

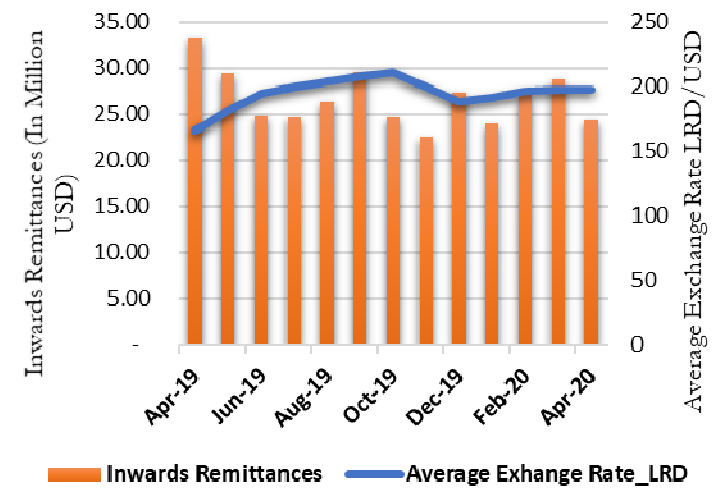


# CENTRAL BANK OF LIBERIA

## MONTHLY ECONOMIC REVIEW

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The rise in the price of the commodity during the month remained largely due to weak supply of the product as a result of export restriction decision taken by some rice producing countries amid the spread of COVID-19. Annual comparison of the price of the commodity showed a surge of 36.6 percent, from US\$413.0 per metric ton.

#### Palm oil

Palm oil price decreased further for the third consecutive month following January 2020 price rise. The price slowed by 4.1 percent to US\$608.9 per metric ton during the month mainly on account of weak global demand due to the COVID pandemic. Additionally, unexpected increase in palm oil output in Malaysia exacerbated the downward pressure on the price of the commodity. Year-on-year comparison of the price of palm oil reflected a slight rise by 3.5 percent, from US\$588.4 per metric ton.

#### Sugar

Sugar price dropped during the month to US\$230.0 per metric ton. The 11.5 percent reduction in the price of the commodity was due to slow global demand coupled with increased production and subsequent export. Similarly, year-on-year comparison of the price of sugar indicated a 17.9 percent decrease, from US\$280.00 per metric ton, the same period a year ago.

#### Cocoa beans

Cocoa price also fell in the fourth month of the year to US\$2,270.0 per metric ton following an increase in the previous month. The price fell by 6.6 percent during the month due mainly to increase in supply of the commodity amid improvement in weather conditions for the West African countries (Ghana and Cote d'Ivoire). Compared with the same month a year ago, the price of cocoa beans fell modestly by 6.6 percent, from US\$2,330.00 per metric ton.

**Table 8: External Sector Statistics: Global Prices**

GLOBAL PRICE	Apr - 19	Feb - 20	Mar - 20	Apr - 20	Percent Change	
					MoM	YoY.
	(In price per Unit of Measure)					
Iron ore (US\$/MT)	93.70	87.68	88.99	84.73	(4.79)	(9.57)
Gold (US\$/Oz)	1,285.91	1,597.10	1,591.93	1,683.17	5.73	30.89
Rubber (US\$/MT)	1,720.00	1,610.00	1,500.00	1,330.00	(11.33)	(22.67)
Cocoa Beans (US\$/MT)	2,330.00	2,720.00	2,430.00	2,270.00	(6.58)	(2.58)
Palm oil (US\$/MT)	588.45	728.81	635.19	608.88	(4.14)	3.47
Crude oil (US\$/BBL)	68.58	53.35	32.20	21.04	(34.66)	(69.32)
<b>Food Price Index (FAO)</b>	<b>170.70</b>	<b>99.40<sup>†</sup></b>	<b>95.10<sup>†</sup></b>	<b>92.40</b>	(2.84)	(45.87)
Rice_5% broken (US\$/MT)	413.00	450.00	494.00 <sup>†</sup>	564.00	14.17	36.56
Sugar (US\$/MT)	280.00	330.00	260.00	230.00	(11.54)	(17.86)
<b>Commodity Price Index</b>	<b>123.42</b>	<b>111.02</b>	<b>93.87<sup>†</sup></b>	<b>84.15</b>	(10.35)	(31.81)

Source : [www.indexmundi.com](http://www.indexmundi.com), <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>  
† - Revised

## GLOBAL COMMODITY PRICE DEVELOPMENTS

**Iron ore**

During the fourth month of the year, the price of iron ore stood at US\$84.7 per metric ton, falling by 4.8 percent, from the price per metric ton in the preceding month. The slowdown in the price of the commodity during the month was occasioned by huge supply of the commodity mainly from Australia and Brazil. When compared with the price in the corresponding month of 2019, iron ore price fell by 9.6 percent.

