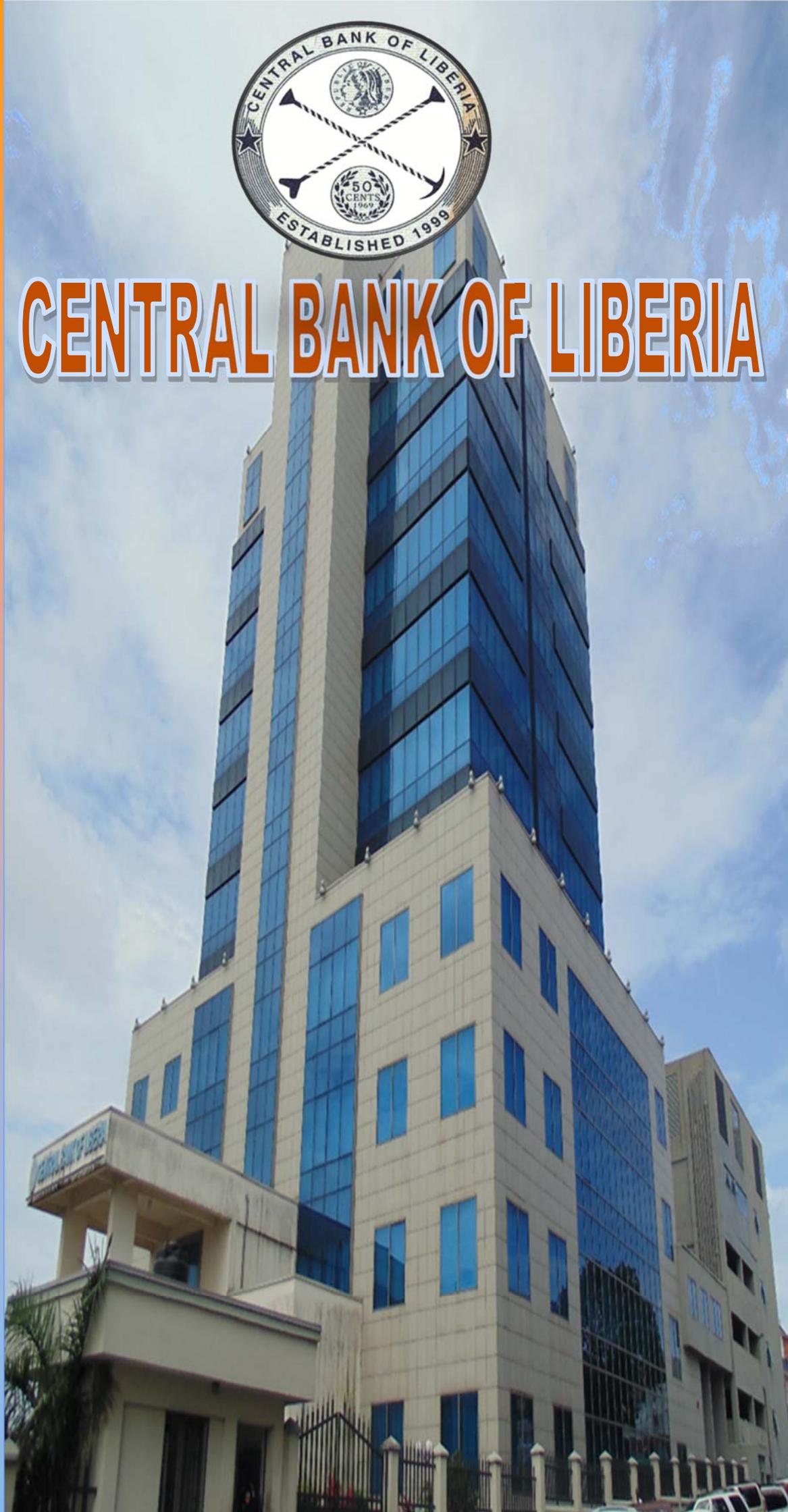




# CENTRAL BANK OF LIBERIA

## FINANCIAL & ECONOMIC BULLETIN

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# Central Bank of Liberia

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## OVERVIEW

The economic landscape of the world economy gained slight momentum during the second half of 2016. In its January 2017-Update, the International Monetary Fund (IMF) stated that global growth for 2016 was estimated at 3.1 percent, its lowest recorded growth since 2008-09. This projection is in line with its earlier publication in October and is certain that projected growth will pick-up in 2017 and 2018 to 3.4 percent and 3.6 percent, respectively, contingent on the prospects of advanced economies including the United States, Europe and Japan and emerging market and developing economies, mainly China.

Predicted upon the U.S. economy's momentum in the second half of the year, and the likely shift in policy mix, growth, as projected in the previous quarter, will remain at 1.6 percent for the year. It is, however, projected to increase to 1.9 percent and 2.0 percent in 2017 and 2018, respectively. In the Euro area, growth recovery remained favorable and continued to create more stable environment, as lower oil prices and moderate fiscal space along with slack monetary policy continued to support growth momentum for the zone.

Growth in emerging markets and developing economies was estimated to decline by 1.0 percentage point to 4.1 percent for the year ended-2016, underpinned by weaker than expected growth outturn in Argentina, Brazil and Turkey. China's growth figure slightly inched up by 0.1 percentage point to 6.7 percent, as a result of policy actions to rebalance the economy. While in Sub-Saharan Africa, some countries, especially those reliant on commodity exports saw slight increases in their growth figures. Growth for the year ended-2016 was estimated at 1.6 percent, and is projected to increase to 2.8 percent for 2017. Headline inflation in advanced economies was estimated at 0.7 percent, while in emerging market and developing economies, the trend remained broadly unchanged relative to the October, 2016 projection.

Underpinned by declines in forestry, and the mining and panning sectors, Real GDP for the Liberian economy contracted by 0.5 percent in 2016. The services sector grew at a diminishing rate of 0.4 percentage point lower than the 4.3 percent rate of growth recorded at end-2015, while the agriculture and fisheries sector experienced significant growth during the period. Average

headline inflation at quarter ended December, 2016 rose above the rates recorded during the previous and corresponding quarters, respectively.

Developments in the banking sector for the period under view showed mixed results as compared to the third quarter in 2015, as all of the major balance sheet indicators grew at end December, 2016 except total asset which decline by 4.5 percent. The soundness and public confidence in the banking sector during the review quarter were highlighted by increases in capital, deposits, and loan. The industry's Capital Adequacy Ratio (CAR) during the review quarter increased by 0.8 percentage points. The banking industry continued to maintain a strong position evidence by the strengthening of its liquidity position compared with the previous quarter. The average exchange rate of the domestic currency vis-à-vis the U.S. dollar at end-December, 2016, depreciated by 4.1 percent compared to the figure recorded a quarter ago. The Liberian dollar in circulation at end-December, 2016, grew by 31.3 percent over the figure recorded at end-September, 2016, while narrow money supply (M1) grew by 10.2 percent compared with the amount recorded at end-September, 2016. Total Liquidity in the banking system, (M2), also expanded by 6.0 percent during the review period.

The Government of Liberia's (GoL) fiscal operations during the review quarter, ensued a budget surplus, 7.3 Percent of GDP compared with the deficit, 6.8 percent of GDP in the previous quarter, mainly explained growth in revenue and grants coupled. Liberia's public debt stock at end-December, 2016 grew by 3.6 percent against the stock recorded at the end of the preceding period.

From preliminary statistics, the overall balance of payments (BOP) for Liberia declined by 66.1 percent during the 4<sup>th</sup> quarter of 2016, against the surplus of US\$46.3 million recorded in the previous quarter. The reduction in overall BOP surplus was occasioned by widened current account deficit, and the fall in capital account (net), coupled with growth in financial account net liabilities. Preliminary statistics for the current account deficit showed a worsening position by US\$46.2 million to US\$61.2 million during the quarter under review. Merchandise exports earnings during the 4<sup>th</sup> quarter of 2016 declined by 4.5 percent and import payments declined the by 9.1 percent to US\$265.0 million, mainly attributed to 19.9 percent and 2.7 percent slumps in Machinery & Transportation Equipment and Mineral, Fuel, Lubricant related products, respectively.

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

## **1.0 Introduction**

Selected global statistics suggest that the economic landscape of the world economy gained slight momentum in the second half of the year. The International Monetary Fund (IMF), in its January 2017 Update, stated that global growth for 2016 was estimated at 3.1 percent, its lowest recorded growth since 2008-09. This projection is in line with its earlier publication in October and is certain that projected growth will pick-up in 2017 and 2018 to 3.4 percent and 3.6 percent, respectively. However, these projections are contingent on the prospects of advanced economies including the United States, Europe and Japan and emerging market and developing economies, mainly China.

## **1.1 The United States Economy**

In light of the U.S. economy's momentum in the second half of the year, and the likely shift in policy mix, growth, as projected in the previous quarter, will remain at 1.6 percent for the year. However, it is projected to increase to 1.9 percent and 2.0 percent in 2017 and 2018, respectively, on account of projected fiscal stimulus of the new administration in addition to a less gradual normalization of monetary policy, rising U.S. yield curve and equity prices and the appreciation of the U.S. dollar.

## **1.2 The Euro Area**

Growth recovery in the euro area remained favorable and continued to create more stable environment. Lower oil prices and moderate fiscal space along with slack monetary policy continued to support growth momentum for the zone. However, uncertainty surrounding the exit of Britain from the zone and political risks in other parts could be the obstacle to growth. In other major parts of the zone, growth will experience diverse results for the year. Growth in Germany was estimated at 1.7 percent, while Spain and Italy grew by an estimated 3.2 percent and 0.9 percent, respectively. Given these mixed results, growth for the zone is estimated at 1.7 percent for 2016 and 1.6 percent for 2017.

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

Emerging market and developing economies is estimated to decline by 1.0 percentage point to 4.1 percent for the year ended-2016, underpinned by weaker than expected growth outturn in Argentina, Brazil and Turkey. China's growth figure slightly inched up by 0.1 percentage point to 6.7 percent, as a result of policy actions to rebalance the economy from investment to consumption spending and from industrial to service activities. In India, however, growth was subdued to 6.6 percent, a percentage point lower than the October 2016 WEO<sup>1</sup> forecast. Accordingly, growth for the region is projected s at 4.5 percent for 2017, 0.1 percentage point lower than the previous forecast.

### **1.4 Sub-Saharan Africa**

In Sub-Saharan Africa, some countries, especially those reliant on commodity exports saw slight increases in their growth figures. Nigeria and South Africa saw their growth figures increased by 0.2 percentage points, respectively. The decision by the Organization of Petroleum Exporting Countries (OPEC) to cut oil production have seen slight rise in oil prices. Robust infrastructure and real estate investment in China as well as expectations of fiscal stimulus in the U.S., underpinned these fundamentals. Growth for the year ended-2016 is estimated at 1.6 percent and is projected to increase to 2.8 percent for 2017, differing from the October, 2016 WEO forecast by negative 0.1 percent and 0.1 percent for 2017 and 2018, respectively.

### **1.5 Global Inflation**

Headline inflation in advanced economies was estimated at 0.7 percent, 0.1 percentage point lower than the forecast in October, 2016. In emerging market and developing economies, inflation trend remained broadly unchanged at 4.5 percent relative to the previous projection. Forecast for 2017, however, showed that inflation will rise to 1.7 percent for advanced economies and decline by 0.1 percentage point to 4.4 percent in emerging market and developing economies. Backed by the expected rise in fiscal spending in the U.S., on account of policy shift and the strong infrastructure and real estate investment in China, inflation could slightly trend upward for both advanced and emerging market and developing economies.

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<sup>1</sup> IMF World Economic Outlook

*Table 1: Growth of Selected Global Output*

	Year-over-Year				
				Difference from October 2016 WEO Projections	
	<u>Estimates</u>	<u>Projections</u>		2017	2018
	2015	2016	2017		
<b>World Output</b>	3.2	3.1	3.4	0.0	0.0
<b>Advance Economies</b>	2.1	1.6	1.9	0.1	0.2
United States	2.6	1.6	2.3	0.1	0.4
Euro Area	2.0	1.7	1.6	0.1	0.0
Japan	1.2	0.9	0.8	0.2	0.0
United Kingdom	2.2	2.0	1.5	0.4	-0.3
Canada	0.9	1.2	1.9	0.0	0.1
<b>Emerging Market and Developing Economies</b>	4.1	4.1	4.5	-0.1	0.0
<b>Emerging and Developing Asia</b>	6.7	6.3	6.4	0.1	0.0
China	6.9	6.7	6.5	0.3	0.0
India	7.6	6.6	7.2	-0.4	0.0
Latin America and the Caribbean	0.1	-0.7	1.2	-0.4	-0.1
Middle East, North Africa, Afghanistan & Pakistan	2.5	3.8	3.1	-0.3	-0.1
Sub-Saharan Africa	3.4	1.6	2.8	-0.1	0.1
<b>Consumer Prices</b>					
Advance Economies	0.3	0.7	1.7	0.0	0.0
Emerging Markets and Developing Economies	4.7	4.5	4.5	0.1	0.2

*Source: IMF World Economic Outlook Update, January 2017*

## II. DOMESTIC PRODUCTION AND CONSUMER PRICES

### 2.0 Introduction

Real GDP contracted by 0.5 percent in 2016, to US\$891.9 million, from US\$896.4 million in 2015. The estimated contraction in real GDP was underpinned by declines in forestry, and the mining and panning, sectors. The services sector grew, but at a diminishing rate, 0.4 percentage point lower than the 4.3 percent rate of growth recorded at end-2015. The agriculture and fisheries sector experienced significant growth during the period, on account of gradual improvements in domestic food production. On a sector-to-sector basis, the agriculture and fisheries sector grew at an estimated 6.4 percent (from 0.7 percent), forestry to negative 7.0 percent (from 2.0 percent), mining and panning to negative 23.8 percent (from negative 15.9 percent), manufacturing to negative 4.9 percent (from negative 1.5 percent) and services to 3.9 percent (from 4.3 percent). Average headline inflation at quarter ended December, 2016 stood at 11.5 percent, from 8.9 percent and 7.9 percent during the previous and corresponding quarters, respectively.

**Table 2: Sectoral Growth  
(2015 & 2016)**

	2015	2016
RGDP (In Millions)	896.4	891.9
RGDP Growth Rate	0.0	-0.5
Agriculture & Fisheries	0.7	6.4
Forestry	2.0	-7.0
Manning and Panning	-15.9	-23.8
Manufacturing	-1.5	-4.9
Services	4.3	3.9

*Source: Central Bank of Liberia*

### 2.1 Sectorial Review

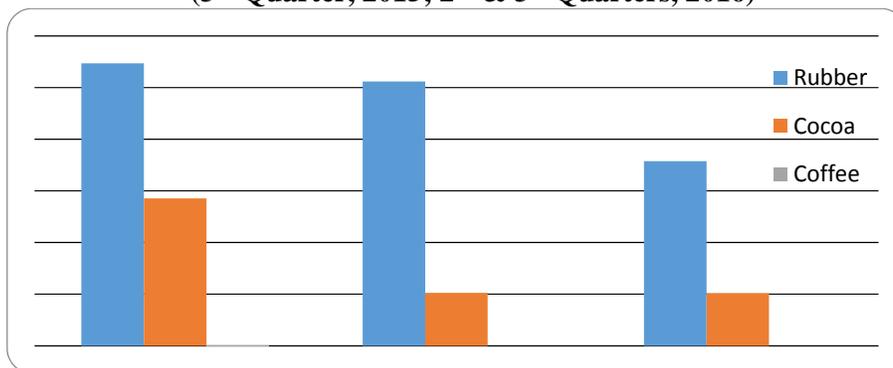
#### 2.1.1 Agriculture and Forestry

**Table 3: Key Agricultural Production  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**

Commodity	Unit	4 <sup>th</sup> Quarter, 2015	3 <sup>rd</sup> Quarter, 2016	4 <sup>th</sup> Quarter, 2016
Rubber	Mt.	10,940	10,237	7,148
Cocoa	Mt.	5,712	2,051	2,040
Coffee	Mt.	20	-	-
Round Logs	M <sup>3</sup>	7,085	57,237	25,942
Sawn Timber	Pcs.	177,885	93,367	139,990
Crude Palm Oil (CPO)	Mt.	0	860	671

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

**Chart 1: Key Agricultural Production  
(3<sup>rd</sup> Quarter, 2015; 2<sup>nd</sup> & 3<sup>rd</sup> Quarters, 2016)**



**a. Rubber**

Rubber production during the review quarter stood at 7,148 metric tons, down from 10,237 metric tons produced during the preceding quarter. The 30.2 percent quarterly decline in output was largely explained by the decline in rubber production by small-holder farmers. On an annualized basis, output fell by 34.7 percent or 3,792 metric tons.

**b. Cocoa & Coffee**

Cocoa output during the quarter was 2,040 metric tons, down from 2,151 metric tons produced during the preceding quarter. The 0.6 percent reduction in output was largely explained by the fall in the global market price of the commodity. When compared with the corresponding period a year ago, output declined by 64.3 percent or 3,672 metric tons.

**c. Sawn Timber**

Output of sawn timber during the quarter under review recorded 139,990 pieces, up from 93,367 pieces produced during the previous quarter. The 46,643 pieces increase in output was attributed to favourable weather condition that saw a pickup in construction activities. When annualized, output rose by 21.3 percent or 37,895 pieces.

**d. Round Logs**

At end-December, round logs produced amounted to 25,942 cubic meters, down from 57,237 cubic meters produced during the preceding quarter. The 54.7 percent decline in output was attributed to the global price slump of the commodity. When annualized, output grew by 18,857 cubic meters.

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

Total crude oil palm production during the fourth quarter of 2016 was estimated at 671 metric tons, down from 860 metric tons produced in the previous quarter. The 22.0 percent decline in the output of the commodity was explained by disruption by workers on the plantation which caused a dip in production. The year-on-year analysis could not be done due to the unavailability of data for the corresponding quarter of 2016.

**2.1.2 Industrial Production**

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

**(i) Gold**

Gold output during the quarter was estimated at 937 ounces, down from 966 ounces produced a quarter ago. The 3.0 percent slump in gold output was largely explained by ongoing government tax policy in the sector. Compared with the corresponding quarter in 2015, output contracted by 31.4 percent or 428 ounces.

**(ii) Diamond**

Diamond output during the quarter ended December, 2016 stood at 7,767 carats, down from 15,925 carats produced during the preceding quarter. The 8,157 carats or 51.2 percent decline was explained by ongoing government tax policy in the sector. On an annualized basis, output declined by 27.9 percent or 3,005 carats.

**(iii) Iron Ore**

Iron ore output during the quarter was 198,021 metric tons, down from 234,713 metric tons produced in the previous quarter. The 15.6 percent decline in output was explained by the closure of a key concessionaire. On a year-on-year basis, output declined by 79.7 percent.

**(iv) Manufacturing**

**(i) Cement**

A total of 54,741 metric tons of cement was produced during the quarter ended December, 2016, representing a 36.9 percent growth compared with the 39,995 metric tons produced during the preceding quarter. The growth in output was explained by the surge in construction activities due to favourable weather conditions. However, matched against the same period a year ago, output decreased by 6.8 percent or 3,983 metric tons.

(ii) **Beverages**

Beverages output (alcoholic and non-alcoholic) during the review quarter was 5.6 million litres, down from the 6.0 million litres produced during the previous quarter. The 5.9 percent decline in output was largely attributed to the declines in Malta and soft drink production. When compared with the corresponding period in 2015, output dropped by 2.7 percent or 0.2 million litres.

A disaggregation of the total beverages output produced during the quarter showed that alcoholic beverages contributed 62.8 percent, while 37.2 percent constituted the share of non-alcoholic beverages.

**Table 4: Key Industrial Output**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)

Commodity	Unit	4 <sup>th</sup> Quarter, 2015	3 <sup>rd</sup> Quarter, 2016	4 <sup>th</sup> Quarter, 2016
Diamond	Carat	10,772	15,925	7,767
Gold	Ounce	1,365	966	937
Iron Ore	Mt.	976,850	234,713	198,021
Cement	Mt.	58,724	39,995	54,741
Spirits	Litre	76,833	77,551	86,914
Beer	Litre	1,754,695	1,806,963	1,744,406
Stout	Litre	1,622,895	1,758,707	1,689,756
Malta	Litre	80,293	117,588	69,047
Soft Drinks	Litre	2,232,108	2,198,601	2,019,838
Oil Paint	Gal.	52,522	23,719	30,985
Water Paint	Gal.	55,027	20,903	32,543
Varnish	Gal.	4,968	2,702	3,692
Manoline Hair Grease	Kg.	5,737	2,747	3,629
Soap	Kg.	88,689	74,889	116,526
Candle	Kg.	51,062	46,421	37,695
Chlorox	Litre	224,439	322,444	268,580
Rubbing Alcohol	Litre	38,205	58,521	52,048
Thinner	Gal.	2,804	2,964	5,125
Mattresses	Pcs.	31,710	23,170	19,273
Finished water	Gal.	379,770,482	494,683,392.00	485,557,284
Mineral Water	Litre	364,778	367,801.44	341,615
Electricity	kW	-	37,626,345*	48,595,393

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

*\*Estimate*

*+ Revised/Actual*

*N/A Not Available*

**(iii) Soap**

Total volume of soap produced at end-December, 2016 stood at 116,526 kilograms, up from 74,889 kilograms produced in the preceding quarter. The 41,637 kilograms or 55.6 percent surge in output was explained by the introduction of new brands of soap on the market. An annualized analysis showed that output rose by 31.4 percent or 27,837 kilograms.

**(v) Paint (Oil and Water)**

The volume of Paint produced during the review quarter was 63,528 gallons, up from 44,622 gallons recorded during the previous quarter. The 42.4 percent surge in output was mainly explained by the increase in construction and maintenance activities. When compared with the same period a year ago, output dropped by 40.9 percent or 44,021 gallons. A disaggregation of the quarter's total paint production revealed that oil paint constituted 48.8 percent and the balance 51.2 percent was the contribution of water paint.

**(vi) Varnish**

Varnish output at end- December, 2016 was 3,692 gallons, up from 2,702 gallons recorded during the preceding quarter. The 36.6 percent rise in output was largely explained by increases in construction activities and furniture production. On a year-on-year basis, output shrank by 25.7 percent or 1,276 gallons.

**(vii) Manoline Hair Grease**

Production of Manoline Hair Grease during the fourth quarter of 2016 was 3,629 kilograms, up from the 2,747 kilograms produced in the previous quarter. The 32.1 percent growth in output was a result of decline in the importation of competing products. When compared with the corresponding quarter a year ago, output fell by 36.7 percent or 2,108 kilograms.

**(viii) Thinner**

Thinner output at end December, 2016 stood at 5,125 gallons, up from 2,964 gallons produced during the third quarter. The 2,161 gallons or 72.9 percent rise in output was mainly explained by the complementary use of thinner with oil paint and varnish. On a yearly basis, output expanded by 82.8 percent or 2,321 gallons.

