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OVERVIEW

Recovery in global growth remained as anticipated in the first quarter of 2017. According to the International Monetary Fund (IMF) July edition of the World Economic Outlook (WEO), global growth is projected at 3.5 percent for 2017. Although the dynamics have changed in terms of country specifics relative to the previous quarter, growth still remained on its positive trajectory. Consumer prices have remained subdued in advanced economies and also declined in other economies, especially in emerging market economies.

Growth forecast for the U.S. has been marked down by 0.2 percentage point due mainly to dismal performance in the first quarter of the year. This reflects, in part, the assumption that fiscal policy will be less expansionary as anticipated in the previous quarter. The euro area growth momentum has remained resilient and is expected to increase over the figure projected in the previous quarter backed by fiscal expansion, accommodative financial conditions, and increased domestic demand.

Emerging market and developing economies growth projection has been revised slightly on the upside by 0.1 percentage point to 4.6 percent for 2017 due to stronger than expected outturn in China in addition to strong domestic demand in India. On the other hand, Sub-Saharan Africa growth forecast reflects a slight increase above the previous quarter by 0.1 percentage point for 2017 and is expected to further increase in 2018 largely driven by increased crop production due to favorable weather condition and rising mining output, mainly in South Africa.

Real GDP growth for Liberia is projected to expand in 2017 to 2.6 percent from negative 1.6 percent in 2016 mainly underpinned by growth in the mining and panning sector. Average headline inflation at the end of the second quarter of 2017 was 11.8 percent, down from 12.9 percent and up from 7.7 percent during the preceding and same quarters a year ago, respectively.

Developments in the banking system for the quarter ended-June, 2017 were positive compared to the first quarter of the year. All of the major balance sheet indicators experienced significant growth during the review period while the industry witnessed a slight increase in its Capital Adequacy Ratio (CAR) with all of the nine banks in excess of the minimum requirement level of 10.0 percent.

Non-performing loans (NPL) as share of total loans decreased by 2.6 percent at end-June 2017, compared to end-March, 2017, but recorded an 8.4 percent increase compared to the same period

a year ago. The banking system maintained a strong position with all of the nine banks exceeding the minimum requirement of 15.0 percent. On the other hand, total credits, quarter-on-quarter (Q-o-Q), to various sectors of the economy recorded growth at end-June, 2017 mainly triggered by increases in loans to the construction sector and personal loans.

The average exchange rate of the Liberian dollar vis-à-vis the U.S. dollar depreciated by 8.5 percent to L\$112.84/US\$1.00 at end-June, 2017, from L\$104.02/US\$1.00 recorded at end-March, 2017. The depreciation of the domestic currency was predominantly explained by the rise in government Liberian dollar expenditure, the increase in the demand for US dollar to service import payments, and reduced foreign exchange intervention by the CBL. Money supply (M1) at end-June, 2017 rose by 1.3 percent, matched against the amount recorded at end-March, 2016 while total liquidity in the banking system (M2) expanded by 2.7 percent compared to previous quarter.

Money market operations, for the quarter ended June, 2017 showed an increase in the amount of GoL's 91-day T-bills issued by the CBL compared to the previous quarter. However, the average yield in 2017 remained relatively low reflecting limited alternative investment opportunities for loanable fund in Liberian dollar at the disposal of banks.

Fiscal operations during the Second Quarter of 2017 resulted in a budget deficit of 3.2 percent of GDP, from a deficit of 0.4 percent of GDP recorded in the preceding quarter and a surplus of 3.8 percent of GDP reported in the corresponding quarter in 2016, occasioned by increased public spending and decline in revenue and grants intake. Liberia's public debt stock at end-June, 2017, rose by 5.0 percent, compared to end-March, 2017. When compared with the corresponding period a year ago, the public debt stock grew by 16.2 percent.

Based on preliminary statistics, developments in the balance of payments (BOP) witnessed improvement in the current account deficit, reduction in capital account emanating from capital transfers, decline in Liberia's net lending & borrowing liabilities from the financial account, and drawdown on reserves assets primarily arising from exchange rate pressure during the review quarter.

During the quarter ended June, 2017, North America (especially USA), followed by Europe (o/w the Eurozone) and the Middle East were the top three regions that led Liberia's destination of exports. In terms of sources of imports, payments to Africa (mainly West Africa), Asia (especially China) and Europe (largely Euro Zone) constituted 86.8 percent, 57.1 percent and 47.8 percent,

respectively. These three regions, together, made up 63.9 percent of total payments during the second quarter, representing 23 percent decline compared with the previous position recorded at end-March, 2017. Net personal inward remittances remain relatively flat compared to the preceding quarter, but showed a significant increase compared to corresponding period in 2016.

Liberia's gross international reserves position (including SDRs) at end-June, 2017 fell by 2.5 percent to US\$513.1 million, from US\$526.1 million recorded at the end of the previous quarter, occasioned by drawings on reserves. Notwithstanding, gross international reserves in months of imports cover rose to 4.4 during the review quarter, from the 4.0 months of cover recorded at end-March, 2017. The decline in payments for imports of goods and services during the review quarter occasioned the increase in months of imports cover.

I. DEVELOPMENT IN THE WORLD ECONOMY

1.0 Introduction

Recovery in global growth remained as anticipated in the first quarter of 2017. According to the International Monetary Fund (IMF) July edition of the World Economic Outlook (WEO), global growth is projected at 3.5 percent for 2017. Although the dynamics have changed in terms of country specifics relative to the previous quarter, growth still remained on its positive trajectory. In the United States (U.S), growth momentum slowed, but remained steady in the Euro Area and Japan. Consumer prices have remained subdued in advanced economies and also declined in other economies, especially in emerging market economies. However, these projections are not without risks. Uncertainty in policy prescriptions in advanced economies, monetary policy normalization in the U.S. and non-economic factors including geopolitical tensions, domestic political discord, remain the major risks to the forecast.

1.1 The United States Economy

Growth forecast for the U.S. has been marked down by 0.2 percentage point due mainly to dismal performance in the first quarter of the year. The slow growth outturn in the U.S. reflects in part, the assumption that fiscal policy will be less expansionary as anticipated in the previous quarter. Market expectation for the quarter was reduced given the uncertainty about the timing and nature of the U.S. fiscal policy change. As a result of these developments, growth for the U.S. is projected at 2.1 percent for 2017 and 2018, respectively. Other factors that may stall growth over the long term remain aging population and weaker total factor productivity.

1.2 The Euro Area

The euro area growth momentum has remained resilient and is expected to increase over the figure projected in the previous quarter. The continual recovery in growth outturn is backed by fiscal expansion, accommodative financial conditions, and increased domestic demand. According to the July 2017 Edition of the WEO, growth is forecast at 1.9 percent for 2017 and 1.6 percent for 2018. However, the risk to the recovery is the lingering uncertainty relative to the United Kingdom (U.K.) leaving the zone. In the U.K., growth has been marked down by 0.3 percentage point to 1.7 percent for 2017. In other major parts of the

zone, growth will experience positive results for Germany, France, Italy and Spain. Growth is forecast to slightly inch up by 0.2 percentage point to 1.8 percent for Germany, 1.5 percent for France, 1.3 percent for Italy and 3.1 percent for Spain for 2017, respectively. Growth forecast for the zone in 2018 is 1.7 percent, 0.1 percentage point higher than the forecast in the previous quarter.

1.3 Emerging Market and Developing Economies

Growth for emerging market and developing economies has been revised slightly on the upside by 0.1 percentage point to 4.6 percent for 2017. According to the July edition of the WEO, the upward revision of the forecast was due to stronger than expected outturn in China in addition to strong domestic demand in India. For 2018, growth momentum still remained as was previously forecast. However, near term growth forecast remains daunted by resource misallocation and increasing vulnerabilities stemming from the reliance on policy easing and credit financed investment.

1.4 Sub-Saharan Africa

Growth for Sub-Saharan Africa is forecast to increase slightly above the previous quarter by 0.1 percentage point for 2017. Growth is forecast to increase to 2.7 percent in 2017 and rise further to 3.5 percent in 2018. The slight rise in growth is projected to be largely driven by increased crop production due to favorable weather condition and rising mining output, mainly in South Africa. Nigeria is projected to grow by 0.8 percent in 2017 in line with previous forecast while South Africa is projected to grow by 2.0 percent, 0.2 percentage point above the April WEO forecast. However, the general outlook for the region remains subdued primarily due to the slower pace of commodity price recovery which limits the full capacity of commodity revenue mobilization. Inflation in the region is forecast to remain in double digit at end 2017 but it will decline to single digit in 2018.

1.5 Global Inflation

Headline inflation is forecast to decrease in both advanced and emerging market and developing economies on the back of decreasing commodity prices in both the fuel and nonfuel category. In advanced economies, inflation is forecast at 1.9 percent and it is expected to decline to 1.8 percent in 2018. In emerging market and developing economies, consumer price is forecast to fall to 4.5 percent in 2017, but will take an upward trend to 4.6 percent in 2018.

Table 1: Selected Global Output

	Year-over-Year				
	Estimate	Projections		Difference from April 2017 WEO	
		2016	2017	2018	2017
World Output	3.2	3.5	3.6	0.0	0.0
Advanced Economies	1.7	2.0	1.9	0.0	-0.1
United States	1.6	2.1	2.1	-0.2	-0.4
Euro Area	1.8	1.9	1.7	0.2	0.1
Japan	1.0	1.3	0.6	0.1	0.0
United Kingdom	1.8	1.7	1.5	-0.3	0.0
Canada	1.5	2.5	1.9	0.6	-0.1
Emerging Market and Developing Economies	4.3	4.6	4.8	0.1	0.0
Emerging and Developing Asia	6.4	6.5	6.5	0.1	0.1
China	6.7	6.7	6.4	0.1	0.2
India	7.1	7.2	7.7	0.0	0.0
Latin America and the Caribbean	-1.0	1.0	1.9	-0.1	-0.1
Middle East, North Africa, Afghanistan & Pakistan	5.0	2.6	3.3	0.0	-0.1
Sub-Saharan Africa	1.3	2.7	3.5	0.1	0.0
Nigeria	-1.6	0.8	1.9	0.0	0.0
South Africa	0.3	1.0	1.2	0.2	-0.4
Consumer Price					
Advanced Economies	0.8	1.9	1.8	-0.1	-0.1
Emerging Market and Developing Economies	4.3	4.5	4.6	-0.2	0.2

Source: IMF World Economic Outlook, July 2017

II. DOMESTIC PRODUCTION AND CONSUMER PRICES

2.0 Introduction

Real GDP growth for Liberia is projected to expand in 2017 to 2.6 percent from negative 1.6 percent in 2016. The projected expansion in Real GDP is mainly underpinned by growth in the mining and panning sector. Growth in the agriculture and fisheries, and the services sectors are expected to slow down, but will remain positive; manufacturing is expected to record slight growth, however, it will remain negative while forestry is expected to remain flat. On a sector-to-sector basis, agriculture and fisheries sector was estimated at 3.5 percent (from 6.4 percent), forestry remained flat at 0.0 percent (from 0.0 percent), mining and panning to 21.5 percent (from negative 33.0 percent), manufacturing to negative 4.8 percent (from negative 5.2 percent) and services to 0.6 percent (from 2.1 percent). Average headline inflation at the end of the second quarter of 2017 was 11.8 percent, down from 12.9 percent and up from 7.7 percent during the preceding and same quarters a year ago, respectively.

2.1 Sectorial Review

2.1.1 Agriculture and Forestry

Table 2: Key Agricultural Production
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)

Commodity	Unit	2 nd Quarter, 2016	1 st Quarter, 2017	2 nd Quarter, 2017
Rubber	Mt.	11,227.7	8,824.3	8,064
Cocoa	Mt.	450	622	1,422
Coffee	Mt.	-	-	-
Round Logs	M ³	50,095	3,760	52,332
Sawn Timber	Pcs.	158,619	190,632	203,810
Crude Palm Oil (CPO)	Mt.	1,329	2,197	1,208

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

+Revised/actual

Chart 1: Key Agricultural Production
(2nd Quarter, 2016; 1st & 2nd Quarters 2017)
(In Metric Tons)



a. Rubber

Total rubber production during the second quarter of 2017 was 8,064 metric tons, down from 8,804 metric tons produced during the previous quarter. The 540 metric tons or negative 6.3 percent slump in output was largely explained by the persistent fall in the price of the commodity on the international market during the quarter under review. On an annualized basis, output plummeted by 3,163.7 metric tons or 28.2 percent.

b. Cocoa & Coffee

During the quarter under review, cocoa production recorded 1,422 metric tons, up from 622 metric tons produced a quarter ago. The 800 metric tons or increase in output of the commodity was explained mainly by favourable harvest during the quarter. When compared with the same quarter a year ago, output increased by 972 metric tons. Annual and quarterly analyses of coffee could not be done due to data unavailability.

c. Sawn Timber

Sawn timber production during the quarter under review stood at 203,810 pieces, up from 190,672 pieces produced during the preceding quarter. The 13,178 pieces or 6.9 percent increase in output was attributed to building up of the commodity in preparation for the rainy season. When annualized, output in the quarter rose by 28.5 percent.

d. Round Logs

Round logs output during the reporting quarter rose significantly to 52,332 cubic meters, from 3,760 cubic meters produced during the previous quarter ended March, 2017. The 48,572 cubic meters rise in output was attributed to the increase in the global price of the commodity. When annualized, output increased by 4.5 percent or 2,237 cubic meters.

e. Crude Palm Oil (CPO)

Total output of crude palm oil (CPO) at end-June, 2017 was estimated at 1,208 metric tons, down from 2,197 metric tons produced a quarter ago. The reduction in output was mainly due to low production as a result of the rainy season. When compared with production in the same quarter a year ago, output in the quarter declined by 9.1 percent.

2.1.2 Industrial Production

Mining (Gold, Diamond and iron Ore)

(i) Gold

Second quarter statistics revealed that gold output was 620 ounces, down from the 744 ounces produced in the previous quarter. The 124.0 ounces or the 16.7 percent dip in production was largely explained by the ongoing government tax policy. When compared to the corresponding quarter of 2016, output contracted by 48.8 percent or 590 ounces.

(ii) Diamond

During the quarter ended-June 2017, total output of diamond reported was 15,941 carats, up from 15,869 carats produced during the preceding quarter. The surge in diamond production by 72 carats was explained by increases in mining activities due to the opening of new production fields. However, when annualized, production decreased by 10.8 percent or 1,928 carats.

(iii) Iron Ore

Iron ore production during the review quarter was estimated to be 522,974 metric tons, up from 373,599 metric tons. The 40 percent or 149,374 metric tons increase in production was attributed to decision by producer to step up production in anticipation of price rise. On an annualized basis, iron ore output contracted by 11.4 percent or 67,389 metric tons.

(iv) Manufacturing

(i) Cement

Cement production at end –June, 2017 recorded 78,923 metric tons, down from 83,468 metric tons produced during the preceding quarter. The 5.4 percent or 4,545 metric tons slump in cement production was due, partly, to the commencement of the rainy season which resulted to the slowdown in construction activities. When annualized, cement output grew by 19.6 percent or 12,856 metric tons.

(ii) Beverages

Production of beverages, both alcoholic and non-alcoholic, was estimated at 6.5 million litres, from 6.2 million litres produced during the first quarter. The 4.9 percent or 308,129 litres increase in beverage production was largely attributed to the introduction of a new size of beer. When compared on a year-on-year basis, output increased by 8.0 percent.

A disaggregation of total beverages output during the quarter revealed that alcoholic beverages contributed 53.3 percent with 46.7 percent being the share of non-alcoholic beverages to the total quarterly output of beverages.

Table 3: Key Industrial Output
(2nd Quarter 2016; 1st & 2nd Quarters, 2017)

Commodity	Unit	2 nd Quarter, 2016	1 st Quarter, 2017	2 nd Quarter, 2017
Diamond	Carat	17,869	15,869	15,941
Gold	Ounce	1,210	744	620
Iron Ore	Mt.	590,363	373,599	522,974*
Cement	Mt.	66,067	83,468	78,923
Spirits	Litre	72,719	72,437+	77,599
Beer	Litre	1,747,155	1,762,037	1,815,857
Stout	Litre	1,729,530	1,536,963	1,598,169
Malta	Litre	234,234	160,697	194,650
Soft Drinks	Litre	2,280,485	2,709,504	2,863,492*
Oil Paint	Gal.	22,754	31,703	14,882
Water Paint	Gal.	19,828	31,735	15,407
Varnish	Gal.	2,443	3,782	2,465
Manoline Hair Grease	Kg.	2,453	2,503	2,394
Soap	Kg.	96,192	181,765	94,657
Candle	Kg.	42,945	19,583	32,120
Chlorox	Litre	328,485	186,657	380,177
Rubbing Alcohol	Litre	78,342	62,206	78,342
Thinner	Gal.	2,405	3,999	2,369
Mattresses	Pcs.	24,795	24,835	25,397
Finished water	Gal.	118,990,015	439,265,004	528,521,324
Mineral Water	Litre	379,859	322,137	210,126
Electricity	kW	21,853,887+	58,142,480*	65,701,003*

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

**Estimate*

+ Revised/Actual

N/A Not Available

(iii) Soap

Soap output at end-June, 2017 was 94,657 kilograms, down from 181,765 kilograms produced in the preceding quarter. The 47.9 percent or 87,108 kilograms fall in output was explained by increased level of importation of different brands. When compared with the corresponding period of 2016, output fell by 1.6 percent or negative 1,536 kilograms.

(iv) Paint (Oil and Water)

Total paint production at end-June, 2017 was 30,289 gallons, down from 63,438 gallons recorded during the preceding quarter. The 52.3 percent slump in output was explained by the rainy season, when demand for the product is low, coupled with the low level of raw materials available for the production process. When compared with the same period a year ago, output fell by 33.6 percent or 15,293 gallons. By disaggregating the quarter's total paint production, oil paint constituted 49.1 percent and the balance 50.9 percent was the contribution of water paint.

(v) Varnish

Varnish output at end-June, 2017 stood at 2,465 gallons, down from 3,782 gallons produced during the previous quarter. The 34.8 percent or 1,317 gallons decline in output was generally explained by the commencement of the rainy season. When compared to the second quarter of 2016, output rose by 0.9 percent or 22 gallons.

(vi) Manoline Hair Grease

Total Production of Manoline Hair Grease during the second quarter of 2017 was 2,394 kilograms, down from 2,503 kilograms produced in the preceding quarter. The 4.4 percent or 109 kilograms fall in the output of the commodity was attributed to the increase in the importation of competing brands. When compared with the corresponding period a year ago, output contracted by 2.4 percent or 59 kilograms.

(vii) Thinner

Thinner production for the review period recorded 2,369 gallons, down from 3,999 gallons produced during the quarter ended-March 2017. The negative 40.8 percent or 1,630 gallons dip in production was mainly explained by reduced demand due to its complimentary use with oil paint whose output declined as a result of the rainy season. On an annualized basis, output declined by 1.5 percent or 36 gallons.

(viii) Rubbing Alcohol

The volume of rubbing alcohol produced during the review quarter was 78,342 litres, up from 62,206 litres produced during the previous quarter. The 25.9 percent or 16,135 litres increase in output was attributed to the increased supply of raw materials. However, when matched against the corresponding period a year ago, production contracted by 28.1 percent or 30,564 litres.

