections

iii. Soap

Soap production for the second quarter showed an increase of 1.5 percent to 129,712 kilograms, from 127,777 kilograms reported in the preceding quarter. However, on annual comparison basis, production of soap declined by 22,838 kilograms.

iv. Paint (Oil and Water)

Total paint production (oil & water paints) during the quarter stood at 35,643 gallons, down from 47,123 gallons during the first quarter of 2019. The low production of paint was due to low demand on account of slowdown in construction activity emanating from unfavorable weather as well as limited raw materials for production. Compared with the corresponding quarter of 2018, output of paint fell by 24,584 gallons. Disaggregating total production of paint, oil paint constituted 51.4 percent, while water paint accounted for 48.6 percent.

v. Varnish

Production of varnish during the reporting quarter stood at 6,171 gallons, down by 18.2 percent a quarter ago. The reduction in varnish output was largely due to decreased manufacturing activity of furniture on account of unfavorable weather condition. Compared with the same period a year ago, output decreased by 38.2 percent.

vi. Manoline Hair Grease

Manoline hair grease produced during the second quarter fell by 19.2 percent to 2,260 kilograms, from 2,797 kilograms reported in the first quarter 2019. The fall in output of the commodity was due to decrease in demand as well as the inadequate raw materials for production. When compared to the corresponding period a year ago, output rose by 57.0 percent.

vii. Thinner

Thinner production in the second quarter contracted by 15.7 percent to 5,361 gallons, from 6,362 gallons produced during the first quarter in 2019. The contraction was due to slowdown in construction activity as a result of the rainy season. On a year-on-year basis, output fell by 4,787 gallons.

viii. Rubbing Alcohol

Production of rubbing alcohol during the review quarter was 74,342 litres indicating 23.7 percent lower than the quantity produced in the preceding quarter. The reduction was mainly due to accumulation of unsold inventory from the preceding quarter. On an annualized basis, output fell by 6.2 percent.

ix. Chlorox

Analysis of chlorox output during the reporting quarter revealed marginal decline in production. Output of the commodity fell slightly by 0.8 percent to 273,031 litres, from 273,243 litres produced during a quarter ago. The marginal reduction was largely due to fall in demand for the commodity. On a year-on-year basis, output fell by 33,278 litres.

x. Candle

Candle production during the quarter was 19,667 kilograms, down from 22,638 kilograms produced a quarter ago. The decline was partly due to decrease in the demand for the commodity as well as accumulation of stock from the preceding period. When annualized, production dropped by 6.4 percent.

xi. Mattresses

Total output of mattresses fell to 27,733 pieces, down from 32,045 pieces produced at the end of the first quarter of 2019 largely attributed to slowdown in demand for the commodity. When matched against the corresponding period a year ago, production decreased by 4,725 pieces.

xii. Finished Water

Total production of finished water during the review quarter was 345.5 million gallons, indicating a higher production of 3.8 percent when compared to the preceding quarter. The increased in production was explained by Liberia Water and Sewage Corporation (LWSC) restoration which encountered technical breakdown experienced in the preceding quarter. Compared with the same period of 2018, output fell by 85.8 million gallons.

xiii. Mineral Water

Total volume of mineral water produced for the quarter ended June 2019 stood at 158,357 litres, from 201,221 litres in the preceding quarter. The contraction in mineral water production was due to weaker demand resulting from the rise in the unit price of the product. Compared with the corresponding period a year ago, production shrank by 3,656 litres.

2.2 Consumption of Petroleum Products

Total consumption of petroleum products, Premium Motor Spirit (PMS) and Diesel Automotive Gas Oil (AGO) during the review quarter increased to 22.4 million gallons, from 16.1 million gallons consumed in the preceding quarter. The increase in petroleum consumption was mainly attributed to rise in the consumption of Diesel AGO. Compared to the corresponding quarter of 2018, total petroleum consumption rose by 10.3 million gallons. The increase in Diesel AGO was partly due to increased use of portable Generators by households influenced by frequent power outage from the national electricity grid.

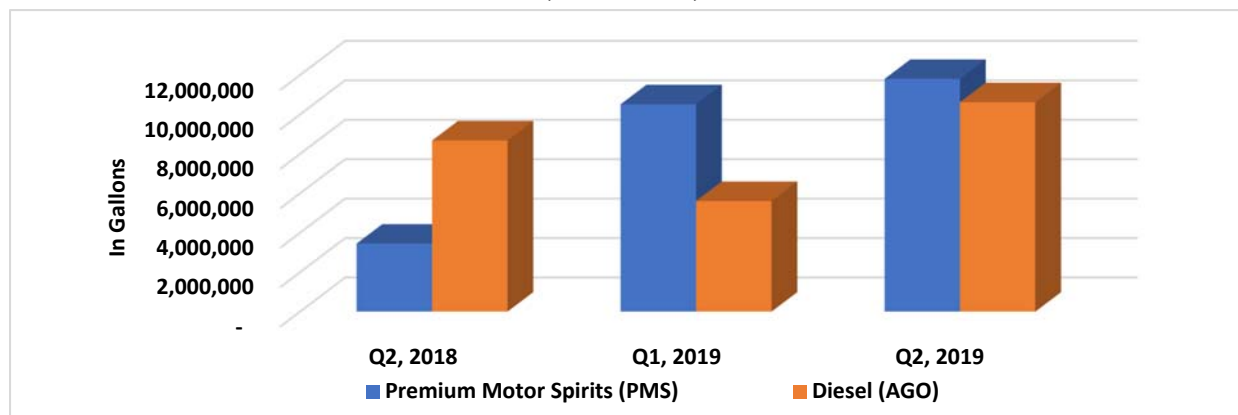
A disaggregation of total consumption of petroleum product showed that PMS constituted 52.6 percent, while Diesel AGO accounted for the remaining 47.4 percent.

Table 4: Consumption of Petroleum Products
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Gallons)

Commodity	Unit	2 nd Quarter, 2018	1 st Quarter, 2019	2 nd Quarter, 2019
Premium Motor Spirit (PMS)	Gal.	3,451,537	10,517,475	11,804,307
Diesel (AGO)	Gal.	8,677,330	5,612,537	10,619,247
Total		12,128,868	16,130,012	22,423,554

Source: Liberia Petroleum Refining Company (LPRC)

Chart 2: Consumption of Petroleum Products
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Gallons)



Source: Liberia Petroleum Refining Company (LPRC)

2.3 Seaport Developments

During the reporting quarter, a total of 102 vessels with combined Summer Dead Weight Tons (SDWT) of 2.6 million anchored at various ports along the Liberian coast, reflecting a decline by 9.7 percent from 113 vessels with a combined SDWT of 4.6 million during the preceding quarter. The reduction in vessel traffic was largely explained by the decrease in port activity at the Port of Buchanan. Analysis also revealed that out of the total number of vessels that called on the shore of Liberia, 68 docked at the Port of Monrovia, 29 vessels berthed at the Port of Buchanan and 5 vessels landed at the Port of Greenville during the period. Compared with the corresponding period a year ago, the number of vessels traffic decreased by 4.

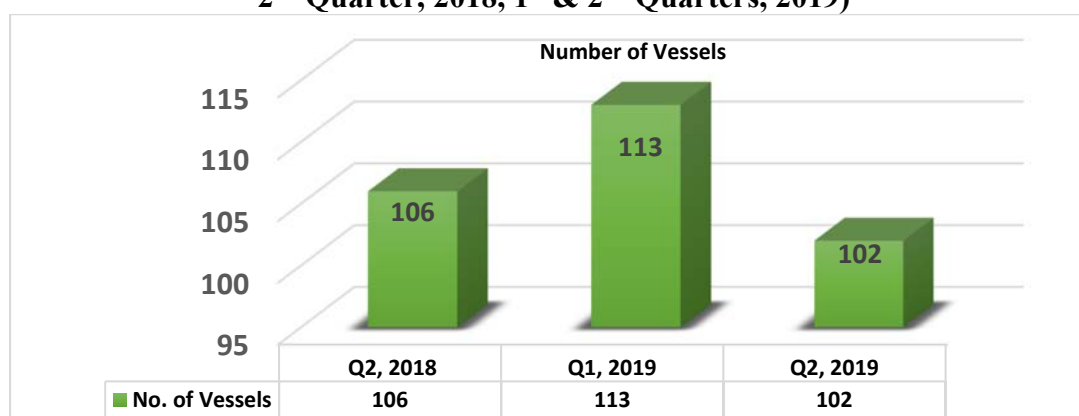
A disaggregation of total cargo tonnage showed that imports accounted for 31.1 percent while exports constituted 68.9 percent.

**Table 5: Vessel Traffic and Cargo Movements
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)**

Quarter	No. of Vessels	Vessel Weight (SDWT)	Cargo Tonnage (In Metric Tons)		
			Imports	Exports	Total
2 nd Quarter, 2018	106	3,946,536	708,101	1,209,333	1,917,434
1 st Quarter, 2019	113	4,605,587	474,770	1,723,339	2,198,109
2 nd Quarter, 2019	102	2,641,619	582,500	1,292,362	1,874,862

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

**Chart 3: Vessel Traffic
2nd Quarter, 2018, 1st & 2nd Quarters, 2019)**



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

2.4 Electric Power Developments

Electric power produced by the national power generating facilities³ during the review quarter reduced marginally by 2.1 percent to 54.7 million kilowatts, from 53.5 million kilowatts produced during the first quarter of 2019. The drop in electric power generation was on account of low generation from one of the power generation centers. On a year-on-year basis, electric power generation, however increased by 12.3 percent.

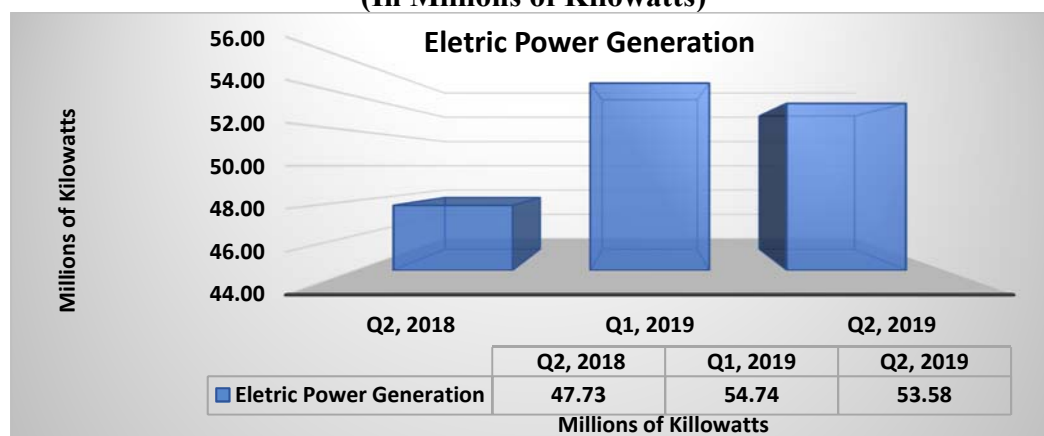
³ Mount Coffee Hydro, the Heavy Fuel Oil (HFO) generators, and the High-Speed Diesel (HSD) generators.

Table 6: Electric Power Developments
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Kilowatts)

	Unit	Service	Generation
2 nd Quarter, 2018	kW	Electricity	47,728,900.0
1 st Quarter, 2019	kW	Electricity	54,740,010.0
2 nd Quarter, 2019	kW	Electricity	53,578,540.0

Source: Liberia Electricity Corporation (LEC)

Chart 4: Electricity Generation
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of Kilowatts)



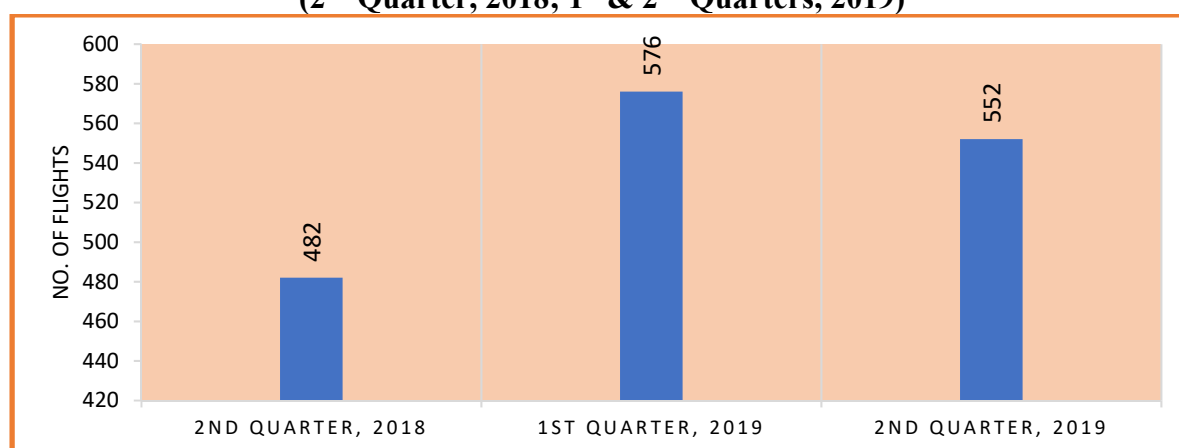
Source: Liberia Electricity Corporation (LEC)

2.5 Air Traffic Developments

Air traffic developments for the reporting quarter revealed mixed outcomes compared with the previous quarter (Table 7). The total of 552 flights landed in the country, down from 576 flights a quarter ago due to decline in landing frequency of some major flights. On an annual basis, the number of flights that landed in the country increased by 70 flights (14.5 percent) (Chart 5). The total number of arrivals (passengers) declined slightly by 9.5 percent to 22,675 in the second quarter, 2019, from 25,060 recorded in the review period. On the other hand, the total departure increased marginally by 1.3 percent to 25,993 at end-June 2019, from 25,663 in the preceding quarter. There was 9.4 percent decrease in the number of passengers transiting through the country from the preceding quarter.

Additionally, total flight cargo increased by 6.6 percent to 452,732 kilograms, from 424,574 kilograms in the preceding quarters. In terms of disaggregation of cargo shipment, imports and exports constituted 95.3 percent (431,309 kilograms) and 4.7 percent (21,423 kilograms), respectively. Also, 54.1 percent (9,052 pieces) of mail trafficked through air were imports, while 45.9 percent (7,682 kilograms) were sent out of the country.