**(ix) Rubbing Alcohol**

The production of rubbing alcohol during the review quarter stood at 52,048 litres, down from 58,521 litres produced during the quarter ended September, 2016. The 11.1 percent decrease in output was attributed to low stock of raw materials. When matched against the same period a year ago, output rose by 36.2 percent or 13,844 litres.

**(x) Chlorox**

The production of chlorox during the quarter was 268,580 litres, down from 322,444 litres produced at end-September, 2016. The 16.7 percent decline was explained by the departure of some key non-governmental organization (NGO) operating in the health sector. On a year-on-year basis, output increased by 19.7 percent or 44,141 litres.

**(xi) Candle**

The volume of candle produced during the fourth quarter of 2016 recorded 37,695 kilograms, down from 46,421 kilograms recorded in the preceding quarter, representing 18.8 percent fall in output largely due to expansion in electricity supplies in Monrovia and its environs. When compared with the corresponding quarter of 2015, output of the commodity contracted by 26.2 percent or 13,367 kilograms.

**(xii) Mattresses**

Total mattresses produced during the quarter ended December, 2016 stood at an estimated 19,273 pieces, down from 23,170 pieces produced in the preceding quarter. The 16.8 percent estimated decline in output was mainly attributed to build up of inventory from the previous quarter. On an annualized basis, output reduced by 39.2 percent or 12,437 pieces.

**(xiii) Finished Water**

Finished water produced during the quarter ended-December, 2016 recorded 486.5 million gallons, down from the revised 494.7 million gallons produced during the third quarter of 2016. The 1.8 percent drop in output was due to the technical break-down experienced during the quarter. When compared with the same period a year ago, output surged by 27.9 percent or 105.8 million gallons.

**(xiv) Mineral Water**

Production of mineral water for the quarter ended December, 2016 stood at 341,615 litres, down from the 367,801 litres recorded during the previous quarter. 7.1 percent decline in output was attributed to the rainy season at which period the demand for mineral water shrinks. When compared on a yearly basis with the corresponding period, output fell by 6.4 percent or 23,163 litres.

**2.2 Consumption of Petroleum Products**

During the review quarter, the total consumption of petroleum products recorded 2.2 million gallons, up from 0.8 million gallons consumed in the previous quarter. The 2.16 million gallons rise in consumption of petroleum was largely a result of an increase in the consumption of Premium Motor Spirit (PMS) and diesel (AGO). Though when annualized, petroleum consumption fell by 5.4 million gallons.

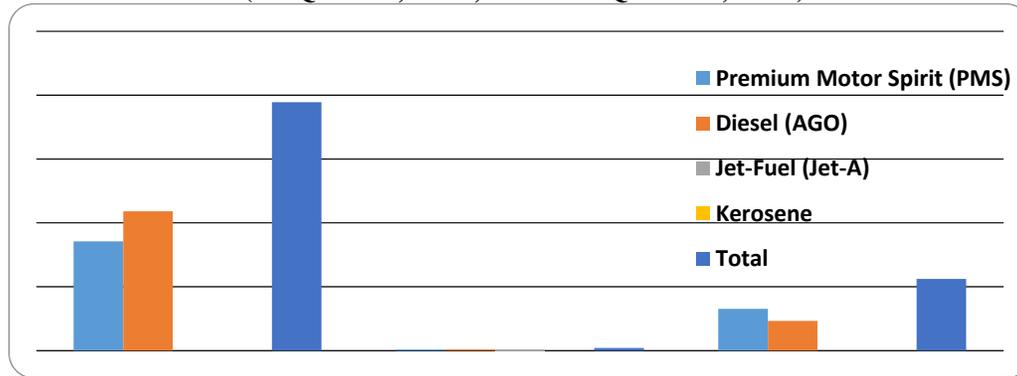
On a disaggregated basis, the total consumption of petroleum products revealed that Premium Motor Spirit (PMS) covered 58.5 percent of the quarter's total consumption while diesel (AGO) accounted for the remaining 41.5 percent of the total petroleum consumption during the review quarter. The statistics showed that there was no consumption of Jet-Fuel (Jet A) and Kerosene as they were not imported.

**Table 5: Consumption of Petroleum Products  
(3<sup>rd</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**

<b>Commodity</b>	<b>Unit</b>	<b>4<sup>th</sup> Quarter, 2015</b>	<b>3<sup>rd</sup> Quarter, 2016</b>	<b>4<sup>th</sup> Quarter, 2016</b>
Premium Motor Spirit (PMS)	Gal.	3,417,789.43	33,693	1,311,232.09
Diesel (AGO)	Gal.	4,361,357.96	44,484	930,015.57
Jet-Fuel (Jet-A)	Gal.	-	3,687	-
Kerosene	Gal.	-	-	-
<b>Total</b>		<b>7,779,147</b>	<b>81,864</b>	<b>2,241,247.66</b>

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

**Chart 2: Consumption of Petroleum Products  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**



### 2.3 Sea Port Developments

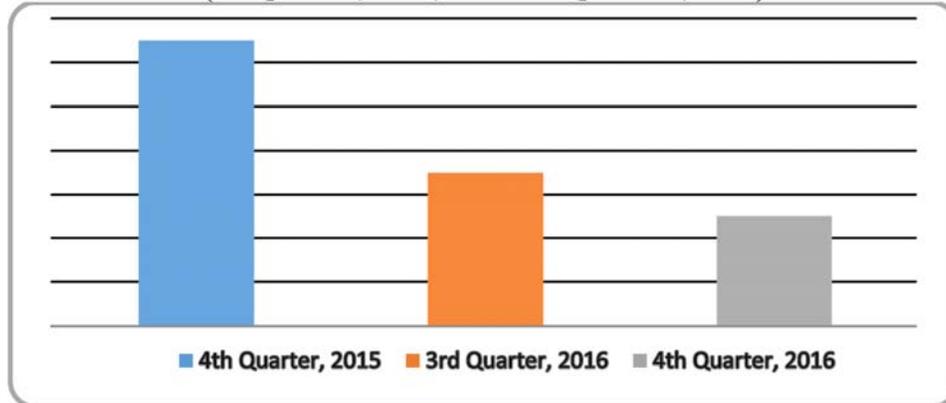
During the review quarter, 95 vessels with a combined SDWT of 2.1 million berthed within Liberia’s territorial waters, down from 97 vessels in the previous quarter. The decline by 2.1 percent or 2 vessels in vessel traffic was largely explained by the decline in the export of the country’s principal commodities, specifically iron ore, and the slowdown of vessel traffic at the Port of Greenville. An analysis of vessel traffic revealed that 75 vessels representing 78.9 percent of all vessels anchored at the Port of Monrovia, followed by the Port of Buchanan with 18 vessels (18.9 percent) and the Port of Greenville accounted for 2 vessels (2.1 percent) of the total vessels traffic. When compared with the same quarter a year ago, total traffic fell by 8 vessels or 7.8 percent. A disaggregation of total cargo tonnage indicated that imports accounted for 57.8 percent while the remaining 42.2 percent was attributed to exports.

**Table 6: Vessel Traffic and Cargo Movements  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
4 <sup>th</sup> Quarter, 2015	103	2,571,868	473,797	888,791	1,362,588
3 <sup>rd</sup> Quarter, 2016	97	1,956,373	344,890	435,746	780,636
4 <sup>th</sup> Quarter, 2016	95	2,055,038	430,409	314,639	745,048

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

**Chart 3: Vessel Traffic**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)



## 2.4 Electric Power Developments

Electric power generation during the review quarter was estimated at 48.6 million kilowatts, up from the revised actual of 37.6 million kilowatts produced during the previous quarter. The quarterly rise in electric power generation was due to the installation of additional megawatts of electric power generation and the rapid extension of services to other parts of Monrovia and its environs. Year-on-year analysis could not be done due to unavailability of data in the corresponding period of 2015.

**Table 7: Electric Power Developments**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Kilowatts)

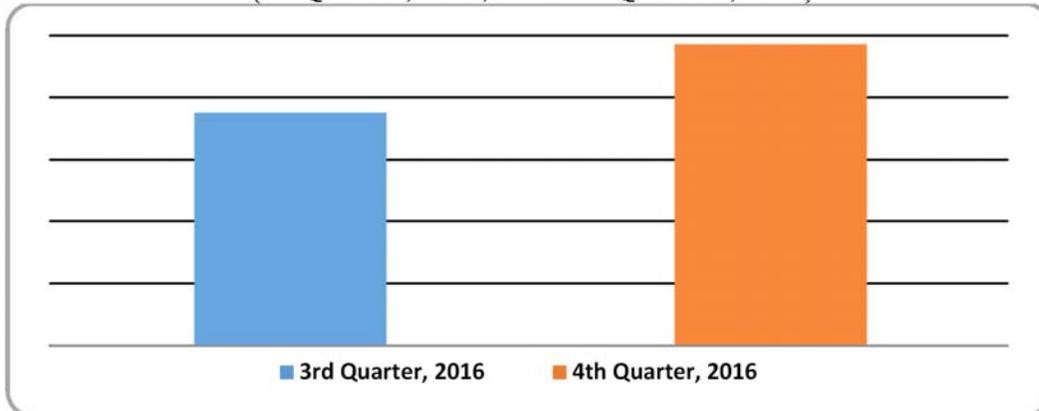
Quarter	Unit	Service	Generation
4 <sup>th</sup> Quarter, 2015	kW	Electricity	-
3 <sup>rd</sup> Quarter, 2016	kW	Electricity	37,626,345
4 <sup>th</sup> Quarter, 2016	kW	Electricity	48,595,393

*Source: Liberia Electricity Corporation (LEC)*

*\* Estimate*

*+ Revised/Actual*

**Chart 4: Electricity Generation  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**



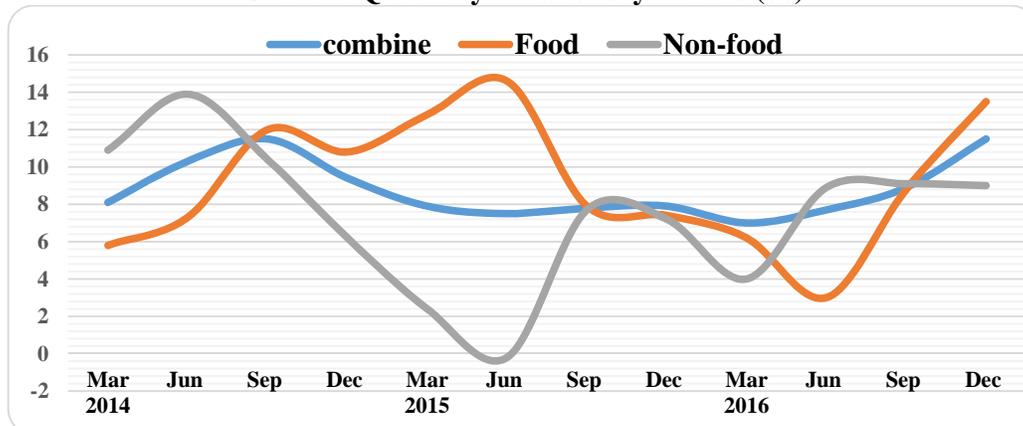
## 2.5 Price Developments

### 2.5.1 Domestic Inflation

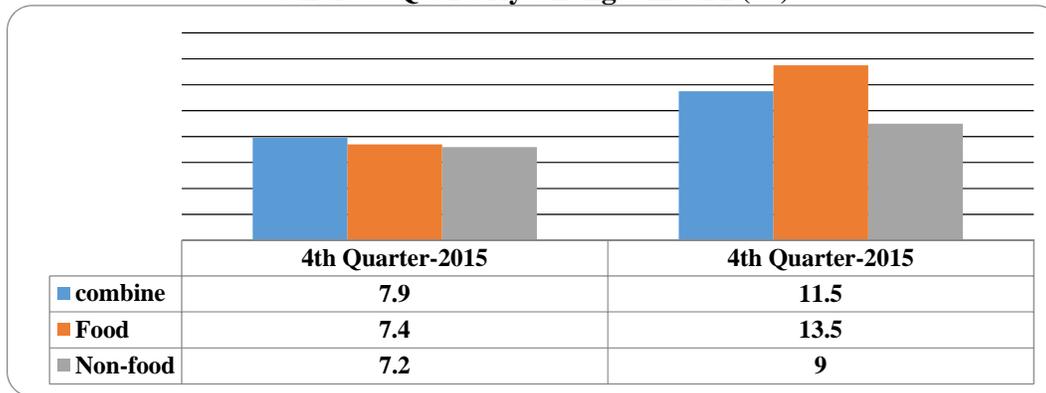
Average headline inflation during the quarter ended December, 2016 stood at 11.5 percent, up from 8.9 percent recorded during the preceding quarter. The 2.6 percentage points rise in inflation was mainly as a result of the depreciation of the Liberian Dollar against the US Dollar. A year-on-year comparison revealed that inflation rose by 3.6 percentage points.

Analysis showed that non-food inflation for the review quarter recorded 9.0 percent, up from 7.2 percent in the corresponding quarter a year ago. The decline in non-food inflation was largely explained by improvement in infrastructure, especially electric power supplies.

**Chart 5: Quarterly Inflationary Trends (%)**



**Chart 6: Quarterly Changes in CPI (%)**



### 2.5.2 Inflation by Group

Almost all other prices among the major groups within the consumer basket, during the review period, recorded increases when compared with the corresponding period of 2015. The only major group that recorded a decrease in inflation when compared to the same period a year ago was health, while education remained unchanged.

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

Analysis of the consumer price index at end-December, 2016 revealed that the food and non-alcoholic beverages group contributed 59.5 percent to the quarter's overall inflation compared with 58.9 percent a year ago. The remaining 40.5 percent was the contribution of the non-food group which was 41.1 percent the same period a year ago.

### 2.5.4 Outlook for Inflation

Inflation during the latter part of 2016 was in double digit, although the attainment of a single-digit rate of inflation may not be possible largely due to the ongoing depreciation of the Liberian dollar against the US dollar. However, in the medium term, the sustenance of single-digit rate of inflation will mainly depend on increased domestic food production; improved access to markets; the behavior of international oil and food prices; government tax policies on key commodities and infrastructural developments such as the level of energy supply.

**Table 8: Headline and Quarterly Changes in CPI (%)**

		Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI		
		Combined	Food	Non-Food	Combined	Food	Non-Food
<b>2014</b>	Jan	<b>7.7</b>	5.6	10.2	0.1	-0.2	0.5
	Feb	<b>7.9</b>	6.4	9.5	-0.4	-1.3	0.5
	Mar	<b>8.9</b>	5.5	12.9	2.3	1.7	3.0
	Apr	<b>9.8</b>	5.4	14.9	0.6	0.0	1.2
	May	<b>9.6</b>	7.3	12.1	-1.7	-2.4	-1.0
	Jun	<b>11.7</b>	9.2	14.6	4.5	6.8	2.1
	Jul	<b>10.9</b>	10.4	11.4	0.9	2.5	-0.8
	Aug	<b>10.1</b>	9.3	11.0	1.2	2.0	1.0
	Sep	<b>13.5</b>	16.3	10.2	2.6	4.4	0.5
	Oct	<b>12.7</b>	14.9	10.0	0.7	1.4	-0.2
	Nov	<b>7.9</b>	7.6	8.3	-4.8	-7.3	-1.6
	Dec	<b>7.7</b>	9.9	5.1	1.7	2.5	0.6
<b>2015</b>	Jan	<b>8.7</b>	11.8	5.2	1.1	1.5	0.6
	Feb	<b>7.7</b>	12.4	2.4	-1.3	-0.7	-2.1
	Mar	<b>7.3</b>	14.3	-0.4	1.9	3.4	0.1
	Apr	<b>6.8</b>	14.1	-1.1	0.1	-0.1	0.4
	May	<b>7.9</b>	17.5	-2.3	-0.7	0.5	-2.1
	Jun	<b>7.7</b>	12.2	2.7	4.3	1.9	7.4
	Jul	<b>9.5</b>	12.9	5.6	2.6	3.2	1.9
	Aug	<b>7.3</b>	6.9	7.8	-0.8	-3.5	2.4
	Sep	<b>6.5</b>	3.8	9.7	1.8	1.4	2.3
	Oct	<b>6.0</b>	2.8	10.0	0.2	0.4	0.0
	Nov	<b>9.8</b>	9.0	10.6	-1.4	-1.7	-1.0
	Dec	<b>8.0</b>	5.9	4.7	0.1	-0.4	-4.7
<b>2016</b>	Jan	<b>7.0</b>	7.4	6.4	0.1	3.0	2.2
	Feb	<b>7.1</b>	5.5	2.8	-1.2	-2.5	-5.4
	Mar	<b>7.1</b>	5.6	2.7	1.9	3.6	0.1
	Apr	<b>7.2</b>	3.1	6.0	0.2	-2.6	3.6
	May	<b>7.6</b>	1.9	14.7	-0.3	-0.6	5.9
	Jun	<b>8.4</b>	4.1	6.0	5.2	4.1	-0.8
	Jul	<b>8.4</b>	5.8	11.6	2.6	4.8	7.4
	Aug	<b>9.9</b>	10.8	8.8	0.5	1.1	-0.2
	Sep	<b>8.5</b>	9.8	6.9	0.5	0.5	0.6
	Oct	<b>9.9</b>	11.7	0.9	1.6	2.1	-5.6
	Nov	<b>12.0</b>	14.4	9.3	0.5	0.7	7.2
	Dec	<b>12.5</b>	14.2	16.8	0.5	-0.6	1.8

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 9: Inflation by Sub-groups: Year-on-Year Changes in CPI  
(2015-2016)**

<b>Food Group</b>	<b>Weights</b>	<b>Q3-15</b>	<b>Q4-15</b>	<b>Q3-16</b>	<b>Q4-16</b>	<b>Non-Food Group</b>	<b>Weights</b>	<b>Q3-15</b>	<b>Q4-15</b>	<b>Q2- 16</b>	<b>Q3-16</b>
Rice	10.30	-1.37	-14.89	13.35	35.30	Alcoholic Beverages, Tobacco and Narcotics	3.03	5.43	10.46	9.78	14.74
Edible Oil	2.58	-6.45	2.97	3.43	12.55	Clothing and Footwear	7.75	19.94	25.26	7.81	8.82
Fruit(ND)	4.35	-1.15	-3.00	15.54	22.53	Housing, Water, Electricity, Gas and Other Fuels	12.0	-0.08	-3.46	0.03	1.14
Sugar, Jam, honey, Chocolate And Confectionery (ND)	1.40	3.00	2.78	4.44	11.16	Furnish. , H/Hold Equip, Rout. Maintenance of House	5.25	10.24	19.21	17.38	8.06
Coffee, tea, and Cocoa (ND)	0.65	7.83	15.93	57.57	60.81	Health	3.91	-5.91	-1.98	-2.73	-6.25
Mineral Waters, Soft drinks, Fruit and Vegetable Juices	1.41	25.53	14.65	18.59	33.30	Transport	6.11	11.71	10.93	16.67	21.48
						Communication	1.53	-11.08	-10.02	2.27	1.60
						Recreation & Culture	3.85	21.14	14.47	16.30	16.30
						Education	3.20	0.00	0.00	0.00	0.00
						Restaurants & Hotels	4.64	-0.15	3.72	6.95	7.62
						Miscellaneous Goods and Services	3.53	5.72	1 0.21	10.20	8.01

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 10: Harmonized Consumer Price Index (HCPI) By Major Groups**  
**Year-on-Year Rates of Inflation**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(December, 2005=100)**

<b>Functions</b>	<b>WEIGHTS</b>	<b>Oct-15</b>	<b>Nov-15</b>	<b>Dec-15</b>	<b>4<sup>th</sup> Quarter</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep-16</b>	<b>3<sup>rd</sup> Quarter</b>	<b>Oct-16</b>	<b>Nov-16</b>	<b>Dec-16</b>	<b>4<sup>th</sup> Quarter</b>
FOOD AND NON-ALCOHOLIC BEVERAGES	45.2	2.76	9.03	5.88	5.89	5.76	10.80	9.84	8.8	11.73	14.41	14.22	13.36
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	12.42	7.96	11.03	10.47	14.21	9.28	6.09	9.86	10.35	16.92	17.01	14.76
CLOTHING AND FOOTWEAR	7.75	27.96	25.31	22.55	25.27	9.51	7.69	6.31	7.84	5.40	7.03	14.14	8.86
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12.00	-6.45	0.86	-4.50	-3.36	0.99	-0.53	-0.37	0.03	-0.38	-0.53	4.36	1.15
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.25	20.54	17.64	19.45	19.21	27.72	18.20	7.97	17.96	6.86	10.78	6.61	8.08
HEALTH	3.91	-1.39	-2.27	-2.27	-1.98	3.91	-2.30	-9.33	-2.57	-6.85	-6.01	-5.90	-6.25
TRANSPORT	6.11	9.59	8.85	14.36	10.93	15.41	14.70	20.04	16.72	20.43	23.09	20.94	21.49
COMMUNICATION	1.53	-10.04	-10.03	-10.00	-10.02	2.68	2.70	1.43	2.27	1.55	1.83	1.41	1.60
RECREATION AND CULTURE	3.85	25.23	25.20	25.35	25.26	12.62	18.81	12.20	14.54	17.37	15.42	16.11	16.3
EDUCATION	3.20	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	4.64	3.38	3.63	4.14	3.72	12.63	4.21	4.48	7.11	8.70	7.45	6.70	7.62
MISCELLANEOUS GOODS AND SERVICES	3.53	5.78	12.19	13.02	10.33	12.27	12.58	6.10	10.32	5.79	8.76	9.50	8.02
GENERAL RATE OF INFLATION	100	6.00	9.76	8.04	7.93	8.40	9.86	8.48	8.9	9.95	12.04	12.52	11.50

*Source: CBL & LISGIS, Monrovia, Liberia*

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

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

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

Developments in the banking sector for the period under view showed mixed results as compared to the third quarter in 2015. All of the major balance sheet indicators increased at end December, 2016 except total asset which decline by 4.5 percent. Capital increased by 14.7 percent, deposits by 0.8 percent and loan by 5.7 percent, indicating the soundness and increased public confidence in the banking sector.

During the review period, only one of the nine banks showed growth in total assets while the remaining eight banks experience negative growth. Seven banks experienced growth rates in their loan portfolio while two experienced decline. Deposits grew for five banks while the other four banks recorded decline in their deposits. There were increases in six of the nine banks capital position while the remaining three banks experienced declines. Despite these mixed results, the banking system continues to be well capitalized and liquid. However, profitability remains a major challenge to the sector due to poor asset quality of a number of banks, weak credit administration and the relatively high operation expenses incurred by banks.

