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**The Director
Research, Policy and Planning Department
Central Bank of Liberia
P. O. Box 2048/ Cell #: (231) 886-556 033/ 886-246587
Monrovia, Liberia**

**Fax #: 00(231) 77059642
Cell #: 0555960556**

TABLE OF CONTENTS

OVERVIEW.....	i-ii
I. DEVELOPMENT IN THE WORLD ECONOMY	1
1.0 Introduction.....	1
1.1 The United States Economy.....	1
1.2 The Euro Area.....	1
1.3 Emerging Market and Developing Economies	2
1.4 Sub-Saharan Africa.....	2
1.5 Global Inflation	2
II. DOMESTIC PRODUCTION AND CONSUMER PRICES	4
2.0 Introduction.....	4
2.1 Sectorial Review	4
2.1.1 Agriculture and Forestry	4
2.1.2 Industrial Production.....	6
2.2 Consumption of Petroleum Products	11
2.3 Sea Port Developments	12
2.4 Electric Power Developments.....	13
2.5 Price Developments	14
2.5.1 Domestic Inflation	14
2.5.2 Inflation by Group.....	15
2.5.3 Contributions to Changes in CPI (%)	15
2.5.3.1 Administered versus Market Prices	16
2.5.4 Outlook for Inflation	16
III. MONETARY AND FINANCIAL DEVELOPMENT	20
3.0 Money and Banking	20
3.1 Banking Developments	20
3.2 Commercial Bank Credit	22
3.3 Interest Rate	24
3.4 Exchange Rate	24
3.5 Monetary Policy Stance	26
3.6 Liberian Dollars in Circulation	26
3.7 Money Supply (M1)	27

3.8	Broad Money Supply (M2)	29
3.9	Foreign Exchange Auction	30
3.10	Money Market Developments	31
IV.	FISCAL SECTOR DEVELOPMENTS	33
4.1	Government Revenue and Grants	35
4.1.1	International Trade Taxes	35
4.1.2	Taxes on Income and Profits.....	35
4.1.3	Sale Taxes on Goods and Services	36
4.1.4	Property and Real Estate Taxes	36
4.1.5	Charges and Other Administrative Fees	36
4.2	Government Expenditure	38
4.2.1	Recurrent Expenditure	39
4.2.2	Capital Expenditure.....	40
4.2.3	Loan, Interest Payments and Other Charges	40
4.3	Stock of Public Debt	42
4.3.1	External Debt	43
4.3.2	Domestic Debt	43
V.	EXTERNAL SECTOR DEVELOPMENTS.....	45
5.0	Overview of Balance of Payments (BOP).....	45
5.1	Financial Account	47
5.1.1	Direct Investment.....	47
5.1.2	Other Investment	48
5.1.3	Reserve Assets	48
5.2	Capital Account	48
5.3	The Current Account	49
5.3.1	Goods Account	49
5.3.1.1	Merchandise Trade Balance	49
5.3.1.2	Merchandise Exports	50
5.3.1.3	Destination of Exports	51
5.3.2	Merchandise Imports	52
5.3.2.1	Sources of Imports	53

5.4	Services Payments (Net)	55
5.5	Primary Income (Net)	55
5.6	Second Income (Net)	55
5.7	Personal Remittances	56
5.8	International Reserves Position and Months of Imports Cover	57

Table 1: Selected Global Output	3
Table 2: Key Agricultural Production.....	4
Table 3: Key Industrial Output	8
Table 4: Consumption of Petroleum Products	11
Table 5: Vessel Traffic and Cargo Movements	12
Table 6: Electric Power Developments.....	13
Table 7: Headline and Quarterly Changes in CPI (%).....	17
Table 8: Inflation by Sub-groups: Year-on-Year Changes in CPI.....	18
Table 9: Harmonized Consumer Price Index (HCPI) By Major Groups	19
Table 10: Commercial Bank Loans by Economic Sector	23
Table 11: Commercial Bank's Interest Rates	24
Table 12: Market Exchange Rate: Liberia Dollar per US Dollar.....	25
Table 13: Monthly Average Buying and Selling Rates of Liberia Dollars per US Dollars.....	25
Table 14: Liberian Dollars in Circulation	27
Table 15: Broad Money Supply and its Sources	28
Table 16: Broad Money: Share of US and Liberian Dollars.....	30
Table 17: Government of Liberia Treasury Bill Auction.....	32
Table 18: Government of Liberia's Fiscal Sector Indicators	34
Table 19: Government of Liberia's Total Revenue by Sources.....	37
Table 20: Government of Liberia's Total Expenditure.....	41
Table 21: Liberia's Overall Public Debt Position - By Creditors	44
Table 22: Balance of Payments (BOP) Statistics	46
Table 23: Quarterly Trade Balance	50
Table 24: Commodity Composition of Exports	51
Table 25: Destination of Exports by Region.....	52
Table 26: Commodity Composition of Imports	53
Table 27: Sources of Imports by Regions	54
Table 28: Inward & Outward Personal Remittances.....	56
Table 29: Gross International Reserves Position	58

Chart 1: Key Agricultural Production.....	5
Chart 2: Consumption of Petroleum Products	11
Chart 3: Vessel Traffic	12
Chart 4: Electricity Generation	13
Chart 5: Headline and Core Inflation.....	15
Chart 6: Food and Non-Food Inflation	15
Chart 7: Administered versus Market Prices	16
Chart 8: Percentage Distribution of Commercial Bank's Loans by Economic Sectors.....	23
Chart 9: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar.....	26
Chart 10: Liberian Dollars in Circulation	27
Chart 11: Narrow Money Supply (M1)	28
Chart 12: Broad Money Supply (M2).....	29
Chart 13: Broad Money: Share of US and Liberian Dollars	30
Chart 14: Foreign Exchange Sale Auction.....	31
Chart 15: Average Quarterly Yields (in Percent) Government of Liberia 91-day Treasury-bill Auctions.....	32
Chart 16: Government of Liberia's Fiscal Operations.....	34
Chart 17: Government of Liberia's Total Revenue by Sources.....	38
Chart 18: Government of Liberia's Total Expenditure.....	42
Chart 19: Liberia's Overall Public Debt Position - By Composition As at September 30, 2018	42
Chart 20: Liberia's Overall Public Debt Position - By Creditors	44
Chart 21: Net of Current, Capital & Financial Accounts	45
Chart 22: Stock of Reserve & Import Cover	57

OVERVIEW

The world economy is reflecting the same growth potential in 2018 as it did in 2017. Given the increasing downside risks and decreasing upside surprises being experienced in 2018, global growth is projected to stabilize at 3.7 percent in 2018 and 2019 as it did in 2017 (World Economic Outlook October 2018 Update). Trade measures by the United States, suppressed economic activities in the Euro Area and the United Kingdom, among others, are factors explaining the downward adjustments in global growth forecast.

The Liberian economy is projected to register a higher growth in 2018 than in 2017. Revised down, the growth projection for 2018 is set at 3.0 percent, 0.4 percentage point higher than the growth recorded in 2017. The mining and panning sector is expected to be the main driver of growth in the Liberian economy in 2018.

The banking sector showed improvement during the third quarter of 2018, evidenced by key banking sector's balance sheet indicators. During the quarter, the banking system showed strong liquidity position as all nine banks recorded liquidity ratios above the minimum requirement of 15 percent. The industry's liquidity ratio for the reporting quarter was 39.0 percent. Nonperforming loans as a share of total loans inched up by 0.4 percent from the value recorded at the end of the second quarter of 2018. Similarly, total credit provided by the banking sector during the review quarter expanded by 4.6 percent from the previous quarter. The average interest rates, however, showed mixed trends during the period under review. The interest rates on personal loans remained stable, the mortgages rate expanded, while the interest rates on lending, time deposits, savings and certificate of deposits trended downward.

The Liberian dollar depreciated against the United States dollar during the quarter ended September 2018. The average exchange rate of the Liberian dollar vis-à-vis the United States dollar experienced a 1.9 percent depreciation when compared with the rate recorded in the previous quarter. The depreciation was driven by several factors (both domestic and foreign) including rising demand for United States dollars to service import payments. The broad stability experienced in the exchange rate during the can be attributed to the intervention by the CBL in the foreign exchange market.

The total Liberian dollars in circulation at the end of the quarter under review declined by 0.5 percent when compared with the figure recorded at the end of the previous quarter. The decline was due to a 0.2 percent reduction in currency outside the banking system and a 2.8 percent fall in currency in banks.

Fiscal operations of the Government of Liberia resulted in a budget surplus of 3.4 percent of Gross Domestic Product (GDP) during the third quarter of 2018. The surplus was mainly on account of a more than 100 percent increase in nontax revenue.

Preliminary statistics on Liberia's balance of payments position revealed a deterioration in the sum of the balances of current and capital accounts when compared with the value recorded in the second quarter of 2018. The current account deficit further worsened during the quarter mainly on account of an increase in import payments. On the other hand, the capital account, though still maintaining a positive balance, experienced a decline due to a fall in royalty receipts. The financial account experienced an improvement on account of reduction in net incurrence of liabilities.

Merchandise trade statistics showed a deterioration in trade balance during the third quarter of 2018 when compared with the preceding quarter. The trade balance during the period worsened on account of sharp decline in export earnings coupled with the significant rise in import payments.

The Gross International Reserves (GIR) position (including special drawing rights) at the end of the quarter under review slightly grew by 0.3 percent when compared with the value recorded at end-June 2018. The growth in GIR was mainly driven by improvements in net liabilities to both the Government and commercial banks which offset the deterioration in balances with banks abroad. Net reserves position (including special drawing rights) also improved by 0.8 percent for the same period. The months of import cover for the period under review was about 3.4 months.

I. DEVELOPMENTS IN THE WORLD ECONOMY

1.0 Introduction

Selected statistics on global growth showed that the world economy is expected to grow at the same rate in 2018 and 2019 as it grew in 2017. According to the October 2018 edition of the World Economic Outlook (WEO¹), the International Monetary Fund (IMF) projected global growth to be 3.7 percent in 2018 and 2019, exactly the same growth recorded in 2017. This downward adjustment of 0.2 percentage point to the forecast for both 2018 and 2019 is attributed to the increasing downside risks and receding upside surprises experienced in the past six months. In the United States (US), despite the continuing momentum from increasing fiscal stimulus, growth forecast has been revised downward amid the US trade measures which include the imposition of tariffs on US imports from China that are expected to lead to weaker growth in China and other Asian economies. In the euro area and the United Kingdom, growth projections have likewise been revised down due to suppressed economic activities in the early part of 2018. In the emerging market and developing economies, while energy exporters have growth prospects due to high oil prices, growth has been revised down for a number of other countries due to country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills.

1.1 The United States Economy

The US economy is projected to grow by 2.9 percent in 2018 largely due to strong momentum resulting from the fiscal stimulus instituted by the US government. However, in 2019, the projected growth of the economy is set to moderate at 2.5 percent, 0.2 percentage point lower than previous projection. This downward revision is as a result of trade measures which are expected to weigh on economic activity in the United States.

1.2 The Euro Area

Growth in the euro area for 2018 is projected to be 2.0 percent, revised down by 0.2 percentage point due to weaker-than-expected outturns experienced in the first half of 2018. The region experienced slower export growth after a strong performance in the last quarter of 2017. Higher energy prices weakened demand in energy-importing countries in the euro area. In 2019, growth in the region is expected to further inch down to 1.9 percent.

¹ The analysis of the World Economy in the Financial and Economic Bulletin of the Central Bank of Liberia is a summarized view taken from: International Monetary Fund. 2018. *World Economic Outlook: Challenges to Steady Growth*. Washington, DC, October.

1.3 Emerging Market and Developing Economies

The aggregate growth for emerging market and developing economies for 2018 and 2019 is projected at 4.7 percent (the same growth recorded in 2017), revised down from previous projections. In this group, activity gradually improved in energy-exporting countries but slowed down in energy-importing countries. The slowdown in activity was more pronounced in Argentina, Brazil, and Turkey which faced country-specific factors and unfavorable investor sentiment. Medium-term prospects for the group are mixed. While projections are favorable for emerging Asia and emerging Europe (excluding Turkey), the outlook for Latin America, the Middle East and Sub-Saharan Africa, though there are ongoing recovery, the medium-term prospect does not look very impressive.

1.4 Sub-Saharan Africa

Growth in Sub-Saharan Africa is expected to trend upward from 2.7 percent in 2017 to 3.1 percent and 3.8 percent in 2018 and 2019, respectively. This upward movement is attributed to a more supportive external environment in terms of higher commodity prices, stronger global growth and improved capital market access, among others. There are, however, mixed growth prospects for Sub-Saharan countries. Nigeria is expected to contribute about half of the projected growth in the region in 2018. The Nigerian economy is anticipated to grow from 0.8 percent in 2017 to 1.9 percent and 2.3 percent in 2018 and 2019, respectively. In South Africa, however, uncertainty as a result of the upcoming 2019 general elections has dampened growth prospects. Growth of the South African economy is projected to fall from 1.3 percent in 2017 to 0.8 percent in 2018 before picking up to 1.4 percent in 2019.

1.5 Global Inflation

Inflation is expected to increase in both advanced and emerging market and developing economies due mainly to the recent increases in commodity prices. In advanced economies, inflation is projected to rise from 1.7 percent in 2017 to 2.0 percent in 2018 before slightly lowering to 1.9 percent in 2019. In emerging market and developing economies (excluding Venezuela), inflation is projected to rise from 4.3 percent in 2017 to 5.0 percent in 2018 and 5.2 percent in 2019.

Table 1: Growth of Selected Global Output

	Projections			Difference from July 2018 WEO	
	2017	2018	2019	2018	2019
World Output	3.7	3.7	3.7	-0.2	-0.2
Advanced Economies	2.3	2.4	2.1	0.0	-0.1
United States	2.2	2.9	2.5	0.0	-0.2
Euro Area	2.4	2.0	1.9	-0.2	0.0
Japan	1.7	1.1	0.9	0.1	0.0
United Kingdom	1.7	1.4	1.5	0.0	0.0
Canada	3.0	2.1	2.0	0.0	0.0
Emerging Market and Developing Economies	4.7	4.7	4.7	-0.2	-0.4
Emerging and Developing Asia	6.5	6.5	6.3	0.0	-0.2
China	6.9	6.6	6.2	0.0	-0.2
India	6.7	7.3	7.4	0.0	-0.1
Latin America and the Caribbean	1.3	1.2	2.2	-0.4	-0.4
Middle East, North Africa, Afghanistan & Pakistan	2.2	2.4	2.7	-1.1	-1.2
Sub-Saharan Africa	2.7	3.1	3.8	-0.3	0.0
Nigeria	0.8	1.9	2.3	-0.2	0.0
South Africa	1.3	0.8	1.4	-0.7	-0.3
Consumer Prices					
Advanced Economies	1.7	2.0	1.9	-0.2	-0.3
Emerging Market and Developing Economies	4.3	5.0	5.2	0.3	0.7

Source: IMF World Economic Outlook Update, October 2018

II. DOMESTIC PRODUCTION AND CONSUMER PRICES

2.0 Introduction

Liberia's projected real GDP growth for 2018 was revised downward to 3.0 percent or US\$911.1 million, which is still higher than the 2.5 percent growth realized in 2017. The mining and panning sector is expected to be the main driver of the projected growth, especially with the growth in industrial gold production. Informing the projected growth in RGDP, are the contributions from the following sectors: the agriculture and fisheries that was projected to a revised 3.5 percent (from negative 1.7 percent in 2017); forestry was projected to remain negative, but to grow slightly to a revised negative 6.3 percent (from negative 8.0 percent); manufacturing is projected to slump to a revised 0.1 percent (from 1.4 percent); services to a revised negative 0.5 percent (from 1.0 percent); and mining and panning is expected to surge to a revised 29.3 percent (from 28.8 percent).

Additionally, the primary sector (including agriculture and forestry) is projected to grow by 0.9 percent, up from negative 1.0 percent estimated for 2017; the secondary sector (including mining and manufacturing) is expected to rise to a revised 17.5 percent from 16.1 percent estimated for 2017; and the tertiary sector (including the service sector) is expected to decline to a revised negative 0.5 percent, down from 1.0 percent in 2017.

Average headline inflation at the end of the review quarter stood at 26.2 percent from 22.3 percent reported for the previous quarter, and 12.0 percent for the corresponding period of 2017.

2.1 Sectorial Review

2.1.1 Agriculture and Forestry

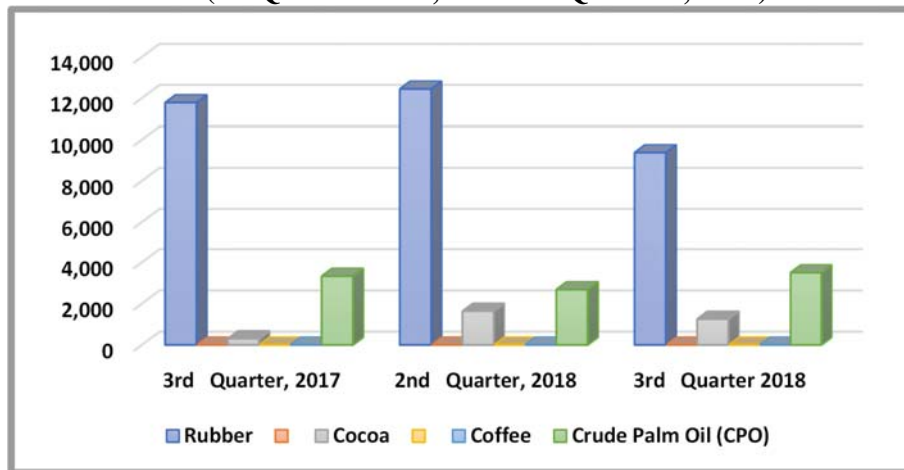
Table 2: Key Agricultural Production
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)

Commodity	Unit	3 rd Quarter, 2017	2 nd Quarter, 2018	3 rd Quarter 2018
Rubber	Mt.	11,785	12,448	9,381
Cocoa	Mt.	306	1,641	1,257*
Round Logs	M3	8,442	84,557	36,214
Sawn Timber	Pcs.	85,356	111,875	45,358
Crude Palm Oil (CPO)	Mt.	3,336	2,687	3,508

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

**Estimates*

Chart 1: Key Agricultural Production
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)



a. Rubber

Rubber output during the reporting quarter stood at 9,381 metric tons, down from 12,448 metric tons produced during the second quarter of 2018. The 24.6 percent or 3,067 metric tons slump in output was attributed to the decline in average price of the commodity on the global market. When annualized, production also shrank by 20.4 percent or 2,404 metric tons.

b. Cocoa & Coffee

Cocoa production for the quarter end-September 2018 was estimated to be 1,257 metric tons, up from the estimated 1,039 metric tons produced a quarter ago. The estimated 23.4 percent or 384 metric tons rise in output was due to a favourable harvest during the quarter. When compared on a year-on-year basis, production surged by 951 metric tons.

c. Sawn Timber

Report of the third quarter showed that the volume of sawn timber produced stood at 45,358 pieces, down from 111,875 pieces reported for the previous quarter. The 59.5 percent or 66,517-piece decline in output was on account of the poor roads condition as a result of rainy season. When compared on a year-on-year basis, output plunged by 46.9 percent or 39,998 pieces.

d. Round Logs

Total volume of round logs produced at the end of the third quarter, 2018 was 36,214 cubic meters, down from 84,557 cubic meters produced during the second quarter. The 57.2 or 48,343 cubic meters fall in round logs output was attributed to the bad roads condition due to the heavy rain fall. Annualized analysis showed that round logs output rose by 27,772 cubic metres.

e. Crude Palm Oil (CPO)

Statistics revealed that production of crude palm oil (CPO) surged to 3,508 metric tons, up from 2,687 metric tons produced during the previous quarter. The 822 metric tons or 30.6 percent surge in output was a result of the gestation of more trees including increased production by smallholder farmers. On an annualized basis, production of CPO increased by 5.2 percent or 172 metric tons.

2.1.2 Industrial Production

Mining (Gold, Diamond and iron Ore)

(i) Gold

Total gold produced during the third quarter fell to 54,302 ounces, down from 55,769 ounces produced a quarter ago. The 2.8 percent or 1,566-ounce fall in gold production was attributed to the decline in the average global price of the commodity and change in policy in acquiring mining licenses. When compared with the corresponding period a year ago, output rose by 12.0 percent or 5,813 ounces.

(ii) Diamond

The volume of diamond production for the third quarter was 13,805 carats, down from 23,467 carats produced during the previous quarter. The 41.2 percent or 9,662-carat decrease in diamond production was explained by the change in policy in acquiring mining licenses. However, on a year-on-year basis, output rose by 5.0 percent or 651 carats.

(iii) Iron Ore

Provisional estimate of iron ore produced for the quarter under review plummeted to 956,277 metric tons, down from 1,282,765 metric tons produced during the second quarter of 2018, representing 326,488 metric tons or 25.5 percent decline. However, on an annual basis, output increased by 402,205 metric tons or 72.6 percent.

Manufacturing

(i) Cement

Cement production during the third quarter of 2018 dipped to 63,531 metric tons, down from 100,991 metric tons produced a quarter ago. The 37.1 percent or 37,460 metric tons contraction in the production of cement was mainly attributed to the heavy rain during the quarter. When matched against the same period a year ago, production rose by 24.3 percent or 12,421 metric tons.