**Crude oil (Petroleum) price**

The price of petroleum slumped by 34.7 percent to US\$21.0 per barrel, from the price reported in the preceding month. The sharp fall in the price of petroleum was occasioned by weak global crude oil demand caused by the COVID-19 pandemic. The sharp collapse in oil demand has left the global market oversupplied with enough crude to overwhelm storage facilities in landlocked oilfields. Compared with the price of US\$68.6 per barrel in April 2019, the price of petroleum plummeted by 69.3 percent.

**Rubber**

Rubber price in April 2020 slumped for the third consecutive month to US\$1,330.00 per metric ton compared to the preceding month. The 11.3 percent fall in the price of the commodity was a result of persistent slowdown in demand for the product from many rubber producing plants including auto manufacturing plants due to the pandemic. Yearly comparison of the price of rubber showed a 22.7 percent slowdown from US\$1,720.00 per metric ton.

**Food Price (FAO)<sup>1</sup>**

In the fourth month of the year, FAO food price index showed that the price of food further declined. Food price index fell by 2.7 percentage points to 92.4 due to the negative impact of the pandemic on all commodity group, particularly sugar and dairy products. Except for cereal, the prices of all sub-indices of the food basket registered significant declines in the global food market. Year-on-year comparison of the index showed that food price declined by 78.3 index points, from 170.7.

**Rice**

Rice price in April 2020 stood at US\$564.0 per metric ton. The price increased for the second consecutive month of the year by 14.2 percent following a slight fall in February 2020.

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## INTRODUCTION

The Monthly Economic Review (MER) is a regular publication of the Central Bank of Liberia (CBL) that provides a snapshot of major developments in key economic sectors (Real, Monetary, Fiscal and External) of Liberia. The MER also highlights the Monetary Policy Stance of the CBL and exchange rate developments in the West African Monetary Zone (WAMZ).

## OVERVIEW

In April 2020, performances of key commodities produced in the Liberian economy were weak. Except the output of rubber that increased during the month, production of beverages, cement and iron ore declined compared to the preceding month. For the second consecutive month, there are no data on the production of gold and diamond. Both headline inflation and core inflation recorded increases when compare with the previous month. The increases in headline and core inflations during the month were induced by upsurges in the prices of items in housing, water, electricity, gas and other fuels, health and restaurants and hotels major groups.

The Monetary policy stance of the CBL is focused on price stability using interest rate as one of its policy instruments to achieve its objective. During the month, the CBL maintained a tight monetary policy stance using the available monetary policy instruments, including reserves requirement, the standing deposit facility (SDF) and the CBL bill at different tenors to help ease the exchange rate pressure on the Liberian dollar.

Developments in monetary aggregates showed that broad money (M2) increased during the month compared with the preceding month. The slight growth in M2 was due largely to increases in time and savings deposits. On the asset side, the increase in M2 was mainly on account of growth in Net Domestic Assets (NDA). Statistics on commercial banks loans to private sector during the month showed that the share of United States Dollar (USD) denominated loans increased for the second consecutive month, due to increases in personal loans and loans to the services sector, while loans in Liberian Dollar (LD) slowed for the second consecutive month on account of decreases in personal loans and loans to the trade sector. The banking sector remained sound and resilient in the review month, evidenced by improved performances in all the indicators including Capital Adequacy Ratio (CAR), Return on Assets (ROA), Return on Equity (ROE) and Liquidity Ratio (LR).

Fiscal operations during the month resulted to a deficit that was higher than the deficit recorded in the preceding month. The rise in fiscal deficit was occasioned by a rise in government expenditure against a fall in revenue generated during the month.

Merchandise trade deficit improved significantly during the month compared with the deficit recorded in the previous month, on account of a slump in payments for import amid appreciable increase in earnings from export. Export earnings rose on the back of uptick in receipts from rubber and iron ore, while the decline in

commodity exported during the month. Four countries in Asia, and the Americas showed dominance as sources of merchandise imports to Liberia. During the month, payments for imports to India, Japan and China together amounted to US\$11.9 million, accounting for 35.5 percent of total import payments. Goods imported from India were predominantly rice with pharmaceuticals and building materials, while those from China were predominantly vehicle and parts, electronic appliance, as well as other household materials. Imports from Japan were mainly machinery and transport equipment. Imports from the Americas were mainly medical supplies, vehicle and spare parts as well as personal cares.

## EXCHANGE RATE DEVELOPMENTS

Using the end-of-period (EOP) and average (AVE) exchange rates, the Liberian dollar depreciated against the US dollar during the month compared with the rates recorded at end-March 2020. The EOP rate showed that the Liberian dollar depreciated by 0.1 percent to L\$198.35/US\$1.00, while the Ave exchange rates showed a depreciation of the Liberian dollar by the same magnitude of 0.1 percent to L\$198.12/US\$1.00. The marginal depreciation of the Liberian dollar was partly due to slowdown in demand for foreign exchange to facilitate imports. Compared with the rates reported in the corresponding month of 2019, the EOP and AVE exchange rates showed depreciation of the Liberian dollar by 13.3 percent and 16.0 percent, respectively.