Relative to the industry's balance sheet, total assets slightly decreased by 4.3 percent to L\$79.7 billion over the previous quarter and increased by 4.0 percent over the corresponding quarter in 2015, occasioned by increases in cash, check for clearing, other assets and fixed assets. Deposits decreased by 1.0 percent to L\$55.1 billion compared to the previous quarter and also increased by 0.8 percent over the corresponding quarter in 2015. The slight rise in deposits mirror the marginal increases in savings and demand deposits during the period. During the review quarter, total loans and advances increased by 2.7 percent and 18.4 percent to L\$40.1 billion over the third quarter in 2015 and corresponding quarter in 2016, respectively. The industry's capital position increased by 17.3 percent to L\$13.98 billion when compared to the previous quarter; due primarily to the commencement of banking operations by the newly licensed bank. Compared to the corresponding quarter a year ago, it also increased by 65.3 percentages.

The industry's Capital Adequacy Ratio (CAR) during the review quarter increased by 0.8 percentage points to 21.5 percent, but decreased by 6.0 percentage points when compared to the corresponding quarter in 2015. In terms of CAR, all of the nine banks were in excess of the required minimum of 10.0 percent. With respect to the minimum net worth, all the banks were above the minimum requirement of US\$10.0 million. Non-performing (NPL) as a share of total loans increased by 1.8 percentage points to 13.2 percent at the end of December, 2016, from 11.4 percent recorded at the end of the previous quarter. The increase in NPL ratio was attributed to facilities that were previously performing, but gained non-performing status over the quarter. Compared with the corresponding quarter in 2015, non-performing loans to total loans declined by 2.5 percent. In absolute terms, non-performing loans to total loans increased from L\$4.2 billion to L\$5.6 billion (October –December, 2016) and increased from 5.3 billion to 5.6 billion as compared with the amount recorded in the same period a year ago. One bank was above the regulatory limit of 10.0 percent, while all the other banks fell below the limit.

Gross earnings of the industry during the quarter increased by L\$1.6 billion to L\$8.1 billion at the end of the fourth quarter. Operating profit increased to L\$2.0 billion (before loan loss provision and taxes) representing an increase of 31.0 percent when compared to the previous quarter of 2016. Income, net of taxes and loan loss provisions, was L\$354.8 million. However, gross earnings on a year-on-year basis, recorded a decline of 1.4 percent and a net loss of L\$2,201.2 billion. Similar to the previous quarter of 2016, the industry recorded profits. Four of the nine banks recorded profits while the remaining four banks recorded net loss positions. During the quarter, most of the industry's earnings were from interest income on loans, advances and overdraft thereby reflecting growth in financial intermediation by the banking sector.

The banking sector at end-December, 2016, continued to maintain its strong performance. The industry liquidity position strengthened by 11.6 percentage points to 51.4 percent, from 39.8 percent recorded at the end of the third quarter. This level of liquidity was above the minimum requirement level of 15.0 percent. When compared with the fourth quarter of 2016, it however, fell by 14.6 percentage point. All of the nine banks recorded liquidity ratio above the minimum requirement. The total liquid assets of the industry recorded a total of L\$28.3 billion (12.9% as vault cash; 47.3 % as current account balances within

CBL; 28.6 % as foreign bank balances and 11.2 billion as treasury securities). This showed that about 47.3 percent of the industry's liquid assets are held within current account balances which gives leverage to the financial system in meeting urgent domestic liquidity needs and slow serves as a mitigating instrument for any potential liquidity problem. Loans to deposit ratio both at the individual and industry levels have been below 70 percent, except for five banks. This is below the industry bench mark of 80 percent and indicates a comfortable liquidity position for most of the banks to meet the liquidity needs of their customers. Though the sector recorded improvement in most of its indicators, the weak credit underwriting processes, coupled with inadequate monitoring of loans continue to be the driving factor for the poor asset quality of the banks.

### **3.2 Commercial Bank Credit**

Quarter-on-quarter (Q-o-Q) analysis revealed that credits to various sectors of the economy at end-December, 2016 expanded by 8.6 percent to L\$40,728.3 million, from L\$37,517.4 million reported for the preceding quarter. The growth in the stock of credit for the quarter under consideration relative to the previous quarter was on account of increases in loans to the manufacturing sector and the "Others Sector" by 58.0 percent and 85.6 percent, respectively. On the other hand, outstanding loans to the mining, agriculture, construction, trade (Trade, Hotel & Restaurant) and Transport (Transport, Storage & Communication) sectors declined by 70.1 percent, 35.4 percent, 24.2 percent, 20.9 percent and 18.0 percent, respectively<sup>2</sup>. The performance of outstanding credit was driven by gradual rise in economic activities coupled with the normal preparation for the festive season. Year-on-year, comparison showed that credit rose by 20.0 percent, mainly supported by growths in loans to two sectors: the Manufacturing Sector and the "Others Sector".

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<sup>2</sup> We are cautious about the huge increase in loans to the 'Others sector' and the subsequent declines in loans to key sectors in November and December, 2016 as reported through the VRegCoss. We are conducting investigation as these appeared to be misclassifications of loans

Of the total stock of loan to the economy for the quarter, private sector accounted for 99.9 percent, underscoring the importance of the sector as the engine of economic growth and development. Notably, since 2009, the share of private sector loan to total loan average 98.0 percent.

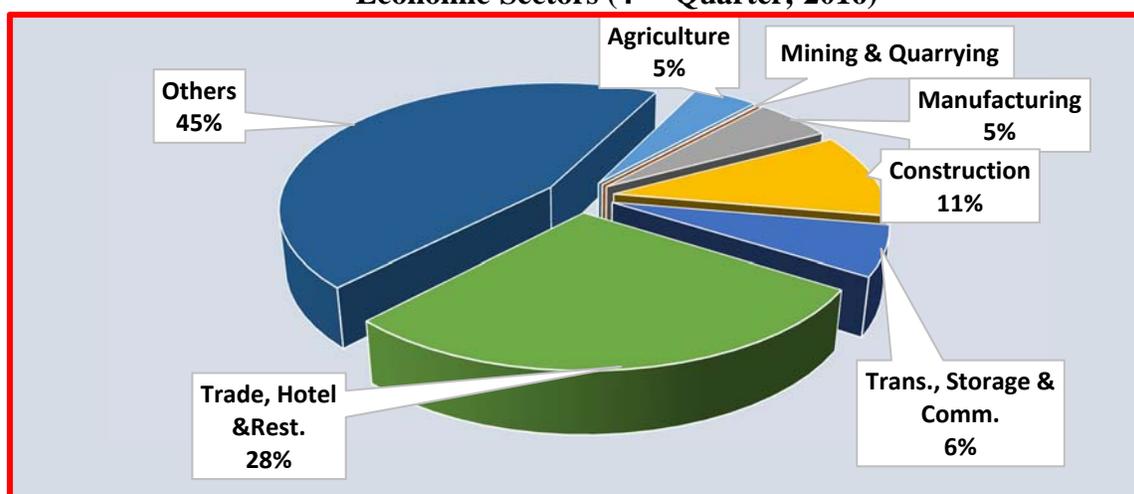
The prospect of credit expansion to the private sector appears promising for 2017 with manufacturing and the services sectors serving as major drivers. The underlying assumption is that with the gradual pick-up in business activities and the completion and expansion of the Hydro Power Plant, the manufacturing and services Sectors along with the other sectors are expected to immensely benefit from low cost and sustainable supply of electricity in 2017 and beyond.

**Table 11: Commercial Bank Loans by Economic Sector  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Millions L\$)**

	2015		2016			
	4 <sup>th</sup> Quarter	Share	3 <sup>rd</sup> Quarter	Share	4 <sup>th</sup> Quarter	Share
Agriculture	2,389.7	7.0	2,775.0	6.9	1,793.9	4.4
Mining & Quarrying	140.7	0.4	160.2	0.6	47.9	0.1
Manufacturing	885.0	2.6	1,388.6	2.6	2,193.9	5.4
Construction	4,866.9	14.3	5,715.2	16.8	4,330.6	10.6
Trans., Storage & Comm.	2,946.9	8.7	3,075.1	8.3	2,521.5	6.2
Trade, Hotel & Rest.	14,707.8	43.3	14,505.4	42.6	11,473.9	28.2
Others	8,014.4	23.6	9,897.8	22.2	18,366.6	45.1
<b>Total</b>	<b>33,951.4</b>	<b>100.0</b>	<b>37,517.35</b>	<b>100.00</b>	<b>40,728.31</b>	<b>100.00</b>

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

**Chart 7: Percentage Distribution of Commercial Bank Loans by Economic Sectors (4<sup>th</sup> Quarter, 2016)**



### 3.3 Interest Rate

Movements in the average interest rates for the review quarter were mixed. Interest rates on lending, personal and mortgage loans slowdown by 4.0, 21.0, and 235.0 basis points, respectively, when compare with the preceding quarter ended-September, 2016. On the other hand, interest rate on time deposit rose by 80.0 basis points. The interest rates on savings and certificate of deposits remained unchanged at 2.02 percent and 2.00 percent, respectively.

Year-on-year data also revealed similar variations with increases recorded for personal loan, time deposits and savings rates while average lending and mortgage loan declined; the rate on certificate of deposits remain unchanged. The spread between the average lending and savings rates narrowed by 4.0 basis points to 13.61 percent, compared with 13.65 percent recorded in the preceding quarter.

**Table 12: Commercial Bank's Interest Rates (4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**

	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Avg. Lending Rate	13.67	13.65	13.61
Avg. Personal Loan Rate	13.94	14.72	14.51
Avg. Mortgage Rate	14.45	14.50	12.15
Avg. Time Deposit Rate	4.50	3.90	4.70
Avg. Savings Rate	2.00	2.02	2.02
Avg. Rate on CDs	2.00	2.00	2.00

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

### 3.4 Exchange Rate

The average exchange rate of the domestic currency vis-à-vis the U.S. dollar at end-December, 2016, depreciated by 4.1 percent to L\$100.08/ US\$1.00, from L\$96.15/US\$1.00 recorded a quarter ago. The pressure exerted on the exchange rate for the reporting quarter was largely caused by a 6.1 percent rise in GoL Liberian dollar expenditure, a 9.4 percent reduction in GoL Liberian dollar revenue collection and the high demand for US dollar in the economy to facilitate imports during the quarter.

A year-to-year analysis indicated that the average exchange rate depreciated significantly by 13.1 percent at quarter ended-December, 2016 relative to the corresponding period in 2015. The end-of-period exchange rate at end-December 31, 2016, showed 15.8 percent depreciated mainly on account of the high demand for foreign exchange.

**Table 13: Market Exchange Rate: Liberia Dollar per US Dollar  
(3<sup>rd</sup> Quarter, 2015; 2<sup>nd</sup> & 3<sup>rd</sup> Quarters, 2016)**

	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Market Rate End of Period	88.50	97.50	102.50
Market Rate Period Average	88.50	96.15	100.08

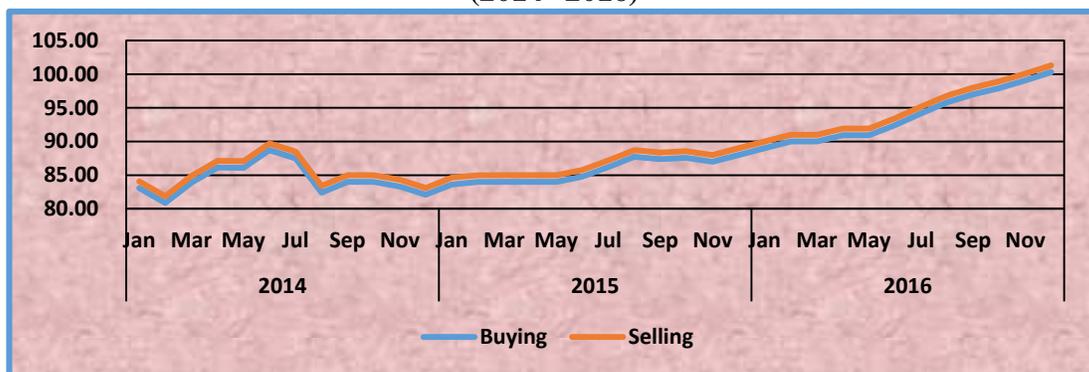
*Source; Central Bank of Liberia, Monrovia, Liberia*

**Table 14: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar (2015-2016)**

Period Average	2014		2015		2016	
	Buying	Selling	Buying	Selling	Buying	Selling
January	83.07	84.07	83.63	84.63	89.00	90.00
February	80.88	81.88	84.00	85.00	90.00	91.00
March	83.88	84.88	84.00	85.00	90.00	91.00
April	86.12	87.12	84.00	85.00	90.92	91.92
May	86.07	87.07	84.00	85.00	90.92	91.92
June	88.72	89.72	84.77	85.77	92.42	93.42
July	87.50	88.50	86.19	87.19	94.15	95.15
August	82.42	83.42	87.73	88.73	95.81	96.81
September	84.00	85.00	87.38	88.38	97.00	98.00
October	84.00	85.00	87.56	88.56	97.92	98.92
November	83.32	84.32	87.00	88.00	99.08	100.08
December	82.11	83.11	88.00	89.00	100.30	101.30
Q1	<b>82.61</b>	<b>83.61</b>	<b>83.88</b>	<b>84.88</b>	<b>89.67</b>	<b>90.67</b>
Q2	<b>86.97</b>	<b>87.97</b>	<b>84.26</b>	<b>85.26</b>	<b>91.42</b>	<b>92.42</b>
Q3	<b>84.64</b>	<b>85.64</b>	<b>87.10</b>	<b>88.10</b>	<b>95.65</b>	<b>96.65</b>
Q4	<b>83.14</b>	<b>84.14</b>	<b>87.52</b>	<b>88.52</b>	<b>99.10</b>	<b>100.10</b>
Yearly Ave	<b>84.34</b>	<b>85.34</b>	<b>85.69</b>	<b>86.69</b>	<b>93.62</b>	<b>94.62</b>

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

**Chart 8: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar (2014- 2016)**



### 3.4 Monetary Policy Stance

The Monetary Policy stance of the Central Bank of Liberia (CBL) continues to aim at ensuring a stable macro-economic environment with emphasis on broad exchange rate stability and low inflation. In pursuit of this, the CBL's intervention in the foreign exchange market, in addition to GoL T-bonds, remained the readily available policy instrument to influence domestic monetary conditions in the economy. As such, the CBL will continue to collaborate with the government of Liberia in issuing its T-bills to further support the process of Liberian dollar liquidity management as it helps narrow down the rapid accumulation of excess liquidity in the banking system. Moreover, the CBL will remain strongly supportive of the national economic development agenda with special emphasis on the need for financial inclusion and reform in the financial sector of the economy while considering the need for access to financing for critical sectors of the economy, including agriculture and manufacturing.

### 3.5 Liberian Dollar in Circulation

The Liberian dollar in circulation at end-December, 2016, grew by 31.3 percent to L\$12,755.1 million, from L\$9,711.3 million as recorded at end-September, 2016. The upward trend exhibited by currency in circulation was mainly prompted by a 34.1 percent and 3.8 percent increase in currency outside banks which is usually a normal characteristics of the festive season in Liberia. When compared with the corresponding period a year ago, Liberian dollar in circulation expanded by 23.2 percent (Table 15 & Chart 9).

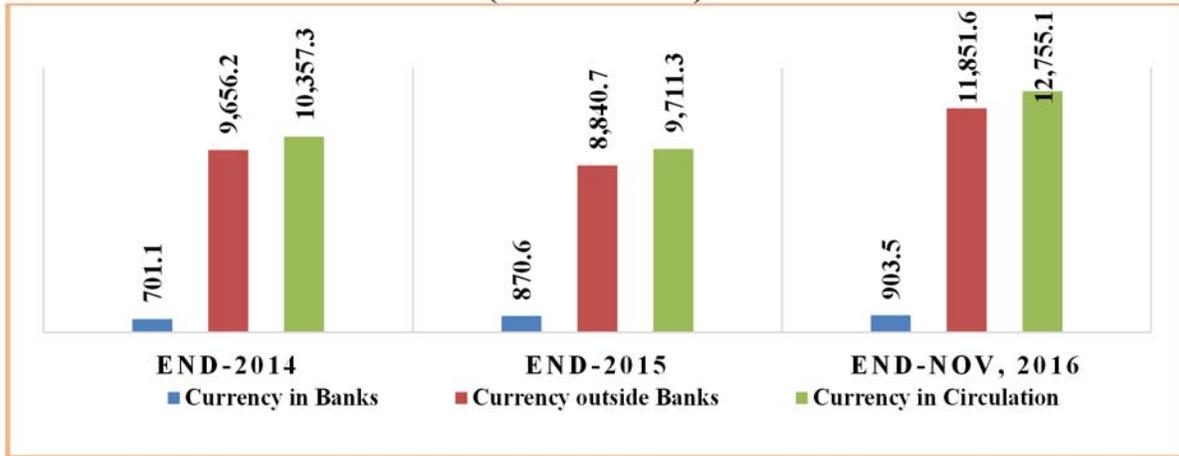
In the review quarter, currency in banks only accounted for 7.1 percent of total currency in circulation.

**Table 15: Liberian Dollars in Circulation**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$)**

	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Currency in Banks	701.10	870.61	903.52611
Currency outside Banks	9,656.20	8,840.73	11,851.57
Currency in Circulation	10,357.30	9,711.30	12,755.10

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

**Chart 9: Liberian Dollars in Circulation**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$)**



### 3.6 Money Supply (M1)

At end-December, 2016 narrow money supply (M1) grew by 10.2 percent to L\$45,418.0 million when compared with the L\$41,224.6 million recorded at end-September, 2016. The growth was mainly occasioned by the 34.1 percent and 3.7 percent expansion in both currency outside banks. When matched against the same quarter a year ago, M1 rose by 10.7 percent (Table 16 & Chart 10).

**Table 16: Broad Money: Supply and its Sources**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$)**

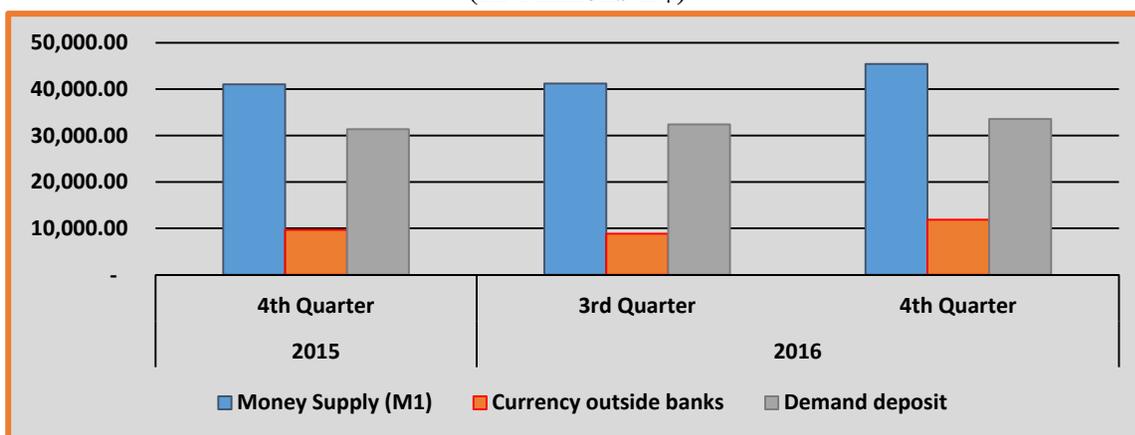
Monetary Aggregates	2015	2016		Percentage Change	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Q-o-Q	Y-o-Y
<b>1.0 Money Supply M2 (1.1 + 1.2)</b>	<b>60,627.30</b>	<b>62,922.12</b>	<b>66,711.93</b>	<b>6.02</b>	<b>10.04</b>
<i>1.1 Money Supply M1</i>	<i>41,036.50</i>	<i>41,224.56</i>	<i>45,418.02</i>	<b>10.17</b>	<b>10.68</b>
<i>1.1.1 Currency outside banks</i>	9,656.20	8,840.73	11,851.57	<b>34.06</b>	<b>22.74</b>
<i>1.1.2 Demand deposit 1/</i>	31,380.30	32,383.83	33,566.45	<b>3.65</b>	<b>6.97</b>
<b>1.2 Quasi Money</b>	<b>19,590.80</b>	<b>21,697.55</b>	<b>21,293.91</b>	<b>-1.86</b>	<b>8.69</b>
<i>1.2.1 Time &amp; Savings deposits</i>	19,496.30	21,687.13	20,763.96	<b>-4.26</b>	<b>6.50</b>
<i>1.2.2 Other deposits 2/</i>	94.60	10.43	529.95	<b>4982.89</b>	<b>460.20</b>
<b>2.0 Net Foreign Assets</b>	<b>33,877.00</b>	<b>34,782.47</b>	<b>38,612.79</b>	<b>11.01</b>	<b>13.98</b>
2.1 Central Bank	24,222.10	24,755.34	30,632.64	<b>23.74</b>	<b>26.47</b>
2.2 Banking Institutions	9,654.90	10,027.13	7,980.14	<b>-20.41</b>	<b>-17.35</b>
<b>3.0 Net Domestic Assets (1 - 2)</b>	<b>26,750.30</b>	<b>28,139.65</b>	<b>28,099.14</b>	<b>-0.14</b>	<b>5.04</b>
3.1 Domestic Credit	49,943.10	61,011.62	65,611.28	<b>7.54</b>	<b>31.37</b>
3.1.1 Government (net)	10,652.50	14,494.73	17,161.84	<b>18.40</b>	<b>61.11</b>
3.1.2 Pvt. Sector & Other Pvt.	39,290.60	46,516.89	48,449.44	<b>4.15</b>	<b>23.31</b>
3.2 Other assets Net (3 - 3.1)	23,192.80	32,871.98	37,512.14	<b>14.12</b>	<b>61.74</b>
<b>Memorandum Items</b>					
<b>1. Overall Liquidity</b>	<b>60,627.30</b>	<b>62,922.12</b>	<b>66,711.93</b>	<b>6.02</b>	<b>10.04</b>
2. Reserve Money	23,074.90	26,257.43	26,614.62	<b>1.36</b>	<b>15.34</b>
<i>Currency outside banks</i>	9,656.20	8,840.73	11,851.57	<b>34.06</b>	<b>22.74</b>
<i>Banks Reserves</i>	12,220.80	16,670.47	13,576.00	<b>-18.56</b>	<b>11.09</b>
<i>Other Deposits at CBL</i>	1,197.90	746.23	1,187.05	<b>59.07</b>	<b>-0.91</b>

Source: Central Bank of Liberia, Monrovia

1/Excludes managers checks from commercial banks

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

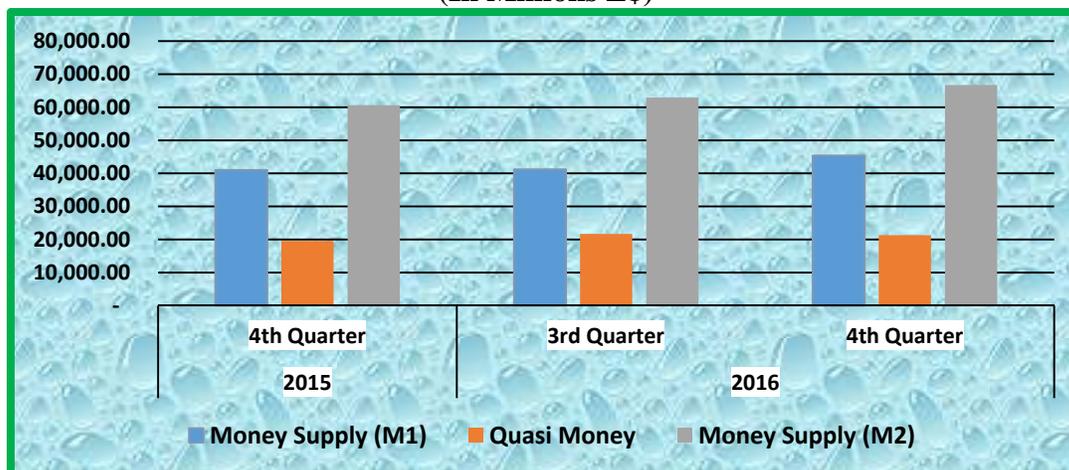
**Chart 10: Narrow Money Supply (M1)**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$)**



### 3.7 Broad Supply (M2)

At end-December, 2016, total Liquidity in the banking system, (M2), expanded by 6.0 percent to L\$66,711.9 million, from L\$62,922.1 million as recorded at end-September, 2016. From the assets side, the increase in M2 resulted from an 11.0 percent rise in net foreign assets (NFA) which outweighed the 0.1 percent decline in net domestic assets (NDA). When compared with the corresponding quarter a year ago, broad money supply (M2) grew by 10.0 percent (Table 17 & Chart 11). The year-on-year growth in overall money supply was triggered by a 23.3 percent increase in credit to the private sector.