(ii) Beverages

Total volume of beverages production (alcoholic and non-alcoholic) during the quarter under review was estimated at 3.5 million litres, down from 6.5 million litres produced during the previous quarter. The estimated plummet in beverage production by 46.6 percent or 3,011,341 litres was largely attributed to a major overhaul of production plant carried out by one of the key firms. When compared on an annualized basis, output declined by 32.3 percent or 1,643,871 litres. When the total beverages production during the third quarter is disaggregated, alcoholic beverages contributed 44.1 percent while non-alcoholic beverages contributed 55.9 percent to the total quarterly output.

Table 3: Key Industrial Output
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)

Commodity	Unit	3 rd Quarter, 2017	2 nd Quarter, 2018	3 rd Quarter, 2018
Gold	Ounce	48,390	55,769	54,203
Diamond	Carat	13,154	23,467	13,805
Iron Ore	Mt.	554,072	1,282,765	956,277
Cement	Mt.	51,110	100,991	63,531
Spirits	Litre	86,147	101,670	150,026
Beer	Litre	1,414,866	1,639,270	773,681
Stout	Litre	1,200,862	1,744,641	597,089
Malta	Litre	67,423	182,984	138,980
Soft Drinks	Litre	2,325,960	2,794,162	1,791,690
Oil Paint	Gal.	13,150	33,772	20,055
Water Paint	Gal.	21,961	26,505	13,111
Varnish	Gal.	2,927	9,983	5,953
Manoline Hair Grease	Kg.	2,377	1,436	2,461
Thinner	Gal	3,370	10,148	4,658
Rubbing Alcohol	Litre	69,398	69,982	30,384
Soap	Kg	144,571	152,550	131,547
Chlorox	Litre	315,529	306,309	269,560
Candle	Kg	20,843	21,021	25,494
Mattresses	Pcs.	19,764	32,458	27,302
Finished water	Gal.	551,545,644	431,261,412	499,730,746
Mineral Water	Litre	186,362	162,012	138,628
Electricity	kW	93,266,000	47,728,900	48,146,090

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

**Estimate*

+ Revised/Actual

N/A Not Available

(iii) Soap

The total production of soap during the quarter under review stood at 131,547 kilograms, down from 152,550 kilograms produced during the second quarter of 2018. The 13.8 percent or 21,003- kilogram fall in production was attributed to the availability of other competitive brands on the market. Compared to the same period a year ago, soap production receded by 9.0 percent or 13,024 kilograms.

(iv) Paint (Oil and Water)

Total paint (oil & water) produced during the quarter stood at 33,166 gallons, down from 60,277 gallons produced during the second quarter of 2018. The 44.9 percent or 27,111-gallon decline in paint production was due to reduction in construction activities during the height of the rainy season. When compared with the same quarter a year ago, output receded by 5 basis

points or 1,945 gallons. By disaggregating the quarter's total paint production, oil paint constituted 60.4 percent and the remaining 39.6 percent was the contribution of water paint.

(v) Varnish

Varnish output for the third quarter of 2018 was 5,953 gallons, down from 9,983 produced during the preceding quarter. The slump in varnish production by 40.4 percent or 4,030 gallons was attributed to the heavy downpour of rain. When compared to the same period of 2017, output rose by 3,026 gallons.

(vi) Manoline Hair Grease

Manoline Hair Grease output during the reporting quarter was 2,461 kilograms, up from 1,436 kilograms produced during the previous quarter. The 71.3 percent or 1,025-kilogram increase in the output of the commodity was due to the availability of raw materials for the production process. When matched against the corresponding period a year ago, output rose by 3.5 percent or 84 kilograms.

(vii) Thinner

Statistics showed that thinner production during the reporting quarter took a nosedive to 4,658 gallons, down from 10,148 gallons reported a quarter ago. The 54.1 percent or 5,490-gallon fall in thinner production was explained by the decline in construction activities due to the heavy downpour of rain. On a year-on-year basis, output surged by 38.2 percent or 1,288 gallons.

(viii) Rubbing Alcohol

Statistics on rubbing alcohol production revealed that output plummeted during the quarter under review to 30,384 litres, down from 69,982 litres produced during the preceding quarter. The 56.6 percent or 39,598-litre contraction in rubbing alcohol output was explained by the lack of raw materials in stock for the production process. When annualized, output plummeted by 56.2 percent or 39,014 litres.

(ix) Chlorox

Total chlorox output during the quarter ended-September stood at 269,560 litres, down from 306,309 litres produced during the second quarter of 2018. The 12.0 percent or 36,749 litres dip in chlorox production was a result of the availability of stock from previous production

periods. When compared to the corresponding period of 2017, output fell by 14.6 percent or 45,969 litres.

(x) Candle

Total volume of candle output during the third quarter rose to 25,494 kilograms, up from 21,021 kilograms produced during the preceding quarter. The 21.3 percent or 4,473 kilograms growth in candle production was due to the exportation of the commodity to neighbouring countries. When compared on a year-on-year basis, output rose by 22.3 percent or 4,652 kilograms.

(xi) Mattresses

Production of mattresses for the reporting quarter scaled down to 27,302 pieces from 32,458 pieces reported during the quarter ended-June 2018. The 15.9 percent or 5,156-piece dip in the output of the commodity was attributed to bad roads condition which hindered the movements of supply to the leeward counties. When matched against the corresponding period a year ago, production fell by 38.1 percent or 7,538 pieces.

(xii) Finished Water

Finished water production during the third quarter was 499.7 million gallons, up from 431.2 million gallons produced during the previous quarter. The rise in finished water production by 15.9 percent or 68.4 million gallons was attributed by the increase in running hours of pumps. Additionally, there was a difference of 397.0 million gallons between production and actual consumption of finished water as a result of leakages and theft. When compared with the same period in 2017, output plummeted by 51.5 million gallons or 9.4 percent.

(xiii) Mineral Water

The volume of mineral water produced at the end of the third quarter stood at 138,628 litres, down from 162,012 litres produced during the preceding quarter. The 14.4 percent or 23,384 litres decline in mineral water production was on account of the ongoing rainy season. When compared to the corresponding period a year ago, production shrank by 25.6 percent or 47,374 litres.

2.2 Consumption of Petroleum Products

**Table 4: Consumption of Petroleum Products
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)**

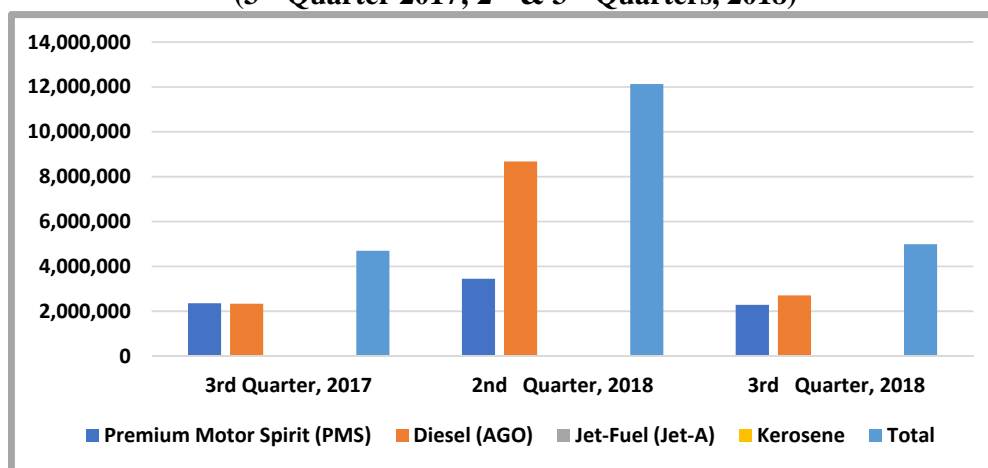
Commodity	Unit	3 rd Quarter, 2017	2 nd Quarter, 2018	3 rd Quarter, 2018
Premium Motor Spirit (PMS)	Gal.	2,362,174	3,451,537	2,288,178
Diesel (AGO)	Gal.	2,337,191	8,677,330	2,704,542
Jet-Fuel (Jet-A)	Gal.	-	-	-
Kerosene	Gal.	-	-	-
Total		4,699,365	12,128,868	4,992,720

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

The consumption of petroleum products during the quarter ended-September 2018 plummeted to 4.9 million gallons, down from 12.1 million gallons consumed during the preceding quarter. The 7.1 million gallons plunge in petroleum consumption was largely attributed to the repair of electric transformers around the Monrovia area and stock of petroleum available. When matched against the same period a year ago, petroleum consumption rose by 0.3 million gallons or 6 basis points.

When disaggregated, the total consumption of premium motor spirit (PMS) constituted 45.8 percent of the total consumption of petroleum products, while diesel (AGO) accounted for the remaining 54.2 percent. The statistics showed that there was no consumption of Jet-Fuel (Jet A) and Kerosene as they were not imported.

**Chart 2: Consumption of Petroleum Products
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)**



2.3 Sea Port Developments

Statistics on vessels traffic at the various ports of the country for the quarter under review showed that a total of 96 vessels with combined Summer Dead Weight Tons (SDWT) of 3.1 million berthed at the various ports along the territorial waters of Liberia, down from 106 vessels with a combined SDWT of 3.9 million that anchored during the previous quarter. The 9.4 percent or 10 vessels decline in traffic during the review quarter was largely explained by the fall in activities at the ports of Buchanan and Greenville. 73 of all vessels docked at the Port of Monrovia, 19 berthed at the Port of Buchanan, and 4 at the Port of Greenville. When compared with the corresponding period a year ago, the total traffic of vessels increased by 7 vessels.

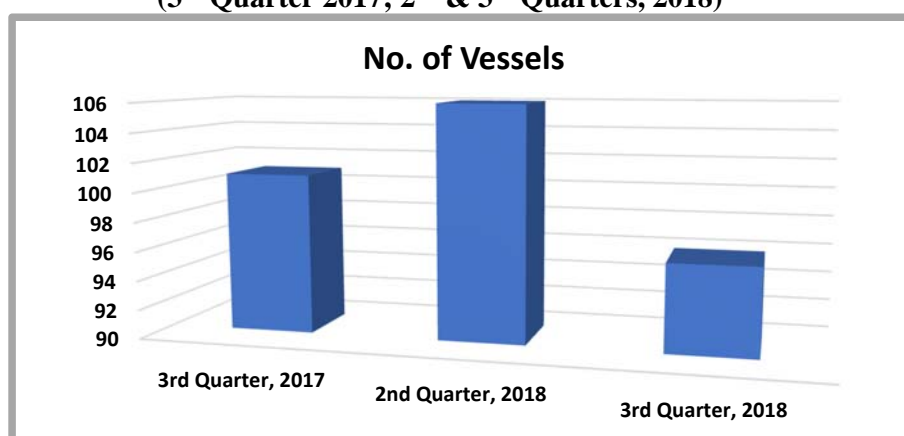
A disaggregation of total cargo tonnage indicated that imports accounted for 37.2 percent, while the remaining 62.8 percent was the contribution of exports.

Table 5: Vessel Traffic and Cargo Movements
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
3 rd Quarter, 2017	101	2,257,268	423,756	498,747	922,503
2 nd Quarter, 2018	106	3,946,536	708,101	1,209,333	1,917,434
3 rd Quarter, 2018	96	3,086,368	471,559	793,490	1,265,049

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

Chart 3: Vessel Traffic
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)



2.4 Electric Power Developments

Electric power produced from the Mount Coffee Hydro, the Heavy Fuel Oil (HFO) generators, and the High-Speed Diesel (HSD) generators during the review quarter produced 48.1 million kilowatts, up from 47.7 million kilowatts produced during the second quarter of 2018. The surge in electric power generation by 0.9 percent or 0.41 million kilowatts was due to the rapid repairs of transformers in the Monrovia area. Additionally, out of the 48.1 million kilowatts produced, only 15.2 million was actually consumed. The difference in consumption of electricity from the quantity produced was partly due to power theft and under subscription. When annualized, electric power generation declined by 45.1 million kilowatts or 48.4 percent.

Table 6: Electric Power Developments
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)
(in Kilowatts)

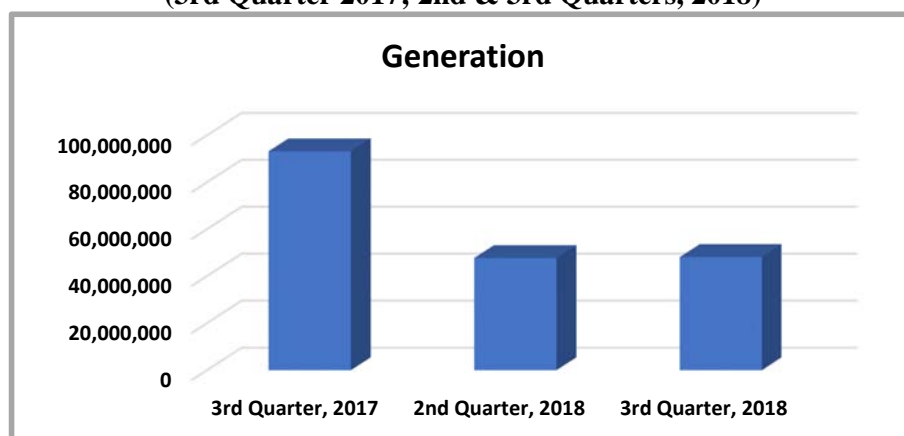
Quarter	Unit	Service	Generation
3 rd Quarter, 2017	kW	Electricity	93,226,000
2 nd Quarter, 2018	kW	Electricity	47,728,900
3 rd Quarter, 2018	kW	Electricity	48,146,090

Source: Liberia Electricity Corporation (LEC)

** Estimate*

+ Revised/Actual

Chart 4: Electricity Generation
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)



2.5 Price Developments

2.5.1 Domestic Inflation

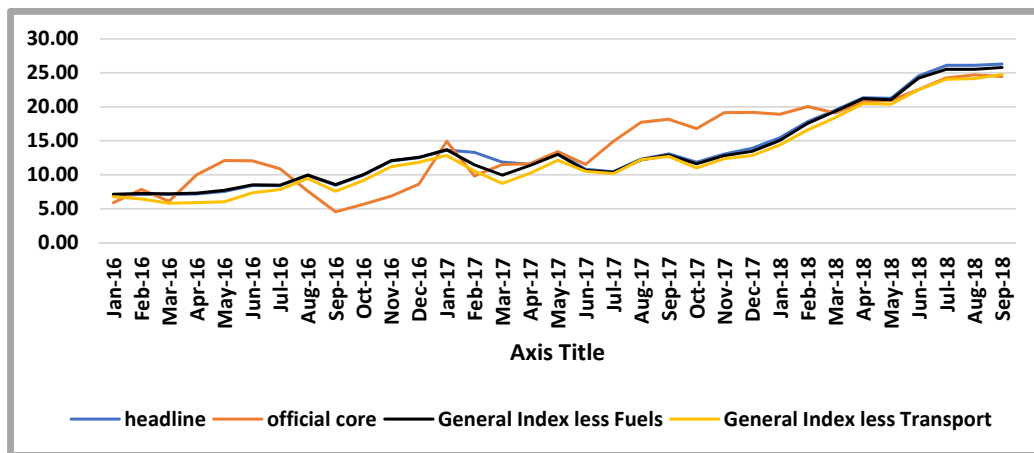
Average headline inflation during the reviewed quarter was 26.2 percent, reflecting 3.8 percent and 14.2 percent increase above the levels in the preceding quarter and corresponding quarter of 2017, respectively. It was the highest inflation rate since the third quarter of 2008. Price hikes spread across all sub-groups but was mainly driven by food and non-alcoholic beverages, transportation and restaurant and hotels groups. The impact of the exchange rate pressure was strongly felt in many sub-groups (Chart 5).

Food inflation (with a weight of 38.06 percent in the CPI basket) during the review quarter, was 24.1 percent, representing an increase of 3.4 percent, over the 20.7 percent at the end of the preceding quarter. The rise in inflation was largely driven by the increase in the prices of sugar, jams, milk cheese and eggs, soft drinks, fruit and vegetable juices and oil and fats (Chart 6, Table 7).

Non- food inflation (with a weight of 61.94 percent in the CPI basket) for the third quarter of 2018, was 27.4 percent, up from 23.4 percent and 16.7 percent recorded during the previous and corresponding quarters, respectively. Annual inflation increased across all subcategories of the non-food group, most visibly in alcoholic beverages, tobacco and narcotics; restaurant and hotels; furnishings, household equipment and routine household maintenance; and transport. The exchange rate development continued to be the main determinant of the uptrend in non-food inflation that made the larger contribution to annual inflation in the quarter under review (Chart 6, Table 9).

Official core inflation, which is the overall Consumer Price Index (CPI) less food and transport, recorded an increase of 24.5 percent from 21.4 percent and 16.9 percent the same period a year ago and the corresponding period, respectively. All core inflation measures increased during the quarter under review, (Chart 5).

Chart 5: Headline and Core inflations



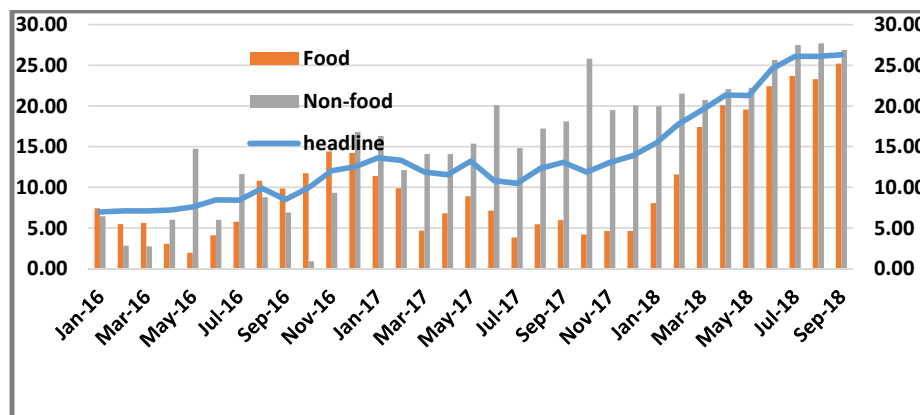
2.5.2 Inflation by Group

Prices of all the major groups within the consumer basket during the reporting quarter increased compared to the previous quarter except for clothing & footwear and education. There were increases in inflation across all subcategories especially alcoholic beverages, tobacco and narcotics; transport and restaurant and hotels groups when compared with the corresponding period a year ago and the previous quarter respectively, except for education that remained flat (Table 9).

2.5.3 Contributions to Changes in CPI (%)

An analysis of the consumer price indices for the third quarter of 2018 showed that both food and non-food groups contributed to the quarter's change in inflation. The non-food group contributed more when compared with the previous quarter and a year ago largely due to the depreciation of exchange rate (Chart 6).

Chart 6: Food, Non-food and Headline Inflation

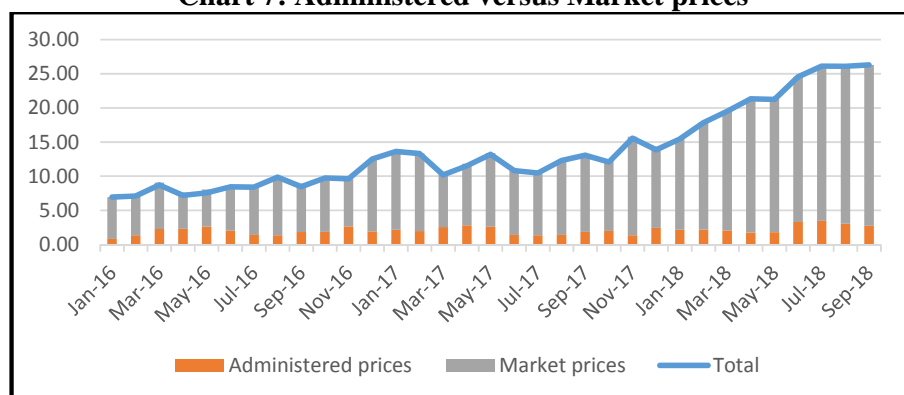


2.5.3.1 Administered versus Market prices

The analytical split between administered² and market prices for the third quarter 2018, showed that inflation for the quarter under review was driven mainly by market prices which demonstrated the pass-through effect of the depreciation of the exchange rate.

Market prices was more volatile than administered prices, as pricing decisions are made relatively frequently, usually in line with the forces of supply and demand. For the review quarter, market prices contributed 23.09 percentage points to the 26.12 percent rate of inflation compared to the 19.45 percentage points to the 24.56 rate of inflation and the 10.42 percentage contribution to the 11.95 inflation rate respectively, a quarter and a year ago (Chart 7).

Chart 7: Administered versus Market prices



2.5.4 Outlook for Inflation

Year-on-year rate of inflation continues to rise to higher levels of double-digit rates of inflation. The realization of a single-digit rate of inflation in 2018 appears unachievable. However, in the medium to long term, attaining a single digit rate of inflation will largely depend on low volatility in the exchange rate, Government tax policies on key commodities, mainly rice and petroleum products and other imported commodities. The level of improvement in agricultural facilities for domestic food production including storage facilities; improvements in international prices of exportable commodities; infrastructure development such as roads, and the level of energy supply and cost; the attraction of foreign investment in the short to medium term will be important to maintaining stable inflation in the medium to long term.

² Administered prices refer to the prices that do not vary in response to short-run fluctuations in the demand and supply conditions, rather, they are set either directly or indirectly by the government or by some other public institution. The administered prices contribute a weight of 12.65 percent of the CPI basket.