Foreign exchange developments in the West African Monetary Zone (WAMZ) at end-April 2020 indicated that, using the EOP exchange rate, four currencies in the WAMZ depreciated, while two currencies appreciated. The Nigerian Naira and the Sierra Leonean Leone appreciated against the US dollar by 17.6 percent to N306.50/US\$1 and 1.0 percent to Le9,710.63/US\$1.00, respectively compared with the rates reported a month ago. On the other hand, the Gambian Dalasi, the Ghanaian Cedi, the Guinean Franc and the Liberian dollar depreciated during the month by 7.7 percent, 2.3 percent, 0.3 percent and 0.1 percent, respectively compared with the rates recorded at end-March 2020. Annualize comparison of the exchange rate movements in WAMZ showed that all currencies, except the Naira, depreciated against the United States Dollar. The Naira remained relatively stable. The highest depreciation was reported in the Liberian dollar by 13.3 percent, followed by the Sierra Leonean Leone, the Ghanaian Cedi, the Gambia Dalasi, and the Guinea Franc by 10.1 percent, 8.6 percent, 3.1 percent and 3.0 percent, respectively (Table 7).

**Table 7: Exchange Rates: WAMZ Countries End-of-Period Exchange Rates against the US Dollar**

Rate & Currency	Apr - 19	Feb - 20	Mar - 20	Apr - 20	Appr (-)/Depr (+)	
					MoM	YoY
<b>Exchange Rate</b>	<b>LD/USD</b>				<b>Percent change</b>	
End of Period	172.01	197.57	198.06	198.35	(0.15)	(13.28)
Period Average	166.37	196.76	197.83	198.12	(0.15)	(16.03)
<b>WAMZ Currency</b>	<b>Currency per USD</b>				<b>Percent change</b>	
GHC	5.09	5.29	5.44	5.57	(2.33)	(8.62)
GMD	50.17	47.83	47.79	51.77	(7.69)	(3.09)
GNF	9,130.49	9,365.23	9,381.12	9,409.42	(0.30)	(2.96)
NGN	306.45	306.95	360.50	306.50	17.62	(0.02)
SLL	8,734.33	9,753.05	9810.40	9,710.63	1.03	(10.05)

Source: CBL, WAMA: [www.amao-wama.org/](http://www.amao-wama.org/)

GHC - Ghanaian Cedi; LD - Liberian Dollar; GMD - Gambian Dalasi; USD – United States Dollar; GNF - Guinean Franc; NGN - Nigerian Naira; SLL—Sierra Leonean Leone; USD – United States Dollar

Trade Statistics	Apr - 19	Feb - 20	Mar - 20	Apr - 20
<b>Personal Remittances</b>	<b>(Millions of USD)</b>			
Inflows	33.22	27.24	28.82	24.47
Outflows	18.89	10.43	9.83	9.10
<b>Net flows</b>	<b>14.33</b>	<b>16.81</b>	<b>18.99</b>	<b>15.37</b>
<b>Other Indicators</b>				
Import (C.I.F)	107.51	77.26	91.59	37.34
Gross International Reserves (GIR) <sup>2</sup>	273.78	250.21	257.90	251.17
<b>Import covers (In Month)</b>	<b>2.3</b>	<b>2.4</b>	<b>2.4</b>	<b>2.6</b>
<b>Direction of Trade (DOT)</b>	<b>(Millions of USD)</b>			
<b>Destination of Export</b>	<b>55.66</b>	<b>46.01</b>	<b>33.35</b>	<b>37.58</b>
o/w China	9.82	0.02	0.17	22.31
o/w United Kingdom of Great Britain	0.00	0.01	3.26	3.40
o/w Poland	0.00	2.24	0.00	2.21
o/w United States of America	5.35	6.48	5.06	1.97
<b>Sources of Import</b>	<b>97.37</b>	<b>71.33</b>	<b>83.35</b>	<b>33.60</b>
o/w India	40.05	5.81	32.89	6.39
o/w China	12.23	13.01	7.12	3.24
o/w Japan	2.25	1.02	0.76	2.29
o/w United States of America	5.49	6.10	10.61	2.18

Source: LRA (ASYCUDA), AML, MLME, FSL & CBL

/1 Trade data are primarily sourced from LRA (Custom) with larger coverage than BIVAC.