(ix) Chlorox

Chlorox volume during the review quarter recorded 380,177 litres, up from 186,657 litres produced at the end of the preceding quarter. The increase in chlorox production by 193,519 litres was explained by the level of availability of raw materials. When compared with the second quarter of 2016, output also rose by 15.7 percent or 51,692 litres.

(x) Candle

Overall candle production during the review quarter stood at 32,120 kilograms, up from 19,583 kilograms produced during the previous quarter. The 12,537 kilograms or 64 percent growth in output was due to increased external demand for the commodity. On an annualized basis, output slumped by 25.2 percent or 10,826 kilograms.

(xi) Mattresses

Total mattresses produced at end-June, 2017 was 25,397 pieces, up from 24,835 pieces produced a quarter ago. The rise in mattress production by 562 pieces or 2.3 percent was as a result of increased demand for the commodity by end users. When compared on a year-on-year basis, output increased by 2.4 percent or 602 pieces.

(xii) Finished Water

Production of finished water during the review quarter grew to 528.5 million gallons up from 439.3 million gallons produced during the preceding quarter. The 20.3 percent or 89.3 million gallons growth in output was due to the repair of machinery broken down during the previous quarter. When compared with the same period a year ago, output surged by 409.5 million gallons.

(xiii) Mineral Water

Mineral water output for the second quarter of 2017 recorded 210,126 litres, down from 322,137 litres produced during the first quarter. The 112,011 litres or 34.8 percent dip in mineral water production was as a result of the rainy season. When compared to the corresponding quarter a year ago, output contracted by 44.7 percent or 169,733 litres.

2.2 Consumption of Petroleum Products

**Table 4: Consumption of Petroleum Products
(2nd Quarter, 2016; 1st and 2nd Quarters, 2017)**

Commodity	Unit	2 nd Quarter, 2016	1 st Quarter, 2017	2 nd Quarter, 2017
Premium Motor Spirit (PMS)	Gal.	3,460,615 ⁺	5,961,503	2,458,460
Diesel (AGO)	Gal.	5,017,239 ⁺	6,470,151	2,538,917
Jet-Fuel (Jet-A)	Gal.	3,601	-	-
Kerosene	Gal.	-	-	-
Total		8,481,455	12,431,654	4,997,377

Source: Liberia Petroleum Refining Company (LPRC)

+ Revised/Actual

During the quarter ended June, 2017, petroleum products consumption declined by 7.4 million gallons to 5.0 million gallons, from 12.4 million gallons consumed during the preceding quarter. The slump in the level of consumption of petroleum was mainly a result of a decline in the consumption of Premium Motor Spirit (PMS) and diesel (AGO). On an annualized basis, petroleum consumption declined by 3.5 million gallons.

Disaggregating the total consumption of petroleum products for the review period, premium motor spirit (PMS) accounted for 49.2 percent, while diesel (AGO) accounted for the remaining 50.1 percent. The statistics showed that there was no consumption of Jet-Fuel (Jet A) and Kerosene as they were not imported during the review period.

**Chart 2: Consumption of Petroleum Products
(2nd Quarter 2016; 1st & 2nd Quarters, 2017)**



2.3 Sea Port Developments

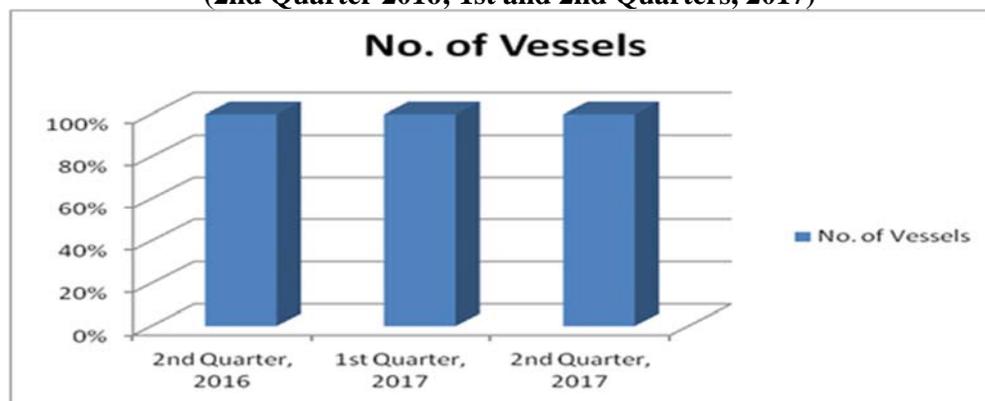
During the review quarter ended June, 2017, a total of 96 vessels with combined Summer Dead Weight Tons (SDWT) of 2.2 million, docked at various ports along the Liberian coast, up from 91 vessels with a combined SDWT of 2.0 million when compared with the preceding quarter. The 5.6 percent increase in vessel traffic was largely attributable to increase in the flow of vessel traffic at the Port of Monrovia due to the dredging of the pier. During the quarter, 81 vessels, representing 84.3 percent of all vessels that arrived on the shores of Liberia, berthed at the Port of Monrovia. Thirteen (13) vessels (13.5 percent) anchored at the Port of Buchanan, while 2 vessels (0.2 percent) docked at the Port of Greenville. When compared with the same quarter a year ago, total vessel traffic decline by three. A disaggregation of total cargo tonnage indicated that imports accounted for 61.9 percent while the remaining 38.1 percent was the contribution of exports.

**Table 5: Vessel Traffic and Cargo Movements
(2nd Quarter 2016; 1st and 2nd Quarters, 2017)**

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
2 nd Quarter, 2016	99	2,326,742	509,191	619,374	1,128,565
1 st Quarter, 2017	91	2,038,322	440,021	594,341	1,034,362
2 nd Quarter, 2017	96	2,249,321	612,558	376,625	989,183

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

**Chart 3: Vessel Traffic
(2nd Quarter 2016; 1st and 2nd Quarters, 2017)**



2.4 Electric Power Developments

The generation of electricity during the quarter under review was estimated at 65.7 million kilowatts, up from an estimated 58.1 million kilowatts produced a quarter ago.

The surge in electric power generation on a quarter-by-quarter basis by 13.0 percent or 7.5 million kilowatts was due to the rapid extension of services to other parts of Monrovia and its environs. When annualized, analysis shows that electric power generation increased by 36.2 million kilowatts.

**Table 6: Electric Power Developments
(2nd Quarter, 2016; 1st and 2nd Quarters, 2017)
(In Kilowatts)**

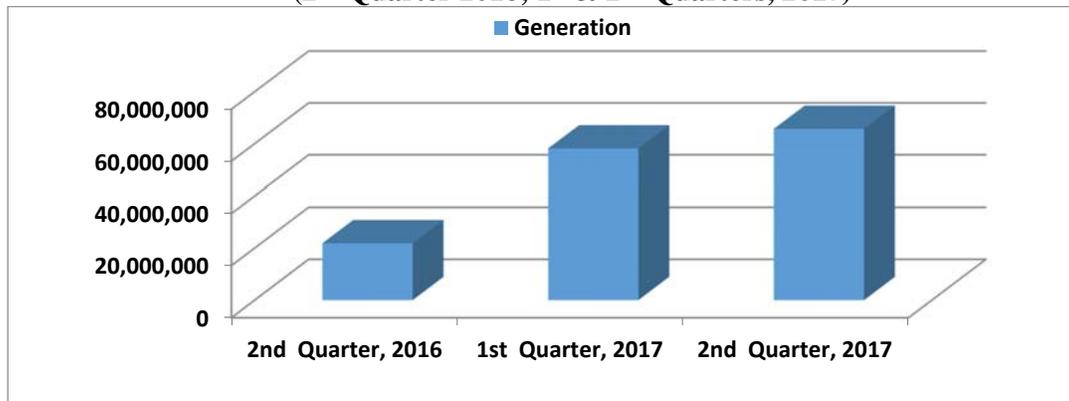
Quarter	Unit	Service	Generation
2 nd Quarter, 2017	kW	Electricity	65,701,003*
1 st Quarter, 2017	kW	Electricity	58,142,480*
2 nd Quarter, 2016	kW	Electricity	21,853,887+

Source: Liberia Electricity Corporation (LEC)

** Estimate*

+ Revised/Actual

**Chart 4: Electricity Generation
(2nd Quarter 2016; 1st & 2nd Quarters, 2017)**



2.5 Price Developments

Analysis revealed that the average headline inflation during the quarter ended June 2017 was 11.8 percent, down from 12.9 percent recorded during the preceding quarter and 7.7 percent recorded during the same quarter a year ago. The decline in inflation in the second quarter, compared with the previous quarter was mainly on account of rising domestic food production as a result of better weather and harvest conditions.

Average food inflation for the review quarter was 7.6 percent, down from 8.7 percent recorded in the first quarter of 2017, while non-food inflation, stood at 16.5 percent compared to 14.1 percent and 8.9 percent, a quarter and a year ago, respectively. However, on a year-on-year basis, headline inflation rose by a 4.1 percentage points mainly as a result of the depreciation of the Liberian dollar against the US dollars.

Chart 5: Quarterly Inflationary Trends (%)



Chart 6: Quarterly Changes in CPI (%)



2.5.1 Inflation by Group

Except for health, clothing and footwear, transport that showed decline in inflation, and education remaining flat, it was revealed that all the remaining major groups within the consumer basket during the review quarter experienced increases in inflation when compared with the corresponding quarter a year ago.

2.5.2 Contributions to Changes in CPI (%)

Analysis of the consumer basket at the end of the review quarter indicated that by disaggregating inflation, food and non-alcoholic beverages group contributed 54.8 percent to the quarter's change in inflation compared with 58.2 percent a year ago. The remaining 45.2 percent represents the contribution on the non-food group which was 41.8 percent the same period of 2016.

2.5.3 Outlook for Inflation

Estimates are showing that end of period headline inflation for 2017 will be at 10.5 percent, while average consumer prices is expected to rise slightly to 11.4 percent. The outlook of inflation for the rest of 2017 and in the medium term, will largely depend on the extend of volatility in the exchange rate, Government tax policies on key commodities such as rice and petroleum products, the level of domestic food production, international oil and food prices; infrastructure development such as roads, the level of energy supply; and stable political climate during and after the presidential and representatives elections.

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	Jan	8.7	11.8	5.2	1.1	1.5	0.6
	Feb	7.7	12.4	2.4	-1.3	-0.7	-2.1
	Mar	7.3	14.3	-0.4	1.9	3.4	0.1
	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

Source: CBL & LISGIS, Monrovia, Liberia

+Revised

**Table 8: Inflation by Sub-groups: Year-on-Year Changes in CPI
(2016-2017)**

Food Group	Weights	Q1-16	Q2-16	Q1-17	Q2-17	Non-Food Group	Weights	Q1-16	Q2-16	Q1-17	Q2-17
Vegetables (ND)	4.51	7.12	7.21	-23.77	-24.48	Alcoholic Beverages, Tobacco and Narcotics	2.55	11.42	12.02	26.87	28.67
Mineral waters, soft drinks, fruit & vegetable juice (ND)	0.72	6.19	13.09	25.20	-16.19	Clothing and Footwear	6.07	26.97	22.99	16.84	18.30
Fruit	1.60	3.92	10.54	-12.02	-7.25	Housing, Water, Electricity, Gas and Other Fuels	7.32	-23.05	0.57	32.01	3.62
						Furnish. , H/Hold Equip, Rout. Maintenance of House	5.46	14.94	18.75	10.25	14.27
						Health	8.75	3.56	5.79	-4.92	-2.96
						Transport	8.47	17.05	27.57	25.49	22.65
						Communication	6.73	-6.03	-0.23	1.51	2.37
						Recreation & Culture	1.38	6.30	8.96	18.41	22.28
						Education	3.15	0.00	0.00	0.00	0.00
						Restaurants & Hotels	8.54	12.35	11.09	9.55	13.50
						Miscellaneous Goods and Services	3.52	7.66	9.84	14.16	16.85

Source: CBL & LISGIS, Monrovia, Liberia

**Table 9: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(2nd Quarter 2016; 1st and 2nd Quarters, 2017)
(December, 2005=100)**

Functions	WEIGHTS	Apr-16	May-16	Jun-16	2nd Quarter	Jan-17	Feb-17	Mar-17	1 st Quarter	Apr-17	May-17	Jun-17	2nd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	38.06	3.05	1.94	4.08	3.02	11.39	9.87	4.68	8.65	6.82	8.89	7.12	7.61
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	2.55	10.50	9.87	15.69	12.02	25.30	26.50	28.81	26.87	28.99	31.03	25.97	28.67
CLOTHING AND FOOTWEAR	6.07	28.32	21.09	19.56	22.99	16.33	15.97	18.22	16.84	18.32	22.57	14.01	18.30
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.32	0.39	0.36	0.96	0.57	32.38	31.67	31.97	32.01	0.79	3.44	6.62	3.62
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.46	6.09	25.45	24.72	18.75	8.68	7.98	14.09	10.25	16.08	17.28	9.45	14.27
HEALTH	8.75	-2.92	13.24	7.06	5.79	-4.28	-4.81	-5.66	-4.92	-4.65	-2.77	-1.46	-2.96
TRANSPORT	8.47	29.71	30.60	22.39	27.57	23.47	24.54	28.46	25.49	27.76	25.91	14.26	22.65
COMMUNICATION	6.73	-5.86	2.53	2.64	-0.23	1.63	1.33	1.56	1.51	1.38	1.85	3.87	2.37
RECREATION AND CULTURE	1.38	7.17	7.60	12.12	8.96	17.50	16.77	20.97	18.41	22.08	25.38	19.38	22.28
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	12.29	12.29	8.70	11.09	8.48	8.07	12.11	9.55	11.62	9.90	18.99	13.50
MISCELLANEOUS GOODS AND SERVICES	3.52	10.96	9.25	9.30	9.84	15.09	13.20	14.21	14.16	14.17	18.19	18.19	16.85
GENERAL RATE OF INFLATION	100.00	7.19	7.57	8.44	7.73	13.62	13.31	11.86	12.93	11.54	13.22	10.83	11.86

Source: CBL & LISGIS, Monrovia, Liberia

III. MONETARY AND FINANCIAL DEVELOPMENT

3.0 Money and Banking

3.1 Banking Development

Developments in the banking system for the quarter ended-June, 2017 were positive compared to the first quarter of the year. All of the major balance sheet indicators experienced significant growth during the review period. Capital, total assets, deposits and loans & advances increased by 6.8 percent, 8.9 percent, 3.6 percent, and 10.5 percent, respectively. This reflects significant improvement in key balance sheet indicators in the banking system.

Relative to the system's balance sheet, total assets significantly increased by 8.9 percent to L\$100.7 billion over the previous quarter and increased by 22.4 percent over the corresponding quarter in 2016. The growth in total assets was driven by increase in loans and advances, long & short term securities, checks for clearing, balances at central bank and commercial banks, and account receivables. Deposits, being the dominant source of financing for the banking system increased to L\$60.03 billion or by 3.6 percent compared to the previous quarter, and it increased by 9.9 percent over the corresponding quarter in 2016. The growth in deposits was largely attributed to growth in saving and time deposits. Total loans and advances increased by 10.5 percent to L\$47.70 billion over the previous quarter and 31.3 percent compared to the corresponding quarter in 2016. The system's capital position increased by 6.8 percent to L\$15.47 billion compared to the previous quarter and increased by 69.3 percent compared to the corresponding quarter in 2016. The growth in capital is due to decrease in provisions for non-performing loans and net income reported by most of the banks during the period under review. Although the banking system reported net income during the period under review, profitability remains a major challenge to the system due to poor asset quality of a number of banks, weak credit administration and the relatively high operational expenses incurred by most banks.

During the quarter under review, the system's Capital Adequacy Ratio (CAR) slightly increased by 0.6 percentage points to 33.5 percent at end-June, 2017 from 32.9 percent at the end of the first quarter in 2017, and significantly increased by 16.3 percentage points compared to the corresponding quarter in 2016. All of the nine banks were in excess of the minimum requirement of 10.0 percent. With respect to the minimum net worth, eight of the nine banks were in compliance with the minimum capital requirement of US\$10 million.

Non-performing loans (NPL) decreased by 2.6 percent at end-June 2017 over the previous quarter but it increased by 8.4 percent compared to the same period in 2016. In absolute terms, non-performing loans decreased from L\$6.82 billion to L\$6.64 billion at end, June, 2017, but increased by L\$0.51 billion compared to the corresponding quarter of 2016. The ratio of non-performing loans ratio decreased respectively by 1.9 percentage points and 3.1 percentage points to 13.9 percent at end-June, 2017 over the preceding quarter and corresponding quarter in 2016. Three of the nine banks were below the regulatory tolerable limit of 10.0 percent. Even though there were improvements in the asset quality of most of the banks, weak credit underwriting processes and inadequate monitoring of loans continued to be the driving factors for the poor asset quality of the banks.

Gross earnings of the industry during the quarter under review increased by 153.1 percent to L\$7.60 billion over the previous quarter and increased by 79.6 percent compared to the same period of 2016. Total operating profits (before loan loss provisions and taxes) was L\$7.04 billion, representing an increase of 151.9 percent over the previous quarter and 78.3 percent growth compared to the corresponding quarter of 2016.

The net income position (after taxes and loan loss provisions) of the banking system recorded L\$886.5 million at end-June, 2017, which is 302.1 percent growth over the previous quarter and 279.6 percent increment compared to the corresponding period of 2016. Seven of the nine banks recorded net profits while the remaining two recorded net loss positions. Like previous quarters, most of the system's earnings are from non-interest sources, which reflect the low financial intermediation in the banking system.

Liquidity position of the banking system remains very strong at end-June, 2017, increasing respectively, by 0.9 percentage point and 14.0 percentage points to 52.2 percent during the quarter compared to the previous and corresponding quarter of 2016, respectively. The liquidity position recorded in the banking system during the period was above the minimum requirement level of 15 percent by 37.2 percentage points.

All of the nine banks recorded liquidity ratio above the minimum requirement of 15 percent. The system recorded a total liquid assets of L\$31.35 billion (13.1 percent as vault cash; 42.7 percent as operational account balances (current account and reserves) with the CBL; 26.9 percent as foreign bank balances, and 12.6 percent as treasury bills from GoL and CBL).

This shows that about 42.7 percent of the system's liquid assets are held in operational accounts at the Central Bank, which indicates liquidity support to the banking system. The high liquidity positions, being maintained by most of the banks, mitigate the potential of future liquidity risks. However, most of the banks and at aggregate level recorded loans to deposit ratio above the 80 percent bench mark, except one bank. The high loan to deposit ratio indicates the over utilization of deposits by most banks and raises concern which needs to be carefully looked at.