**Chart 11: Broad Money Supply (M2)**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$)**



The shares of US dollar and Liberian dollar components of broad money supply at the end of the fourth quarter of 2016 stood at 67.0 percent and 33.0 percent, respectively. The high share of the US dollar component of broad money further explains the high level of dollarization of the economy.

**Table 17: Broad Money: Share of US and Liberian Dollars**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$/Percent)**

	2015		2016			
	4 <sup>th</sup> Quarter	Share	3 <sup>rd</sup> Quarter	Share	4 <sup>th</sup> Quarter	Share
Broad Money	60,627.3	100.0	62,922.1	100.0	66,711.9	100.0
US\$ Share	42,557.4	70.2	43,988.4	69.9	44,668.7	67.0
L\$ Share	18,069.9	29.8	18,933.7	30.1	22,043.2	33.0

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

### 3.8 Foreign Exchange Auction

In support of Government of Liberia's policy of reserves accretion under the Extended Credit Facility (ECF) program, there was no sale of foreign exchange for the quarter ended-December, 2016. This was done to enable the CBL meet the ECF target of US\$181.5 million set by the International Monetary Fund (IMF).

**Table 18: CBL Foreign Exchange Sale Auction**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions US\$)**

FX Sale Auction	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
	8.1	10.0	0.0

*Source: Central Bank of Liberia*

**Chart 12: CBL Foreign Exchange Sale Auction  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Millions US\$)**



### 3.9 Money Market Developments

Operations in the money market continued during the quarter. The total of 91-day T-bills issued in the quarter amounted to L\$146.50 million, representing a growth of 2.6 percent compared with L\$142.75 million 91-day T-bills issued in the preceding quarter. The average quarterly yield grew by 0.18 percentage point to 3.11 percent, from 2.93 percent in the third quarter of 2016 (Table 19 & Chart 13). However, on an annualized basis, it fell by 0.81 percentage point, below the yield of 3.92 percent a year ago. Similarly, yearly comparison showed that the total amount issued for the quarter narrowed by L\$58.85 million to L\$146.50, from L\$205.35 million issued in the corresponding quarter of 2015. Oversubscription on the other hand, was L\$13.7 million for the quarter compared with L\$855.7 million in the previous quarter of 2016.

**Table 19: Government of Liberia Treasury Bill Auction**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarter, 2016)**  
**(In Millions L\$)**

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity	Weighted Average Discount Rate (%)
<b>4<sup>th</sup> Quarter, 2016</b>							
1-Dec-16	2-Mar-17	49.25	49.25	48.87	4.30	0.38	3.13
4-Nov-16	3-Feb-17	49.00	49.00	48.60	4.40	0.40	3.27
6-Oct-16	5-Jan-17	97.50	97.50	96.79	5.00	0.71	2.94
<b>Total</b>		<b>195.75</b>	<b>195.75</b>	<b>194.25</b>	<b>13.70</b>	<b>1.50</b>	<b>3.11</b>
<b>3<sup>rd</sup> Quarter, 2016</b>							
1-Sep-16	1-Dec-16	48.75	48.75	48.40	762.25	0.35	2.93
4-Aug-16	2-Nov-16	46.75	46.75	46.41	70.85	0.34	2.96
7-Jul-16	6-Oct-16	47.25	47.25	46.91	22.6	0.34	2.90
<b>Total</b>		<b>142.75</b>	<b>142.75</b>	<b>141.72</b>	<b>855.70</b>	<b>1.03</b>	<b>2.93</b>
<b>4<sup>th</sup> Quarter, 2015</b>							
3-Dec-15	3-Mar-16	43.75	43.75	43.3	27.5	0.45	4.15
5-Nov-15	4-Feb-16	88.5	88.5	87.6	1.15	0.9	4.1
1-Oct-15	7-Jan-16	88.5	73.1	72.4	-15.4	0.7	3.52
<b>Total</b>		<b>220.75</b>	<b>205.35</b>	<b>203.3</b>	<b>13.25</b>	<b>2.05</b>	<b>3.92</b>

*Source: Central Bank of Liberia*

**Chart 13: Average Quarterly Yields Government of Liberia 91-Day Treasury-bill Auctions**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarter, 2016)**



## IV. FISCAL SECTOR DEVELOPMENTS

The Government of Liberia's (GoL) fiscal operations for the fourth quarter of 2016 ensued a budget surplus of L\$4,105.8 million (7.3 % of GDP) compared with deficits of L\$3,556.1 million (6.8 % of GDP) in the previous quarter and L\$2,974.5 million (6.6 % of GDP) in the corresponding quarter in 2015. The surplus realized was mainly explained by a 73.3 percent growth in revenue and grants coupled with 5.7 percent reduction in total public expenditure.

Actual revenue and grants' receipts during the review period exceeded budgetary target of L\$9,949.8 million by 64.4 percent. The excess in actual revenue and grants' receipts against budgetary estimates was primarily attributed to L\$5,680.1 million surplus in actual non-tax revenue against projections from borrowing during the review period.

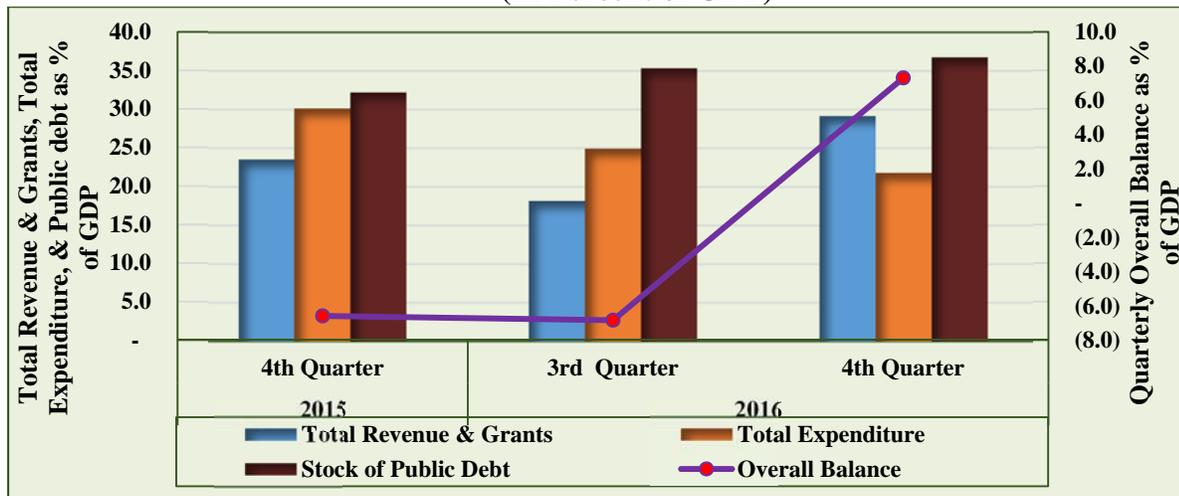
Liberia's public debt stock at end-December, 2016, stood at US\$775.6 million (36.7 % of GDP), growing by 3.6 percent against the stock of US\$748.6 million recorded at the end of the preceding quarter, mainly occasioned by a 5.8 percent rise in external debt stock to multilateral creditors during the review period .

**Table 20: Government of Liberia's Fiscal Sector Indicators  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In percent of GDP)**

Indicators	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Total Revenue & Grants	23.5	18.1	29.1
Total Revenue Excluding Grants	22.4	17.1	29.1
Tax Revenue	17.5	15.2	15.1
Nontax Revenue Including Grants	6.0	3.0	14.0
Nontax Revenue Excluding Grants	4.9	1.9	14.0
Grants	1.1	1.0	-
Total Expenditure	30.1	25.0	21.8
Recurrent Expenditure	27.9	20.6	19.6
Capital Expenditure	1.7	3.4	1.7
Loan, Interest Payments, & Other Charges	0.5	0.9	0.5
Compensation of Employees	10.9	10.0	11.7
Expenditure on Goods and Services	10.6	5.6	4.8
Overall Balance	(6.6)	(6.8)	7.3
Stock of Public Debt	32.2	35.4	36.7
Stock of External Debt	18.9	22.6	24.0
Stock of Domestic Debt	13.3	12.7	12.7

Source: Ministry of Finance & Development Planning (MFDP)

**Chart 14: Government of Liberia’s Fiscal Sector Indicators  
Fourth Quarter, 2016  
(In Percent of GDP)**



#### 4.0 Government Revenue and Grants

Total revenue and grants’ receipts for the period under review amounted to L\$16,356.0 million (29.1 % of GDP). Matched against the amounts recorded during the previous and corresponding quarters, it rose by 73.3 percent, and 54.1 percent, respectively. The increase in total revenue and grants during the quarter compared with the previous period was primarily explained by growth in non-tax revenue led by L\$5,680.1 million borrowing. Actual revenue and grants’ receipts also recorded 64.4 percent surplus against budgetary targets during the review period.

Proceeds from actual tax revenue during the quarter rose by 7.7 percent to L\$8,493.2 million (15.1 % of GDP) against receipts recorded in the preceding period, accounting for 51.9 percent of total revenue and grants for the period. The growth in actual tax revenue was mainly on account of 20.6 percent increase in taxes on income and profits. Compared with the amount recorded during the same period in 2015, non-tax revenue also grew by 7.6 percent during the review period.

Receipts from non-tax revenue amounted to L\$7,862.8 million (14.0 % of GDP), constituting 48.1 percent of total actual revenue receipts during the review quarter. The growth in non-tax revenue during the quarter was led by surges in revenue receipts from charges & other administrative fees, and borrowing. Non-tax revenue also exceeded budgetary forecast by L\$6,997.9 million during the review period.

#### **4.0.1 International Trade Taxes**

Taxes on international trade during the quarter under review fell by 2.4 percent against the amount collected in the previous quarter. Notwithstanding, a year-on-year comparison showed that it rose by 8.3 percent. Conversely, it grew by 12.6 percent compared to its budgetary forecast during the review period. Both taxes and duties on exports and imports were the drivers of the fall in taxes from international trade during the quarter.

#### **4.0.2 Taxes on Income and Profits**

Taxes on income and profits during the quarter grew by 20.6 percent to L\$3,409.5 million, constituting 40.1 percent and 20.9 percent of tax, and total revenue & grants, respectively. Matched against the receipts recorded in the corresponding period, income & profits taxes also grew by 16.4 percent, on account of increases in tax collections from both individual taxes on income & profits and taxes payable by corporate entities.

#### **4.0.3 Sale Taxes on Goods and Services**

Sale taxes on goods & services amounted to L\$944.0 million, 1.0 percent less than the sum recorded in the 3<sup>rd</sup> quarter of 2016. A corresponding quarter analysis indicated that sale taxes on goods & services also declined by 26.0 percent. Matched against budgetary forecast, it also fell short in achieving target by 21.5 percent during the review quarter.

#### **4.0.4 Property and Real Estate Taxes**

Property and real estate taxes during the quarter dropped by 41.3 percent and 18.5 percent against the previous and corresponding periods, respectively. It also fell short in meeting budgetary target for the period by 36.8 percent.

#### **4.0.5 Other Tax Revenue**

The 'other tax revenue' (tax revenue not elsewhere classified) category during the review quarter totalled L\$0.5 million. There was no revenue recorded in the previous quarter for this category, but a year-on-year comparison showed that it fell by 80.2 percent against the amount registered in the corresponding period.

#### **4.0.6 Charges and Other Administrative Fees**

Non-tax revenue from charges and other administrative fees during the quarter rose by L\$6,314.5 million and L\$5,142.0 million to L\$7,862.8 million against the sums recorded in the preceding and

corresponding quarters, respectively. Compared with budgetary projection for the review period, non-tax receipts from charges and other administrative fees also rose by L\$6,997.9 million.

#### 4.0.7 Other Non-tax Revenue

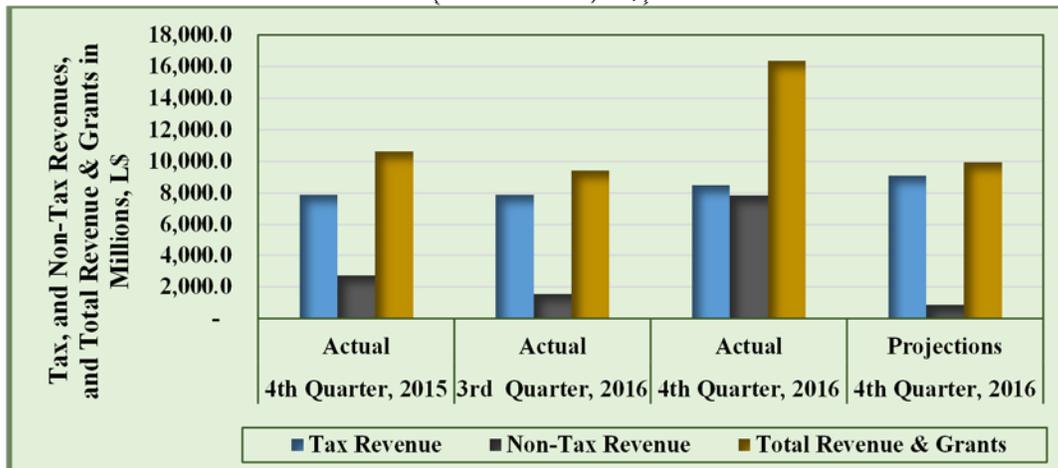
Receipts from ‘other non-tax revenue’ during the review quarter amounted to L\$5,680.1 million, which represented borrowing during the quarter.

**Table 21: Government of Liberia’s Total Revenue by Sources**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Millions, L\$)

Revenue Sources	2015	2016		
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	4 <sup>th</sup> Quarter
	Actual			Projections
A. Tax Revenue	7,896.7	7,888.3	8,493.2	9,084.9
i. International Trade Taxes	3,648.9	4,047.9	3,952.5	4,523.9
<i>Taxes &amp; Duties on Imports</i>	3,640.1	4,034.7	3,943.2	4,502.1
<i>Taxes on Exports</i>	8.8	13.2	9.4	21.8
ii. Taxes on Income & Profits	2,929.1	2,826.7	3,409.5	3,303.0
<i>Individual Taxes on income &amp; profits</i>	2,786.9	2,714.5	3,253.3	3,151.1
<i>Taxes Payable by Corporate Entities</i>	142.2	112.2	156.1	133.5
<i>Others</i>	0.0	0.0	0.0	18.4
iii. Sale Taxes on Goods & Services	1,274.8	953.5	944.0	1,202.2
<i>Goods &amp; Service Tax</i>	572.7	624.6	574.1	725.4
<i>Excise Taxes</i>	85.6	115.4	104.7	106.3
<i>Maritime Revenue</i>	513.0	81.6	112.2	251.1
<i>Others</i>	103.5	132.0	153.0	119.3
iv. Property & Real Estate Taxes	43.3	60.1	35.3	55.9
v. Other Tax Revenue <sup>1</sup>	0.5	0.0	152.0	0.0
B. Non-Tax Revenue	2,720.8	1,548.3	7,862.8	864.9
i. Charges & Other Administrative Fees	282.0	1,004.8	2,182.7	864.9
ii. Grants	491.8	543.5	-	-
iii. Others	1,947.0	-	5,680.1	-
<i>Contingent Revenue</i>	-	-	-	-
<i>Borrowing</i>	-	-	5,680.1	-
<i>Carry Forward</i>	1,947.0	-	-	-
Grand Total (A + B)	10,617.5	9,436.6	16,356.0	9,949.8

Source: Ministry of Finance & Development Planning (MFDP)

**Chart 15: Government of Liberia's Total Revenue by Sources**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016**  
**(In Millions, L\$)**



#### 4.1 Government Expenditure

Government expenditure for the period under review declined by 5.7 percent to L\$12,250.2 million (21.8 % of GDP), from L\$12,992.6 million (25.0 % of GDP) recorded in the previous quarter, primarily explained by reductions in expenditures on capital investment, and loan, interest & other charges. Similarly, matched against the amount recorded in the corresponding period, it also fell by 9.9 percent. Recurrent expenditure, capital expenditure, and loan, interest payments & other charges constituted 89.9 percent, 7.2 percent, and 2.2 percent of total public expenditure, respectively, during the review period.

Recurrent expenditure during the review quarter rose by 17.8 percent to L\$11,010.3 million (19.6 % of GDP), from L\$10,718.5 million (20.6 % of GDP) recorded in the preceding period, mainly driven by growth in spending for employees compensation. Conversely, expenditures on capital investment, and loan, interest payments, & other charges decreased by 45.5 percent and 45.3 percent to L\$972.8 million (1.7 % of GDP) and L\$267.0 million (0.5 % of GDP) against the amounts recorded in the preceding quarter, respectively, occasioned by decreases in all of their sub-categories.

#### **4.1.1 Recurrent Expenditure**

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

Expenditure on employees' compensation (salaries & allowances, and social contributions) during the quarter grew by 26.1 percent to L\$6,585.4 million (11.7 % of GDP) against the previous quarter. The growth represented 59.8 percent of recurrent and 53.8 percent of total expenditures for the review period, respectively. Compared with the corresponding quarter in 2015, expenditure on employees' compensation also grew by 34.1 percent.

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

Expenditure on goods & services for the quarter amounted to L\$2,704.0 million (4.8 % of GDP), and constituted 24.6 percent and 22.1 percent of recurrent and total expenditures, respectively. Compared with the preceding and corresponding quarters, expenditure on goods & services fell by 6.6 percent and 43.6 percent, respectively.

##### **Grants**

Expenditure on grants (to foreign governments, international organizations, other general government units, transfers to non-governmental organizations, and transfers to private entities) during the quarter amounted to L\$584.1 million, and constituted 5.3 percent and 4.8 percent of recurrent and total expenditures, respectively. It declined by 64.5 percent and 66.5 percent compared to the preceding and corresponding quarters, respectively.

##### **Social Benefits**

Public expenditure on social benefits during the quarter declined by 83.5 percent to L\$44.8 million, constituting 0.1 percent each of recurrent and total expenditures, respectively. On a year-on-year comparison basis, expenditure on social benefits also reduced by 85.5 percent against the amount recorded during the same period in 2015.

##### **Others**

The 'others category' of recurrent expenditure during the review period amounted to L\$1,129.5 million, growing by 24.3 percent and 3.0 percent against the previous and corresponding quarters, respectively.

## **4.1.2 Capital Expenditure**

### **Acquisition of Fixed Assets**

Expenditure on fixed assets acquisition during the quarter totalled L\$972.8 million, increasing by 45.5 percent and 27.3 percent against the sums recorded during the previous and corresponding quarters, respectively. It also constituted 100.0 percent and 7.9 percent of capital and total expenditures for the review period, respectively.

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

### **Domestic Debts Repayment & Interest**

Repayments of domestic debt and interest during the review quarter summed to L\$62.9 million, down from L\$114.4 million recorded in the previous quarter. It constituted 23.6 percent of public expenditure on loans, interest payments & other charges.

### **External (Foreign) Debts Repayments & Interest**

Expenditure on repayments of external (foreign) debt & interest for the quarter under review amounted to L\$204.1 million, down from L\$374.1 million recorded in the preceding quarter. It constituted 76.4 percent of public expenditure on loan, interest payments and other charges.