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

		Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI		
		Combined	Food	Non-Food	Combined	Food	Non-Food
2015	Apr	6.8	14.1	-1.1	0.1	-0.1	0.4
	May	7.9	17.5	-2.3	-0.7	0.5	-2.1
	Jun	7.7	12.2	2.7	4.3	1.9	7.4
	Jul	9.5	12.9	5.6	2.6	3.2	1.9
	Aug	7.3	6.9	7.8	-0.8	-3.5	2.4
	Sep	6.5	3.8	9.7	1.8	1.4	2.3
	Oct	6.0	2.8	10.0	0.2	0.4	0.0
	Nov	9.8	9.0	10.6	-1.4	-1.7	-1.0
	Dec	8.0	5.9	4.7	0.1	-0.4	-4.7
2016	Jan	7.0	7.4	6.4	0.1	3.0	2.2
	Feb	7.1	5.5	2.8	-1.2	-2.5	-5.4
	Mar	7.1	5.6	2.7	1.9	3.6	0.1
	Apr	7.2	3.1	6.0	0.2	-2.6	3.6
	May	7.6	1.9	14.7	-0.3	-0.6	5.9
	Jun	8.4	4.1	6.0	5.2	4.1	-0.8
	Jul	8.4	5.8	11.6	2.6	4.8	7.4
	Aug	9.9	10.8	8.8	0.5	1.1	-0.2
	Sep	8.5	9.8	6.9	0.5	0.5	0.6
	Oct	9.9	11.7	0.9	1.6	2.1	-5.6
	Nov	12.0	14.4	9.3	0.5	0.7	7.2
	Dec	12.5	14.2	16.8	0.5	-0.6	1.8
2017	Jan	13.6	11.4	16.3	1.0	0.4	1.8
	Feb	13.3	9.9	12.1	-1.5	-3.8	-0.1
	Mar	11.9	4.7	14.1	0.6	-1.3	1.8
	Apr	11.5	6.8	14.1	-0.1	-0.6	0.2
	May	13.2	8.9	15.4	1.2	1.4	1.1
	Jun	10.8	7.1	20.1	3.0	2.4	3.3
	Jul	10.5	3.8	14.8	2.3	1.6	2.6
	Aug	12.3	5.4	17.2	2.2	2.7	1.9
	Sep	13.1	6.0	18.1	1.2	1.0	1.3
	Oct	11.9	4.2	25.8	0.5	0.4	0.5
	Nov	13.1	4.6	19.5	1.6	1.1	1.8
	Dec	13.9	4.6	20.1	1.2	-0.6	2.2
2018	Jan	15.5	8.0	20.0	2.4	3.7	1.7
	Feb	17.8	11.6	21.5	0.6	-0.7	1.2
	Mar	19.5	17.4	20.7	2.1	3.8	1.1
	Apr	21.4	20.1	22.1	1.4	1.7	1.3
	May	21.3	19.6	22.2	1.1	0.9	1.2
	Jun	24.6	22.4	25.8	5.8	4.9	6.3
	Jul	26.1	23.7	27.5	3.5	2.7	4.0
	Aug	26.1	23.3	27.7	2.2	2.4	2.0
	Sep	26.3	25.2	26.9	1.4	2.5	0.7

Source: CBL & LISGIS, Monrovia, Liberia

**Table 8: Inflation by Sub-groups: Year-on-Year Changes in CPI
(2017-2018)**

Food Group	Weights	Inflation Rates			
		2017q2	2017q3	2018q2	2018q3
Bread and Cereals (ND)	11.28	23.20	-12.58	4.20	16.90
Meat (ND)	6.25	9.70	12.40	17.10	30.60
Oils and Fats (ND)	3.69	18.20	-5.60	-8.80	21.50
Fruits (ND)	1.60	-12.00	-7.20	5.40	12.20
Non-Food Group					
Alcoholic Beverages, Tobacco and Narcotics	2.55	28.67	25.32	8.89	26.32
Clothing and Footwear	6.07	18.30	34.05	34.06	22.86
Housing, Water, Electricity, Gas and Other Fuels	7.32	3.62	7.22	16.73	22.77
Furnish. , H/Hold Equip, Rout. Maintenance of House	5.46	14.20	14.46	39.28	45.13
Health	8.75	-2.96	4.55	12.06	17.27
Transport	8.47	22.65	14.83	35.33	46.09
Communication	6.73	2.37	11.60	23.32	24.79
Recreation & Culture	1.38	22.28	20.12	20.67	26.13
Education	3.15	0.00	0.00	0.00	0.00
Restaurants & Hotels	8.54	13.50	23.25	21.98	27.02
Miscellaneous Goods and Services	3.52	16.85	21.90	26.03	25.55

Source: CBL & LISGIS, Monrovia, Liberia

Table 9: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(3rd Quarter 2017; 2nd and 3rd Quarters, 2018)
(December, 2005=100)

Functions	WEIGHTS	Jul-17	Aug-17	Sep-17	3rd Quarter	Apr-18	May-18	Jun-18	2nd Quarter	Jul-18	Aug-18	Sep-18	3rd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	38.06	3.81	5.44	5.96	5.07	20.09	19.56	22.43	20.69	23.74	23.33	25.17	24.08
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	2.55	27.41	25.94	22.61	25.32	8.78	5.21	12.68	8.89	16.10	30.89	31.61	26.20
CLOTHING AND FOOTWEAR	6.07	26.07	38.02	38.07	34.05	35.61	35.14	31.43	34.06	27.87	20.68	20.02	22.86
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.32	5.67	6.93	9.05	7.21	21.64	13.46	15.10	16.73	21.39	23.72	23.20	22.77
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.46	13.59	15.82	13.96	14.46	33.19	41.45	43.21	39.28	48.58	42.31	44.49	45.13
HEALTH	8.75	-1.32	6.95	8.01	4.55	12.18	10.39	13.61	12.06	17.84	16.01	17.95	17.27
TRANSPORT	8.47	13.75	13.56	17.19	14.84	30.26	30.30	45.44	35.33	47.97	47.31	42.99	46.09
COMMUNICATION	6.73	10.07	12.13	12.61	11.61	17.84	25.12	27.01	23.32	26.83	24.09	23.44	24.79
RECREATION AND CULTURE	1.38	19.51	20.11	20.74	20.12	20.87	19.28	21.85	20.67	25.88	26.57	25.96	26.13
EDUCATION	3.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESTAURANTS AND HOTELS	8.54	21.52	22.97	25.27	23.26	20.17	21.62	24.16	21.98	20.80	31.56	28.71	27.02
MISCELLANEOUS GOODS AND SERVICES	3.52	21.38	21.71	22.60	21.90	27.54	24.87	23.64	26.03	27.90	24.76	24.00	25.55
GENERAL RATE OF INFLATION	100.00	10.47	12.31	13.07	11.95	21.35	21.27	24.56	22.39	26.12	26.11	26.31	26.18

Source: CBL & LISGIS, Monrovia, Liberia

III. MONETARY AND FINANCIAL DEVELOPMENTS

3.0 Money and Banking

3.1 Banking Developments

Developments in the banking sector for the period under review showed positive outcomes in the face of the challenging economic and business environment. When compared with second quarter of 2018, three of the key balance sheet indicators recorded significant growth and on an annualized basis, all major indicators increased at the end of the review quarter.

During the period under consideration, seven of the nine banks recorded increase in total assets, while the remaining two experienced negative decline. In terms of loans, six of the banks reported growth in their loan portfolios, while three reported declines. Seven of the nine banks reported non-performing loan (NPL) ratios above the regulatory minimum of 10 percent despite the growth in loan portfolio in the sector. Deposits grew for eight banks while one bank recorded a decline. In terms of total capital position, eight of the nine banks reported capital in excess of the minimum regulatory requirement of US\$10 million. Despite these mixed results, the banking system continues to be well capitalized and liquid, reflecting the continuous confidence in the system. However, profitability remains a major challenge to the sector due to poor asset quality of a number of banks, weak credit administration and the relatively high operational expenses incurred by banks.

Relative to the industry's balance sheet, total assets increased by 6.3 percent to L\$140.56 billion over the previous quarter and increased by 45.8 percent over the corresponding quarter in 2017. The increase in total assets was triggered by increases in loans and securities, checks for clearing and cash. Deposits during the period increased to L\$91.0 billion, 10.6 percent higher compared to the previous quarter, and also increased by 40.6 percent over the corresponding quarter a year ago. Savings, time, and demand deposits all increased during the period. Similarly, total loans and advances increased by 3.6 percent to L\$72.7 billion over the previous quarter and 44.3 percent when compared with the same quarter in 2017. The industry's capital position marginally decreased by 0.8 percent to L\$23.1 billion when compared to previous quarter due primarily to the failure of one bank to meet the minimum regulatory requirement of US\$10 million. Compared to the corresponding quarter in 2017, minimum capital requirement increased by 42.2 percent.

During the quarter under review, the industry's Capital Adequacy Ratio (CAR) increased by 3.4 percentage points to 27.2 percent at end-September 2018 from the end of the previous quarter, but it decreased by 6.2 percentage points from 33.4 percent from the corresponding quarter in 2017. With respect to minimum net worth, all the banks maintained higher than the minimum requirement of US\$10.0 million.

NPLs as a share of total loans increased by 0.4 percentage point from 13.8 percent recorded at the end of the second quarter to 14.2 percent at the end of reporting quarter. The deterioration in the NPL ratio is attributed to weak repayments. Compared with the corresponding quarter of 2017, NPLs ratio decreased by 14.1 percent. In absolute terms, NPLs rose by 7.1 percent to L\$10.6 billion at end-September 2018 and by 45.2 percent compared with the same period a year ago. Seven banks recorded above the acceptable regulatory threshold of 10.0 percent, while two banks fell below the threshold.

Earnings of the industry during the quarter was favorable, but operating expenses was L\$7.2 billion indicating an increase of 58.0 percent from L\$4.6 billion reported for the second quarter of 2018. Net income after taxes and loan loss provisions was L\$1.3 billion indicating a rise when matched with the figure reported for the previous quarter. However, corresponding quarter in 2017 comparison showed that net earnings recorded a decrease of 11.0 percent. Most of the industry's earnings were from non-interest sources reflecting the low financial intermediation in the banking sector.

The industry liquidity position at the end of the quarter increased slightly by 1.8 percent when compared with the second quarter of 2018 and it rose by 27.5 percent when compared with the corresponding period a year ago. All of the nine banks recorded liquidity ratio above the minimum requirement of 15.0 percent. The industry recorded total liquid assets of L\$35.3 billion. There was a decrease of 1.5 percentage points in the system's liquidity ratio for the reporting quarter to 39.0 percent compared with 40.5 percent reported for the previous quarter. When compared with corresponding quarter in 2017, the system's liquidity ratio also reduced by 1.8 percentage points. Though the sector recorded improvement in most of its indicators, the weak credit underwriting processes, coupled with inadequate monitoring of loans continued to be the driving factors for the poor asset quality in most of the banks.

3.2 Commercial Bank Credit

The total credit to various sectors of the economy at end-September 2018 expanded, on a quarterly basis, by 4.6 percent to L\$72,733.5 million, from L\$70,178.8 million recorded a quarter ago. The expansion in the stock of credit for the reporting quarter was mainly on account of increases in personal loans, loans, the extractive and oil & gas sectors by 105.4 percent, 50.6 percent and 10.5 percent, respectively.

Outstanding loans to finance manufacturing equipment, transport, quarrying, commercial mortgages, forestry and home mortgages sub-sectors grew significantly by 167.4 percent, 117.2 percent, 83.6 percent, 79.0 percent, 74.8 percent and 24.7 percent respectively, during the quarter. Also, loans to the public sector grew by 4.3 percent, while loans to trade, manufacturing, public corporations, services and agriculture sectors took a downward trend, declining by 15.4 percent, 40.6 percent, 21.0 percent, 11.0 percent and 9.7 percent, respectively. The declines in the respective stocks of loans to the trade, manufacturing, agriculture and constructions sub-sectors were most likely occasioned by lower economic activities which came about as a result of the peak of the rainy season and the economic uncertainties associated with the unstable macroeconomic environment in the country.

On an annualized basis, the 44.3 percent growth in credit stock was mainly underpinned by expansions in personal loans, loan to the trade, manufacturing, agriculture and constructions sectors, table 10.

The share of total credit to the private sector was 97.3 percent, representing a growth of 3.9 percent compared to the previous quarterly and 41.8 percent on an annualized basis. This high share of private sector to credit affirms that the private sector continues to be the engine of growth in the economy.

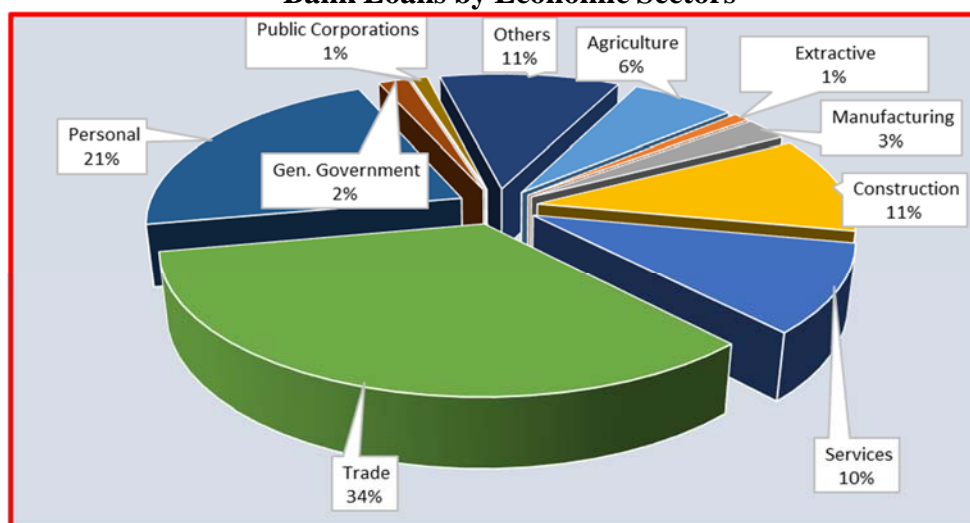
Table 10: Commercial Bank Loans by Economic Sector
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

	2017		2018			
	3 rd Quarter	Share	2 nd Quarter	Share	3 rd Quarter	Share
Agriculture	2,416.7	4.8	4,740.0	6.8	4,277.9	5.9
Extractive (Mining & Quarrying)	609.8	1.2	440.9	0.6	664.1	0.9
Manufacturing	971.1	1.9	2,983.1	4.3	1,773.2	2.4
Construction	4,748.9	9.4	7,275.0	10.4	7,335.5	10.1
Services	4,667.4	9.3	7,603.5	10.8	6,767.1	9.3
Trade	11,038.3	21.9	27,040.1	38.5	22,862.8	31.4
Personal	6,623.8	13.1	7,045.9	10.0	14,468.5	19.9
Gen. Government	-	-	1,176.8	1.7	1,227.6	1.7
Central Bank	-	-	-	-	1.1	0.0
Public Corporations	456.0	0.9	854.6	1.2	674.9	0.9
Oil and Gas	1,934.7	3.8	4,811.0	6.9	5,315.3	7.3
Others	16,949.7	33.6	6,207.8	8.8	7,365.7	10.1
Total Loan All Sectors (LD & USD)	50,416.5	100.0	70,178.8	100.0	72,733.5	100.0
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>49,960.5</i>	<i>99.10</i>	<i>68,147.4</i>	<i>97.11</i>	<i>70,829.9</i>	<i>97.38</i>

Source: Central Bank of Liberia, Monrovia, Liberia

Generally, the gradual expansion in business activities for the quarter under consideration explains the rise in total credit stock when matched with the second quarter of 2018. Outlook of credit, mainly to private sector, appears favorable and is anticipated to be driven by expectation of businesses about the festive season which is characteristic of the last quarter every year. Also, the need to stimulate the economy cannot be overemphasized which is an essential factor for the Government economic recovery and diversification program (Table 10 Chart 8).

Chart 8: Percentage Distribution of Commercial Bank Loans by Economic Sectors



3.3 Interest Rate

The average interest rates for the reporting quarter generally showed downward movements, except the average mortgage rate which significantly rose by 105 basis points and personal loan rate which remained unchanged. The increase in the mortgage rate reflects the increase in the construction of residential properties in the economy. On the other hand, the average interest rates on lending, time deposits, savings and certificate of deposits trended downward occasioned by increased competition and intermediation in the banking industry, Table 11.

**Table 11: Commercial Bank's Interest Rates
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)**

	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Avg. Lending Rate	13.28	13.01	12.44
Avg. Personal Loan Rate	12.94	13.28	13.28
Avg. Mortgage Rate	13.39	12.33	13.38
Avg. Time Deposit Rate	3.53	3.56	3.53
Avg. Savings Rate	2.23	2.12	2.10
Avg. Rate on CDs	3.00	3.33	3.25

Source: Central Bank of Liberia, Monrovia, Liberia

Annualized comparison of the average interest rates indicated both upward and downward movements with increases recorded for personal loan rate and certificate of deposits rate by 33.8 basis points and 25.0 basis points respectively, while decreases were recorded for lending rate, 83.6 basis point; mortgage rate, 1.5 basis points; time deposits rate, 0.2 basis point and 13.0 basis points respectively (Table 11).

The spread between the average lending and savings rates also increased during the quarter to 10.34 percent, representing an increase of 66 basis points when compared with the 9.68 percent recorded during the preceding quarter.

3.4 Exchange Rate

Movements in the foreign exchange market revealed depreciations of the local currency both quarterly and annually. The average exchange rate of the Liberian dollar vis-à-vis the United States dollar at end-September 2018 depreciated by 1.9 percent to L\$153.70/US\$1.00 when compared with the figure

reported in the previous quarter and by 30.6 percent relative to the rate recorded in the same period a year ago.

**Table 12: Market Exchange Rate: Liberia Dollar per US Dollar
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)**

	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Market Rate End of Period	117.72	150.77	153.70
Market Rate Period Average	117.24	136.30	154.25

Source: Central Bank of Liberia, Monrovia, Liberia

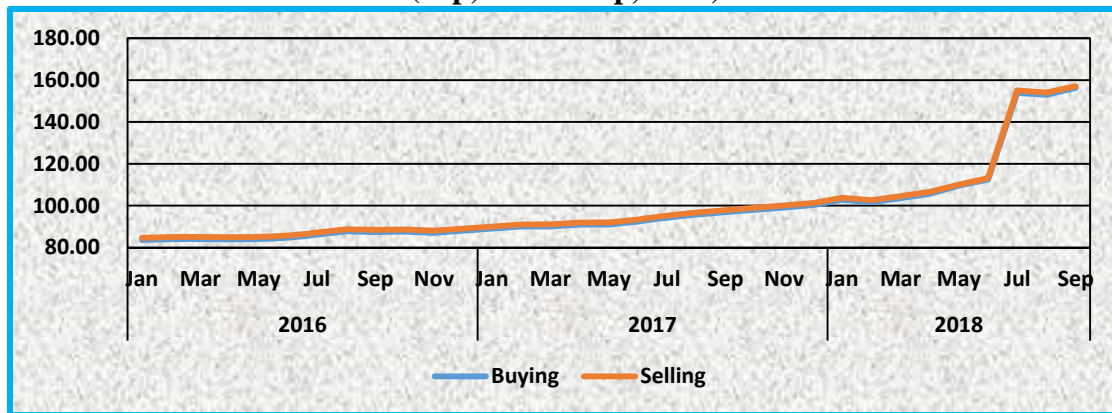
The depreciation of the Liberian dollar was explained primarily by the rising demand for foreign exchange to service import payments, the reduction in GoL US dollar expenditure as a result of low US dollar revenue receipts coupled with the increased GoL L\$ expenditure, the decline in prices of Liberia's major commodity exports, etc. The fast depreciation of the Liberian dollar implies increased Liberian dollar liquidity in the economy compared to the US dollar which suggests the need for contractionary monetary policy to mitigate the rising inflation due to the pass through of increased Liberian dollar liquidity to the depreciation of the domestic currency.

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

Period Average	2016		2017		2018	
	Buying	Selling	Buying	Selling	Buying	Selling
January	89.00	90.00	102.77	103.77	126.46	127.24
February	90.00	91.00	101.67	102.67	126.85	127.26
March	90.00	91.00	103.52	104.52	131.48	131.79
April	90.92	91.92	105.64	106.64	130.94	131.37
May	90.92	91.92	109.62	110.08	134.15	134.63
June	92.42	93.42	112.48	113.19	142.90	143.79
July	94.15	95.15	112.78	113.50	153.88	155.08
August	95.81	96.81	114.74	115.50	152.97	154.12
September	97.00	98.00	116.82	117.65	156.31	157.08
October	97.92	98.92	118.06	118.90		
November	99.08	100.08	123.21	123.94		
December	100.30	101.30	125.18	125.83		
Q1	89.67	90.67	102.65	103.65	128.26	128.76
Q2	91.42	92.42	109.25	109.97	136.00	136.60
Q3	95.65	96.65	114.78	115.55	154.39	155.43
Q4	99.10	100.10	122.15	122.89		
Yearly Ave	93.96	94.96	112.21	113.02		

Source: Central Bank of Liberia, Monrovia, Liberia

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



3.5 Monetary Policy Stance

The monetary policy stance of the Central Bank of Liberia (CBL) continues to be focused on the maintenance of price stability via broad exchange rate stability. In this regard, the CBL's intervention in the foreign exchange market, the reserve requirement ratio and the T-bond are the readily available policy instruments utilized to influence the domestic monetary conditions.