3.2 Commercial Bank Credit

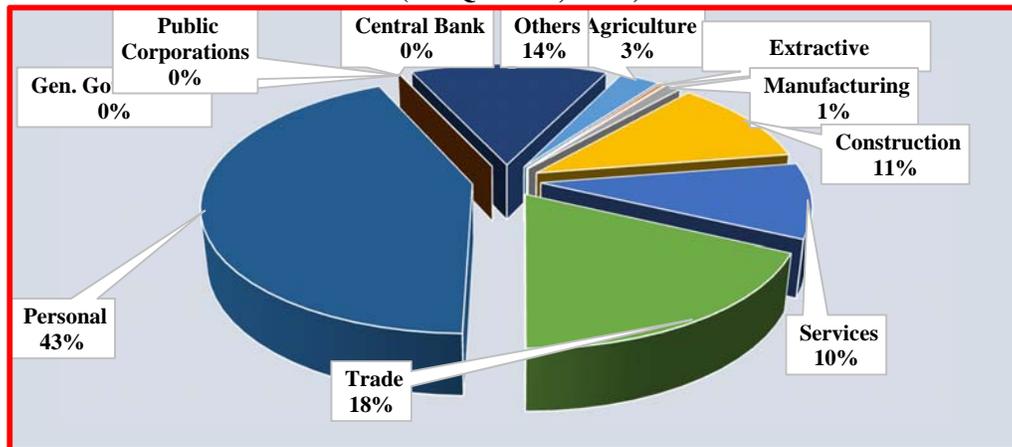
Total credits, quarter-on-quarter (Q-o-Q), to various sectors of the economy at end-June, 2017, stood at L\$47,700.0 million, expanding by 10.5 percent from L\$43,154.6 million recorded at end-March, 2017. The growth in the stock of credit during the quarter was mainly triggered by increases in loans to the construction sector, personal loans and credits to the other sector. The implementation of several construction projects during the quarter and the continuous pick-up in economic activities explains the rise in total outstanding loans. Loans to the Agriculture, extractive, manufacturing, services and trade sectors during the period contributed negatively to credit growth. About 100 percent of outstanding loans and advances in the quarter were directed to the private sector, underscoring the significance of the sector in the growth and development process of the economy. Year-on-year analysis indicated that credit to the various economic sectors grew by 35.5 percent (Table 10 Chart 7). The prospect of credits expansion to the private sector appeared favourable given the continuous improvements in economic activities. Thus, credit to the sector is forecast to expand in the next quarter by 6.6 percent.

**Table 10: Commercial Bank Loans by Economic Sector
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)**

(In Millions L\$)	2016		2017			
	2 nd Quarter	Share	1 st Quarter	Share	2 nd Quarter+	Share
Agriculture	2,433.8	6.9	1,455.0	3.4	1,328.0	2.8
Extractive (Mining & Quarrying)	693.3	2.0	215.4	0.5	170.6	0.4
Manufacturing	1,083.6	3.1	677.8	1.6	515.8	1.1
Construction	5,611.6	15.9	4,546.9	10.5	5,134.0	10.8
Services	4,767.2	13.5	5,641.4	13.1	4,472.3	9.4
Trade	13,315.2	37.8	14,417.9*	33.4	8,512.2	17.8
Personal	4,139.5	11.8	7,816.5	18.1	20,122.5	42.2
Gen. Government	720.9	2.0	408.4	0.9	5.0	0.0
Central Bank	-	-	-	-	-	-
Public Corporations	253.2	0.7	158.2	0.4	16.8	0.0
Oil and Gas	456.2	1.3	1,535.7	3.6	809.7	1.7
Others	1,734.9	4.9	6,281.5	14.6	6,613.0	13.9
Total Loan All Sectors (LD & USD)	35,209.4	100.0	43,154.6	100.0	47,700.0	100.0
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>34,235.3</i>	<i>97.23</i>	<i>42,588.0</i>	<i>98.69</i>	<i>47,678.1</i>	<i>99.95</i>

*Source: Central Bank of Liberia, Monrovia, Liberia (*Revised; +Provisional)*

**Chart 7: Percentage Distribution of Commercial Banks' Loans by Economic Sectors
(2nd Quarter, 2017)**



3.3 Interest Rate

During the period under review, some interest rate indicators trended positively while others remained unchanged. Interest rates on certificate of deposits, time deposits and mortgage grew by 75.0, 28.0 and 22.0 basis points, respectively, when matched against the first quarter of 2017. However, interest rates on lending, personal loan and saving remained unchanged at 13.28 percent, 12.94 percent and 2.20 percent, respectively. Year-on-year analysis of average interest rates, indicated up and down movements (Table 11).

The spread between the average lending and savings rates remained constant at 11.08 percent for the second quarter compared with the first.

**Table 11: Commercial Bank’s Interest Rates
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)**

	2016	2017	
	2 nd Quarter	1 st Quarter	2 nd Quarter+
Avg. Lending Rate	13.50	13.28	13.28
Avg. Personal Loan Rate	13.26	12.94	12.94
Avg. Mortgage Rate	12.42	13.17	13.39
Avg. Time Deposit Rate	2.67	3.25*	3.53
Avg. Savings Rate	2.02	2.20*	2.20
Avg. Rate on CDs	2.00	2.25*	3.00

*Source: Central Bank of Liberia, Monrovia, Liberia
+Provisional
Revised

3.4 Exchange Rate

The average exchange rate of the Liberian dollar vis-à-vis the U.S. dollar depreciated by 8.5 percent to L\$112.84/US\$1.00 at end-June, 2017, from L\$104.02/US\$1.00 recorded at end-March, 2017. The depreciation of the domestic currency was predominantly explained by the rise in government Liberian dollar expenditure, the increase in the demand for US dollar to service import payments, and reduced foreign exchange intervention by the CBL. For the quarter under review, GoL Liberian dollar expenditures increased by 36.2 percent to L\$8,341.3 million from L\$6,126.8 recorded in the previous quarter. Year-on-year analysis also showed that government’s US dollar expenditure contracted by 23.9 percent to US\$98.3 million from US\$129.3 million recorded in the corresponding quarter of 2016. The end of period exchange rate also followed similar trend.

A year-to-year analysis indicated that the average exchange rate, depreciated by 21.4 percent at end-June, 2017, when matched with the figure recorded at end-June, 2016.

**Table 12: Market Exchange Rate: Liberia Dollar per US Dollar
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)**

	2016	2017	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Market Rate End of Period	94.50	104.50	113.13
Market Rate Period Average	92.92	104.02	112.84

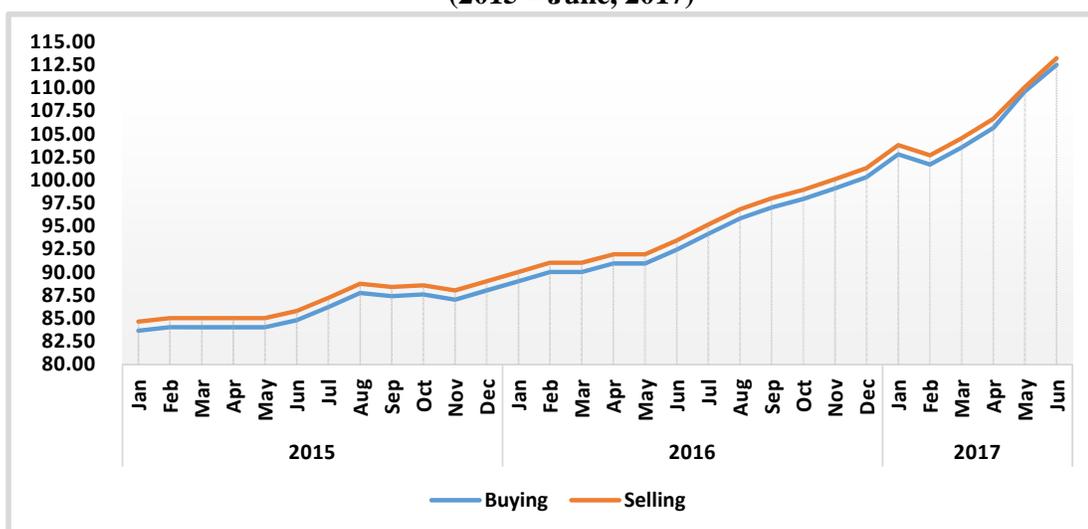
Source: Central Bank of Liberia, Monrovia, Liberia

**Table 13: Monthly Average Buying and Selling Rates of
Liberian Dollars per US Dollar
(2015- June, 2017)**

Period Average	2015		2016		2017	
	Buying	Selling	Buying	Selling	Buying	Selling
January	83.63	84.63	89.00	90.00	102.77	103.77
February	84.00	85.00	90.00	91.00	101.67	102.67
March	84.00	85.00	90.00	91.00	103.52	104.52
April	84.00	85.00	90.92	91.92	105.64	106.64
May	84.00	85.00	90.92	91.92	109.62	110.08
June	84.77	85.77	92.42	93.42	112.48	113.19
July	86.19	87.19	94.15	95.15		
August	87.73	88.73	95.81	96.81		
September	87.38	88.38	97.00	98.00		
October	87.56	88.56	97.92	98.92		
November	87.00	88.00	99.08	100.08		
December	88.00	89.00	100.30	101.30		
Q1	83.88	84.88	89.67	90.67	102.65	103.65
Q2	84.26	85.26	91.42	92.42	109.25	109.97
Q3	87.10	88.10	95.65	96.65		
Q4	87.52	88.52	99.10	100.10		
Yearly Ave	85.69	86.69	93.62	94.62		

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 8: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar
(2015 – June, 2017)**



3.5 Monetary Policy Stance

The monetary policy objective of the Central Bank of Liberia (CBL) continues to be the maintenance of price stability coupled with ensuring a sound financial sector that is supportive of sustained and inclusive economic growth and development. To this end, the CBL’s intervention in the foreign exchange market in addition to the T-bill is the readily available policy instrument to influence the nation’s monetary conditions. However, the CBL will continue to strongly support the national economic development agenda, with a firm focus on the need for access to finance for the critical sectors of the economy, including agriculture and manufacturing.

3.6 Liberian Dollars in Circulation

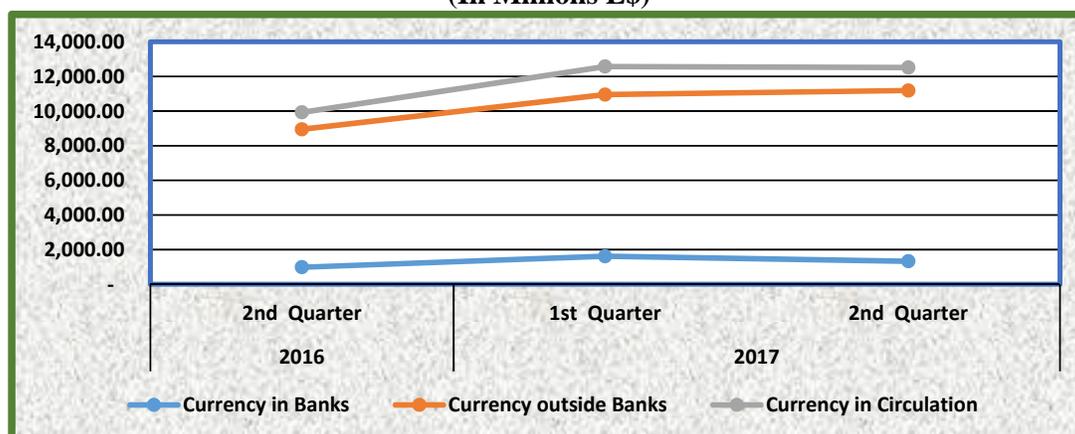
At end-June, 2017, Liberian dollar in circulation slowdown by 0.5 percent to L\$12,512.8 million, from L\$12,569.5 million recorded at end-March, 2017. The decline in currency in circulation was on account of a 17.8 percent reduction in currency in banks which offset the 2.1 percent rise in currency outside banks. When matched against the corresponding period a year ago, the Liberian dollar in circulation expanded by 26.1 percent (Table 14 & Chart 9).

Table 14: Liberian Dollars in Circulation
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)

	2016	2017	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Currency in Banks	982.54	1,618.94	1,330.10
Currency outside Banks	8,942.62	10,950.51	11,182.70
Currency in Circulation	9,925.16	12,569.45	12,512.80

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 9: Liberian Dollars in Circulation
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)



3.7 Money Supply (M1)

Narrow money supply (M1) at end-June, 2017, rose by 1.3 percent to L\$46,243.0 million when matched against the L\$45,660.1 million recorded a quarter ago. The rise was triggered by a 2.1 percent and a 1.0 percent growth in currency outside the banking system and demand deposits, respectively. When compared with the corresponding period in 2016, M1 grew by 16.9 percent (Table 15 & Chart 10).

Table 15: Broad Money Supply and its Sources
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)

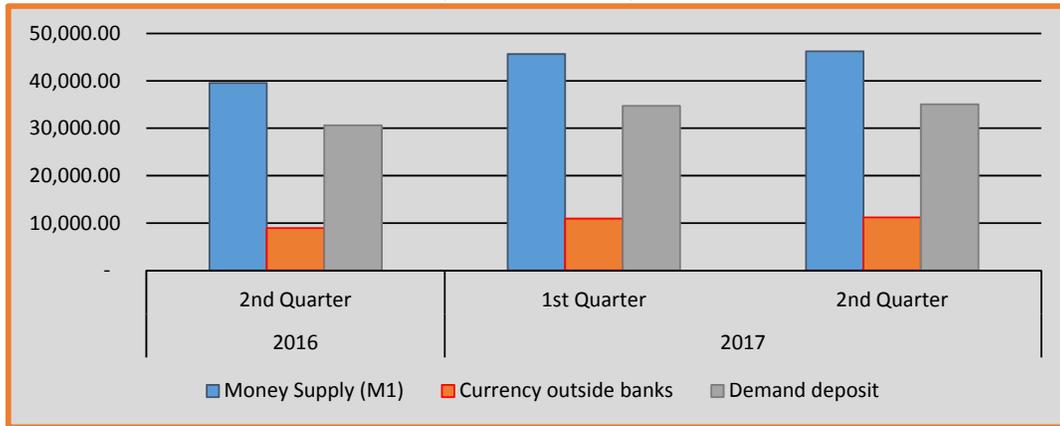
Monetary Aggregates	2016	2017		Percentage Change	
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	60,666.50	67,616.72	69,429.25	2.68	14.44
1.1 Money Supply M1	39,553.40	45,660.10	46,242.99	1.28	16.91
1.1.1 Currency outside banks	8,942.60	10,950.51	11,182.73	2.12	25.05
1.1.2 Demand deposit ^{1/}	30,610.80	34,709.60	35,060.26	1.01	14.54
1.2 Quasi Money	21,113.10	21,956.61	23,186.26	5.60	9.82
1.2.1 Time & Savings deposits	20,954.00	21,810.00	23,108.55	5.95	10.28
1.2.2 Other deposits ^{2/}	159.10	146.62	77.71	-47.00	-51.16
2.0 Net Foreign Assets	37,052.30	32,593.25	30,575.68	-6.19	-17.48
2.1 Central Bank	28,226.40	24,553.23	21,561.03	-12.19	-23.61
2.2 Banking Institutions	8,825.90	8,040.02	9,014.66	12.12	2.14
3.0 Net Domestic Assets (1 - 2)	23,614.20	35,023.47	38,853.57	10.94	64.53
3.1 Domestic Credit	57,578.20	69,948.17	83,814.90	19.82	45.57
3.1.1 Government (net)	14,721.20	18,103.70	26,055.97	43.93	77.00
3.1.2 Pvt. Sector & Other Pvt.	42,857.00	51,844.47	57,758.93	11.41	34.77
3.2 Other assets Net (3 - 3.1)	33,964.00	34,924.70	44,961.33	28.74	32.38
Memorandum Items					
1. Overall Liquidity	60,666.50	67,616.72	69,429.25	2.68	14.44
2. Reserve Money	29,438.60	24,567.01	26,896.15	9.48	-8.64
Currency outside banks	8,942.60	10,950.51	11,182.73	2.12	25.05
Banks Reserves	19,337.70	12,857.17	14,764.18	14.83	-23.65
Other Deposits at CBL	1,158.30	759.33	949.23	25.01	-18.05

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 10: Narrow Money Supply (M1)
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)



3.8 Broad Money Supply (M2)

Total Liquidity in the banking system, (M2), at end-June, 2017, expanded by 2.7 percent to L\$69,429.3 million, from L\$67,616.7 million recorded at end-March, 2017. From the assets side, growth in M2 resulted from a 10.9 percent growth in net domestic assets which overshadowed the 6.2 percent decline in net foreign assets (NFA). When matched against the corresponding stock a year ago, broad money supply (M2) grew by 14.4 percent (Table 15 & Chart 11).

Chart 11: Broad Money Supply (M2)
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)



The shares of US and Liberian dollar components of broad money supply at end-June, 2017 stood at 66.6 percent and 33.4 percent, respectively. The first quarter of 2017 however recorded shares of US and Liberian dollars of 67.7 percent and 32.3 percent, respectively.

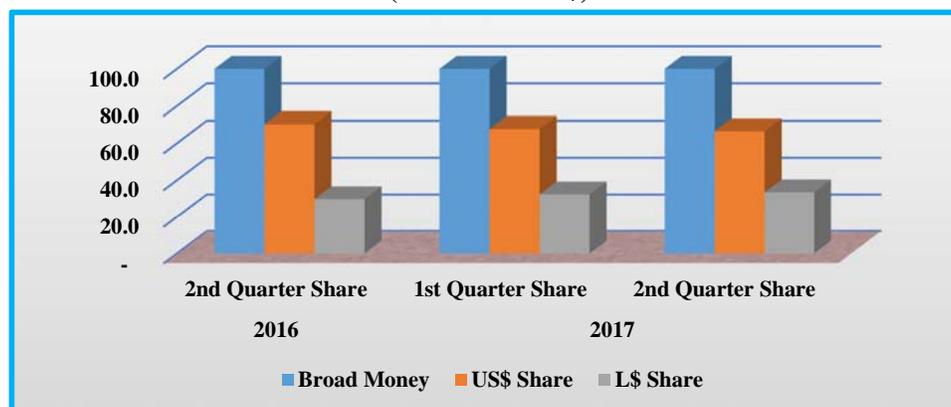
The shares of US component of broad money indicate the high level of dollarization of the Liberian economy.

Table 16: Broad Money: Share of US and Liberian Dollars
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)

	USD and LD Shares of Broad Money					
	2016		2017			
	2nd Quarter	Share	1st Quarter	Share	2nd Quarter	Share
Broad Money	59,080.7	100.0	67,616.7	100.0	69,429.3	100.0
US\$ Share	41,512.4	70.3	45,773.0	67.7	46,226.4	66.6
L\$ Share	17,568.3	29.7	21,843.7	32.3	23,202.8	33.4

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 12: Broad Money: Share of US and Liberian Dollars
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)



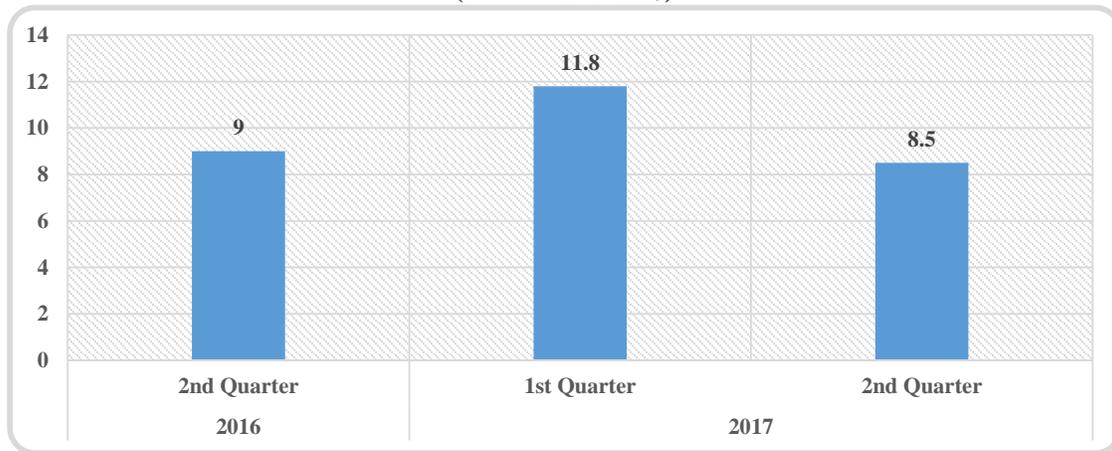
3.9 Foreign Exchange Auction

The total amount of US dollar sold through the foreign exchange auction during the quarter ended June, 2017, amounted to US\$8.4 million. This level of intervention was US\$3.4 million lower than the amount offered in the first quarter of 2017. On a year-on-year basis, total foreign exchange sold during the second quarter of 2017 slowdown by 6.7 percent.