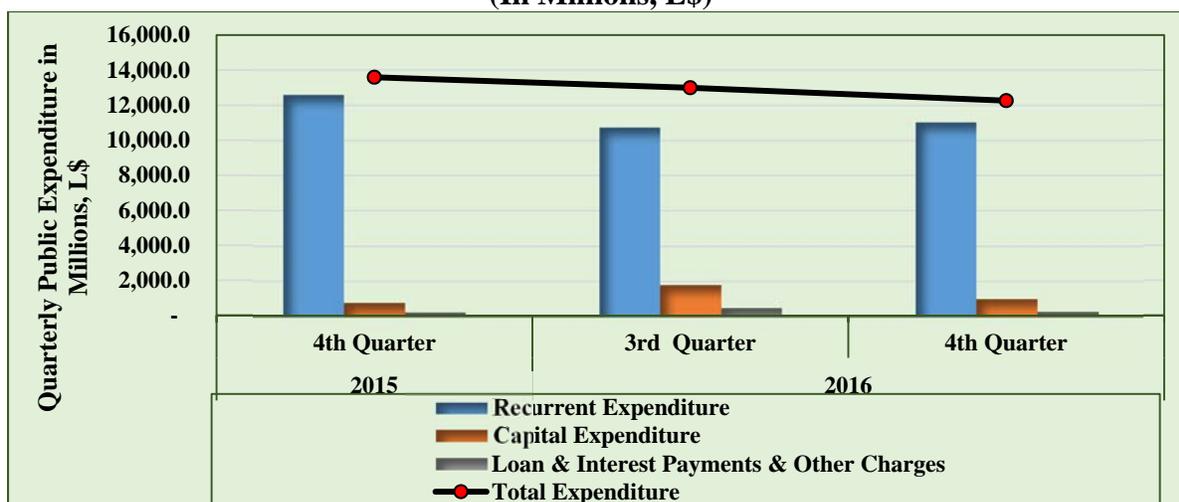
**Table 22: Government of Liberia's Total Expenditure**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions, L\$)**

Expenditure by Codes	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
<b>Recurrent Expenditure</b>	<b>12,592.0</b>	<b>10,718.5</b>	<b>11,010.3</b>
Compensation of Employees	4,911.6	5,222.7	6,585.4
Expenditure on Goods & Services	4,790.4	2,896.0	2,704.0
Subsidies	-	-	-
Grants	1,742.3	1,646.4	584.1
Social Benefits	51.1	44.8	7.4
Others	1,096.6	908.7	1,129.5
<b>Capital Expenditure</b>	<b>764.2</b>	<b>1,785.6</b>	<b>972.8</b>
Depreciation	-	-	-
Acquisition of Fixed Assets	762.8	1,785.6	972.8
Others	1.5	-	-
<b>Loan &amp; Interest Payments &amp; Other Charges</b>	<b>235.8</b>	<b>488.5</b>	<b>267.0</b>
Domestic Debts Repayment	51.5	-	-
External Debts Repayment	31.4	290.2	159.4
Interest on Domestic Debt	88.6	114.4	62.9
Interest on Foreign Debt	34.3	83.9	44.7
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	30.1	-	-
<b>Other Expenditures<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure</b>	<b>13,592.0</b>	<b>12,992.6</b>	<b>12,250.2</b>

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

*<sup>1</sup>Expenditures not elsewhere mentioned*

**Chart 16: Government of Liberia's Total Expenditure**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016**  
**(In Millions, L\$)**



#### 4.2 Stock of Public Debt

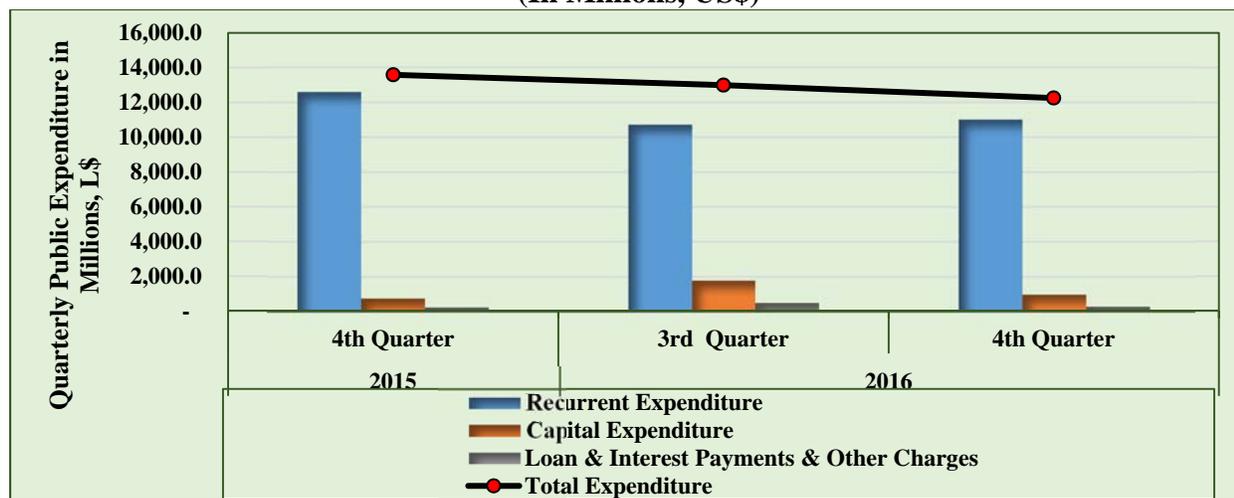
Total public debt stock at end-December, 2016, rose by 3.6 percent to US\$775.6 million (36.7 % of GDP) from US\$746.8 million (35.4 % of GDP) stock registered at end-September, 2016, explained by 5.8 percent growth in external debt stock mainly to multilateral creditors. Year-on-year comparison showed that Liberia's public debt stock also grew by 18.3 percent against the stock of US\$655.4 million (32.2 % of GDP) recorded at end-December, 2015. External and domestic debt stocks at the end of the review period stood at US\$507.3 million (24.0 % of GDP) and US\$268.3 million (12.7 % of GDP), constituting 65.4 percent and 34.6 percent of the country's total public debt stock, respectively.

**Table 23: Liberia's Overall Public Debt Position by Composition**  
**As At December 31, 2016**  
**(In Millions, US\$)**

Creditors	2015	2016	
	End-December	End-September	End-December
Total External Debt	386.0	479.6	507.3
Total Domestic Debt	269.4	269.0	268.3
<b>Total Public Debt</b>	<b>655.4</b>	<b>748.6</b>	<b>775.5</b>

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

**Chart 17: Liberia’s Overall Public Debt Position by Composition  
As At December 31, 2016  
(In Millions, US\$)**



#### 4.2.1 External Debt

External debt stock at end-December, 2016, grew by 5.8 percent to US\$507.3 million, from US\$479.6 million recorded at end-September, 2016, occasioned by 4.9 percent and 18.2 percent increases in multilateral and bilateral debt stocks, respectively. Matched against the stock recorded a year ago, it also grew significantly by 31.4 percent. Multilateral and bilateral debt stocks at end-December, 2016, stood at US\$468.7 million and US\$38.6 million, and accounted for 92.4 percent and 7.6 percent of Liberia’s total external debt stock, respectively.

#### 4.2.2 Domestic Debt

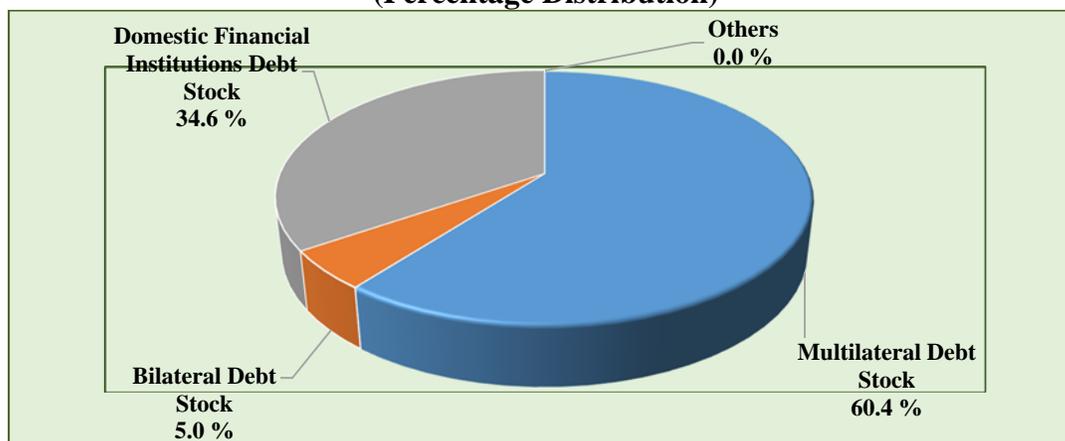
Domestic debt stock at end-December, 2016, marginally reduced by 0.3 percent to US\$268.3 million, from US\$269.0 million recorded at end-September, 2016. The reduction in domestic debt was explained by 0.3 percent declined in domestic debt to financial institutions. Compared with the stock recorded at end-December, 2015, it also slightly fell by 0.4 percent during the review period. Domestic debt stock to financial institutions stood at US\$268.2 million, reducing by 0.3 percent and 0.4 percent against the stockpiles of US\$268.9 million and US\$269.4 million recorded at end-September, 2016, and end-December, 2015, respectively.

**Table 24: Liberia's Overall Public Debt Position by Creditors  
As At December 31, 2016  
(In Millions, US\$)**

Creditors	2015	2016	
	End-December	End-September	End-December
Multilateral	352.2	446.9	468.7
Bilateral	33.8	32.6	38.6
Others	-	-	-
<b>Total External Debt</b>	<b>386.0</b>	<b>479.6</b>	<b>507.3</b>
Suppliers' Credit (Valid Claims)	-	-	-
Salary & Allowances	-	-	-
Financial Institutions	269.4	268.9	268.2
Pre- NTGL Salary Arrears	-		-
Others	-	0.1	0.1
<b>Total Domestic Debt</b>	<b>269.4</b>	<b>269.0</b>	<b>268.3</b>
<b>Total Public Debt</b>	<b>655.4</b>	<b>748.6</b>	<b>775.5</b>

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

**Chart 18: Liberia's Overall Public Debt Position by Creditors  
As At December 31, 2016  
(Percentage Distribution)**



## V. EXTERNAL SECTOR DEVELOPMENTS

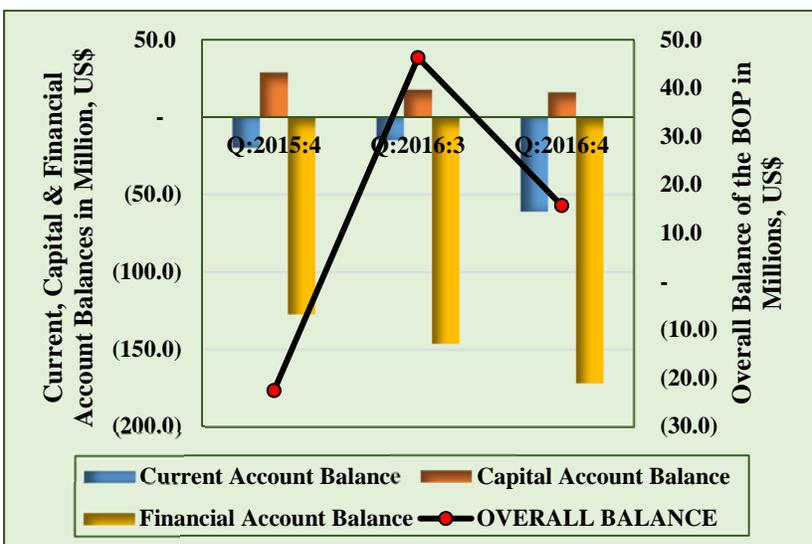
### 5.0 Overview of Balance of Payments (BOP)

From preliminary statistics, the overall balance of payments (BOP) for Liberia declined by 66.1 percent to a surplus of US\$15.7 million during the 4<sup>th</sup> Quarter of 2016, against the surplus of US\$46.3 million recorded in the previous quarter. Conversely, it improved by a nominal surplus of US\$38.3 million compared with the deficit recorded in the corresponding quarter a year ago. The reduction in overall BOP surplus during the review quarter relative to the preceding period was occasioned by widened current account deficit, and the fall in capital account (net), coupled with growth in financial account net liabilities.

**Chart 19: BOP Accounts & Overall Balance**

#### 5.1 The Current Account

Preliminary statistics for the current account deficit showed a worsening position by US\$46.2 million to US\$61.2 million during the quarter under review, from a deficit of US\$15.0 million recorded in the previous quarter. On a corresponding period basis, analysis showed



that the deficit also widened by US\$41.2 million compared with the same period in 2015. The deterioration in the current account deficit during the review quarter was explained by worsening net service payments (by 11.5 %), primary income owed to net payments of compensation of employees (by 15.6 percent), and 22.4 percent declined in secondary income (net) to Liberia, outweighing the 9.7 percent deficit reduction in trade (in goods).

**Table 25: Quarterly Balance of Payments (BOP) Statistics**  
**4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016**  
(In Million USD, except otherwise indicated)

<b>BOP on BPM6 Basis</b>	<b>Q:2015:4</b>	<b>Q:2016:3</b>	<b>Q:2016:4</b>
<b>Current Account</b>	<b>(20.1)</b>	<b>(15.0)</b>	<b>(61.2)</b>
Credit	500.1	431.0	400.3
Debit	520.1	446.0	461.5
<b>Goods and Services</b>	<b>(376.7)</b>	<b>(297.3)</b>	<b>(276.6)</b>
Credit	88.0	49.9	47.3
Debit	464.6	347.2	323.9
<b>Goods</b>	<b>(322.6)</b>	<b>(259.3)</b>	<b>(234.2)</b>
<b>Credit (Exports)</b>	<b>61.2</b>	<b>32.3</b>	<b>30.8</b>
<i>Iron Ore</i>	31.7	4.8	6.3
<i>Rubber</i>	14.8	13.3	13.4
<i>Other Commodity Exports</i>	14.7	14.2	11.1
<b>Debit (Imports)</b>	<b>383.8</b>	<b>291.6</b>	<b>265.0</b>
<i>Petroleum</i>	75.1	67.6	61.8
<i>Rice</i>	33.8	21.3	41.0
<i>Machinery &amp; Equipment</i>	118.0	67.9	54.4
<i>Other Commodity Imports</i>	156.9	134.8	107.8
General merchandise on a balance of payments basis	(323.7)	(260.2)	(235.0)
Credit	60.1	31.4	30.0
Debit	383.8	291.6	265.0
Of which Re-exports (credit)	-	-	-
Nonmonetary gold	1.1	0.9	0.8
Credit	1.1	0.9	0.8
Debit	-	-	-
<b>Services (Net)</b>	<b>(54.1)</b>	<b>(38.0)</b>	<b>(42.4)</b>
Credit (Receipts)	26.7	17.6	16.5
Debit (Payments)	80.8	55.6	58.9
<b>Primary Income (Net)</b>	<b>24.4</b>	<b>(14.6)</b>	<b>(15.1)</b>
Credit (Receipts)	8.6	7.3	6.7
Debit (Payments)	(15.8)	21.9	21.8
<b>Secondary Income (Net)</b>	<b>332.2</b>	<b>296.9</b>	<b>230.4</b>
Credit (Receipts)	403.5	373.8	346.2
Debit (Payments)	71.3	76.9	115.8
<b>Capital Account</b>	<b>28.8</b>	<b>17.4</b>	<b>15.7</b>
Credit (Receipts)	28.8	17.4	15.7
Debit (Payments)	-	-	-
<b>Net lending (+) / net borrowing (-) (balance from current and capital account)</b>	<b>8.8</b>	<b>2.4</b>	<b>(45.5)</b>
<b>Financial Account</b>			
<b>Net lending (+) / net borrowing (-) (balance from financial account) (B9)</b>	<b>(127.4)</b>	<b>(146.3)</b>	<b>(171.8)</b>
<b>Direct Investment</b>	<b>(68.2)</b>	<b>(88.7)</b>	<b>(92.2)</b>
Net acquisition of financial assets	-	-	-
Net incurrence of liabilities	68.2	88.7	92.2
<b>Portfolio Investment</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>
Net acquisition of financial assets	-	-	-
Net incurrence of liabilities	0.0	(0.0)	(0.0)
<b>Other Investment</b>	<b>(59.2)</b>	<b>(57.6)</b>	<b>(79.6)</b>
Net acquisition of financial assets	(51.4)	(21.3)	(47.9)
Net incurrence of liabilities	7.7	36.3	31.7
<b>NET ERRORS &amp; OMISSIONS</b>	<b>(113.5)</b>	<b>(195.0)</b>	<b>(142.0)</b>
<b>OVERALL BALANCE</b>	<b>(22.6)</b>	<b>46.3</b>	<b>15.7</b>
<b>Financing (Reserves and related Items)</b>	<b>22.6</b>	<b>(46.3)</b>	<b>(15.7)</b>
<b>Reserve assets</b>	<b>22.6</b>	<b>(46.3)</b>	<b>(15.7)</b>
<b>MEMORANDUM ITEMS</b>	<b>Q:2015:4</b>	<b>Q:2016:3</b>	<b>Q:2016:4</b>
<i>Gross Foreign Reserves Position</i>	560.6	559.9	587.5
<i>Import Payments (cif)</i>	418.3	316.8	287.7
<i>Imports (cif) &amp; Service Payments</i>	499.1	372.4	346.6
<i>Current Account Bal. Excl. Grants</i>	(242.5)	(238.7)	(268.7)
<i>Nominal GDP(Annualized)</i>	2,034	2,112	2,112
<i>Current Account Bal. Incl. Grants % of GDP</i>	(1.0)	(0.7)	(2.9)
<i>Current Account Bal. Excl. Grants % of GDP</i>	(11.9)	(11.3)	(12.7)
<i>Trade (in goods) Deficit % of GDP</i>	(15.9)	(12.3)	(11.1)
<i>End-Period-Exchange-Rate (1US\$/L\$)</i>	88.5	97.5	102.5
<i>Average-Period-Exchange-Rate(1US\$/L\$)</i>	88.5	96.2	100.1
<i>Months of Imports Cover</i>	3.4	4.5	5.1

Source: Central Bank of Liberia (CBL)

\*Revised

\*\*Preliminary

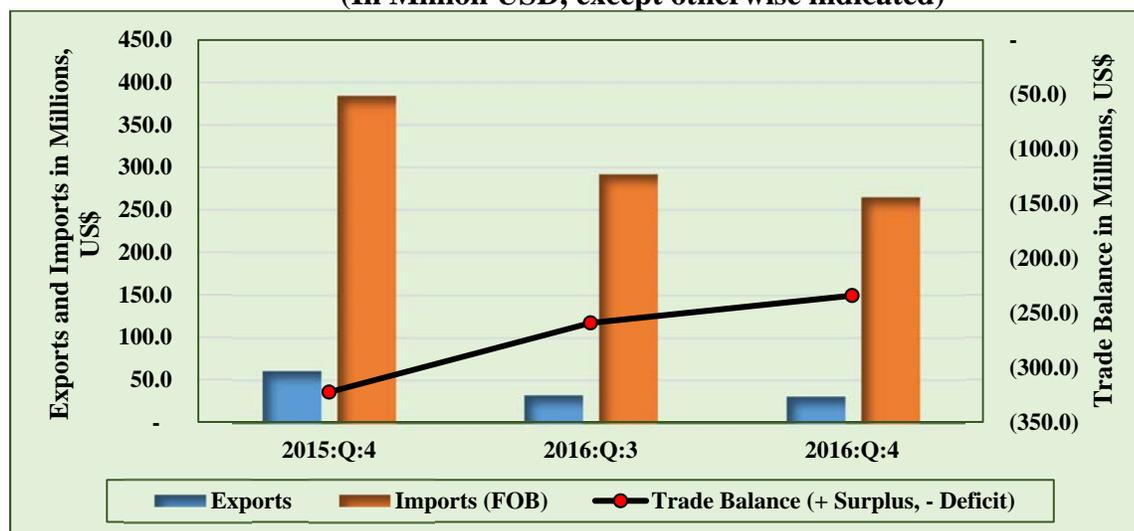
### 5.1.1 Goods and Services

The goods and services account experienced a 7.0 percent improvement in the deficit recording during the quarter under review. Payments toward goods and services fell by 5.1 percent, and also declined by 6.7 percent relative to receipts, highlighting the 9.7 percent improvement in the goods account that offset 11.5 percent widening in service payments (net) during the review quarter.

#### 5.1.1.1 Trade (in goods) Balance

Liberia's trade (in goods) balance performance improved by 9.7 percent to US\$234.2 million during the review period, from a deficit of US\$259.3 million recorded in the previous quarter. Compared with the US\$322.6 million recorded in the corresponding period of 2015, it also improved by 27.4 percent. The improvement in Liberia's trade balance during the quarter was occasioned by the 9.1 percent fall in import payments, outweighing the 4.5 percent decrease in export receipts.

**Chart 20: Quarterly Trade Balance**  
4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016  
(In Million USD, except otherwise indicated)



**Table 26: Quarterly Trade Balance**  
4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016  
(In Million USD, except otherwise indicated)

Trade Category	2015	2016	
	Q-3	Q-2	Q-3
<i>Exports</i>	61.2	32.3	30.8
<i>Imports (FOB)</i>	383.8	291.6	226.5
<i>Total Trade (+ surplus, - deficit)</i>	-322.6	-259.3	-234.2

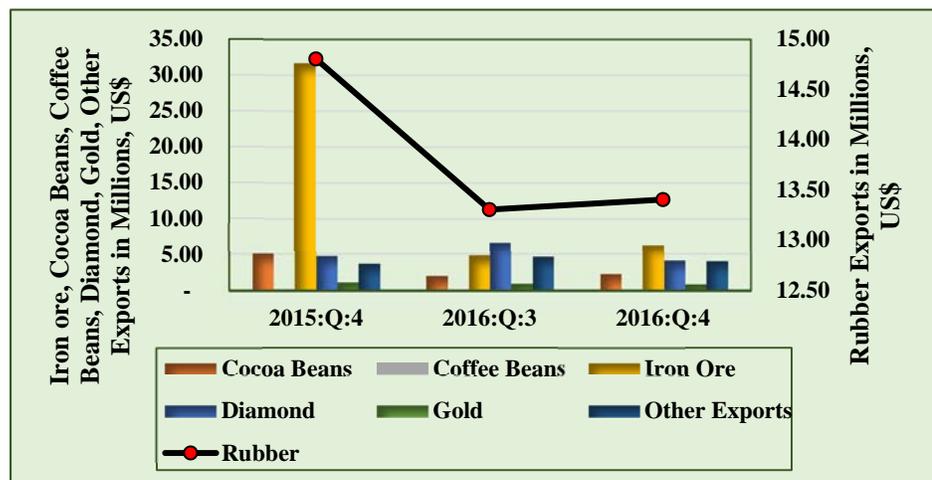
Sources: Customs - Liberia Revenue Authority (LRA), Central Bank of Liberia (CBL), & Firestone Liberia Ltd

## Merchandise Exports

Merchandise exports earnings during the 4<sup>th</sup> quarter of 2016 declined by 4.5 percent to US\$30.8 million, from US\$32.3 million reported in the previous quarter, largely on accounts of decreases in mineral export receipts by 34.8 percent to US\$4.9 million, from US\$7.6 million and goods procured in ports by 16.9 percent to US\$2.1 million, from US\$2.5 million in the 3<sup>rd</sup> Quarter of 2016.

**Chart 21: Commodity Composition of Exports**

On a year-on-year basis, export earnings fell sharply by 49.7 percent to US\$30.8 million at end-December, 2016, from US\$61.2 million at end-December, 2015, on account of declines in all major export



commodities earnings. Iron Ore export receipts declined considerably by US\$25.4 million, rubber, by 9.1 and minerals, by 15.8 percent as a result of significant declines in the volumes of mainly iron ore and minerals.

