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TABLE OF CONTENTS

OVERVIEW.....	ii	—	v
I. Developments in the World Economy	1	—	4
II. Domestic Production and Consumer Prices.....	5	—	16
III. Monetary and Financial Developments.....	17	—	31
IV. Fiscal Developments.....	32	—	43
V. Foreign Trade.....	44	—	56
STATISTICAL APPENDIX.....	57	—	73

OVERVIEW

Economic growth in several key economies during the second quarter slowed, weighed down by domestic fiscal adjustments, tight credit conditions and sluggish labor market. The hope of immediate recovery of the global economies remains dampened with increase in financial market and sovereign stress in the euro area during the review quarter. The global economic growth for 2012 and 2013 were projected at 3.5 percent and 3.9 percent, respectively. For the first quarter, 2012, the global economic growth rate increased by 0.25 percentage point to 3.6 percent.

The economic growth forecast for the United States of America was revised to 2.0 percent, from an earlier projection of 2.1. The US economy grew at an annual rate of 1.5 percent in the second quarter against 2.0 percent in the first quarter. In the absence of strong troubleshooting measures, the U.S. economy could again slip into another recession, propelling a sharp global economic slowdown. For the euro area, growth in the advanced economies is projected to contract to 0.3 percent in 2012 and 0.7 percent during 2013, reflective of weaker economic activities.

Growth momentum in emerging market economies in Asia has slowed with a revised projected growth rate of 7.1 percent, from 7.7 percent projected earlier. Sub-Saharan Africa remained relatively insulated from external shocks with a projected growth rate of 5.4 percent in 2012, a 0.1 percentage point lower than the April forecast.

The domestic economy is projected to grow at 8.7 percent in 2012, driven by continued strong growth in the mining sector and rising activity in construction and other services. During the quarter under review, rubber production slowdown mainly due to a fall in the supply of the commodity as cocoa output also declined partly on account of unfavorable weather condition. On the other hand, total production of round logs expanded primarily due to the rehabilitation of port facilities in the country.

At end-June, 2012, output of gold stood at 5,504 ounces with a growth rate of 18.1 percent which was influenced by hike in the international price of the commodity. In contrast, diamond output fell by 26.3 percent; when matched against the corresponding quarter of 2011, it declined by 30.5 percent. All the outputs in the manufacturing sub-sector recorded

decline except spirit, stout, soft drink and finished water during the second quarter, 2012. Similarly, consumption of petroleum products at end-June, 2012, declined mainly on account of low importation of Diesel (AGO). Headline inflation stood at 7.2 percent for the quarter ended June, 2012, chiefly influenced by substantial decline in transport inflation, down from 9.3 percent recorded in the preceding quarter.

Commercial bank loans and advances in the economy grew by 2.2 percent which was partly influenced by growth in the economic activities in both the private and public sectors. A sectoral distribution of total loans during the review quarter indicates that Trade, Hotel & Restaurant accounted for domineering share, 43.1 percent, followed by construction, 8.3 percent, while the remaining was distributed among the rest of the sectors. Average lending, personal loan and certificate of deposits (CD) rates recorded increases for the review quarter by 0.16 percentage points, 0.12 percentage points and 1.00 percentage points, respectively. Conversely, average mortgage rate declined by 1.14 percentage points, while savings and time deposit rates remained stable at 2.02 and 3.80 percent, respectively.

The overarching monetary policy stance of the CBL remains the achievement of broad exchange-rate and price-level stability within the domestic economy.

Currency in circulation at end-June, 2012, declined by 0.6 percent when compared with L\$7,339.6 million recorded at the end of the preceding quarter of 2012, largely influenced by a 1.2 percent fall in currency outside banks. The level of both narrow money stock and broad money in the economy expanded during the review quarter by 18.3 percent and 13.1 percent, respectively. The growth in these two categories of money supply was predominantly due to 24.4 percent expansion in demand deposits and growth in M1, respectively.

The average exchange rate of the Liberian dollar vis-à-vis the US dollar temporarily came under pressure during the review quarter, depreciating by 2.6 percent to L\$75.54 /US\$1.00 at end-June, 2012. However, the end-of period rate showed sign of improvement with a moderate depreciation by 0.7 percent to L\$74.50/US\$1.00, from L\$74.00/US\$1.00. The CBL has taken a number of measures to curb the waves of depreciations in the reporting quarter. The foreign exchange auction for the review quarter increased by 89.1 percent compared to US\$12.8 million reported at end-March, 2012. The sharp rise was primarily occasioned by CBL's aggressive campaign to stabilize the exchange rate.

Total inward remittance during the review quarter declined by 7.9 percent to US\$337.8 million, over the US\$366.7 recorded for the preceding quarter. The slump was mainly due to 40.8 percent and 16.2 percent reductions in export receipts and workers' remittance inflows. Conversely, total remittance outflows for the quarter increase by 35.9 percent when compared with US\$280.7 million reported at end-March, 2012, occasioned by 76.9 percent increase in outward workers' remittances.

At end-June, 2012, fiscal operations revealed excess government revenue over expenditure by L\$529.8 million or 5.9 percent. The growth in total revenue was mainly influenced by huge increases in major tax revenue components such as international trade taxes, taxes on income & profits, and sale taxes on goods & services. Total government outlays increased by L\$888.8 million, representing 10.9 percent compared to the corresponding quarter, 2011, it contracted by US\$128.7 million or 1.4 percent. Recurrent expenditure amounted to L\$7,912.5 million, while Capital expenditure during the period under review amounted to L\$991.1 million, 35.6 percent more than the outlay in the preceding quarter, 2012. Almost all of the expenditures by various sectors recorded increases when compared to the preceding and corresponding quarters, except expenditure on social & community services.

The overall public debt stock at end-June, 2012 stood at US\$570.5 million, from US\$533.2 million at end-March, 2012 reflecting an increase of 6.9 percent. During the period under review, total external debt stock increased to US\$274.1 million, from US\$ 256.8 million at end-March, 2012, primarily due to new disbursements of IMF and World Bank credits. On the domestic front, total debt stock for Liberia rose by 7.2 percent to US\$296.4 million at end-June, 2012, from US\$276.4 million during the preceding period.

Total trade position for the second quarter, 2012 stood at US\$423.0 million, down from US\$695.0 million reported at end-March, 2012, representing 39.1 percent fall. Though the trade deficit improved significantly by 51.6 percent at end-June, 2012, the continuous deficit mirrors the import driven nature of the Liberian economy.

During the review quarter, North America became the dominant destination of Liberia's exports, followed by Middle East accounting for 33.6 percent and 30.3 percent shares of total exports. Other destinations were Europe, Asia and ECOWAS sub-region. North America was

also the main source of the country's imports during the review quarter, accounting for about 32.2 percent.

I. DEVELOPMENTS IN THE WORLD ECONOMY

The global economic environment remained challenging in the second quarter, due mainly to vulnerabilities in several key economies. Growth in several key economies slowed, weighed down by domestic fiscal adjustments, tight credit conditions and sluggish labor markets. Growth momentum in Asia also moderated, particularly in the more open economies, reflecting the slowing external demand. Global recovery, which has not been robust enough showed further weaknesses in the second quarter.

Conditions in the international financial markets deteriorated as market confidence was affected by the European sovereign debt crisis and the weakening growth prospects in several of the major economies. Financial market and sovereign stress in the euro area have increased, close to end-2011 levels. Growth in some major emerging market economies has been lower than forecast, partly because of a slightly better-than-expected first quarter estimates. The revised baseline projections by the IMF suggest that these developments will only result in a minor setback to the global outlook, with global growth at 3.5 percent in 2012 and 3.9 percent in 2013, somewhat lower than in the April 2012 (WEO)

The IMF in its WEO of July 2012 asserts that global growth increased to 3.6, representing a 0.25 percentage point rise compared with the forecasts presented in the April 2012 (WEO). . The unexpected rise in global output was partly due to temporary factors, among them easing financial conditions and recovering confidence in response to the European Central Bank's (ECB's) longer-term refinancing operations (LTROs). Global trade rebounded in parallel with industrial production in the same quarter, which, in turn, benefited trade-oriented economies, notably Germany and those in Asia.

Despite the increase in global output, growth in a number of major emerging market economies has been lower than forecast. Job creation has been hampered, with unemployment remaining high in many advanced economies, especially among the emerging economies in the euro area. Increasing stress in periphery economies has manifested itself into unfavorable economic situations, such as unhealthy capital outflows, a renewed surge in sovereign yields, adverse feedback loops between sovereign stresses and banking sector funding problems, increases in liabilities of periphery central banks, further bank

deleveraging, and contraction in credit to the private sector. The stabilizing effects of the ECB's LTROs in affected European financial markets have thus eroded.

On the real side, leading economic indicators signify renewed contraction of activity in the euro area as a whole in the second quarter. The baseline projections in the WEO Update incorporate weaker growth through much of the second half of 2012 in both advanced and key emerging market economies. Overall, global growth is projected to reduce to 3.5 percent in 2012 and 3.9 percent in 2013, representing 0.1 and 0.2 percentage point, respectively.

1.1 The U.S. Economy

The IMF growth forecast for the U.S. was trimmed to 2.0 percent this year, from 2.1 percent in April. The US economy expanded by a modest growth rate of 2.2 percent on an annual basis in the second quarter. The US economy grew modestly at 1.5 percent on annualized basis in the second quarter due mainly to slower demand activities. Private consumption was sluggish on the back of decline in net financial wealth and weaker labor market conditions.

1.2 The euro area

Projections are that growth in advanced European economies will contract to 0.3 percent in 2012 and 0.7 percent in 2013, a downward revision of 0.2 percentage point for 2013 relative to the April 2012 WEO. The downward revision mostly reflects weaker activity in the euro area, especially in the affected economies, where the dampening effects from uncertainty and tighter financial conditions will be strongest. Growth in most other advanced economies will also be slightly weaker owing largely to negative spillover effects, including uncertainty, although lower oil prices will likely restrain these adverse effects.

Growth in the euro area weakened in the second quarter as domestic demand continued to decline due mainly to high uncertainties relative to the sovereign debt crisis. Activities in the manufacturing sector experienced a significant contraction in both the core and peripheral economies occasioned by weakened private sector sentiments. Amid sluggish global demand, exports also moderated. Economic activity, mainly in the crisis-affected economies, slowdown further, driven by tighten fiscal measures, growing unemployment and fragile banking sectors which hindered the flow of credit to both households and businesses.

1.3 Asia

Growth momentum has also slowed in various emerging market economies in the second quarter. A revised growth projection of Asia is 7.1, a 0.6 percentage point lower than April's forecast. . The revision largely reflects a weaker external demand. Growth performance in the region, however, reflected divergent paths largely indicating the degree of openness of the economies. The overall economic activity mainly leaned on domestic demand for support against sluggish external environment. Several emerging market economies have also been adversely affected by growing investor risk aversion and growth uncertainty. The perceived uncertainty has led to equity price declines, unfavorable capital outflows and currency depreciation. Policymakers in emerging Asia are stepping up efforts to stimulate growth. Given the low level of government debt burdens and high public savings, there are positive outlook for the region to be spared from the worst scenarios.

Growth in China slowed down to 7.6 percent during the second quarter, 2012, from 8.1 percent mainly due to decline in manufacturing activity. The rebound in the manufacturing sector in Singapore which, although was offset by a slight decline in the construction industry influenced a modest growth of 2.0 percent, from 1.5 percent recorded during the preceding quarter of 2012. The growth rates of both the Korean and Taiwan economies declined to 2.4 percent and -0.2 percent, respectively. The two economies experienced contraction in private consumption and slowdown in investment activities.

1.4 Latin America

Growth outlook in Latin America and the Caribbean is expected to moderate in 2012, but will remain solid, according to the IMF latest assessment of the region. The projected growth rate of 3.75 percent for 2012 has been revised to 3.4 percent.. It is projected that growth in 2013 will step up to 4.2 percent given favorable external conditions such as high commodity prices and cheap and abundant external financing which expected to stimulate domestic demand and credit.

1.5 Sub Saharan Africa

Africa's growth momentum subsided in the first six months of 2012, reflecting weakening external demand, mainly from China and Europe, and falling commodity prices. However, domestic demand from African countries is forecast to remain steady and sustain real GDP

growth of around 4.5 percent for 2012, underpinned by relatively high base product prices, ongoing investment, monetary policy restructuring in some countries, and lower inflation rates. There are however, downside risks, given the fragility of the global recovery and reduced demand for commodity exports from advanced and emerging economies. The IMF forecasts that growth in sub-Saharan Africa for 2012-13 is expected to remain robust due to the region's relative insulation from external financial shocks.

Table 1: World Economic Indicators

	2010	2011	Projections		Difference from April Estimates	
			2012	2013	2012	2013
World Output	5.3	3.9	3.5	3.9	-0.1	-0.2
Advance Economies	3.2	3.9	1.4	1.9	0	-0.2
United States	3.0	1.7	2	2.3	-0.1	-0.1
Euro Area	1.9	1.4	-0.3	0.7	0	-0.2
Japan	4.4	-7	2.4	1.5	0.4	-0.2
United Kingdom	2.1	0.7	0.2	1.4	-0.6	-0.6
Canada	3.2	2.5	2.1	2.2	0.1	0.0
Emerging and Developing Economies	7.5	6.2	5.6	5.9	-0.1	-0.2
Central & Eastern Europe	4.5	5.3	1.9	2.8	0.0	-0.1
Developing Asia	9.7	7.8	7.1	7.5	-0.3	-0.4
China	10.4	9.2	8	8.5	-0.3	-0.3
India	10.6	7.2	6.1	6.5	-0.7	0.7
Latin America & the Caribbean	6.2	4.5	3.4	4.2	-0.3	0.1
Middle East & North Africa	4.9	3.5	5.5	3.7	1.3	0.0
Sub-Sahara Africa	5.3	5.1	5.4	5.3	-0.1	0.0
Consumer Prices						
Advance Economies	1.6	2.7	2.0	1.6	0.1	-0.1
Developing and Emerging Economies	6.1	7.2	6.3	5.6	0.1	0.0

Source: WEO July 2012

II. DOMESTIC PRODUCTION AND CONSUMER PRICES

2.1 Introduction

The growth rate of the economy for 2012 was initially estimated to be 9.5 percent, assuming a much higher growth in Agriculture & Fisheries, Forestry and Mining & Panning sectors. Projected production levels of iron ore and rubber have been revised downward, bringing the rate of growth to an estimated 8.8 percent. The level of economic growth is expected to be driven by the mining sector.

The performance of the real sector was mixed during the quarter with activities in the agriculture sub-sector, on the decline, while data on industrial sub-sector shows both increase and decrease. The inflationary situation improved during the quarter, primarily on account of decline in the transport sub-sector in the consumer basket.

2.2 Sectoral Review

2.2.1 Agriculture and Forestry

Agricultural production during the second quarter of 2012 recorded low output (Table 2).