3.6 Liberian Dollar in Circulation

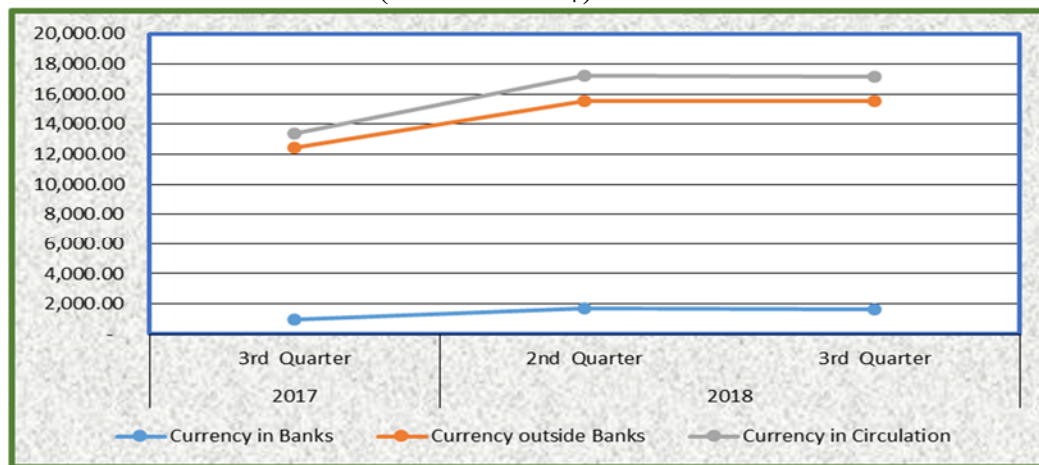
The Liberian dollar in circulation at end-September 2018, reduced by 0.5 percent to L\$17,154.7 million, from L\$17,236.1 million recorded at end-June 2018. The decline in currency in circulation during the quarter was triggered by a 0.2 percent reduction in currency outside the banking system and a 2.8 percent decrease in currency in banks. The slight reduction in currency in circulation was also on account of the increased CBL's intervention and sterilization of banknotes mopped up. When matched with the corresponding period a year ago, the Liberian dollar in circulation expanded by 28.2 percent as a result of growth in both currency outside banks and currency in banks by 25.0 percent and 68.6 percent, respectively, (Table 14 & Chart 10).

Table 14: Liberian Dollars in Circulation
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Currency in Banks	975.42	1,693.12	1,644.99
Currency outside Banks	12,410.73	15,542.96	15,509.70
Currency in Circulation	13,386.15	17,236.08	17,154.68

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 10: Liberian Dollars in Circulation
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)



3.7 Money Supply (M1)

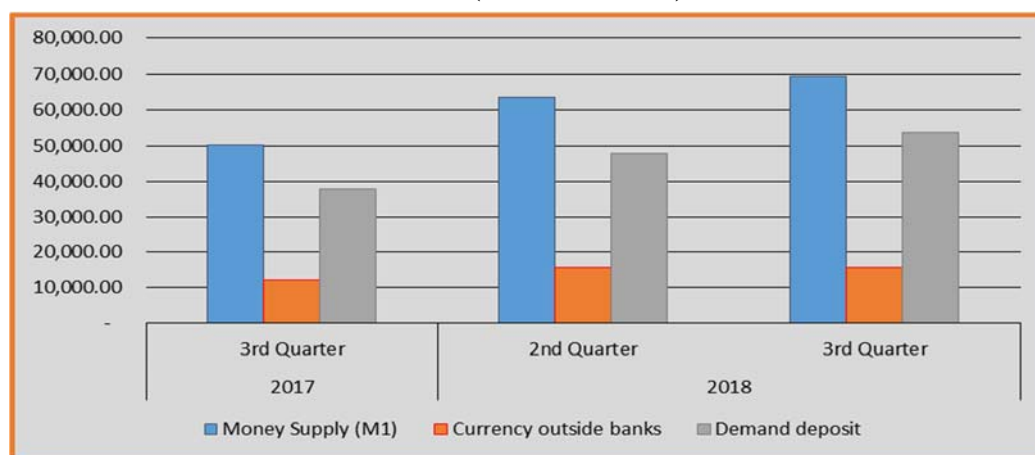
Narrow money supply (M1) at end-September 2018 grew by 9.3 percent to L\$69,339.45 million when matched against the L\$63,449.00 million recorded for the second quarter of 2018. The growth in M1 was primarily supported by 12.4 percent expansion in demand deposits, which also explains the rise in currency in circulation and currency in banks. When compared with the corresponding period a year ago, M1 expanded by 38.4 percent (Table 15 & Chart 11).

Table 15: Broad Money Supply and its Sources
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

Monetary Aggregates	2017	2018		Percentage Change	
	3rd Quarter	2nd Quarter	3rd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	74,993.95	95,801.19	104,191.58	8.76	38.93
1.1 Money Supply M1	50,115.81	63,449.00	69,339.45	9.28	38.36
1.1.1 Currency outside banks	12,251.19	15,542.96	15,509.70	-0.21	26.60
1.1.2 Demand deposit 1/	37,864.62	47,906.04	53,829.75	12.37	42.16
1.2 Quasi Money	24,878.14	32,352.19	34,852.13	7.73	40.09
1.2.1 Time & Savings deposits	24,790.97	32,198.98	34,365.25	6.73	38.62
1.2.2 Other deposits 2/	87.16	153.20	486.88	217.80	458.58
2.0 Net Foreign Assets	30,088.53	20,065.76	18,571.43	-7.45	-38.28
2.1 Central Bank	23,596.97	11,541.50	6,955.64	-39.73	-70.52
2.2 Banking Institutions	6,491.56	8,524.25	11,615.79	36.27	78.94
3.0 Net Domestic Assets (1 - 2)	44,905.42	75,735.43	85,620.15	13.05	90.67
3.1 Domestic Credit	87,111.63	11,865.00	17,261.81	4.82	34.61
3.1.1 Government (net)	26,458.99	32,346.03	37,149.84	14.85	40.41
3.1.2 Pvt. Sector & Other Pvt.	60,652.63	79,518.97	80,111.98	0.75	32.08
3.2 Other assets Net (3 - 3.1)	42,206.21	36,129.57	31,641.66	-12.42	-25.03
Memorandum Items					
1. Overall Liquidity	74,993.95	95,801.19	104,191.58	8.76	38.93
2. Reserve Money	30,262.25	37,329.72	37,853.14	1.40	25.08
Currency outside banks	12,251.19	15,542.96	15,509.70	-0.21	26.60
Banks Reserves	16,957.36	20,415.20	21,002.99	2.88	23.86
Other Deposits at CBL	1,053.70	1,371.56	1,340.45	-2.27	27.21

Source: Central Bank of Liberia, Monrovia 1/Excludes managers checks from commercial banks
2/ Includes official and managers checks issued by the Central Bank

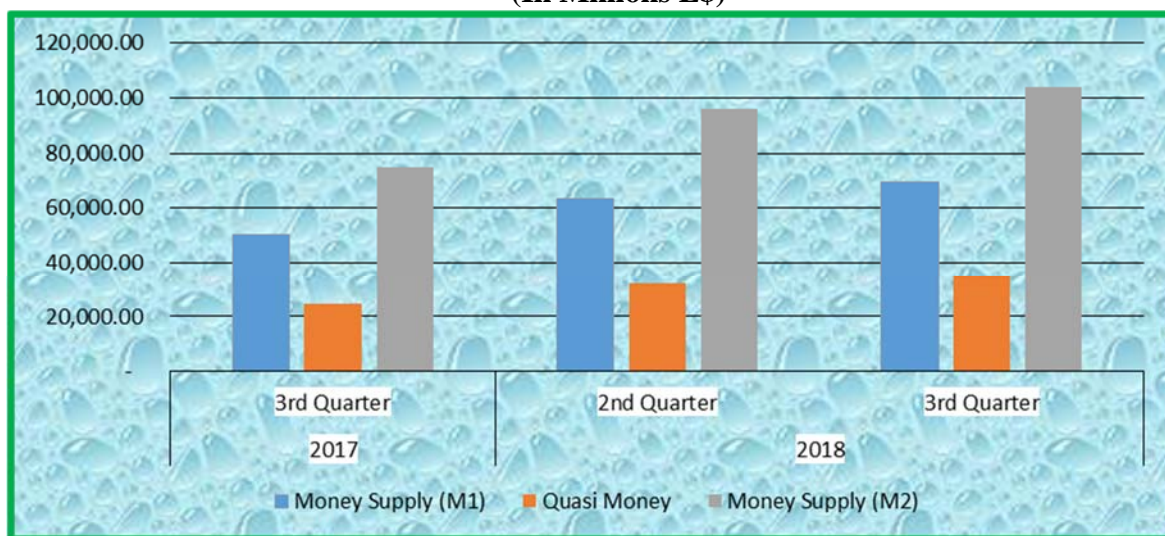
Chart 11: Narrow Money Supply (M1)
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)



3.8 Broad Money Supply (M2)

Broad money, M2, in the economy at end-September 2018 expanded by 8.8 percent to L\$104,191.7 million, from L\$95,801.2 million as reported at end-June 2018. From the assets side, growth in M2 was occasioned by a 13.1 percent expansion in net domestic assets (NDA) which offset the 7.5 percent contraction in net foreign assets. When compared with the corresponding stock a year ago, M2 grew by 38.9 percent (Table 16 & Chart 13). The surge in M2 points to the increased Liberian dollar liquidity in the economy which drives the depreciation of the domestic currency and the pressure experienced in the foreign exchange market.

Chart 12: Broad Money Supply (M2)
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)



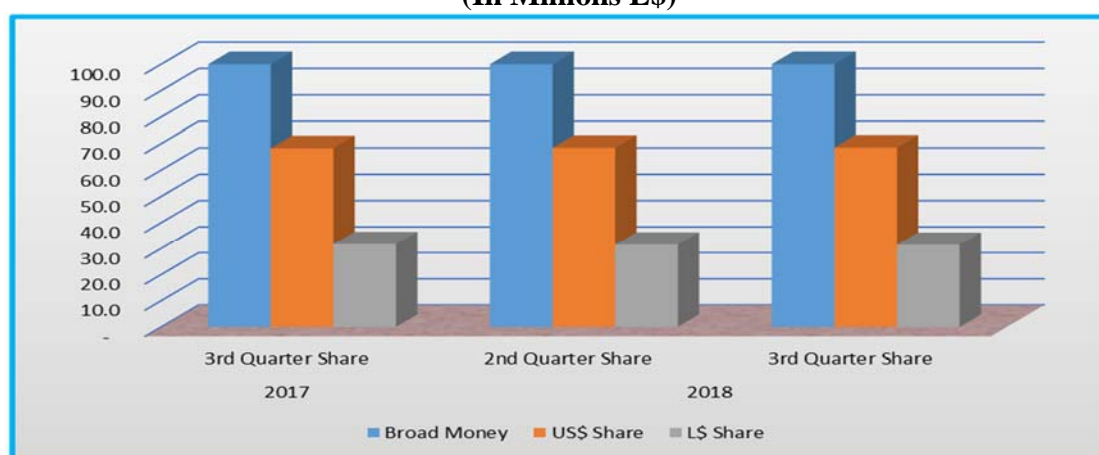
At end-September 2018, the shares of US and Liberian dollar components of broad money supply stood at 68.5 percent and 31.5 percent, respectively. This represents an expansion of 0.8 percentage point in the share of US dollar which implies a decline of the same magnitude in the share of Liberian dollar. This upward trend in the US dollar component of broad money supply points can be partly attributed to the increased intervention in the foreign exchange market to mitigate the depreciation pressure on the home currency. Additionally, the huge share of the US dollar component of broad money indicates the high level of dollarization in the economy.

Table 16: Broad Money: Share of US and Liberian Dollars
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

	2017		2018			
	3rd Quarter	Share	2nd Quarter	Share	3rd Quarter	Share
Broad Money	72,819.8	100.0	95,801.2	100.0	104,191.6	100.0
US\$ Share	49,710.0	68.3	65,567.9	68.4	71,394.7	68.5
L\$ Share	23,109.9	31.7	30,233.3	31.6	32,796.9	31.5

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 13: Broad Money: Share of US and Liberian Dollars
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)



3.9 Foreign Exchange Auction

The total sum of US dollars sold through the foreign exchange auction during the quarter under review amounted to US\$14.4 million, US\$4.8 million below the amount auctioned in the second quarter of 2018. The decline was occasioned by limited reserve buffer available for intervention in the foreign exchange market. On a year-on-year basis, the total foreign exchange sold during the quarter through the auction also slowed down by 0.6 million.

**Chart 14: Foreign Exchange Sale Auction
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions US\$)**



3.10 Money Market Developments

With respect to money market operations in the review quarter, there were two issuances of GoL's 91-day Liberian dollars T-bills which summed up to L\$145.0 million with a weighted average discount rate of 3.21 percent. Also, an eleven-month GoL's United States dollar T-bond of US\$2.96 million was issued on the domestic market during the quarter. The bond which was discounted at an average weighted rate of 7.0 percent was purchased by one of the commercial banks in the country. Comparing the amount issued during the second quarter of 2018, GoL's 91-day Liberian dollars T-bills issued in the review quarter declined by L\$55.5 million because there was no issuance of T-bills in July 2018 as indicated by the amount of oversubscription during the reporting quarter. Oversubscription during the quarter slowed down to L\$42.23 million from an oversubscription of L\$136.42 million reported at end-June 2018.

The average yield on the Liberian dollar T-bill in the reporting quarter was 0.32 percentage point (32 basis point) higher than the yield in the previous quarter while the average yield on the US Dollar.

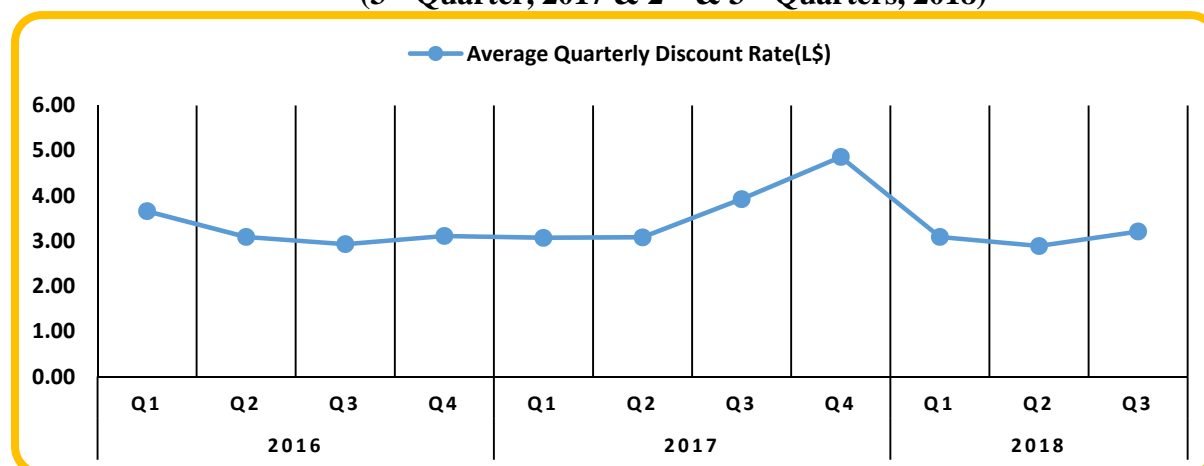
Table 17: Government of Liberia Treasury Bill Auction
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity (US\$)	Interest at Maturity (L\$)	Weighted Average Discount Rate (%)
3rd Quarter, 2018								
2-Aug-18	1-Nov-18	75.75	75.75	75.17	34.40	-	0.58	3.08
13-Aug-18*	13-Jul-19	447.56	447.56	447.56		28.67	-	7.00
6-Sep-18	6-Dec-18	77.07	69.24	68.66	7.83	-	0.58	3.34
Total (US\$)		447.56	447.56	447.56	-	28.67	-	7.00
Total (L\$)		152.82	144.99	143.83	42.23	-	1.16	3.21
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	69.15	69.15	68.65	52.53		0.50	2.90
Total		200.47	200.47	199.02	136.42		1.44	2.89
3rd Quarter, 2017								
6-Jul-17	5-Oct-17	55.74	37.72	37.37	(18.01)		0.35	3.69
3-Aug-17	2-Nov-17	57.28	32.18	31.88	(25.10)		0.30	3.74
7-Sep-17	7-Dec-17	58.33	32.50	32.14	(25.83)		0.35	4.35
Total		171.34	102.40	101.40	(68.94)		1.00	3.93

Source: Central Bank of Liberia

**US\$ T-bill*

Chart 15: Average Quarterly Yields (in Percent)
Government of Liberia 91-day Treasury-bill Auctions
(3rd Quarter, 2017 & 2nd & 3rd Quarters, 2018)



IV. FISCAL SECTOR DEVELOPMENTS

Fiscal operations during the third quarter of 2018 reflected a budget surplus of L\$4,215.9 million (3.4 percent of GDP³), from a deficit of L\$4,089.9 million (3.7 percent of GDP) recorded in the previous quarter. When compared to the corresponding period of 2017, the overall balance stood at 4.7 percent of GDP or L\$3,095.7 million. The recorded budget surplus during the quarter under review was mainly on account of a more than hundred percent increase in non-tax revenue.

Actual revenue and grants exceeded its quarterly projection by 0.6 percent to L\$17,472.9 million against L\$17,361.6 million budgetary projection for the period under consideration. This budgetary surplus during the quarter was as a result of a 4.9 percent increase in taxed revenue which offset 14.9 percent decrease in non-tax revenue.

Liberia's Public debt stock at end-September 2018 rose by 3.6 percent against the stock recorded at end-June 2018, explained by 5.2 percent growth in external debt obligation mainly to multilateral creditors. When compared to the corresponding period in 2017, the stock of debt increased by 12.4 percent from US\$868.9 million.

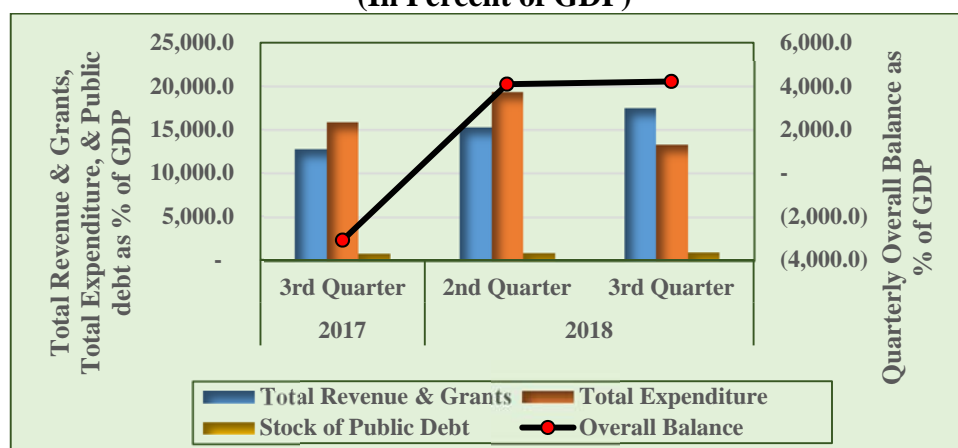
³ The NGDP used is a quarterly estimate.

Table 18: Government of Liberia's Fiscal Sector Indicators
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In percent of GDP)

Indicators	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Total Revenue & Grants	19.6	13.4	13.4
Total Revenue Excluding Grants	19.6	13.4	12.6
Tax Revenue	16.8	12.1	10.9
Nontax Revenue Including Grants	2.8	1.3	2.5
Nontax Revenue Excluding Grants	2.8	1.3	1.6
Grants	0.0	-	0.8
Total Expenditure	24.3	17.0	10.3
Recurrent Expenditure	22.8	12.5	9.4
Capital Expenditure	0.9	0.5	0.1
Loan & Interest Payments & Other Charges	0.6	4.1	0.7
Compensation of Employees	10.0	6.0	5.2
Expenditure on Goods and Services	8.8	3.9	2.0
Overall Balance	(4.7)	(7.7)	1.5
Stock of Public Debt	39.4	28.2	29.2
Stock of External Debt	27.3	20.2	21.3
Stock of Domestic Debt	12.1	8.0	7.9

Source: Ministry of Finance & Development Planning (MFDP)

Chart 16: Government of Liberia's Fiscal Operations
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Percent of GDP)



4.1 Government Revenue and Grants

Total revenue and grants for the period under review amounted to L\$17,472.9 million (14.1 percent of GDP), reflecting 14.4 percent rise over the amount collected during the preceding quarter. Compared to the corresponding period of 2017, total revenue and grants increased by L\$4,712.2 million (36.9 percent). The rise in total revenue and grants receipts during the review quarter relative to the previous quarter was attributed to a more than hundred percent increase in non-tax revenue including grants.

Actual tax revenue amounted to L\$14,281.5 million (11.5 percent of GDP) while actual non-tax revenue amounted L\$3,191.4 million (2.6 percent of GDP), constituting 81.7 percent and 18.3 percent of total actual revenue receipts, respectively, during the review quarter. The increase in actual tax revenue during the quarter was primarily attributed to increases in taxes on income & profits and international trade taxes. Similarly, the increase in actual non-tax revenue was led by a significant increase in receipts from charges & other administrative fees including grants received for the period. Actual tax revenue slightly increased against budgetary allocations by 4.9 percent and actual non-tax revenue declined against budgetary projections by 14.9 percent during the period under consideration.

4.1.1 International Trade Taxes

International trade taxes during the quarter increased by 7.4 percent to L\$7,260.6 million, from L\$6,760.5 million recorded in the previous quarter. When compared to the corresponding quarter of 2017, international trade taxes also increased by 32.0 percent from L\$5,499.2 million to L\$7,260.6 million. Both taxes & duties on imports, and exports contributed significantly to the rise in receipts for international trade taxes during the quarter. Compared with its budgetary target, taxes on international trade declined by 6.2 percent during the period.