**Table 27: Commodity Composition of Exports  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Million USD, except otherwise indicated)**

Commodity	Unit	2015			2016					
		Q-4			Q-3			Q-4		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	9.1	14.8	24.1	10.2	13.3	41.3	9.5	13.4	43.6
Cocoa Bean	Mt.	6.2	5.1	8.4	2.5	2.0	6.1	10.2	2.2	7.3
Coffee Bean	Mt.	56.3	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Iron ore	Mt.	1,029.2	31.7	51.8	234.7	4.8	14.8	280.3	6.3	20.6
Mineral	-	-	5.9	9.6	--	7.6	23.4	-	4.9	16.0
o/w Diamond	Carat	8.3	4.7	80.5	15.2	6.7	88.7	7.8	4.1	83.0
o/w Gold	Oz	1.2	1.1	19.5	0.8	0.9	11.3	0.9	0.8	17.0
Other Exports	-	-	0.5	0.9	-	2.1	6.5	-	1.7	5.7
Good Procured*	-	-	3.0	4.8	-	2.5	7.8	-	2.1	6.8
<b>Total Exports</b>	-	-	<b>61.2</b>	<b>100.0</b>	-	<b>32.3</b>	<b>100.0</b>	-	<b>30.8</b>	<b>100.0</b>

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

\*Goods procured in port by carriers

### Destination of Exports

Africa, Europe and North America were the leading destinations of Liberia's total exports during the quarter ended-December, 2016. North America's total share of exports amounted to 30.2 percent, followed by Africa and Europe by 23.1 percent and 16.6 percent, respectively; however, exports to North America declined marginally by 2.6 percent to US\$9.3 million, from US\$9.6 million, while export earnings from Africa plummeted by 35.5 percent to US\$7.1 million.

On a year-on-year basis, trade to Europe decline by US\$4.0 million mainly as a result of 54.7 percent fall in export to the Eurozone. Trade to Asia (o/w China) and Africa also slumped by 0.5 million and US\$11.4 million, respectively.

**Table 28: Destination of Exports**  
**4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016**  
**(In Million USD, except otherwise indicated)**

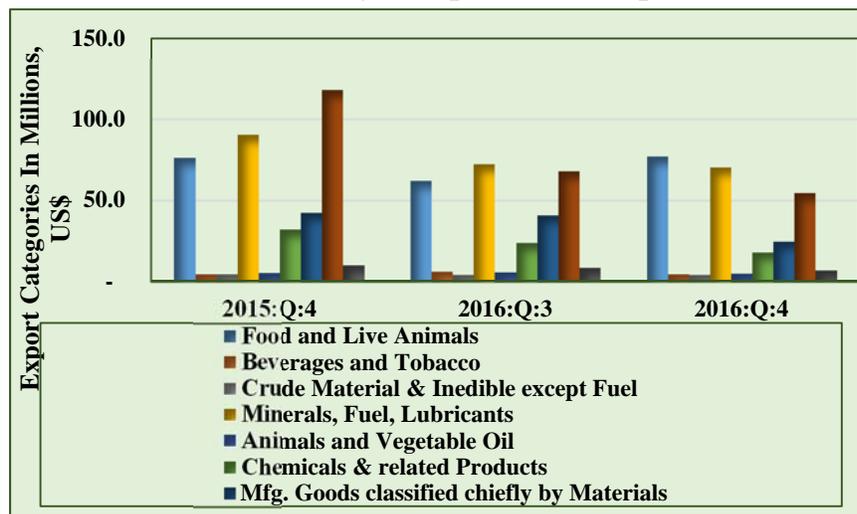
Destination of Exports (Countries/Regions)	2015		2016			
	Q-4		Q-3		Q-4	
	Value	% share	Value	% share	Value	% share
<b>Africa</b>	<b>11.6</b>	<b>19.0</b>	<b>11.0</b>	<b>34.2</b>	<b>7.1</b>	<b>23.1</b>
o/w ECOWAS	11.6	100.0	11.0	100.0	7.0	98.0
o/w Neighboring Countries	6.6	56.3	5.4	48.6	5.0	71.3
<b>Asia</b>	<b>9.1</b>	<b>14.9</b>	<b>1.5</b>	<b>4.7</b>	<b>3.0</b>	<b>9.6</b>
o/w China	9.1	100.0	1.1	74.6	2.6	87.2
<b>Europe</b>	<b>20.6</b>	<b>33.6</b>	<b>4.3</b>	<b>13.2</b>	<b>5.1</b>	<b>16.6</b>
o/w Eurozone	11.2	18.4	4.3	13.2	5.1	99.7
<b>North &amp; Central America</b>	<b>9.3</b>	<b>15.1</b>	<b>9.6</b>	<b>29.6</b>	<b>9.3</b>	<b>30.2</b>
o/w United States of America	9.3	100.0	9.6	100.0	9.3	100.0
<b>Middle East</b>	<b>1.4</b>	<b>2.4</b>	<b>2.5</b>	<b>7.8</b>	<b>4.0</b>	<b>13.0</b>
<b>South &amp; Central America</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>
<b>Oceania &amp; the Caribbean</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other Countries (n.i.e)</b>	<b>9.2</b>	<b>15.0</b>	<b>3.4</b>	<b>10.6</b>	<b>2.2</b>	<b>7.0</b>
<b>TOTAL EXPORTS</b>	<b>61.2</b>	<b>100.0</b>	<b>32.3</b>	<b>100.0</b>	<b>30.8</b>	<b>100.0</b>

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

### Merchandise Imports

Commodity Composition of Imports for the 4<sup>th</sup> Quarter of 2016 showed a decline of US\$26.6 million to US\$265.0 million, from US\$291.6 million recorded during the preceding quarter. The 9.1 percent decline in import payments was mainly attributed to a 19.9 percent and a 2.7 percent slumps in Machinery & Transportation Equipment and Mineral, Fuel, Lubricant related products, respectively, which together accounted for 47.1 percent of total import payments.

**Chart 22: Commodity Composition of Imports**



On an annualized basis, total merchandise import payments dropped by 31.0 percent during the 4<sup>th</sup> quarter of 2016 on account of declines in all import categories, due in part, to favorable price of the country's major imports commodities coupled with improvements in the real economy (sector).

**Table 29: Commodity Composition of Imports**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Million USD, except otherwise indicated)**

<i>Commodity Composition of Import</i>	<i>2015</i>		<i>2016</i>			
	<i>Q-4</i>		<i>Q-3</i>		<i>Q-4</i>	
	<i>Value (fob)</i>	<i>% share</i>	<i>Value (fob)</i>	<i>% share</i>	<i>Value (fob)</i>	<i>% share</i>
<b><i>Food and Live Animals</i></b>	<b>76.2</b>	<b>19.9</b>	<b>61.9</b>	<b>21.2</b>	<b>76.9</b>	<b>29.0</b>
<i>o/w Commercial Rice</i>	32.5	42.7	20.5	33.1	40.0	52.0
<i>o/w Non-Commercial Rice</i>	1.3	1.8	0.8	1.3	1.0	1.2
<i>Beverages and Tobacco</i>	<b>4.5</b>	<b>1.2</b>	<b>6.2</b>	<b>2.1</b>	<b>4.4</b>	<b>1.7</b>
<i>Crude Material &amp; Inedible, except Fuel</i>	<b>4.7</b>	<b>1.2</b>	<b>4.2</b>	<b>1.4</b>	<b>4.1</b>	<b>1.6</b>
<i>Minerals, Fuel Lubricants</i>	<b>90.6</b>	<b>23.6</b>	<b>72.4</b>	<b>24.8</b>	<b>70.5</b>	<b>26.6</b>
<i>o/w Petroleum products</i>	75.1	81.9	67.6	93.4	61.8	87.7
<i>Animals and Vegetable Oil</i>	<b>5.3</b>	<b>1.4</b>	<b>5.8</b>	<b>2.0</b>	<b>5.1</b>	<b>1.9</b>
<i>Chemicals &amp; related Products</i>	<b>32.0</b>	<b>18.3</b>	<b>23.7</b>	<b>8.1</b>	<b>17.8</b>	<b>6.7</b>
<i>Mfg. Goods classified by Materials</i>	42.4	11.0	40.8	14.0	24.8	9.3
<i>Machinery &amp; Transportation Equipment</i>	<b>118.0</b>	<b>30.7</b>	<b>67.9</b>	<b>23.3</b>	<b>54.4</b>	<b>20.5</b>
<i>Misc. Mfg. Articles</i>	<b>10.2</b>	<b>2.7</b>	<b>8.7</b>	<b>3.0</b>	<b>7.1</b>	<b>2.7</b>
<b><i>TOTAL IMPORTS</i></b>	<b>383.8</b>	<b>100.0</b>	<b>291.6</b>	<b>100.0</b>	<b>265.0</b>	<b>100.0</b>

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

### **Sources of Imports**

Regional distribution of Liberia's sources of imports indicated that Asia, Africa and Europe together constituted 77.1 percent of total imports. However, those were the regions with the leading declines in import payments during the last quarter of 2016. Imports from Asia (mostly long grain rice), followed by Africa and Europe declined by 15.5 percent, 10.0 and 19.4 percent, respectively, when compared with the preceding quarter. When compared with the corresponding period a year ago, import payments to all trading regions declined, in which Europe took the lead, accounting for 57.6 percent, and Asia 25.1 percent. Notably, Asia remains Liberia's biggest trading partner.

**Table 30: Sources of Imports**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Million USD, except otherwise indicated)**

<i>Sources of Imports (Countries/Regions)</i>	<i>2015</i>		<i>2016</i>			
	<i>Q-4</i>		<i>Q-3</i>		<i>Q-4</i>	
	<i>Value (fob)</i>	<i>% share</i>	<i>Value (fob)</i>	<i>% share</i>	<i>Value (fob)</i>	<i>% share</i>
<i>Africa</i>	97.3	25.3	83.2	28.5	74.8	28.2
<i>o/w ECOWAS</i>	89.8	92.3	74.7	89.8	67.8	90.5
<i>o/w Neighboring Countries</i>	81.8	91.1	70.4	94.2	64.6	95.4
<i>Asia</i>	119.5	31.1	105.9	36.3	89.5	33.8
<i>o/w China</i>	45.1	37.7	47.5	44.9	44.6	49.8
<i>Europe</i>	94.2	24.6	49.6	17.0	40.0	15.1
<i>o/w Eurozone</i>	39.9	42.3	27.4	55.2	21.5	53.9
<i>North &amp; Central America</i>	25.6	6.7	22.7	7.8	20.6	7.8
<i>o/w United States of America</i>	23.8	92.9	21.7	95.6	19.1	92.5
<i>Middle East</i>	37.0	9.6	22.0	7.5	32.2	12.1
<i>South &amp; Central America</i>	5.8	1.5	6.6	2.3	6.4	2.4
<i>Oceania &amp; the Caribbean</i>	4.4	1.1	1.5	0.5	1.5	0.6
<b><i>TOTAL IMPORTS</i></b>	<b>383.8</b>	<b>100.0</b>	<b>291.6</b>	<b>100.0</b>	<b>265.0</b>	<b>100.0</b>

*Source: Customs (Liberia Revenue Authority), Ministry of Land, Mines & Energy and Firestone Liberia, Ltd*

### 5.1.1.2 Commodity Price Outlook

Average global commodity price during the quarter-ended December, 2016 rose over the price reported during the 3<sup>rd</sup> quarter of 2016. During the reviewed quarter, average global price, indicative of price index, rose by 7.2 percent to 109.8, from 102.4, largely on the back of increases in metal (especially iron ore) and energy prices. Iron ore price continuously rose throughout the quarter with fluctuation in agriculture and crude oil prices. Outlook for global price during the 1<sup>st</sup> quarter, 2017 seems dim as prices of major commodities are expected to fall due mainly to excess supply over global demand of those commodities.

#### **Iron ore**

The surge in the price of iron ore continued throughout the 4<sup>th</sup> quarter of 2016 and averaged US\$70.0 per metric ton at the end of the quarter, from US\$57.9 per metric ton during the preceding quarter, mainly due to increasing demand for steel which is a major component of iron ore. With the growing supply of the commodity and the expectation of recovery of production of low-grade iron ore in

china in response to price rise, the price of the commodity will begin to decline till the end of the first quarter, 2017.

### **Rubber**

Natural rubber price at end-December, 2016 rose by 14.7 percent to average US\$1,924.5 per metric ton, from US\$1,677.4 per metric ton in the preceding quarter owing to speculation of supply shortage based on decision by major rubber producing economies to cut down on production of the commodity in the face of increased crude oil price that caused synthetic rubber materials to become expensive. Outlook for the commodity price seems positive in 2017; however, rising global production of natural rubber remains a risk and is likely to cause declines in the price of the product.

### **Palm Oil**

During the quarter under review, the average international price of palm oil rose to US\$677.7 per metric ton, from US\$645.0 per metric ton reported during the 3<sup>rd</sup> quarter of 2016. Even though by extension, low inventories of the commodity in top producing economies helped in the rally to increase palm oil price, the 5.1 percent improvement in the price of the commodity during the quarter was occasioned by the rise in the price of soybean oil after the US pronounced raising biofuel quotas in 2017. In the medium term, palm oil price is expected to surge beginning early 2017 basically on account of reduced supply.

### **Cocoa Beans**

Cocoa Beans price continued to decline throughout the quarter and averaged at US\$2,499.6 per metric ton at end-December, 2016, declining by 16.3 percent from US\$2,987.9 per metric ton, due mainly to good yield from Africa, occasioned by better weather conditions in the region. With the increased supply of the commodity, prospect is that the declining price trend of the commodity will continue through the 1<sup>st</sup> quarter of 2017. At the close of 2016, increasing supply of the commodity began to flow in international markets.

### **Gold**

Global price of gold suffered decline during the quarter-ended-December, 2016 and stood at US\$1,157.4 per ounce, from US\$1,238.4 per ounce. The 6.5 percent decline in the price of the commodity was a result of the effect of speculation on the pronouncement by US to raise public spending. However, prospect is that in the medium term through the 1<sup>st</sup> half of 2017, the average

price of gold is expected to rise above its current position as global demand for the commodity could rise based on its feature to serve as hedge against inflationary pressure.

### Crude Oil

Even though the price of the commodity fluctuated during the quarter, average global price of crude oil stood at US\$49.6 per barrel during the quarter ended-December, 2016, from US\$44.7 per barrel during the previous quarter. The 11.0 percent surge in the price of the product was on the back of speculation of supply shortage ahead of decision by OPEC to cut down on crude oil production. During the quarter, the Organization of Petroleum Exporting Countries (OPEC) member States finalized decision on crude oil production which is expected to take effect in early 2017. To this end, it is assumed that risk to the growing price of the commodity in the short-term will depend on the degree of compliance by OPEC members as well as shale production.

### Rice

The global price of rice was not favorable for producing economies during the last quarter of 2016. Average price of the produce declined by 12.6 percent to US\$365.4 per metric ton, from US\$418.2 per metric ton at end-September, 2016. The unfavorable price decline for producing economies was significantly driven by increased supply of the commodity as global demand stagnated. The demand for other substitute cereal such as maize and wheat had continued to grow with speedy sales. For the 1<sup>st</sup> quarter of 2017, outlook for rice does not still seem favorable, rice price is expected to decline on the back of good weather condition that will allow for ample production.

**Table 31: Quarterly Commodity Prices  
(3rd & 4th Quarters, 2016; 1st Quarter 2017)  
(In US\$ per Unit)**

Commodity Prices	Units	2016		2017
		Actual		Projection <sup>+</sup>
		Q-3	Q-4*	Q-1
<b>Iron ore</b>	USD/MT	57.9	70.0	58.7
<b>Rubber</b>	USD/MT	1,677.4	1,924.5	1660.4
<b>Cocoa Beans</b>	USD/MT	2,987.9	2,499.6	2,091.0
<b>Palm Oil</b>	USD/MT	647.0	677.7	709.9
<b>Gold</b>	USD/OZ	1,334.5	1,220.7	1254.7
<b>Crude oil</b>	USD/BBL	44.7	49.6	53.8
<b>Rice</b>	USD/MT	418.2	365.4	333.6
<b>Global Commodity Price</b>	Index	102.4	109.8	97.9

Source: Central Bank of Liberia; [www.indexmundi.com](http://www.indexmundi.com); [www.imf.org](http://www.imf.org)

\* Revised

+ based on staff projection

### **5.1.1.2 Services (net)**

From preliminary statistics, the services account (net) worsened by 11.5 percent to a deficit of US\$42.4 million during the review quarter, from a deficit of US\$38.0 million recorded in the 3<sup>rd</sup> quarter of 2016. Similarly, it also widened by 21.6 percent compared with the amount registered in the corresponding period of 2015. The improvement in net service receipts during the quarter was explained by 6.1 percent fall in service receipts and 5.9 percent increase in service payments. Service payments toward maintenance & repair (net) deteriorated (by 7.7 percent); transportation (owing to freight) by 3.6 percent reflecting slight rise in payments for petroleum; insurance & pension services (by 4.3 percent); and, other business services by 7.7 percent. Similarly, net receipts from government goods and services declined by 19.3 percent during the review period.

### **5.1.2 Primary Income**

Preliminary statistics showed that net payments toward the primary income account broadened by 3.3 percent to a deficit of US\$15.1 million during the period under review, from a deficit of US\$14.6 million recorded in the quarter ended-September, 2016, explained by 15.6 percent increase in net payments to compensation of employees. Nonetheless, net payments toward investment income attributed to reinvested earnings during the review period fell by 6.1 percent against the amount recorded in the preceding quarter. A corresponding period comparison showed that the primary income account (net) deteriorated by a deficit of US\$39.5 million during the review quarter, from the surplus of US\$24.4 million recorded in the same period in 2015.

Income from compensation of employees (net) during the review quarter rose by 15.6 percent to a deficit of US\$7.3 million, explained by 8.3 percent reduction in employees' compensation (receipts) to residents of Liberia, and 2.7 percent rise in payments toward compensation to non-residents. Payments attributed to investment income (net) during the period improved by 6.1 percent to a deficit of US\$7.8 million, from a deficit of US\$8.3 million recorded in the previous quarter owing to reinvested earnings' payments from direct investment and interest payments from other investment.

### **5.1.3 Secondary Income**

Secondary income (net) account during the quarter under review shrank by 22.4 percent to US\$230.4 million, from US\$296.9 million recorded in the preceding period. The decline was occasioned by 7.4 percent fall in inward transfers to Liberia (mainly attributed to current transfers from current international cooperation for budget support & project aid, and workers' remittances),

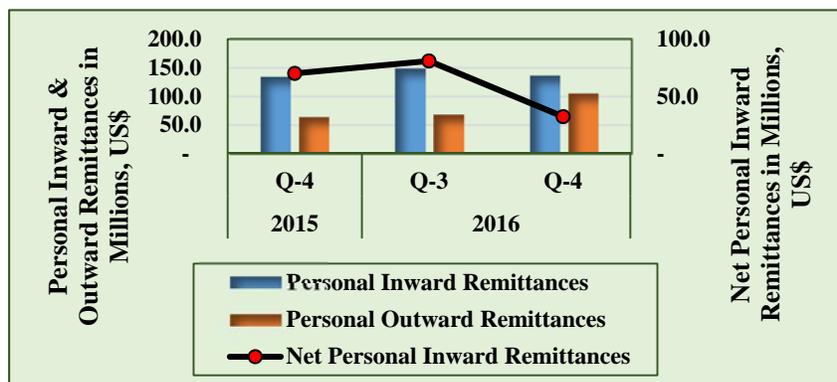
coupled with 50.6 percent increase in outward transfers. Similarly, year-on-year, the secondary income (net) account also recorded a huge decreased by 66.5 percent compared with the amount registered a year ago.

### 5.1.3.1 Personal Remittances

Net personal inward remittances shrank by US\$48.8 million (or 60.4 percent) to US\$32.0 million during the review quarter, from US\$80.9 million recorded in the preceding period, explained by 8.2 percent fall in personal inward remittances and 53.6 percent growth in personal outward remittances.

**Chart 23: Net Personal Inward Remittances**

Similarly, year-on-year, net personal inward remittances also shrank by US\$38.0 million (or 54.2 percent), from the US\$70.0 million recorded the same time a year ago.



Personal inward and outward remittances during the review period amounted to US\$136.9 million and US\$104.8 million, respectively.

**Table 32: Inward & Outward Personal Remittances**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Millions, USD)

Personal/Workers' Remittances	2015	2016	
	Q-4	Q-3	Q-4
Personal Inward Remittances	134.2	149.2	136.9
Personal Outward Remittances	64.2	68.3	104.8
<b>Net Personal Inward Remittances</b>	<b>70.0</b>	<b>80.9</b>	<b>32.1</b>

Source: Central Bank of Liberia

### 5.2 Capital Account

From preliminary data, the capital account balance declined by 9.7 percent to US\$15.7 million, from US\$17.4 million recorded in the preceding period, primarily driven by reduction in capital transfers to Liberia during the period. A corresponding quarter analysis showed that the capital account, led by capital transfers also fell by 45.4 percent against the amount recorded during the same period in 2015.

Similarly, the net lending and borrowing balance deficit from the current and capital accounts deteriorated by deficits of US\$47.9 million and US\$54.3 million to a deficit of US\$45.5 million during the review quarter, from surpluses of US\$2.4 million and US\$8.8 million recorded in the preceding and corresponding quarters, respectively. The deterioration in net lending and borrowing deficit from the current and capital accounts was explained by a worsened current account deficit and decline in capital transfers to Liberia during the review period.

### **5.3 Financial Account**

Preliminary statistics showed that Liberia's net lending and borrowing (balance) liabilities from the financial account grew by 17.5 percent to US\$171.8 million during the review quarter, from US\$146.3 million recorded in the previous quarter, occasioned by 4.0 percent and 38.3 percent growths in direct and other investment liabilities during the period. Similarly, net lending and borrowing liabilities from the financial account rose by 34.9 percent during the review quarter, from US\$127.4 million recorded in the quarter ended-December, 2015.

#### **5.3.1 Direct Investment in Reporting Economy**

From preliminary statistics, direct investment in the Liberian economy grew by 4.0 percent to US\$92.2 million during the review quarter, from US\$88.7 million registered in the last period, primarily explained by pick-up in investment related projects for Liberia by investors. Compared with the corresponding period in 2015, direct investment recorded in the Liberian economy also surged by 35.1 percent during the quarter under review.

#### **Other Investment (Net)**

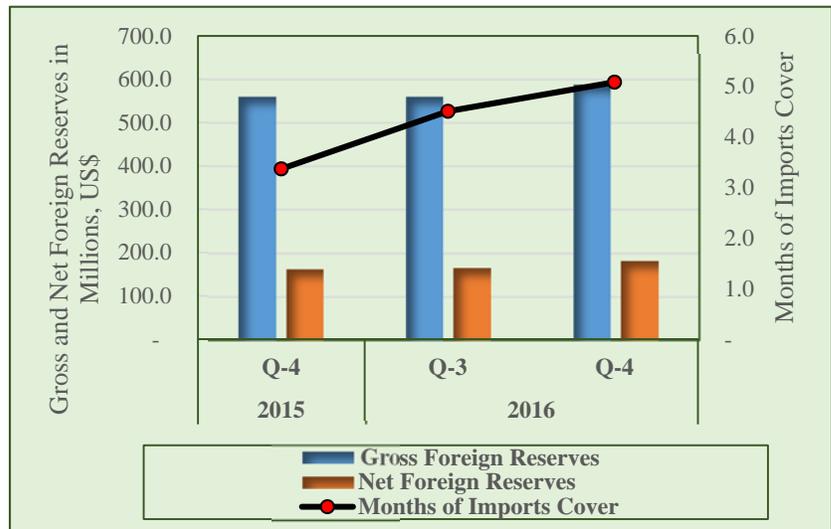
From preliminary statistics, other investment (net) liabilities rose by 38.3 percent to US\$79.6 million during the review quarter, from US\$57.6 million recorded in the preceding quarter, primarily explained by growth in currency & deposit (net), and trade credit & advances (net) liabilities of the Liberian economy to the rest of the world.