Chart 5: Air Traffic
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)



Source: Liberia Airport Authority

Table 7: Air Traffic, Passenger, and Cargo Movement
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

Quarter	No. of Flights	Number of Passenger			Mail (Pieces)		Cargo (Kilograms)		
		Depart	Arrive	Transit	In	Out	Imports	Exports	Total
2 nd Quarter, 2018	482	24,265	22,784	13,562	8,375	6,915	471,721	30,217	501,938
1 st Quarter, 2019	576	25,663	25,060	16,775	3,627	6,251	403,379	21,195	424,574
2 nd Quarter, 2019	552	25,993	22,675	15,196	9,052	7,682	431,309	21,423	452,732

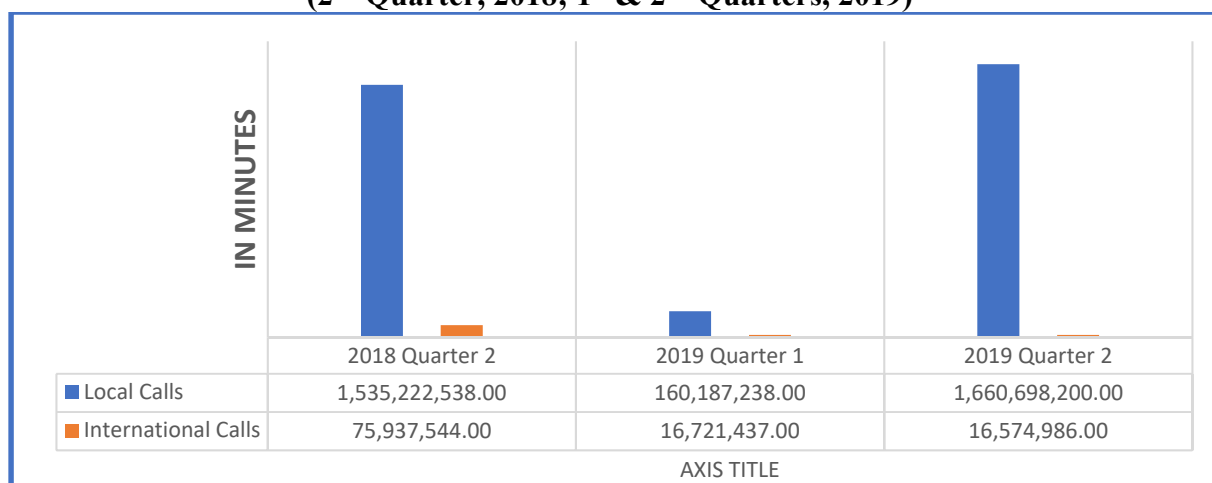
Source: Liberia Airport Authority

2.6 Call Traffic Development

International calls recorded during the review quarter reduced by 146,451 minutes to 16.6 million minutes from a revised 16.7 million minutes in the previous quarter, while total local calls increased marginally by 1.9 percent to 1,660.7 million minutes from a revised 1,630.2 million minutes (Chart 6). The increase in local calls was on account of the continuation of the promotions,

especially the ‘three-day free calls.’ On an annualized basis, international calls per minute dropped by 59.4 million minutes, from 75.9 million minutes to 16.5 million minutes, while local calls per minute rose by 8.1 percent, from 1,535.2 million minutes to 1660.6 million minutes.

Chart 6: Call Traffic
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)



Source: Liberia Telecommunications Authority

2.7 Price Developments

2.7.1 Domestic Inflation

Headline inflation⁴ for the period under review rose to 27.3 percent, from 23.7 percent reported for the preceding quarter. The 3.6 percentage points rise in headline inflation was largely attributed to increase in prices of non-food items. Compared to the corresponding quarter a year ago, inflation rose by 4.9 percentage points (Chart 7).

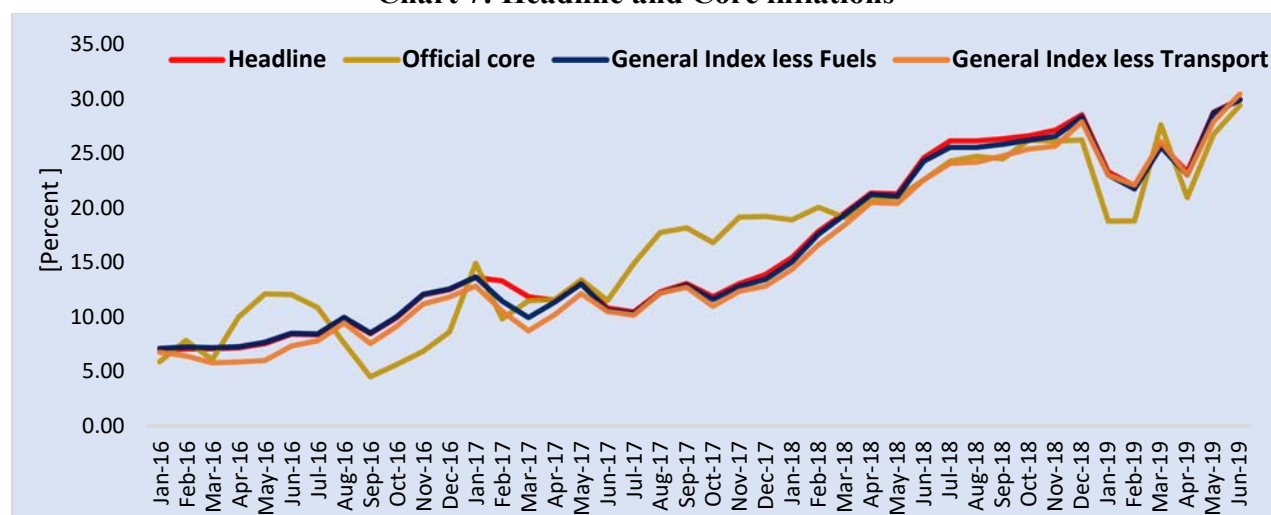
Food inflation for the quarter, was 29.5 percent, representing an increase of 2.5 and 8.8 percentage points over the same period a quarter and a year ago. The rise in food inflation for the quarter was mainly due to increase in the prices of imported food items (Table 9 & Chart 9). Non-food inflation recorded an average of 26.2 percent, from 22.0 percent and 23.4 percent during the previous quarter of 2019 and corresponding quarter of 2018, respectively. The rise in non-food inflation

⁴ The results from the 2016 Household Income Expenditure Survey (HIES) was used to update the weights in the CPI basket in December 2018 which reflect the current consumption pattern of the average Liberians.

was largely attributed to the increase in the prices of items relating to miscellaneous goods & services, alcoholic beverages and tobacco & narcotics (Table 10).

Official core inflation⁵, headline inflation less food and transport, increased by 4.0 and 4.2 percentage points, respectively, from the 4.0 percent in the preceding quarter and the 4.2 percent in the corresponding period a year ago. The increase in official core inflation was mainly attributed to the pass-through effects of the depreciation of the Liberian dollar against the United States dollar on the other measures of core inflation (Chart 7).

Chart 7: Headline and Core inflations



Source: CBL & LISGIS

2.7.2 Inflation by Group

Analysis of the major groups, within the consumer basket during the second quarter of 2019, revealed that inflation for most sub-groups increased except furnishing, household equipment & routine maintenance of the house which declined in reference to the first quarter. The sub-groups that showed the highest increases in inflation were miscellaneous goods and services (11.2 percentage points) followed by alcoholic beverages (9.9 percentages points), (Chart 8 & Table 8).

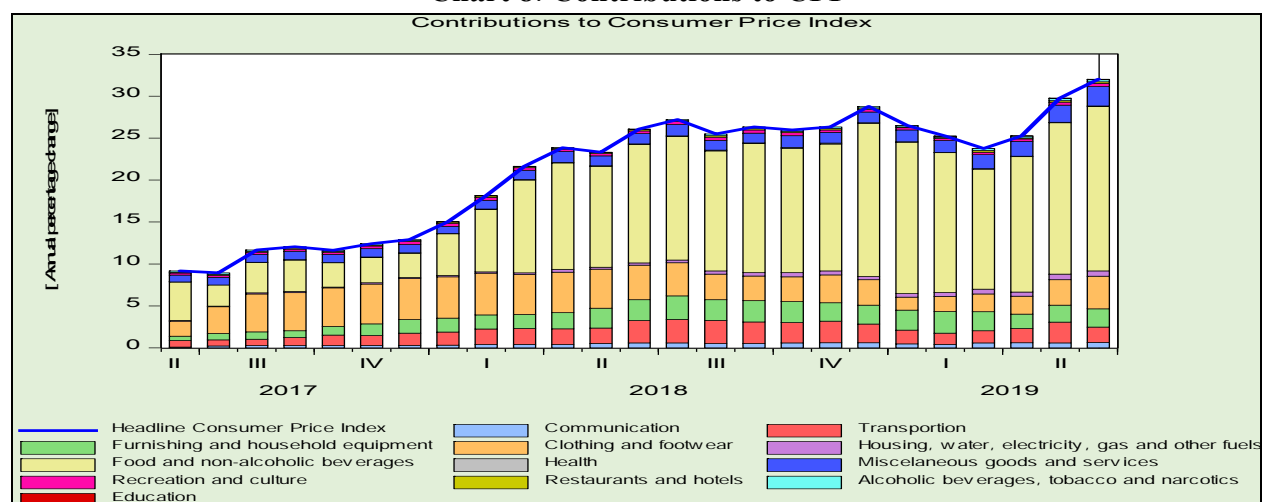
2.7.3 Contributions to Changes in CPI (%)

A disaggregation of the consumer price index (CPI) basket at the end of the reporting quarter, showed that the following sub-groups substantially contributed to inflation: food and non-alcoholic beverages group, miscellaneous goods and services and clothing and footwear. Similarly, the

⁵ Defined as the overall Consumer Price Index (CPI),

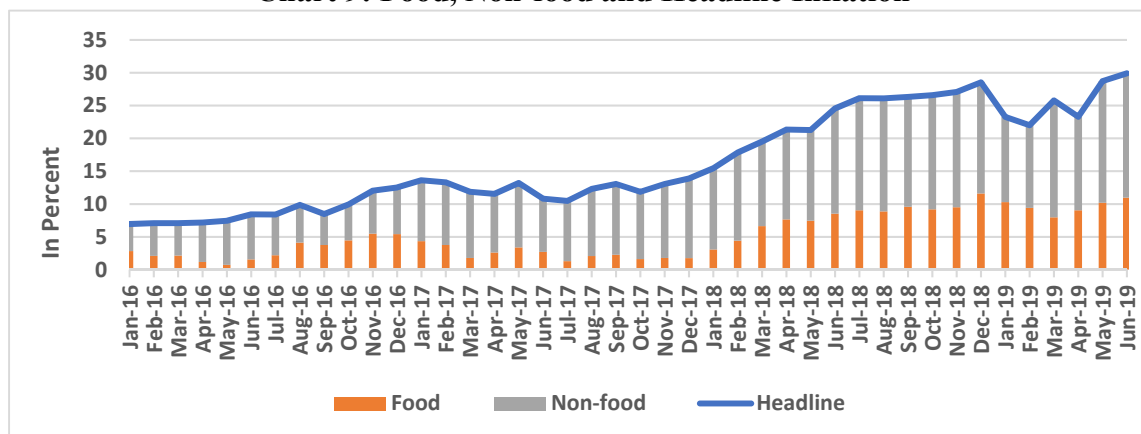
disaggregated CPI basket in terms of food and non-food items revealed that food inflation stood at 29.5 percent, up from 27.1 percent, while non-food was 26.2 percent, up from 22.0 percent from the preceding quarter. During the quarter, food inflation contributed 10.1 percentage points while non-food contributed 17.2 percentage points to the 27.3 percent general rate of inflation at end-June 2019. Both food and non-food contributed to the upward movement in the general rate of inflation, especially the non-food items (Chart 8).

Chart 8: Contributions to CPI



Source: CBL & LISGIS, Monrovia, Liberia

Chart 9: Food, Non-food and Headline Inflation



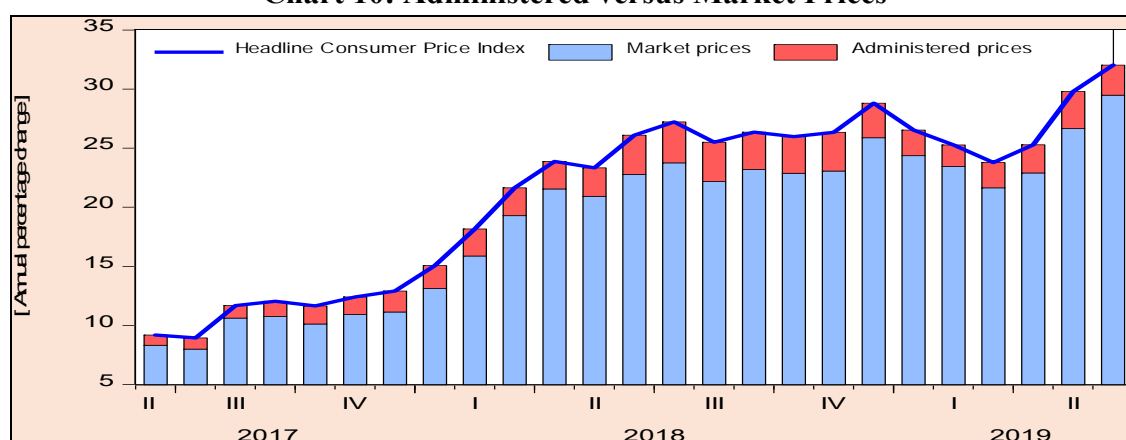
Source: CBL & LISGIS, Monrovia, Liberia

2.7.3.1 Administered versus Market Prices

The analytical split of the CPI basket between administered⁶ and market prices for the quarter under review revealed that inflation for the quarter was mainly driven by market prices which reflected high contribution partly due to its weight (constituting 83.9 percentage points of the CPI basket), and volatility in international prices, structural factors and the pass-through effect of the depreciation of the Liberian dollar.

For the quarter ended June, market prices contributed 24.1 percentage points to the 27.3 percent rate of inflation compared to the 20.8 percentage points to the 23.7 rate of inflation in the last quarter and the 20.1 percentage points contribution to the 22.4 inflation rate a year ago (Chart 9). The interactions of demand and supply continued to make market prices more volatile than administered prices.

Chart 10: Administered versus Market Prices



Source: CBL, Monrovia, Liberia

2.7.4 Outlook for Inflation

The rate of inflation for the third quarter of 2019 is projected to increase to 29.3 percent with a symmetric band of +/- 2 percent. Inflationary pressure for 2019 is projected at 27.3 percent, while end of year inflation is projected at 29.3⁷ percent with a symmetric band of +/- 2 percent. The uncertainty in global developments, including downward price spiral of crude oil and trade tension

⁶ 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.

⁷ CBL Projection

between USA and China, could resonate adversely on domestic prices for the remaining quarters of 2019. Attainment of a single-digit rate of inflation in the medium to long term will largely hinge on the level of coordination between the monetary and fiscal authorities as well as the effectiveness of the available monetary policy instruments of the CBL. Other factors which could significantly ease the price spiral in the medium-to-long term include further diversification of the economy for increased food production, policies on key commodities (especially petroleum products and other highly consumable commodities), accelerating infrastructural development such as farm-to-market roads and increasing energy supply.