Table 17: Foreign Exchange Sale Auction
(2nd Quarter 2016; 1st & 2nd Quarters, 2017)
(In Millions US\$)

FX Sale Auction	2016		2017	
	2nd Quarter		1st Quarter	2nd Quarter
	9.0		11.8	8.5

**Chart 13: Foreign Exchange Sale Auction
(2nd Quarter 2016; 1st & 2nd Quarters, 2017)
(In Millions US\$)**



3.10 Money Market Developments

Money market operations, for the quarter ended June, 2017, showed that CBL issued three GoL’s 91-day T-bills which summed up to L\$159.24 million with a weighted average discount rate of 3.08 percent. When compared with the preceding quarter, GoL’s 91-day T-bill issued in the second quarter, 2017 increased by L\$11.1 million largely on account of undersubscription in the first quarter. Over subscription, on the other hand, rose by 57.7 percent to L\$26.1 million from L\$16.5 million reported at end-March, 2017. When compared with the corresponding quarter a year ago, over subscription declined by 74.5 percent.

The average yield in 2017 remained relatively low (only rose in the second quarter by 1 basis point to 3.08 percent). This reflects limited alternative investment opportunities of loanable fund in Liberian dollar at the disposal of banks.

**Table 18: Government of Liberia Treasury Bill Auction
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)**

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity	Weighted Average Discount Rate (%)
2nd Quarter, 2017							
6-Jun-17	5-Sep-17	53.74	53.74	55.33	9.41	0.40	2.90
4-May-17	3-Aug-17	53.25	53.25	52.82	8.13	0.43	3.20
6-Apr-17	6-Jul-17	52.25	52.25	51.84	8.53	0.41	3.15
		159.24	159.24	160.00	26.06	1.24	3.08
1st Quarter, 2017							
5-Jan-17	4-Apr-17	51.25	51.25	50.90	9.80	0.35	2.81
2-Feb-17	4-May-17	52.25	45.18	44.80	(7.08)	0.38	3.36
2-Mar-17	1-Jun-17	51.75	51.75	51.36	13.80	0.39	3.04
		155.25	148.18	147.05	16.53	1.12	3.07
2nd Quarter, 2016							
2-Jun-16	1-Sep-16	45.75	45.75	45.39	46.125	0.36	3.11
5-May-16	4-Aug-16	45.25	45.25	44.89	23.9	0.36	3.15
7-Apr-16	7-Jul-16	45.25	45.25	44.91	31.975	0.34	3.01
		136.25	136.25	135.20	102.00	1.05	3.09

Source: Central Bank of Liberia

**Chart 14: Average Quarterly Yields (in Percent) Government of Liberia 91-day Treasury-bill Auctions
(2nd Quarter, 2016 & 1st & 2nd Quarters, 2017)**



IV. FISCAL SECTOR DEVELOPMENTS

Fiscal operations during the Second Quarter of 2017 resulted in a quarterly budget deficit of L\$1,910.7 million (3.2 % of GDP), compared to the deficit of L\$237.5 million (0.4 % of GDP) recorded during the preceding quarter and a surplus of L\$1,841.7 million reported in the corresponding quarter in 2016. The deficit recorded during the review period was attributed to 11.7 percent growth in public expenditure, coupled with 0.8 percent decline in total revenue & grants.

Actual revenue and grants, during the review quarter, amounted L\$13,072.8 million against the L\$14,485.1 million projected. The 9.8 percent shortfall was mainly ascribed to unrealized grants. Liberia's public debt stock at end-June, 2017, rose by 5.0 percent and 16.2 percent to US\$849.0 million against the stock recorded at ends-March, 2017, and June, 2016, respectively, mainly explained by growth in the country's external debt obligations to multilateral and bilateral creditors.

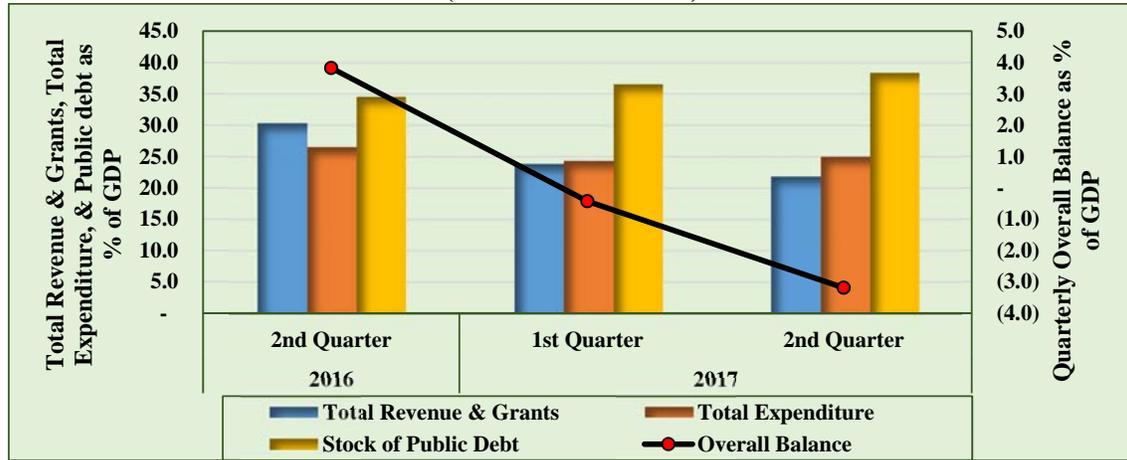
Table 19: Government of Liberia's Total Revenue and Grants
(2st Quarter, 2016; and, 1st & 2st Quarters, 2017)
(In percent of GDP)

Indicators	2016	2017	
	2nd Quarter	1st Quarter	2nd Quarter
Total Revenue & Grants	30.3	23.9	21.8
Total Revenue Excluding Grants	25.4	23.9	21.8
Tax Revenue	22.2	19.2	20.1
Nontax Revenue Including Grants	8.2	4.7	1.7
Nontax Revenue Excluding Grants	3.2	4.7	1.7
Grants	4.9	0.0	0.0
Total Expenditure	26.5	24.3	25.0
Recurrent Expenditure	23.5	21.8	22.9
Capital Expenditure	2.8	1.8	1.6
Loan & Interest Payments & Other Charges	0.2	0.7	0.5
Compensation of Employees	8.0	8.5	9.1
Expenditure on Goods and Services	9.4	7.1	7.4
Overall Balance	3.8	(0.4)	(3.2)
Stock of Public Debt	34.6	36.6	38.4
Stock of External Debt	21.9	24.5	26.3
Stock of Domestic Debt	12.7	12.1	12.1

Source: Ministry of Finance & Development Planning (MFDP)

*Preliminary

**Chart 15: Government of Liberia’s Fiscal Sector Indicators
Second Quarter, 2017
(In Percent of GDP)**



4.1 Government Revenue and Grants

Total revenue and grants for the period under review amounted to L\$13,072.8 million (21.8 % of GDP). Matched against the amount recorded during the first quarter, 2017, it shrank by L\$109.4 million (0.8 percent) on account of 59.9 percent decline in non-tax revenue. Compared with the corresponding quarter a year ago, it also shrank by L\$1,521.9 million (10.4 percent). Actual tax revenue and grants also fell short in achieving budgetary target during the quarter by 9.8 percent due to unrealized commitments in grants.

Receipts from actual tax revenue during the review quarter grew by 13.7 percent and 12.8 percent to LS\$12,032.3 million (20.1 % of GDP) compared with the amounts recorded in the preceding and corresponding quarters, respectively. Except for property and the ‘other tax revenue’ category, all of the other sub-categories contributed to the growth in actual tax revenue during the review quarter: international trade taxes (by 11.0 percent); taxes on income & profit (by 26.3 percent); and, sales taxes on goods & services (by 5.1 percent). Actual tax revenue, during the quarter, also exceeded budgetary target by 19.6 percent. Non-tax revenue (including grants) declined by L\$1556.8 million during the quarter. The decline in non-tax revenue (including grants) was occasioned by 59.9 percent decline in receipts from administrative fees & charges. Compared with budgetary target, nontax revenue (including grants) also fell by 76.5 percent to L\$1,040.5 million during the period under review, from budgetary projection of L\$4,424.3 million. Tax and non-tax revenues constituted 92.0 percent and 8.0 percent of total actual revenue and grants’ receipts during the period.

4.1.1 International Trade Taxes

International trade taxes during the quarter under review rose by 11.0 percent and 29.9 percent to L\$5,605.7 million, from L\$5,050.8 million and L\$4,305.6 million recorded during the previous and corresponding periods, respectively, explained by growth in taxes & duties on imports. Taxes on international trade also rose by 21.2 percent against its budgetary target of L\$4,626.7 million during the period.

4.1.2 Taxes on Income and Profits

Taxes on income and profits during the quarter amounted to L\$4,768.2 million, growing by 26.3 percent and 0.2 percent against the amounts recorded during the first quarter, 2017, and second quarter, 2016, respectively. Individual taxes on income & profits, and taxes payable by corporate entities led the increased in taxes on income & profits for the period. Taxes on income & profits also rose against its budgetary target by 25.6 percent during the quarter under review.

4.1.3 Sale Taxes on Goods and Services

Taxes on goods and services during the review quarter amounted to L\$1,472.7 million, recording a 5.1 percent and 10.6 percent growth against the amounts recorded during the previous and corresponding periods, respectively. Except for the 'goods & services tax' category, all of the other sub-categories of sale taxes on goods & services contributed to the rise in receipts from this tax revenue category. A budgetary comparison also showed that sale taxes on goods & services rose in excess of its target by 6.4 percent.

4.1.4 Property and Real Estate Taxes

Taxes on property and real estate during the quarter declined by 2.3 percent and 28.1 percent to L\$184.8 million, from L\$189.1 million and L\$257.1 million recorded in the previous and corresponding periods, respectively. Compared with budgetary target for the quarter, it also fell by 27.3 percent.

4.1.5 Other Tax Revenue

Other tax revenue (tax revenue not elsewhere classified) during the quarter amounted to L\$0.9 million, declining by L\$168.1 million and L\$4.2 million against the previous and corresponding quarters, respectively.

4.1.6 Charges and Other Administrative Fees

Non-tax revenue from charges and other administrative fees during the period shrank by 59.9 percent to L\$1040.50 million, from L\$2,597.3 million registered during the previous quarter. Matched against the amount captured during the second quarter, 2016, it also fell by L\$510.5

million. Compared with the quarter's budgetary target for Fiscal Year (FY) 2016/2017, it rose in excess by 245.7 million.

Table 20: Government of Liberia's Total Revenue by Sources
(2nd Quarter, 2016; and, 1st & 2nd Quarters, 2017)
(In Millions, L\$)

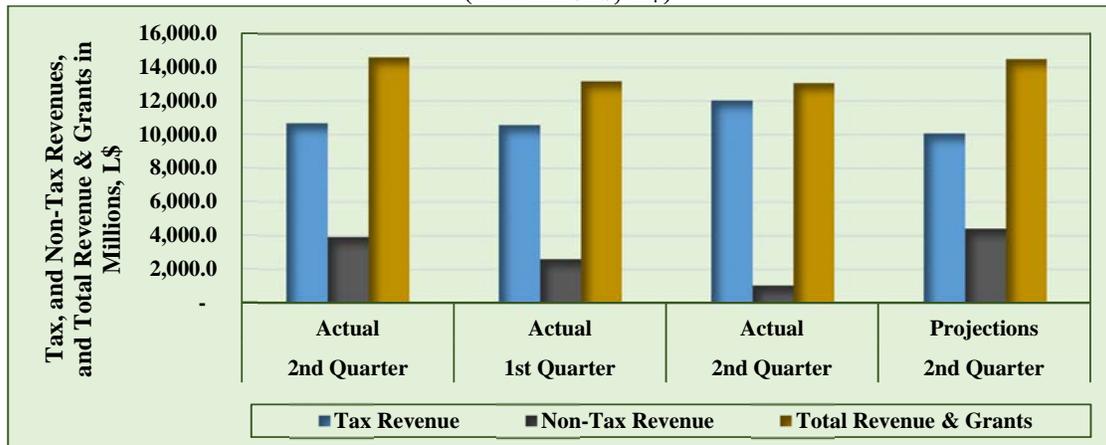
Revenue Sources	2016	2017		
	2nd Quarter	1st Quarter	2nd Quarter*	2nd Quarter*
	Actual			Projections
Tax Revenue	10,669.7	10,584.9	12,032.3	10,060.9
International Trade Taxes	4,316.8	5,050.8	5,605.7	4,626.7
<i>Taxes & Duties on Imports</i>	4,305.6	5,043.8	5,602.0	4,617.3
<i>Taxes on Exports</i>	11.2	7.0	3.7	9.4
Taxes on Income & Profits	4,759.4	3,775.0	4,768.2	3,795.7
<i>Individual Taxes on income & profits</i>	3,357.8	3,490.2	4,587.0	3,695.9
<i>Taxes Payable by Corporate Entities</i>	1,401.6	284.8	181.2	88.6
<i>Others</i>	0.0	0.0	0.0	11.2
Sale Taxes on Goods & Services	1,331.3	1,401.0	1,472.7	1,384.5
<i>Goods & Service Tax</i>	615.0	672.1	657.5	767.9
<i>Excise Taxes</i>	123.4	161.6	177.3	181.2
<i>Maritime Revenue</i>	387.1	327.3	337.0	171.7
<i>Others</i>	205.8	240.0	300.9	263.6
Property & Real Estate Taxes	257.1	189.1	184.8	254.0
Other Tax Revenue ¹	5.1	169.0	0.9	0.0
Non-Tax Revenue	3,925.1	2,597.3	1,040.5	4,424.3
Administrative Fees & Other Charges	1,551.0	2,597.3	1,040.5	794.8
Grants	2,374.0	0.0	0.0	3,629.5
Others	-	-	-	-
<i>Contingent Revenue</i>	-	-	-	-
<i>Borrowing</i>	-	-	-	-
<i>Carry Forward</i>	-	-	-	-
Total Revenue & Grants	14,594.7	13,182.2	13,072.8	14,485.1

Source: Ministry of Finance & Development Planning (MFDP)

¹Tax revenue not elsewhere mentioned

*Preliminary

**Chart 16: Government of Liberia’s Total Revenue and Grants
(2nd Quarter, 2016; and, 1st & 2nd Quarters, 2017)
(In Millions, L\$)**



4.2 Government Expenditure

Public sector expenditure for the period under review amounted to L\$14,983.5 million (25.0 % of GDP), increasing by L\$1,563.8 million (11.7 percent) against the amount recorded during the first quarter in 2017, mainly explained by 14.0 percent growth in recurrent spending. Similarly, public spending during the review quarter also rose to L\$2,230.4 million (17.5 percent) compared with L\$12,753.1 million recorded in the corresponding period of 2016, mainly on accounts to 21.4 percent increased recurrent spending during the review period. Recurrent, capital, and loan, interest payments & other charges constituted 91.6 percent, 6.3 percent, and 2.1 percent of total expenditure during the period, respectively.

Recurrent expenditure during the review quarter rose by L\$1,689.5 million (14.0 percent) to L\$13,724.5 million (22.9 % of GDP) against the amount recorded during the preceding quarter, mainly explained by growths in public spending on employees’ compensation, goods & services, provision of grants, and social benefits. Similarly, recurrent expenditure also rose by 21.4 percent against the amount recorded during the corresponding period in 2016. On the other hand, capital expenditure during the period under review declined by 5.0 percent and 30.2 percent compared to the previous and corresponding quarters, respectively, mainly on account of reduction in public spending on acquisition of fixed assets. Public spending on loan, interest payments & other charges also declined by L\$76. 3 million against the expenditure recorded in the previous quarter, but rose by L\$213.6 million against the expenditure incurred during the corresponding period in 2016.

4.2.1 Recurrent Expenditure

Compensation of Employees

Spending on employees' compensation (salaries & allowances, and social contributions) during the quarter amounted to L\$5,446.5 million (9.1% of GDP), and constituted 39.7 percent and 36.4 percent of recurrent and total expenditures for the review period. Compared with the previous and corresponding quarters, expenditure on employees' compensation rose by 16.2 percent and 41.3 percent, respectively.

Expenditure on Goods and Services

Expenditure on goods & services during the quarter under review amounted to L\$4,419.3 million (7.4 % of GDP), and constituted 32.2 percent and 29.5 percent of recurrent and total expenditures, respectively. Compared to the preceding quarter, public spending on goods & services rose by 12.5 percent, but fell by 2.0 percent against the amount recorded during the corresponding period in 2016.

Grants

Expenditure on the provision of grants (to foreign governments, international organizations, other general government units, transfers to non-governmental organizations, and transfers to private entities) for the quarter under review totalled L\$1,859.5 million, increasing by 15.4 percent and 9.9 percent compared to the levels recorded during the previous and corresponding quarters, respectively. Proportionally, it constituted 13.5 percent and 12.4 percent of recurrent and total expenditures for the review quarter, respectively.

Social Benefits

Public expenditure on social benefits during the review quarter amounted to L\$21.8 million, 31.3 percent more than expenditure made under this category during the previous quarter, but declined by 11.0 percent against the amount recorded in the corresponding quarter.

Others

The 'other expenditure' category of recurrent expenditure grew by 10.2 percent and 62.0 percent to L\$1,977.2 million, from L\$1,794.2 million and L\$1,220.6 million recorded in the First quarter, 2017, and the Second Quarter, 2016, respectively.

4.2.2 Capital Expenditure

Depreciation and Acquisition of Fixed Assets

Capital expenditure on depreciation of assets, during the review quarter, amounted to L\$624.5 million. Whereas, expenditure on fixed assets acquisition at end-June, 2017 amounted to L\$314.0 million, constituting 35.3 percent and 2.1 percent of recurrent and total expenditures' for the review period, respectively. When compared with the previous and corresponding quarters, expenditure on fixed assets acquisition declined by 68.2 percent and 75.2 percent, respectively.

4.2.3 Loan, Interest Payments and Other Charges

Domestic Debts Repayment & Interest

Repayments of domestic debt & interest's expenditure at end-June, 2017 increased by L\$20.2 million to L\$20.2 million up from L\$194.1 million recorded in the preceding quarter. On an annualized basis, it was L\$130.8 million more than the amounts recorded in the corresponding quarter.

External (Foreign) Debts Repayments & Interest

Repayments of external (foreign) debt & interest's expenditure during the second quarter of 2017 amounted to L\$106.2 million, from L\$202.7 million and L\$23.4 million recorded in the previous and corresponding quarters, respectively.