#### **International Reserves Position and Months of Imports Cover**

Liberia's gross international reserves position (including SDRs) at end-December, 2016 grew by 4.9 percent to US\$587.5 million, from US\$559.9 million recorded at the end of the previous quarter, owing to reserves accumulation. Likewise, it rose by 4.8 percent compared with the position recorded in the corresponding period in 2015.

**Chart 24: International Reserves Position**

Similarly, the country’s net foreign reserves position grew by 10.2 percent to US\$183.1 million at end-December, 2016, from US\$166.2 million recorded at end-September, 2016. Year-on-year, it rose by 11.7 percent compared with the stock of US\$164.0 million recorded at end-December, 2015.



In the same direction, gross international reserves in months of imports cover grew to 5.1 during the review quarter, from the 4.5 and 3.4 covers recorded at end-September, 2016, and December, 2015, respectively, on account of reductions in import payments for goods and services, and growth in the country’ gross international reserves.

**Table 33: Stock of International Reserves  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Million USD, except otherwise indicated)**

Quarter	2015	2016	
	Q-4	Q-3	Q-4
Gross Foreign Reserves	560.6	559.9	587.5
Net Foreign Reserves	164.0	166.2	183.1
<i>Months of Imports Cover</i>	3.4	4.5	5.1

Source: Central Bank of Liberia

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*Table 1: Growth of Selected Global Output*

	Year-over-Year				
				Difference from October 2016 WEO Projections	
	<u>Estimates</u>	<u>Projections</u>		2017	2018
	2015	2016	2017		
<b>World Output</b>	3.2	3.1	3.4	0.0	0.0
<b>Advance Economies</b>	2.1	1.6	1.9	0.1	0.2
United States	2.6	1.6	2.3	0.1	0.4
Euro Area	2.0	1.7	1.6	0.1	0.0
Japan	1.2	0.9	0.8	0.2	0.0
United Kingdom	2.2	2.0	1.5	0.4	-0.3
Canada	0.9	1.2	1.9	0.0	0.1
<b>Emerging Market and Developing Economies</b>	4.1	4.1	4.5	-0.1	0.0
<b>Emerging and Developing Asia</b>	6.7	6.3	6.4	0.1	0.0
China	6.9	6.7	6.5	0.3	0.0
India	7.6	6.6	7.2	-0.4	0.0
Latin America and the Caribbean	0.1	-0.7	1.2	-0.4	-0.1
Middle East, North Africa, Afghanistan & Pakistan	2.5	3.8	3.1	-0.3	-0.1
Sub-Saharan Africa	3.4	1.6	2.8	-0.1	0.1
<b>Consumer Prices</b>					
Advance Economies	0.3	0.7	1.7	0.0	0.0
Emerging Markets and Developing Economies	4.7	4.5	4.5	0.1	0.2

*Source: IMF World Economic Outlook Update, January 2017*

**Table 2: Sectoral Growth  
(2015 & 2016)**

	2015	2016
RGDP (In Millions)	896.4	891.9
RGDP Growth Rate	0.0	-0.5
Agriculture & Fisheries	0.7	6.4
Forestry	2.0	-7.0
Manning and Panning	-15.9	-23.8
Manufacturing	-1.5	-4.9
Services	4.3	3.9

*Source: Central Bank of Liberia*

**Table 3: Key Agricultural Production**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)

Commodity	Unit	4 <sup>th</sup> Quarter, 2015	3 <sup>rd</sup> Quarter, 2016	4 <sup>th</sup> Quarter, 2016
Rubber	Mt.	10,940	10,237	7,148
Cocoa	Mt.	5,712	2,051	2,040
Coffee	Mt.	20	-	-
Round Logs	M <sup>3</sup>	7,085	57,237	25,942
Sawn Timber	Pcs.	177,885	93,367	139,990
Crude Palm Oil (CPO)	Mt.	0	860	671

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

**Table 4: Key Industrial Output**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)

Commodity	Unit	4 <sup>th</sup> Quarter, 2015	3 <sup>rd</sup> Quarter, 2016	4 <sup>th</sup> Quarter, 2016
Diamond	Carat	10,772	15,925	7,767
Gold	Ounce	1,365	966	937
Iron Ore	Mt.	976,850	234,713	198,021
Cement	Mt.	58,724	39,995	54,741
Spirits	Litre	76,833	77,551	86,914
Beer	Litre	1,754,695	1,806,963	1,744,406
Stout	Litre	1,622,895	1,758,707	1,689,756
Malta	Litre	80,293	117,588	69,047
Soft Drinks	Litre	2,232,108	2,198,601	2,019,838
Oil Paint	Gal.	52,522	23,719	30,985
Water Paint	Gal.	55,027	20,903	32,543
Varnish	Gal.	4,968	2,702	3,692
Manoline Hair Grease	Kg.	5,737	2,747	3,629
Soap	Kg.	88,689	74,889	116,526
Candle	Kg.	51,062	46,421	37,695
Chlorox	Litre	224,439	322,444	268,580
Rubbing Alcohol	Litre	38,205	58,521	52,048
Thinner	Gal.	2,804	2,964	5,125
Mattresses	Pcs.	31,710	23,170	19,273
Finished water	Gal.	379,770,482	494,683,392.00	485,557,284
Mineral Water	Litre	364,778	367,801.44	341,615
Electricity	kW	-	37,626,345*	48,595,393

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

\*Estimate

+ Revised/Actual

N/A Not Available

**Table 5: Consumption of Petroleum Products  
(3<sup>rd</sup> Quarter, 2015; 2<sup>nd</sup> & 3<sup>rd</sup> Quarters, 2016)**

Commodity	Unit	4 <sup>th</sup> Quarter, 2015	3 <sup>rd</sup> Quarter, 2016	4 <sup>th</sup> Quarter, 2016
Premium Motor Spirit (PMS)	Gal.	3,417,789.43	33,693	1,311,232.09
Diesel (AGO)	Gal.	4,361,357.96	44,484	930,015.57
Jet-Fuel (Jet-A)	Gal.	-	3,687	-
Kerosene	Gal.	-	-	-
<b>Total</b>		7,779,147	81,864	2,241,247.66

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

**Table 6: Vessel Traffic and Cargo Movements  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**

Quarter	No. of Vessels	Vessel Weight (SDWT*)	Cargo Tonnage (in Metric tons)		
			Imports	Exports	Total
4 <sup>th</sup> Quarter, 2015	103	2,571,868	473,797	888,791	1,362,588
3 <sup>rd</sup> Quarter, 2016	97	1,956,373	344,890	435,746	780,636
4 <sup>th</sup> Quarter, 2016	95	2,055,038	430,409	314,639	745,048

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

**Table 7: Electric Power Developments  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Kilowatts)**

Quarter	Unit	Service	Generation
4 <sup>th</sup> Quarter, 2015	kW	Electricity	-
3 <sup>rd</sup> Quarter, 2016	kW	Electricity	37,626,345
4 <sup>th</sup> Quarter, 2016	kW	Electricity	48,595,393

*Source: Liberia Electricity Corporation (LEC)*

*\* Estimate*

*+ Revised/Actual*

**Table 8: Headline and Quarterly Changes in CPI (%)**

		Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI		
		Combined	Food	Non-Food	Combined	Food	Non-Food
<b>2014</b>	Jan	<b>7.7</b>	5.6	10.2	0.1	-0.2	0.5
	Feb	<b>7.9</b>	6.4	9.5	-0.4	-1.3	0.5
	Mar	<b>8.9</b>	5.5	12.9	2.3	1.7	3.0
	Apr	<b>9.8</b>	5.4	14.9	0.6	0.0	1.2
	May	<b>9.6</b>	7.3	12.1	-1.7	-2.4	-1.0
	Jun	<b>11.7</b>	9.2	14.6	4.5	6.8	2.1
	Jul	<b>10.9</b>	10.4	11.4	0.9	2.5	-0.8
	Aug	<b>10.1</b>	9.3	11.0	1.2	2.0	1.0
	Sep	<b>13.5</b>	16.3	10.2	2.6	4.4	0.5
	Oct	<b>12.7</b>	14.9	10.0	0.7	1.4	-0.2
	Nov	<b>7.9</b>	7.6	8.3	-4.8	-7.3	-1.6
	Dec	<b>7.7</b>	9.9	5.1	1.7	2.5	0.6
<b>2015</b>	Jan	<b>8.7</b>	11.8	5.2	1.1	1.5	0.6
	Feb	<b>7.7</b>	12.4	2.4	-1.3	-0.7	-2.1
	Mar	<b>7.3</b>	14.3	-0.4	1.9	3.4	0.1
	Apr	<b>6.8</b>	14.1	-1.1	0.1	-0.1	0.4
	May	<b>7.9</b>	17.5	-2.3	-0.7	0.5	-2.1
	Jun	<b>7.7</b>	12.2	2.7	4.3	1.9	7.4
	Jul	<b>9.5</b>	12.9	5.6	2.6	3.2	1.9
	Aug	<b>7.3</b>	6.9	7.8	-0.8	-3.5	2.4
	Sep	<b>6.5</b>	3.8	9.7	1.8	1.4	2.3
	Oct	<b>6.0</b>	2.8	10.0	0.2	0.4	0.0
	Nov	<b>9.8</b>	9.0	10.6	-1.4	-1.7	-1.0
	Dec	<b>8.0</b>	5.9	4.7	0.1	-0.4	-4.7
<b>2016</b>	Jan	<b>7.0</b>	7.4	6.4	0.1	3.0	2.2
	Feb	<b>7.1</b>	5.5	2.8	-1.2	-2.5	-5.4
	Mar	<b>7.1</b>	5.6	2.7	1.9	3.6	0.1
	Apr	<b>7.2</b>	3.1	6.0	0.2	-2.6	3.6
	May	<b>7.6</b>	1.9	14.7	-0.3	-0.6	5.9
	Jun	<b>8.4</b>	4.1	6.0	5.2	4.1	-0.8
	Jul	<b>8.4</b>	5.8	11.6	2.6	4.8	7.4
	Aug	<b>9.9</b>	10.8	8.8	0.5	1.1	-0.2
	Sep	<b>8.5</b>	9.8	6.9	0.5	0.5	0.6
	Oct	<b>9.9</b>	11.7	0.9	1.6	2.1	-5.6
	Nov	<b>12.0</b>	14.4	9.3	0.5	0.7	7.2
	Dec	<b>12.5</b>	14.2	16.8	0.5	-0.6	1.8

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 9: Inflation by Sub-groups: Year-on-Year Changes in CPI  
(2015-2016)**

Food Group	Weights	Q3-15	Q4-15	Q3-16	Q4-16	Non-Food Group	Weights	Q3-15	Q4-15	Q2- 16	Q3-16
Rice	10.30	-1.37	-14.89	13.35	35.30	Alcoholic Beverages, Tobacco and Narcotics	3.03	5.43	10.46	9.78	14.74
Edible Oil	2.58	-6.45	2.97	3.43	12.55	Clothing and Footwear	7.75	19.94	25.26	7.81	8.82
Fruit(ND)	4.35	-1.15	-3.00	15.54	22.53	Housing, Water, Electricity, Gas and Other Fuels	12.0	- 0.08	-3.46	0.03	1.14
Sugar, Jam, honey, Chocolate And Confectionery (ND)	1.40	3.00	2.78	4.44	11.16	Furnish. , H/Hold Equip, Rout. Maintenance of House	5.25	10.24	19.21	17.38	8.06
Coffee, tea, and Cocoa (ND)	0.65	7.83	15.93	57.57	60.81	Health	3.91	-5.91	-1.98	-2.73	-6.25
Mineral Waters, Soft drinks, Fruit and Vegetable Juices	1.41	25.53	14.65	18.59	33.30	Transport	6.11	11.71	10.93	16.67	21.48
						Communication	1.53	-11.08	-10.02	2.27	1.60
						Recreation & Culture	3.85	21.14	14.47	16.30	16.30
						Education	3.20	0.00	0.00	0.00	0.00
						Restaurants & Hotels	4.64	-0.15	3.72	6.95	7.62
						Miscellaneous Goods and Services	3.53	5.72	1 0.21	10.20	8.01

Source: CBL & LISGIS, Monrovia, Liberia

**Table 10: Harmonized Consumer Price Index (HCPI) By Major Groups**  
**Year-on-Year Rates of Inflation**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(December, 2005=100)**

<b>Functions</b>	<b>WEIGHTS</b>	<b>Oct-15</b>	<b>Nov-15</b>	<b>Dec-15</b>	<b>4<sup>th</sup> Quarter</b>	<b>Jul-16</b>	<b>Aug-16</b>	<b>Sep- 16</b>	<b>3<sup>rd</sup> Quarter</b>	<b>Oct- 16</b>	<b>Nov- 16</b>	<b>Dec- 16</b>	<b>4<sup>th</sup> Quarter</b>
FOOD AND NON-ALCOHOLIC BEVERAGES	45.2	2.76	9.03	5.88	5.89	5.76	10.80	9.84	8.8	11.73	14.41	14.22	13.36
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	12.42	7.96	11.03	10.47	14.21	9.28	6.09	9.86	10.35	16.92	17.01	14.76
CLOTHING AND FOOTWEAR	7.75	27.96	25.31	22.55	25.27	9.51	7.69	6.31	7.84	5.40	7.03	14.14	8.86
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12.00	-6.45	0.86	-4.50	-3.36	0.99	-0.53	-0.37	0.03	-0.38	-0.53	4.36	1.15
FURNISHINGS, HOUSEHOLD, EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.25	20.54	17.64	19.45	19.21	27.72	18.20	7.97	17.96	6.86	10.78	6.61	8.08
HEALTH	3.91	-1.39	-2.27	-2.27	-1.98	3.91	-2.30	-9.33	-2.57	-6.85	-6.01	-5.90	-6.25
TRANSPORT	6.11	9.59	8.85	14.36	10.93	15.41	14.70	20.04	16.72	20.43	23.09	20.94	21.49
COMMUNICATION	1.53	-10.04	-10.03	-10.00	-10.02	2.68	2.70	1.43	2.27	1.55	1.83	1.41	1.60
RECREATION AND CULTURE	3.85	25.23	25.20	25.35	25.26	12.62	18.81	12.20	14.54	17.37	15.42	16.11	16.3
EDUCATION	3.20	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	4.64	3.38	3.63	4.14	3.72	12.63	4.21	4.48	7.11	8.70	7.45	6.70	7.62
MISCELLANEOUS GOODS AND SERVICES	3.53	5.78	12.19	13.02	10.33	12.27	12.58	6.10	10.32	5.79	8.76	9.50	8.02
GENERAL RATE OF INFLATION	100	6.00	9.76	8.04	7.93	8.40	9.86	8.48	8.9	9.95	12.04	12.52	11.50

*Source: CBL & LISGIS, Monrovia, Liberia*

**Table 11: Commercial Bank Loans by Economic Sector**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$)**

	2015		2016			
	4 <sup>th</sup> Quarter	Share	3 <sup>rd</sup> Quarter	Share	4 <sup>th</sup> Quarter	Share
Agriculture	2,389.7	7.0	2,775.0	6.9	1,793.9	4.4
Mining & Quarrying	140.7	0.4	160.2	0.6	47.9	0.1
Manufacturing	885.0	2.6	1,388.6	2.6	2,193.9	5.4
Construction	4,866.9	14.3	5,715.2	16.8	4,330.6	10.6
Trans., Storage & Comm.	2,946.9	8.7	3,075.1	8.3	2,521.5	6.2
Trade, Hotel & Rest.	14,707.8	43.3	14,505.4	42.6	11,473.9	28.2
Others	8,014.4	23.6	9,897.8	22.2	18,366.6	45.1
<b>Total</b>	<b>33,951.4</b>	<b>100.0</b>	<b>37,517.35</b>	<b>100.00</b>	<b>40,728.31</b>	<b>100.00</b>

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

**Table 12: Commercial Bank's Interest Rates**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**

	2015		2016
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Avg. Lending Rate	13.67	13.65	13.61
Avg. Personal Loan Rate	13.94	14.72	14.51
Avg. Mortgage Rate	14.45	14.50	12.15
Avg. Time Deposit Rate	4.50	3.90	4.70
Avg. Savings Rate	2.00	2.02	2.02
Avg. Rate on CDs	2.00	2.00	2.00

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

**Table 13: Market Exchange Rate: Liberia Dollar per US Dollar**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**

	2015		2016
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Market Rate End of Period	88.50	97.50	102.50
Market Rate Period Average	88.50	96.15	100.08

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

**Table 14: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar (2015-2016)**

Period Average	2014		2015		2016	
	Buying	Selling	Buying	Selling	Buying	Selling
January	83.07	84.07	83.63	84.63	89.00	90.00
February	80.88	81.88	84.00	85.00	90.00	91.00
March	83.88	84.88	84.00	85.00	90.00	91.00
April	86.12	87.12	84.00	85.00	90.92	91.92
May	86.07	87.07	84.00	85.00	90.92	91.92
June	88.72	89.72	84.77	85.77	92.42	93.42
July	87.50	88.50	86.19	87.19	94.15	95.15
August	82.42	83.42	87.73	88.73	95.81	96.81
September	84.00	85.00	87.38	88.38	97.00	98.00
October	84.00	85.00	87.56	88.56	97.92	98.92
November	83.32	84.32	87.00	88.00	99.08	100.08
December	82.11	83.11	88.00	89.00	100.30	101.30
Q1	<b>82.61</b>	<b>83.61</b>	<b>83.88</b>	<b>84.88</b>	<b>89.67</b>	<b>90.67</b>
Q2	<b>86.97</b>	<b>87.97</b>	<b>84.26</b>	<b>85.26</b>	<b>91.42</b>	<b>92.42</b>
Q3	<b>84.64</b>	<b>85.64</b>	<b>87.10</b>	<b>88.10</b>	<b>95.65</b>	<b>96.65</b>
Q4	<b>83.14</b>	<b>84.14</b>	<b>87.52</b>	<b>88.52</b>	<b>99.10</b>	<b>100.10</b>
Yearly Ave	<b>84.34</b>	<b>85.34</b>	<b>85.69</b>	<b>86.69</b>	<b>93.62</b>	<b>94.62</b>

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

**Table 15: Liberian Dollars in Circulation  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Millions L\$)**

	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Currency in Banks	701.10	870.61	903.52611
Currency outside Banks	9,656.20	8,840.73	11,851.57
Currency in Circulation	10,357.30	9,711.30	12,755.10

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

**Table 16: Broad Money: Supply and its Sources**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions L\$)**

Monetary Aggregates	2015	2016		Percentage Change	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Q-o-Q	Y-o-Y
<b>1.0 Money Supply M2 (1.1 + 1.2)</b>	<b>60,627.30</b>	<b>62,922.12</b>	<b>66,711.93</b>	<b>6.02</b>	<b>10.04</b>
<i>1.1 Money Supply M1</i>	<i>41,036.50</i>	<i>41,224.56</i>	<i>45,418.02</i>	<b>10.17</b>	<b>10.68</b>
<i>1.1.1 Currency outside banks</i>	9,656.20	8,840.73	11,851.57	<b>34.06</b>	<b>22.74</b>
<i>1.1.2 Demand deposit 1/</i>	31,380.30	32,383.83	33,566.45	<b>3.65</b>	<b>6.97</b>
<b>1.2 Quasi Money</b>	<b>19,590.80</b>	<b>21,697.55</b>	<b>21,293.91</b>	<b>-1.86</b>	<b>8.69</b>
<i>1.2.1 Time &amp; Savings deposits</i>	19,496.30	21,687.13	20,763.96	<b>-4.26</b>	<b>6.50</b>
<i>1.2.2 Other deposits 2/</i>	94.60	10.43	529.95	<b>4982.89</b>	<b>460.20</b>
<b>2.0 Net Foreign Assets</b>	<b>33,877.00</b>	<b>34,782.47</b>	<b>38,612.79</b>	<b>11.01</b>	<b>13.98</b>
2.1 Central Bank	24,222.10	24,755.34	30,632.64	<b>23.74</b>	<b>26.47</b>
2.2 Banking Institutions	9,654.90	10,027.13	7,980.14	<b>-20.41</b>	<b>-17.35</b>
<b>3.0 Net Domestic Assets (1 - 2)</b>	<b>26,750.30</b>	<b>28,139.65</b>	<b>28,099.14</b>	<b>-0.14</b>	<b>5.04</b>
3.1 Domestic Credit	49,943.10	61,011.62	65,611.28	<b>7.54</b>	<b>31.37</b>
3.1.1 Government (net)	10,652.50	14,494.73	17,161.84	<b>18.40</b>	<b>61.11</b>
3.1.2 Pvt. Sector & Other Pvt.	39,290.60	46,516.89	48,449.44	<b>4.15</b>	<b>23.31</b>
3.2 Other assets Net (3 - 3.1)	23,192.80	32,871.98	37,512.14	<b>14.12</b>	<b>61.74</b>
<b>Memorandum Items</b>					
<b>1. Overall Liquidity</b>	<b>60,627.30</b>	<b>62,922.12</b>	<b>66,711.93</b>	<b>6.02</b>	<b>10.04</b>
2. Reserve Money	23,074.90	26,257.43	26,614.62	<b>1.36</b>	<b>15.34</b>
<i>Currency outside banks</i>	9,656.20	8,840.73	11,851.57	<b>34.06</b>	<b>22.74</b>
<i>Banks Reserves</i>	12,220.80	16,670.47	13,576.00	<b>-18.56</b>	<b>11.09</b>
<i>Other Deposits at CBL</i>	1,197.90	746.23	1,187.05	<b>59.07</b>	<b>-0.91</b>

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 17: Broad Money: Share of US and Liberian Dollars**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Millions L\$/Percent)

	2015		2016			
	4 <sup>th</sup> Quarter	Share	3 <sup>rd</sup> Quarter	Share	4 <sup>th</sup> Quarter	Share
Broad Money	60,627.3	100.0	62,922.1	100.0	66,711.9	100.0
US\$ Share	42,557.4	70.2	43,988.4	69.9	44,668.7	67.0
L\$ Share	18,069.9	29.8	18,933.7	30.1	22,043.2	33.0

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

**Table 18: CBL Foreign Exchange Sale Auction**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)  
(In Millions US\$)

FX Sale Auction	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
	8.1	10.0	0.0

*Source: Central Bank of Liberia*

**Table 19: Government of Liberia Treasury Bill Auction**  
(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarter, 2016)  
(In Millions L\$)