/2 (GIR) is the sum of net foreign liquid asset plus SDR and Reserve tranche less liabilities to CoBs and GoL

## Remittances

During the month, both inward and outward remittances declined, but inward remittances declined more than the fall in outward remittances. Inward personal remittances fell by 15.1 percent to US\$24.5 million, while outflows of remittances decreased by 7.4 percent to US\$9.1 million, resulting to a net inflow of US\$15.4 million, which was 19.1 percent lower than the net inflows in the previous month. The fall in inward remittances was primarily due to the effect of the lockdown measures imposed in remittance recipient countries, especially the USA. Compared with the same month a year ago, net inflows of personal remittance increased by 7.3 percent, from net inflow of US\$14.3 million in April 2019.

## Gross International Reserves

At end of the fourth month of 2020, gross international reserves (GIR) position stood at US\$251.2 million, falling by 2.6 percent compared with the stock recorded in the preceding month. The decrease in payments for goods and services during the month led to a 0.2 month increase in the months of import cover to 2.6 months, 0.4 month below the ECOWAS benchmark of 3.0 months (Table 6).

## Direction of Trade (DOT)

During the month, Asia, Europe and America were the main destinations of Liberia's exports. Great Britain and Poland were the main countries of destination in Europe and constituted 14.9 percent of total export earnings. In Asia, China was the leading country of export, accounting for 59.3 percent of total export in the month. Iron ore was the main commodity exported to those three countries (Great Britain, Poland and China). With regards to the USA, rubber was the main

payments for import was mainly due to food and live animals (including oil made from animals and vegetable) related imports

At the end of the fourth month of 2020, the stock of Gross International Reserves (GIR) reduced compared to the preceding month. The slump in import payments during the month was the key driver for the increase in the months of import cover. Both inflows and outflows of remittances in the current month fell, leading to a net inflow of remittances in the current month being lower than the amount recorded during the preceding month. The Liberian dollar, based on the average and end-of-period exchange rates, depreciated marginally against the United States dollar due, in part, to weak demand for foreign currency to facilitate trade amid transport restriction due to COVID 19.

## REAL SECTOR & PRICE DEVELOPMENTS

### Production Analyses of Key Commodities

Statistics of key commodities produced during the month showed significantly weak performance when compare with March 2020. Except for rubber which rose during the month, production of cement, beverages and iron ore decreased. Output of rubber rose by 30.1 percent to 6,288.0 metric tons, basically on account of increase in harvest from small farm holders. Cement output, for the first time in 2020, slumped by 30.7 percent to 28,537.0 metric tons due to inventory build-up from the preceding months. Iron ore production fell by 3.4 percent to 495,000.0 metric tons due to stockpile of the mineral for the month. Total beverages produced during the month declined by 33.2 percent when match against the previous month, on account of a significant reduction in output of alcoholic beverages as a result of its reported stockpile. Like the previous month, in the reported month, there were no data on the production of gold and diamond for the second consecutive month.

### Consumer Prices

Headline inflation for the month stood at 22.5 percent; increasing by 0.8 percentage point, from 21.7 percent in the preceding month. The rise in headline inflation was largely due to increase in the prices of items relating to housing, water, electricity, gas and other fuels, health and restaurants and hotels major groups. Similarly, core inflation<sup>1</sup> increased by 1.4 percentage points to 17.7 percent, from 16.3 percent at end-March 2020. The increase in core inflation was due mainly to the same major groups that gave rise to the headline inflation. However, month-on-month rate of inflation declined to 0.1 percent in April 2020, from 1.9 percent in March 2020, due largely to fall in the prices of items in the food and non-alcoholic beverages and restaurants and hotels major groups (Table 1).

Table 1: Production and Price Statistics

Production	Apr - 19	Feb - 20	Mar - 20	Apr - 20
	(In Metric tons, carat and Ounces)			
Iron Ore (Metric ton)	362,472	404,850	512,606	495,000
Gold (Ounces)	19,138	10,158	na	na
Diamond (Carat)	6,389	7,452	na	na
Rubber (Metric ton)	7,718	5,457	4,832	6,288
Cement (Metric ton)	40,398	36,482	41,195	28,537
<b>Beverages</b>	<b>(In Liters)</b>			
Alcoholic	963,589	874,928	991,139	601,925
Non-Alcoholic	649,311	109,716	61,332	101,574
Total Beverage Production	1,612,900	984,644 <sup>±</sup>	1,052,471 <sup>±</sup>	703,499
<b>Inflation</b>	<b>(In percent)</b>			
Overall (Y-o-Y) Rate of Inflation				
a. Food and Non-alcoholic Beverages Inflation	<b>23.29</b>	<b>25.76</b>	<b>21.72</b>	<b>22.51</b>
-Domestic Food Inflation	26.50	25.26	30.48	30.24
-Imported Food Inflation	33.04	25.56	34.66	36.45
b. Transport Inflation	20.57	25.19	27.25	25.38
c. Imported Fuels Inflation	26.13	30.55	25.43	23.17
Overall (M-o-M) Rate of Inflation	33.18	16.49	18.05	5.33
<b>Core Inflation</b>	<b>(0.59)</b>	<b>1.28</b>	<b>1.88</b>	<b>0.05</b>
Inflation less Food & Non-alcoholic Beverages	21.63	26.02	17.31	18.33
Inflation less Imported Food	23.71	25.93	20.53	21.90
Inflation less Domestic Food	15.70	25.97	19.60	20.19
<b>Inflation less Food and Transport</b>	<b>20.94</b>	<b>25.45</b>	<b>16.31</b>	<b>17.69</b>
	<b>(Millions USD, except otherwise specified)</b>			
Nominal GDP Annual	<b>3,024.28</b>	<b>2,858.40<sup>†</sup></b>	<b>2,858.40<sup>†</sup></b>	<b>2,858.40</b>
Real GDP Annual	1,400.14	1,365.12 <sup>†</sup>	1,365.12 <sup>†</sup>	1,365.12
Real GDP growth rate (in percent)	(2.5)	(2.5) <sup>†</sup>	(2.5) <sup>†</sup>	(2.5)