Table 21: Government of Liberia's Total Expenditure
(2nd Quarter, 2016; and, 1st & 2nd Quarters, 2017)
(In Millions, L\$)

Expenditure by Codes	2016	2017	
	2nd Quarter	1st Quarter	2nd Quarter*
Recurrent Expenditure	11,301.6	12,035.0	13,724.5
Compensation of Employees	3,855.3	4,685.6	5,446.5
Expenditure on Goods & Services	4,508.6	3,927.1	4,419.3
Subsidies	-	-	-
Grants	1,692.7	1,611.6	1,859.5
Social Benefits	24.5	16.6	21.8
Others	1,220.6	1,794.2	1,977.2
Capital Expenditure	1,344.5	987.8	938.5
Depreciation	-	-	624.5
Acquisition of Fixed Assets	1,269.4	987.8	314.0
Others	75.2	-	-
Loan & Interest Payments & Other Charges	106.9	396.9	320.5
Domestic Debts Repayment	-	39.4	35.0
External Debts Repayment	-	16.0	99.1
Interest on Domestic Debt	83.6	154.8	179.3
Interest on Foreign Debt	23.4	186.7	7.1
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	-	-	-
Other Expenditures¹	-	-	-
Total Expenditure	12,753.1	13,419.7	14,983.5

Source: Ministry of Finance & Development Planning (MFDP)

¹Expenditures not elsewhere classified

**Preliminary*

Chart 17: Government of Liberia’s Total Expenditure
(2st Quarter, 2016; and, 1st & 2st Quarters, 2017)
(In Millions, L\$)



4.3 Stock of Public Debt

Liberia’s public debt stock at end-June, 2017, rose by US\$40.1 million (5.0 percent) to US\$849.0 million (38.4 % of GDP), from US\$808.9 million (36.6 % of GDP) recorded at end-March, 2017, occasioned by 7.5 percent growth in external borrowing from multilateral and bilateral creditors. Compared to the stock recorded in the corresponding period of 2016, it also grew by US\$118.3 million (16.2 percent) on account of 26.0 percent rise in external debt stock owing to multilateral and bilateral creditors. At end-June, 2017, Liberia’s public debt stock constituted 68.5 percent external debt and 31.5 percent domestic debt.

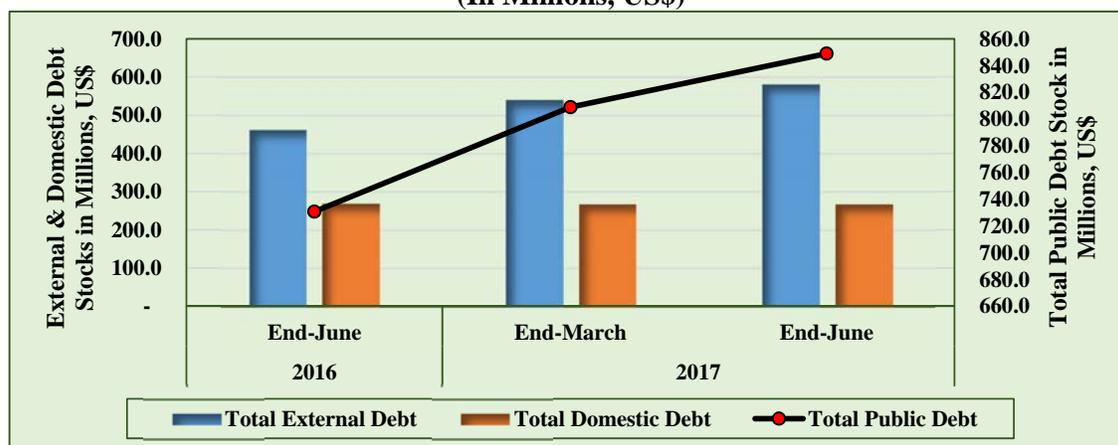
Table 22: Liberia’s Overall Public Debt Position - By Category
As at End-June, 2017
(In Millions, US\$)

Creditors	2016	2017	
	End-June	End-March	End-June*
Total External Debt	461.7	541.2	581.9
Total Domestic Debt	269.0	267.7	267.1
Total Public Debt	730.7	808.9	849.0

Source: Ministry of Finance & Development Planning (MFDP)

*Preliminary

**Chart 18: Liberia’s Overall Public Debt Position - By Category As at End-June, 2017
(In Millions, US\$)**



4.3.1 External Debt

External debt stock at the end of the review quarter rose by US\$40.7 million or 7.5 percent to US\$581.9 million (26.3 % of GDP), from US\$541.2 million (24.5 % of GDP) recorded at end-March, 2017, explained by 5.1 percent and 38.8 percent acquisitions of new multilateral and bilateral debt stocks during the review period, respectively. Similarly, a corresponding period analysis showed that Liberia’s external debt obligation surged by US\$120.2 million (26.0 percent) at end-June, 2017, from US\$461.7 million stock recorded at end-June, 2016, occasioned by a 23.3 percent and 61.8 percent growth in multilateral and bilateral debt stocks. At end-June, 2017, multilateral and bilateral debt stocks stood at US\$528.3 million and US\$53.6 million, accounting for 90.8 percent and 9.2 percent of Liberia’s total external debt stock, respectively. Growth in Liberia’s external debt obligations to the World Bank and Saudi Arabia at end-June, 2017, was the main driver of increase in multilateral and bilateral debt stocks, surging by 6.2 percent and 81.1 percent, respectively, against the stocks recorded at end-March, 2017.

4.3.2 Domestic Debt

Domestic debt stock at end-June, 2017, slightly reduced by US\$0.6 million (0.2 percent) to US\$267.1 million (12.1 % of GDP), from US\$267.7 million (12.1 % of GDP) recorded at end-March, 2017, explained by 0.2 percent reduction in domestic debt to financial institutions during the review period. Similarly, a corresponding period analysis showed that Liberia’s domestic debt obligation reduced by US\$2.0 million (0.7 percent) at end-June, 2017, from US\$269.0 million stock recorded a year ago.

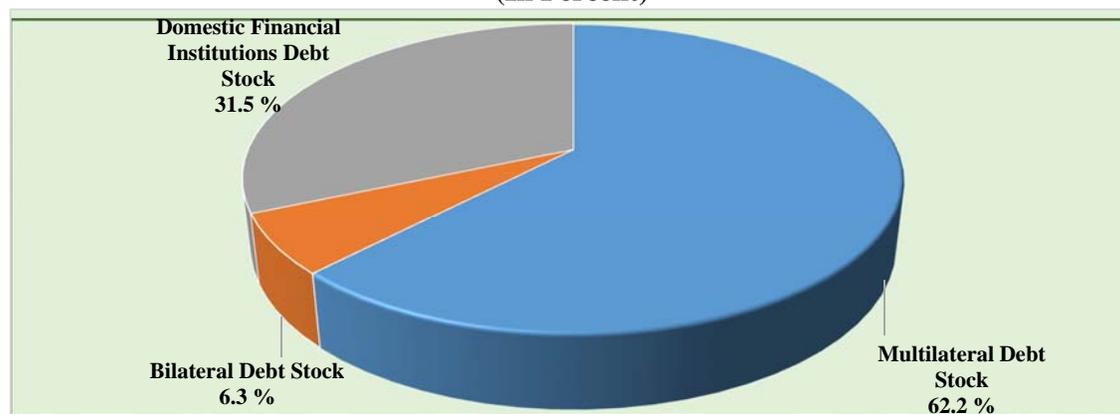
Table 23: Liberia's Overall Public Debt Position - By Creditors
As at End-June, 2017
(In Millions, US\$)

Creditors	2016	2017	
	End-June	End-March	End-June*
Total Public Debt	730.7	808.9	849.0
External Debt	461.7	541.2	581.9
Multilateral	428.6	502.6	528.3
<i>WORLD BANK GROUP</i>	221.6	274.0	291.0
<i>IMF -RCF Credit¹</i>	44.8	43.9	44.9
<i>AfDB GROUP</i>	61.4	62.5	69.6
<i>EU/EIB</i>	49.0	54.7	54.7
<i>Others</i>	51.8	67.4	68.1
Bilateral	33.1	38.6	53.6
<i>China</i>	5.2	5.2	5.2
<i>Kuwait</i>	8.9	14.9	14.9
<i>Saudi Arabia</i>	18.5	18.5	33.5
<i>Others</i>	0.5	-	-
Domestic Debt	269.0	267.7	267.1
Financial Institutions	268.9	267.7	267.1
<i>Central Bank of Liberia (CBL)</i>	258.9	257.7	257.1
<i>CBL Infrastructure</i>	10.0	10.0	10.0
<i>Others</i>	-	-	-
Others	0.1	0.0	-

Source: Ministry of Finance & Development Planning (MFDP)

**Preliminary*

Chart 19: Liberia's Overall Public Debt Position - By Creditors
As at End-June, 2017
(In Percent)



V. EXTERNAL SECTOR DEVELOPMENTS

5.0 Overview

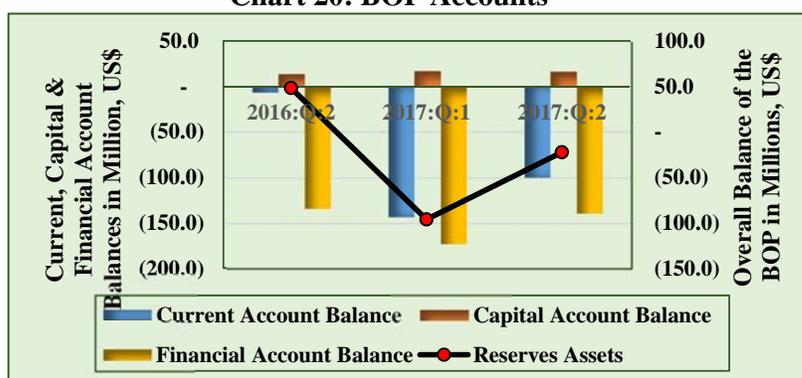
From preliminary statistics, developments in the balance of payments (BOP) saw improvement in the current account deficit, reduction in capital account emanating from capital transfers, decline in Liberia's net lending & borrowing liabilities from the financial account, and drawdown on reserves assets primarily arising from exchange rate pressure during the review quarter.

5.1 The Current Account

The current account, from preliminary statistics saw improvement in the deficit by 30.4 percent to US\$99.5 million during the quarter under review, from a deficit of US\$142.9

million recorded in the previous quarter. This development was mainly occasioned by 22.2 percent and 2.7 percent improvements in trade (balance in goods) deficit, and secondary income (net), respectively, outweighing deteriorations in the services (net) and primary income (net) accounts. Notwithstanding, a corresponding period analysis showed US\$92.7 million widening in the country's current account deficit during the second quarter, 2017.

Chart 20: BOP Accounts



**Table 24: Quarterly Balance of Payments (BOP) Statistics
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)**

Quarterly BOP (BPM6 Concept)	Q2: 2016	Q1: 2017⁺	Q2: 2017⁺
Current account	(6.8)	(142.9)	(99.5)
Credit (Receipts)	488.7	418.8	433.9
Debit (Payments)	495.5	561.7	533.4
Goods and services	(305.9)	(315.8)	(263.6)
Credit (Receipts)	75.2	61.8	64.6
Debit (Payments)	381.1	377.6	328.1
Goods	(255.7)	(250.5)	(194.8)
Credit (Exports)	56.3	47.4	51.7
<i>Iron Ore</i>	21.6	10.2	18.0
<i>Rubber</i>	15.3	17.8	13.6
<i>Minerals (Diamond & Gold)</i>	11.2	10.3	9.2
<i>Other Commodity Exports</i>	8.1	9.1	10.9
Debit (Imports)	311.9	297.9	246.5
<i>Petroleum</i>	70.1	58.9	31.1
<i>Rice</i>	23.3	14.2	37.4
<i>Machinery & Equipment</i>	67.5	57.4	53.4
<i>Other Commodity Imports</i>	151.1	167.4	124.6
General merchandise on a balance of payments basis	(256.8)	(251.2)	(195.3)
Credit (Receipts)	55.1	46.7	51.2
Debit (Payments)	311.9	297.9	246.5
<i>Of which Re-exports (credit)</i>	-	-	-
Services	(50.2)	(65.3)	(68.8)
Credit (Receipts)	18.9	14.4	12.9
Debit (Payments)	69.1	79.7	81.7
Primary Income	(25.6)	(47.4)	(62.3)
Credit (Receipts)	7.9	3.4	1.7
Debit (Payments)	33.5	50.8	63.9
Secondary Income	324.7	220.3	226.3
Credit (Receipts)	405.6	353.6	367.6
Debit (Payments)	80.9	133.3	141.3
Capital Account	13.6	17.0	16.0
Credit (Receipts)	13.6	17.0	16.0
Debit (Payments)	-	-	-
Net lending (+) / net borrowing (-) (balance from current and capital account)	6.8	(126.0)	(83.5)
Financial Account			
Net lending (+) / net borrowing (-) (balance from financial account) (B9)	(133.7)	(173.2)	(139.2)
Direct Investment	(83.8)	(67.7)	(77.9)
Net acquisition of financial assets	-	-	-
Net incurrence of liabilities	83.8	67.7	77.9
Other Investment	(49.9)	(105.4)	(61.3)
Net acquisition of financial assets	(25.5)	(52.7)	(43.8)
Net incurrence of liabilities	24.4	52.7	17.5
Reserve Assets	48.1	(96.4)	(22.6)
Special drawing rights	(36.9)	(14.9)	(2.0)
Reserve position in the IMF	47.9	(3.1)	(0.4)
Other reserve assets	37.2	(78.4)	(20.1)
Currency and deposits	37.2	(78.4)	(20.1)
NET ERRORS & OMISSIONS	(140.5)	(47.2)	(55.6)
MEMORANDUM ITEMS			
<i>Gross Foreign Reserves Position</i>	586.8	526.1	513.1
<i>Import Payments (cif)</i>	339.1	319.4	269.8
<i>Imports (cif) & Service Payments</i>	408.2	399.1	351.5
<i>Current Account Bal. Excl. Grants</i>	272.6	98.1	106.8
<i>Nominal GDP</i>	2,112	2,212	2,212
<i>Current Account Bal. Incl. Grants % of GDP</i>	(0.3)	(6.5)	(4.5)
<i>Current Account Bal. Excl. Grants % of GDP</i>	12.9	4.4	4.8
<i>Trade (in goods) Deficit % of GDP</i>	(12)	(11)	(9)
<i>Months of Imports Cover</i>	4.3	4.0	4.4

Source: Central Bank of Liberia (CBL)

+Revised

*Preliminary

5.1.1 Goods and Services

The goods and services account deficit improved by 16.5 percent to US\$263.6 million during the review quarter, from US\$315.8 million in the preceding period, explained by 22.2 percent

improvement in the trade balance deficit that offset the 5.2 percent worsening in services (net) account. When compared with the amount recorded during the same period in 2016, it also improved by 13.8 percent.

Trade (in goods) Balance

Liberia’s trade (in goods) balance performance improved by 22.2 percent to US\$194.8 million during the review period, from a deficit of US\$250.5 million recorded in the previous quarter, on account of 17.3 percent decline in import payments, coupled with 8.9 percent rise in export receipts during the period. Compared to the US\$255.7 million recorded during the corresponding period in 2016, the trade balance deficit also improved by 23.8 percent.

Chart 21: Quarterly Trade Balance
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

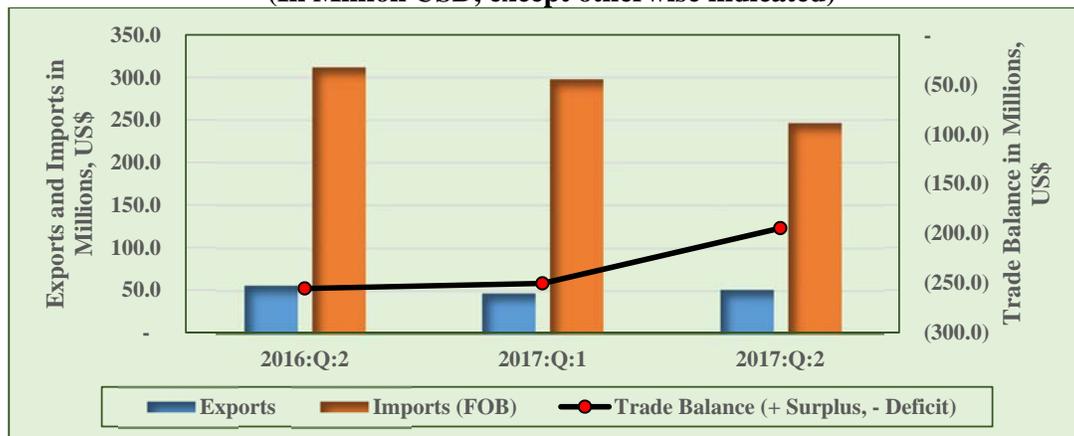


Table 25: Quarterly Trade Balance
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Trade Category	2016	2017	
	Q-2	Q-1	Q-2
Exports	56.3	47.4	51.7
Imports	311.9	297.9	246.5
Total Trade Balance (+ surplus, - deficit)	-255.6	-250.5	-194.8

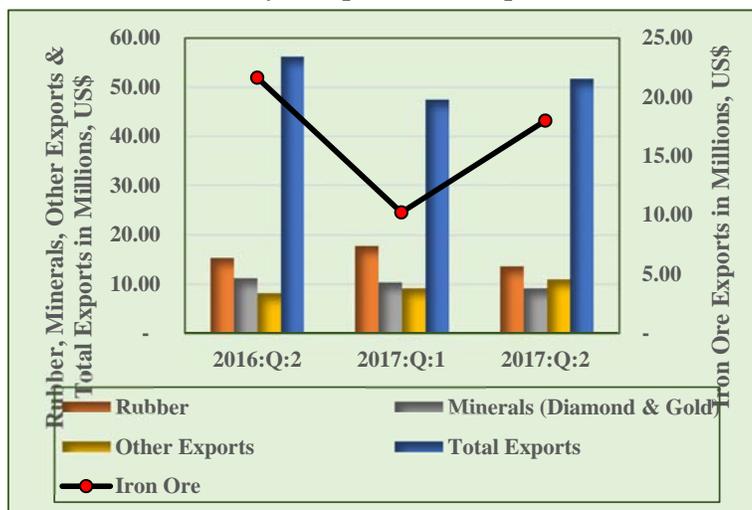
Sources: Customs - Liberia Revenue Authority (LRA), Central Bank of Liberia (CBL), & Firestone Liberia Ltd

Merchandise Exports

Export receipts for the 2nd quarter, 2017, rose by 8.9 percent to US\$51.7 million, from US\$47.4 million recorded in the previous quarter, occasioned by 76.3 percent and 20.0 percent growths in iron ore exports, and the ‘other commodity exports’ category, respectively.

Chart 22: Commodity Composition of Exports

Rubber exports during the quarter ended June, 2017 shrank by 23.7 percent to US\$13.6 million, down from US\$17.8 million recorded during the preceding quarter. Similarly, minerals (diamond & gold) exports during the review quarter also contracted by 11.3 percent to US\$9.2 million, down from US\$10.3 million recorded in the previous quarter.



Notwithstanding, annualized comparison showed that export earnings decreased by 8.2 percent during the review quarter, from US\$56.3 million recorded in the same period a year ago, mainly on account of declines in iron ore, rubber, and minerals (diamond & gold) exports.