4.1.2 Taxes on Income and Profits

Taxes on income and profits during the quarter increased by 15.7 percent to L\$5,559.5 million, from L\$4,803.3 million recorded in the previous quarter. Additionally, income & profits taxes increased by 42.9 percent against the amount recorded during the corresponding quarter in 2017. Individual taxes on income & profits remarkably led the increase in taxes on income and profits during the review quarter relative to the preceding and corresponding quarters. When matched against budgetary projections for the period, income and profits taxes also rose by 14.6 percent.

4.1.3 Sales Taxes on Goods and Services

Sales taxes on goods and services during the review quarter declined to L\$502.8 million, (27.1 percent) from L\$1,858.3 million recorded in the previous quarter. Similarly, sales taxes on goods & services slightly increased by 0.2 percent when compared to the amount recorded during the corresponding period of 2017. Except for goods and services and excise taxes, all of the other sub-categories of sales taxes on goods and services declined during the period under review. Budgetary comparison showed that sales taxes on goods and services also declined for the quarter by L\$326.4 million (19.4 %).

4.1.4 Property and Real Estate Taxes

Property and real estate taxes significantly declined by 67.0 percent to L\$105.8 million during the quarter, from L\$320.4 million reported in the quarter ended-Sept 2018. It also declined by L\$107.2 million (50.4%) when compared with the amount recorded during the corresponding quarter in 2017. When matched against budgetary appropriation for the quarter, property and real estate taxes reduced by 56.7 percent.

4.1.5 Charges and Other Administrative Fees

Non-tax revenue from charges and other administrative fees and grants during the quarter stood at L\$3,191.4 million indicating a noticeable increase by more than hundred percent from L\$1,526.8 million recorded in the previous quarter. A comparative analysis with the corresponding period indicates that non-tax revenue from charges & other administrative fees significantly increased by 77.3 percent from L\$1,800.1 million to L\$3,191.4 million. A budgetary forecast comparison shows that non-tax revenue from charges and other administrative fees declined by 14.9 percent.

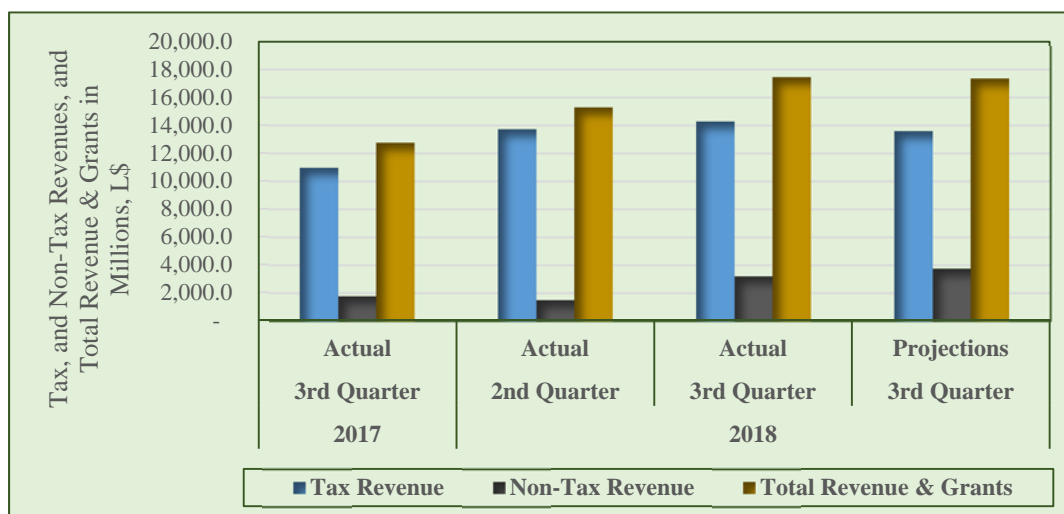
Table 19: Government of Liberia's Total Revenue by Sources
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions, L\$)

Revenue Sources	2017	2018		
	3 rd Quarter	2 nd Quarter	3 rd Quarter	3 rd Quarter
	Actual			Projections
Tax Revenue	10,960.6	13,742.5	14,092.3	13,613.2
International Trade Taxes	5,499.2	6,760.5	7,260.6	6,837.5
<i>Taxes & Duties on Imports</i>	5,495.1	6,740.6	7,249.7	6,823.5
<i>Taxes on Exports</i>	4.2	19.9	10.9	14.0
Taxes on Income & Profits	3,891.4	4,803.3	5,559.5	4,849.8
<i>Individual Taxes on income & profits</i>	3,661.5	4,626.1	5,799.1	4,717.5
<i>Taxes Payable by Corporate Entities</i>	229.8	177.2	180.4	132.3
<i>Others</i>	0.0	0.0	-	-
Sale Taxes on Goods & Services	1,355.2	1,858.3	1,355.5	1,681.9
<i>Goods & Service Tax</i>	606.8	536.1	810.0	1,031.4
<i>Excise Taxes</i>	152.6	125.4	163.2	197.2
<i>Maritime Revenue</i>	303.9	464.4	93.9	233.9
<i>Others</i>	291.8	412.1	288.3	219.4
Property & Real Estate Taxes	213.0	320.4	105.8	244.1
Other Tax Revenue ¹	1.8	0.0	0.2	-
Non-Tax Revenue	1,800.1	1,526.8	3,191.4	3,748.4
Administrative Fees & Other Charges	1,800.1	1,526.8	2,107.4	2,072.5
Grants	1,800.1	-	1,083.6	1,675.9
Others	-	-	0.1	-
<i>Contingent Revenue</i>	-	-		-
<i>Borrowing</i>	-	-		-
<i>Carry Forward</i>	-	-		-
<i>Grants, loans and other external resource</i>	-	-		-
Total Revenue & Grants	12,760.71	15,269.3	17,472.9	17,361.6

Source: Ministry of Finance & Development Planning (MFDP)

*Revised

Chart 17: Government of Liberia's Total Revenue by Sources
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions, L\$)



4.2 Government Expenditure

Public expenditure for the quarter ended-September 2018 stood at L\$13,257.0 million (10.7 percent of GDP). Matched against the L\$19,358.4 million recorded in the previous quarter, public spending during the review period fell by 31.5 percent, largely explained by 14.6 percent and 79.5 percent decreases in recurrent and spending on loan & interest payments and other charges, respectively. Additionally, on a year-on-year basis, public spending decreased by 16.4 percent relative to the amount recorded during the current period. Recurrent and capital expenditures decreased by 18.4 percent and 63.3 percent respectively, while on the contrary, Loan & Interest Payments & Other Charges significantly increased by more than hundred percent.

Recurrent expenditure during the review quarter declined by 14.6 percent, to L\$12,117.6 million against the amount of L\$14,196.8 million recorded in the preceding quarter. This shows a decline by 18.4 percent when compared to the corresponding quarter in 2017. Public spending on capital goods (capital expenditure) during the quarter ended-September 2018 significantly decreased by 63.3 percent to L\$118.1 million, from L\$513.0 million recorded in the preceding quarter. However, capital spending sharply declined by 45.3 percent against the amount recorded during the corresponding period in 2017. Expenditure on loan, interest payments & other charges drastically declined by 79.5 percent and 131.6

percent when compared with the amounts recorded during the previous and corresponding periods, respectively.

4.2.1 Recurrent Expenditure

Compensation of Employees

Spending on employees' compensation (salaries & allowances, and social contributions) during the reviewed quarter amounted to L\$6,754.7 million (5.4 percent of GDP), representing 55.7 percent and 51.0 percent of recurrent and total expenditures, respectively. Compared with the previous quarter, employees' compensation decreased by 1.8 percent and increased by 3.1 percent when matched against the corresponding quarter in 2017.

Expenditure on Goods and Services

Expenditure on goods & services for the quarter amounted to L\$2,637.5 million (2.1 % of GDP), and accounted for 21.8 percent and 19.9 percent of recurrent and total expenditures respectively. Compared with the preceding and corresponding quarters, public spending on goods & services declined by 40.7 percent and 54.1 percent, respectively.

Grants

During the reviewed quarter, expenditure on grants (to foreign governments, international organizations, other general government units, transfers to non-governmental organizations, and transfers to private entities) amounted to L\$1,025.9 million, constituting 8.5 percent and 7.7 percent of recurrent and total expenditures, respectively. Compared to the previous and corresponding quarters, grants expenditure declined by 4.3 percent and 12.7 percent, respectively.

Social Benefits

Public expenditure on social benefits amounted to L\$31.3 million. Considering a comparative analysis with the previous quarter, public expenditure on social benefits significantly increased by L\$28.5 million from the L\$2.8 million recorded in the previous. Comparing expenditure on social benefits for the corresponding period of 2017, it reduced by 13.3 percent or L\$4.8 million.

Others

The 'others' category of recurrent expenditure during the quarter under review dropped by 6.8 percent to L\$1,668.1 million from L\$1,790.1 million recorded in the previous quarter. On the contrary, it significantly rose by 24.6 percent when compared to the same period in 2017.

4.2.2 Capital Expenditure

Acquisition of Fixed Assets

Public spending on the acquisition of fixed assets during the review quarter declined by 63.3 percent to L\$188.1 million, from L\$513.0 million recorded in the previous quarter. Similarly, it remarkably declined by 68.3 percent when compared with the corresponding quarter in 2017.

4.2.3 Loan, Interest Payments and Other Charges

Expenditure on Loan, Interest Payments and Other Charges during the quarter amounted to L\$951.37 million. When compared to the previous period, it declined by 79.5 percent from L\$4,468.7 million. Considering a comparative analysis with the corresponding period of 2017, it substantially increased by more than hundred percent from L\$410.7 million.

External (Foreign) Debts Repayments & Interest

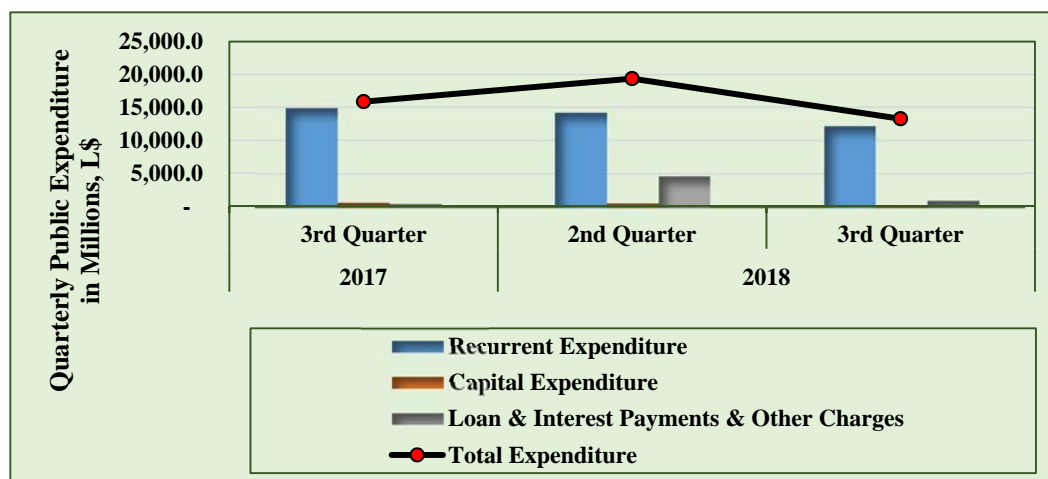
Table 20: Government of Liberia's Total Expenditure
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions, L\$)

Expenditure by Codes	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Recurrent Expenditure	14,851.9	14,196.8	12,117.6
Compensation of Employees	6,551.3	6,880.4	6,754.7
Expenditure on Goods & Services	5,751.3	4,450.9	2,637.5
Subsidies	-	-	-
Grants	1,174.6	1,072.5	1,025.9
Social Benefits	36.1	2.8	31.3
Others	1,338.6	1,790.1	1,668.1
Capital Expenditure	593.8	513.0	188.1
Depreciation	-	-	-
Acquisition of Fixed Assets	593.8	513.0	188.1
Others	-	-	-
Loan & Interest Payments & Other Charges	410.7	4,648.7	951.3
Domestic Debts Repayment	-	3,090.4	-
External Debts Repayment	-	-	-
Interest on Domestic Debt	161.0	815.5	615.1
Interest on Foreign Debt	249.7	187.9	57.8
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	-	554.9	278.4
Other Expenditures¹			-
	-		-
Total Expenditure	15,856.45	19,358.4	13,257.02

Source: MFDP

+Expenditures not elsewhere mentioned

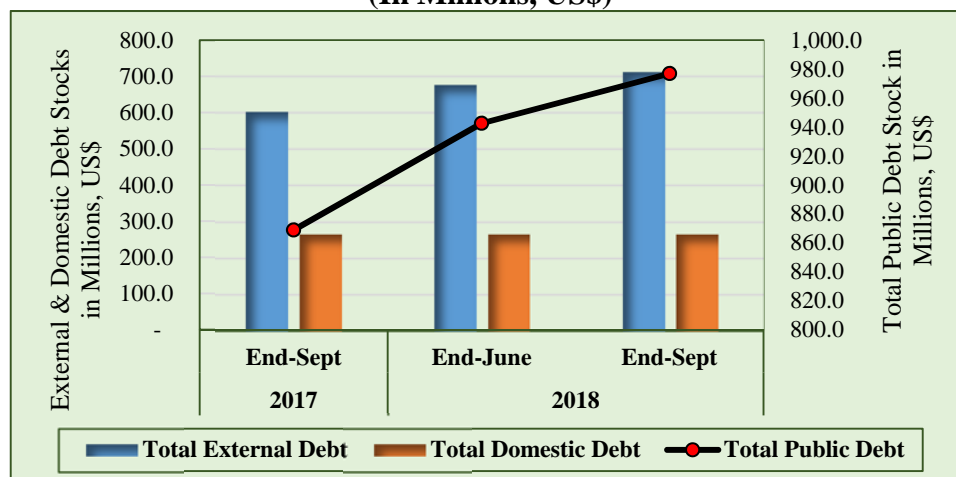
Chart 18: Government of Liberia's Total Expenditure
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions, L\$)



4.3 Stock of Public Debt

Liberia's public debt stock at end-September 2018 increased by US\$34.3 million (3.6 percent) to US\$976.9 million (30.4 percent of GDP), from US\$942.6 million (29.3 percent of GDP) debt stock recorded at end-Sept 2018. This rise in Liberia's total public debt stock at end-September 2018 against the previous quarter was attributed to a 5.2 percent growth in external debt obligation mainly to multilateral partners. External and domestic debt stocks at the end-September 2018 resulted to US\$711.5 million (22.1 percent of GDP) and US\$265.5 million (8.3 percent of GDP). External and domestic debt stocks of Liberia's public debt stock for the quarter stood at 72.8 percent and 27.2 percent respectively.

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



4.3.1 External Debt

External debt stock at end-September 2018 increased by US\$35.1 million (5.2 percent) to US\$711.5 million, from US\$676.4 million recorded at end-June 2018. On a corresponding basis, external debt stock rose by US\$109.3 million against a stock of US\$602.2 million recorded at end-September 2017. Multilateral debt stock was responsible for the growth in Liberia's external debt stock as it grew by 0.8 percent and 14.5 percent compared to the previous and corresponding quarters, respectively. At end of September 2018, multilateral and bilateral debt stocks stood at US\$627.9 million and US\$83.5 million, which accounted for 88.3 percent and 11.7 percent of Liberia's total external debt stock, respectively.

4.3.2 Domestic Debt

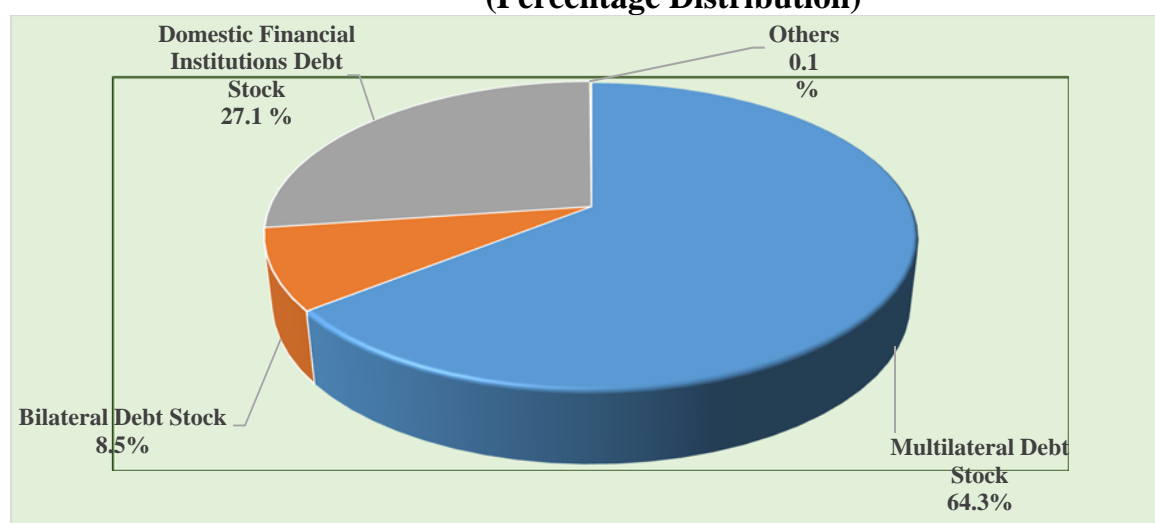
Domestic debt stock at end-September 2018 stood at US\$265.5 million, from US\$266.2 million recorded at end-June 2018. Domestic debt stock to financial institutions prompted the slight decrease as it declined by 0.3 percent against the stock recorded at end-June 2018. Similarly, domestic debt stock declined by 0.5 percent to US\$265.5 million up from the total of US\$266.7 million when compared to the corresponding quarter of 2017. Domestic debt stock to financial institutions also accounted for 27.2 percent of Liberia's total public debt stock at end-September 2018.

Table 21: Liberia's Overall Public Debt Position by Creditors
As at September 30, 2018
(In Millions, US\$)

Creditors	2017	2018	
	End-Sept	End-June	End-Sept
Total Public Debt	868.9	942.6	976.9
External Debt	602.2	676.4	711.5
Multilateral	548.5	622.7	627.9
<i>WORLD BANK GROUP</i>	305.0	356.1	372.9
<i>IMF -RCF Credit¹</i>	45.6	45.4	45.1
<i>AfDB GROUP</i>	71.0	91.6	98.8
<i>EU/EIB</i>	54.7	54.7	54.7
<i>Others</i>	72.2	74.9	56.5
Bilateral	53.7	53.7	83.5
<i>China</i>	5.2	5.2	5.2
<i>Kuwait</i>	14.9	14.9	14.9
<i>Saudi Arabia</i>	33.5	33.5	44.4
<i>Others</i>	-	-	19.0
Domestic Debt	266.7	266.2	265.5
Financial Institutions	266.7	265.5	264.8
<i>Central Bank of Liberia (CBL)</i>	256.7	255.5	254.8
<i>CBL Infrastructure</i>	10.0	10.0	10.0
<i>Others</i>	-	-	-
Others	-	0.7	0.7

Source: Ministry of Finance & Development Planning (MFDP)

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



V. EXTERNAL SECTOR DEVELOPMENTS

5.0 Overview of Balance of Payments (BOP)

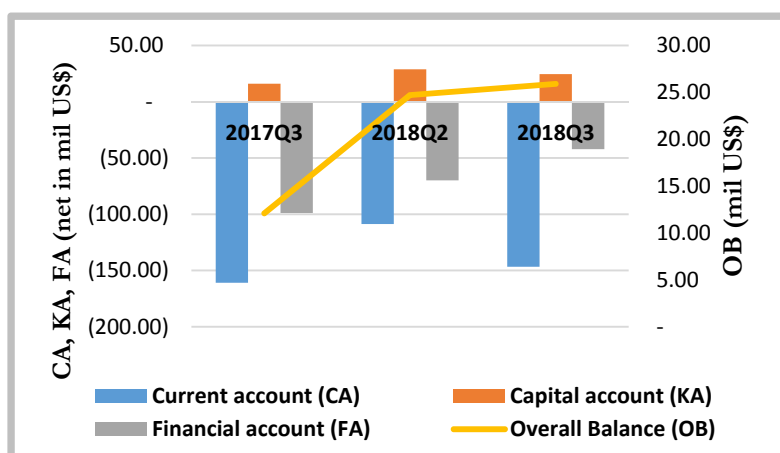
Preliminary Statistics at end-September 2018 on Liberia's transactions with the rest of the world showed that the sum of the balances of current and capital accounts deteriorated by an estimated US\$42.3 million to a net borrowing of US\$122.2 million, from the net borrowing of US\$79.9 million reported for the second quarter of 2018. The increase in the deficit was underpinned mainly by rise in deficit of goods and services balance to US\$203.1 million in the quarter under review, from US\$155.8 million recorded in the previous quarter and a fall in receipt from other capital transfers to government during the quarter.

In the same way, the net of financial

account indicates a net borrowing that stood at an estimated US\$42.2 million in the quarter under review compared to the net borrowing of US\$66.9 million in the previous quarter. The improvement in financial account balance during the quarter was occasioned by

significant increase in net acquisition of financial assets in the other investment category.

Chart 21: Net of Current, Capital & Financial Accounts



The overall balance of payments at the end of third quarter, 2018 resulted into a positive balance of US\$25.9 million, 4.9 percent higher than the value recorded in the previous quarter. The positive balance suggests that there was a drawdown in reserve assets due to increasing demand for foreign currency (U.S dollars) to finance the imports of foreign goods and services.