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, CEMENCO, CBL & LISGIS; IMF & Liberian Authorities: Liberia Mini Model

## MONETARY DEVELOPMENTS

### Monetary Policy Stance

The monetary policy stance of the CBL remained focused on price stability using interest-rate based instruments to manage the volume of Liberian dollar liquidity in circulation. In pursuance of its objective, the Bank used the reserve requirements and the CBL bill at different tenors as key monetary policy instruments.

### Monetary Aggregates

At end of the fourth month of 2020, broad money (M2) rose slightly by 0.8 percent to L\$123,362.8 million, from the stock recorded at the end of the preceding month. The growth in M2 was occasioned largely by increases in time and saving deposits and other deposits by 6.8 percent and 8.6 percent, respectively. Base on the movement of the asset of the banking sector, the rise in M2 was occasioned by increase in net domestic assets (NDA) which offset the marginal decline in net foreign assets (NFA). NDA rose by 0.9

## EXTERNAL SECTOR DEVELOPMENTS

### Merchandise Trade

Preliminary data on merchandise trade showed significant improvement during the month of April 2020. At the end of the month, trade balance recorded a surplus of US\$4.0 million (0.1 percent of GDP) compared with the deficit of US\$50.0 million (1.7 percent of GDP) in the preceding month, driven largely by a significant slump in payments for import.

Payments for merchandise import plummeted by 59.7 percent to US\$33.6 million (1.2 percent of GDP), from 2.9 percent of GDP reported in March 2020, largely occasioned by slump in payments for all categories of import, but mainly payments for food & live animals (including animal and vegetable oil) and machinery and transport equipment. Payments for food plunged by approximately 70.1 percent resulting from a second consecutive excessive decrease in imports for commercial rice. Payments for machinery and transport equipment slumped owing to slowdown in import of commercial vehicles and parts due to transport restriction due to COVID-19.

On the other hand, earnings from export surged by 12.6 percent to US\$37.6 million (1.3 percent of GDP), from earnings recorded in the preceding month. This increase in earnings was mainly driven by rise in receipts from sales of iron ore occasioned by increase in its volume exported in the wake of decline in the price of the commodity during the month. It is important to note that data on export of gold and diamond were not available up to the time of this report.

Table 6: External Sector Statistics

Trade Statistics	Apr - 19	Feb - 20	Mar - 20	Apr - 20
<b>External Trade (Value)</b>	<b>(Millions of USD)</b>			
<b>Exports<sup>1</sup></b>	<b>55.66</b>	<b>46.01</b>	<b>33.35<sup>±</sup></b>	<b>37.58</b>
o/w Iron Ore	23.82	18.58	18.64	29.81
o/w Rubber	9.83	11.00	9.61	6.31
o/w Gold	18.43	12.84	0.00	na
o/w Diamond	1.69	1.92	0.00	na
o/w Cocoa Bean	0.02	0.53	1.11	0.55
o/w Palm Oil	1.39	0.05	0.14	0.18
<b>Imports (F.O.B)/1</b>	<b>97.37</b>	<b>71.33</b>	<b>83.35</b>	<b>33.60</b>
Minerals, Fuel, Lubricants	7.11	21.63	12.22	2.77
o/w Petroleum Products	5.54	20.51	9.66	2.05
Food and Live Animals (incdg Animal and veg. oil)	45.21	18.63	37.37	11.19
o/w Commercial Rice	34.96	6.32	29.26	2.69
o/w Non-commercial Rice	0.27	0.01	0.00	0.00
Machinery & Transport Equipment	17.82	13.47	10.17	8.25
Manufactured goods classified by materials	8.14	6.09	4.52	3.84
<b>Trade Balance</b>	<b>(41.71)</b>	<b>(25.33)</b>	<b>(50.00)</b>	<b>3.98</b>
<b>External Trade (Volume)</b>	<b>(In Units as Specified)</b>			
Rubber (MT)	7,718.00	5,457.00	4,831.54	6,307.80
Iron Ore (MT)	462,043.00	415,313.32	403,800.08	489,360.58
Petroleum Products (MT)	8,875.71	36,751.79	8,980.50	1,989.14
Commercial Rice (MT)	43,602.49	16,451.63	33,066.33	5,376.73
Non-commercial Rice (MT)	114.21	32.39	1.06	0.91
Cocoa Beans (MT)	25.00	625.00	1,110.78	575.00
Palm Oil (MT)	2,619.00	90.27	204.06	240.00
Gold (Oz)	19,136.83	10,158.24	0.00	na
Diamond (Crt)	6,388.66	7,452.41	0.00	na