Table 26: Commodity Composition of Exports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity	Unit	2016			2017					
		Q-2			Q-1			Q-2		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	11.2	15.3	27.2	8.8	17.8	37.5	8.1	13.6	26.3
Cocoa Bean	Mt.	4.6	3.8	6.7	1.2	0.4	0.9	1.3	0.8	1.5
Coffee Bean	Mt.	10.2	0.5	0.9	0.0	0.0	0.0	0.0	0.0	0
Iron ore	Mt.	590.4	21.6	38.4	373.6	10.2	21.5	523.0	18.0	34.8
Mineral			11.2	19.9		10.3	21.8		9.2	17.8
o/w Diamond	Carat	17.9	10.1	17.9	15.9	9.6	93.2	15.9	8.7	94.9
o/w Gold	Oz	1.2	1.1	2.0	0.7	0.7	6.8	0.6	0.5	5.1
Other Exports			0.2	0.4		6.0	12.6		6.5	12.6
Good Procured*			3.0	5.3		2.7+	5.8		3.7	7.1
TOTAL EXPORTS			56.3	100.0		47.4+	100.0		51.7	100.0

Sources: Customs (Liberia Revenue Authority), Ministry of Lands, Mines & Energy and Firestone Liberia Ltd.

Destination of Exports

During the period ended-June 2017, total receipts from exports stood at US\$51.7 million, a 15.7 percent rise over the receipts earned in the previous quarter. During this period, North America (especially USA), followed by Europe (o/w the Eurozone) and the Middle East were the top three regions that led Liberia's destination of exports. North America commanded 26.4 percent of earnings from total exports, while Europe and the Middle East commanded 10.9 and 15.7 percent, respectively.

On the growth front, Liberia's exports to Europe declined by US\$5.6 million, down from US\$11.2 million at end-March, 2017, and by US\$19.5 million at end-March 2016. Similarly, those destined to the Middle East also fell to US\$8.1 million at end-June, 2017, from US\$10.0 million at end-March, 2017, but on a year-on-year basis, they rose from US\$4.0 million at end June, 2016. Exports to North America grew to US\$13.6 million at the end of the review quarter, from US\$13.1, and US\$11.6 million, at end-June, 2017 and a year ago, respectively.

Annual comparison of receipts from exports showed that exports to all Liberia's trading regions rose notably, except Asia and Europe that recorded declines to US\$0.8 million and US\$5.6. The rise in exports receipts from those regions throughout the periods was mainly due to increases in shipments of mainly rubber, iron ore and minerals (diamond and gold) to those regions.

Table 27: Destination of Exports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2016		2017			
	Q-2		Q-1		Q-2	
	Value	% share	Value	% share	Value	% share
Africa	13.2	23.4	8.8	19.7	1.8	3.6
o/w ECOWAS	13.1	23.3	8.8	97.1	0.3	17.1
o/w Neighboring Countries	6.2	11.0	8.6	2.2	0.3	96.6
Asia	4.9	8.7	1.0	2.2	0.8	1.5
o/w China	4.7	34.6	0.2	24.3	0.8	11.1
Europe	19.5	34.6	11.2	25.1	5.6	10.9
o/w Eurozone	14.8	26.3	4.0	35.5	5.6	99.7
North & Central America	11.6	20.6	13.1	29.3	13.6	26.4
o/w United States of America	11.6	20.6	13.1	100.0	13.6	100.0
Middle East	4.0	7.1	10.0	22.3	8.1	15.7
South & Central America	0.0	0.0	0.0	0.0	0.0	0.0
Oceania & the Caribbean	0.0	0.0	0.0	0.0	0.0	0.0
Other Countries (n.i.e)	3.1	5.5	3.3	1.3	21.6	41.9
TOTAL EXPORTS BY DESTINATIONS	56.3	100.0	47.4	100.0	51.7	100.0

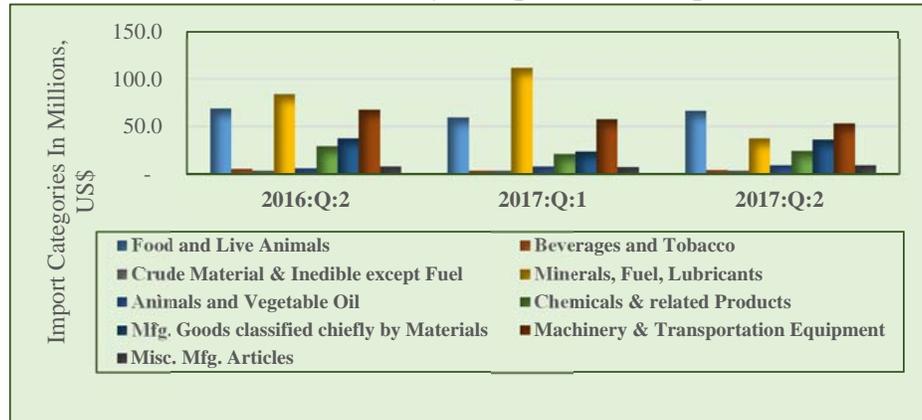
Sources: Customs (Liberia Revenue Authority), Ministry of Lands, Mines & Energy and Firestone Liberia Ltd

Merchandise Imports

Import payments during the second quarter, 2017 shrank by 17.3 percent to US\$246.5 million, down from US\$297.9 million recorded in the previous quarter, occasioned by declines in petroleum (by 47.1 percent), machinery & equipment (by 7.1 percent), and the ‘other commodity imports’ category (by 25.6 percent), respectively.

Notwithstanding, import payments on rice during the review quarter rose by US\$23.2 million to US\$37.4 million, from US\$14.2 million recorded at end-March, 2017.

Chart 23: Commodity Composition of Imports



On the contrast, annualized comparison showed that import payments declined by 21.0 percent to US\$246.5 million during the review quarter, down from US\$311.9 million recorded in the corresponding period of 2016, mainly on account of declines in petroleum, machinery & equipment, and the ‘other commodity imports’ category.

Table 28: Commodity Composition of Imports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2016		2017			
	Q-2		Q-1		Q-2	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
Food and Live Animals	69.1	22.2	59.6	20.0	66.4	26.9
o/w Commercial Rice	22.0	31.8	13.5	22.6	36.5	54.9
o/w Non-Commercial Rice	1.3	1.9	0.7	1.3	1.0	1.5
Beverages and Tobacco	5.8	1.9	4.0	1.3	4.6	1.9
Crude Material & Inedible, except Fuel	3.7	1.2	3.7	1.2	3.7	1.5
Minerals, Fuel Lubricants	83.9	26.9	112.0	37.6	38.0	15.4
o/w Petroleum products	70.1	83.5	58.9	52.6	31.1	81.9
Animals and Vegetable Oil	6.2	2.0	8.1	2.7	9.4	3.8
Chemicals & related Products	29.5	9.5	21.4	7.2	24.6	10.0
Mfg. Goods classified by Materials	38.0	12.2	24.1	8.1	36.9	15.0
Machinery & Transportation Equipment	67.5	21.6	57.4	19.3	53.4	21.6
Misc. Mfg. Articles	8.2	2.6	7.7	2.6	9.5	3.8
TOTAL IMPORTS	311.9	100.0	297.9	100.0	246.5	100.0

Sources: Customs (Liberia Revenue Authority), Ministry of Commerce & Industry and Firestone Liberia Ltd

Sources of Imports

Of the total import payments, payments to Africa (mainly West Africa), Asia (especially China) and Europe (largely Euro Zone) constituted 86.8 percent, 57.1 percent and 47.8 percent, respectively. These three regions together made up 63.9 percent of total payments during the second quarter representing a 23 percent decline compared with the previous position recorded at end-March, 2017. On a quarterly basis, Asia led the payments for imports by 39.1 percent to US\$96.3 million, though a drop from US\$100.2 million in the preceding quarter, while Europe followed with an 18.5 percent surge to US\$45.6 million, from US\$31.3 million during the first quarter 2017. The surge in the payment to these regions are said to be driven by payments towards the importation of mainly petroleum products (especially PSM and AGO).

Year-on-Year comparison revealed that import payments went down by 17 percent to US\$246.5 million, from US\$297.9 million in the previous quarter, occasioned by declines in payments to Africa, Asia, and Middle East by 16.7 percent, 39.1 percent and 14.0 percent, respectively (See Table 29).

Table 29: Sources of Imports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2016				2017	
	Q-2		Q-1		Q-2	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
Africa	69.1	22.2	115.4	38.7	41.2	16.7
o/w ECOWAS	22.0	31.8	109.4	94.9	35.7	86.8
o/w Neighboring Countries	1.3	1.9	107.4	98.1	34.3	95.9
Asia	5.8	1.9	100.2	33.6	96.3	39.1
o/w China	3.7	1.2	37.9	37.8	55.0	57.1
Europe	83.9	26.9	31.3	10.5	45.6	18.5
o/w Eurozone	70.1	83.5	18.0	57.5	21.8	47.8
North & Central America	6.2	2.0	21.8	7.3	21.2	8.6
o/w United States of America	29.5	9.5	21.2	97.4	19.8	93.6
Middle East	38.0	12.2	21.8	7.3	34.4	14.0
South & Central America	67.5	21.6	6.5	2.2	5.7	2.3
Oceania & the Caribbean	8.2	2.6	1.0	0.3	2.1	0.9
TOTAL IMPORTS BY SOURCES	311.9	100.0	297.9	100.0	246.5	100.0

Sources: Customs (Liberia Revenue Authority), Ministry of Lands, Mines & Energy and Firestone Liberia Ltd.

5.1.1.1 Commodity Price Outlook

Global commodity price suffered successive declines throughout the second quarter, 2017. At end-June, 2017, average global price, indicative of commodity price index stood at 110.2, down from 116.7, decreasing by 6.5 percentage points when compared with the level recorded at end-March, 2017. The decline in global price during the period was a result of sustained declines in international prices of mainly metal (especially iron ore) and energy (mainly crude oil).

Looking into the next quarter of 2017, global price does not seem favorable for major world commodity producers. Average global price is expected to slump beyond the current level due mainly to growing concern over falls in the prices of crude oil (petroleum) and agricultural raw materials (mainly rubber).

Iron Ore

The global price of iron ore became highly hit during the second quarter of 2017, declining by 26.1 percent to an average of US\$63.3 per metric ton, from US\$85.6 per metric ton in the previous quarter. The price of the commodity declined mainly on the back of regulation and restriction imposed by the Chinese Government on steel production. The effect of the regulation was a subsequent decrease in demand for steel due to its price rise. It is expected that the price of iron ore will continue its downward trend, but marginally owing to news of growing supply of low grade iron ore in the Chinese economy. Manufacturers are said to be using higher-grade iron ore in the production of steel, but production interruption in Australia could likely cause supply of high-grade iron ore to fall in the next quarter.

Rubber

During the quarter ended-June, 2017, the global price of rubber, when compared to the preceding quarter, declined to US\$2,054.9 per metric ton, from US\$2,544.4 per metric ton at end-March 2017. The 19.2 percent decline in the price of the commodity can be attributed to anticipated supply glut in the wake of slacking demand of the commodity. The rise in the supply of the commodity came as a surprise against rally held by major producing economies (notably Indonesia, Thailand and Malaysia) to cut down on production of the commodity. Outlook for the price of rubber during the next quarter of 2017 is not promising as projection indicates further decline in the price of the commodity on the basis of news of oversupply resulting from large-scale harvesting from mainly Indonesia.

Cocoa Beans

Quarter-on-quarter comparison of the global price of cocoa beans showed that the price of the commodity at end-June, 2017, declined to US\$1,981.0 per metric ton, from US\$2,097.4 per metric ton during the first quarter of 2017. The 5.6 percent fall in the price of the commodity was attributed to continuous rising supply as was in the previous quarter. Considering the statistics showing expected increase in production of the commodity during the coming season, future price of cocoa beans is going to decline further in the third quarter of 2017.

Palm Oil

The quarterly comparison of the price of crude palm oil indicated that the average price of the commodity at end-June, 2017, declined to US\$633.3 per metric ton, from US\$698.9 per metric ton at end-March, 2017. The 9.4 percent decline in the price of the commodity was on

account of expected output glut which lasted for almost the entire period due in part to lower demand. There is uncertainty about what price will look like in the next quarter, however, projection revealed that the price of the commodity will decline as production is expected to rise.

Petroleum (Crude Oil)

During the second quarter of 2017, the average global price of petroleum declined by 12.0 percent to US\$46.6 per barrel, from US\$53.0 per barrel recorded during the quarter ended March, 2017. The decline in the price of the commodity was due latterly to the increase in inventories of the United States Shale petroleum. The price of the commodity began reviving at the beginning of the quarter on news of petroleum producing economies (OPEC) to extend their decision to cut down on production, but was offset by production from the United States. Projection into the next quarter shows that the price of petroleum will further deteriorate, but marginally.

Rice

Global food price at the end of the second quarter of 2017 declined modestly by 0.6 percent when compared with the previous quarter of 2017. The decline in price was due to fall in the prices of the major subgroups, especially sugar. However, the average price of rice rose by 10.2 percent to US\$407.4 per metric ton, from US\$369.6 per metric ton during the preceding quarter. The swell in the price of the commodity during the period was a result of increased demand for the commodity in part of Asia. It is expected that the price rise of the commodity will continue during the next quarter of the year due to growing demand for the commodity. The expected growth in consumption of rice is said to arise mainly from Asia.

Implication of global price change for the Liberian economy

During the second quarter of 2017, prices of all Liberia's export commodities declined. The declines were due mainly to excess supply of the commodities as well as slowing demand for them. The decline in price of the major commodities serves as a signal to reduction in revenue generating capacity unless excess volumes or quantity of the commodities are traded. During the period under discussion, export earnings increased, but were attributed to increased supply of most of the major export commodities. On the other hand, statistics revealed that even though average price of petroleum declined, import payments for the commodity also declined. With projected declines in prices of all of the major export

commodities during the third quarter of 2017, it is expected that revenue generated from those commodities will also fall without increasing the volume of supply.

Table 30: Quarterly Commodity Price (Average) with Projection
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In US\$ per Unit)

Commodity Prices	Commodity Category	Units	2016	2017		
			Q-4	Actual		Projection ⁺
				Q-1	Q-2*	Q-3
Iron ore	Exported Commodities	USD/MT	70.8	85.6	63.3	63.8
Rubber		USD/MT	1,924.5	2,544.4	2,054.9	1,710.8
Cocoa Beans		USD/MT	2,499.6	2,097.4	1,981.0	1,872.1
Palm Oil		USD/MT	677.7	698.7	633.3	612.2
Crude oil	Imported Commodities	USD/BBL	49.1	53.0	49.4	46.6
Rice		USD/MT	365.4	369.6	407.4	454.3
Global Commodity Price		Index	109.7	116.7	110.2	104.7

*Source: Central Bank of Liberia
+ based on Staff projections
Preliminary

5.1.1.2 Services Account (net)

From preliminary statistics, the services account (net) deteriorated further by 5.2 percent to US\$68.8 million during the review quarter, from a deficit of US\$65.3 million recorded in the preceding quarter, explained by growths in services such as maintenance & repair (by 21.1 percent), travels (21.3 percent), insurance & pension (7.7 percent), and other business services (8.6 percent), respectively. On the other hand, government related services (net) on goods and services, during the review period, declined by 38.7 percent, primarily due to UNMIL drawdown.

A corresponding period comparison also showed widening in the services (net) deficit by 36.9 percent relative to the US\$50.2 million recorded during the second quarter of 2016.

5.1.2 Primary Income

Preliminary statistics showed that the primary income (net) account widened by 31.2 percent to a deficit of US\$62.3 million during the review quarter, from a deficit of US\$47.4 million registered during the previous period, explained by 25.9 percent growth in income payments to non-residents, coupled with 50.0 percent decline in income receipts from non-residents entities and individuals. Similarly, primary income (net) also worsened by US\$36.7 million compared to the US\$25.6 million recorded during the same period in 2016.

Income from compensation of employees (net) during the review quarter grew by 20.6 percent to a deficit of US\$17.2 million, on account of 50.0 percent reduction in employees' compensation (receipts) to residents of Liberia, and 7.2 percent increase in employees' compensation (payments) to non-residents.

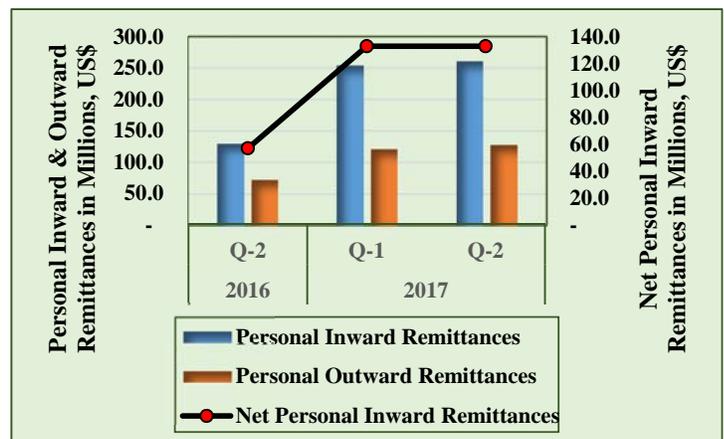
5.1.3 Secondary Income

Secondary income (net) account during the quarter under review surged by 2.7 percent to US\$226.3 million, from US\$220.3 million recorded in the preceding period, primarily explained by 8.8 percent growth in public transfers (net). Similarly, year-on-year, the secondary income (net) account during the review quarter also surged by 30.3 percent compared with the amount recorded a year ago, explained by growths in both public and private transfers.

5.1.3.1 Personal Remittances

Preliminary data showed that net personal inward remittances amounted to US\$132.8 million during the review quarter, from the same amount recorded in the preceding period. However, inward and outward remittances grew by 2.7 percent and 5.8 percent to US\$260.8 million and US\$128.0 million, respectively, against the amounts recorded during the previous quarter.

Chart 24: Net Personal Inward Remittances



Similarly, year-on-year, net personal inward remittances surged by US\$76.1 million during the review quarter, from US\$56.7 million recorded during the same period in 2016.

Table 31: Inward & Outward Personal Remittances
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions, USD)

Personal/Workers' Remittances	2016	2017	
	Q-2	Q-1	Q-2*
Personal Inward Remittances	129.3	253.8	260.8
Personal Outward Remittances	72.5	121.0	128.0
Net Personal Inward Remittances	56.7	132.8	132.8

Source: Central Bank of Liberia

*Preliminary

5.2 Capital Account

From preliminary data, the capital account balance declined by 5.7 percent to US\$16.0 million during the review quarter, from the US\$17.0 million recorded in the preceding period, mainly on account of 6.4 percent reduction in capital transfers to Liberia during the quarter. A corresponding period analysis showed that the capital account balance, led by capital transfers also rose by 17.9 percent against the amount recorded during the same period in 2016.

Notwithstanding, the net lending and borrowing balance deficit from the current and capital accounts improved by 33.7 percent to US\$83.5 million deficit during the review quarter, from US\$126.0 million recorded in the preceding quarter, primarily explained by the 30.4 percent improvement in current account deficit.