Table 22: Balance of Payments Statistics
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million US dollars)

Description	2017	2018	
	Q-3	Q-2*	Q-3**
Current account	(160.9)	(108.7)	(146.7)
Credit	334.7	317.7	289.0
Debit	495.6	426.4	435.7
Goods and services	(171.9)	(155.8)	(203.1)
Credit	101.9	130.4	104.5
Debit	273.8	286.2	307.6
Goods (net)	(111.7)	(111.0)	(168.6)
Credit (Exports)	99.1	127.9	101.8
Iron ore	16.8	35.6	19.4
Rubber	19.0	18.0	12.2
Mineral (Gold & Diamond)	54.9	63.8	55.7
Palm oil	2.8	2.6	1.7
Other exports (excluding gold)	5.6	7.8	12.8
Debit (Imports)	210.8	238.9	270.4
Food and Live Animals (including Animals & Vegetable Oil)	58.2	55.0	72.8
<i>O/w Rice</i>	27.5	30.9	23.8
Minerals, Fuel, Lubricants¹	34.8	40.2	32.3
<i>O/w Petroleum Products</i>	29.1	30.0	13.7
Machinery & Transport Equipment	48.7	67.6	69.8
Other Imports	12.5	15.2	58.0
General merchandise on a balance of payments basis	-159.4	-166.8	-218.2
Credit	51.4	72.1	52.2
Debit	210.8	238.9	270.4
Of which Re-exports (credit)	2.5	2.4	1.2
Nonmonetary Gold (credit)	47.7	55.8	49.6
Services	-60.2	-44.8	-34.5
Credit	2.8	2.6	2.7
Debit	63.01	47.4	37.2
Primary Income	-57.72	-31.6	-33.3
Credit	5.00	6.38	5.43
Debit	62.72	37.98	38.73
Secondary Income	68.67	78.71	89.69
Credit	227.80	180.88	179.04
Debit	159.13	102.17	89.34
Capital Account	16.0	28.8	24.5
Credit	16.0	31.0	26.4
Debit	0.0	2.2	1.9
Net Lending (+)/Net Borrowing (-) balance of Current & Capital Accounts	-144.9	-79.9	-122.2
Financial Account			
Net Lending (+)/Net Borrowing (-) balance of Financial Accounts	-98.9	-69.9	-42.2
Direct investment	-58.4	-31.8	-31.6
Net acquisition of financial assets	0.0	0.0	0.0

Net incurrence of liabilities	58.4	31.8	31.6
Other investment	-28.4	-13.4	15.3
Net acquisition of financial assets	5.1	35.1	57.0
Net incurrence of liabilities	33.5	48.5	41.7
Reserve assets	-12.1	-24.7	-25.9
NET ERRORS & OMISSIONS	46.1	9.9	80.0
<i>Overall Balance</i>	12.1	24.7	25.9
MEMORANDUM ITEMS			
Gross Foreign Reserves Position	382.7	382.6	383.7
Import Payments (cif)	231.3	263.5	297.2
Imports (cif) & Service Payments	294.3	310.9	334.4
Current Account Bal. excluding Grants	261.6	172.4	218.7
Nominal GDP†	821.3	804.0	804.0
Current Account Bal. Incl. Grants % of GDP	-19.6	-13.5	-18.2
Capital Account Bal. (% of GDP)	1.9	3.6	3.0
Trade (in goods) Deficit % of GDP	13.6	13.8	21.0
<i>Months of Imports Cover††</i>	3.9	3.7	3.4

Source: Central Bank of Liberia

**Preliminary figures

*Revised figures 2017

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

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

†† Months of imports cover per 3 months

5.1 Financial Account

Preliminary statistics on the net of financial account showed an estimated US\$27.7 million decline in net borrowing at end of the reviewed quarter. The decline indicates a reduction in net incurrence of liabilities to US\$42.2 million when compared to net incurrence of liabilities of US\$69.9 million at end-June 2018. The decline was predicated upon a minimum inflow of direct investment that was offset by sharp rise in other investment, occasioned by inflows in mainly currency and deposits.

Annual comparison of statistics on financial account shows a further decline in net incurrence of liabilities by US\$56.7 million from US\$98.9 million in September 2017, occasioned by slump in direct investment (net) and other investment (net) through investment of direct investors in their investment enterprises and loan liabilities.

5.1.1 Direct Investment

Direct investment inflows to the domestic economy largely remained unchanged as reflected by US\$31.6 million in the quarter under review; compared with US\$31.8 million in the previous quarter. The slight drop in direct investment net was driven by a moderate fall in reinvested earnings of direct investment enterprises from the previous quarter of 2018. Direct investment to the Liberian economy declined to

US\$31.6 million, from the US\$58.4 million reported in the corresponding quarter a year ago. The estimated US\$26.8 million fall was due to slowdown in direct investors' investment in their enterprises in Liberia.

5.1.2 Other Investment

Preliminary statistics showed net acquisition of financial assets through other investment (net) for the quarter under review compared with net liabilities incurred in the previous quarter. Other Investment changed from net incurrence of liabilities of US\$13.4 million in the previous quarter to net acquisition of financial assets of US\$15.3 million in the quarter under review. The accumulation of financial assets was mainly due to inflow of currency and deposit for deposit-taking corporations.

Annual analysis of other investment net also showed that the domestic economy acquired financial assets amounting to US\$15.4 million against the backdrop of US\$28.4 million outflow incurred for the same quarter a year ago.

5.1.3 Reserve Assets

Statistics on reserve assets during the quarter under review showed a drawdown of US\$25.9 million, from a revised drawdown of US\$24.7 million that was reported in the previous quarter. The decline in reserves was a result of slumps in US Notes & Coins, currency balances with banks abroad as well as increase in CBL's liabilities to general government in deposits.

Year-on-year comparison showed that the decline in reserves during the review quarter was about 114 percent higher than the drawdown recorded in the corresponding period a year earlier

5.2 Capital Account

Preliminary statistics on capital account balance at the end of quarter three 2018 showed a US\$4.3 million decline in receipt to US\$24.5 million, reflecting a 14.9 percent fall when compared with the revised US\$28.8 million recorded in the preceding quarter. The fall in capital account balance over the quarter ranging from July 2018 to September 2018 was mainly occasioned by a decline in royalty receipts to general government from natural resource exploration by major concessionaries.

5.3 The Current Account

The current account balance, from preliminary statistics for the third quarter of 2018, experienced a deficit. Statistics on the current account balance at end-September 2018 showed a widened deficit of US\$146.7 million, from the revised US\$108.7 million recorded during the second quarter of the year. The widened deficit of the current account was basically anchored on a slump in trade balance resulting mainly from a 13.2 percent increase in payments for goods.

Year-on-year analysis of the current account balance showed that current account improved slightly. Comparing the balance of the current account with the corresponding period a year ago, the deficit declined by 8.9 percent, from US\$160.9 million owing to fall in balances of services and primary income. Services (net) showed significant improvement during the period mainly due to decline in payments for trade in services which resulted from decline in payment for transport services, while the balance of primary income improved by 42.3 percent to US\$33.3 million in the reviewed quarter, occasioned by an increase in receipts due to rise in earnings from compensation to employees and a corresponding decrease in payments on loans and in income from investment.

5.3.1 Goods Account

5.3.1.1 Merchandise Trade Balance

The balance of merchandise trade statistics deteriorated during the third quarter of 2018 when compared with the previous quarter. Statistics on Liberia's merchandise trade balance continues to show deficit. At end-September 2018, trade deficit stood at US\$168.6 million, up from the revised deficit of US\$111.0 million reported in the previous quarter. The expansion in trade deficit during the quarter was a result of sharp deterioration in export receipts that outweighed the declined in payment for merchandise imports. Export receipts plummeted by 20.4 percent on the back of slowdown in earnings from major export commodities stemming from reduced volume of sales.

Annual comparison of merchandise trade balance showed a much higher deficit. At end-September 2018, both export earnings and import payments increased, but the increased in payments outweighed earnings from exports. Trade balance declined by US\$56.9 million to US\$168.6 million due to year-on-year 28.3 percent increase in import payments.

Table 23: Quarterly Trade Balance
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

	2017	2018	
	Q-3	Q-2*	Q-3**
Exports	99.1	127.9	101.8
Import	210.8	238.9	270.4
Total Trade (+ surplus, - deficit)	-111.7	-111.0	-168.6

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

***Preliminary figures*

**Revised*

5.3.1.2 Merchandise Exports

Preliminary statistics showed that export earnings declined during the quarter, due mainly to fall in receipts from gold, iron ore and rubber. At end-September 2018, earnings from merchandise export declined by 20.4 percent to US\$101.8 million, from revised US\$127.9 million reported in the previous quarter. The fall in export earnings was occasioned mainly by decrease in receipts from all major export commodities (mainly minerals, iron ore and rubber).

Receipts from mineral (especially gold) fell by 12.8 percent to US\$55.7 million, from the height of US\$63.8 million reported in the preceding quarter. The decline in mineral earnings was a result of significant drop in earning from gold due to the declining behavior of the global price of the commodities. Iron ore contribution to export earnings during the quarter declined by 45.5 percent to US\$19.4 million. The fall in earnings during the quarter was occasioned by slowdown in the volume of the commodity that was exported. At the same time, statistics on rubber export showed a nosedive of 32.4 percent. In the face of decline in the volume of export of rubber, the price of the commodity continued to show decline throughout the reviewed period.

Export earnings rose slightly above the value reported in the same quarter a year ago. Year-on-year comparison of export earnings showed that during the quarter, earnings surge by 2.7 percent, from US\$99.1 million in the same quarter a year ago, driven by increase in receipts from mineral (especially gold) and other export commodities. Gold surged by 4.1 percent to US\$49.6 million, from US\$47.7 million and ‘other export’ surge on account of rise in earnings from scrap metal.

Table 24: Commodity Composition of Exports
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

Commodity	Unit	2017			2018					
		Q-3*			Q-2*			Q-3**		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	23.4	19.0	19.2	13.8	18.0	14.1	9.4	12.2	12.0
Cocoa Bean	Mt.	2.1	0.7	0.7	0.1	0.1	0.1	0.2	0.1	0.1
Coffee Bean	Mt.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iron ore	Mt.	554.1	16.8	17.0	1,124.7	35.6	27.9	664.0	19.4	19.1
Mineral		0.0	54.9	55.4	0.0	63.8	49.9	0.0	55.7	54.7
o/w Diamond	Carat	13.2	7.2	7.3	23.5	8.0	6.3	16.9	6.0	5.9
o/w Gold	Oz	48.6	47.7	48.1	53.7	55.8	43.7	52.7	49.6	48.8
Other Exports		6.7	2.8	2.8	24.0	2.6	2.0	2.2	1.7	1.7
Good Procured*			1.3	1.3		4.1	3.2		9.1	8.9
Total Exports			99.1	100		127.9	100		101.8	100

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

IGoods procured in ports by carrier;

***Preliminary figures*

**Revised*

5.3.1.3 Destination of Exports

Liberia's exports trade during the quarter was basically with five (5) major regions of the World. At end-September 2018, Europe (especially the United Kingdom) and North America & the Caribbean (particular the United States) were the leading destination of Liberia's exports. Europe accounted for 73.9 percent of Liberia's total export earnings during the quarter with gold being the major commodity exported to the region. North America & the Caribbean accounted for 10.9 percent of total earnings with rubber and other assorted products being the key commodity exported to that region.

Table 25: Destination of Exports by Region
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

<i>Destination of Export by Region</i>	2017		2018					
	Q-3		Q-2*		Q-3**		Q-Q	Yr-Yr
	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>% Change</i>	<i>% Change</i>
Africa	2.8	2.8	4.2	3.3	5.7	5.6	35.8	101.9
o/w ECOWAS	1.0	36.8	0.9	22.6	4.6	80.2	381.8	340.2
o/w Neighboring Countries	1.0	99.4	0.1	5.6	4.2	91.7	7,813.5	305.8
Asia	47.5	48.0	11.6	9.1	5.7	5.6	(51.0)	(88.0)
o/w The Middle East	5.7	12.0	8.5	73.3	3.9	68.9	(53.9)	(30.9)
o/w United Arab Emirate	1.1	19.9	1.2	13.8	0.7	18.1	(39.4)	(37.0)
then China	0.0	0.0	0.1	1.7	0.0	1.0	(72.0)	0.0
Europe	30.7	31.0	91.0	71.2	75.2	73.9	(17.4)	144.8
o/w Europe Zone	0.2	0.6	0.1	0.1	0.0	0.0	(86.5)	(95.9)
o/w The United Kingdom	0.2	98.2	0.1	100.0	0.0	100.0	(86.5)	(95.8)
North America & The Caribbean	11.5	11.6	16.8	13.1	11.1	10.9	(33.7)	(3.2)
o/w USA	11.5	100.0	16.8	100.0	11.1	100.0	(33.7)	(3.3)
South & Central America	3.0	3.0	0.0	0.0	0.4	0.4	3,185.9	(85.4)
o/w Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oceania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(100.0)
o/w Australia	0.0	100.0	0.0	0.0	0.0	0.0	0.0	(100.0)
Other Countries (n.i.e)	3.5	3.6	4.2	3.3	3.6	3.6	(14.4)	3.3
TOTAL IMPORT PAYMENTS	99.10	100.0	127.88	100.0	101.80	100.0	(20.4)	2.7

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

***Preliminary figures*

**Revised*

5.3.2 Merchandise Imports

Payments for import of goods rose significantly during the quarter under review. During the quarter ended September 2018, payments for imports rose sharply by 13.2 percent to US\$270.4 million. The rise in payments for imports was occasioned by surge in payments for food and live animals, machinery & transport equipment as well as manufactured goods. Payments for food and live animals (especially noncommercial rice) which constituted 25.2 percent of total imports during the quarter rose by 35.2 percent to US\$68.3 million when compared with US\$50.5 million reported in the previous quarter. Payments for machinery and transport equipment rose by 3.2 percent to US\$69.8 million, from the amount reported in the preceding quarter and manufactured goods increased to US\$46.9 million, from US\$30.3 million.

Total import payments surge much higher when compared with the same quarter in 2017. On a year-to-year basis, total merchandise import payments climbed up by 28.3 percent from US\$210.8 million in the corresponding quarter of 2017. The surge in import payments was a result of a significant increase in payments for food and live animals, machinery & transport equipment related import as well as payments for manufacturing goods and beverages products.

Table 26: Commodity Composition of Imports
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

<i>Commodity Composition of Import on FOB Basis</i>	<i>2017</i>		<i>2018</i>					
	<i>Q-3</i>		<i>Q-2*</i>		<i>Q-3**</i>		<i>Q-Q</i>	<i>Yr-Yr</i>
	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>% Change</i>	<i>% Change</i>
Food and Live Animals	53.8	25.5	50.5	21.1	68.3	25.2	35.2	26.8
o/w Commercial Rice	26.3	204.8	30.4	165.8	22.3	305.4	(26.6)	(14.9)
o/w Non-Commercial Rice	1.2	2.2	0.5	0.9	1.5	2.2	223.7	25.1
Beverages and Tobacco	3.0	1.4	5.7	2.4	5.0	1.9	(12.0)	67.9
Crude Material & Inedible, except Fuel	5.5	2.6	5.1	2.1	6.4	2.4	24.8	16.1
Minerals, Fuel Lubricants	34.8	16.5	40.2	16.8	32.3	11.9	(19.6)	(7.2)
o/w Petroleum products	29.1	119.4	30.0	133.8	13.7	235.4	(54.3)	(52.9)
Animals and Vegetable Oil	4.4	2.1	4.5	1.9	4.5	1.7	0.4	2.4
Chemicals & related Products	24.1	11.5	26.9	11.3	25.1	9.3	(6.7)	4.1
Mfg. Goods classified by Materials	26.6	12.6	30.3	12.7	46.9	17.4	54.8	76.1
Machinery & Transportation Equipment	48.7	23.1	67.6	28.3	69.8	25.8	3.2	43.4
Misc. Mfg. Articles	9.8	4.7	8.0	3.4	12.0	4.5	49.9	22.8
TOTAL IMPORT PAYMENTS	210.8	100.0	238.9	100.0	270.4	100.0	13.2	28.3

Source: Liberia Revenue Authority (ASYCUDA)

***Preliminary figures*

**Revised*

5.3.2.1 Sources of Imports

Liberia's trade with the rest of the world resulted to an increase in total payments for import of goods during the third quarter of 2018. Total import payments amounted to US\$270.4 million, increasing by 13.2 percent, from US\$210.8 million in the preceding quarter, with payments to Asia and Europe topping imports trade in the country. Asia constituted 55.4 percent of Liberia's total import bills with payment rising to US\$149.8 million, a 17.7 percent rise over payment in the second quarter. China was the leading Asian country commanding 78.8 percent of payments to Asia. Europe came second to Asia, receiving the total of US\$47.5 million in payments for imports during the quarter and commanded 17.6 percent of

total payments of commodities imported from Asia included construction and mining related materials and assorted medical equipment and related products, while those from Europe included manufacturing products, and consumables among others.

On a year-on-year basis, import payments also rose by 28.3 percent with the largest payment reported for Asia (especially China) by US\$49.8 million, Europe, by US\$7.1 million and Africa, by US\$2.7 million.

Table 27: Sources of Imports by Regions
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

<i>Sources of Import by Region (on FOB Basis)</i>	<i>2017</i>		<i>2018</i>					
	<i>Q-3</i>		<i>Q-2*</i>		<i>Q-3**</i>		<i>Q-Q</i>	<i>Yr-Yr</i>
	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>% Change</i>	<i>% Change</i>
Africa	40.1	19.0	45.3	19.0	42.8	15.8	(5.6)	6.8
o/w ECOWAS	35.8	89.2	38.8	85.5	33.9	79.3	(12.5)	(5.1)
o/w Neighboring Countries	32.4	90.7	34.5	88.9	28.2	83.0	(18.3)	(13.2)
Asia	100.0	47.4	127.2	53.3	149.8	55.4	17.7	49.8
o/w The Middle East	9.4	9.4	9.7	7.7	7.5	5.0	(22.6)	(20.2)
o/w United Arab Emirate	4.0	42.6	2.9	29.6	3.1	41.1	7.4	(23.0)
then China	51.1	51.1	40.5	31.8	72.4	48.3	78.8	41.7
Europe	40.4	19.2	43.1	18.0	47.5	17.6	10.2	17.5
o/w Europe Zone	5.3	13.1	8.1	18.9	9.4	19.7	15.2	76.6
o/w The United Kingdom	2.5	46.9	3.0	36.6	5.0	53.5	68.5	101.3
North America & The Caribbean	23.7	11.3	17.4	7.3	22.1	8.2	27.1	(6.7)
o/w USA	23.2	97.7	15.3	87.9	20.2	91.4	32.1	(12.8)
South & Central America	5.2	2.5	5.3	2.2	7.5	2.8	39.7	43.4
o/w Argentina	0.3	5.3	0.1	2.6	0.4	5.3	184.0	44.7
Oceania	1.3	0.6	0.4	0.2	0.6	0.2	56.3	(50.2)
o/w Australia	0.9	66.4	0.2	47.9	0.2	26.2	(14.6)	(80.3)
TOTAL IMPORT PAYMENTS	210.8	100.0	238.9	100.0	270.4	100.0	13.2	28.3

Source: Liberia Revenue Authority (ASYCUDA)

**Preliminary figures

*Revised

5.4 Service Payment (net)

Services payment (net) fell during the quarter under review. Preliminary statistics on the net of services account at end-September 2018 improved by 23.0 percent to US\$34.5 million, from US\$44.8 million in the previous quarter. The improvement in the deterioration in the balance of services was due to a 21.4 percent drop in payments for services rendered to Liberian residents by nonresident enterprises. Statistics showed that payments for transport and travels declined during the third quarter when compared with the preceding quarter.

On an annualized basis, services balance also showed a significant drop during the quarter by 42.7 percent when compared with the amount registered in the corresponding quarter of 2017. The decline in net services during the quarter was explained by a decrease in services payments by 40.9 percent on account of sharp declines in transport and other business services.

5.5 Primary Income (net)

The balance on primary income marginally worsened at the end of third quarter, 2018. During the quarter under review, primary income (net) deteriorated by 5.4 percent to a deficit of US\$33.3 million from a deficit of US\$31.6 million recorded in second quarter, 2018. This was occasioned by a 2.0 percent increase in payments that amounted to US\$38.7 million during the quarter under review, from US\$38.0 million recorded in the previous quarter. The increase in primary income payments was a result of growth in payment of compensation to nonresident employees during the quarter under review.

On a year-on-year basis, the deficit on primary income (net) showed a decrease of 42.3 percent when compared to US\$57.7 million recorded in the same quarter a year ago. The deficit was occasioned by a significant decrease in payments by 38.2 percent, from US\$62.7 million reported at end-September 2017 on the back of fall in both investment income and compensation of employees.

5.6 Secondary Income (net)

Preliminary statistics on secondary income (net) at end-September 2018 showed an increase on both quarterly and annual basis. Secondary income balance rose to US\$89.7 million during the quarter under review, driven by a decrease in payment of secondary income that outweighed the decline in receipts. Secondary income payment dropped by 12.6 percent, while receipts fell by 1.0 percent. The sharp fall in payments of secondary income was occasioned by plummeted payment of transfer to nonresidents.

On the other hand, year-on-year analysis revealed that secondary income (net) increased by 30.6 percent when compared to US\$68.7 million reported in the corresponding quarter a year ago.