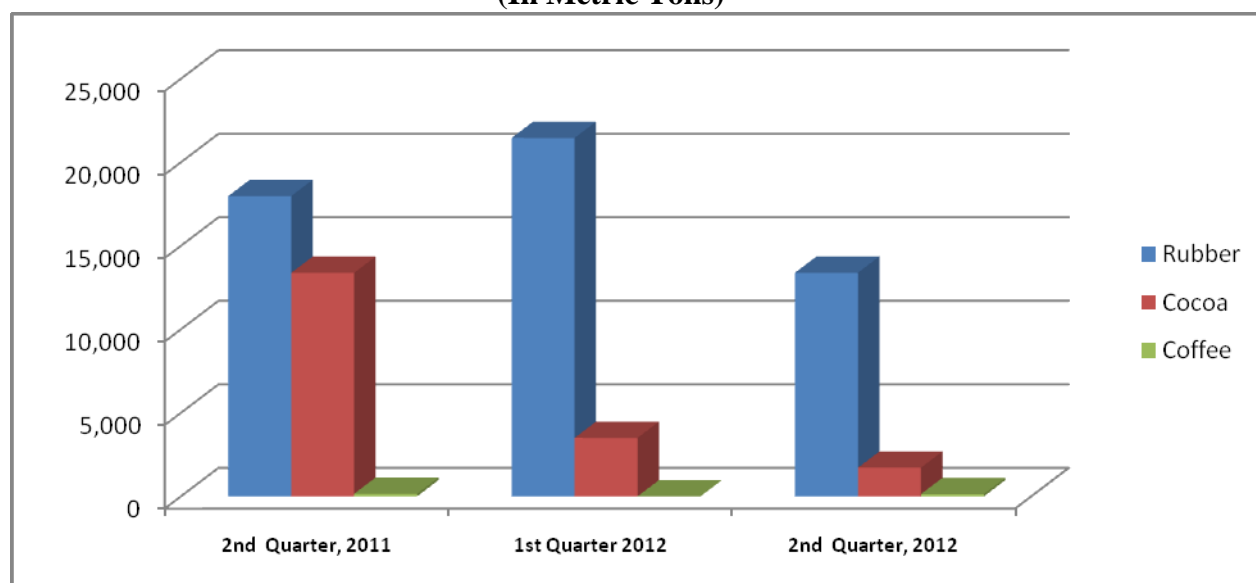
Table 2: Key Agricultural Production
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)

Commodity	Unit	2 nd Quarter, 2011	1 st Quarter 2012	2 nd Quarter, 2012
Rubber	Mt	17,972	21,455	13,387
Cocoa	Mt	13,376	3,497	1,713
Coffee	Mt	154	NA	135
Round Logs	M3	20,342	44,943	53,523
Sawn Timber	Pcs	121,131	97,700*	61,576

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

** Revised*

Chart 1: Key Agricultural Production
(2nd Quarter 2011; 1st & 2nd Quarters, 2012)
(In Metric Tons)



a. Rubber

During the quarter, rubber production declined to 13,387 metric tons, from 21,455 metric tons in the previous quarter (Table 2 Chart 1). The 37.6 percent fall in production was largely due to low supply of the commodity. Rubber production at the end of the current quarter was 25.5 percent lower than the production level a year ago (Table 2 & Chart 1).

b. Cocoa & Coffee

Cocoa production fell to 1,713 metric tons, from 3,497 metric tons produced in the preceding quarter, a decline of 51.0 percent or 1,784 metric tons. The reduction in output was mainly due to the raining season. The current level of production was 11,663 metric tons lower than the output in the same period of 2011.

Quarterly analysis on coffee could not be done due to unavailability of data on the commodity in the preceding quarter. However, on a year-on-year basis, output of the second quarter 2011 exceeded the review quarter by 19 metric tons.

c. Sawn Timber

The pieces of sawn timber produced during the review quarter totalled 61,576, compared with 110,945 pieces during the preceding quarter. The 44.5 percent reduction in output was largely a result of halt in sawn timber production by unlicensed timber producers in the

country. Matched against the production of the corresponding quarter of 2011, current output declined by 59,555 pieces (Table 1).

d. Round Logs

Round logs produced during the review quarter was 52,523 cubic meters, from 44, 943 cubic meters at end-March, 2012. The expansion in output was primarily due to the rehabilitation of port facilities throughout the country. Compared with the same quarter in 2011, round logs production exceeded that of the corresponding period in 2011 by 33, 181 cubic meters.

2.3 Industrial Production

a. Mining (Gold and Diamond)

i. Gold

During the reporting quarter, output of gold totalled 5,504 ounces. The production level was 18.1 percent higher than the output level of the preceding quarter. The rise in output was on account of the increase in the international price of the commodity. Compared with the output of the second quarter of 2011, current production increased by 759 ounces.

ii. Diamond

Diamond output during the quarter fell by 2,618 carats, from 9,945 carats mined in the previous quarter to 7,327 carats for the reporting quarter. The shifting of manpower from diamond mining to gold mining was mainly responsible for the low output. Matched against the second quarter of 2011, current output declined by 3,208 carats or 30.5 percent.

b. Manufacturing

Except for spirit, stout, soft drink and finished water, production in the manufacturing sector exhibited a decline (Table 3). The slowdown was generally attributed to inadequate supply of public electricity and growing cost of raw materials.

i. Cement

Cement production decreased during the quarter, primarily due to slow-down in construction activities in the country as a result of the raining season. A total of 33,749 metric tons of

cement was manufactured compared with 37,703 metric tons produced in the previous quarter. On a year-on-year basis, production level for the quarter was 69.0 percent or 13,777 metric tons higher than the level recorded for the second quarter of 2011.

ii. Beverages

During the reporting quarter, beverages output registered a decline of 1.3 percent to 7.3 million liters, from 7.4 million liters produced during the preceding quarter. The slight reduction in output was mainly influenced by the low production of beer and malta.

A disaggregation of the output indicates that alcoholic beverages (beer, stout and spirit) represented 50.7 percent, while non-alcoholic beverages (malta and soft drink) accounted for 49.3 percent. Production of beverages in the second quarter fell by 9.9 percent when match against the level of output a year ago (Table 3).

iii. Soap

Production of soap at the end of the second quarter, 2012 was 80,967 kilograms, reflecting a decline of 35.0 percent, from 124,559 kilograms produced at end-March, 2012. Low supply of raw materials was partly responsible for the reduction in output. When view against production in the same quarter of 2011, current production was 41,267 kilograms lower.

Table 3: Key Industrial Output
(2nd Quarter, 2011; 1st & 2nd Quarters, , 2012)

Commodity	Unit	2 nd Quarter, 2011	1 st Quarter 2012	2 nd Quarter, 2012
Diamond	Carat	10,535	9,945	7,327
Gold	Ounce	4,745	4,660	5,504
Cement	Mt	19,972	37,703	33,749
Spirit	Litre	186,840	163,796+	188,921
Beer	Litre	2,783,748	2,367,719	2,265,281
Stout	Litre	1,321,333	1,127,024	1,246,560
Malta	Litre	297,784	256,616	136,454
Soft Drinks	Litre	3,480,345	3,430,166+	3,439,541
Oil Paint	Gal.	7,680	10,750	8,474
Water Paint	Gal.	56,538	70,107	69,995
Varnish	Gal.	1,920	2,687	2,118
Manoline Hair Grease	Kg.	11,634	10,021+	10,088
Soap	Kg.	122,243	124,559+	80,967
Candle	Kg.	128,352	84,147+	71,453
Chlorox	Litre	291,763	177,808+	167,660
Rubbing Alcohol	Litre	90,118	31912+	59,150
Thinner	Gal.	7,825	4,090	3,980
Mattresses	Pcs.	40,068	29,853	25,764
Finished Water	Gal.	440,753,978	597,807,215*	564,165,091*

*Estimate +Revised

iv. Paint (Oil and Water)

Paint production at end-June, 2012 totalled 78,469 gallons, from 80,857 gallons produced during the previous quarter. The 3.0 percent decrease in output was mainly attributed to low supply of raw materials and seasonality. Of the total paint manufactured, oil paint accounted for 10.8 percent; while water paint represented 89.2 percent. Annual comparison indicates that the output for the quarter increased by 22.2 percent, compared with the production level recorded for the corresponding quarter of 2011 (Table 3).

v. Candle

Candle production for the review quarter totalled 71,453 kilograms, from 84,147 kilograms. The fall in production by 12,721 kilograms or 15.1 percent was mainly driven by the proliferation of dry cell fluorescent lights. Yearly comparison shows that, output at end June, 2012 declined by 56,899 kilograms when matched against the production level a year ago.

vi. Mattresses

Production of mattresses at end-June, 2012 plummeted by 13.7 percent to 25,764 pieces, from 29,853 pieces for the second quarter of 2012. The reduction in the output of mattresses was mainly due to an external increase in the cost of raw materials. When viewed against output of the corresponding quarter of 2011, current production declined by 14,304 pieces.

vii. Water supply

Water supplied during the second quarter, 2012 was estimated at 564.2 million gallons, from 597.8 million gallons produced a quarter ago, reflecting a decline of 5.2 percent. Yearly comparison showed that output of water in the current quarter was 123.4 million gallons higher than the same period in 2011.

2.4 Consumption of Petroleum Products

Petroleum consumption during the quarter ending June 30, 2012 amounted 28,039,046 gallons, from 28,082,278 gallons in the preceding quarter. The 43,232 gallons declined in consumption was mainly due to the low importation of Diesel (AGO) (Table 4 Chart 2).

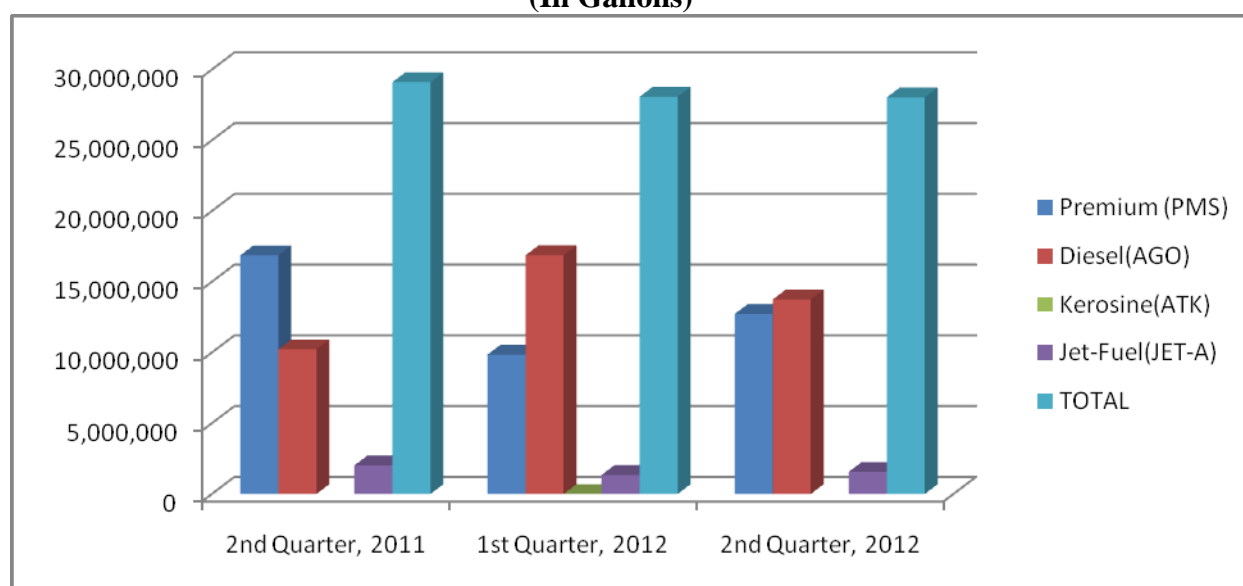
Of the total volume of petroleum products consumed, Premium Motor Spirit (PMS) accounted for 45.4 percent; Diesel (AGO), 49.0 percent; and Jet-fuel (Jet-A), 5.6 percent. Compared with the second quarter of 2011, petroleum products consumed during the review quarter was 1,078,137 gallons lower (Table 4 & Chart 2).

Table 4: Consumption of Petroleum Products
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Gallons)

Commodity	Unit	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
Premium(PMS)	Gallon	16,870,516	9,856,195	12,724,896
Diesel(AGO)	Gallon	10,224,333	16,877,704	13,748,451
Kerosene(ATK)	Gallon	-	-	-
Jet-Fuel(JET-A)	Gallon	2,022,334	1,348,379	1,565,699
Total		29,117,183	28,082,278	28,039,046

Source: Ministry of Commerce, Monrovia, Liberia

Chart 2: Consumption of Petroleum Products
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Gallons)



2.5 Sea Port Developments

Data for the second quarter of 2012 on sea port developments was not available up to the time of publication.

2.6 Price Developments

2.6.1 Global Inflation

Global inflation eased to 2.5 percent in April 2012, as a result of persistent capacity underutilization and high unemployment rates in major economies which continue to have a

moderating effect on inflation. In response to the slowdown in economic growth of the major advanced countries, crude oil prices in the international market have settled below US\$100 per barrel. Other commodity prices have also suffered declines. Global consumer price inflation is projected to remain contained as demand softens and commodity prices falls as a result of weak aggregate demand, abundant labor supplies in the U.S. and U.K and Southern Europe, and strong competitive pressures. As a result of these developments in the world economy, headline inflation for Advance Economies is expected to slip from 2.7 percent in 2011 to 2.0 percent in 2012 and 1.6 percent in 2013 while Emerging and Developing Economies inflation is projected to decline from 7.2 percent in 2011 to 6.3 percent in 2012 and 5.6 percent in 2013 (Table 1).

2.6.2 Domestic Inflation

In the domestic market, inflation stabilised around 7.0 percent during the second quarter of 2012. This was as a result of a substantial decline in transport inflation. Annual inflation declined from 9.3 percent at the end of the first quarter of 2012 to 7.2 percent for the quarter ended June, 2012.

Food inflation decreased moderately to 11.1 percent from 12.9 percent in the preceding quarter, having recorded 9.3 percent in the corresponding quarter of 2011. Non-food inflation declined dramatically to 3.3 percent from 6.4 percent in the first quarter of 2012.