5.3 Financial Account

Preliminary statistics showed that Liberia's net lending and borrowing (balance) liabilities from the financial account declined by 19.6 percent to US\$139.2 million during the review quarter, from US\$173.2 million recorded in the previous quarter, occasioned by 49.9 percent decline in 'other investment' that outweighed the 15.0 percent growth in direct investment during the review period. Whereas, a corresponding quarter comparison showed that net lending and borrowing liabilities from the financial account rose by 4.1 percent during the review quarter, from US\$133.7 million recorded during the corresponding period in 2016.

5.3.1 Direct Investment in Reporting Economy

From preliminary statistics, direct investment in the Liberian economy rose by 15.0 percent to US\$77.9 million during the review quarter, from US\$67.7 million registered in the last period, primarily explained by gradual improvement in the execution of investment related projects in the economy. Compared with the amount recorded in the corresponding period in 2016, direct investment in the Liberian economy fell by 7.1 percent during the quarter under review.

5.3.2 Other Investment (Net)

From preliminary statistics, other investment (net) liabilities shrank by 41.9 percent to US\$61.3 million during the review quarter, from US\$105.4 million recorded in the preceding quarter, mainly occasioned by declines in currency & deposits (17.4 percent), and loans (77.3

percent). On the other hand, trade credit & advances liabilities surged by 9.1 percent during the quarter under review.

5.3.3 Reserves Assets

Drawing on reserves assets that facilitated balance of payments (BOP) financing and other foreign exchange transactions, during the review quarter, amounted to US\$22.6 million, compared to the US\$96.4 million drawing that was made during the previous quarter.

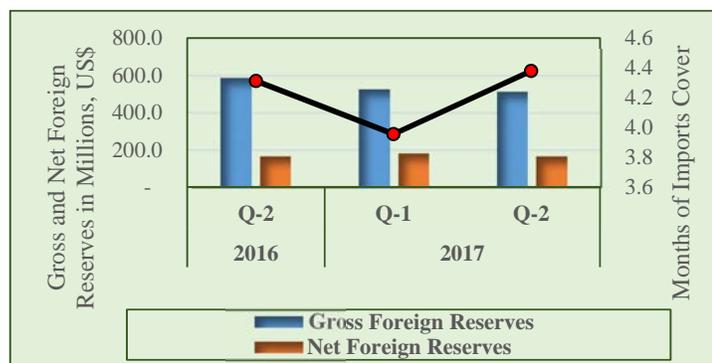
5.4 International Reserves Position and Months of Imports Cover

Liberia's gross international reserves position (including SDRs) at end-June, 2017 fell by 2.5 percent to US\$513.1 million, from US\$526.1 million recorded at the end of the previous quarter, occasioned by drawings on reserves. Similarly, it also declined by 12.6 percent compared to the position recorded in the corresponding period of 2016.

Liberia's net foreign reserves position (excluding SDRs) also decreased by 8.1 percent and 0.6 percent to US\$166.9 million at end-June, 2017, from US\$181.6 million and 168.0 million recorded at ends-March, 2017, and June, 2016, respectively.

Chart 25: International Reserves Position

Notwithstanding, gross international reserves in months of imports cover rose to 4.4 during the review quarter, from the 4.0 months of cover recorded at end-March, 2017. It also rose slightly by 0.1 during the review quarter against the 4.3 months of cover recorded at end-June, 2016.



The decline in payments for imports of goods and services during the review quarter occasioned the increase in months of imports cover.

**Table 32: Stock of International Reserves
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)**

Reserves	2016	2017	
	Q-2	Q-1	Q-2*
Gross Foreign Reserves	586.8	526.1	513.1
Net Foreign Reserves	168.0	181.6	166.9
<i>Months of Imports Cover</i>	4.3	4.0	4.4

Source: Central Bank of Liberia

*Preliminary

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Table 1: Selected Global Output

	Year-over-Year				
	Estimate	Projections		Difference from April 2017 WEO	
		2016	2017	2018	2017
World Output	3.2	3.5	3.6	0.0	0.0
Advanced Economies	1.7	2.0	1.9	0.0	-0.1
United States	1.6	2.1	2.1	-0.2	-0.4
Euro Area	1.8	1.9	1.7	0.2	0.1
Japan	1.0	1.3	0.6	0.1	0.0
United Kingdom	1.8	1.7	1.5	-0.3	0.0
Canada	1.5	2.5	1.9	0.6	-0.1
Emerging Market and Developing Economies	4.3	4.6	4.8	0.1	0.0
Emerging and Developing Asia	6.4	6.5	6.5	0.1	0.1
China	6.7	6.7	6.4	0.1	0.2
India	7.1	7.2	7.7	0.0	0.0
Latin America and the Caribbean	-1.0	1.0	1.9	-0.1	-0.1
Middle East, North Africa, Afghanistan & Pakistan	5.0	2.6	3.3	0.0	-0.1
Sub-Saharan Africa	1.3	2.7	3.5	0.1	0.0
Nigeria	-1.6	0.8	1.9	0.0	0.0
South Africa	0.3	1.0	1.2	0.2	-0.4
Consumer Price					
Advanced Economies	0.8	1.9	1.8	-0.1	-0.1
Emerging Market and Developing Economies	4.3	4.5	4.6	-0.2	0.2

Source: IMF World Economic Outlook, July 2017

Table 2: Key Agricultural Production
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)

Commodity	Unit	2 nd Quarter, 2016	1 st Quarter, 2017	2 nd Quarter, 2017
Rubber	Mt.	11,227.7	8,824.3	8,064
Cocoa	Mt.	450	622	1,422
Coffee	Mt.	-	-	-
Round Logs	M ³	50,095	3,760	52,332
Sawn Timber	Pcs.	158,619	190,632	203,810
Crude Palm Oil (CPO)	Mt.	1,329	2,197	1,208

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

+Revised/actual

Table 3: Key Industrial Output
(2nd Quarter 2016; 1st & 2nd Quarters, 2017)

Commodity	Unit	2 nd Quarter, 2016	1 st Quarter, 2017	2 nd Quarter, 2017
Diamond	Carat	17,869	15,869	15,941
Gold	Ounce	1,210	744	620
Iron Ore	Mt.	590,363	373,599	522,974*
Cement	Mt.	66,067	83,468	78,923
Spirits	Litre	72,719	72,437+	77,599
Beer	Litre	1,747,155	1,762,037	1,815,857
Stout	Litre	1,729,530	1,536,963	1,598,169
Malta	Litre	234,234	160,697	194,650
Soft Drinks	Litre	2,280,485	2,709,504	2,863,492*
Oil Paint	Gal.	22,754	31,703	14,882
Water Paint	Gal.	19,828	31,735	15,407
Varnish	Gal.	2,443	3,782	2,465
Manoline Hair Grease	Kg.	2,453	2,503	2,394
Soap	Kg.	96,192	181,765	94,657
Candle	Kg.	42,945	19,583	32,120
Chlorox	Litre	328,485	186,657	380,177
Rubbing Alcohol	Litre	78,342	62,206	78,342
Thinner	Gal.	2,405	3,999	2,369
Mattresses	Pcs.	24,795	24,835	25,397
Finished water	Gal.	118,990,015	439,265,004	528,521,324
Mineral Water	Litre	379,859	322,137	210,126
Electricity	kW	21,853,887+	58,142,480*	65,701,003*

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
(2nd Quarter, 2016; 1st and 2nd Quarters, 2017)**

Commodity	Unit	2 nd Quarter, 2016	1 st Quarter, 2017	2 nd Quarter, 2017
Premium Motor Spirit (PMS)	Gal.	3,460,615 ⁺	5,961,503	2,458,460
Diesel (AGO)	Gal.	5,017,239 ⁺	6,470,151	2,538,917
Jet-Fuel (Jet-A)	Gal.	3,601	-	-
Kerosene	Gal.	-	-	-
Total		8,481,455	12,431,654	4,997,377

Source: Liberia Petroleum Refining Company (LPRC)

+ Revised/Actual

**Table 5: Vessel Traffic and Cargo Movements
(2nd Quarter 2016; 1st and 2nd Quarters, 2017)**

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
2 nd Quarter, 2016	99	2,326,742	509,191	619,374	1,128,565
1 st Quarter, 2017	91	2,038,322	440,021	594,341	1,034,362
2 nd Quarter, 2017	96	2,249,321	612,558	376,625	989,183

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

**Table 6: Electric Power Developments
(2nd Quarter, 2016; 1st and 2nd Quarters, 2017)
(In Kilowatts)**

Quarter	Unit	Service	Generation
2 nd Quarter, 2017	kW	Electricity	65,701,003*
1 st Quarter, 2017	kW	Electricity	58,142,480*
2 nd Quarter, 2016	kW	Electricity	21,853,887+

Source: Liberia Electricity Corporation (LEC)

** Estimate*

+ Revised/Actual

Table7: 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	Jan	8.7	11.8	5.2	1.1	1.5	0.6
	Feb	7.7	12.4	2.4	-1.3	-0.7	-2.1
	Mar	7.3	14.3	-0.4	1.9	3.4	0.1
	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

Source: CBL & LISGIS, Monrovia, Liberia

+Revised

**Table 8: Inflation by Sub-groups: Year-on-Year Changes in CPI
(2016-2017)**

Food Group	Weights	Q1-16	Q2-16	Q1-17	Q2-17	Non-Food Group	Weights	Q1-16	Q2-16	Q1-17	Q2-17
Vegetables (ND)	4.51	7.12	7.21	-23.77	-24.48	Alcoholic Beverages, Tobacco and Narcotics	2.55	11.42	12.02	26.87	28.67
Mineral waters, soft drinks, fruit & vegetable juice (ND)	0.72	6.19	13.09	25.20	-16.19	Clothing and Footwear	6.07	26.97	22.99	16.84	18.30
Fruit	1.60	3.92	10.54	-12.02	-7.25	Housing, Water, Electricity, Gas and Other Fuels	7.32	-23.05	0.57	32.01	3.62
						Furnish. , H/Hold Equip, Rout. Maintenance of House	5.46	14.94	18.75	10.25	14.27
						Health	8.75	3.56	5.79	-4.92	-2.96
						Transport	8.47	17.05	27.57	25.49	22.65
						Communication	6.73	-6.03	-0.23	1.51	2.37
						Recreation & Culture	1.38	6.30	8.96	18.41	22.28
						Education	3.15	0.00	0.00	0.00	0.00
						Restaurants & Hotels	8.54	12.35	11.09	9.55	13.50
						Miscellaneous Goods and Services	3.52	7.66	9.84	14.16	16.85

Source: CBL & LISGIS, Monrovia, Liberia

**Table 9: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(2nd Quarter 2016; 1st and 2nd Quarters, 2017)
(December, 2005=100)**

Functions	WEIGHTS	Apr-16	May-16	Jun-16	2nd Quarter	Jan-17	Feb-17	Mar-17	1st Quarter	Apr-17	May-17	Jun-17	2nd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	38.06	3.05	1.94	4.08	3.02	11.39	9.87	4.68	8.65	6.82	8.89	7.12	7.61
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	2.55	10.50	9.87	15.69	12.02	25.30	26.50	28.81	26.87	28.99	31.03	25.97	28.67
CLOTHING AND FOOTWEAR	6.07	28.32	21.09	19.56	22.99	16.33	15.97	18.22	16.84	18.32	22.57	14.01	18.30
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.32	0.39	0.36	0.96	0.57	32.38	31.67	31.97	32.01	0.79	3.44	6.62	3.62
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.46	6.09	25.45	24.72	18.75	8.68	7.98	14.09	10.25	16.08	17.28	9.45	14.27
HEALTH	8.75	-2.92	13.24	7.06	5.79	-4.28	-4.81	-5.66	-4.92	-4.65	-2.77	-1.46	-2.96
TRANSPORT	8.47	29.71	30.60	22.39	27.57	23.47	24.54	28.46	25.49	27.76	25.91	14.26	22.65
COMMUNICATION	6.73	-5.86	2.53	2.64	-0.23	1.63	1.33	1.56	1.51	1.38	1.85	3.87	2.37
RECREATION AND CULTURE	1.38	7.17	7.60	12.12	8.96	17.50	16.77	20.97	18.41	22.08	25.38	19.38	22.28
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	12.29	12.29	8.70	11.09	8.48	8.07	12.11	9.55	11.62	9.90	18.99	13.50
MISCELLANEOUS GOODS AND SERVICES	3.52	10.96	9.25	9.30	9.84	15.09	13.20	14.21	14.16	14.17	18.19	18.19	16.85
GENERAL RATE OF INFLATION	100.00	7.19	7.57	8.44	7.73	13.62	13.31	11.86	12.93	11.54	13.22	10.83	11.86

Source: CBL & LISGIS, Monrovia, Liberia

Table 10: Commercial Bank Loans by Economic Sector
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)

	2016		2017			
	2 nd Quarter	Share	1 st Quarter	Share	2 nd Quarter+	Share
Agriculture	2,433.8	6.9	1,455.0	3.4	1,328.0	2.8
Extractive (Mining & Quarrying)	693.3	2.0	215.4	0.5	170.6	0.4
Manufacturing	1,083.6	3.1	677.8	1.6	515.8	1.1
Construction	5,611.6	15.9	4,546.9	10.5	5,134.0	10.8
Services	4,767.2	13.5	5,641.4	13.1	4,472.3	9.4
Trade	13,315.2	37.8	14,417.9*	33.4	8,512.2	17.8
Personal	4,139.5	11.8	7,816.5	18.1	20,122.5	42.2
Gen. Government	720.9	2.0	408.4	0.9	5.0	0.0
Central Bank	-	-	-	-	-	-
Public Corporations	253.2	0.7	158.2	0.4	16.8	0.0
Oil and Gas	456.2	1.3	1,535.7	3.6	809.7	1.7
Others	1,734.9	4.9	6,281.5	14.6	6,613.0	13.9
Total Loan All Sectors (LD & USD)	35,209.4	100.0	43,154.6	100.0	47,700.0	100.0
<i>O/W TOTAL Private Sector (LD & USD)</i>	<i>34,235.3</i>	<i>97.23</i>	<i>42,588.0</i>	<i>98.69</i>	<i>47,678.1</i>	<i>99.95</i>

Source: Central Bank of Liberia, Monrovia, Liberia

**Revised*

+Provisional

Table 11: Commercial Bank's Interest Rates
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)

	2016	2017	
	2 nd Quarter	1 st Quarter	2 nd Quarter+
Avg. Lending Rate	13.50	13.28	13.28
Avg. Personal Loan Rate	13.26	12.94	12.94
Avg. Mortgage Rate	12.42	13.17	13.39
Avg. Time Deposit Rate	2.67	3.25*	3.53
Avg. Savings Rate	2.02	2.20*	2.20
Avg. Rate on CDs	2.00	2.25*	3.00

Source: Central Bank of Liberia, Monrovia, Liberia

+Provisional

**Revised*

Table 12: Market Exchange Rate: Liberia Dollar per US Dollar
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)

	2016	2017	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Market Rate End of Period	94.50	104.50	113.13
Market Rate Period Average	92.92	104.02	112.84

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 13: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar
(2015- June, 2017)**

Period Average	2015		2016		2017	
	Buying	Selling	Buying	Selling	Buying	Selling
January	83.63	84.63	89.00	90.00	102.77	103.77
February	84.00	85.00	90.00	91.00	101.67	102.67
March	84.00	85.00	90.00	91.00	103.52	104.52
April	84.00	85.00	90.92	91.92	105.64	106.64
May	84.00	85.00	90.92	91.92	109.62	110.08
June	84.77	85.77	92.42	93.42	112.48	113.19
July	86.19	87.19	94.15	95.15		
August	87.73	88.73	95.81	96.81		
September	87.38	88.38	97.00	98.00		
October	87.56	88.56	97.92	98.92		
November	87.00	88.00	99.08	100.08		
December	88.00	89.00	100.30	101.30		
Q1	83.88	84.88	89.67	90.67	102.65	103.65
Q2	84.26	85.26	91.42	92.42	109.25	109.97
Q3	87.10	88.10	95.65	96.65		
Q4	87.52	88.52	99.10	100.10		
Yearly Ave	85.69	86.69	93.62	94.62		

**Table 14: Liberian Dollars in Circulation
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)**

	2016	2017	
	2 nd Quarter	1 st Quarter	2 nd Quarter
Currency in Banks	982.54	1,618.94	1,330.10
Currency outside Banks	8,942.62	10,950.51	11,182.70
Currency in Circulation	9,925.16	12,569.45	12,512.80

Source: Central Bank of Liberia, Monrovia, Liberia

Table 15: Broad Money Supply and its Sources
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)

Monetary Aggregates	2016	2017		Percentage Change	
	2 nd Quarter	1 st Quarter	2 nd Quarter	Q-o-Q	Y-o-Y
1.0 Money Supply M2 (1.1 + 1.2)	60,666.50	67,616.72	69,429.25	2.68	14.44
<i>1.1 Money Supply M1</i>	<i>39,553.40</i>	<i>45,660.10</i>	<i>46,242.99</i>	1.28	16.91
<i>1.1.1 Currency outside banks</i>	<i>8,942.60</i>	<i>10,950.51</i>	<i>11,182.73</i>	2.12	25.05
<i>1.1.2 Demand deposit 1/</i>	<i>30,610.80</i>	<i>34,709.60</i>	<i>35,060.26</i>	1.01	14.54
1.2 Quasi Money	21,113.10	21,956.61	23,186.26	5.60	9.82
<i>1.2.1 Time & Savings deposits</i>	<i>20,954.00</i>	<i>21,810.00</i>	<i>23,108.55</i>	5.95	10.28
<i>1.2.2 Other deposits 2/</i>	<i>159.10</i>	<i>146.62</i>	<i>77.71</i>	-47.00	-51.16
2.0 Net Foreign Assets	37,052.30	32,593.25	30,575.68	-6.19	-17.48
2.1 Central Bank	28,226.40	24,553.23	21,561.03	-12.19	-23.61
2.2 Banking Institutions	8,825.90	8,040.02	9,014.66	12.12	2.14
3.0 Net Domestic Assets (1 - 2)	23,614.20	35,023.47	38,853.57	10.94	64.53
3.1 Domestic Credit	57,578.20	69,948.17	83,814.90	19.82	45.57
3.1.1 Government (net)	14,721.20	18,103.70	26,055.97	43.93	77.00
3.1.2 Pvt. Sector & Other Pvt.	42,857.00	51,844.47	57,758.93	11.41	34.77
3.2 Other assets Net (3 - 3.1)	33,964.00	34,924.70	44,961.33	28.74	32.38
Memorandum Items					
1. Overall Liquidity	60,666.50	67,616.72	69,429.25	2.68	14.44
2. Reserve Money	29,438.60	24,567.01	26,896.15	9.48	-8.64
<i>Currency outside banks</i>	<i>8,942.60</i>	<i>10,950.51</i>	<i>11,182.73</i>	2.12	25.05
<i>Banks Reserves</i>	<i>19,337.70</i>	<i>12,857.17</i>	<i>14,764.18</i>	14.83	-23.65
<i>Other Deposits at CBL</i>	<i>1,158.30</i>	<i>759.33</i>	<i>949.23</i>	25.01	-18.05

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
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)

	USD and LD Shares of Broad Money					
	2016		2017			
	2 nd Quarter	Share	1 st Quarter	Share	2 nd Quarter	Share
Broad Money	59,080.7	100.0	67,616.7	100.0	69,429.3	100.0
US\$ Share	41,512.4	70.3	45,773.0	67.7	46,226.4	66.6
L\$ Share	17,568.3	29.7	21,843.7	32.3	23,202.8	33.4