Table 8: 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	2.8	10	0.2	0.4	0
	Nov	9.8	9	10.6	-1.4	-1.7	-1
	Dec	8	5.9	4.7	0.1	-0.4	-4.7
2016	Jan	7	7.4	6.4	0.1	3	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	0.2	-2.6	3.6
	May	7.6	1.9	14.7	-0.3	-0.6	5.9
	Jun	8.4	4.1	6	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	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	0.4	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	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	18.1	1.2	1	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	20	2.4	3.7	1.7
	Feb	17.8	11.6	21.5	0.6	-0.7	1.2
	Mar	19.4	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	24.5	22.4	25.8	5.8	4.9	6.3
	Jul	26.1	23.7	27.5	3.5	2.7	4
	Aug	26.1	23.3	27.7	2.2	2.4	2
	Sep	26.3	25.2	26.9	1.4	2.5	0.7
	Oct	26.6	24.2	27.9	0.7	-0.4	1.3
	Nov	27.1	24.9	28.3	2	1.8	2.1
	Dec	28.5	30.5	27.5	2.4	3.8	1.6
2019	Jan	23.3	30.2	19.7	-1.8	3.4	-4.5
	Feb	22	27.6	19.1	-0.5	-2.6	0.9
	Mar	25.8	23.4	27	5.3	0.4	7.9
	Apr	23.3	26.5	21.6	-0.6	4.2	-3
	May	28.7	29.9	33.6	5.3	3.6	11.3
	Jun	29.9	32.2	30.4	6.7	6.7	4.4

Source: CBL & LISGIS, Monrovia, Liberia

Table 9: Inflation by Groups: Year-on-Year Changes in CPI (2018-2019)

Food Group	Weights	Inflation Rates			
		2018q1	2018q2	2019q1	2019q2
Oils and fats (ND)	3.36	-7.41	21.51	57.06	34.08
Vegetables (ND)	4.38	8.61	14.58	53.10	73.62
Fruits (ND)	1.49	6.07	12.32	35.03	36.31
Non-Food Group					
Alcoholic Beverages, Tobacco and Narcotics	0.65	6.51	8.89	30.74	40.55
Clothing and footwear	5.21	38.33	34.06	12.28	21.23
Housing, Water, Electricity, Gas and other fuels	7.22	9.72	16.73	30.66	37.24
Furnishing, H/Hold Equip., Routine Maintenance of the house	5.21	29.90	39.28	39.16	30.89
Health	9.28	9.96	12.06	12.05	12.32
Transport	7.53	29.51	35.33	22.77	30.35
Communication	3.86	17.34	23.32	22.93	29.31
Recreation and Culture	1.03	26.42	20.67	18.84	25.11
Education	4.83	0.00	0.00	4.20	8.74
Restaurant and Hotels	17.12	27.46	21.98	22.08	29.61
Miscellaneous Goods and Services	3.98	21.10	26.03	31.40	42.64

Source: CBL & LISGIS, Monrovia, Liberia

Table 10: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(2nd Quarter 2018; 1st & 2nd Quarters, 2019)
(December, 2005=100)

Functions	WEIGHTS	Apr-18	May-18	Jun-18	2 nd Quarter	Jan-19	Feb-19	Mar-19	1 st Quarter	Apr-19	May-19	Jun-19	2 nd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	34.08	20.09	19.56	22.43	20.69	30.17	27.61	23.41	27.07	26.50	29.86	32.20	29.52
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	0.65	8.78	5.21	12.68	8.89	26.94	28.69	36.59	30.74	37.30	45.79	38.54	40.55
CLOTHING AND FOOTWEAR	5.21	35.61	35.14	31.43	34.06	10.19	12.15	14.49	12.28	14.48	20.94	28.28	21.23
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.22	21.64	13.46	15.10	16.73	26.16	28.63	37.20	30.66	29.51	42.37	39.85	37.24
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.21	33.19	41.45	43.21	39.28	38.66	42.31	36.52	39.16	27.65	31.10	33.94	30.89
HEALTH	9.28	12.18	10.39	13.61	12.06	9.05	10.47	16.64	12.05	13.94	13.73	9.28	12.32
TRANSPORT	7.53	30.26	30.30	45.44	35.33	25.37	20.46	22.48	22.77	26.13	38.55	26.37	30.35
COMMUNICATION	3.86	17.84	25.12	27.01	23.32	22.33	18.69	27.78	22.93	29.45	27.87	30.60	29.31
RECREATION AND CULTURE	1.03	20.87	19.28	21.85	20.67	18.45	18.62	19.43	18.84	20.98	26.59	27.75	25.11
EDUCATION	4.83	0.00	0.00	0.00	0.00	3.86	4.23	4.51	4.20	5.49	8.91	11.82	8.74
RESTAURANTS AND HOTELS	17.12	20.17	21.62	24.16	21.98	15.85	13.65	36.74	22.08	19.92	32.36	36.55	29.61
MISCELLANEOUS GOODS AND SERVICES	3.89	27.54	24.87	25.67	26.03	29.75	29.21	35.25	31.40	37.14	42.74	48.02	42.64
GENERAL RATE OF INFLATION	100.00	21.35	21.27	24.56	22.39	23.28	22.00	25.79	23.69	23.29	28.74	29.91	27.31

Source: CBL & LISGIS, Monrovia, Liberia

III. MONETARY DEVELOPMENTS

3.0 Monetary Policy Stance

The Monetary Policy stance of the Central Bank of Liberia (CBL) for the second quarter of 2019 remained focus on the attainment of a stable macroeconomic environment characterized by low inflation and broad exchange rate stability. Accordingly, the CBL's policy interventions were implemented via the use of several instruments, namely: Required Reserve Ratio, Standing Deposit Facility (SDF), and CBL Indexed Bills. The Bank's monetary policy was geared toward liquidity management intended to control the level of Liberian dollar liquidity outside banks in the face of declining US dollar liquidity in order to ease the pressures on the Liberian dollar.

3.1 Banking Sector Development

The banking sector remains strong and resilient. At end of the second quarter of 2019, the industry recorded growths in all key balance sheet items in the quarter relative to the first quarter, 2019 and the corresponding period of 2018.

Capital

At the end of June 2019, total capital increased to L\$27.8 billion, reflecting an increase by 9.5 percent compared with the preceding quarter. On an annualized basis, total capital rose by 19.9 percent at end June 2019. However, two of the nine banks reported capital below the minimum regulatory requirement of US\$10.0 million. In terms of Capital Adequacy Ratio (CAR), all the nine banks were in excess of the minimum regulatory requirement of 10.0 percent. The CAR reported at end-June 2019 stood at 28.8 percent, which was the same in the preceding quarter, but 1.2 percentage point higher than the 27.6 percent in the corresponding quarter of 2018. On a year-on-year basis, the slight growth in CAR was largely attributed to increase in the banks' profitability.

Industry Assets and Liquidity

Total assets reported at end-June 2019 stood at L\$174.5 billion, reflecting an increase of 18.9 percent compared with L\$146.9 billion recorded at end-March 2019 and an increase of 33.1 percent compared with the same quarter in 2018. Similarly, the industry total liquid assets grew by 23.3 percent to L\$44.6 billion, against the amount recorded in the first quarter, 2019 and an

increase of 28.7 percent relative to the corresponding quarter in 2018. The movement in liquid assets resulted into a liquidity ratio of 39.4 percent during the review period compared with 37.5 percent recorded in March 2019 and 40.5 percent in the same period in 2018.

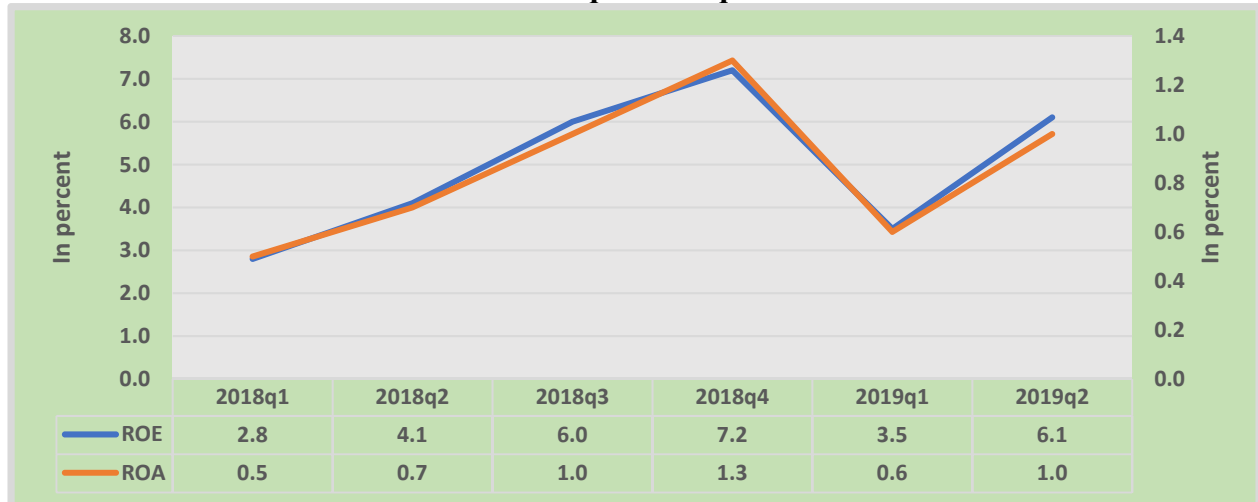
During the review quarter, the largest component of the industry's assets – loans and advances – rose by 12.5 percent to L\$84.9 billion compared with L\$75.5 billion recorded in the preceding quarter. Of the total stock of loans and advances in the review quarter, non-performing loans (NPLs) was L\$11.3 billion, revealing a growth of 23.1 percent compared to end-June 2019. Year-on-year comparison showed that total loans and advances during the review quarter expanded by 20.9 percent, from L\$70.2 billion in the same quarter in 2018, while the volume of NPLs also grew by 14.1 percent, from L\$9.9 billion recorded in March 2018. On the asset quality side of the industry, the NPLs ratio recorded at end-June 2019 was 13.4 percent compared with 12.2 percent reported in the preceding quarter and 14.0 percent in the corresponding quarter in 2018 due to increase in loans and advances, which was larger in comparison to the increase in the NPL.

Profitability of the Banking System

Gross operational income at end of the reporting quarter was L\$9.0 billion, increasing by 93.3 percent more than the amount recorded in the first quarter, 2019 and 43.7 percent, compared with the corresponding quarter in 2018. The main revenue sources include interest income from loans and advances and non-interest income from service charges on deposits, commissions and Fees on money transfer as well as foreign exchange transactions. Interest income constituted 49.2 percent, while non-interest income accounted for 50.8 percent of gross operational income for the quarter. On the other hand, operating expenses stood at L\$6.6 billion, reflecting an increase of about 94.1 percent, from L\$3.4 billion in the preceding period. Yearly comparison showed that operating expenses grew by 45.6 percent. The increase in operating expenses during the review quarter were due to growth in administrative and general expenses, including salaries, utilities.

Both return on assets (ROA) and return on equity (ROE) increased in the review quarter. Net operating profit at end-June 2019 was L\$1.689 billion, representing a growth of 80.4 percent compared with the corresponding quarter in 2018.

**Table 11: Quarterly Trend in ROA and ROE
2018q1 – 2019q2**



Source: Central bank of Liberia

3.2 Commercial Bank Credit

The stock of commercial banks' credits to various sectors of the economy, on a quarterly basis, expanded by 12.5 percent to L\$84,894.6 million at end-June 2019, from L\$75,496.8 million at end-March 2019. The growth in the stock of credit to the economy was primarily triggered by credits to Trade, Construction, Services, Oil & Gas and other sectors.

The distribution of sectoral contributions to total credit growth showed that trade accounted for 12.54 percentage points; construction, 2.56 percentage points; services, 2.45 percentage point; oil & gas 1.74 percentage points; public corporation, 0.67 percentage point; agriculture, 0.61 percentage point; manufacturing, -0.17 percentage point; extractive sector, -0.34 percentage point; loans to general government, -0.59 percentage point; personal loans (households), -8.52 percentage point; and loans to other sector, 1.49 percentage. On an annualized basis, total stock of credit to the economy grew by 21.0 percent, mainly underpinned by expansions in loans to individuals, trade, oil and gas sector, and the services sector (Table 11).

Growth in total credit to all sectors of the economy in the review quarter was largely attributed to depreciation of the Liberia dollar. The US-dollar credits to the economy in the second quarter of 2019, which constituted 92.1 percent of total credits (in both Liberian and United States dollars), declined by 5.8 percent to US\$398.1 million compared with US\$422.6 million in the first quarter

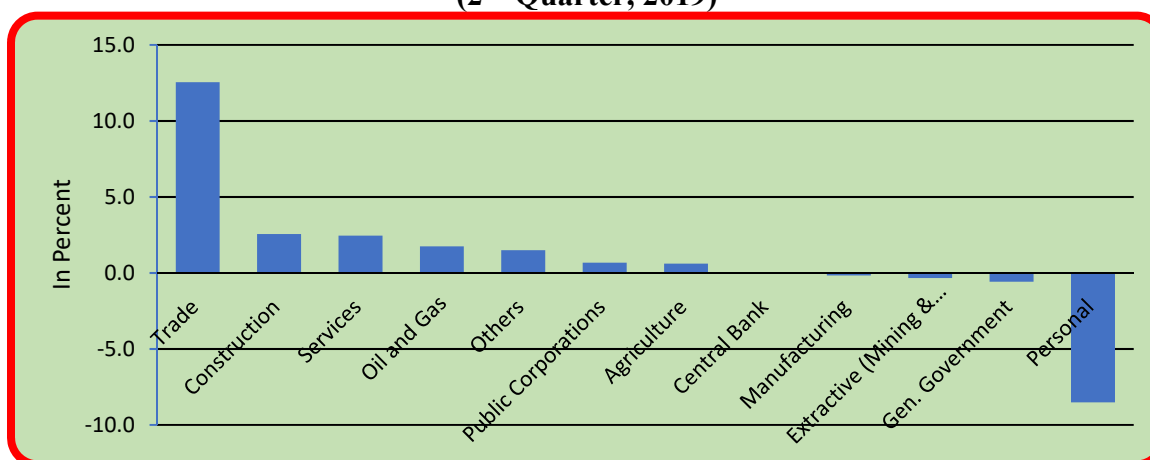
of 2019. The US dollar credit also declined by 8.5 percent, year-on-year. However, because of the depreciation of the Liberian dollar, when the US-dollar stock of credit at the end of the review quarter (US\$398.1 million) is converted to Liberian dollar, total credit grew by 12.45 percent at end of 2019q2. The share of credit to the private sector at end of the review quarter was 98.1 percent of the total credit portfolio in the economy, and 13.2 percent of annual GDP.

Table 11: Commercial Bank Loans by Economic Sectors
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of L\$)

	2018		2019				Contributions to Credit Growth	
	2 nd Quarter	Share	1 st Quarter	Share	2 nd Quarter	Share	Q-o-Q	Y-o-Y
Agriculture	4,740.0	6.8	4,122.1	5.5	4,581.0	5.4	0.61	-0.23
Extractive (Mining & Quarrying)	440.9	0.6	752.5	1.0	498.7	0.6	-0.34	0.08
Manufacturing	2,983.1	4.3	1,576.5	2.1	1,444.9	1.7	-0.17	-2.19
Construction	7,275.0	10.4	4,671.7	6.2	6,603.3	7.8	2.56	-0.96
Services	7,603.5	10.8	8,555.0	11.3	10,401.5	12.3	2.45	3.99
Trade	27,040.1	38.5	22,759.4	30.1	32,230.0	38.0	12.54	7.40
Personal	7,045.9	10.0	19,992.9	26.5	13,562.5	16.0	-8.52	9.29
Gen. Government	1,176.8	1.7	821.2	1.1	378.7	0.4	-0.59	-1.14
Central Bank	-	-	-	-	-	-	-	-
Public Corporations	854.6	1.2	723.7	1.0	1,228.3	1.4	0.67	0.53
Oil and Gas	4,811.0	6.9	6,474.5	8.6	7,791.4	9.2	1.74	4.25
Others	6,207.8	8.8	5,047.4	6.7	6,174.2	7.3	1.49	-0.05
Total Loan All Sectors (LD & USD)	70,178.8	100.0	75,496.8	100.0	84,894.6	100.0	12.45	20.97
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>68,147.4</i>	<i>97.11</i>	<i>73,951.9</i>	<i>97.95</i>	<i>83,287.6</i>	<i>98.11</i>	<i>12.37</i>	<i>21.57</i>

Source: Central Bank of Liberia

Chart 12: Percentage Distribution of Commercial Bank Loans by Economic Sectors
(2nd Quarter, 2019)



Source: Central Bank of Liberia

3.3 Interest Rates

Except for interest rates on personal loans and mortgages, all other rates remained unchanged. While personal loan rate reduced by 14.0 basis points to 12.78 percent, the rate on mortgage rose by 150.0 basis points to 14.88 percent. On the other hand, lending, saving deposits, certificate of deposits and time deposits rates remained unchanged, compared with the first quarter (Table 12). The spread between the average lending and saving rates was unchanged at 10.3 percent, relative to the preceding quarter. On a year-on-year basis, all interest rates decreased, except the interest rate on mortgage.