Chart 3: Quarterly Inflationary Trends (percent)

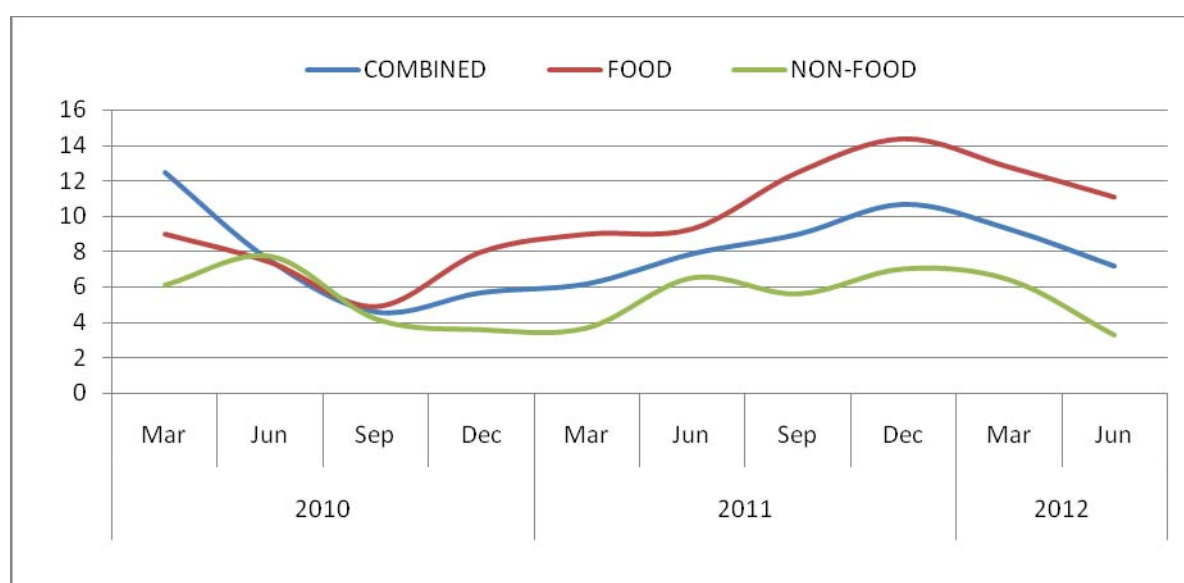
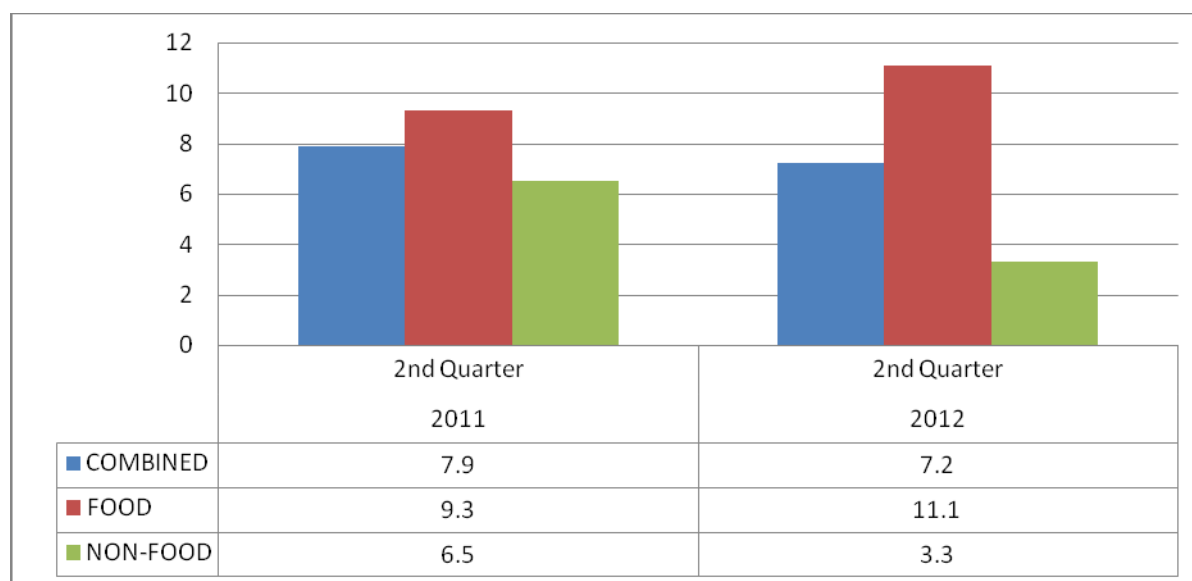


Chart 4: Quarterly Changes in CPI (percent)



2.6.3 Inflation by Group

Matched against the second quarter of 2011, the developments in the sub-groups in the consumer basket showed a mixed outcome. While Communication and Restaurants and Hotels sub-groups collectively led in driving up overall inflation, the remaining sub-groups except Health, Furnishings and Education recorded lower rates of inflation.

In the Food group, Leaf/Stem vegetables recorded the highest average inflation of 33.0 percent at end-June, 2012, higher than 17.7 percent reported in the same period of 2011. This was followed by Eggs, 27.0 percent (48.2 percent in the same period of 2011); Dried fruits, 14.5 percent (6.7 percent in the same period of 2011); Banana, 13.9 percent (2.2 percent at the end of the second quarter of 2011); Rice, 11.7 percent (1.4 percent in the same period of 2011); Spirits, 10.9 percent (6.6 percent in the same quarter of 2011). In spite of rising prices in the above mentioned commodities, Tea and Green Pepper recorded the lowest inflation rates of negative 19.3 and 4.1 percent, respectively compared with 0.7 percent for tea and 0.0 percent for pepper in the corresponding period of 2011.

In the non-food group, furnishing, recorded the highest average inflation rate of 7.7 percent in the second quarter of 2012, from negative 1.4 percent a year ago. This was followed by Housing, Water, Electricity, Gas and other Fuel, 4.5 percent (6.2 percent in the same period of 2011); Miscellaneous Goods and Services, 3.7 percent (0.7 percent in the same period of

2011); Clothing and Footwear, 3.6 percent (8.6 percent at end-June, 2011); Hotel and Restaurants, 3.1 percent (2.6 percent in the same quarter a year ago). Recreation and culture, however, recorded the least average inflation of 0.1 percent in 2012 compared with 6.4 percent observed in the same period of 2011, while Education and Health sub-groups remained flat.

2.6.4 Contributions to changes in CPI

The Food and Non-Alcoholic Beverages group contributed on average, 70.0 percent towards the overall inflation in the second quarter of 2012, up from a contribution of 53.3 percent in the preceding year. The contribution of the non-food group, however, decreased to 30.0 percent in the review period from 53.1 percent observed in the corresponding quarter in 2011. The significance of the non-food group to overall inflation continued to be subdued, while the contribution of food inflation increased in the review quarter. This may be accounted for by the reduction in petroleum prices.

2.6.5 Outlook for Inflation

Although inflation is expected to remain in single digit, there are some domestic and external factors that may pass through to inflation in the near future. These include the fears of global food prices, the rising crude oil prices and fiscal pressures.

Table 5: Headline and Quarterly Changes in CPI (percent)

		Headline Inflation (yr-on-yr changes)			Monthly Changes in HCPI (percent)		
		Combined	Food	Non-Food	Combined	Food	Non-Food
2010	Jan	12.9	9.4	16.5	4.8	7.1	2.6
	Feb	11.4	6.7	16.3	-2.0	-4.4	0.4
	Mar	13.2	10.9	15.5	0.9	2.4	-0.4
	Apr	11.9	8.7	15.2	-0.4	-1.0	0.2
	May	8.0	12	4.5	1.3	2.6	0.0
	Jun	2.5	1.4	3.5	0.5	0.1	0.9
	Jul	4.7	4.2	5.1	3.3	4.6	2.0
	Aug	3.8	3.5	4.2	1.2	2.2	0.2
	Sep	5.2	7.1	3.2	1.3	2.9	-0.3
	Oct	4.9	7.3	2.6	-2.2	-3.5	-1.0
	Nov	5.7	7.7	3.7	-0.8	-0.9	-0.6
	Dec	6.6	9.0	4.4	-1.3	-3.0	0.5
2011	Jan	4.7	6.3	3.2	3.0	4.5	1.4
	Feb	7.5	12.6	2.7	0.6	1.2	-0.1
	Mar	6.5	8.1	5.1	0.0	-1.7	1.9
	Apr	7.4	9.0	5.8	0.4	-0.2	1.0
	May	7.6	7.9	7.2	1.4	1.6	1.3
	Jun	8.8	11	6.6	1.7	3.0	0.3
	Jul	10.6	15.7	5.6	5.0	9.0	1.1
	Aug	10.3	15.2	5.4	0.9	1.8	-0.1
	Sep	6.2	6.7	5.7	-2.4	-4.6	0.0
	Oct	10.7	14.6	6.7	1.9	3.7	0.0
	Nov	9.9	12.5	7.3	-1.5	-2.8	-0.1
	Dec	11.5	16.1	7.0	0.1	0.1	0.2
2012	Jan	8.93	11.92	5.94	0.63	0.80	0.45
	Feb	10.30	13.59	6.59	1.82	3.07	0.50
	Mar	8.69	12.79	6.59	-1.41	-2.74	0.00
	Apr	7.67	11.71	3.77	-0.53	-1.12	0.13
	May	6.69	10.35	3.13	0.51	0.38	0.65
	Jun	7.08	11.17	3.01	2.03	3.80	0.20

**Table 6: Inflation by sub-groups: Year-on-Year Changes in CPI (percent):
2010-2012**

Food Group	Weight	Q4-11	Q2-11	Q4-11	Q1-12	Q2-12	Non-Food Group	Weight	Q1-11	Q2-11	Q4-11	Q1-12	Q2-12
Rice	10.3	11.66	1.39	18.00	2.48	11.72	Alcoholic Beverages, Tobacco	6.11	11.01	9.41	9.77	7.33	1.67
Bread	1.11	0.00	0.00	0.00	6.17	0.00	Clothing & Footwear	3.53	5.71	8.55	4.58	3.90	3.63
Fresh Fish	4.32	32.01	39.40	19.37	30.56	3.71	Housing, Water, Elect, Gas & Fuels	12	3.81	6.19	6.73	7.35	4.48
Eggs	0.48	23.53	48.24	100.01	27.12	26.99	Furnish, H/H Equip, & Rout Maint	7.75	-3.09	-1.38	12.15	7.65	7.73
Banana	0.63	-46.34	2.24	15.02	23.20	13.88	Health	3.03	0.00	0.00	-0.22	0.00	0.00
Dried Fruits	1.09	21.29	6.70	7.41	14.37	14.50	Transport	5.25	10.86	23.16	18.69	12.84	2.59
Leaf/Stem vegetables	2.31	9.78	17.68	29.45	47.88	33.01	Communications	4.64	5.67	5.82	0.19	0.17	0.37
Sugar	1.27	-10.57	-7.54	11.39	94.04	21.27	Recreation & Culture	3.91	1.60	6.43	4.63	3.91	0.07
Tea	0.03	-3.94	0.70	2.06	3.08	-19.27	Education	3.85	0.00	0.00	0.00	0.00	0.00
Spirits	0.61	18.48	6.55	4.46	3.28	10.90	Hotel & Restaurants	3.2	3.73	2.55	2.85	2.61	3.09
Beer	1.11	7.85	8.09	17.00	13.02	4.15	Miscellaneous gds & serv.	1.53	-3.57	0.71	1.59	4.84	3.69
Palm Oil	2.58	10.60	11.35	-2.66	1.14	0.51							

Table 7: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(December, 2005=100)

FUNCTION	WEIGHT	11-Apr	11-May	11-Jun	1st Quarter	12-Jan	12-Feb	12-Mar	1st Quarter	12-Apr	12-May	12-Jun	2nd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	45.2	9.03	7.94	11.04	9.34	11.91	13.95	12.79	12.88	11.72	10.35	11.16	11.08
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	10.92	8.9	8.42	9.41	8.63	8.93	4.43	7.33	2.85	1.86	0.29	1.67
CLOTHING AND FOOTWEAR	7.75	8.29	9.28	8.07	8.55	3.43	3.99	4.28	3.9	3.26	3.53	4.1	3.63
ELECTRICITY, GAS AND OTHER FUELS	12	5.62	6.8	6.15	6.19	6.61	8.07	7.36	7.35	4.36	4.74	4.35	4.48
EQUIPMENT AND ROUTINE MAINTENANCE OF THE	5.25	-1.52	-0.56	-2.05	-1.38	7.81	7.41	7.73	7.65	7.34	7.65	8.21	7.73
HEALTH	3.91	0	0	0	0	0	0	0	0	0	0	0	0
TRANSPORT	6.11	20.61	24.42	24.44	23.16	16.97	16.46	5.07	12.84	5.13	1.44	1.19	2.59
COMMUNICATION	1.53	5.77	5.97	5.72	5.82	0.1	0.18	0.23	0.17	0.32	0.36	0.44	0.37
RECREATION AND CULTURE	3.85	6.3	6.82	6.17	6.43	4.35	4.58	2.81	3.91	-0.08	0.03	0.24	0.07
EDUCATION	3.2	0	0	0	0	0	0	0	0	0	0	0	0
RESTUARANTS AND HOTELS	4.64	1.79	2.92	2.91	2.55	2.28	2.79	2.77	2.61	3.23	3.46	2.59	3.09
MISCELLANEOUS GOODS AND SERVICES	3.53	-2.32	2.69	1.75	0.71	1.54	6.65	6.32	4.84	6.05	2.12	2.89	3.69
GENERAL RATE OF INFLATION	100	7.39	7.58	8.78	7.92	8.93	10.3	8.69	9.31	7.67	6.69	7.08	7.15

III. MONETARY AND FINANCIAL DEVELOPMENTS

Money and Banking

3.1 Banking Developments

Developments in the banking sector at end-June, 2012 maintained a stable growth in total assets; loans and deposits. The banking system continued to be well capitalized and liquid. However, profitability remains a challenge due to poor asset quality of a number of banks as a result of general macroeconomic environment and high loan loss provisions driven by weak credit administration.

Data on the banking industry for the quarter ended June, 2012 indicate that the industry's balance sheet, in terms of total assets, expanded by 6.9 percent to US\$783.0 million compared with the amount recorded during the previous quarter. On a year-on-year basis, total assets grew by 28.9 percent when match with the corresponding period in 2011. As at June 30, 2012, total loans and advances grew by 2.2 percent when compared to the preceding quarter and 22.0 percent over the same period a year ago.

Deposits remains the dominant source of financing of the banks' asset base and recorded a marginal growth rate of 1.8 percent compared to the previous quarter, and 20.7 percent over the figure recorded for the period ended June, 2011. During the review quarter, total capital increased by 5.1 percent against the amount reported at end March, 2012. The industry's capital position, however, increased by 3.7 percent above the same quarter of 2011. Overall, the growth rates reflect continuous confidence in banking system, increased financial deepening and accelerated economic activities.

The industry's Capital Adequacy Ratio (CAR) declined during the review quarters due largely to surge in risk assets, particularly off-balance sheet exposures by more than 55.0 percent. The CAR for the industry decreased to 20.8 percent at end-June, 2012, from 24.9 percent recorded during the preceding quarter. In terms of individual bank's CAR, all of the banks, except one, were in excess of the minimum requirement of 10 percent. Regarding the minimum net worth for each bank, only three banks are below the minimum requirement of US\$10 million.

Non-performing loans (NPLs) as a ratio of total loans in the industry decreased from 23.6 percent to 19.6 percent at end-June, 2012. Compared with the corresponding quarter in 2011, non-performing loans as a ratio of total loans declined slightly by 1.1 percentage points. In absolute terms, non-performing loans similarly decreased by 15.0 percent, to US\$47.0 million during the review quarter in 2012, from US\$55.2 million registered at end-March.

The improvement in the ratio of non-performing loans to total loans during the review quarter was mainly driven by repayment of some delinquent facilities and the appreciation of the LD against the USD. Five of the banks reported non-performing loans to total loans above the tolerable limit of 10 percent, a violation of the CBL Guidelines Concerning Supervisory Intervention; while the remaining four (4) banks were within the limit.

At end-June, 2012, the industry recorded gross earnings of US\$35.4 million and operating profit of US\$8.7 million (before loan loss provisions and taxes), reflecting an improvement of 16.7 percent in gross earnings and 18.0 percent decline in operating profit compared with the corresponding quarter in 2011. During the review quarter the industry recorded a net income position largely on account of normal banking activities and increased engagement in trade finance by banks. Five (5) out of the nine banks in the industry recorded net income positions. The majority (56.3 percent) of earnings came from non-interest sources the same as the preceding quarter, 2012.

The banking industry continues to maintain strong liquidity position, recording a liquidity ratio of 47.4 percent at end-June 2012. All of the banks recorded above the minimum required liquidity ratio of 15 percent. The total liquid assets of the industry as at end-June 2012 was US\$246.9 million (comprising of US\$63.7 million or 25.8 percent as vault cash, US\$109.8 million or 44.5 percent as foreign bank balances and US\$73.4 million or 29.7 percent as current account balances with the CBL).

Regarding CBL's Regulation concerning placement of funds abroad, all of the banks were found to be within regulatory compliance. Loan to deposit ratios both at individual bank level as well as industry's level have been below 60 percent, except for two banks. This development is indicative of the comfortable liquidity position of the banking industry in meeting the liquidity needs of their customers and other contingent liabilities.