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 17: Foreign Exchange Sale Auction
(2nd Quarter 2016; 1st & 2nd Quarters, 2017)
(In Millions US\$)**

FX Sale Auction	2016		2017	
	2 nd Quarter		1 st Quarter	2 nd Quarter
	9.0		11.8	8.5

**Table 18: Government of Liberia Treasury Bill Auction
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions L\$)**

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity	Weighted Average Discount Rate (%)
2nd Quarter, 2017							
6-Jun-17	5-Sep-17	53.74	53.74	55.33	9.41	0.40	2.90
4-May-17	3-Aug-17	53.25	53.25	52.82	8.13	0.43	3.20
6-Apr-17	6-Jul-17	52.25	52.25	51.84	8.53	0.41	3.15
		159.24	159.24	160.00	26.06	1.24	3.08
1st Quarter, 2017							
5-Jan-17	4-Apr-17	51.25	51.25	50.90	9.80	0.35	2.81
2-Feb-17	4-May-17	52.25	45.18	44.80	(7.08)	0.38	3.36
2-Mar-17	1-Jun-17	51.75	51.75	51.36	13.80	0.39	3.04
		155.25	148.18	147.05	16.53	1.12	3.07
2nd Quarter, 2016							
2-Jun-16	1-Sep-16	45.75	45.75	45.39	46.125	0.36	3.11
5-May-16	4-Aug-16	45.25	45.25	44.89	23.9	0.36	3.15
7-Apr-16	7-Jul-16	45.25	45.25	44.91	31.975	0.34	3.01
		136.25	136.25	135.20	102.00	1.05	3.09

Source: Central Bank of Liberia

Table 19: Government of Liberia's Total Revenue and Grants
(2st Quarter, 2016; and, 1st & 2st Quarters, 2017)
(In percent of GDP)

Indicators	2016	2017	
	2nd Quarter	1st Quarter	2nd Quarter
Total Revenue & Grants	30.3	23.9	21.8
Total Revenue Excluding Grants	25.4	23.9	21.8
Tax Revenue	22.2	19.2	20.1
Nontax Revenue Including Grants	8.2	4.7	1.7
Nontax Revenue Excluding Grants	3.2	4.7	1.7
Grants	4.9	0.0	0.0
Total Expenditure	26.5	24.3	25.0
Recurrent Expenditure	23.5	21.8	22.9
Capital Expenditure	2.8	1.8	1.6
Loan & Interest Payments & Other Charges	0.2	0.7	0.5
Compensation of Employees	8.0	8.5	9.1
Expenditure on Goods and Services	9.4	7.1	7.4
Overall Balance	3.8	(0.4)	(3.2)
Stock of Public Debt	34.6	36.6	38.4
Stock of External Debt	21.9	24.5	26.3
Stock of Domestic Debt	12.7	12.1	12.1

Source: Ministry of Finance & Development Planning (MFDP)

**Preliminary*

Table 20: Government of Liberia's Total Revenue by Sources
(2st Quarter, 2016; and, 1st & 2st Quarters, 2017)
(In Millions, L\$)

Revenue Sources	2016	2017		
	2nd Quarter	1st Quarter	2nd Quarter*	2nd Quarter*
	Actual			Projections
Tax Revenue	10,669.7	10,584.9	12,032.3	10,060.9
International Trade Taxes	4,316.8	5,050.8	5,605.7	4,626.7
<i>Taxes & Duties on Imports</i>	4,305.6	5,043.8	5,602.0	4,617.3
<i>Taxes on Exports</i>	11.2	7.0	3.7	9.4
Taxes on Income & Profits	4,759.4	3,775.0	4,768.2	3,795.7
<i>Individual Taxes on income & profits</i>	3,357.8	3,490.2	4,587.0	3,695.9
<i>Taxes Payable by Corporate Entities</i>	1,401.6	284.8	181.2	88.6
<i>Others</i>	0.0	0.0	0.0	11.2
Sale Taxes on Goods & Services	1,331.3	1,401.0	1,472.7	1,384.5
<i>Goods & Service Tax</i>	615.0	672.1	657.5	767.9
<i>Excise Taxes</i>	123.4	161.6	177.3	181.2
<i>Maritime Revenue</i>	387.1	327.3	337.0	171.7
<i>Others</i>	205.8	240.0	300.9	263.6
Property & Real Estate Taxes	257.1	189.1	184.8	254.0
Other Tax Revenue ¹	5.1	169.0	0.9	0.0
Non-Tax Revenue	3,925.1	2,597.3	1,040.5	4,424.3
Administrative Fees & Other Charges	1,551.0	2,597.3	1,040.5	794.8
Grants	2,374.0	0.0	0.0	3,629.5
Others	-	-	-	-
<i>Contingent Revenue</i>	-	-	-	-
<i>Borrowing</i>	-	-	-	-
<i>Carry Forward</i>	-	-	-	-
Total Revenue & Grants	14,594.7	13,182.2	13,072.8	14,485.1

Source: Ministry of Finance & Development Planning (MFDP)

¹Tax revenue not elsewhere mentioned

**Preliminary*

Table 21: Government of Liberia's Total Expenditure
(2nd Quarter, 2016; and, 1st & 2nd Quarters, 2017)
(In Millions, L\$)

Expenditure by Codes	2016	2017	
	2nd Quarter	1st Quarter	2nd Quarter*
Recurrent Expenditure	11,301.6	12,035.0	13,724.5
Compensation of Employees	3,855.3	4,685.6	5,446.5
Expenditure on Goods & Services	4,508.6	3,927.1	4,419.3
Subsidies	-	-	-
Grants	1,692.7	1,611.6	1,859.5
Social Benefits	24.5	16.6	21.8
Others	1,220.6	1,794.2	1,977.2
Capital Expenditure	1,344.5	987.8	938.5
Depreciation	-	-	624.5
Acquisition of Fixed Assets	1,269.4	987.8	314.0
Others	75.2	-	-
Loan & Interest Payments & Other Charges	106.9	396.9	320.5
Domestic Debts Repayment	-	39.4	35.0
External Debts Repayment	-	16.0	99.1
Interest on Domestic Debt	83.6	154.8	179.3
Interest on Foreign Debt	23.4	186.7	7.1
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	-	-	-
Other Expenditures¹	-	-	-
Total Expenditure	12,753.1	13,419.7	14,983.5

Source: Ministry of Finance & Development Planning (MFDP)

¹Expenditures not elsewhere classified

**Preliminary*

Table 22: Liberia's Overall Public Debt Position - By Category
As at End-June, 2017
(In Millions, US\$)

Creditors	2016	2017	
	End-June	End-March	End-June*
Total External Debt	461.7	541.2	581.9
Total Domestic Debt	269.0	267.7	267.1
Total Public Debt	730.7	808.9	849.0

Source: Ministry of Finance & Development Planning (MFDP)

**Preliminary*

Table 23: Liberia's Overall Public Debt Position - By Creditors
As at End-June, 2017
(In Millions, US\$)

Creditors	2016	2017	
	End-June	End-March	End-June*
Total Public Debt	730.7	808.9	849.0
External Debt	461.7	541.2	581.9
Multilateral	428.6	502.6	528.3
<i>WORLD BANK GROUP</i>	221.6	274.0	291.0
<i>IMF -RCF Credit^l</i>	44.8	43.9	44.9
<i>AfDB GROUP</i>	61.4	62.5	69.6
<i>EU/EIB</i>	49.0	54.7	54.7
<i>Others</i>	51.8	67.4	68.1
Bilateral	33.1	38.6	53.6
<i>China</i>	5.2	5.2	5.2
<i>Kuwait</i>	8.9	14.9	14.9
<i>Saudi Arabia</i>	18.5	18.5	33.5
<i>Others</i>	0.5	-	-
Domestic Debt	269.0	267.7	267.1
Financial Institutions	268.9	267.7	267.1
<i>Central Bank of Liberia (CBL)</i>	258.9	257.7	257.1
<i>CBL Infrastructure</i>	10.0	10.0	10.0
<i>Others</i>	-	-	-
Others	0.1	0.0	-

Source: Ministry of Finance & Development Planning (MFDP)

**Preliminary*

Table 24: Quarterly Balance of Payments (BOP) Statistics
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)

Quarterly BOP (BPM6 Concept)	Q2: 2016	Q1: 2017 ⁺	Q2: 2017 ⁺
Current account	(6.8)	(142.9)	(99.5)
Credit (Receipts)	488.7	418.8	433.9
Debit (Payments)	495.5	561.7	533.4
Goods and services	(305.9)	(315.8)	(263.6)
Credit (Receipts)	75.2	61.8	64.6
Debit (Payments)	381.1	377.6	328.1
Goods	(255.7)	(250.5)	(194.8)
Credit (Exports)	56.3	47.4	51.7
<i>Iron Ore</i>	21.6	10.2	18.0
<i>Rubber</i>	15.3	17.8	13.6
<i>Minerals (Diamond & Gold)</i>	11.2	10.3	9.2
<i>Other Commodity Exports</i>	8.1	9.1	10.9
Debit (Imports)	311.9	297.9	246.5
<i>Petroleum</i>	70.1	58.9	31.1
<i>Rice</i>	23.3	14.2	37.4
<i>Machinery & Equipment</i>	67.5	57.4	53.4
<i>Other Commodity Imports</i>	151.1	167.4	124.6
General merchandise on a balance of payments basis	(256.8)	(251.2)	(195.3)
Credit (Receipts)	55.1	46.7	51.2
Debit (Payments)	311.9	297.9	246.5
<i>Of which Re-exports (credit)</i>	-	-	-
Services	(50.2)	(65.3)	(68.8)
Credit (Receipts)	18.9	14.4	12.9
Debit (Payments)	69.1	79.7	81.7
Primary Income	(25.6)	(47.4)	(62.3)
Credit (Receipts)	7.9	3.4	1.7
Debit (Payments)	33.5	50.8	63.9
Secondary Income	324.7	220.3	226.3
Credit (Receipts)	405.6	353.6	367.6
Debit (Payments)	80.9	133.3	141.3
Capital Account	13.6	17.0	16.0
Credit (Receipts)	13.6	17.0	16.0
Debit (Payments)	-	-	-
Net lending (+) / net borrowing (-) (balance from current and capital account)	6.8	(126.0)	(83.5)
Financial Account			
Net lending (+) / net borrowing (-) (balance from financial account) (B9)	(133.7)	(173.2)	(139.2)
Direct Investment	(83.8)	(67.7)	(77.9)
Net acquisition of financial assets	-	-	-
Net incurrence of liabilities	83.8	67.7	77.9
Other Investment	(49.9)	(105.4)	(61.3)
Net acquisition of financial assets	(25.5)	(52.7)	(43.8)
Net incurrence of liabilities	24.4	52.7	17.5
Reserve Assets	48.1	(96.4)	(22.6)
Special drawing rights	(36.9)	(14.9)	(2.0)
Reserve position in the IMF	47.9	(3.1)	(0.4)
Other reserve assets	37.2	(78.4)	(20.1)
Currency and deposits	37.2	(78.4)	(20.1)
NET ERRORS & OMISSIONS	(140.5)	(47.2)	(55.6)
MEMORANDUM ITEMS			
<i>Gross Foreign Reserves Position</i>	586.8	526.1	513.1
<i>Import Payments (cif)</i>	339.1	319.4	269.8
<i>Imports (cif) & Service Payments</i>	408.2	399.1	351.5
<i>Current Account Bal. Excl. Grants</i>	272.6	98.1	106.8
<i>Nominal GDP</i>	2,112	2,212	2,212
<i>Current Account Bal. Incl. Grants % of GDP</i>	(0.3)	(6.5)	(4.5)
<i>Current Account Bal. Excl. Grants % of GDP</i>	12.9	4.4	4.8
<i>Trade (in goods) Deficit % of GDP</i>	(12)	(11)	(9)
<i>Months of Imports Cover</i>	4.3	4.0	4.4

Source: Central Bank of Liberia (CBL)

+Revised

*Preliminary

Table 25: Quarterly Trade Balance
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Trade Category	2016	2017	
	Q-2	Q-1	Q-2
Exports	56.3	47.4	51.7
Imports	311.9	297.9	246.5
Total Trade Balance (+ surplus, - deficit)	-255.6	-250.5	-194.8

Sources: Customs - Liberia Revenue Authority (LRA), Central Bank of Liberia (CBL), & Firestone Liberia Ltd

Table 26: Commodity Composition of Exports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity	Unit	2016			2017					
		Q-2			Q-1			Q-2		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	11.2	15.3	27.2	8.8	17.8	37.5	8.1	13.6	26.3
Cocoa Bean	Mt.	4.6	3.8	6.7	1.2	0.4	0.9	1.3	0.8	1.5
Coffee Bean	Mt.	10.2	0.5	0.9	0.0	0.0	0.0	0.0	0.0	0
Iron ore	Mt.	590.4	21.6	38.4	373.6	10.2	21.5	523.0	18.0	34.8
Mineral			11.2	19.9		10.3	21.8		9.2	17.8
o/w Diamond	Carat	17.9	10.1	17.9	15.9	9.6	93.2	15.9	8.7	94.9
o/w Gold	Oz	1.2	1.1	2.0	0.7	0.7	6.8	0.6	0.5	5.1
Other Exports			0.2	0.4		6.0	12.6		6.5	12.6
Good Procured*			3.0	5.3		2.7+	5.8		3.7	7.1
TOTAL EXPORTS			56.3	100.0		47.4+	100.0		51.7	100.0

Sources: Customs (Liberia Revenue Authority), Ministry of Lands, Mines & Energy and Firestone Liberia Ltd.

Table 27: Destination of Exports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2016		2017			
	Q-2		Q-1		Q-2	
	Value	% share	Value	% share	Value	% share
Africa	13.2	23.4	8.8	19.7	1.8	3.6
o/w ECOWAS	13.1	23.3	8.8	97.1	0.3	17.1
o/w Neighboring Countries	6.2	11.0	8.6	2.2	0.3	96.6
Asia	4.9	8.7	1.0	2.2	0.8	1.5
o/w China	4.7	34.6	0.2	24.3	0.8	11.1
Europe	19.5	34.6	11.2	25.1	5.6	10.9
o/w Eurozone	14.8	26.3	4.0	35.5	5.6	99.7
North & Central America	11.6	20.6	13.1	29.3	13.6	26.4
o/w United States of America	11.6	20.6	13.1	100.0	13.6	100.0
Middle East	4.0	7.1	10.0	22.3	8.1	15.7
South & Central America	0.0	0.0	0.0	0.0	0.0	0.0
Oceania & the Caribbean	0.0	0.0	0.0	0.0	0.0	0.0
Other Countries (n.i.e)	3.1	5.5	3.3	1.3	21.6	41.9
TOTAL EXPORTS BY DESTINATIONS	56.3	100.0	47.4	100.0	51.7	100.0

Sources: Customs (Liberia Revenue Authority), Ministry of Lands, Mines & Energy and Firestone Liberia Ltd

Table 28: Commodity Composition of Imports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2016		2017			
	Q-2		Q-1		Q-2	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
Food and Live Animals	69.1	22.2	59.6	20.0	66.4	26.9
o/w Commercial Rice	22.0	31.8	13.5	22.6	36.5	54.9
o/w Non-Commercial Rice	1.3	1.9	0.7	1.3	1.0	1.5
Beverages and Tobacco	5.8	1.9	4.0	1.3	4.6	1.9
Crude Material & Inedible, except Fuel	3.7	1.2	3.7	1.2	3.7	1.5
Minerals, Fuel Lubricants	83.9	26.9	112.0	37.6	38.0	15.4
o/w Petroleum products	70.1	83.5	58.9	52.6	31.1	81.9
Animals and Vegetable Oil	6.2	2.0	8.1	2.7	9.4	3.8
Chemicals & related Products	29.5	9.5	21.4	7.2	24.6	10.0
Mfg. Goods classified by Materials	38.0	12.2	24.1	8.1	36.9	15.0
Machinery & Transportation Equipment	67.5	21.6	57.4	19.3	53.4	21.6
Misc. Mfg. Articles	8.2	2.6	7.7	2.6	9.5	3.8
TOTAL IMPORTS	311.9	100.0	297.9	100.0	246.5	100.0

Sources: Customs (Liberia Revenue Authority), Ministry of Commerce & Industry and Firestone Liberia Ltd

Table 29: Sources of Imports
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2016				2017	
	Q-2		Q-1		Q-2	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
Africa	69.1	22.2	115.4	38.7	41.2	16.7
o/w ECOWAS	22.0	31.8	109.4	94.9	35.7	86.8
o/w Neighboring Countries	1.3	1.9	107.4	98.1	34.3	95.9
Asia	5.8	1.9	100.2	33.6	96.3	39.1
o/w China	3.7	1.2	37.9	37.8	55.0	57.1
Europe	83.9	26.9	31.3	10.5	45.6	18.5
o/w Eurozone	70.1	83.5	18.0	57.5	21.8	47.8
North & Central America	6.2	2.0	21.8	7.3	21.2	8.6
o/w United States of America	29.5	9.5	21.2	97.4	19.8	93.6
Middle East	38.0	12.2	21.8	7.3	34.4	14.0
South & Central America	67.5	21.6	6.5	2.2	5.7	2.3
Oceania & the Caribbean	8.2	2.6	1.0	0.3	2.1	0.9
TOTAL IMPORTS BY SOURCES	311.9	100.0	297.9	100.0	246.5	100.0

Sources: Customs (Liberia Revenue Authority), Ministry of Lands, Mines & Energy and Firestone Liberia Ltd.

Table 30: Quarterly Commodity Price (Average) with Projections
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In US\$ per Unit)

Commodity Prices	Commodity Category	Units	2016	2017		
				Actual		Projection ⁺
		Q-4	Q-1	Q-2*	Q-3	
Iron ore	Exported Commodities	USD/MT	70.8	85.6	63.3	63.8
Rubber		USD/MT	1,924.5	2,544.4	2,054.9	1,710.8
Cocoa Beans		USD/MT	2,499.6	2,097.4	1,981.0	1,872.1
Palm Oil		USD/MT	677.7	698.7	633.3	612.2
Crude oil	Imported Commodities	USD/BBL	49.1	53.0	49.4	46.6
Rice		USD/MT	365.4	369.6	407.4	454.3
Global Commodity Price		Index	109.7	116.7	110.2	104.7

Source: Central Bank of Liberia
+ based on Staff projections
**Preliminary*

Table 31: Inward & Outward Personal Remittances
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Millions, USD)

Personal/Workers' Remittances	2016	2017	
	Q-2	Q-1	Q-2*
Personal Inward Remittances	129.3	253.8	260.8
Personal Outward Remittances	72.5	121.0	128.0
Net Personal Inward Remittances	56.7	132.8	132.8

Source: Central Bank of Liberia

**Preliminary*

Table 32: Stock of International Reserves
(2nd Quarter, 2016; 1st & 2nd Quarters, 2017)
(In Million USD, except otherwise indicated)

Reserves	2016	2017	
	Q-2	Q-1	Q-2*
Gross Foreign Reserves	586.8	526.1	513.1
Net Foreign Reserves	168.0	181.6	166.9
<i>Months of Imports Cover</i>	<i>4.3</i>	<i>4.0</i>	<i>4.4</i>

Source: Central Bank of Liberia

**Preliminary*