## FISCAL SECTOR DEVELOPMENTS

Preliminary statistics on government operations during the month revealed that total GOL's revenue amounted to US\$24.4 million (0.9 percent of GDP), reflecting 31.0 percent decline compared to the preceding month. The decline in total revenue was mainly attributed to a significant decline in tax revenue by 25.7 percent owing to substantial fall in levies generated from international trade (mainly import tax by 38.6 percent).

Total cash expenditure stood at US\$45.7 million (1.6 percent of GDP), increasing by 27.1 percent compared to the preceding period. The rise in government expenditure was due largely to a 39.2 percent increase in current expenditure as a result of increases in mainly spending on compensation of employees (by 28.4 percent) and goods and services (by 88.4 percent). Annual comparison showed that total government revenue fell by 44.6 percent, while government expenditure declined by 3.0 percent.

The total stock of public debt at end-April 2020 stood at US\$ 1,508.5 million (52.8 percent of GDP), increasing slightly by 0.4 percent. The marginal rise in public debt was mainly due to 0.6 percent increase in external debt. Both domestic and external debts stood at US\$ 604.4 million and US\$ 904.1 million, respectively. Compared to the same period a year ago, the total stock of public debt increased by 41.9 percent (Table 5).

Table 5. Fiscal Sector Statistics

Fiscal Operations	Apr - 19	Feb - 20	Mar - 20	Apr - 20
	(Millions of USD)			
<b>Government Revenue</b>	<b>44.00</b>	<b>39.15</b>	<b>35.35</b>	<b>24.38</b>
Tax Revenue	37.00	32.65	29.79	22.14
O/W Taxes on Income & Profits	19.64	18.18	14.82	12.25
O/W Taxes on International Trade	13.66	10.78	12.13	7.48
Non-tax Revenue (excluding grants)	7.00	5.50	5.56	2.24
O/W Property Income	5.36	3.84	3.95	1.87
O/W Administrative Fees and Fines	1.64	1.66	1.21	0.36
Other tax Revenue (including grant)	0.00	1.00	0.00	0.00
<b>Government Expenditure by Codes</b>	<b>47.10</b>	<b>26.87</b>	<b>35.97</b>	<b>45.71</b>
Current Expenditure	42.13	25.81	32.26	44.90
Capital Expenditure	3.55	0.05	0.00	0.00
Loans, interest and other Payments	1.42	1.00	3.71	0.81
<b>Overall Balance</b>	<b>(3.10)</b>	<b>12.28</b>	<b>(0.62)</b>	<b>(21.33)</b>
<b>Public Sector Debt</b>	<b>1,063.41</b>	<b>1,466.19</b>	<b>1,503.08</b>	<b>1,508.46</b>
<b>Domestic</b>	<b>264.78</b>	<b>604.40</b>	<b>604.40</b>	<b>604.40</b>
Financial Sector	264.42	552.71	552.71	552.71
Other Sector	0.36	51.70	51.70	51.70
<b>External</b>	<b>798.63</b>	<b>861.79</b>	<b>898.68</b>	<b>904.06</b>
Multilateral	673.44	748.32	785.21	790.11
Bilateral	125.19	113.47	113.47	113.95

Source: Revenue Department, Expenditure Department and Debt Management Unit, MFD

percent on account of a 1.1 percent growth in credit to private sector, while NFA reduced by 0.1 percent on the back of a reduction in foreign assets of the Central Bank. Annual comparison showed that M2 rose by 17.6 percent, due to a 13.7 percent increase in narrow money (M1) and a 25.0 percent rise in quasi money. The annual growth in M1 was triggered by growths in demand deposits and currency outside banks by 15.4 percent and 9.0 percent, respectively; while the rise in quasi money came on the back of a 25.0 percent increase in time and savings deposits as well as a 26.2 percent expansion in other deposits.