The Regulation and Supervision Department of the Central Bank of Liberia has conducted two joint examinations with the examiners from Central Bank of Nigeria. The Department has also issued the Guideline on the Risk-Based Policy Framework and two other regulations, namely: Corporate Governance Regulation for Financial Institutions and Regulations Concerning Audit of Financial Institutions and Publication of Financial Statements.

3.2 Commercial Bank Credit

Commercial bank loans and advances to various sectors of the economy amounted to L\$17,857.4 million, representing 2.2 percent growth over the L\$17,467.4 million in the preceding quarter. Matched against the corresponding period of 2011, total loan and advances rose by 24.6 percent, from L\$14,335.9 million (Table 8). The expansionary trend in total loan portfolio is evident by the growth in economic activities in both private and public sectors.

Table 8: Commercial Banks Loans by Economic Sectors
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

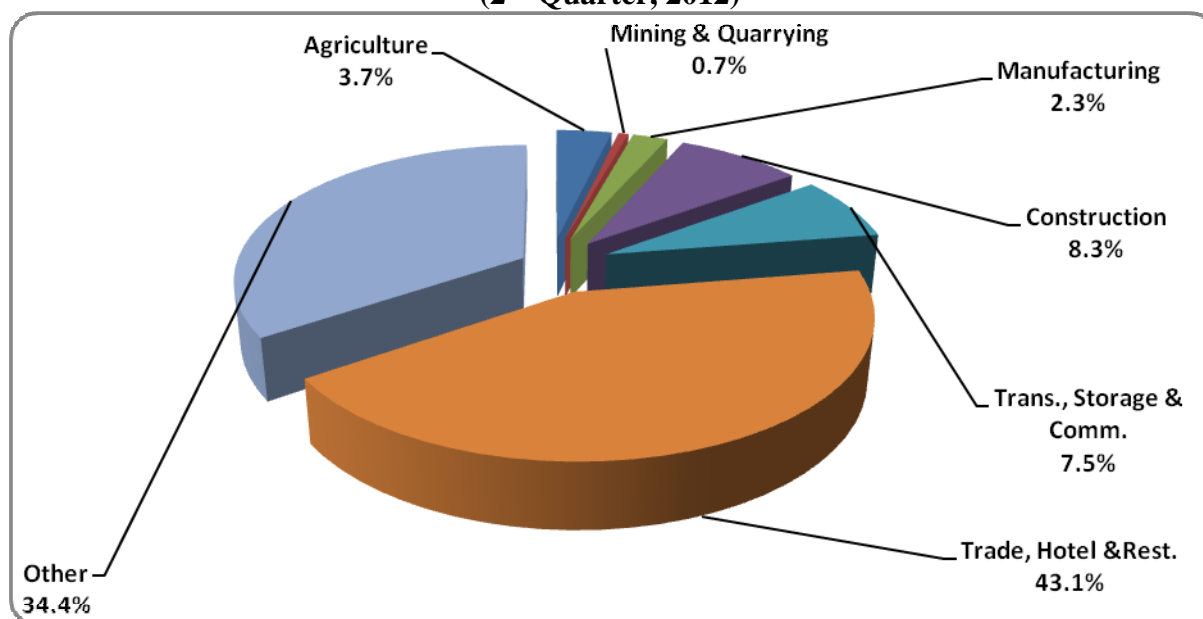
Sector	2011		2012				Percent Change	
	2nd Quarter	Share of Total	1st Quarter	Share of Total	2nd Quarter	Share of Total	Year-on-Year	Quarterly
Agriculture	517.3	3.6	643.1	3.7	654.1	3.7	26.4	1.7
Mining & Quarrying	49.1	0.3	231.6	1.3	118.8	0.7	142.2	-48.7
Manufacturing	305.2	2.1	346.4	2	418.1	2.3	37	20.7
Construction	1,585.30	11.1	1,319.70	7.6	1,484.30	8.3	-6.4	12.5
Trans. Storage & Comm.	1,457.50	10.2	1,747.70	10	1,347.20	7.5	-7.6	-22.9
Trade, Hotel & Restaurant	5,679.70	39.6	7,452.80	42.7	7,691.40	43.1	35.4	3.2
Others ¹	4,741.90	33.1	5,726.20	32.8	6,143.40	34.4	29.6	7.3
TOTAL	14,335.90	100	17,467.40	100	17,857.40	100	24.6	2.2

Source: Central Bank of Liberia, Monrovia, Liberia

¹ The “others” sector includes loans extended mainly to individuals and service-related institutions

Sectoral distribution of total loan for the review quarter indicates that Trade, Hotel & Restaurant accounted for the largest share of 43.1 percent, followed by construction, 8.3 percent; Transportation, Storage & Communication, 7.5 percent; Agriculture, 3.7 percent; Manufacturing, 2.3 percent and Mining & Quarrying, 0.7 percent. The “Others” sector which mainly encompasses individual and service-related institutions accounted for 34.4 percent (Chart_).

**Chart 5: Percentage Distribution of Commercial Banks' Loans by Economic Sectors
(2nd Quarter, 2012)**



3.3 Interest Rate

Average lending, personal loan and certificate of deposits (CD) rates recorded increases for the review quarter. Lending rate rose by 0.16 percentage points to 13.42 percent, from 13.26 percent reported at end-March, 2012. Similarly, average personal loan and CD's rates grew by 0.12 and 1.00 percentage points, respectively, to 14.02 and 3.00 percent, from 13.90 and 2.00 percent for the previous quarter. Conversely, average mortgage rate declined by 1.14 percentage points for the review period to 13.86 percent, from 15.00 percent at end-March, 2012. Meanwhile, average savings and time deposit rates maintained their stabilities at 2.02 and 3.80 percent, respectively, when compared with the preceding quarter (Table 9 & Chart 6).

The gap between lending and savings rates appears to be very high, 12.0 percentage points on average, reflecting high cost of borrowing compared with the incentive to save. This further reflects risk management level of the industry, which is directly proportional to interest rate charged. Such risk level is indicated by the relatively high ratio of non-performing loan to total loan in the sector. However, the CBL is endeavoring to reduce the cost of borrowing in the sector by its credit stimulus package that reduces the cost of borrowing to Small and Medium Enterprises, SMEs.

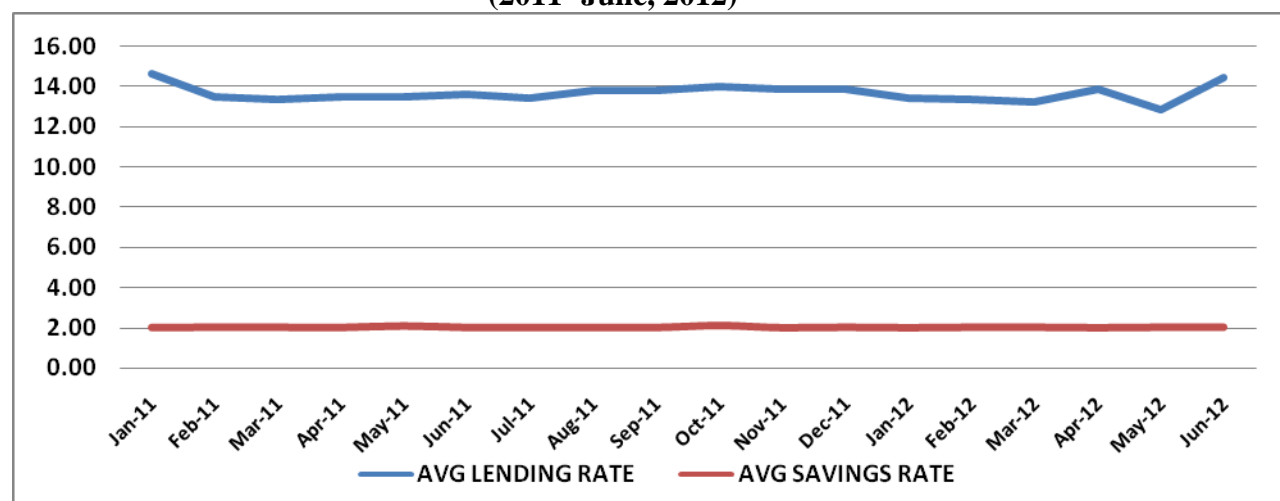
Table 9: Commercial Banks' Interest Rates
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)

COMMERCIAL BANKS RATES	2 nd Quarter, 2011	1 st Quarter, 2012*	2 nd Quarter, 2012
Avg. Lending Rate	13.64	13.26	13.42
Avg. Personal Loan Rate	14.68	13.90	14.02
Avg. Mortgage Rate	15.00	15.00	13.86
Avg. Time Deposit Rate	2.90	3.80	3.80
Avg. Savings Rate	2.01	2.02	2.02
Other Market Rates			
Avg. Rate on CD'S	2.50	2.00	3.00

Source: Central Bank of Liberia, Monrovia, Liberia

*Revised

Chart 6: Gap between Lending and Savings Rates
(2011 -June, 2012)



3.4 Monetary Policy Stance

The monetary policy position of the CBL still remains the achievement of broad exchange-rate and price-level stability within the economy. In this regard, the CBL has been using its foreign exchange intervention as the readily available policy instrument to influence monetary conditions in the economy. However, the CBL is having consultations with its multilateral partners to introduce a Treasury-bill market to increase the number of policy instruments available.

3.5 Liberian Dollars in Circulation¹

At end-June, 2012, currency in circulation amounted to L\$7,173.5 million, a 2.3 percent decline compared with L\$7,339.6 million recorded at the end of the first quarter of 2012. The contraction was on account of 5.2 percent fall in currency outside banks. On the other hand, currency in banks expanded by 12.1 percent to L\$1,395.5 million from, L\$1,245.3 million at end-March, 2012. Compared with the same period of 2011, Liberian dollars in circulation rose by 27.0 percent, from L\$5,647.3 million at end-June, 2011 (Table 10 & Chart 7). The dramatic year-to-year expansion in currency in banks reflects the growing public's confidence in the banking system.

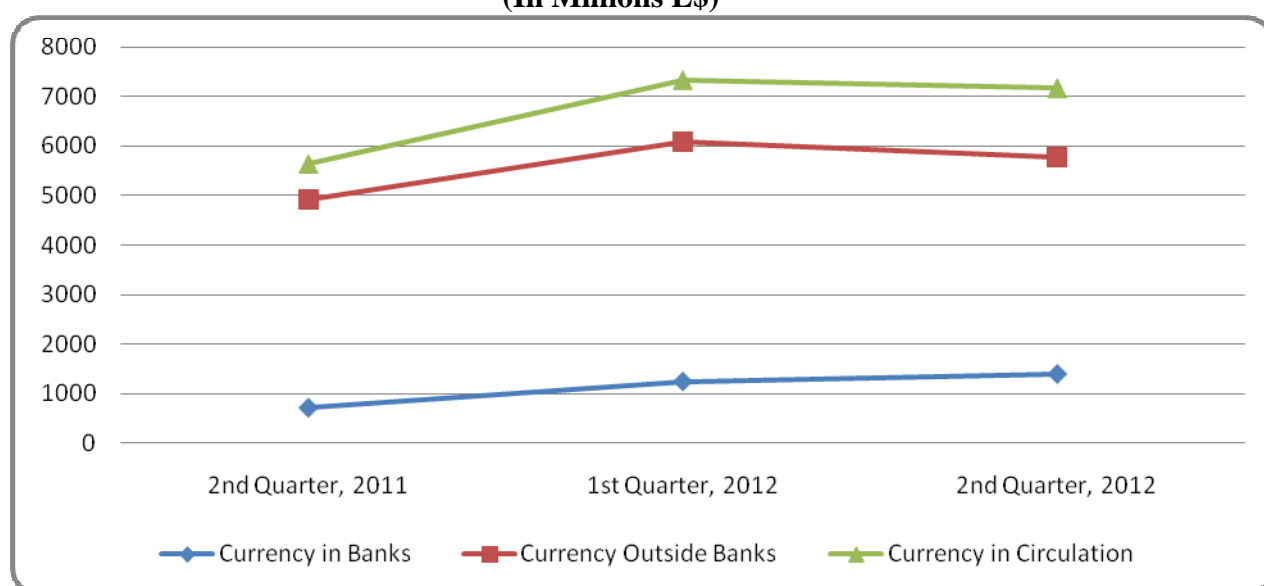
Table 10: Liberian Dollars in Circulation
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

End of Period	L\$ in Banks	L\$ outside Banks	L\$ in Circulation
	(1)	(2)	(3)=(1)+(2)
2 nd Quarter, 2011	722.7	4,924.6	5,647.3
1 st Quarter, 2012	1,245.3	6,094.3	7,339.6
2 nd Quarter, 2012	1,395.5	5,778.0	7,173.5
Percentage Change			
<i>Year-on-year</i>	93.1	17.3	27.0
<i>Quarterly</i>	12.1	-5.2	-2.3

Source: central Bank of Liberia, CBL, Monrovia, Liberia

¹ Currency in circulation equals currency in banks and currency outside banks

Chart 7: Liberian Dollars in Circulation
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)



3.6 Money Supply, M1²

Narrow money stock in the review quarter amounted to L\$29,874.2 million signifying a 16.8 percent rise compared with the L\$25,570.0 million at end-March, 2012. The growth is predominantly attributed to 23.7 percent increase in demand deposits to L\$24,096.2 million at end-June, 2012, from L\$19,475.7 million for the last quarter. Corresponding quarter comparison shows that M1 rose by 21.6 percent, from L\$24,576.9 million at end-June, 2011 (Table 11 & Chart 8).