**Table 12: Commercial Bank's Interest Rates
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)**

	2018	2019	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Avg. Lending Rate	13.01	12.44	12.44
Avg. Personal Loan Rate	13.28	12.92	12.78
Avg. Mortgage Rate	12.33	13.38	14.88
Avg. Time Deposit Rate	3.56	3.53	3.53
Avg. Savings Rate	2.12	2.10	2.10
Avg. Rate on CDs	3.33	3.25	3.25

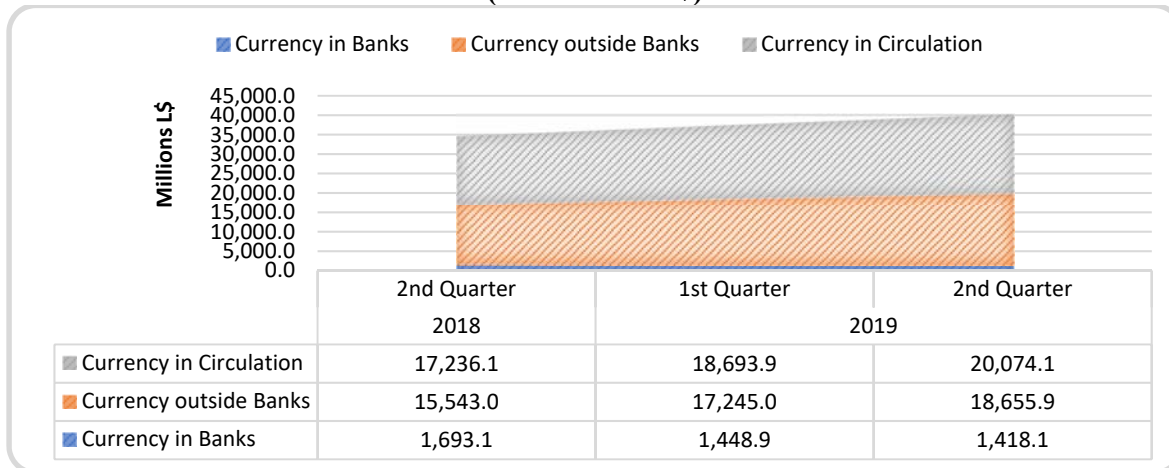
Source: Central Bank of Liberia, Monrovia, Liberia

3.4 Liberian Dollar in Circulation

The stock of Liberian dollar in circulation at end-June 2019 expanded by 7.4 percent to L\$20,074.1 million, from L\$18,693.9 million for the first quarter. This growth was driven by 8.2 percent rise in currency outside the banking system, which offset the 2.1 percent contraction in currency in banks. The increase in currency outside banks was largely attributed to increased public desire to spend domestic currency triggered by uncertainty.

Compared with the corresponding period a year ago, the Liberian dollar in circulation rose by 16.5 percent (Table 13 & Chart 14). For the quarter ended June 2019, currency in banks only constituted 7.1 percent of total currency in circulation, showing the challenges associated with monetary policy implementation.

Chart 13: Liberian Dollars in Circulation
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions L\$)



Source: Central Bank of Liberia

3.5 Money Supply (M1)

Narrow money (M1) at end-June 2019 expanded by 15.0 percent to L\$74,448.6 million, compared with the L\$64,731.5 million reported at end-March 2019. The expansion was mainly triggered by a 17.5 percent growth in demand deposits. Compared with the corresponding period in 2018, M1 grew by 23.8 percent (Table 13 and Chart15).

Table 13: Broad Money Supply and its Sources
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of L\$)

Monetary Aggregates	2018	2019		Percentage Change	
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	91,629.2	101,062.9	115,124.5	13.9	25.6
1.1 Money Supply M1	60,125.8	64,731.5	74,448.6	15.0	23.8
1.1.1 Currency outside banks	15,543.0	17,245.0	18,655.9	8.2	20.0
1.1.2 Demand deposits ^{1/}	44,582.8	47,486.5	55,792.7	17.5	25.1
1.2 Quasi Money	31,503.4	36,331.4	40,675.9	12.0	29.1
1.2.1 Time & Savings deposits	31,213.3	35,980.1	40,267.3	11.9	29.0
1.2.2 Other deposits 2/	290.1	351.2	408.7	16.4	40.9
2.0 Net Foreign Assets	20,405.3	8,171.4	9,693.9	18.6	-52.5
2.1 Central Bank	9,574.0	-4,335.5	-6,965.3	-60.7	-172.8
2.2 Banking Institutions	10,831.3	12,506.9	16,659.1	33.2	53.8

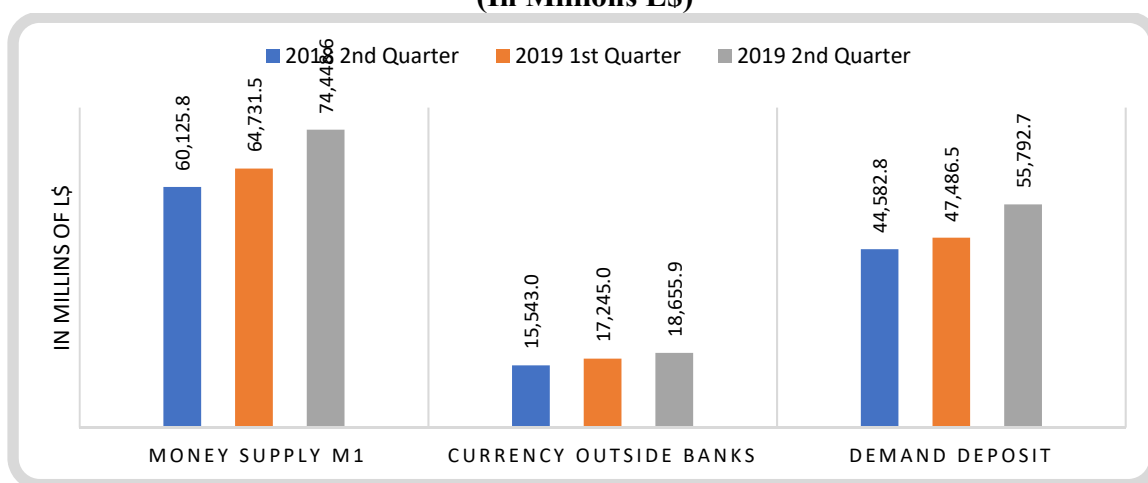
3.0 Net Domestic Assets (1 - 2)	71,223.8	92,891.5	105,430.7	13.5	48.0
3.1 Domestic Credit	122,092.9	147,644.1	185,769.6	25.8	52.2
3.1.1 Government (net)	42,291.7	62,252.9	91,374.5	46.8	116.1
3.1.2 Pvt. Sector Incl OFCs.	79,801.2	85,391.1	94,395.1	10.5	18.3
3.2 Other assets Net (3 - 3.1)	50,869.1	54,752.6	80,339.0	46.7	57.9
Memorandum Items					
1. Overall Liquidity	91,629.2	101,062.9	115,124.5	13.9	25.6
2. Reserve Money	36,252.5	35,481.2	36,963.1	4.2	2.0
Currency outside banks	15,543.0	17,245.0	18,655.9	8.2	20.0
Banks Reserves	20,419.4	17,884.9	17,898.5	0.1	-12.3
Other Deposits at CBL	290.1	351.2	408.7	16.4	40.9

Source: Central Bank of Liberia

1/Excludes managers cheques from commercial banks

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

Chart 14: Narrow Money Supply (M1)
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions L\$)



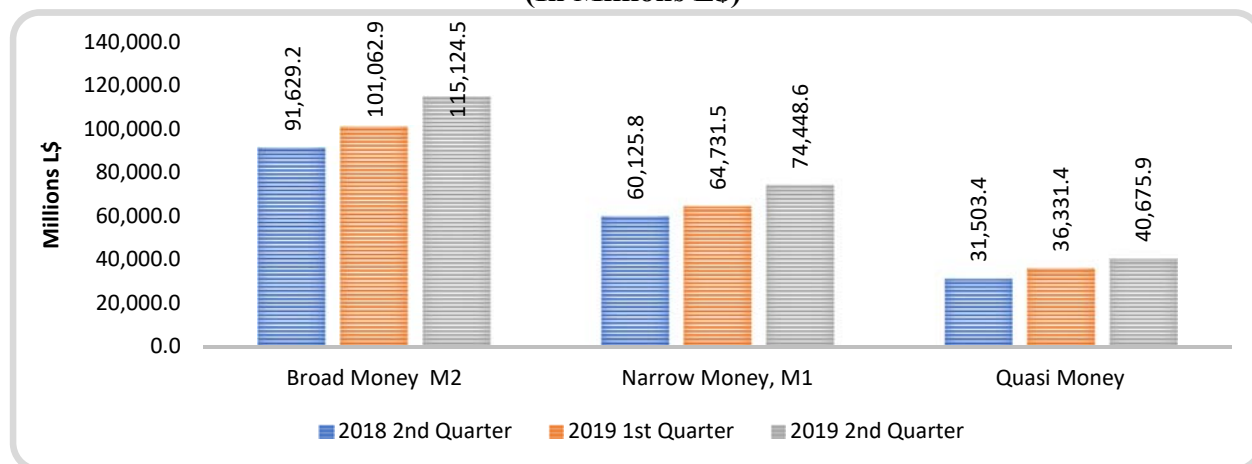
Source: Central Bank of Liberia

3.6 Broad Money Supply (M2)

Broad money (M2) at end-June 2019 rose by 13.9 percent to L\$115,124.5 million, from L\$101,062.9 million reported at end-March 2019, explained by growths in demand deposits and time and savings deposits. On the assets side, the increase in M2 was driven by expansions in NDA and NFA. On a year-on-year basis, broad money grew by 25.6 percent, solely occasioned by 48.0

percent growth in NDA which offset a 52.5 percent decline in NFA (Table 13). The Liberian dollar component of M2 also rose by 9.9 percent.

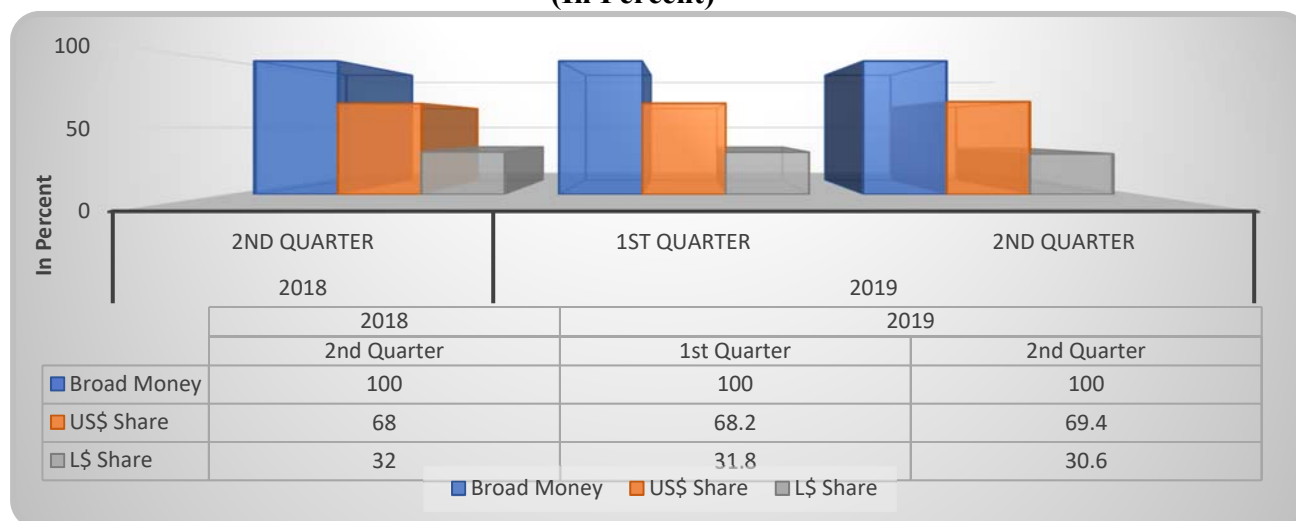
Chart 15: Broad Money Supply (M2)
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions L\$)



Source: Central Bank of Liberia

The US and Liberian dollar shares of M2 for the second quarter of 2019 stood at 69.4 percent and 30.6 percent, respectively. The significant share of United States dollar in the overall level of money supply indicates the high level of dollarization of the economy (Table 13 and Chart 17).

Chart 16: Broad Money: Share of US and Liberian Dollars
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Percent)

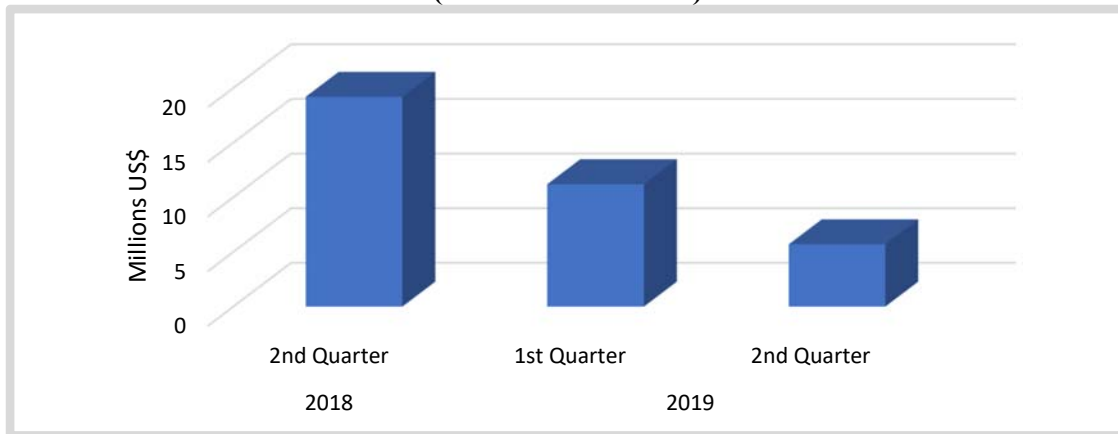


Source: Central Bank of Liberia

3.7 Foreign Exchange Intervention

During the quarter under review, there were three interventions in the FX market in the tune of US\$5.7 million, representing 49.1 percent decline, from US\$11.2 million. When compared with the corresponding quarter of 2018, the Bank's foreign exchange interventions in the market declined by 70.3 percent, from US\$19.2 million.