5.7 Personal Remittances

Statistics on both inward and outward personal remittances as a component of secondary income showed that inward personal worker remittances decreased by 10.5 percent during the third quarter of 2018 to US\$117.1 million, from US\$130.8 million recorded in the previous quarter. On the other hand, outward personal worker remittances increased by 8.8 percent to US\$81.2 million for the same period. On a net basis, personal worker remittances experienced a 36.7 percent slump in net remittances to US\$35.9 million mainly on account of the 10.5 percent decline in inward remittances coupled with the 8.8 percent rise in outward remittances to nonresidents.

Annual comparison of net personal remittance flows indicates a decline of 36.6 percent to US\$35.9 million, from the US\$56.6 million recorded the same quarter a year ago.

Table 28: Inward & Outward Personal Remittances
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD)

Personal Remittances		2017	2018	
		Q-3	Q-2*	Q-3
Inwards		163.8	130.8	117.1
Outwards		107.2	74.6	81.2
	Net flow	56.6	56.2	35.9

Source: Central Bank of Liberia

*Revised

5.8 International Reserves Position and Months of Imports Cover

The stock of gross international reserves (see revised methodology below Table 30) at the end of the third quarter of 2018 declined by 15.8 percent to US\$170.9 million from US\$203.0 million in the preceding quarter. The fall in

reserves was on account of a significant slump in ‘balances with banks abroad’ which outweighed the rise in ‘US dollar notes and coins and the decline in CBL’s liabilities to general Government’.

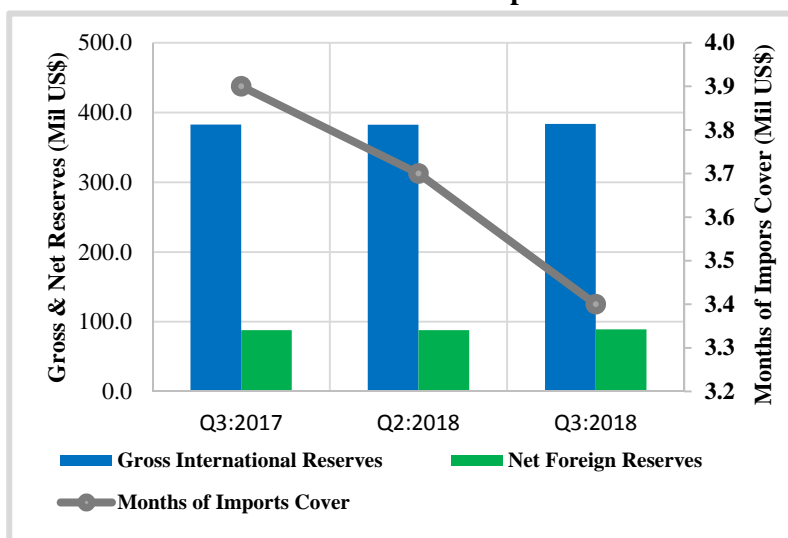
On a year-on-year basis, gross international reserves declined

12.8 percent in the third quarter of 2018 from US\$195.9 million recorded in the corresponding period of 2017. This decline was mainly driven by declines in US dollar notes & coins, ‘banknotes in transit between banks’, ‘balances with banks abroad’ and an increase in CBL’s liabilities to general Government’.

On the contrary, net foreign reserves position in the third quarter of 2018 stood at US\$89.0 million, improving by 1.3 percent and 1.2 percent from the values recorded in the second quarter of 2018 and the third quarter of 2017, respectively.

As at end-September 2018, gross international reserves expressed in months of imports cover was 3.4 months, which is lower than the 3.7 months of imports cover recorded in the previous quarter. This decline was driven by the drawdown in gross international reserves as explained earlier.

Chart 22: Stock of Reserves & Import Cover



by

Table 29: Gross International Reserves Position
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

Quarter	2017	2018	
	Q-3	Q-2*	Q-3
Gross International Reserves+	382.7	382.6	383.7
Net Foreign Reserves	88.0	87.9	89.0
<i>Months of Imports Cover</i>	3.9	3.7	3.4

Source: Central Bank of Liberia

**Revised*

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

STATISTICAL APPENDIX

PART A: REAL SECTOR

Table A-1:	Growth of Selected Global Output
Table A-2:	Key Agricultural Production (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table A-3:	Key Industrial Output (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table A-4:	Consumption of Petroleum Product (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table A-5:	Vessel Traffic and Cargo Movement (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table A-6:	Electric Power Developments (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table A-7:	Headline and Quarterly Changes in CPI (%)
Table A-8:	Inflation by Sub-Groups: Year-on-Year Changes in CPI (2017-2018)
Table A-9:	Harmonized Customer Price Index (HCPI) by Major Groups (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)

PART B: FINANCIAL SECTOR

Table B-1:	Commercial Bank Loans by Economic Sector (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table B-2:	Commercial Bank's Interest Rates (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table B-3:	Market Exchange Rate: Liberia Dollar per US Dollar (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table B-4:	Monthly Average Buying and Selling Rates of Liberian Dollar per US Dollars (2016- September 2018)
Table B-5:	Liberian Dollars in Circulation (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table B-6:	Broad Money Supply and its Sources (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)
Table B-7:	Broad Money: Share of US and Liberia Dollars (3 rd Quarter, 2017; 2 nd & 3 rd Quarters, 2018)

Table B-9: Government of Liberia Treasury Bill Auction (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

PART C: FISCAL SECTOR

Table C-1: Government of Liberia's Fiscal Sector Indicators (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table C-2: Government of Liberia's Total Revenue by Sources (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table C-3: Government of Liberia's Total Expenditure (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

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

PART D: EXTERNAL SECTOR

Table D-1: Balance of Payments (BOP) Statistics (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table D-2: Quarterly Trade Balance (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table D-3: Commodity Composition of Exports (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table D-4: Destination of Exports by Region (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table D-5: Commodity Composition of Imports (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table D-6: Sources of Imports (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table D-7: Inward & Outward Personal Remittance (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table D-8: Gross International Reserves Position (3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

Table 1: Growth of Selected Global Output

	Projections			Difference from July 2018 WEO	
	2017	2018	2019	2018	2019
World Output	3.7	3.7	3.7	-0.2	-0.2
Advanced Economies	2.3	2.4	2.1	0.0	-0.1
United States	2.2	2.9	2.5	0.0	-0.2
Euro Area	2.4	2.0	1.9	-0.2	0.0
Japan	1.7	1.1	0.9	0.1	0.0
United Kingdom	1.7	1.4	1.5	0.0	0.0
Canada	3.0	2.1	2.0	0.0	0.0
Emerging Market and Developing Economies	4.7	4.7	4.7	-0.2	-0.4
Emerging and Developing Asia	6.5	6.5	6.3	0.0	-0.2
China	6.9	6.6	6.2	0.0	-0.2
India	6.7	7.3	7.4	0.0	-0.1
Latin America and the Caribbean	1.3	1.2	2.2	-0.4	-0.4
Middle East, North Africa, Afghanistan & Pakistan	2.2	2.4	2.7	-1.1	-1.2
Sub-Saharan Africa	2.7	3.1	3.8	-0.3	0.0
Nigeria	0.8	1.9	2.3	-0.2	0.0
South Africa	1.3	0.8	1.4	-0.7	-0.3
Consumer Prices					
Advanced Economies	1.7	2.0	1.9	-0.2	-0.3
Emerging Market and Developing Economies	4.3	5.0	5.2	0.3	0.7

Source: IMF World Economic Outlook Update, October 2018

Table 2: Key Agricultural Production
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)

Commodity	Unit	3rd Quarter, 2017	2nd Quarter, 2018	3rd Quarter 2018
Rubber	Mt.	11,785	12,448	9,381
Cocoa	Mt.	306	1,641	1,257*
Round Logs	M3	8,442	84,557	36,214
Sawn Timber	Pcs.	85,356	111,875	45,358
Crude Palm Oil (CPO)	Mt.	3,336	2,687	3,508

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

+Revised/actual

**Estimates*

Table 3: Key Industrial Output
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)

Commodity	Unit	3 rd Quarter, 2017	2 nd Quarter, 2018	3 rd Quarter, 2018
Gold	Ounce	48,390	55,769	54,203
Diamond	Carat	13,154	23,467	13,805
Iron Ore	Mt.	554,072	1,282,765	956,277
Cement	Mt.	51,110	100,991	63,531
Spirits	Litre	86,147	101,670	150,026
Beer	Litre	1,414,866	1,639,270	773,681
Stout	Litre	1,200,862	1,744,641	597,089
Malta	Litre	67,423	182,984	138,980
Soft Drinks	Litre	2,325,960	2,794,162	1,791,690
Oil Paint	Gal.	13,150	33,772	20,055
Water Paint	Gal.	21,961	26,505	13,111
Varnish	Gal.	2,927	9,983	5,953
Manoline Hair Grease	Kg.	2,377	1,436	2,461
Thinner	Gal	3,370	10,148	4,658
Rubbing Alcohol	Litre	69,398	69,982	30,384
Soap	Kg	144,571	152,550	131,547
Chlorox	Litre	315,529	306,309	269,560
Candle	Kg	20,843	21,021	25,494
Mattresses	Pcs.	19,764	32,458	27,302
Finished water	Gal.	551,545,644	431,261,412	499,730,746
Mineral Water	Litre	186,362	162,012	138,628
Electricity	kW	93,266,000	47,728,900	48,146,090

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

**Estimate*

+ Revised/Actual

N/A Not Available

Table 4: Consumption of Petroleum Products
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)

Commodity	Unit	3 rd Quarter, 2017	2 nd Quarter, 2018	3 rd Quarter, 2018
Premium Motor Spirit (PMS)	Gal.	2,362,174	3,451,537	2,288,178
Diesel (AGO)	Gal.	2,337,191	8,677,330	2,704,542
Jet-Fuel (Jet-A)	Gal.	-	-	-
Kerosene	Gal.	-	-	-
Total		4,699,365	12,128,868	4,992,720

Source: Liberia Petroleum Refining Company (LPRC)

+ Revised/Actual

Table 5: Vessel Traffic and Cargo Movements
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
3 rd Quarter, 2017	101	2,257,268	423,756	498,747	922,503
2 nd Quarter, 2018	106	3,946,536	708,101	1,209,333	1,917,434
3 rd Quarter, 2018	96	3,086,368	471,559	793,490	1,265,049

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

Table 6: Electric Power Developments
(3rd Quarter 2017; 2nd & 3rd Quarters, 2018)
(in Kilowatts)

Quarter	Unit	Service	Generation
3 rd Quarter, 2017	kW	Electricity	93,226,000
2 nd Quarter, 2018	kW	Electricity	47,728,900
3 rd Quarter, 2018	kW	Electricity	48,146,090

Source: Liberia Electricity Corporation (LEC)

** Estimate*

+ Revised/Actual

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

		Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI		
		Combined	Food	Non-Food	Combined	Food	Non-Food
2015	Apr	6.8	14.1	-1.1	0.1	-0.1	0.4
	May	7.9	17.5	-2.3	-0.7	0.5	-2.1
	Jun	7.7	12.2	2.7	4.3	1.9	7.4
	Jul	9.5	12.9	5.6	2.6	3.2	1.9
	Aug	7.3	6.9	7.8	-0.8	-3.5	2.4
	Sep	6.5	3.8	9.7	1.8	1.4	2.3
	Oct	6.0	2.8	10.0	0.2	0.4	0.0
	Nov	9.8	9.0	10.6	-1.4	-1.7	-1.0
	Dec	8.0	5.9	4.7	0.1	-0.4	-4.7
2016	Jan	7.0	7.4	6.4	0.1	3.0	2.2
	Feb	7.1	5.5	2.8	-1.2	-2.5	-5.4
	Mar	7.1	5.6	2.7	1.9	3.6	0.1
	Apr	7.2	3.1	6.0	0.2	-2.6	3.6
	May	7.6	1.9	14.7	-0.3	-0.6	5.9
	Jun	8.4	4.1	6.0	5.2	4.1	-0.8
	Jul	8.4	5.8	11.6	2.6	4.8	7.4
	Aug	9.9	10.8	8.8	0.5	1.1	-0.2
	Sep	8.5	9.8	6.9	0.5	0.5	0.6
	Oct	9.9	11.7	0.9	1.6	2.1	-5.6
	Nov	12.0	14.4	9.3	0.5	0.7	7.2
	Dec	12.5	14.2	16.8	0.5	-0.6	1.8
2017	Jan	13.6	11.4	16.3	1.0	0.4	1.8
	Feb	13.3	9.9	12.1	-1.5	-3.8	-0.1
	Mar	11.9	4.7	14.1	0.6	-1.3	1.8
	Apr	11.5	6.8	14.1	-0.1	-0.6	0.2
	May	13.2	8.9	15.4	1.2	1.4	1.1
	Jun	10.8	7.1	20.1	3.0	2.4	3.3
	Jul	10.5	3.8	14.8	2.3	1.6	2.6
	Aug	12.3	5.4	17.2	2.2	2.7	1.9
	Sep	13.1	6.0	18.1	1.2	1.0	1.3
	Oct	11.9	4.2	25.8	0.5	0.4	0.5
	Nov	13.1	4.6	19.5	1.6	1.1	1.8
	Dec	13.9	4.6	20.1	1.2	-0.6	2.2
2018	Jan	15.5	8.0	20.0	2.4	3.7	1.7
	Feb	17.8	11.6	21.5	0.6	-0.7	1.2
	Mar	19.5	17.4	20.7	2.1	3.8	1.1
	Apr	21.4	20.1	22.1	1.4	1.7	1.3
	May	21.3	19.6	22.2	1.1	0.9	1.2
	Jun	24.6	22.4	25.8	5.8	4.9	6.3
	Jul	26.1	23.7	27.5	3.5	2.7	4.0
	Aug	26.1	23.3	27.7	2.2	2.4	2.0
	Sep	26.3	25.2	26.9	1.4	2.5	0.7

Source: CBL & LISGIS, Monrovia, Liberia

**Table 8: Inflation by Sub-groups: Year-on-Year Changes in CPI
(2017-2018)**

Food Group	Weights	Inflation Rates			
		2017q2	2017q3	2018q2	2018q3
Bread and Cereals (ND)	11.28	23.20	-12.58	4.20	16.90
Meat (ND)	6.25	9.70	12.40	17.10	30.60
Oils and Fats (ND)	3.69	18.20	-5.60	-8.80	21.50
Fruits (ND)	1.60	-12.00	-7.20	5.40	12.20
Non-Food Group					
Alcoholic Beverages, Tobacco and Narcotics	2.55	28.67	25.32	8.89	26.32
Clothing and Footwear	6.07	18.30	34.05	34.06	22.86
Housing, Water, Electricity, Gas and Other Fuels	7.32	3.62	7.22	16.73	22.77
Furnish. , H/Hold Equip, Rout. Maintenance of House	5.46	14.20	14.46	39.28	45.13
Health	8.75	-2.96	4.55	12.06	17.27
Transport	8.47	22.65	14.83	35.33	46.09
Communication	6.73	2.37	11.60	23.32	24.79
Recreation & Culture	1.38	22.28	20.12	20.67	26.13
Education	3.15	0.00	0.00	0.00	0.00
Restaurants & Hotels	8.54	13.50	23.25	21.98	27.02
Miscellaneous Goods and Services	3.52	16.85	21.90	26.03	25.55

Source: CBL & LISGIS, Monrovia, Liberia

Table 9: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(3rd Quarter 2017; 2nd and 3rd Quarters, 2018)
(December, 2005=100)

Functions	WEIGHTS	Jul-17	Aug-17	Sep-17	3rd Quarter	Apr-18	May-18	Jun-18	2nd Quarter	Jul-18	Aug-18	Sep-18	3rd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	38.06	3.81	5.44	5.96	5.07	20.09	19.56	22.43	20.69	23.74	23.33	25.17	24.08
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	2.55	27.41	25.94	22.61	25.32	8.78	5.21	12.68	8.89	16.10	30.89	31.61	26.20
CLOTHING AND FOOTWEAR	6.07	26.07	38.02	38.07	34.05	35.61	35.14	31.43	34.06	27.87	20.68	20.02	22.86
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.32	5.67	6.93	9.05	7.21	21.64	13.46	15.10	16.73	21.39	23.72	23.20	22.77
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.46	13.59	15.82	13.96	14.46	33.19	41.45	43.21	39.28	48.58	42.31	44.49	45.13
HEALTH	8.75	-1.32	6.95	8.01	4.55	12.18	10.39	13.61	12.06	17.84	16.01	17.95	17.27
TRANSPORT	8.47	13.75	13.56	17.19	14.84	30.26	30.30	45.44	35.33	47.97	47.31	42.99	46.09
COMMUNICATION	6.73	10.07	12.13	12.61	11.61	17.84	25.12	27.01	23.32	26.83	24.09	23.44	24.79
RECREATION AND CULTURE	1.38	19.51	20.11	20.74	20.12	20.87	19.28	21.85	20.67	25.88	26.57	25.96	26.13
EDUCATION	3.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESTAURANTS AND HOTELS	8.54	21.52	22.97	25.27	23.26	20.17	21.62	24.16	21.98	20.80	31.56	28.71	27.02
MISCELLANEOUS GOODS AND SERVICES	3.52	21.38	21.71	22.60	21.90	27.54	24.87	23.64	26.03	27.90	24.76	24.00	25.55
GENERAL RATE OF INFLATION	100.00	10.47	12.31	13.07	11.95	21.35	21.27	24.56	22.39	26.12	26.11	26.31	26.18

Source: CBL & LISGIS, Monrovia, Liberia

Table 10: Commercial Bank Loans by Economic Sector
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

	2017		2018			
	3 rd Quarter	Share	2 nd Quarter	Share	3 rd Quarter	Share
Agriculture	2,416.7	4.8	4,740.0	6.8	4,277.9	5.9
Extractive (Mining & Quarrying)	609.8	1.2	440.9	0.6	664.1	0.9
Manufacturing	971.1	1.9	2,983.1	4.3	1,773.2	2.4
Construction	4,748.9	9.4	7,275.0	10.4	7,335.5	10.1
Services	4,667.4	9.3	7,603.5	10.8	6,767.1	9.3
Trade	11,038.3	21.9	27,040.1	38.5	22,862.8	31.4
Personal	6,623.8	13.1	7,045.9	10.0	14,468.5	19.9
Gen. Government	-	-	1,176.8	1.7	1,227.6	1.7
Central Bank	-	-	-	-	1.1	0.0
Public Corporations	456.0	0.9	854.6	1.2	674.9	0.9
Oil and Gas	1,934.7	3.8	4,811.0	6.9	5,315.3	7.3
Others	16,949.7	33.6	6,207.8	8.8	7,365.7	10.1
Total Loan All Sectors (LD & USD)	50,416.5	100.0	70,178.8	100.0	72,733.5	100.0
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>49,960.5</i>	<i>99.10</i>	<i>68,147.4</i>	<i>97.11</i>	<i>70,829.9</i>	<i>97.38</i>

Source: Central Bank of Liberia, Monrovia, Liberia

Table 11: Commercial Bank's Interest Rates
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Avg. Lending Rate	13.28	13.01	12.44
Avg. Personal Loan Rate	12.94	13.28	13.28
Avg. Mortgage Rate	13.39	12.33	13.38
Avg. Time Deposit Rate	3.53	3.56	3.53
Avg. Savings Rate	2.23	2.12	2.10
Avg. Rate on CDs	3.00	3.33	3.25

Source: Central Bank of Liberia, Monrovia, Liberia

Table 12: Market Exchange Rate: Liberia Dollar per US Dollar
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)

	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Market Rate End of Period	117.72	150.77	153.70
Market Rate Period Average	117.24	136.30	154.25

Source: Central Bank of Liberia, Monrovia, Liberia

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

Period Average	2016		2017		2018	
	Buying	Selling	Buying	Selling	Buying	Selling
January	89.00	90.00	102.77	103.77	126.46	127.24
February	90.00	91.00	101.67	102.67	126.85	127.26
March	90.00	91.00	103.52	104.52	131.48	131.79
April	90.92	91.92	105.64	106.64	130.94	131.37
May	90.92	91.92	109.62	110.08	134.15	134.63
June	92.42	93.42	112.48	113.19	142.90	143.79
July	94.15	95.15	112.78	113.50	153.88	155.08
August	95.81	96.81	114.74	115.50	152.97	154.12
September	97.00	98.00	116.82	117.65	156.31	157.08
October	97.92	98.92	118.06	118.90		
November	99.08	100.08	123.21	123.94		
December	100.30	101.30	125.18	125.83		
Q1	89.67	90.67	102.65	103.65	128.26	128.76
Q2	91.42	92.42	109.25	109.97	136.00	136.60
Q3	95.65	96.65	114.78	115.55	154.39	155.43
Q4	99.10	100.10	122.15	122.89		
Yearly Ave	93.96	94.96	112.21	113.02		

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 14: Liberian Dollars in Circulation
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)**

	2017	2018	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Currency in Banks	975.42	1,693.12	1,644.99
Currency outside Banks	12,410.73	15,542.96	15,509.70
Currency in Circulation	13,386.15	17,236.08	17,154.68

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 15: Broad Money Supply and its Sources (3rd
Quarter, 2017; 2nd & 3rd Quarters, 2018) (In
Millions L\$)**