² M1 is the narrow definition of Money Stock. It equals currency outside banks and demand deposits

Table 11: Broad Money and its Sources
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

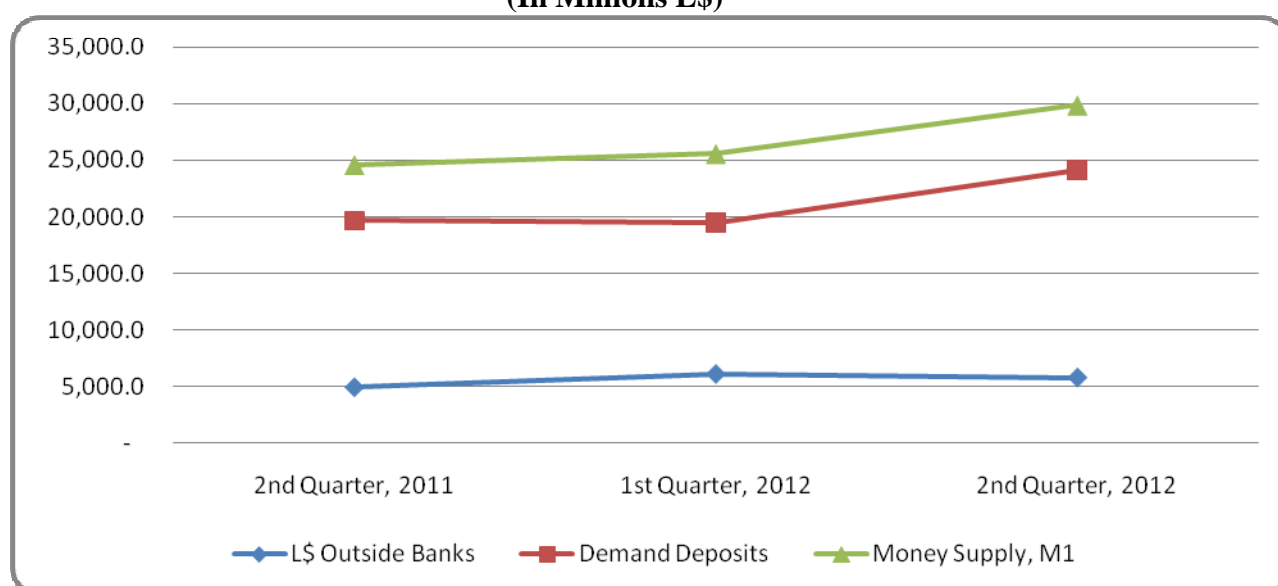
	Monetary Aggregates	Jun-11	Mar-12	Jun-12	Percent Change	
					Year-on-year	Quarterly
1	Money Supply M2 (1.1 + 1.2.1)	34,593.5	37,624.3	42,068.8	21.6	11.8
	1.1 Money Supply M1	24,576.9	25,570.0	29,874.2	21.6	16.8
	1.2 Currency outside banks	4,924.6	6,094.3	5,778.0	17.3	-5.2
	1.3 Demand deposit ^{1/}	19,652.3	19,475.7	24,096.2	22.6	23.7
	1.2.1 Quasi Money	10,016.6	12,054.4	12,194.6	21.7	1.2
	Time & Savings deposits	9,923.5	11,741.7	11,885.9	19.8	1.2
	Other deposits ^{2/}	93.0	312.7	308.7	231.8	-1.3
2	Net Foreign Assets	22,913.1	27,469.0	24,498.4	6.9	-10.8
	Central Bank	4,881.1	17,723.4	15,383.2	3.4	-13.2
	Banking Institutions	8,032	9,745.6	9,115.2	13.5	-6.5
3	Net Domestic Assets (1 - 2)	11,680.4	10,155.4	17,570.4	50.4	73.0
	3.1 Domestic Credit	9,516.2	34,516.3	35,785.9	21.2	3.7
	3.1.1 Government (net)	13,135.5	13,830.3	14,376.4	9.4	3.9
	3.1.2 Pvt. Sector & Other Pvt. Sector	16,380.7	20,686.0	21,409.4	30.7	3.5
	3.2 Other assets Net (3 - 3.1)	17,836	24,361.0	18,215.5	2.1	-25.2
	Memorandum Items	57,186.2	64,983.6	68,789.4	20.3	5.9
	1. Overall Liquidity	34,593.5	37,624.3	42,068.8	21.6	11.8
	2. Reserve Money	22,592.7	27,359.3	26,720.6	18.3	-2.3
	Currency outside banks	4,924.6	6,094.3	5,778.0	17.3	-5.2
	Banks Reserves	17,668.1	21,265.0	20,942.6	18.5	-1.5

^{1/} Excludes managers checks from commercial banks.

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

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 8: Money Supply (M1)
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

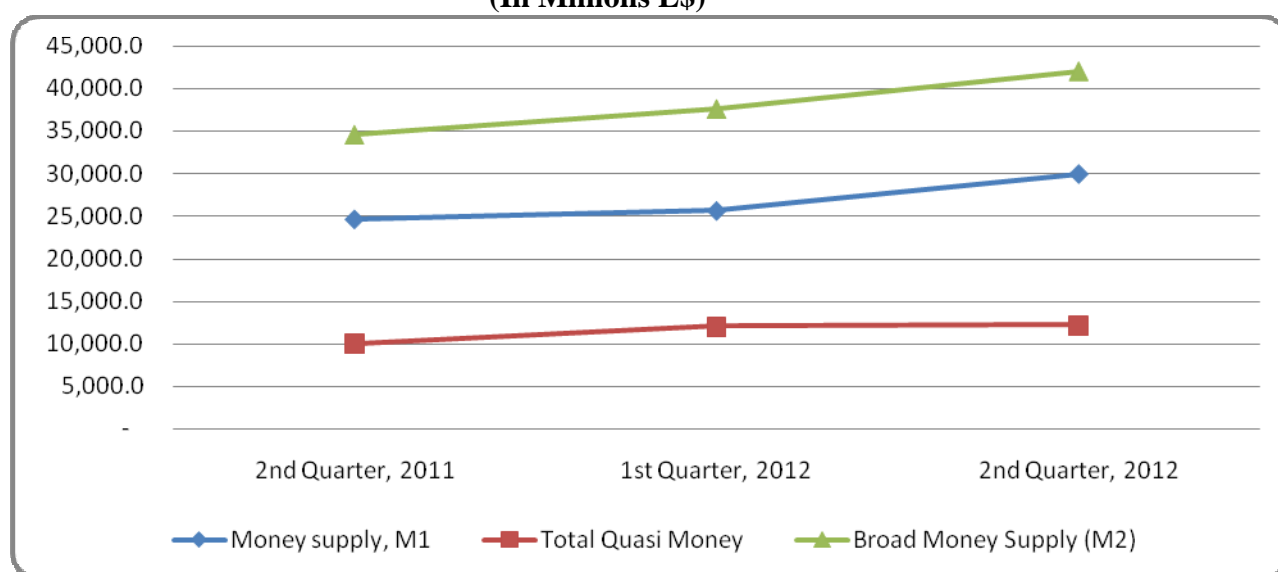


3.7 Broad Money (M2)³

The level of broad money in the economy as at June 30, 2012 expanded by 11.8 percent to L\$42,068.8 million, from L\$37,624.3 million at end-March, 2012. The increase was driven mainly by 16.8 percent growth in M1. Quasi Money marginally contributed to the growth in broad money supply by 1.2 percent. From its sources, the expansion in M2 was occasioned by 73.0 percent increase in net domestic assets. The high increase in net domestic assets is most likely to have adverse implication for the domestic inflation rate. However, the subsequent increase in economic activities left the internal equilibrium undisturbed, thus keeping inflation in single digit for the period in review. Year-on-year comparison indicates that broad money expanded by 21.6 percent, from L\$34,593.5 million at end-June, 2011 (Table 11 & Chart 9).

³ M2 = (M1 plus Quasi Money); alternatively, M2 = (Net Foreign Assets plus Net Domestic Assets)

Chart 9: Broad Money (M2)
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)



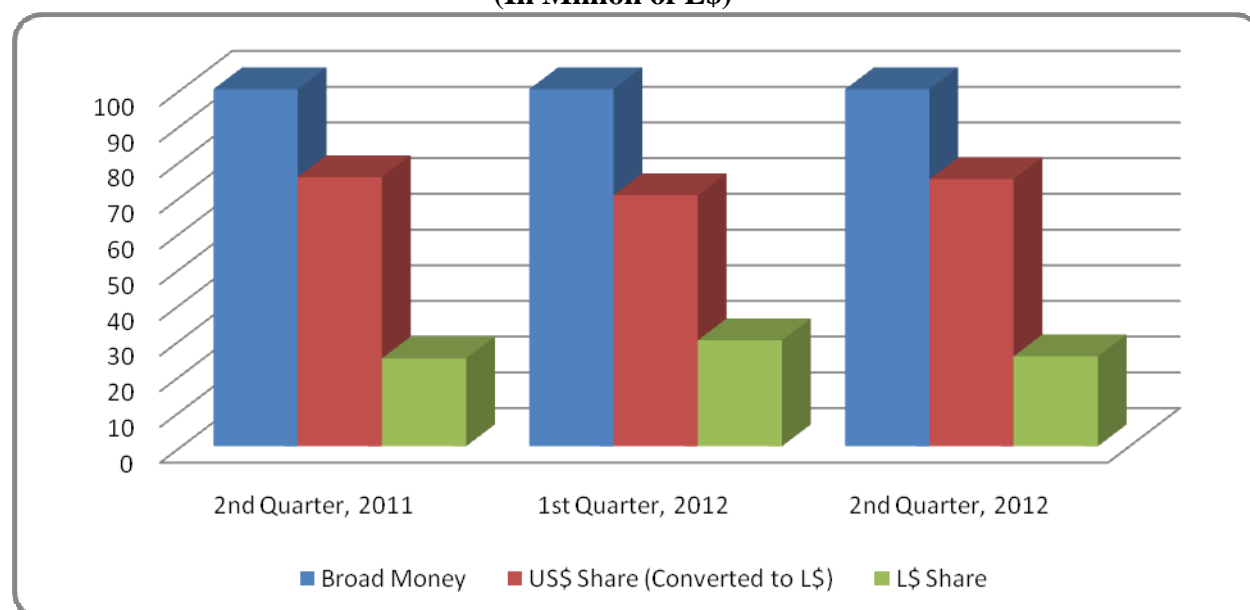
With the dual currency arrangement in the economy, the US dollars dominate the total money supply, accounting for 74.8 percent, while the Liberian dollars constitute the remaining 25.2 percent, indicating the highly dollarized nature of the Liberian economy (Table 12 & Chart 10).

Table 12: US and Liberian Dollars Shares of Broad Money
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Million of L\$)

	2 nd Quarter, 2011	<i>percent Share</i>	1 st Quarter, 2012	<i>percent Share</i>	2 nd Quarter, 2012	<i>percent Share</i>
Broad Money	34,593.5	100	37,624.3	100.0	42,068.8	100
US\$ Share (Converted to L\$)	26,093.8	75.4	26,459.6	70.3	31,459.7	74.8
L\$ Share	8,499.7	24.6	11,164.8	29.7	10,609.1	25.2

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 10: US and Liberian Dollars Shares of Broad Money
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Million of L\$)



3.8 Exchange Rate

The average exchange rate came under pressure during the quarter under review, depreciating by 2.6 percent to L\$75.54 /US\$1.00 at end-June, 2012, from L\$73.61/US\$1.00 recorded at end-March, 2012. The depreciation rate increased to 4.0 percent, when the average rate in June, 2012 is compared with the same period in 2011. However, the end-of-period rate depreciated, but modestly by 0.7 percent to L\$74.50/US\$1.00, from L\$74.00/US\$1.00.

Given the latest waves of depreciations in the reporting and previous quarters, the CBL designed a number of measures to curb them. Primarily, the Central Bank increased the level of its intervention by 89.1 percent to US\$24.2 million for the quarter, compared with the US\$12.8 million sold for the last quarter. Secondly, the CBL embarked on a campaign to rid the streets of Monrovia of unhealthy practises in the foreign-exchange market. This includes providing public awareness and information on acceptable FX market practices and later the removal of unlicensed and mushroom Forex bureaux from the streets.

Table 13: Market Exchange Rates: Liberian Dollars per US Dollar
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)

Market Rate	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
End of Period	73.00	74.00	74.50
Period Average	72.60	73.61	75.54

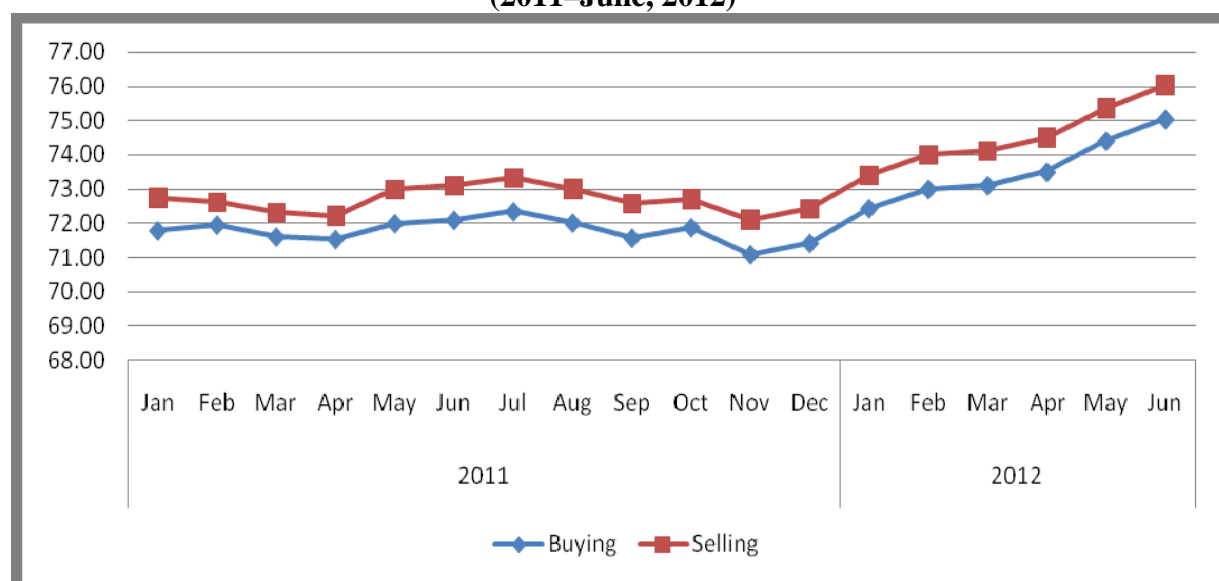
Source: Central Bank of Liberia, Monrovia, Liberia

**Table 14: Monthly Averages of Buying and Selling Rates of Liberian Dollar per one US Dollar
(2011 – June, 2012)**

Period	2011		2012	
	Buying	Selling	Buying	Selling
January	71.79	72.75	72.44	73.40
February	71.96	72.60	73.00	74.00
March	71.61	72.31	73.11	74.11
April	71.54	72.21	73.50	74.50
May	72.00	72.98	74.41	75.37
June	72.10	73.10	75.04	76.04
July	72.35	73.33		
August	72.02	73.00		
September	71.58	72.58		
October	71.88	72.69		
November	71.10	72.10		
December	71.43	72.43		
Q1	71.79	72.56		
Q2	71.88	72.76		
Q3	71.98	72.97		
Q4	71.47	72.40		
Year	71.78	72.67		

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 11: Monthly Averages of Buying and Selling Rates of Liberian Dollars per US Dollar
(2011–June, 2012)**



3.9 Foreign Exchange Auction

Foreign exchange auction for the review quarter totaled US\$24.2 million, an increase of 89.1 percent compared to US\$12.8 million reported at end-March, 2012. A yearly comparison illustrates that total US dollar sold during the quarter rose by more than 200 percent, from US\$7.4 million at end-June, 2011 (Table 15 & Chart 12). The acute rise is primarily occasioned by CBL's aggressive campaign to stabilize the exchange rate, after a considerable pressure in the first half of 2012.