**Chart 17: CBL Foreign Exchange Auction
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of US\$)**



Source: Central Bank of Liberia

3.8 Money Market Developments

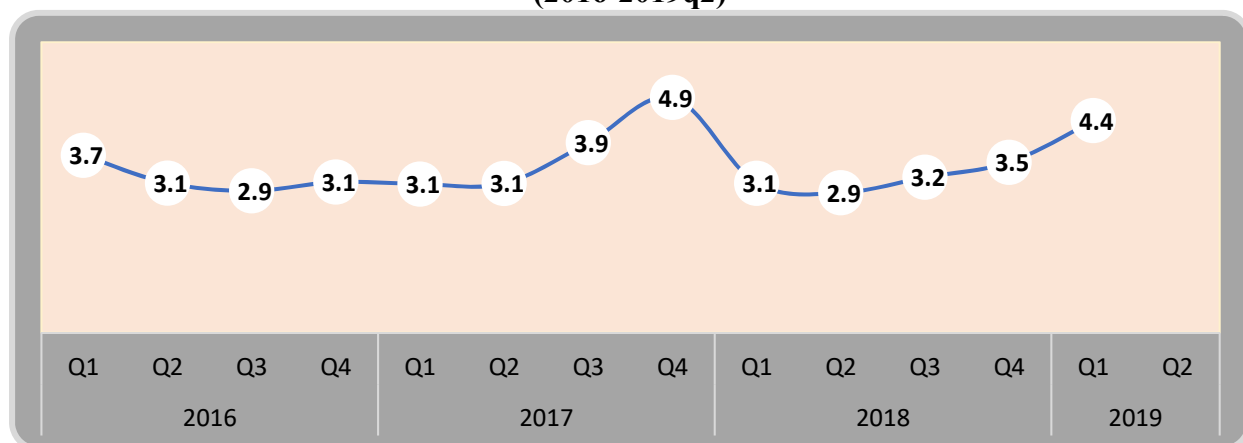
During the review quarter, there was no issuance of 91 days T-bill; however, L\$137.09 million was redeemed. It is important to highlight that during the first quarter and the corresponding quarter of 2018, Government of Liberia issued L\$137.09 million 91-day T-bill (with an average discount rate of 4.4 percent) and L\$200.5 million (with an average discount rate of 2.9 percent), respectively.

Table 14: Government of Liberia Treasury Bill Auction
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of L\$)

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (L\$)	Interest at Maturity	Weighted Average Discount Rate (%)
2nd Quarter 2019							
Total		-	-	-	-	-	-
1st Quarter 2019							
Jan-3-19	April-4-19	78.94	56.68	55.98	-22.26	0.71	5.00
Feb-7-19	May-9-19	80.40	80.40	79.65	67.30	0.75	3.76
Total		159.35	137.09	135.63	45.04	1.46	4.38
2nd Quarter 2018							
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	69.145	69.145	68.65	52.53	0.50	2.90
Total		200.47	200.47	199.02	136.42	1.44	2.89

Source: Central Bank of Liberia

Chart 18: Average Quarterly Yields (in percent)
Government of Liberia 91-Day Treasury-bill Auctions
(2016-2019q2)



Source: Central Bank of Liberia

3.9 Central Bank of Liberia Bills

The targeted amount of L\$5.0 billion in CBL indexed-bill at an annual interest rate of 7.0 percent with semi-annual coupon payment against the exchange rate was offered to commercial banks and retail investors. A total of L\$3.0 billion was allotted to retail investors exclusively, while the

balance L\$2.0 billion was offered to institutional investors. Commercial banks received a flat commission of 0.5 percent on each investment made by retail investors.

During the quarter ended June 2019, the amount of L\$4,489.1 million was offered to both commercial banks and retail investors. Of the issued amount, commercial banks purchased L\$730.7 million and retail investors bought L\$2,472.0 million, respectively.

In reference to the preceding quarter, CBL indexed-bill issuance increased by 43.5 percent due to additional engagement with treasurers of commercial banks and robust retail investors' education. An early redemption of L\$92.3 million was made by commercial banks that held CBL indexed-bill unsubscribed portion of L\$3,848.2 million as at end-June2019. As at the end of the second quarter, 2019, CBL indexed-bill total outstanding issuance stood at L\$1,151.8 million. The total interest amount of L\$716,239.1 was paid on the early redeemed bills.

Table 15: CBL Index Bills (1st & 2nd Quarters, 2019)
(In Millions of L\$)
2nd Quarter, 2019

COMMERCIAL BANK ISSUANCE				
Issuance Date	Maturity Date	Amount Offered	Amount Issued	Interest Rate (%)
5-Apr-19	4-Apr-19	1,495.00	150	7%
10-May-19	9-May-19	1,345.00	100	7%
18-Jun-19	17-Jun-19	1,245.00	388.4	7%
UNSUBSCRIBED BALANCE		856.6		
RETAIL INVESTORS VIA COMMERCIAL BANKS				
Issuance Date	Maturity Date	Amount Offered	Amount Issued	Interest Rate (%)
7-May-19	6-May-20	2,994.00	0.9	7%
24-May-19	23-May-20	2,993.20	0.11	7%
11-Jun-19	10-Jun-20	2,993.10	1.4	7%
26-Jun-19	25-Jun-20	2,991.70	0.062	7%
UNSUBSCRIBED BALANCE		2,991.60		
1 ST Quarter, 2019				
COMMERCIAL BANKS ISSUANCE				
ISSUED DATE	MATURITY DATE	AMOUNT OFFERED	AMOUNT ISSUED	INTEREST RATE (%)
15-Feb-19	15-Feb-20	2,000.00	200	7
20-Feb-19	20-Feb-20	1,800.00	150	7
26-Feb-19	26-Feb-20	1,650.00	25	7
11-Mar-19	10-Mar-20	1,625.00	130	7
UNSUBSCRIBED BALANCE		1,495.00		
RETAIL INVESTORS THROUGH COMMERCIAL BANKS				
ISSUED DATE	MATURITY DATE	AMOUNT OFFERED	AMOUNT ISSUED	INTEREST RATE (%)
1-Mar-19	29-Feb-20	3,000.00	1.12	7
22-Mar-19	21-Mar-20	2,998.88	4.76	7
25-Mar-19	24-Mar-20	2,994.12	0.05	7
UNSUBSCRIBED BALANCE		2,994.07		

Source: Central Bank of Liberia

IV. EXTERNAL SECTOR DEVELOPMENTS

4.0 Overview of Balance of Payments (BOP)

During the review quarter, developments in the external sector were relatively unchanged. Preliminary statistics on Liberia's transactions with the rest of the world reflected a deterioration in the current account, relative to the first quarter of the year. This performance was mainly attributed to increase in payments for imports and decline in receipts for goods and services as well as surge in personal remittances outflows. On a year-on-year basis, the deficit deteriorated by 20.7 percent as a result of expansions in the deficit on trade, services (net) and primary income (net). The capital account balance recorded an increase due to rise in investment grants from development partners to the Government of Liberia.

The financial account (net) showed a decline in net incurrence of liabilities, indicating an increase in net financial asset that offset the rise in incurrence of liabilities to the rest of the world. Net incurrence of financial liabilities during the quarter stood at US\$67.8 million (8.4 percent of GDP) compared to the revised US\$84.7 million (10.5 percent of GDP) incurred in the first quarter, 2019. The reduction in financial account balance during the quarter mainly emanated from improved performance relating to the holdings of foreign currency of other depository corporations of the transferrable deposits from non-residents. Inflows of foreign direct investment also increased on account of an accumulated reinvestment of earnings of direct investment enterprises (DIETs) and debt instruments.

The overall balance decreased to US\$7.5 million (0.9 percent of GDP) at the end of the second quarter of 2019 compared to a balance of US\$38.9 million (4.8 percent of GDP) recorded in the previous quarter of 2019. The drop in the overall balance was reflective of decline in the reserve assets during the review quarter. The decline in reserves, coupled with a rise in import payments, led to a slight decline in months of imports cover by 0.2 month to 2.6 months.

Table 16: Balance of Payments Statistics
(2nd Quarter 2018; 1st & 2nd Quarters, 2019)
(In Millions of USD)

Account Description	2018	2019	
	Q – 2	Q – 1r	Q – 2p
Current account (CA)	(147.37)	(131.28)	(177.88)
Credit	259.85	235.42	245.46
Debit	407.22	366.71	423.35
Goods and services	(155.79)	(150.02)	(175.86)
Credit	130.44	148.45	146.77
Debit	286.22	298.46	322.63
Goods (net): surplus (+)/ deficit (-)	(110.98)	(78.04)	(105.75)
Credit (Exports)	127.88	145.04	143.83
Iron ore	35.63	60.28	59.19
Rubber	17.99	23.15	24.77
Mineral (Gold & Diamond)	63.82	53.12	49.11
Palm oil	2.59	1.36	3.44
Other exports (excluding gold)	7.85	7.14	7.31
Debit (Imports)	238.86	223.08	249.58
Food and Live Animals (including Animals & Vegetable Oil)	54.99	61.71	77.28
<i>O/w Rice</i>	30.90	23.17	40.03
Minerals, Fuel, Lubricants ¹	40.18	34.16	37.36
<i>O/w Petroleum Products</i>	30.03	24.14	28.36
Machinery & Transport Equipment	67.59	52.32	50.72
Manufactured goods classified by materials	30.32	36.85	33.50
Other Imports	45.78	38.04	50.72
General merchandise on a balance of payments basis	(166.80)	(125.58)	(150.96)
Credit	72.06	97.51	98.62
Debit	238.86	223.08	249.58
Of which Re-exports (credit)	2.36	3.61	0.00
Nonmonetary Gold (credit)	55.82	47.53	45.21
Services	(44.81)	(71.98)	(70.11)
Credit	2.56	3.41	2.94
Debit	47.36	75.38	73.05
Primary Income	(24.68)	(24.97)	(26.16)
Credit	10.55	5.90	7.33
Debit	35.23	30.87	33.49
Secondary Income	33.09	43.69	22.14
Credit	118.86	81.07	91.36
Debit	85.77	37.37	67.22
Capital Account (KA)	95.94	35.40	76.99
Credit	95.94	35.40	76.99
Debit	0.00	0.00	0.00
Net Lending (+)/Net Borrowing (-) balance from CA & KA	51.43	(95.89)	(100.89)
Financial Account (FA)			
Net Lending (+)/Net Borrowing (-) balance from FA	(72.85)	(84.69)	(67.79)
Direct investment	(29.31)	(19.30)	(22.42)
Net acquisition of financial assets	0.00	0.00	0.00

Net incurrence of liabilities	29.31	19.30	22.42
Other investment	(22.08)	(26.53)	(37.89)
Net acquisition of financial assets	3.00	(18.09)	8.53
Net incurrence of liabilities	25.08	8.44	46.42
Reserve assets	(21.46)	(38.87)	(7.47)
NET ERRORS & OMISSIONS	(21.42)	11.20	33.10
Overall Balance	21.46	38.87	7.47
MEMORANDUM ITEMS			
Gross Foreign Reserves Position	377.68^r	302.69^r	301.73
Import Payments (cif)	263.52	248.50	276.67
Imports (cif) & Service Payments	310.88	323.89	349.72
Current Account Balance excluding Grants	(149.09)	(131.29)	(181.28)
Nominal GDP[†]	813.18	807.60	805.96
Current Account Bal. (% of GDP)	(18.12)	(16.26)	(22.07)
Current Account Bal. including Grants (% of GDP)	(18.33)	(16.26)	(22.49)
Trade (in goods) Deficit % of GDP	(13.65)	(9.66)	(13.12)
Capital Account Bal. (% of GDP)	11.80	4.38	9.55
Financial Account Bal. (% of GDP)			
Months of Imports Cover^{††}	3.6^r	2.8^r	2.6

Source: Central Bank of Liberia staff

r - revised; p - preliminary

† Quarterly NGDP is estimated at 1/4th of annual nominal GDP projection by IMF (NGDP in 2018 – US\$3,249.0 million and 2019 is US\$3,221 million); †† Months of imports cover per 3 months

4.1 Financial Account (FA)

Preliminary statistics of the net financial account showed reduction in net incurrence of liabilities by the domestic economy to the rest of the world (ROW) to US\$67.8 million (8.4 percent of GDP) in the second quarter of 2019, reflecting a decline from US\$84.7 million reported in the quarter ended March 2019.

The improvement was mainly driven by increase in the holdings of foreign currency of other depository corporations by 26.4 percent in the quarter under review compared to a decrease of 14.6 percent in the preceding quarter. Annual comparison of statistics showed 6.9 percent decrease in net liabilities to US\$67.8 million, from US\$72.9 million, representing about 7.0 percent of quarterly GDP of US\$813.2 million in the second quarter of 2018.

4.1.1 Direct Investment

Direct investment inflows (DII) rose by 16.2 percent to US\$22.42 million (2.8 percent of GDP) in the review quarter, from US\$19.3 million (2.4 percent of GDP) in the first quarter of the year. The increase in equity and investment fund shares induced the rise in direct investment inflows into

the economy in the review quarter. On a year-on-year basis, DII decreased from US\$29.3 million (3.6 percent of GDP) a year ago, to US\$22.4 million (2.8 percent of GDP) at end June 2019.

4.1.2 Other Investments

Other investments (net) revealed an increase in net incurrence of liabilities to the ROW to US\$37.9 million (4.7 percent of GDP), from US\$26.5 million (3.3 percent of GDP) recorded in the preceding quarter. This was mainly occasioned by a rise in net incurrence of other investment liabilities that outweighed the gain in net financial assets attributed to other investment. Other investment liabilities net rose to US\$46.4 million in the review quarter, from US\$8.4 million in the quarter ended March 2019 due to the increase in loan portfolio of general government. Improvement in net acquisition of other investment financial assets was driven by increase in holdings of foreign currency of commercial banks. Annual analysis of other investments also revealed an increase of financial liabilities to the ROW.

4.1.3 Reserve Assets

Preliminary data on reserve assets during the review quarter showed a decrease of US\$7.5 million compared to US\$38.9 million fall in reserve assets in the preceding quarter. The fall in reserve assets was basically attributed to increase in holdings of foreign currency and decrease in the foreign liabilities of the reserve assets. Year-on-year comparison showed a US\$14.0 million decrease in reserve assets, from US\$21.5 million fall in the same quarter in 2018.

4.2 Capital Account

Official transfers remained the key driver of changes in the capital account. During the second quarter of 2019, preliminary statistics showed that the balance on capital account doubled to US\$77.0 million (9.6 percent of GDP), mainly underpinned by increased investment grants from development partners to the GoL. Compared with the same quarter a year ago, capital account balance fell by 19.8 percent, from US\$95.9 million (11.8 percent of GDP) due to slowdown in grants receivables for infrastructure projects.

4.3 Current Account

Based on preliminary statistics during the quarter, the current account deficit deteriorated to US\$177.9 million (22.3 percent of GDP), from US\$131.3 million (16.3 percent of GDP) in the previous year, on account of significant drops in balances of goods, services and secondary

income. The unfavorable trade balance arose from slowdown in earnings from export of goods coupled with a sharp rise in payments for imports. Similarly, services net declined due to falls in receipts from insurance and pension services as well as services rendered to airlines and ships arrival in ports; while the contraction in the balance of secondary income was due to a sharp rise in payments of remittances abroad. Current account deficit on annual basis deteriorated to 22.1 percent of GDP, from the second quarter of 2018 due to increase in payments for imports, services and decline in primary income earnings.

4.3.1 Goods Account

Trade deficit widened considerably during the second quarter of 2019 compared with the preceding quarter on account of sharp rise in payments for import against the slight decrease in earnings from exports. Merchandise trade deficit rose by 35.5 percent to US\$105.8 million (13.1 percent of GDP), from US\$78.0 million (9.7 percent of GDP) in the previous quarter of 2019. Compared with the same quarter a year ago, merchandise trade balance declined by 4.1 percent, on the back of significant rise in earnings from exports which outweighed the rise in payments for imports.