The US dollar denomination of commercial banks' loans to private sector grew by 1.2 percent to US\$385.6 million on account of increases in loans to mainly households and the services sectors. This was the second consecutive month of rise in US dollar loans following a dip in February 2020. On the other hand, the share of commercial banks' loans denominated in Liberian dollar declined by 3.5 percent to L\$6,706.1 million; occasioned by decreases in mainly personal loans and advances to the trade sector of the economy. Compared with credits to private sector in the corresponding month of 2019, private sector credit in Liberian dollar rose by 2.6 percent, while the US dollar component fell by 8.7 percent.

At end of the month, all deposits converted to Liberian dollar stood at L\$104.1 billion (18.4 percent of GDP), rising by 0.2 percentage point compared with the 18.2 percent of GDP reported in the preceding month. The increase was driven, partly by exchange rate pass-through that mainly impacted time and savings deposit and other deposit (Table 2).

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Apr - 19	Feb - 20	Mar - 20	Apr - 20
	(In Millions)			
Liberian Dollars in Circulation - (LD)	19,150.95	21,026.19	20,925.93	20,888.34
Money Supply (M1) in LD only	25,951.52	29,148.03	28,401.40	28,332.53
Broad money (M2) in LD only	33,724.19	37,320.62	35,858.65	36,448.68
M2 (in both LD & USD) Converted to LD	104,906.67	125,473.19	122,409.97	123,362.75
Net Foreign Assets (NFA) – LD	6,593.64	11,644.40	20,781.47	20,769.96
Net Domestic Assets (NDA) – LD	98,313.03	113,828.79	101,628.50	102,592.79
<b>Loans to Private Sector</b>				
Commercial banks loans to private sector- US	422.14	370.64	381.00	385.56
Commercial banks loans to private sector - LD	6,537.74	7,199.72	6,949.85	6,706.09
<b>Demand Deposits of commercial banks</b>				
Demand deposits - USD	250.33	269.70	262.49	252.81
Demand deposits - LD	8,247.89	9,269.47	9,053.33	9,040.40
Time & savings deposits - USD	161.60	174.35	172.81	183.35
Time & savings deposits - LD	7,708.23	8,030.79	7,338.79	8,021.95
<b>Other Deposits**</b>				
Actual US\$ component of other deposits	1.90	2.13	1.70	2.02
Liberian \$ component of other deposits	64.43	141.80	118.46	94.19
Total Deposits (USD & LD) converted to LD <sup>1</sup>	<b>87,203.04</b>	<b>105,594.64</b>	<b>103,061.90</b>	<b>104,070.62</b>
	(In Percent)			
Liberian Dollar share of Broad Money	32.1	29.74	29.29	29.5

Source: CBL

‡ - Reserves excluding ECF borrowing from the IMF;

\*\* - Other Deposits Including Official and Manager Checks;

<sup>1</sup> - The total deposits (US and Liberian dollars) of commercial banks expressed entirely in Liberian dollars.

## FINANCIAL MARKET (FM) DEVELOPMENTS

During the review month, the CBL continued the issuance of its bill at different tenors on effective annual rate basis. At end of the month, financial market operations showed that the total of L\$3,371.53 million was purchased through the CBL bill. Compared with the previous month, bill purchased during the month rose by 63.3 percent from L\$2,064.83 million. The total CBL bill redeemed during the month went up by 10.1 percent to L\$2,180.0 million. There was more 2-week CBL bill redeemed than the 1-month and 3-month bills signifying the level of responsiveness of the CBL to its retail investors. The total outstanding CBL bill at end-April 2020 amounted to L\$3,727.38 million.

At end of the month, total outstanding treasury bill remained the same at L\$860.9 million compared with the preceding month. There were no issuance and redemption of treasury bill. Money markets instrument such as repo was traded at the average interest rate of 5.5 percent, while swap lending remained traded at the average interest of 6.0 percent between commercial banks. (see Table 3).