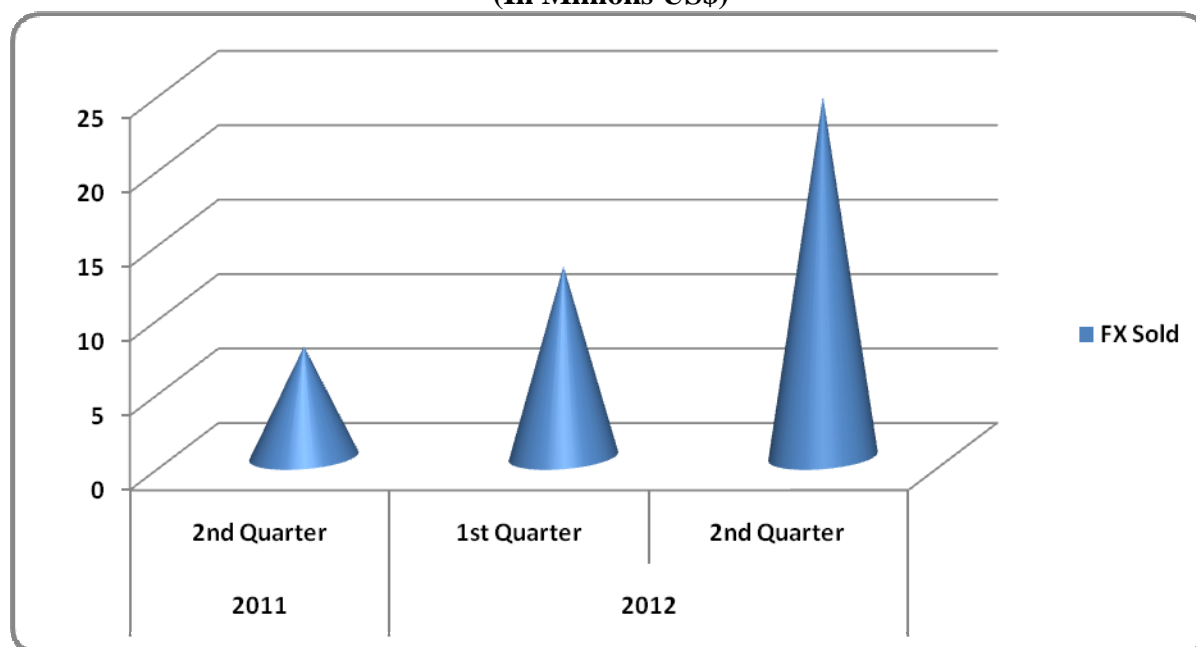
Table 15: CBL's Foreign Exchange Auction
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions US\$)

	2011	2012	
	2 nd Quarter	1 st Quarter	2 nd Quarter
FX Sold	7.4	12.8*	24.2

Source: Central Bank of Liberia, Monrovia, Liberia

**Revised*

Chart 12: CBL's Foreign Exchange Auction
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions US\$)



3.10 Remittances

Total inward remittance for the quarter amounted to US\$337.8 million, indicating a 7.9 percent decline over US\$366.7 recorded for the preceding quarter. The contraction is mainly

on account of 40.8 percent and 16.2 percent reductions in export receipts and workers' remittance inflows to US\$77.4 million and US\$94.9 million, respectively, at end-June, 2012, from US\$130.7 million and US\$113.2 million at the end of the previous quarter. A yearly comparison indicates that total remittance inflows fell by 4.1 percent, from US\$352.1 million at end-June 2011. A percentage distribution of inward remittances reveals that service payments accounted for the largest share of 41.8 percent, followed by workers' inward remittances, 28.1 percent; exports, 22.9 percent; grants, 6.6 percent; and official transfers, 0.6 percent.

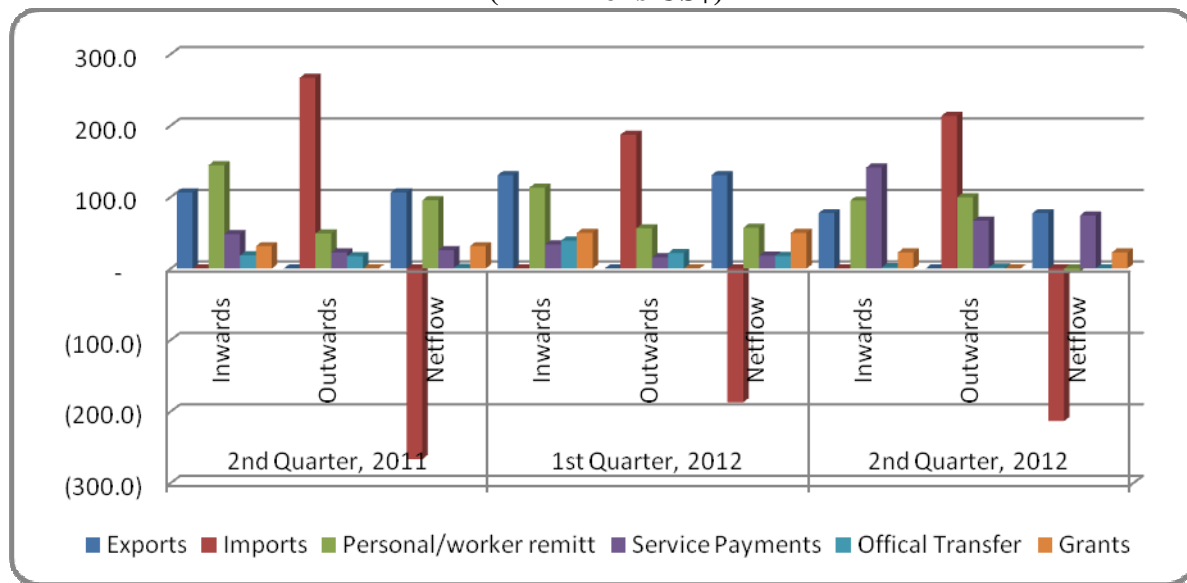
Total outflows for the quarter amounted to US\$381.6 million, resulting into an increase of 35.9 percent when compared with US\$280.7 million reported at end-March, 2012. The growth in outward remittances is essentially on account of 76.9 percent increase in outward workers' remittances to US\$99.6 million for the quarter, from US\$56.3 million at end-March, 2012. Comparing inflows and outflows for the quarter shows a net outflow of US\$43.8 million. A corresponding quarter comparison shows that total outflow expanded by 5.6 percent, from US\$361.2 million at end-June, 2011. A percentage distribution of total outflows indicates that import payments constituted the highest share of 55.9 percent, followed by workers' outward remittances, 26.1 percent; service payments, 17.5 percent and official transfers outside of the economy, 0.4 percent (Table 16 & Chart 13).

Table 16: Remittances: Inflows and Outflows
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions US\$)

Aggregate	2nd Quarter, 2011			1st Quarter, 2012			2nd Quarter, 2012		
	Inwards	Outwards	Netflow	Inwards	Outwards	Netflow	Inwards	Outwards	Netflow
Exports	106.4	0	106.4	130.7	0	137.7	77.4	0	77.4
Imports	0	266.8	-266.8	0	187.2	-187.2	0	213.5	-213.51
Personal/worker remittance	144.5	48.9	95.6	113.2	56.3	56.9	94.9	99.6	-4.6
Service Payments	48.2	22.4	25.8	33.7	15.7	18	141.2	66.9	74.2
Official Transfer	18.3	17.3	1	39.1	21.5	17.6	1.9	1.5	0.3
Grants	31.3	0	31.3	50	0	50	22.4	0	22.4
Loan	0	0	0	0	0	0	0	0	-0.04
Total	352.1	361.2	-9.16	366.7	280.7	86	337.8	381.6	-43.8

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 13: Remittances: Inflows and Outflows
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions US\$)



IV. FISCAL DEVELOPMENTS

Fiscal operations for the period under review indicates an excess of government revenue over expenditure by L\$529.8 million or 5.9 percent (Table 17).

Table 17: Government of Liberia's Fiscal Operations
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

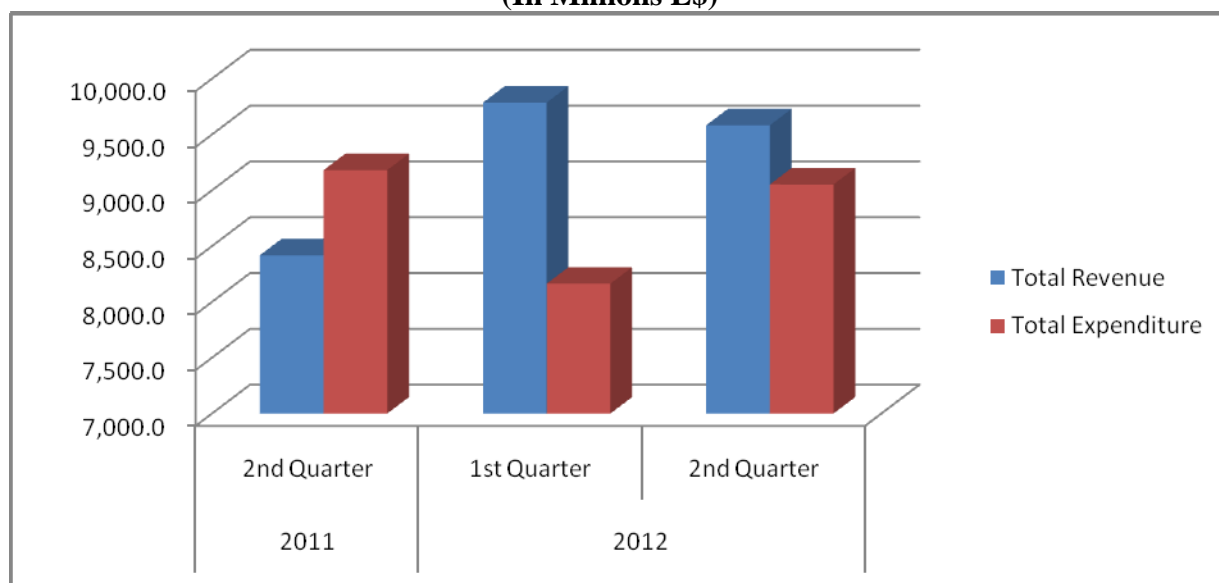
GoL Fiscal Operations	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Total Revenue	8,417.5	9,785.6	9,581.8
Total Expenditure	9,180.7	8,163.2	9,052.0

Source: Ministry of Finance, Republic of Liberia

*Revised

**Preliminary

Chart 14: Government of Liberia's Fiscal Operations
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)



4.1 Total Revenue

Total revenue generated during the quarter under review amounted to L\$9,581.8 million, 2.1 percent lower than the amount recorded during the preceding period and 13.8 percent over the level collected at end-June, 2011. The growth in total revenue was largely ascribed to huge increases in major tax revenue components such as international trade taxes, taxes on income & profits, and sale taxes on goods & services.

4.1.1 Tax Revenue

Tax revenue amounted to L\$8,186.7 million, or 85.4 percent of total revenue, growing by 13.0 percent and 41.8 percent when compared to the preceding and corresponding periods, respectively. Of all the major components of tax revenue, international trade taxes and taxes on income & profits contributed L\$3,093.2 million (37.8 percent) and L\$3,095.0 million (37.8 percent), respectively. Sale taxes on goods & services, property & real estate taxes, and other tax revenue amounted to L\$1,395.3 million (17.0 percent), L\$51.2 million (0.6 percent), and L\$552.1 million (6.7 percent), respectively. The rise in tax revenue was largely attributed to the following sub-components of tax revenue: taxes & duties on imports, taxes payable by corporate entities, goods & service tax, and maritime revenue.

4.1.2 Non-Tax Revenue

Non-tax revenue amounted to L\$1,395.1 million, or 14.6 percent of total revenue receipts. When compared to the level recorded at end-March, 2012 and end-June 2011, non tax revenue shrank by L\$1,147.2 million (45.1 percent) and L\$1,247.7 million (47.2 percent), respectively. The decline in non-tax revenue was largely on account of low grant inflow.

Table 18: Government of Liberia's Total Revenue by Sources
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions, L\$)

Revenue Sources	2011	2012	
	2 nd Quarter	1 st Quarter	2 nd Quarter**
A. Tax Revenue	5,774.7	7,243.3	8,186.7
i. International Trade Taxes	2,093.3	2,712.8	3,093.2
<i>Taxes & Duties on Imports</i>	2,038.7	2,621.9	2,987.0
<i>Taxes on Exports</i>	54.6	90.9	106.2
ii. Taxes on Income & Profits	2,405.7	2,700.4	3,095.0
<i>Individual Taxes on income & profits</i>	1,579.1	1,005.9	1,073.6
<i>Taxes Payable by Corporate Entities</i>	825.0	1,692.8	2,000.2
<i>Others</i>	1.6	1.6	21.1
iii. Sale Taxes on Goods & Services	957.8	1,212.1	1,395.3
<i>Goods & Service Tax</i>	274.2	317.8	461.6
<i>Excise Taxes</i>	165.6	207.2	217.1
<i>Maritime Revenue</i>	326.3	169.3	325.5
<i>Others</i>	191.7	517.8	391.0
iv. Property & Real Estate Taxes	60.0	40.2	51.2
v. Other Tax Revenue ¹	257.9	578.0	552.1
B. Non-Tax Revenue	2,642.8	2,542.3	1,395.1
i. Charges & Other Administrative Fees	589.7	599.4	709.2
ii. Grants	2053.055	1,942.9	115.9
iii. Others	-	-	570.0
<i>Contingent Revenue</i>	-	-	-
<i>Borrowing</i>	-	-	570.0
<i>Carry Forward</i>	-	-	-
Grand Total (A + B)	8,417.5	9,785.6	9,581.8

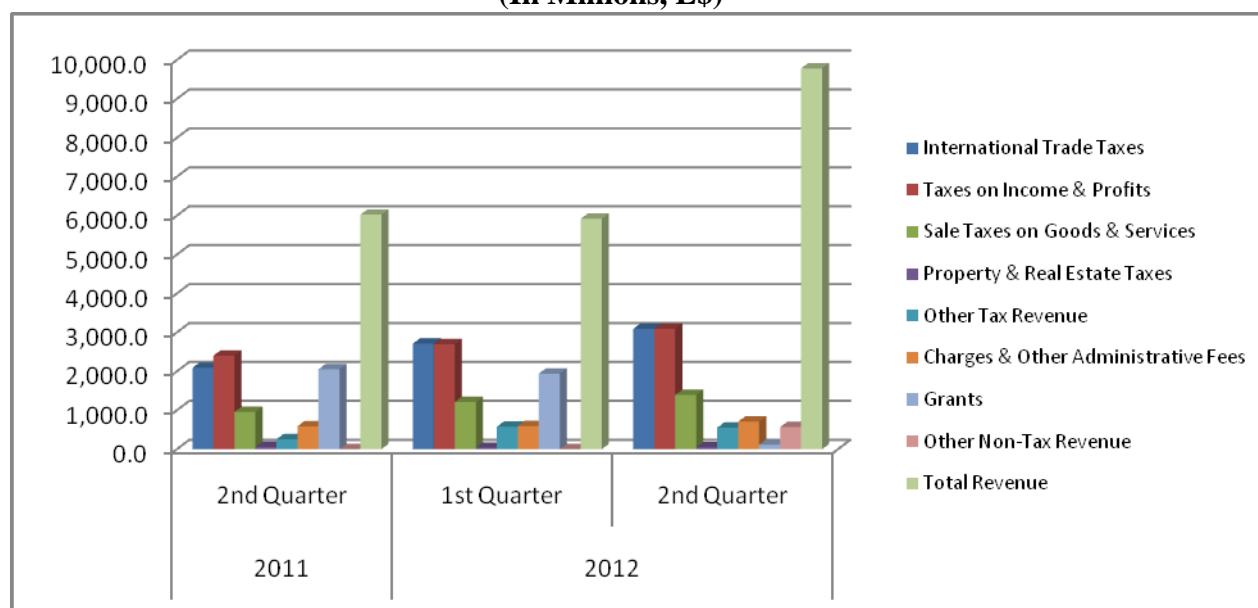
Source: Ministry of Finance, Republic of Liberia

¹*Tax Revenue not elsewhere mentioned*

²*In CBL Quarterly Reporting System, Fiscal Year (FY) – 4th Quarter, is Annual Year (AY) – 2nd Quarter*

***Preliminary*

Chart 15: Government of Liberia's Total Revenue by Sources
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions, L\$)



4.1.3 Government of Liberia's Projected & Actual Revenues (2011/2012)

The Government of Liberia actual revenue collections between April – June, 2012 amounted to L\$9,581.8 million, which is L\$2,033.7 million (26.9 percent) in excess of its projected and approved budgetary forecast of L\$7,548.1 million. The growth in actual revenue against its projected and approved budgetary projection was largely accredited to increase in economic activities resulting from sound and robust national government economic policies on the domestic economy.