Preliminary statistics showed that merchandise export earnings decreased during the review quarter by 0.8 percent to US\$143.8 million, occasioned mainly by falls in export receipts from minerals (especially iron ore, diamond and gold). The decline in earnings was basically occasioned by slowdown in the volumes of the commodities exported during the quarter except iron ore. Similarly, proceeds from other mineral (gold and diamond) exports fell to US\$49.1 million, occasioned by drop in the volume of exports during the quarter. Year-on-year comparison of export proceeds showed an increase of 12.5 percent, explained mainly by increases in receipts from iron ore and rubber exports.

Payments for import rose during the quarter by 11.9 percent to US\$249.6 million, prompted by increases in payments for two key commodities groups “food and live animals (including oil, produced from animals and vegetable) and mineral, fuel and lubricants. Payments for food and live animals (including oil, made from animals and vegetable) which constituted 31.0 percent of total import payments during the quarter rose by 25.2 percent compared with the preceding quarter. Similarly, import payments for mineral, fuel & lubricants group, which accounted for 15.0 percent of total import payments, increased by 9.4 percent. On the overall, the rise in import payments was

attributed to efforts made by major importers to build-up inventory of sub-component, mainly rice to account for seasonal variation in demand as well as recent momentum of commodity prices on the global market, notably oil. Year-on-year comparison of merchandise import payments showed that total payments also inched up by 4.5 percent as a result of increases in payments for food and live animals as well as manufactured goods in the form of raw materials.

Table 17: Quarterly Commodity Composition of Trade
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of USD, except otherwise indicated)

S/N	Commodity	Unit	2018						2019		
			Q-2			Q-1r			Q-2p		
			Volume (000)	Value	share	Volume (000)	Value	share	Volume (000)	Value	share
a.	Exports Earnings			127.88	100.0		145.04	100.0		143.83	100.0
	Rubber	Mt.	17.11	17.99	14.07	20.43	23.15	15.96	15.49	24.77	17.16
	Cocoa	Mt.	0.10	0.09	0.07	3.66	0.13	0.09	0.48	0.34	0.23
	Iron Ore	Mt.	1,124.74	35.63	27.86	1,546.73	60.28	41.56	1,155.65	59.19	41.00
	Mineral			63.83	49.91		53.12	36.62		49.11	34.02
	o/w Diamond	Crt	23.47	8.01	12.55	14.42	5.58	10.51	11.61	3.91	7.95
	o/w Gold	Oz	53.71	55.82	87.45	50.06	47.53	89.49	48.01	45.21	92.05
	Palm Oil	Mt.	24.03	2.59	2.02	3.34	1.36	0.94	2.66	3.44	2.38
	Other Exports			4.10	3.21		4.01	2.77		3.54	2.45
	Goods procured ¹			3.66	2.86		2.99	2.06		3.44	2.75
b.	Import Bills			238.86	100.0		223.08	100.0		249.58	100.0
	Food and Live Animals			50.48	21.13		53.25	23.87		73.18	29.32
	o/w Commercial Rice			30.44	60.30		21.46	40.30		36.12	49.36
	o/w Non-Commercial Rice			0.46	0.91		1.71	3.21		3.91	5.34
	Beverages and Tobacco			5.70	2.39		5.10	2.29		5.87	2.35
	Crude Material & Inedible, except Fuel			5.12	2.14		3.85	1.73		5.20	2.08
	Minerals, Fuel Lubricants			40.18	16.82		34.16	15.31		37.36	14.97
	o/w Petroleum products			30.03	74.74		24.14	70.67		28.36	75.91
	Animals & Vegetable Oil			4.51	1.89		8.46	3.79		4.10	1.64
	Chemicals & related Products			26.93	11.27		22.62	10.14		32.86	13.17
	Mfg. Goods classified by Materials			30.32	12.69		36.85	16.52		33.50	13.42
	Machinery & Transportation Equip			67.59	28.30		52.32	23.45		50.72	20.32
	Misc. Mfg. Articles			8.03	3.36		6.47	2.90		6.79	2.72
c.	Total Trade = (a + b)			366.74			368.12			393.41	
d.	Trade Balance (+ surplus, - deficit) = (a-b)			(111.98)			(78.04)			(105.75)	

Source: Liberia Revenue Authority (CUSTOM ASYCUDA), Firestone Liberia, Total Liberia, Ministry of lands, Mines & Energy;

4.3.2 Services Payments (net)

During the second quarter of 2019, preliminary statistics indicated that both payments and receipts for services slowed down. Earnings from the exports of services fell by 14.7 percent on the back of reduction in services rendered to ships and aircraft in ports, while payments for services declined by 3.2 percent due to decreases in services on goods and other services provided by nonresidents enterprises to and on behalf of public enterprises. The moderate fall in payments during the quarter resulted to a slight improvement in net services payments. On the overall, net services payments improved to US\$70.1 million, from US\$72.0 million in the preceding quarter owing to decreases in services on goods and other services provided by nonresidents enterprises to and on behalf of public enterprises. On the other hand, year-on-year comparison showed a widening of net services payments occasioned by increased payments for services that outweighed receipts for services rendered to nonresidents.

4.3.3 Primary Income (net)

The deficit in primary income further deteriorated in the second quarter of 2019 on account of an anticipated rise in income payables. The moderate rise in payments was attributed to increase in payments (or withdrawal) of investment income from direct investment ventures. Net primary income payments (deficit) worsened to US\$26.2 million (3.3 percent of GDP), from US\$25.0 million (4.4 percent of GDP) in the preceding quarter. The amount of net primary income reflects a situation that Liberia paid more (US\$33.5 million) in primary income than it received (US\$7.3 million). Compared with the same quarter a year ago, net primary income payable rose by 6.1 percent due mainly to decrease in receipts arising from slowdown in earnings from compensation of employees and investment income.

4.3.4 Secondary Income (net)

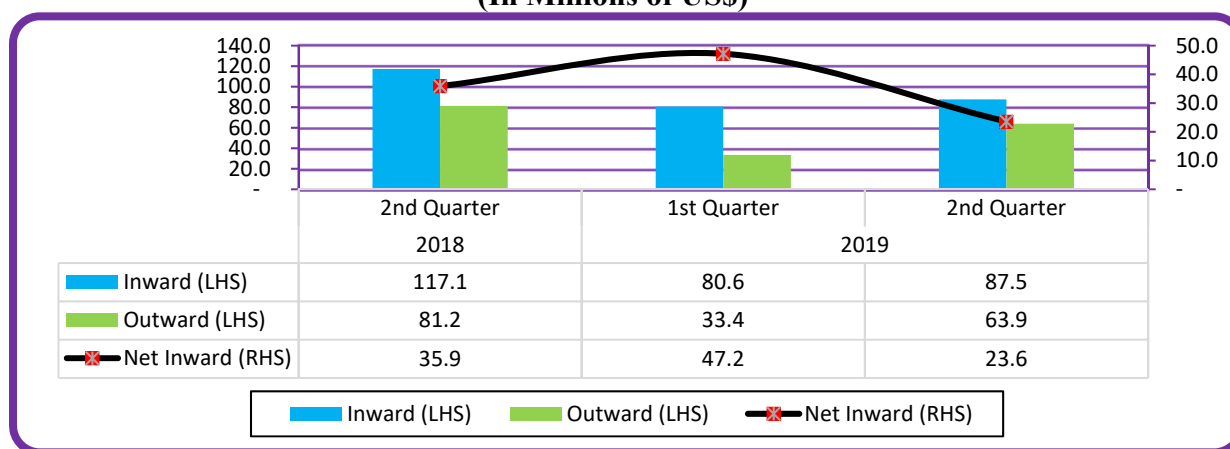
The flows of secondary income (net) recorded a receipt of US\$22.1 million (2.7 percent of GDP) during the review quarter. Compared with the quarter ended March 2019, the net receipts declined by 49.4 percent due to more payments of income than receipts. Secondary income payments rose by 79.7 percent to US\$67.2 million, occasioned by a huge outflow of remittances. On the other hand, inflows increased by 12.7 percent on the back of an 8.6 percent increase in inflows of personal remittances and a slight growth in aid flows to government.

Annual comparison of secondary income flows indicated fall in net receipt by 33.2 percent, from US\$33.1 million (4.1 percent of GDP) during the second quarter of 2018. The fall in secondary income resulted from significant decline in receipts that mainly emanated from contraction in inward transfers to households and government.

4.3.4.1 Personal Remittances

At end-June 2019, net personal/worker remittances declined by 50.1 percent to US\$23.6 million, induced largely by 91.4 percent growth in outward remittances. During the quarter under review, inward remittances grew by 8.5 percent to US\$87.5 million, while outward personal remittances stood at 63.9 million from 33.4 million recorded in the preceding quarter. The marginal growth in inward remittances, coupled with the huge growth in outward remittances, led to the slowdown in net inward personal remittances of US\$23.6 million, from a net inflow of US\$47.2 million recorded a quarter ago. On an annualized basis, net inward personal remittances contracted by 34.4 percent, from US\$35.9 million during the corresponding quarter a year ago, mainly on account of reductions in both personal inward and outward remittances. This development partially explained the fall in the FX inflows into the economy.

Chart 19: Net Personal Inward Remittances
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of US\$)



Source: Central Bank of Liberia

Gross international reserves position in the second quarter of 2019 declined modestly by 0.3 percent to US\$301.7 million in comparison to the stock recorded in the last quarter (US\$302.7 million). Year-on-year comparison of gross international reserves showed further decline by 20.1 percent, explained by decline in foreign assets. Months of imports cover slightly dropped by 0.2

month to 2.6 months of import at end-June 2019, from 2.8 months of imports cover recorded in the first quarter.

Table 18: Gross International Reserves Position
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Million USD, except otherwise indicated)

International Reserves	2018	2019		% Change	Val. Change
	Q-2	Q-1	Q-2p	Q2:2019/Q1:2019	Q2:2019/Q1:2019
Gross	377.68	302.69	301.73	0.32	(\$0.96)
Net	155.21	88.29	89.64	1.54	\$1.35
Month of Imports cover	3.6	2.8	2.6		

Source: Central Bank of Liberia

p – projection

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

4.4 Exchange Rate

The Liberian dollar exchange rate relative to the US dollar on average depreciated by 12.3 percent to L\$180.66/ US\$1.00 at end-June 2019, from L\$160.91/US\$1.00 recorded at end-March 2019. Compared to the corresponding period a year ago, the average exchange rate weakened by 32.5 percent, from L\$136.30/US\$1.00 at end-June 2018.

Table 19: Market Exchange Rate: Liberian Dollars per US Dollar
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

	2018	2019	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Market Rate End of Period	150.77	163.05	196.37
Market Rate Period Average	136.30	160.91	180.66

Source; Central Bank of Liberia

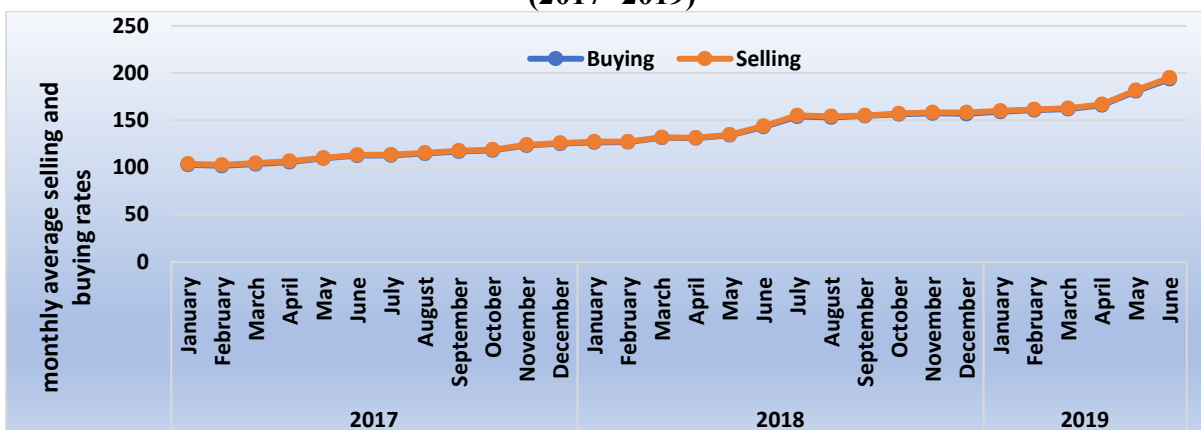
The end-of-period (EOP) exchange rate, on a quarterly and annual basis, exhibited similar trend as the average exchange rate. The EOP exchange rate in the second quarter of 2019 depreciated by 20.4 percent and 30.2 percent, compared with end-March 2019 and end-June 2018, respectively.

Table 20: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar (2017- 2019)

Period Average	2017		2018		2019	
	Buying	Selling	Buying	Selling	Buying	Selling
January	102.77	103.77	126.46	127.24	158.97	159.97
February	101.67	102.67	126.85	127.26	160.65	161.44
March	103.52	104.52	131.48	131.79	161.74	162.69
April	105.64	106.64	130.94	131.37	165.91	166.82
May	109.62	110.08	134.15	134.63	180.72	181.75
June	112.48	113.19	142.90	143.79	193.65	195.10
July	112.78	113.50	153.88	155.08		
August	114.74	115.50	152.97	154.12		
September	116.82	117.65	154.52	154.94		
October	118.06	118.90	156.31	157.08		
November	123.21	123.94	157.30	158.28		
December	125.18	125.83	156.80	158.21		
Q1	102.65	103.65	128.26	128.76	160.45	161.37
Q2	109.25	109.97	136.00	136.60	180.09	181.22
Q3	114.78	115.55	153.79	154.71		
Q4	121.74	122.47	156.21	157.15		
Yearly Ave	149.47	150.55	191.42	192.41		

Source: Central Bank of Liberia

Chart 20: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar (2017- 2019)



Source: Central Bank of Liberia

The depreciation of the Liberian dollar was largely occasioned by the low supply of FX to service import payments. Moreover, the slow recovery in global prices of the country's major commodity

exports (mainly rubber and iron ore) remained the key constraints on foreign exchange inflows during the review quarter 2019.

4.5 Direction of Trade (DOT)

During the review quarter, Europe and Asia were the two major directions of Liberia's external trade. Europe (mainly Switzerland) remained the leading destination for commodity exports, especially gold. Switzerland recorded 54.4 percent of total earnings from the Europe region followed by Asia as the second biggest region of export destination with China providing 42.4 percent of all proceeds from that region. It is important to note that China is one of the main buyers of iron ore. However, compared with the previous quarter, exports to Asia declined by 37.5 percent on account of reduction in the volumes of exports of iron ore, round log and semi processed rubber to the region, while exports to Africa rose significantly, followed by Europe.

Similarly, Asia, Africa and Europe were the three leading sources of Liberia's imports. Out of total import payments, Asia (especially China & India) accounted for 38.5 percent of Liberia's total payments for imports. Key commodities imported from Asia were rice and other food related items, office & household materials, electronics as well as vehicles, machinery and spares parts. Africa and Europe followed with 17.4 percent and 12.4 percent, respectively, as shares of total imports payments. Compared with payments in the first quarter of the year, payments to Europe and Northern America declined by 11.5 percent and 8.3 percent, respectively.