Monetary Aggregates	2017	2018		Percentage Change	
	3rd Quarter	2nd Quarter	3rd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	74,993.95	95,801.19	104,191.58	8.76	38.93
1.1 Money Supply M1	50,115.81	63,449.00	69,339.45	9.28	38.36
<i>1.1.1 Currency outside banks</i>	<i>12,251.19</i>	<i>15,542.96</i>	<i>15,509.70</i>	<i>-0.21</i>	<i>26.60</i>
<i>1.1.2 Demand deposit u</i>	<i>37,864.62</i>	<i>47,906.04</i>	<i>53,829.75</i>	<i>12.37</i>	<i>42.16</i>
1.2 Quasi Money	24,878.14	32,352.19	34,852.13	7.73	40.09
<i>1.2.1 Time & Savings deposits</i>	<i>24,790.97</i>	<i>32,198.98</i>	<i>34,365.25</i>	<i>6.73</i>	<i>38.62</i>
<i>1.2.2 Other deposits v</i>	<i>87.16</i>	<i>153.20</i>	<i>486.88</i>	<i>217.80</i>	<i>458.58</i>
2.0 Net Foreign Assets	30,088.53	20,065.76	18,571.43	-7.45	-38.28
2.1 Central Bank	23,596.97	11,541.50	6,955.64	-39.73	-70.52
2.2 Banking Institutions	6,491.56	8,524.25	11,615.79	36.27	78.94
3.0 Net Domestic Assets (1 - 2)	44,905.42	75,735.43	85,620.15	13.05	90.67
3.1 Domestic Credit	87,111.63	11,865.00	17,261.81	4.82	34.61
3.1.1 Government (net)	26,458.99	32,346.03	37,149.84	14.85	40.41
3.1.2 Pvt. Sector & Other Pvt.	60,652.63	79,518.97	80,111.98	0.75	32.08
3.2 Other assets Net (3 - 3.1)	42,206.21	36,129.57	31,641.66	-12.42	-25.03
Memorandum Items					
1. Overall Liquidity	74,993.95	95,801.19	104,191.58	8.76	38.93
2. Reserve Money	30,262.25	37,329.72	37,853.14	1.40	25.08
<i>Currency outside banks</i>	<i>12,251.19</i>	<i>15,542.96</i>	<i>15,509.70</i>	<i>-0.21</i>	<i>26.60</i>
<i>Banks Reserves</i>	<i>16,957.36</i>	<i>20,415.20</i>	<i>21,002.99</i>	<i>2.88</i>	<i>23.86</i>
<i>Other Deposits at CBL</i>	<i>1,053.70</i>	<i>1,371.56</i>	<i>1,340.45</i>	<i>-2.27</i>	<i>27.21</i>

Source: Central Bank of Liberia, Monrovia 1/Excludes managers checks from commercial banks

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

Table 16: Broad Money: Share of US and Liberian Dollars
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

	2017		2018			
	3rd Quarter	Share	2nd Quarter	Share	3rd Quarter	Share
Broad Money	72,819.8	100.0	95,801.2	100.0	104,191.6	100.0
US\$ Share	49,710.0	68.3	65,567.9	68.4	71,394.7	68.5
L\$ Share	23,109.9	31.7	30,233.3	31.6	32,796.9	31.5

Source: Central Bank of Liberia, Monrovia, Liberia

Table 17: Government of Liberia Treasury Bill Auction
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions L\$)

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity (US\$)	Interest at Maturity (L\$)	Weighted Average Discount Rate (%)
3rd Quarter, 2018								
2-Aug-18	1-Nov-18	75.75	75.75	75.17	34.40	-	0.58	3.08
13-Aug-18*	13-Jul-19	447.56	447.56	447.56		28.67	-	7.00
6-Sep-18	6-Dec-18	77.07	69.24	68.66	7.83	-	0.58	3.34
Total (US\$)		447.56	447.56	447.56	-	28.67	-	7.00
Total (L\$)		152.82	144.99	143.83	42.23	-	1.16	3.21
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	69.15	69.15	68.65	52.53		0.50	2.90
Total		200.47	200.47	199.02	136.42		1.44	2.89
3rd Quarter, 2017								
6-Jul-17	5-Oct-17	55.74	37.72	37.37	(18.01)		0.35	3.69
3-Aug-17	2-Nov-17	57.28	32.18	31.88	(25.10)		0.30	3.74
7-Sep-17	7-Dec-17	58.33	32.50	32.14	(25.83)		0.35	4.35
Total		171.34	102.40	101.40	(68.94)		1.00	3.93

Source: Central Bank of Liberia

**US\$ T-bill*

Table 18: Government of Liberia's Fiscal Sector Indicators
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In percent of GDP)

Indicators	2017	2018	
	3rd Quarter	2nd Quarter	3rd Quarter
Total Revenue & Grants	19.6	13.4	13.4
Total Revenue Excluding Grants	19.6	13.4	12.6
Tax Revenue	16.8	12.1	10.9
Nontax Revenue Including Grants	2.8	1.3	2.5
Nontax Revenue Excluding Grants	2.8	1.3	1.6
Grants	0.0	-	0.8
Total Expenditure	24.3	17.0	10.3
Recurrent Expenditure	22.8	12.5	9.4
Capital Expenditure	0.9	0.5	0.1
Loan & Interest Payments & Other Charges	0.6	4.1	0.7
Compensation of Employees	10.0	6.0	5.2
Expenditure on Goods and Services	8.8	3.9	2.0
Overall Balance	(4.7)	(7.7)	1.5
Stock of Public Debt	39.4	28.2	29.2
Stock of External Debt	27.3	20.2	21.3
Stock of Domestic Debt	12.1	8.0	7.9

Source: Ministry of Finance & Development Planning (MFDP)

Table 19: Government of Liberia's Total Revenue by Sources
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions, L\$)

Revenue Sources	2017	2018		
	3 rd Quarter	2 nd Quarter	3 rd Quarter	3 rd Quarter
	Actual			Projections
Tax Revenue	10,960.6	13,742.5	14,092.3	13,613.2
International Trade Taxes	5,499.2	6,760.5	7,260.6	6,837.5
<i>Taxes & Duties on Imports</i>	5,495.1	6,740.6	7,249.7	6,823.5
<i>Taxes on Exports</i>	4.2	19.9	10.9	14.0
Taxes on Income & Profits	3,891.4	4,803.3	5,559.5	4,849.8
<i>Individual Taxes on income & profits</i>	3,661.5	4,626.1	5,799.1	4,717.5
<i>Taxes Payable by Corporate Entities</i>	229.8	177.2	180.4	132.3
<i>Others</i>	0.0	0.0	-	-
Sale Taxes on Goods & Services	1,355.2	1,858.3	1,355.5	1,681.9
<i>Goods & Service Tax</i>	606.8	536.1	810.0	1,031.4
<i>Excise Taxes</i>	152.6	125.4	163.2	197.2
<i>Maritime Revenue</i>	303.9	464.4	93.9	233.9
<i>Others</i>	291.8	412.1	288.3	219.4
Property & Real Estate Taxes	213.0	320.4	105.8	244.1
Other Tax Revenue ¹	1.8	0.0	0.2	-
Non-Tax Revenue	1,800.1	1,526.8	3,191.4	3,748.4
Administrative Fees & Other Charges	1,800.1	1,526.8	2,107.4	2,072.5
Grants	1,800.1	-	1,083.6	1,675.9
Others	-	-	0.1	-
<i>Contingent Revenue</i>	-	-		-
<i>Borrowing</i>	-	-		-
<i>Carry Forward</i>	-	-		-
<i>Grants, loans and other external resource</i>	-	-		-
Total Revenue & Grants	12,760.71	15,269.3	17,472.9	17,361.6

Source: Ministry of Finance & Development Planning (MFDP)

*Revised

Table 20: Government of Liberia's Total Expenditure
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Millions, L\$)

Expenditure by Codes	2017	2018	
	3rd Quarter	2nd Quarter	3rd Quarter
Recurrent Expenditure	14,851.9	14,196.8	12,117.6
Compensation of Employees	6,551.3	6,880.4	6,754.7
Expenditure on Goods & Services	5,751.3	4,450.9	2,637.5
Subsidies	-	-	-
Grants	1,174.6	1,072.5	1,025.9
Social Benefits	36.1	2.8	31.3
Others	1,338.6	1,790.1	1,668.1
Capital Expenditure	593.8	513.0	188.1
Depreciation	-	-	-
Acquisition of Fixed Assets	593.8	513.0	188.1
Others	-	-	-
Loan & Interest Payments & Other Charges	410.7	4,648.7	951.3
Domestic Debts Repayment	-	3,090.4	-
External Debts Repayment	-	-	-
Interest on Domestic Debt	161.0	815.5	615.1
Interest on Foreign Debt	249.7	187.9	57.8
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	-	554.9	278.4
Other Expenditures¹			-
	-		-
Total Expenditure	15,856.45	19,358.4	13,257.02

Source: MFDP

+Expenditures not elsewhere mentioned

Table 21: Liberia's Overall Public Debt Position by Creditors
As at September 30, 2018
(In Millions, US\$)

Creditors	2017	2018	
	End-Sept	End-June	End-Sept
Total Public Debt	868.9	942.6	976.9
External Debt	602.2	676.4	711.5
Multilateral	548.5	622.7	627.9
<i>WORLD BANK GROUP</i>	305.0	356.1	372.9
<i>IMF -RCF Credit¹</i>	45.6	45.4	45.1
<i>AfDB GROUP</i>	71.0	91.6	98.8
<i>EU/EIB</i>	54.7	54.7	54.7
<i>Others</i>	72.2	74.9	56.5
Bilateral	53.7	53.7	83.5
<i>China</i>	5.2	5.2	5.2
<i>Kuwait</i>	14.9	14.9	14.9
<i>Saudi Arabia</i>	33.5	33.5	44.4
<i>Others</i>	-	-	19.0
Domestic Debt	266.7	266.2	265.5
Financial Institutions	266.7	265.5	264.8
<i>Central Bank of Liberia (CBL)</i>	256.7	255.5	254.8
<i>CBL Infrastructure</i>	10.0	10.0	10.0
<i>Others</i>	-	-	-
Others	-	0.7	0.7

Source: Ministry of Finance & Development Planning (MFDP)

Table 22: Balance of Payments Statistics
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million US dollars)

Description	2017	2018	
	Q-3	Q-2*	Q-3**
Current account	(160.9)	(108.7)	(146.7)
Credit	334.7	317.7	289.0
Debit	495.6	426.4	435.7
Goods and services	(171.9)	(155.8)	(203.1)
Credit	101.9	130.4	104.5
Debit	273.8	286.2	307.6
Goods (net)	(111.7)	(111.0)	(168.6)
Credit (Exports)	99.1	127.9	101.8
Iron ore	16.8	35.6	19.4
Rubber	19.0	18.0	12.2
Mineral (Gold & Diamond)	54.9	63.8	55.7
Palm oil	2.8	2.6	1.7
Other exports (excluding gold)	5.6	7.8	12.8
Debit (Imports)	210.8	238.9	270.4
Food and Live Animals (including Animals & Vegetable Oil)	58.2	55.0	72.8
<i>O/w Rice</i>	27.5	30.9	23.8
Minerals, Fuel, Lubricants¹	34.8	40.2	32.3

O/w Petroleum Products	29.1	30.0	13.7
Machinery & Transport Equipment	48.7	67.6	69.8
Other Imports	12.5	15.2	58.0
General merchandise on a balance of payments basis	-159.4	-166.8	-218.2
Credit	51.4	72.1	52.2
Debit	210.8	238.9	270.4
Of which Re-exports (credit)	2.5	2.4	1.2
Nonmonetary Gold (credit)	47.7	55.8	49.6
Services	-60.2	-44.8	-34.5
Credit	2.8	2.6	2.7
Debit	63.01	47.4	37.2
Primary Income	-57.72	-31.6	-33.3
Credit	5.00	6.38	5.43
Debit	62.72	37.98	38.73
Secondary Income	68.67	78.71	89.69
Credit	227.80	180.88	179.04
Debit	159.13	102.17	89.34
Capital Account	16.0	28.8	24.5
Credit	16.0	31.0	26.4
Debit	0.0	2.2	1.9
Net Lending (+)/Net Borrowing (-) balance of Current & Capital Accounts	-144.9	-79.9	-122.2
Financial Account			
Net Lending (+)/Net Borrowing (-) balance of Financial Accounts	-98.9	-69.9	-42.2
Direct investment	-58.4	-31.8	-31.6
Net acquisition of financial assets	0.0	0.0	0.0
Net incurrence of liabilities	58.4	31.8	31.6
Other investment	-28.4	-13.4	15.3
Net acquisition of financial assets	5.1	35.1	57.0
Net incurrence of liabilities	33.5	48.5	41.7
Reserve assets	-12.1	-24.7	-25.9
NET ERRORS & OMISSIONS	46.1	9.9	80.0
Overall Balance	12.1	24.7	25.9
MEMORANDUM ITEMS			
Gross Foreign Reserves Position	382.7	382.6	383.7
Import Payments (cif)	231.3	263.5	297.2
Imports (cif) & Service Payments	294.3	310.9	334.4
Current Account Bal. excluding Grants	261.6	172.4	218.7
Nominal GDP†	821.3	804.0	804.0
Current Account Bal. Incl. Grants % of GDP	-19.6	-13.5	-18.2
Capital Account Bal. (% of GDP)	1.9	3.6	3.0
Trade (in goods) Deficit % of GDP	13.6	13.8	21.0
Months of Imports Cover††	3.9	3.7	3.4

Source: Central Bank of Liberia

**Preliminary figures

*Revised figures 2017

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

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

†† Months of imports cover per 3 months

Table 23: Quarterly Trade Balance
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

	2017	2018	
	Q-3	Q-2*	Q-3**
Exports	99.1	127.9	101.8
Import	210.8	238.9	270.4
Total Trade (+ surplus, - deficit)	-111.7	-111.0	-168.6

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

***Preliminary figures*

**Revised*

Table 24: Commodity Composition of Exports
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

Commodity	Unit	2017			2018					
		Q-3*			Q-2*			Q-3**		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	23.4	19.0	19.2	13.8	18.0	14.1	9.4	12.2	12.0
Cocoa Bean	Mt.	2.1	0.7	0.7	0.1	0.1	0.1	0.2	0.1	0.1
Coffee Bean	Mt.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iron ore	Mt.	554.1	16.8	17.0	1,124.7	35.6	27.9	664.0	19.4	19.1
Mineral		0.0	54.9	55.4	0.0	63.8	49.9	0.0	55.7	54.7
o/w Diamond	Carat	13.2	7.2	7.3	23.5	8.0	6.3	16.9	6.0	5.9
o/w Gold	Oz	48.6	47.7	48.1	53.7	55.8	43.7	52.7	49.6	48.8
Other Exports		6.7	2.8	2.8	24.0	2.6	2.0	2.2	1.7	1.7
Good Procured*			1.3	1.3		4.1	3.2		9.1	8.9
Total Exports			99.1	100		127.9	100		101.8	100

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

IGoods procured in ports by carrier;

***Preliminary figures*

**Revised*

Table 25: Destination of Exports by Region
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

<i>Destination of Export by Region</i>	<i>2017</i>		<i>2018</i>					
	<i>Q-3</i>		<i>Q-2*</i>		<i>Q-3**</i>		<i>Q-Q</i>	<i>Yr-Yr</i>
	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>% Change</i>	<i>% Change</i>
Africa	2.8	2.8	4.2	3.3	5.7	5.6	35.8	101.9
o/w ECOWAS	1.0	36.8	0.9	22.6	4.6	80.2	381.8	340.2
o/w Neighboring Countries	1.0	99.4	0.1	5.6	4.2	91.7	7,813.5	305.8
Asia	47.5	48.0	11.6	9.1	5.7	5.6	(51.0)	(88.0)
o/w The Middle East	5.7	12.0	8.5	73.3	3.9	68.9	(53.9)	(30.9)
o/w United Arab Emirate	1.1	19.9	1.2	13.8	0.7	18.1	(39.4)	(37.0)
then China	0.0	0.0	0.1	1.7	0.0	1.0	(72.0)	0.0
Europe	30.7	31.0	91.0	71.2	75.2	73.9	(17.4)	144.8
o/w Europe Zone	0.2	0.6	0.1	0.1	0.0	0.0	(86.5)	(95.9)
o/w The United Kingdom	0.2	98.2	0.1	100.0	0.0	100.0	(86.5)	(95.8)
North America & The Caribbean	11.5	11.6	16.8	13.1	11.1	10.9	(33.7)	(3.2)
o/w USA	11.5	100.0	16.8	100.0	11.1	100.0	(33.7)	(3.3)
South & Central America	3.0	3.0	0.0	0.0	0.4	0.4	3,185.9	(85.4)
o/w Argentina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oceania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(100.0)
o/w Australia	0.0	100.0	0.0	0.0	0.0	0.0	0.0	(100.0)
Other Countries (n.i.e)	3.5	3.6	4.2	3.3	3.6	3.6	(14.4)	3.3
TOTAL IMPORT PAYMENTS	99.10	100.0	127.88	100.0	101.80	100.0	(20.4)	2.7

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

***Preliminary figures*

**Revised*

Table 26: Commodity Composition of Imports
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

<i>Commodity Composition of Import on FOB Basis</i>	<i>2017</i>		<i>2018</i>					
	<i>Q-3</i>		<i>Q-2*</i>		<i>Q-3**</i>		<i>Q-Q</i>	<i>Yr-Yr</i>
	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>% Change</i>	<i>% Change</i>
Food and Live Animals	53.8	25.5	50.5	21.1	68.3	25.2	35.2	26.8
o/w Commercial Rice	26.3	204.8	30.4	165.8	22.3	305.4	(26.6)	(14.9)
o/w Non-Commercial Rice	1.2	2.2	0.5	0.9	1.5	2.2	223.7	25.1
Beverages and Tobacco	3.0	1.4	5.7	2.4	5.0	1.9	(12.0)	67.9
Crude Material & Inedible, except Fuel	5.5	2.6	5.1	2.1	6.4	2.4	24.8	16.1
Minerals, Fuel Lubricants	34.8	16.5	40.2	16.8	32.3	11.9	(19.6)	(7.2)
o/w Petroleum products	29.1	119.4	30.0	133.8	13.7	235.4	(54.3)	(52.9)
Animals and Vegetable Oil	4.4	2.1	4.5	1.9	4.5	1.7	0.4	2.4
Chemicals & related Products	24.1	11.5	26.9	11.3	25.1	9.3	(6.7)	4.1
Mfg. Goods classified by Materials	26.6	12.6	30.3	12.7	46.9	17.4	54.8	76.1
Machinery & Transportation Equipment	48.7	23.1	67.6	28.3	69.8	25.8	3.2	43.4
Misc. Mfg. Articles	9.8	4.7	8.0	3.4	12.0	4.5	49.9	22.8
TOTAL IMPORT PAYMENTS	210.8	100.0	238.9	100.0	270.4	100.0	13.2	28.3

Source: Liberia Revenue Authority (ASYCUDA)

***Preliminary figures*

**Revised*

Table 27: Sources of Imports by Regions
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

<i>Sources of Import by Region (on FOB Basis)</i>	<i>2017</i>		<i>2018</i>					
	<i>Q-3</i>		<i>Q-2*</i>		<i>Q-3**</i>		<i>Q-Q</i>	<i>Yr-Yr</i>
	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>Value</i>	<i>% Share</i>	<i>% Change</i>	<i>% Change</i>
Africa	40.1	19.0	45.3	19.0	42.8	15.8	(5.6)	6.8
o/w ECOWAS	35.8	89.2	38.8	85.5	33.9	79.3	(12.5)	(5.1)
o/w Neighboring Countries	32.4	90.7	34.5	88.9	28.2	83.0	(18.3)	(13.2)
Asia	100.0	47.4	127.2	53.3	149.8	55.4	17.7	49.8
o/w The Middle East	9.4	9.4	9.7	7.7	7.5	5.0	(22.6)	(20.2)
o/w United Arab Emirate	4.0	42.6	2.9	29.6	3.1	41.1	7.4	(23.0)
then China	51.1	51.1	40.5	31.8	72.4	48.3	78.8	41.7
Europe	40.4	19.2	43.1	18.0	47.5	17.6	10.2	17.5
o/w Europe Zone	5.3	13.1	8.1	18.9	9.4	19.7	15.2	76.6
o/w The United Kingdom	2.5	46.9	3.0	36.6	5.0	53.5	68.5	101.3
North America & The Caribbean	23.7	11.3	17.4	7.3	22.1	8.2	27.1	(6.7)
o/w USA	23.2	97.7	15.3	87.9	20.2	91.4	32.1	(12.8)
South & Central America	5.2	2.5	5.3	2.2	7.5	2.8	39.7	43.4
o/w Argentina	0.3	5.3	0.1	2.6	0.4	5.3	184.0	44.7
Oceania	1.3	0.6	0.4	0.2	0.6	0.2	56.3	(50.2)
o/w Australia	0.9	66.4	0.2	47.9	0.2	26.2	(14.6)	(80.3)
TOTAL IMPORT PAYMENTS	210.8	100.0	238.9	100.0	270.4	100.0	13.2	28.3

Source: Liberia Revenue Authority (ASYCUDA)

***Preliminary figures*

**Revised*

Table 28: Inward & Outward Personal Remittances
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD)

Personal Remittances		2017	2018	
		Q-3	Q-2*	Q-3
Inwards		163.8	130.8	117.1
Outwards		107.2	74.6	81.2
	Net flow	56.6	56.2	35.9

Source: Central Bank of Liberia

**Revised*

Table 29: Gross International Reserves Position
(3rd Quarter, 2017; 2nd & 3rd Quarters, 2018)
(In Million USD, except otherwise indicated)

Quarter	2017	2018	
	Q-3	Q-2*	Q-3
Gross International Reserves+	382.7	382.6	383.7
Net Foreign Reserves	88.0	87.9	89.0
<i>Months of Imports Cover</i>	3.9	3.7	3.4

Source: Central Bank of Liberia

**Revised*

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