Actual tax revenue collected during the review period exceeded its budgetary projection by L\$2,259.6 million (38.1 percent). Of all the main components of actual tax revenue, international trade taxes, taxes on income & profits, and property & real estate taxes, and other tax revenue recorded surpluses in revenue receipts over their respective budgetary forecast. However, Sale taxes on goods & services contracted in its actual revenue collection.

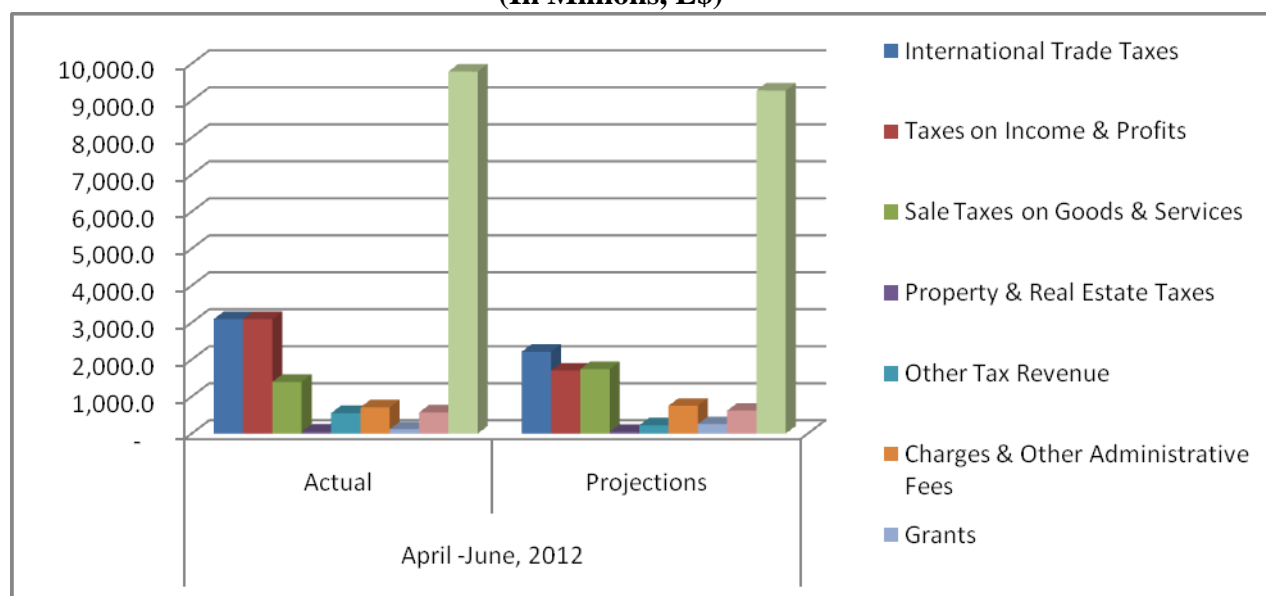
Non-tax revenue receipts contracted by L\$225.9 million (13.9 percent) over its budgetary projection of L\$1,621.0 million (as actual non-tax revenue collections amounted to L\$1,395.1 million). All the sub-components; charges & other administrative fees, grants, and other non-tax revenue fell short of their respective projections. The contraction in non-tax revenue collection was partly due to the short-comings in the receipts of grants as well as contingency revenue intake.

Table 19: Government of Liberia's Revenue by Sources
4th Quarter, Fiscal Year – 2011/2012
(In Millions, L\$)

Revenue Sources	April – June, 2012	
	Actual	Projections
A. Tax Revenue	8,186.7	5,927.1
i. International Trade Taxes	3,093.2	2,212.0
<i>Taxes & Duties on Imports</i>	2,987.0	2,165.2
<i>Taxes on Exports</i>	106.2	46.7
ii. Taxes on Income & Profits	3,095.0	1,703.6
<i>Individual Taxes on income & profits</i>	1,073.6	1,052.2
<i>Taxes Payable by Corporate Entities</i>	2,000.2	622.2
<i>Others</i>	21.1	29.3
iii. Sale Taxes on Goods & Services	1,395.3	1,743.6
<i>Goods & Service Tax</i>	461.6	346.5
<i>Excise Taxes</i>	217.1	234.3
<i>Maritime Revenue</i>	325.5	511.3
<i>Others</i>	391.0	651.5
iv. Property & Real Estate Taxes	51.2	46.5
v. Other Tax Revenue ¹	552.1	221.3
B. Non-Tax Revenue	1,395.1	1,621.0
i. Charges & Other Administrative Fees	709.2	749.5
ii. Grants	115.9	253.9
iii. Others	570.0	617.6
<i>Contingent Revenue</i>	-	47.6
<i>Borrowing</i>	570.0	570.0
<i>Carry Forward</i>	-	-
Grand Total (A + B)	9,581.8	7,548.1

Source: Ministry of Finance, Republic of Liberia

Chart 16: Government of Liberia's Revenue by Sources
4th quarter, Fiscal Year – 2011/2012
(In Millions, L\$)



4.2 Total Expenditure by Codes

During the period under review, the Government of Liberia expended L\$9,052.0 million representing an increase of L\$888.8 million (10.9 percent). When compared to the corresponding quarter, 2011, total government outlays contracted by US\$128.7 million (1.4 percent).

A disaggregation of total expenditure shows that recurrent spending amounted to L\$7,912.5 million (87.4 percent); capital outlay, L\$991.1 million (10.9 percent) and interest on debt & other charges L\$148.4 million (1.6 percent). The increment in Government expenditure was largely driven by spending on salaries & allowances, goods & services, as well as expenditure on grants.

4.2.1 Recurrent Expenditure

Recurrent expenditure in the quarter amounted L\$7,912.5 million at end-June 2012, from L\$7,225.1 million at end-March 2012, representing an increase of L\$687.4 million (9.5 percent). When matched against the level recorded in the corresponding period of 2011, spending rose by L\$580.5 million (7.9 percent).

A proportional distribution of recurrent outlay indicates that salaries & allowances amounted to L\$3,348.7 million (42.3 percent); goods & services, L\$2,924.8 million (37.0 percent);

subsidies, L\$582.7 million (7.4 percent); grants, L\$1,032.2 million (13.0 percent); and social benefits, L\$24.2 million (0.3 percent).

4.2.2 Capital Expenditure

Capital expenditure during the period under review amounted to L\$991.1 million, L\$260.4 million (35.6 percent) more than the outlay in the preceding quarter. However, a yearly comparison shows that capital expenditure declined by L\$633.3 million or 39.0 percent.

A disaggregation of capital expenditure revealed that depreciation and acquisition of fixed assets amounted to L\$245.6 million and L\$738.8 million, respectively. Spending on the other capital expenditure sub-categories summed up to L\$6.8 million.

4.2.3 Interest on Debt & Other Charges

During the review quarter, interest on debt and other charges declined by 28.4 percent to L\$148.4 million, from L\$207.4 million recorded at end-March, 2012. Compared with the corresponding quarter, they contracted by 33.8 percent, from L\$224.3 million.

A proportional distribution of expenditure on interest & other charges shows that spending on domestic & foreign debts amounted to L\$19.2 million (12.9 percent). Non-residents accounted for a larger share of expenditure on this category in the sum of L\$127.5 million or 85.9 percent.

Table 20: Government of Liberia's Expenditure by Code
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions, L\$)

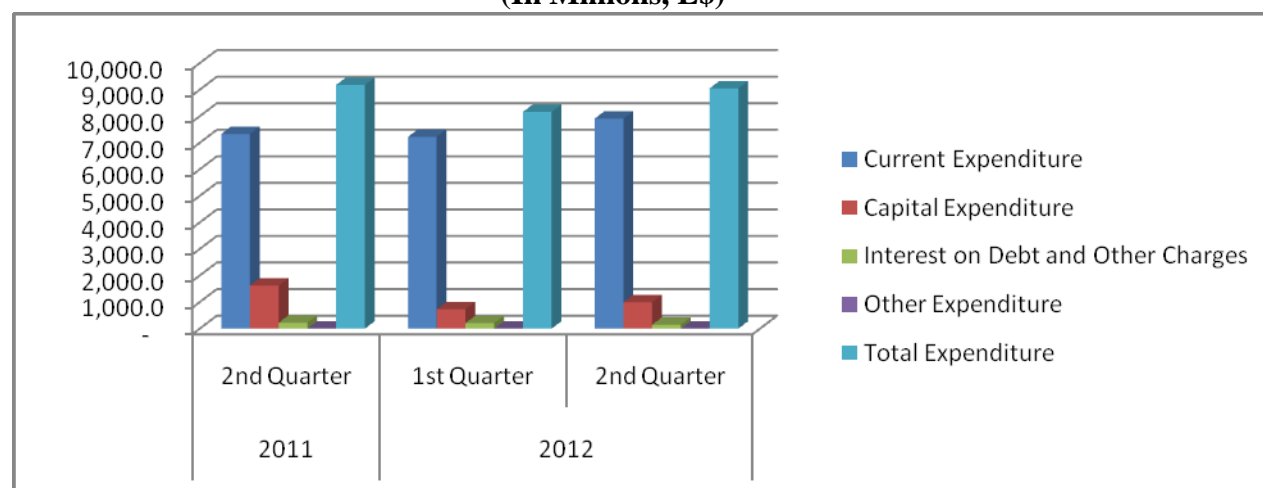
Expenditure by Codes		2011	2012	
		2 nd Quarter	1 st Quarter*	2 nd Quarter**
A.	Current Expenditure	7,332.0	7,225.1	7,912.5
i.	Salaries & Allowances	2,677.1	2,966.9	3,348.7
ii.	Expenditure on Goods & Services	2,611.9	2,366.6	2,924.8
iii.	Subsidies	392.9	1,085.8	582.7
iv.	Grants	1,617.0	800.6	1,032.2
v.	Social Benefits	33.2	5.2	24.2
vi.	Others	-	-	-
B.	Capital Expenditure	1,624.4	730.7	991.1
i.	Depreciation	35.6	491.3	245.6
ii.	Acquisition of Fixed Assets	1,588.8	239.4	738.8
iii.	Others	-	-	6.8
C.	Interest on Debt and Other Charges	224.3	207.4	148.4
i.	To Non-Residents	224.3	194.7	127.5
ii.	On Domestic & Foreign Debts	-	12.7	19.2
iii.	Others	-	-	1.7
D.	Other Expenditures ¹	-	-	-
Total Expenditures (A+B+C+D)		9,180.7	8,163.2	9,052.0

¹Expenditures not elsewhere mentioned

*Revised

**Preliminary

Chart 17: Government of Liberia's Expenditure by Codes
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions, L\$)



4.2.4 Total Expenditure by Sectors

Nearly all of the sectoral expenditures recorded increases when compared to the preceding and corresponding quarter, except expenditure on social & community services. A sectoral distribution of total expenditure shows that spending on Public & Administrative services accounted for the highest share, L\$3,157.6 million (34.9 percent); followed by Social & Community Services, L\$2,346.3 million (25.9 percent) and Economic services, L\$2,214.5 million (24.5 percent). Outlays on the Rule of Law & Public Safety accounted for L\$1,333.7 million, or 14.7 percent.

Table 21: Government of Liberia's Expenditure by Sectors
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions, L\$)

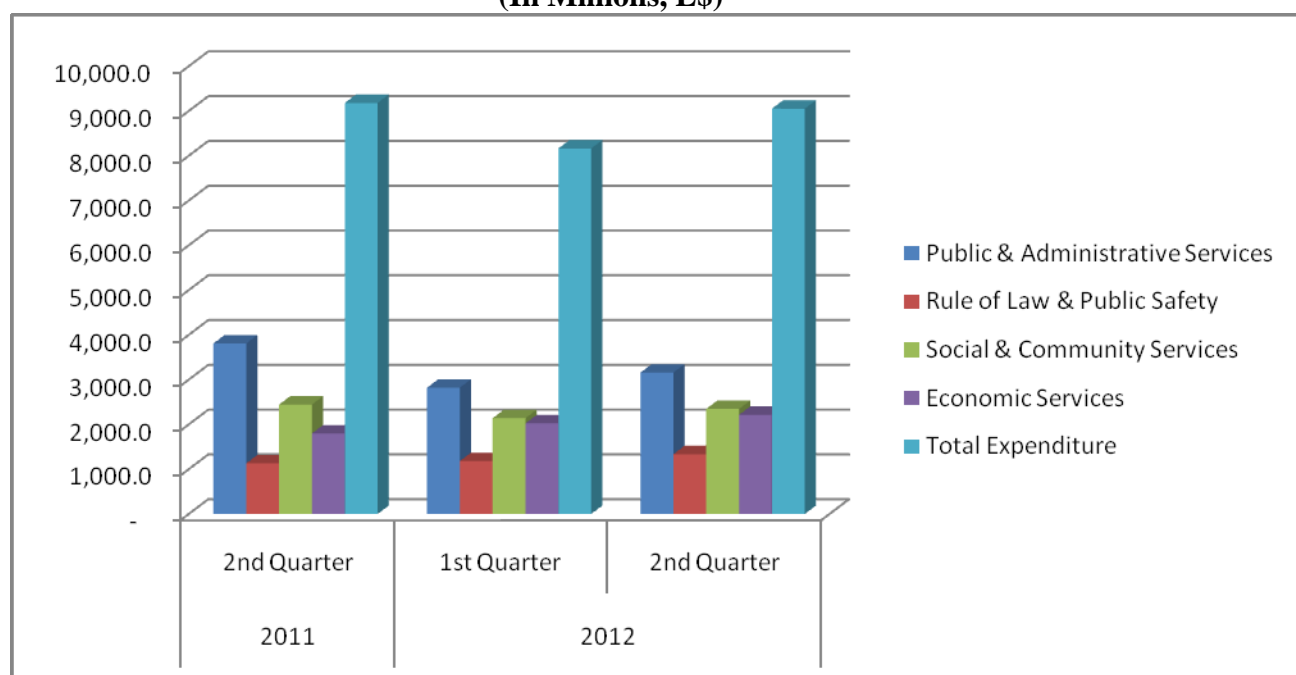
Expenditure by Sectors	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Public & Administrative Services	3,807.7	2,819.1	3,157.6
Rule of Law & Public Safety	1,131.0	1,180.3	1,333.7
Social & Community Services	2,443.8	2,139.7	2,346.3
Economic Services	1,798.2	2,024.1	2,214.5
Total	9,180.7	8,163.2	9,052.0

Source: Ministry of Finance, Republic of Liberia

*Revised

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Chart 18: Government of Liberia's Expenditure by Sectors
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions, L\$)



4.3 Liberia's Public Debt

Liberia's public debt stock at end-June, 2012 stood at US\$570.5 million, from US\$533.2 million at end-March, 2012 indicating an increase of 6.9 percent. The rise in the debt stock was mainly due to new disbursements on IMF and World Bank credits on the one hand US\$ 20.0 million disbursements on CBL bridge loan, and the reinstatement of the AfDF and NTF arrears, due to the non-payment of the US\$13.0 million previously committed to Liberia's arrears clearance with the AfDB Group by Nigeria. Of the total debt stock, domestic debt accounted for 51.8 percent while external debt accounted for 48.2 percent.