Table 21: Quarterly Directions of Trade
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Million USD, except otherwise indicated)

Direction of Trade by Region	2018		2019			
	Q-2		Q-1r		Q-2p	
	Export	Import	Export	Import	Export	Import
Africa	4.19	45.33	1.54	34.33	9.42	43.43
o/w ECOWAS	0.95	38.77	1.37	31.01	9.41	37.39
o/w Neighboring Countries ^{/1}	0.05	34.47	0.05	26.67	6.00	31.90
o/w Cote D'Ivoire		32.20		24.88		29.92
Asia	11.63	127.24	37.41	128.49	23.40	150.12
o/w China	0.15	40.47	21.79	47.57	9.92	42.95
o/w Middle Eastern Countries	8.53	9.74	11.66	12.52	10.65	14.03
o/w UAE	1.18	2.88	10.28	5.64	8.31	2.26
o/w India		39.20		34.54		53.15
Europe	91.01	43.11	84.21	35.05	85.72	31.03
o/w Eurozone		35.02		28.98		5.82
o/w Switzerland	54.78		38.29		46.67	
o/w Spain		9.18		9.05		3.84
North America & The Caribbean	16.79	17.42	14.08	19.03	9.97	17.45
o/w USA	16.79	15.31	14.08	16.75	9.97	16.64
South & Central America	0.01	5.34	0.00	5.88	5.67	7.01
o/w Brazil		3.82		3.41		0.11
Oceania	0.00	0.42	0.00	0.30	0.00	0.54
o/w Australia		0.20		0.24		0.13
Other Countries (n.i.e)	4.25		7.79		9.20	
Total of DOT	\$127.88	238.86	\$145.04	\$223.08	\$143.38	\$249.58

*Source: Liberia Revenue Authority (CUSTOM ASYCUDA), Firestone Liberia, Total Liberia, Ministry of lands, Mines & Energy
r-revised, p-preliminary*

*/1 - neighboring countries (these include Ivory Coast, Guinea and Sierra Leone)
n.i.e-not indicated elsewhere*

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Table 1: Selected Global Output, 2018-20

	Projections			Difference from April 2019 WEO Update	
	2018	2019	2020	2019	2020
World Output	3.6	3.2	3.5	-0.1	-0.1
Advanced Economies	2.2	1.9	1.7	0.1	0.0
United States	2.9	2.6	1.9	0.3	0.0
Euro Area	1.9	1.3	1.6	0.0	0.1
Japan	0.8	0.9	0.4	-0.1	-0.1
United Kingdom	1.4	1.3	1.4	0.1	0.0
Canada	1.9	1.5	1.9	0.0	0.0
Emerging Markets and Developing Economies	4.5	4.1	4.7	-0.3	-0.1
Emerging and Developing Asia	6.4	6.2	6.2	-0.1	-0.1
China	6.6	6.2	6.0	-0.1	-0.1
India	6.8	7.0	7.2	-0.3	-0.3
Latin America & the Caribbean	1.0	0.6	2.3	-0.8	-0.1
Middle East, North Africa, Afghanistan & Pakistan	1.6	1.0	3.0	-0.5	-0.2
Sub-Sahara Africa	3.1	3.4	3.6	-0.1	-0.1
ECOWAS	3.3	3.8	3.7	-	-
Nigeria	1.9	2.3	2.6	0.2	0.1
South Africa	0.8	0.7	1.1	-0.5	-0.4
Consumer Prices					
Advanced Economies	2.0	1.6	2.0	0.0	-0.1
Emerging Markets and Developing Economies	4.8	4.8	4.7	-0.1	0.0

Source: IMF World Economic Outlook Update, July 2019

Table 2: Key Agricultural Production
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

Commodity	Unit	2 nd Quarter, 2018	1 st Quarter, 2019	2 nd Quarter, 2019
Rubber	Mt.	13,766	20,434	15,573
Cocoa	Mt.	38	3,910	3,527
Round Logs	M3	84,557	30,170	285,053
Sawn Timber	Pcs.	111,875	216,797	102,949
Crude Palm Oil (CPO)	Mt.	6,033	3,581	6,236

Source: Ministry of Commerce & Industry (MOCI); Liberia Produce & Marketing Corporation (LPMC); Forestry Development Authority (FDA)

** Estimates + Revised/Actual*

Table 3: Key Industrial Output
(2nd Quarter 2018; 1st & 2nd Quarters, 2019)

Commodity	Unit	2 nd Quarter, 2018	1 st Quarter, 2019	2 nd Quarter, 2019
Gold	Ounce	55,769	50,059	48,008
Diamond	Carat	23,467	14,423	11,610
Iron Ore	Mt.	1,282,765	1,337,553	1,167,793
Cement	Mt.	100,991	118,252	93,735
Spirits	Litre	101,670	77,101	65,098
Beer	Litre	1,639,270	1,562,107	1,642,511
Stout	Litre	1,304,796	597,089	1,288,465
Malta	Litre	182,984	170,367	153,656
Soft Drinks	Litre	2,794,162	2,600,704	1,994,188
Oil Paint	Gal.	33,772	24,251	18,321
Water Paint	Gal.	26,505	22,872	17,322
Varnish	Gal.	9,983	7,547	6,171
Manoline Hair Grease	Kg.	1,436	2,797	2,260
Thinner	Gal	10,148	6,362	5,361
Rubbing Alcohol	Litre	69,982	97,265	74,342
Soap	Kg	152,550	127,777	129,712
Chlorox	Litre	306,309	273,243	273,031
Candle	Kg	21,021	22,638	19,667
Mattresses	Pcs.	32,458	32,045	27,733
Finished water	Gal.	431,261,412	332,719,473	314,586,261
Mineral Water	Litre	162,012	201,221	158,357
Electricity	kW	47,728,900	54,740,010	53,578,540

Source: Ministry of Commerce & Industry (MOCI); Ministry of Lands, Mines & Energy; Liberia Water and Sewer Corporation Projections

Table 4: Consumption of Petroleum Products
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Gallons)

Commodity	Unit	2 nd Quarter, 2018	1 st Quarter, 2019	2 nd Quarter, 2019
Premium Motor Spirit (PMS)	Gal.	3,451,537	10,517,475	11,804,307
Diesel (AGO)	Gal.	8,677,330	5,612,537	10,619,247
Total		12,128,868	16,130,012	22,423,554

Source: Liberia Petroleum Refining Company (LPRC)

Table 5: Vessel Traffic and Cargo Movements
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

Quarter	No. of Vessels	Vessel Weight (SDWT)	Cargo Tonnage (In Metric Tons)		
			Imports	Exports	Total
2 nd Quarter, 2018	106	3,946,536	708,101	1,209,333	1,917,434
1 st Quarter, 2019	113	4,605,587	474,770	1,723,339	2,198,109
2 nd Quarter, 2019	102	2,641,619	582,500	1,292,362	1,874,862

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

Table 6: Electric Power Developments
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Kilowatts)

	Unit	Service	Generation
2 nd Quarter, 2018	kW	Electricity	47,728,900.0
1 st Quarter, 2019	kW	Electricity	54,740,010.0
2 nd Quarter, 2019	kW	Electricity	53,578,540.0

Source: Liberia Electricity Corporation (LEC)

Table 7: Air Traffic, Passenger, and Cargo Movement
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

Quarter	No. of Flights	Number of Passenger			Mail (Pieces)		Cargo (Kilograms)		
		Depart	Arrive	Transit	In	Out	Imports	Exports	Total
2 nd Quarter, 2018	482	24,265	22,784	13,562	8,375	6,915	471,721	30,217	501,938
1 st Quarter, 2019	576	25,663	25,060	16,775	3,627	6,251	403,379	21,195	424,574
2 nd Quarter, 2019	552	25,993	22,675	15,196	9,052	7,682	431,309	21,423	452,732

Source: Liberia Airport Authority

Table 8: 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	2.8	10	0.2	0.4	0
	Nov	9.8	9	10.6	-1.4	-1.7	-1
	Dec	8	5.9	4.7	0.1	-0.4	-4.7
2016	Jan	7	7.4	6.4	0.1	3	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	0.2	-2.6	3.6
	May	7.6	1.9	14.7	-0.3	-0.6	5.9
	Jun	8.4	4.1	6	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	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	0.4	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	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	18.1	1.2	1	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	20	2.4	3.7	1.7
	Feb	17.8	11.6	21.5	0.6	-0.7	1.2
	Mar	19.4	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	24.5	22.4	25.8	5.8	4.9	6.3
	Jul	26.1	23.7	27.5	3.5	2.7	4
	Aug	26.1	23.3	27.7	2.2	2.4	2
	Sep	26.3	25.2	26.9	1.4	2.5	0.7
	Oct	26.6	24.2	27.9	0.7	-0.4	1.3
	Nov	27.1	24.9	28.3	2	1.8	2.1
	Dec	28.5	30.5	27.5	2.4	3.8	1.6
2019	Jan	23.3	30.2	19.7	-1.8	3.4	-4.5
	Feb	22	27.6	19.1	-0.5	-2.6	0.9
	Mar	25.8	23.4	27	5.3	0.4	7.9
	Apr	23.3	26.5	21.6	-0.6	4.2	-3
	May	28.7	29.9	33.6	5.3	3.6	11.3
	Jun	29.9	32.2	30.4	6.7	6.7	4.4

Source: CBL & LISGIS, Monrovia, Liberia

Table 9: Inflation by Groups: Year-on-Year Changes in CPI (2018-2019)

Food Group	Weights	Inflation Rates			
		2018q1	2018q2	2019q1	2019q2
Oils and fats (ND)	3.36	-7.41	21.51	57.06	34.08
Vegetables (ND)	4.38	8.61	14.58	53.10	73.62
Fruits (ND)	1.49	6.07	12.32	35.03	36.31
Non-Food Group					
Alcoholic Beverages, Tobacco and Narcotics	0.65	6.51	8.89	30.74	40.55
Clothing and footwear	5.21	38.33	34.06	12.28	21.23
Housing, Water, Electricity, Gas and other fuels	7.22	9.72	16.73	30.66	37.24
Furnishing, H/Hold Equip., Routine Maintenance of the house	5.21	29.90	39.28	39.16	30.89
Health	9.28	9.96	12.06	12.05	12.32
Transport	7.53	29.51	35.33	22.77	30.35
Communication	3.86	17.34	23.32	22.93	29.31
Recreation and Culture	1.03	26.42	20.67	18.84	25.11
Education	4.83	0.00	0.00	4.20	8.74
Restaurant and Hotels	17.12	27.46	21.98	22.08	29.61
Miscellaneous Goods and Services	3.98	21.10	26.03	31.40	42.64

Source: CBL & LISGIS, Monrovia, Liberia

Table 10: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(2nd Quarter 2018; 1st & 2nd Quarters, 2019)
(December, 2005=100)

Functions	WEIGHTS	Apr-18	May-18	Jun-18	2 nd Quarter	Jan-19	Feb-19	Mar-19	1 st Quarter	Apr-19	May-19	Jun-19	2 nd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	34.08	20.09	19.56	22.43	20.69	30.17	27.61	23.41	27.07	26.50	29.86	32.20	29.52
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	0.65	8.78	5.21	12.68	8.89	26.94	28.69	36.59	30.74	37.30	45.79	38.54	40.55
CLOTHING AND FOOTWEAR	5.21	35.61	35.14	31.43	34.06	10.19	12.15	14.49	12.28	14.48	20.94	28.28	21.23
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.22	21.64	13.46	15.10	16.73	26.16	28.63	37.20	30.66	29.51	42.37	39.85	37.24
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.21	33.19	41.45	43.21	39.28	38.66	42.31	36.52	39.16	27.65	31.10	33.94	30.89
HEALTH	9.28	12.18	10.39	13.61	12.06	9.05	10.47	16.64	12.05	13.94	13.73	9.28	12.32
TRANSPORT	7.53	30.26	30.30	45.44	35.33	25.37	20.46	22.48	22.77	26.13	38.55	26.37	30.35
COMMUNICATION	3.86	17.84	25.12	27.01	23.32	22.33	18.69	27.78	22.93	29.45	27.87	30.60	29.31
RECREATION AND CULTURE	1.03	20.87	19.28	21.85	20.67	18.45	18.62	19.43	18.84	20.98	26.59	27.75	25.11
EDUCATION	4.83	0.00	0.00	0.00	0.00	3.86	4.23	4.51	4.20	5.49	8.91	11.82	8.74
RESTAURANTS AND HOTELS	17.12	20.17	21.62	24.16	21.98	15.85	13.65	36.74	22.08	19.92	32.36	36.55	29.61
MISCELLANEOUS GOODS AND SERVICES	3.89	27.54	24.87	25.67	26.03	29.75	29.21	35.25	31.40	37.14	42.74	48.02	42.64
GENERAL RATE OF INFLATION	100.00	21.35	21.27	24.56	22.39	23.28	22.00	25.79	23.69	23.29	28.74	29.91	27.31

Source: CBL & LISGIS, Monrovia, Liberia

Table 11: Commercial Bank Loans by Economic Sectors
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of LS)

	2018		2019				Contributions to Credit Growth	
	2 nd Quarter	Share	1 st Quarter	Share	2 nd Quarter	Share	Q-o-Q	Y-o-Y
Agriculture	4,740.0	6.8	4,122.1	5.5	4,581.0	5.4	0.61	-0.23
Extractive (Mining & Quarrying)	440.9	0.6	752.5	1.0	498.7	0.6	-0.34	0.08
Manufacturing	2,983.1	4.3	1,576.5	2.1	1,444.9	1.7	-0.17	-2.19
Construction	7,275.0	10.4	4,671.7	6.2	6,603.3	7.8	2.56	-0.96
Services	7,603.5	10.8	8,555.0	11.3	10,401.5	12.3	2.45	3.99
Trade	27,040.1	38.5	22,759.4	30.1	32,230.0	38.0	12.54	7.40
Personal	7,045.9	10.0	19,992.9	26.5	13,562.5	16.0	-8.52	9.29
Gen. Government	1,176.8	1.7	821.2	1.1	378.7	0.4	-0.59	-1.14
Central Bank	-	-	-	-	-	-	-	-
Public Corporations	854.6	1.2	723.7	1.0	1,228.3	1.4	0.67	0.53
Oil and Gas	4,811.0	6.9	6,474.5	8.6	7,791.4	9.2	1.74	4.25
Others	6,207.8	8.8	5,047.4	6.7	6,174.2	7.3	1.49	-0.05
Total Loan All Sectors (LD & USD)	70,178.8	100.0	75,496.8	100.0	84,894.6	100.0	12.45	20.97
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>68,147.4</i>	<i>97.11</i>	<i>73,951.9</i>	<i>97.95</i>	<i>83,287.6</i>	<i>98.11</i>	<i>12.37</i>	<i>21.57</i>

Source: Central Bank of Liberia

Table 12: Commercial Bank's Interest Rates
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

	2018	2019	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Avg. Lending Rate	13.01	12.44	12.44
Avg. Personal Loan Rate	13.28	12.92	12.78
Avg. Mortgage Rate	12.33	13.38	14.88
Avg. Time Deposit Rate	3.56	3.53	3.53
Avg. Savings Rate	2.12	2.10	2.10
Avg. Rate on CDs	3.33	3.25	3.25

Source: Central Bank of Liberia, Monrovia, Liberia

Table 13: Broad Money Supply and its Sources
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of L\$)