Date	Maturity Date	Amount Offered	Amount Issued	Settlement Amount Value	Over/(Under) Subscription (LR\$)	Interest at Maturity	Weighted Average Discount Rate (%)
<b>4<sup>th</sup> Quarter, 2016</b>							
1-Dec-16	2-Mar-17	49.25	49.25	48.87	4.30	0.38	3.13
4-Nov-16	3-Feb-17	49.00	49.00	48.60	4.40	0.40	3.27
6-Oct-16	5-Jan-17	97.50	97.50	96.79	5.00	0.71	2.94
<b>Total</b>		<b>195.75</b>	<b>195.75</b>	<b>194.25</b>	<b>13.70</b>	<b>1.50</b>	<b>3.11</b>
<b>3<sup>rd</sup> Quarter, 2016</b>							
1-Sep-16	1-Dec-16	48.75	48.75	48.40	762.25	0.35	2.93
4-Aug-16	2-Nov-16	46.75	46.75	46.41	70.85	0.34	2.96
7-Jul-16	6-Oct-16	47.25	47.25	46.91	22.6	0.34	2.90
<b>Total</b>		<b>142.75</b>	<b>142.75</b>	<b>141.72</b>	<b>855.70</b>	<b>1.03</b>	<b>2.93</b>
<b>4<sup>th</sup> Quarter, 2015</b>							
3-Dec-15	3-Mar-16	43.75	43.75	43.3	27.5	0.45	4.15
5-Nov-15	4-Feb-16	88.5	88.5	87.6	1.15	0.9	4.1
1-Oct-15	7-Jan-16	88.5	73.1	72.4	-15.4	0.7	3.52
<b>Total</b>		<b>220.75</b>	<b>205.35</b>	<b>203.3</b>	<b>13.25</b>	<b>2.05</b>	<b>3.92</b>

*Source: Central Bank of Liberia*

**Table 20: Government of Liberia's Fiscal Sector Indicators**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In percent of GDP)**

Indicators	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Total Revenue & Grants	23.5	18.1	29.1
Total Revenue Excluding Grants	22.4	17.1	29.1
Tax Revenue	17.5	15.2	15.1
Nontax Revenue Including Grants	6.0	3.0	14.0
Nontax Revenue Excluding Grants	4.9	1.9	14.0
Grants	1.1	1.0	-
Total Expenditure	30.1	25.0	21.8
Recurrent Expenditure	27.9	20.6	19.6
Capital Expenditure	1.7	3.4	1.7
Loan, Interest Payments, & Other Charges	0.5	0.9	0.5
Compensation of Employees	10.9	10.0	11.7
Expenditure on Goods and Services	10.6	5.6	4.8
Overall Balance	(6.6)	(6.8)	7.3
Stock of Public Debt	32.2	35.4	36.7
Stock of External Debt	18.9	22.6	24.0
Stock of Domestic Debt	13.3	12.7	12.7

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

**Table 21: Government of Liberia's Total Revenue by Sources**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions, L\$)**

Revenue Sources	2015	2016		
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	4 <sup>th</sup> Quarter
	Actual	Projections		
A. Tax Revenue	7,896.7	7,888.3	8,493.2	9,084.9
i. International Trade Taxes	3,648.9	4,047.9	3,952.5	4,523.9
<i>Taxes &amp; Duties on Imports</i>	3,640.1	4,034.7	3,943.2	4,502.1
<i>Taxes on Exports</i>	8.8	13.2	9.4	21.8
ii. Taxes on Income & Profits	2,929.1	2,826.7	3,409.5	3,303.0
<i>Individual Taxes on income &amp; profits</i>	2,786.9	2,714.5	3,253.3	3,151.1
<i>Taxes Payable by Corporate Entities</i>	142.2	112.2	156.1	133.5
<i>Others</i>	0.0	0.0	0.0	18.4
iii. Sale Taxes on Goods & Services	1,274.8	953.5	944.0	1,202.2
<i>Goods &amp; Service Tax</i>	572.7	624.6	574.1	725.4
<i>Excise Taxes</i>	85.6	115.4	104.7	106.3
<i>Maritime Revenue</i>	513.0	81.6	112.2	251.1
<i>Others</i>	103.5	132.0	153.0	119.3
iv. Property & Real Estate Taxes	43.3	60.1	35.3	55.9
v. Other Tax Revenue <sup>1</sup>	0.5	0.0	152.0	0.0
B. Non-Tax Revenue	2,720.8	1,548.3	7,862.8	864.9
i. Charges & Other Administrative Fees	282.0	1,004.8	2,182.7	864.9
ii. Grants	491.8	543.5	-	-
iii. Others	1,947.0	-	5,680.1	-
<i>Contingent Revenue</i>	-	-	-	-
<i>Borrowing</i>	-	-	5,680.1	-
<i>Carry Forward</i>	1,947.0	-	-	-
Grand Total (A + B)	10,617.5	9,436.6	16,356.0	9,949.8

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

**Table 22: Government of Liberia's Total Expenditure**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions, L\$)**

Expenditure by Codes	2015	2016	
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
<b>Recurrent Expenditure</b>	<b>12,592.0</b>	<b>10,718.5</b>	<b>11,010.3</b>
Compensation of Employees	4,911.6	5,222.7	6,585.4
Expenditure on Goods & Services	4,790.4	2,896.0	2,704.0
Subsidies	-	-	-
Grants	1,742.3	1,646.4	584.1
Social Benefits	51.1	44.8	7.4
Others	1,096.6	908.7	1,129.5
<b>Capital Expenditure</b>	<b>764.2</b>	<b>1,785.6</b>	<b>972.8</b>
Depreciation	-	-	-
Acquisition of Fixed Assets	762.8	1,785.6	972.8
Others	1.5	-	-
<b>Loan &amp; Interest Payments &amp; Other Charges</b>	<b>235.8</b>	<b>488.5</b>	<b>267.0</b>
Domestic Debts Repayment	51.5	-	-
External Debts Repayment	31.4	290.2	159.4
Interest on Domestic Debt	88.6	114.4	62.9
Interest on Foreign Debt	34.3	83.9	44.7
Deficit Financing-CBL	-	-	-
Interest on Treasury Bills	-	-	-
Others	30.1	-	-
<b>Other Expenditures<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure</b>	<b>13,592.0</b>	<b>12,992.6</b>	<b>12,250.2</b>

Source: Ministry of Finance & Development Planning (MFDP)

<sup>1</sup>Expenditures not elsewhere mentioned

**Table 23: Liberia's Overall Public Debt Position by Composition**  
**As At December 31, 2016**  
**(In Millions, US\$)**

Creditors	2015	2016	
	End-December	End-September	End-December
Total External Debt	386.0	479.6	507.3
Total Domestic Debt	269.4	269.0	268.3
<b>Total Public Debt</b>	<b>655.4</b>	<b>748.6</b>	<b>775.5</b>

Source: Ministry of Finance & Development Planning (MFDP)

**Table 24: Liberia's Overall Public Debt Position by Creditors  
As At December 31, 2016  
(In Millions, US\$)**

Creditors	2015	2016	
	End-December	End-September	End-December
Multilateral	352.2	446.9	468.7
Bilateral	33.8	32.6	38.6
Others	-	-	-
<b>Total External Debt</b>	<b>386.0</b>	<b>479.6</b>	<b>507.3</b>
Suppliers' Credit (Valid Claims)	-	-	-
Salary & Allowances	-	-	-
Financial Institutions	269.4	268.9	268.2
Pre- NTGL Salary Arrears	-		-
Others	-	0.1	0.1
<b>Total Domestic Debt</b>	<b>269.4</b>	<b>269.0</b>	<b>268.3</b>
<b>Total Public Debt</b>	<b>655.4</b>	<b>748.6</b>	<b>775.5</b>

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

**Table 25: Quarterly Balance of Payments (BOP) Statistics**  
**4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016**  
(In Million USD, except otherwise indicated)

<b>BOP on BPM6 Basis</b>	<b>Q:2015:4</b>	<b>Q:2016:3</b>	<b>Q:2016:4</b>
<b>Current Account</b>	<b>(20.1)</b>	<b>(15.0)</b>	<b>(61.2)</b>
Credit	500.1	431.0	400.3
Debit	520.1	446.0	461.5
<b>Goods and Services</b>	<b>(376.7)</b>	<b>(297.3)</b>	<b>(276.6)</b>
Credit	88.0	49.9	47.3
Debit	464.6	347.2	323.9
<b>Goods</b>	<b>(322.6)</b>	<b>(259.3)</b>	<b>(234.2)</b>
<b>Credit (Exports)</b>	<b>61.2</b>	<b>32.3</b>	<b>30.8</b>
Iron Ore	31.7	4.8	6.3
Rubber	14.8	13.3	13.4
Other Commodity Exports	14.7	14.2	11.1
<b>Debit (Imports)</b>	<b>383.8</b>	<b>291.6</b>	<b>265.0</b>
Petroleum	75.1	67.6	61.8
Rice	33.8	21.3	41.0
Machinery & Equipment	118.0	67.9	54.4
Other Commodity Imports	156.9	134.8	107.8
General merchandise on a balance of payments basis	(323.7)	(260.2)	(235.0)
Credit	60.1	31.4	30.0
Debit	383.8	291.6	265.0
Of which Re-exports (credit)	-	-	-
Nonmonetary gold	1.1	0.9	0.8
Credit	1.1	0.9	0.8
Debit	-	-	-
<b>Services (Net)</b>	<b>(54.1)</b>	<b>(38.0)</b>	<b>(42.4)</b>
Credit (Receipts)	26.7	17.6	16.5
Debit (Payments)	80.8	55.6	58.9
<b>Primary Income (Net)</b>	<b>24.4</b>	<b>(14.6)</b>	<b>(15.1)</b>
Credit (Receipts)	8.6	7.3	6.7
Debit (Payments)	(15.8)	21.9	21.8
<b>Secondary Income (Net)</b>	<b>332.2</b>	<b>296.9</b>	<b>230.4</b>
Credit (Receipts)	403.5	373.8	346.2
Debit (Payments)	71.3	76.9	115.8
<b>Capital Account</b>	<b>28.8</b>	<b>17.4</b>	<b>15.7</b>
Credit (Receipts)	28.8	17.4	15.7
Debit (Payments)	-	-	-
<b>Net lending (+) / net borrowing (-) (balance from current and capital account)</b>	<b>8.8</b>	<b>2.4</b>	<b>(45.5)</b>
<b>Financial Account</b>			
<b>Net lending (+) / net borrowing (-) (balance from financial account) (B9)</b>	<b>(127.4)</b>	<b>(146.3)</b>	<b>(171.8)</b>
<b>Direct Investment</b>	<b>(68.2)</b>	<b>(88.7)</b>	<b>(92.2)</b>
Net acquisition of financial assets	-	-	-
Net incurrence of liabilities	68.2	88.7	92.2
<b>Portfolio Investment</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>
Net acquisition of financial assets	-	-	-
Net incurrence of liabilities	0.0	(0.0)	(0.0)
<b>Other Investment</b>	<b>(59.2)</b>	<b>(57.6)</b>	<b>(79.6)</b>
Net acquisition of financial assets	(51.4)	(21.3)	(47.9)
Net incurrence of liabilities	7.7	36.3	31.7
<b>NET ERRORS &amp; OMISSIONS</b>	<b>(113.5)</b>	<b>(195.0)</b>	<b>(142.0)</b>
<b>OVERALL BALANCE</b>	<b>(22.6)</b>	<b>46.3</b>	<b>15.7</b>
<b>Financing (Reserves and related Items)</b>	<b>22.6</b>	<b>(46.3)</b>	<b>(15.7)</b>
<b>Reserve assets</b>	<b>22.6</b>	<b>(46.3)</b>	<b>(15.7)</b>
<b>MEMORANDUM ITEMS</b>	<b>Q:2015:4</b>	<b>Q:2016:3</b>	<b>Q:2016:4</b>
Gross Foreign Reserves Position	560.6	559.9	587.5
Import Payments (cif)	418.3	316.8	287.7
Imports (cif) & Service Payments	499.1	372.4	346.6
Current Account Bal. Excl. Grants	(242.5)	(238.7)	(268.7)
Nominal GDP(Annualized)	2,034	2,112	2,112
Current Account Bal. Incl. Grants % of GDP	(1.0)	(0.7)	(2.9)
Current Account Bal. Excl. Grants % of GDP	(11.9)	(11.3)	(12.7)
Trade (in goods) Deficit % of GDP	(15.9)	(12.3)	(11.1)
End-Period-Exchange-Rate (1US\$/L\$)	88.5	97.5	102.5
Average-Period-Exchange-Rate(1US\$/L\$)	88.5	96.2	100.1
Months of Imports Cover	3.4	4.5	5.1

Source: Central Bank of Liberia (CBL)

\*Revised

\*\*Preliminary

**Table 26: Quarterly Trade Balance**  
**4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016**  
(In Million USD, except otherwise indicated)

Trade Category	2015	2016	
	Q-3	Q-2	Q-3
Exports	61.2	32.3	30.8
Imports (FOB)	383.8	291.6	2265.0
<b>Total Trade (+ surplus, - deficit)</b>	<b>-322.6</b>	<b>-259.3</b>	<b>-234.2</b>

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

**Table 27: Commodity Composition of Exports**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
(In Million USD, except otherwise indicated)

Commodity	Unit	2015			2016					
		Q-4			Q-3			Q-4		
		Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share	Export volume (in 000)	Export value	% share
Rubber	Mt.	9.1	14.8	24.1	10.2	13.3	41.3	9.5	13.4	43.6
Cocoa Bean	Mt.	6.2	5.1	8.4	2.5	2.0	6.1	10.2	2.2	7.3
Coffee Bean	Mt.	56.3	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Iron ore	Mt.	1,029.2	31.7	51.8	234.7	4.8	14.8	280.3	6.3	20.6
Mineral	-	-	5.9	9.6	--	7.6	23.4	-	4.9	16.0
o/w Diamond	Carat	8.3	4.7	80.5	15.2	6.7	88.7	7.8	4.1	83.0
o/w Gold	Oz	1.2	1.1	19.5	0.8	0.9	11.3	0.9	0.8	17.0
Other Exports	-	-	0.5	0.9	-	2.1	6.5	-	1.7	5.7
Good Procured*	-	-	3.0	4.8	-	2.5	7.8	-	2.1	6.8
<b>Total Exports</b>	<b>-</b>	<b>-</b>	<b>61.2</b>	<b>100.0</b>	<b>-</b>	<b>32.3</b>	<b>100.0</b>	<b>-</b>	<b>30.8</b>	<b>100.0</b>

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

\*Goods procured in port by carriers

**Table 28: Destination of Exports**  
**4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016**  
(In Million USD, except otherwise indicated)

Destination of Exports (Countries/Regions)	2015		2016			
	Q-4		Q-3		Q-4	
	Value	% share	Value	% share	Value	% share
<b>Africa</b>	<b>11.6</b>	<b>19.0</b>	<b>11.0</b>	<b>34.2</b>	<b>7.1</b>	<b>23.1</b>
o/w ECOWAS	11.6	100.0	11.0	100.0	7.0	98.0
o/w Neighboring Countries	6.6	56.3	5.4	48.6	5.0	71.3
<b>Asia</b>	<b>9.1</b>	<b>14.9</b>	<b>1.5</b>	<b>4.7</b>	<b>3.0</b>	<b>9.6</b>
o/w China	9.1	100.0	1.1	74.6	2.6	87.2
<b>Europe</b>	<b>20.6</b>	<b>33.6</b>	<b>4.3</b>	<b>13.2</b>	<b>5.1</b>	<b>16.6</b>
o/w Eurozone	11.2	18.4	4.3	13.2	5.1	99.7
<b>North &amp; Central America</b>	<b>9.3</b>	<b>15.1</b>	<b>9.6</b>	<b>29.6</b>	<b>9.3</b>	<b>30.2</b>
o/w United States of America	9.3	100.0	9.6	100.0	9.3	100.0
<b>Middle East</b>	<b>1.4</b>	<b>2.4</b>	<b>2.5</b>	<b>7.8</b>	<b>4.0</b>	<b>13.0</b>
<b>South &amp; Central America</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>
<b>Oceania &amp; the Caribbean</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other Countries (n.i.e)</b>	<b>9.2</b>	<b>15.0</b>	<b>3.4</b>	<b>10.6</b>	<b>2.2</b>	<b>7.0</b>
<b>TOTAL EXPORTS</b>	<b>61.2</b>	<b>100.0</b>	<b>32.3</b>	<b>100.0</b>	<b>30.8</b>	<b>100.0</b>

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

**Table 29: Commodity Composition of Imports**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
(In Million USD, except otherwise indicated)

Commodity Composition of Import	2015		2016			
	Q-4		Q-3		Q-4	
	Value (fob)	% share	Value (fob)	% share	Value (fob)	% share
<b>Food and Live Animals</b>	<b>76.2</b>	<b>19.9</b>	<b>61.9</b>	<b>21.2</b>	<b>76.9</b>	<b>29.0</b>
o/w Commercial Rice	32.5	42.7	20.5	33.1	40.0	52.0
o/w Non-Commercial Rice	1.3	1.8	0.8	1.3	1.0	1.2
<b>Beverages and Tobacco</b>	<b>4.5</b>	<b>1.2</b>	<b>6.2</b>	<b>2.1</b>	<b>4.4</b>	<b>1.7</b>
<b>Crude Material &amp; Inedible, except Fuel</b>	<b>4.7</b>	<b>1.2</b>	<b>4.2</b>	<b>1.4</b>	<b>4.1</b>	<b>1.6</b>
<b>Minerals, Fuel Lubricants</b>	<b>90.6</b>	<b>23.6</b>	<b>72.4</b>	<b>24.8</b>	<b>70.5</b>	<b>26.6</b>
o/w Petroleum products	75.1	81.9	67.6	93.4	61.8	87.7
<b>Animals and Vegetable Oil</b>	<b>5.3</b>	<b>1.4</b>	<b>5.8</b>	<b>2.0</b>	<b>5.1</b>	<b>1.9</b>
<b>Chemicals &amp; related Products</b>	<b>32.0</b>	<b>18.3</b>	<b>23.7</b>	<b>8.1</b>	<b>17.8</b>	<b>6.7</b>
Mfg. Goods classified by Materials	42.4	11.0	40.8	14.0	24.8	9.3
<b>Machinery &amp; Transportation Equipment</b>	<b>118.0</b>	<b>30.7</b>	<b>67.9</b>	<b>23.3</b>	<b>54.4</b>	<b>20.5</b>
<b>Misc. Mfg. Articles</b>	<b>10.2</b>	<b>2.7</b>	<b>8.7</b>	<b>3.0</b>	<b>7.1</b>	<b>2.7</b>
<b>TOTAL IMPORTS</b>	<b>383.8</b>	<b>100.0</b>	<b>291.6</b>	<b>100.0</b>	<b>265.0</b>	<b>100.0</b>

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

**Table 30: Sources of Imports**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Million USD, except otherwise indicated)**

<i>Sources of Imports (Countries/Regions)</i>	<i>2015</i>		<i>2016</i>			
	<i>Q-4</i>		<i>Q-3</i>		<i>Q-4</i>	
	<i>Value (fob)</i>	<i>% share</i>	<i>Value (fob)</i>	<i>% share</i>	<i>Value (fob)</i>	<i>% share</i>
<b><i>Africa</i></b>	97.3	25.3	83.2	28.5	74.8	28.2
<i>o/w ECOWAS</i>	89.8	92.3	74.7	89.8	67.8	90.5
<i>o/w Neighboring Countries</i>	81.8	91.1	70.4	94.2	64.6	95.4
<b><i>Asia</i></b>	119.5	31.1	105.9	36.3	89.5	33.8
<i>o/w China</i>	45.1	37.7	47.5	44.9	44.6	49.8
<b><i>Europe</i></b>	94.2	24.6	49.6	17.0	40.0	15.1
<i>o/w Eurozone</i>	39.9	42.3	27.4	55.2	21.5	53.9
<b><i>North &amp; Central America</i></b>	25.6	6.7	22.7	7.8	20.6	7.8
<i>o/w United States of America</i>	23.8	92.9	21.7	95.6	19.1	92.5
<b><i>Middle East</i></b>	37.0	9.6	22.0	7.5	32.2	12.1
<b><i>South &amp; Central America</i></b>	5.8	1.5	6.6	2.3	6.4	2.4
<b><i>Oceania &amp; the Caribbean</i></b>	4.4	1.1	1.5	0.5	1.5	0.6
<b><i>TOTAL IMPORTS</i></b>	<b>383.8</b>	<b>100.0</b>	<b>291.6</b>	<b>100.0</b>	<b>265.0</b>	<b>100.0</b>

*Source: Customs (Liberia Revenue Authority), Ministry of Land, Mines & Energy and Firestone Liberia, Ltd*

**Table 31: Quarterly Commodity Prices**  
**(3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016; 1<sup>st</sup> Quarter 2017)**  
**(In US\$ per Unit)**

<b>Commodity Prices</b>	<b>Units</b>	<b>2016</b>		<b>2017</b>
		<b>Actual</b>		<b>Projection<sup>+</sup></b>
		<b>Q-3</b>	<b>Q-4*</b>	<b>Q-1</b>
<b>Iron ore</b>	USD/MT	57.9	70.0	58.7
<b>Rubber</b>	USD/MT	1,677.4	1,924.5	1660.4
<b>Cocoa Beans</b>	USD/MT	2,987.9	2,499.6	2,091.0
<b>Palm Oil</b>	USD/MT	647.0	677.7	709.9
<b>Gold</b>	USD/OZ	1,334.5	1,220.7	1254.7
<b>Crude oil</b>	USD/BBL	44.7	49.6	53.8
<b>Rice</b>	USD/MT	418.2	365.4	333.6
<b>Global Commodity Price</b>	Index	102.4	109.8	97.9

*Source: Central Bank of Liberia; www.indexmundi.com; www.imf.org*

*\* Revised*

*+ based on staff projection*

**Table 32: Inward & Outward Personal Remittances**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Millions, USD)**

<b>Personal/Workers' Remittances</b>	<b>2015</b>	<b>2016</b>	
	<b>Q-4</b>	<b>Q-3</b>	<b>Q-4</b>
Personal Inward Remittances	134.2	149.2	136.9
Personal Outward Remittances	64.2	68.3	104.8
<b>Net Personal Inward Remittances</b>	<b>70.0</b>	<b>80.9</b>	<b>32.1</b>

*Source: Central Bank of Liberia*

**Table 33: Stock of International Reserves**  
**(4<sup>th</sup> Quarter, 2015; 3<sup>rd</sup> & 4<sup>th</sup> Quarters, 2016)**  
**(In Million USD, except otherwise indicated)**

<b>Quarter</b>	<b>2015</b>	<b>2016</b>	
	<b>Q-4</b>	<b>Q-3</b>	<b>Q-4</b>
Gross Foreign Reserves	560.6	559.9	587.5
Net Foreign Reserves	164.0	166.2	183.1
<i>Months of Imports Cover</i>	3.4	4.5	5.1

*Source: Central Bank of Liberia*