Table 3. Financial Market and Interest Rates Statistics

Market Instruments	Apr - 19	Feb - 20	Mar - 20	Apr - 20
<b>CBL (indexed) Bills</b>	<b>(Millions of LD)</b>			
Bills Purchased on 7% coupon basis	242.30	0.00	0.00	0.00
Redemption on 7% basis	30.00	374.70	5.41	150.00
<b>Bills outstanding on 7% coupon basis</b>	<b>723.23.0</b>	<b>828.33</b>	<b>822.92</b>	<b>672.92</b>
Coupon rate (%)	7.00	7.00	7.00	7.00
Bills Purchased on EAR basis	na	2,118.32	2,064.83	3,371.53
Redemption on EAR basis	na	2,035.35	1,973.90	2,030.00
<b>Bills Outstanding on EAR basis</b>	<b>na</b>	<b>1,622.00</b>	<b>1,712.93</b>	<b>3,054.46</b>
Effective Annual Rate (EAR) (%)	na	30.00	30.00	30.00
<b>Total Bills purchased (7% and 30% EAR)</b>	<b>242.30</b>	<b>2,118.32</b>	<b>2,064.83</b>	<b>3,371.53</b>
<b>Total Redemption (7% and 30% EAR)</b>	<b>30.00</b>	<b>2,410.05</b>	<b>1,979.31</b>	<b>2,180.00</b>
<b>Total Bill Outstanding (7% and EAR)</b>	<b>723.23</b>	<b>2,450.33</b>	<b>2,535.85</b>	<b>3,727.38</b>
<b>CBL Foreign Exchange (Fx) Auction<sup>1</sup></b>	<b>(Millions of USD)</b>			
US Dollar Amount Sold	na	0.00	0.00	0.00
US Dollar Amount Sold	na	0.00	0.00	0.00
Total Subscription	na	0.00	0.00	0.00
<b>Over (+) /Under (-) Subscription</b>	<b>na</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Treasury Securities</b>	<b>(Millions of LD, unless otherwise stated)</b>			
T- Bills Issued	0.00	0.00	0.00	0.00
T- Bills Redeemed	0.00	0.00	0.00	0.00
T-Bills outstanding	237.08	860.94	860.94	860.94
<b>Net Treasury Bills Operations<sup>^</sup></b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Ave. Weighted Discount Rate (T-Bills)	7.47	7.47	7.47	7.47
T- Bills Issued (USD)	na	na	na	na
T- Bills Redeemed (USD)	na	na	na	na
<b>T-Bills Outstanding_USD</b>	<b>na</b>	<b>2.60</b>	<b>2.60</b>	<b>2.60</b>
T- Bond Issued	0.00	0.00	0.00	0.00
T- Bond Outstanding	6,000.00	6,000.00	6,000.00	6,000.00
Semi-annual Coupon Payment	0.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	0.00	0.00

Market Instruments	Apr - 19	Feb - 20	Mar - 20	Apr - 20
Coupon rate (%)	16.00	16.0	16.00	16.00
<b>Standing Deposit Facility (SDF)</b>	<b>(In Percent, unless otherwise stated)</b>			
SDF rate (%)	na	4.00	4.00	0
SDF Amount (In Millions LD)	na	0.00	0.00	0.00
SDF overnight monthly rate (%)	na	0.07	0.07	0.07
SDF Amount (In Millions LD)	na	21,865.00	17,435.00	0.00
<b>Interest Rates</b>	<b>(In Percent, unless otherwise stated)</b>			
- Lending rate	12.44	12.44	12.44	12.44
<b>Average Deposit rates</b>				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
<b>Money Markets Instrument</b>				
Repo	na	5.50	5.50	5.50
Swap lending	na	6.0	6.0	6.00

Source: CBL

<sup>^</sup> - with Liquidity Effect where withdrawal (+)/injection (-)<sup>1</sup> - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency

## BANKING SECTOR DEVELOPMENTS

The banking sector has continued to be liquid, sound and resilient. At end-April 2020 all the financial soundness indicators including Liquidity Ratio (LR) and Capital Adequacy Ratio (CAR) showed strong performances compared with the preceding month. LR grew by 1.8 percentage points and remained above its minimum requirement by 24.7 percentage points. Similarly, CAR grew modestly by 0.1 percentage point and remained above its minimum requirement by 18.59 percentage points. Additionally, Return on Assets (ROA) and Return on Equity (ROE) inched up by 0.5 percentage point and 0.3 percentage point, respectively in the month compared with the preceding month. Non-performing loans declined by 7.2 percent to L\$15.7 billion during the month, while total (gross) loans reduced by 1.0 percent to settle at L\$84.7 billion (15.0 percent of GDP). The reduction in the stock of loan during the month was driven by banks slowing down on lending and focusing more on loans recovery.

Table 4: Selected Financial Soundness Indicators, FSIs

Financial Soundness Indicators	Apr - 19	Feb - 20	Mar - 20	Apr - 20
	<b>(In Billion LD)</b>			
Total Gross Loans	81.02	84.07	85.56	84.73
Total Non-performing Loans	9.77	20.16	16.89	15.67
	<b>(In percent)</b>			
Non-performing Loans to Total Gross Loans (ratio)	12.06	23.98	19.74	18.49
Gross Loan (growth)	7.32	0.05	1.77	(0.97)
Non-performing Loans (growth)	6.14	41.87	(16.22)	(7.22)
Returns on Assets (ROA)	0.77	0.42	0.44	0.49
Returns on Equity (ROE)	4.63	2.50	2.58	2.93
Liquidity Ratio***	39.07	39.66	37.91	39.7
Capital Adequacy Ratio (CAR)****	28.80	24.29	28.58	28.59

Source: CBL

\*\*\*\* - The Minimum Capital Adequacy Ratio is 10%

\*\*\* - The Required Minimum Liquidity Ratio is 15%

† - revised