Monetary Aggregates	2018	2019		Percentage Change	
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	91,629.2	101,062.9	115,124.5	13.9	25.6
<i>1.1 Money Supply M1</i>	60,125.8	64,731.5	74,448.6	15.0	23.8
<i>1.1.1 Currency outside banks</i>	15,543.0	17,245.0	18,655.9	8.2	20.0
<i>1.1.2 Demand deposits^{1/}</i>	44,582.8	47,486.5	55,792.7	17.5	25.1
1.2 Quasi Money	31,503.4	36,331.4	40,675.9	12.0	29.1
<i>1.2.1 Time & Savings deposits</i>	31,213.3	35,980.1	40,267.3	11.9	29.0
<i>1.2.2 Other deposits 2/</i>	290.1	351.2	408.7	16.4	40.9
2.0 Net Foreign Assets	20,405.3	8,171.4	9,693.9	18.6	-52.5
2.1 Central Bank	9,574.0	-4,335.5	-6,965.3	-60.7	-172.8
2.2 Banking Institutions	10,831.3	12,506.9	16,659.1	33.2	53.8
3.0 Net Domestic Assets (1 - 2)	71,223.8	92,891.5	105,430.7	13.5	48.0
3.1 Domestic Credit	122,092.9	147,644.1	185,769.6	25.8	52.2
<i>3.1.1 Government (net)</i>	42,291.7	62,252.9	91,374.5	46.8	116.1
<i>3.1.2 Pvt. Sector Incl OFCs.</i>	79,801.2	85,391.1	94,395.1	10.5	18.3
3.2 Other assets Net (3 - 3.1)	50,869.1	54,752.6	80,339.0	46.7	57.9
Memorandum Items					
1. Overall Liquidity	91,629.2	101,062.9	115,124.5	13.9	25.6
2. Reserve Money	36,252.5	35,481.2	36,963.1	4.2	2.0
<i>Currency outside banks</i>	15,543.0	17,245.0	18,655.9	8.2	20.0
<i>Banks Reserves</i>	20,419.4	17,884.9	17,898.5	0.1	-12.3
<i>Other Deposits at CBL</i>	290.1	351.2	408.7	16.4	40.9

Source: Central Bank of Liberia

1/Excludes managers cheques from commercial banks

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

Table 14: Government of Liberia Treasury Bill Auction
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of LS)

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LRS)	Interest at Maturity	Weighted Average Discount Rate (%)
2nd Quarter 2019							
Total		-	-	-	-	-	-
1st Quarter 2019							
Jan-3-19	April-4-19	78.94	56.68	55.98	-22.26	0.71	5.00
Feb-7-19	May-9-19	80.40	80.40	79.65	67.30	0.75	3.76
Total		159.35	137.09	135.63	45.04	1.46	4.38
2nd Quarter 2018							
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	69.145	69.145	68.65	52.53	0.50	2.90
Total		200.47	200.47	199.02	136.42	1.44	2.89

Source: Central Bank of Liberia

Table 15: CBL Index Bills (1st & 2nd Quarters, 2019)
(In Millions of LS)
2nd Quarter, 2019

COMMERCIAL BANK ISSUANCE				
Issuance Date	Maturity Date	Amount Offered	Amount Issued	Interest Rate (%)
5-Apr-19	4-Apr-19	1,495.00	150	7%
10-May-19	9-May-19	1,345.00	100	7%
18-Jun-19	17-Jun-19	1,245.00	388.4	7%
UNSUBSCRIBED BALANCE		856.6		
RETAIL INVESTORS VIA COMMERCIAL BANKS				
Issuance Date	Maturity Date	Amount Offered	Amount Issued	Interest Rate (%)
7-May-19	6-May-20	2,994.00	0.9	7%
24-May-19	23-May-20	2,993.20	0.11	7%
11-Jun-19	10-Jun-20	2,993.10	1.4	7%
26-Jun-19	25-Jun-20	2,991.70	0.062	7%
UNSUBSCRIBED BALANCE		2,991.60		
1ST Quarter, 2019				
COMMERCIAL BANKS ISSUANCE				
ISSUED DATE	MATURITY DATE	AMOUNT OFFERED	AMOUNT ISSUED	INTEREST RATE (%)
15-Feb-19	15-Feb-20	2,000.00	200	7
20-Feb-19	20-Feb-20	1,800.00	150	7
26-Feb-19	26-Feb-20	1,650.00	25	7
11-Mar-19	10-Mar-20	1,625.00	130	7
UNSUBSCRIBED BALANCE		1,495.00		
RETAIL INVESTORS THROUGH COMMERCIAL BANKS				
ISSUED DATE	MATURITY DATE	AMOUNT OFFERED	AMOUNT ISSUED	INTEREST RATE (%)
1-Mar-19	29-Feb-20	3,000.00	1.12	7
22-Mar-19	21-Mar-20	2,998.88	4.76	7
25-Mar-19	24-Mar-20	2,994.12	0.05	7
UNSUBSCRIBED BALANCE		2,994.07		

Source: Central Bank of Liberia

Table 16: Balance of Payments Statistics
(2nd Quarter 2018; 1st & 2nd Quarters, 2019)
(In Millions of USD)

Account Description	2018	2019	
	Q – 2	Q – 1r	Q – 2p
Current account (CA)	(147.37)	(131.28)	(177.88)
Credit	259.85	235.42	245.46
Debit	407.22	366.71	423.35
Goods and services	(155.79)	(150.02)	(175.86)
Credit	130.44	148.45	146.77
Debit	286.22	298.46	322.63
Goods (net): surplus (+)/ deficit (-)	(110.98)	(78.04)	(105.75)
Credit (Exports)	127.88	145.04	143.83
Iron ore	35.63	60.28	59.19
Rubber	17.99	23.15	24.77
Mineral (Gold & Diamond)	63.82	53.12	49.11
Palm oil	2.59	1.36	3.44
Other exports (excluding gold)	7.85	7.14	7.31
Debit (Imports)	238.86	223.08	249.58
Food and Live Animals (including Animals & Vegetable Oil)	54.99	61.71	77.28
<i>O/w Rice</i>	30.90	23.17	40.03
Minerals, Fuel, Lubricants ¹	40.18	34.16	37.36
<i>O/w Petroleum Products</i>	30.03	24.14	28.36
Machinery & Transport Equipment	67.59	52.32	50.72
Manufactured goods classified by materials	30.32	36.85	33.50
Other Imports	45.78	38.04	50.72
General merchandise on a balance of payments basis	(166.80)	(125.58)	(150.96)
Credit	72.06	97.51	98.62
Debit	238.86	223.08	249.58
Of which Re-exports (credit)	2.36	3.61	0.00
Nonmonetary Gold (credit)	55.82	47.53	45.21
Services	(44.81)	(71.98)	(70.11)
Credit	2.56	3.41	2.94
Debit	47.36	75.38	73.05
Primary Income	(24.68)	(24.97)	(26.16)
Credit	10.55	5.90	7.33
Debit	35.23	30.87	33.49
Secondary Income	33.09	43.69	22.14
Credit	118.86	81.07	91.36
Debit	85.77	37.37	67.22
Capital Account (KA)	95.94	35.40	76.99
Credit	95.94	35.40	76.99
Debit	0.00	0.00	0.00
Net Lending (+)/Net Borrowing (-) balance from CA & KA	51.43	(95.89)	(100.89)
Financial Account (FA)			
Net Lending (+)/Net Borrowing (-) balance from FA	(72.85)	(84.69)	(67.79)

Direct investment	(29.31)	(19.30)	(22.42)
Net acquisition of financial assets	0.00	0.00	0.00
Net incurrence of liabilities	29.31	19.30	22.42
Other investment	(22.08)	(26.53)	(37.89)
Net acquisition of financial assets	3.00	(18.09)	8.53
Net incurrence of liabilities	25.08	8.44	46.42
Reserve assets	(21.46)	(38.87)	(7.47)
NET ERRORS & OMISSIONS	(21.42)	11.20	33.10
Overall Balance	21.46	38.87	7.47
MEMORANDUM ITEMS			
Gross Foreign Reserves Position	377.68^r	302.69^r	301.73
Import Payments (cif)	263.52	248.50	276.67
Imports (cif) & Service Payments	310.88	323.89	349.72
Current Account Balance excluding Grants	(149.09)	(131.29)	(181.28)
Nominal GDP[†]	813.18	807.60	805.96
Current Account Bal. (% of GDP)	(18.12)	(16.26)	(22.07)
Current Account Bal. including Grants (% of GDP)	(18.33)	(16.26)	(22.49)
Trade (in goods) Deficit % of GDP	(13.65)	(9.66)	(13.12)
Capital Account Bal. (% of GDP)	11.80	4.38	9.55
Financial Account Bal. (% of GDP)			
Months of Imports Cover^{††}	3.6^r	2.8^r	2.6

Source: Central Bank of Liberia staff

^r - revised; ^p - preliminary

[†] Quarterly NGDP is estimated at 1/4th of annual nominal GDP projection by IMF (NGDP in 2018 – US\$3,249.0 million and 2019 is US\$3,221 million); ^{††} Months of imports cover per 3 months

Table 17: Quarterly Commodity Composition of Trade
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Millions of USD, except otherwise indicated)

S/N	Commodity	Unit	2018						2019		
			Q-2			Q-1r			Q-2p		
			Volume (000)	Value	share	Volume (000)	Value	share	Volume (000)	Value	share
a.	Exports Earnings			127.88	100.0		145.04	100.0		143.83	100.0
	Rubber	Mt.	17.11	17.99	14.07	20.43	23.15	15.96	15.49	24.77	17.16
	Cocoa	Mt.	0.10	0.09	0.07	3.66	0.13	0.09	0.48	0.34	0.23
	Iron Ore	Mt.	1,124.74	35.63	27.86	1,546.73	60.28	41.56	1,155.65	59.19	41.00
	Mineral			63.83	49.91		53.12	36.62		49.11	34.02
	o/w Diamond	Crt	23.47	8.01	12.55	14.42	5.58	10.51	11.61	3.91	7.95
	o/w Gold	Oz	53.71	55.82	87.45	50.06	47.53	89.49	48.01	45.21	92.05
	Palm Oil	Mt.	24.03	2.59	2.02	3.34	1.36	0.94	2.66	3.44	2.38
	Other Exports			4.10	3.21		4.01	2.77		3.54	2.45
	Goods procured ¹			3.66	2.86		2.99	2.06		3.44	2.75
b.	Import Bills			238.86	100.0		223.08	100.0		249.58	100.0
	Food and Live Animals			50.48	21.13		53.25	23.87		73.18	29.32
	o/w Commercial Rice			30.44	60.30		21.46	40.30		36.12	49.36
	o/w Non-Commercial Rice			0.46	0.91		1.71	3.21		3.91	5.34

	Beverages and Tobacco	5.70	2.39		5.10	2.29		5.87	2.35
	Crude Material & Inedible, except Fuel	5.12	2.14		3.85	1.73		5.20	2.08
	Minerals, Fuel Lubricants	40.18	16.82		34.16	15.31		37.36	14.97
	o/w Petroleum products	30.03	74.74		24.14	70.67		28.36	75.91
	Animals & Vegetable Oil	4.51	1.89		8.46	3.79		4.10	1.64
	Chemicals & related Products	26.93	11.27		22.62	10.14		32.86	13.17
	Mfg. Goods classified by Materials	30.32	12.69		36.85	16.52		33.50	13.42
	Machinery & Transportation Equip	67.59	28.30		52.32	23.45		50.72	20.32
	Misc. Mfg. Articles	8.03	3.36		6.47	2.90		6.79	2.72
c.	Total Trade = (a + b)	366.74			368.12			393.41	
d.	Trade Balance (+ surplus, - deficit) = (a-b)	(111.98)			(78.04)			(105.75)	

Source: Liberia Revenue Authority (CUSTOM ASYCUDA), Firestone Liberia, Total Liberia, Ministry of lands, Mines & Energy;

Table 18: Gross International Reserves Position
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Million USD, except otherwise indicated)

International Reserves	2018	2019		% Change	Val. Change
	Q-2	Q-1	Q-2p	Q2:2019/Q1:2019	Q2:2019/Q1:2019
Gross	377.68	302.69	301.73	0.32	(\$0.96)
Net	155.21	88.29	89.64	1.54	\$1.35
Month of Imports cover	3.6	2.8	2.6		

Source: Central Bank of Liberia

p – projection

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

Table 19: Market Exchange Rate: Liberian Dollars per US Dollar
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)

	2018	2019	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Market Rate End of Period	150.77	163.05	196.37
Market Rate Period Average	136.30	160.91	180.66

Source; Central Bank of Liberia

**Table 20: Monthly Average Buying and Selling Rates of Liberian Dollars
per US Dollar
(2017- 2019)**

Period Average	2017		2018		2019	
	Buying	Selling	Buying	Selling	Buying	Selling
January	102.77	103.77	126.46	127.24	158.97	159.97
February	101.67	102.67	126.85	127.26	160.65	161.44
March	103.52	104.52	131.48	131.79	161.74	162.69
April	105.64	106.64	130.94	131.37	172.01	166.37
May	109.62	110.08	134.15	134.63	191.00	181.23
June	112.48	113.19	142.90	143.79	196.37	194.38
July	112.78	113.50	153.88	155.08		
August	114.74	115.50	152.97	154.12		
September	116.82	117.65	154.52	154.94		
October	118.06	118.90	156.31	157.08		
November	123.21	123.94	157.30	158.28		
December	125.18	125.83	156.80	158.21		
Q1	102.65	103.65	128.26	128.76	160.45	161.37
Q2	109.25	109.97	136.00	136.60	164.80	163.50
Q3	114.78	115.55	153.79	154.71		
Q4	121.74	122.47	156.21	157.15		
Yearly Ave	149.47	150.55	191.42	192.41		

Source: Central Bank of Liberia

Table 21: Quarterly Directions of Trade
(2nd Quarter, 2018; 1st & 2nd Quarters, 2019)
(In Million USD, except otherwise indicated)

Direction of Trade by Region	2018		2019			
	Q-2		Q-1r		Q-2p	
	Export	Import	Export	Import	Export	Import
Africa	4.19	45.33	1.54	34.33	9.42	43.43
o/w ECOWAS	0.95	38.77	1.37	31.01	9.41	37.39
o/w Neighboring Countries ^{/1}	0.05	34.47	0.05	26.67	6.00	31.90
o/w Cote D'Ivoire		32.20		24.88		29.92
Asia	11.63	127.24	37.41	128.49	23.40	150.12
o/w China	0.15	40.47	21.79	47.57	9.92	42.95
o/w Middle Eastern Countries	8.53	9.74	11.66	12.52	10.65	14.03
o/w UAE	1.18	2.88	10.28	5.64	8.31	2.26
o/w India		39.20		34.54		53.15
Europe	91.01	43.11	84.21	35.05	85.72	31.03
o/w Eurozone		35.02		28.98		5.82
o/w Switzerland	54.78		38.29		46.67	
o/w Spain		9.18		9.05		3.84
North America & The Caribbean	16.79	17.42	14.08	19.03	9.97	17.45
o/w USA	16.79	15.31	14.08	16.75	9.97	16.64
South & Central America	0.01	5.34	0.00	5.88	5.67	7.01
o/w Brazil		3.82		3.41		0.11
Oceania	0.00	0.42	0.00	0.30	0.00	0.54
o/w Australia		0.20		0.24		0.13
Other Countries (n.i.e)	4.25		7.79		9.20	
Total of DOT	\$127.88	238.86	\$145.04	\$223.08	\$143.38	\$249.58

Source: Liberia Revenue Authority (CUSTOM ASYCUDA), Firestone Liberia, Total Liberia, Ministry of lands, Mines & Energy
r-revised, p-preliminary

/1 - neighboring countries (these include Ivory Coast, Guinea and Sierra Leone)
n.i.e-not indicated elsewhere