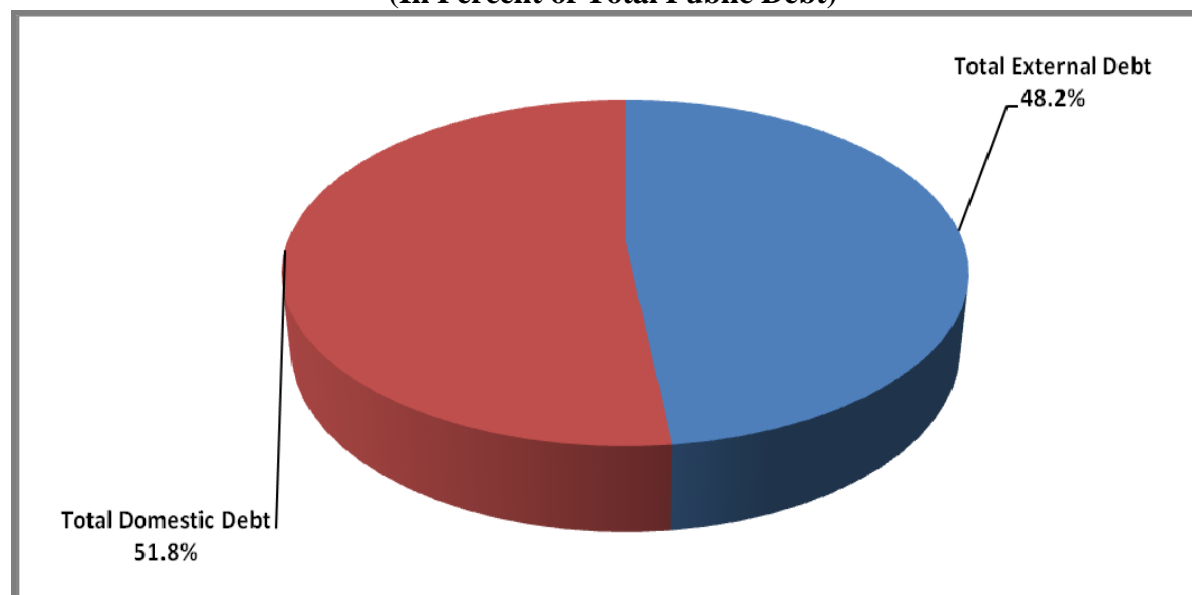
Table 22: Liberia's Main Debt Composition
As At June 30, 2012
(In Millions, US\$)

Debt Composition	2011	2012	
	2 nd Quarter	1 st Quarter	2 nd Quarter**
Total External Debt	233.1	256.8	274.1
Total Domestic Debt	278.1	276.4	296.4
Total Public Debt	511.2	533.2	570.5

Source: Ministry of Finance, Republic of Liberia

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Chart 19: Liberia's Main Debt Composition
As At June 30, 2012
(In Percent of Total Public Debt)



4.3.1 External Debt

During the period under review, total external debt stock amounted to US\$274.1 million, from US\$256.8 million at end-March, 2012 indicating an increase of 6.7 percent. The

increase in external debt was primarily due to new disbursements of IMF and World Bank credits. A disaggregation of external debt stock shows that multilateral debt amounted to US\$127.3 million (49.4 percent) and bilateral debt stock totalled US\$130.4 million (50.6 percent) during the quarter under review.

4.3.2 Domestic Debt

The total domestic debt stock for Liberia was recorded at US\$296.4 million at end-June, 2012, from US\$276.4 million during the preceding period, indicating a rise in the country's domestic debt stock by 7.2 percent. The growth in domestic debt was primarily on account of the disbursement on the CBL's bridge loan to the Government in the amount of US\$20.0 million.

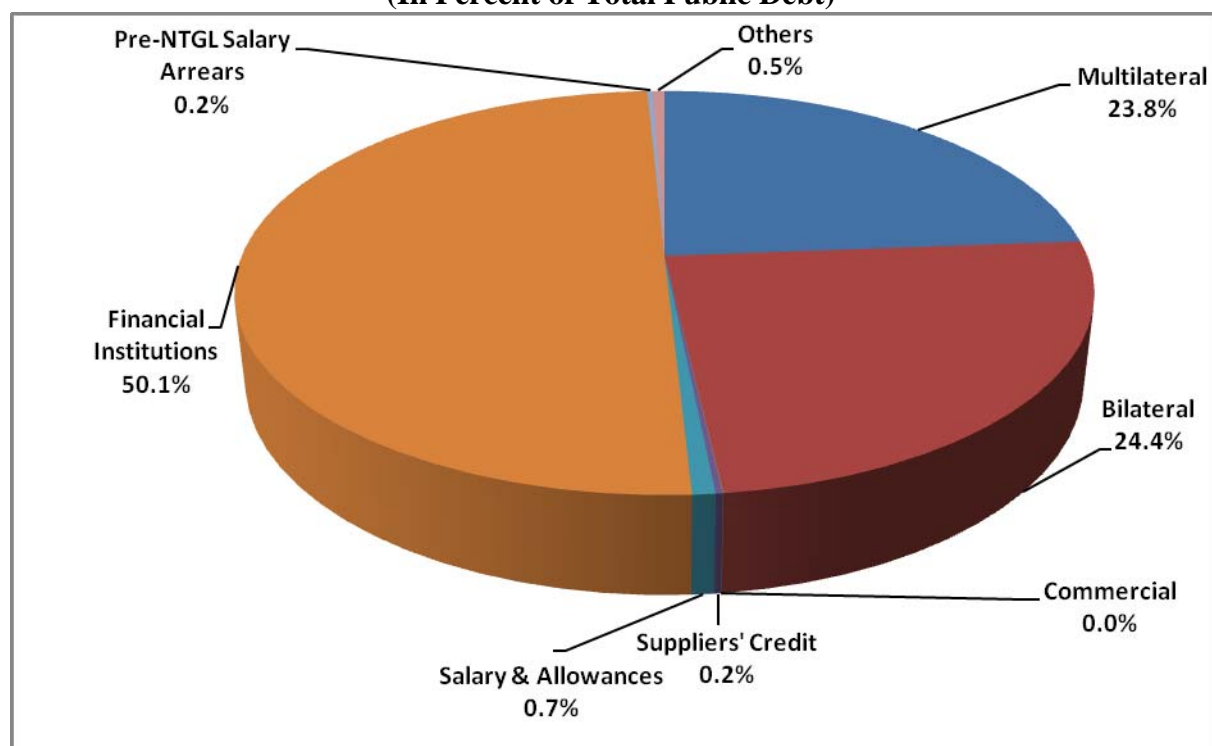
Table 23: Liberia's Overall Debt Position
As At June 30, 2012
(In Million, US\$)

Creditors	2011	2012	
	2 nd Quarter	1 st Quarter	2 nd Quarter**
Multilateral	110.5	124.8	142.1
Bilateral	122.1	132.0	132.0
Commercial Creditors	0.5	-	-
Total External Debt	233.1	256.8	274.1
Suppliers' Credit	3.9	0.3	1.9
Salary & Allowances	3.7	3.8	5.0
Financial Institutions	269.1	268.4	288.2
Pre- NTGL Salary Arrears	1.4	1.3	-
Others	-	2.9	1.3
Total Domestic Debt	278.1	276.7	296.4
Total Public Debt	511.2	533.2	570.5

Source: Ministry of Finance, Republic of Liberia

**Preliminary

**Chart 20: Liberia's Overall Debt Position
As At June 30, 2012
(In Percent of Total Public Debt)**



V. FOREIGN TRADE

5.1 Merchandise Trade

Total trade position for the second quarter, 2012 was estimated at US\$423.0 million, down from US\$695.0 million reported at end-March, 2012, representing 39.1 percent fall largely on account of a 43.9 percent decline in import payments. Total export receipts contracted by 18.8 percent to US\$107.4 million during the review quarter, from US\$132.2 million at end-March, 2012. On an annualized basis, total trade position rose by 15.8 percent, from US\$365.4 million recorded in the corresponding quarter.

During the quarter under review, the trade deficit improved significantly by 51.6 percent to US\$208.2 million at end-June, 2012, from US\$430.6 million of the preceding quarter. The continuous trade deficit mirrors the import driven nature of the Liberian economy. Compared with the corresponding quarter, trade deficit also widened by 13.1 percent, from US\$ 184.1 million recorded at the end of June, 2011 (Table 24 & Chart 21).

Table 24: Balance of Trade
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
 (Values In '000' US\$)

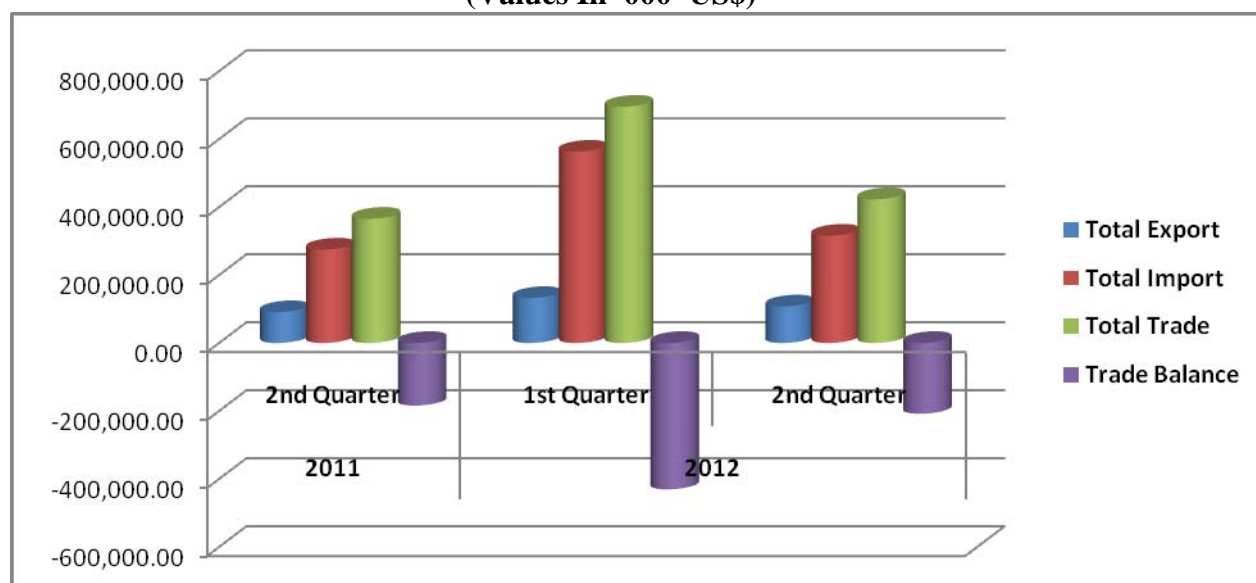
Periods	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Total Export	90,651.15	132,200.00	107,384.86
Total Import	274,742.72	562,800.00	315,585.18
Total Trade	365,393.87	695,000.00	422,970.04
Trade Balance	(184,091.57)	(430,600.00)	(208,200.32)

Sources: Ministry of Commerce & Industry; Land, Mines & Energy, Forestry Development Authority and BIVAC

*Revised

**Preliminary

Chart 21: Balance of Trade
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
(Values In '000' US\$)



5.2 Merchandise Imports

The total payments for merchandise imports at end-June, 2012 was estimated at US\$315.6 million, down from US\$562.8 million recorded at end March, 2012, reflecting 43.9 percent decrease in import bills during the review period. The decline during the second quarter was largely influenced by slowdown in payments for Food & Live Animals, Crude Materials & Inedible except Fuel and Miscellaneous Manufactured Articles (Table 25 & Chart 22). The percentage fall in the above three categories more than offset growth in the rest of the other categories. Compared with the corresponding period, total import expenditure surged by 14.9 percent, from US\$274.7 million paid a year ago.

Total import bills for Beverages and Tobacco grew by 75.7 percent, to US\$6.5 million at end-June, 2012, from US\$3.7 million during the preceding quarter. The expansion in this category was mainly due to rising demand for beverages during the review quarter. Total Import payments for Minerals, Fuel and Lubricants also grew by US\$7.6 million, to US\$11.4 million at the end of June, from US\$3.8 million recorded in the previous quarter of 2012.

Table 25: Commodity Composition of Imports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
(Values In '000' US\$)

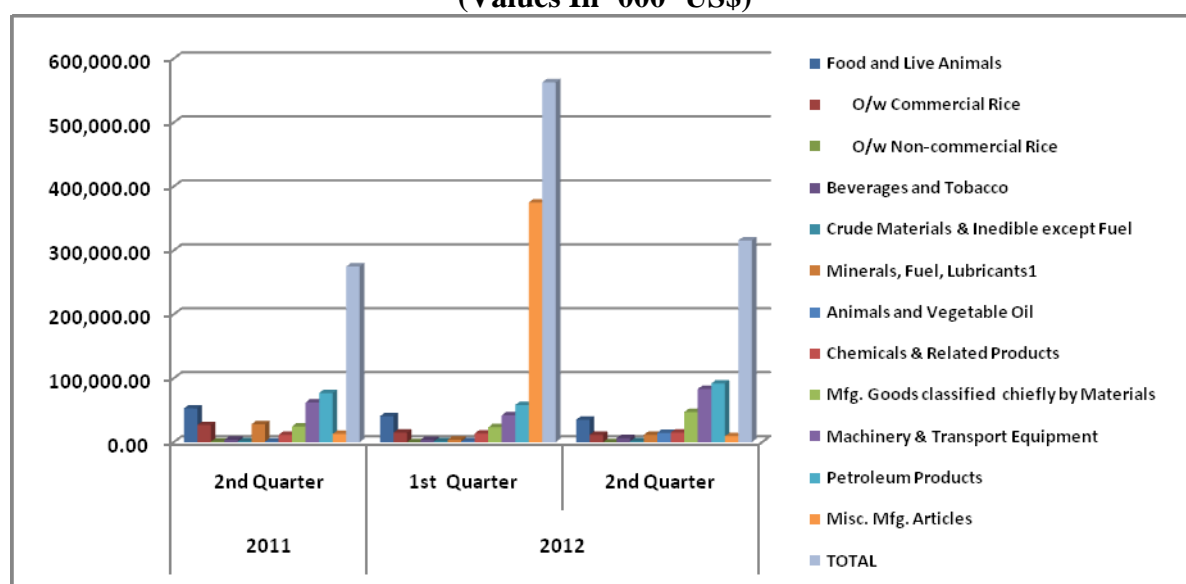
Commodity Composition of Imports	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Food and Live Animals	52,824.95	40,683.06	34,998.62
O/w Commercial Rice	26,785.03	14,826.70	11,630.49
O/w Non-commercial Rice	1,030.15	21.99	-
Beverages and Tobacco	3,738.08	3,651.79	6,457.00
Crude Materials & Inedible except Fuel	1,268.73	1,582.98	1,522.21
Minerals, Fuel, Lubricants ¹	28,016.37	3,841.16	11,399.53
Animals and Vegetable Oil	1,066.97	1,206.02	14,526.49
Chemicals & Related Products	11,309.72	13,487.10	14,949.08
Mfg. Goods classified chiefly by Materials	24,704.62	23,299.73	47,245.49
Machinery & Transport Equipment	62,195.20	42,001.93	83,320.52
Petroleum Products	76,828.50	58,227.47	91,935.78
Misc. Mfg. Articles	12,789.58	374,818.76	9,230.47
TOTAL	274,742.72	562,800.00	315,585.18

Sources: Ministry of Commerce & Industry and BIVAC

*Revised

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Chart 22: Commodity Composition of Imports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
(Values In '000' US\$)



Other categories of import payments that registered increases during the second quarter, 2012 were Animals and Vegetable Oil; Manufactured Goods classified chiefly by Materials; Machinery and Transport Equipment; Petroleum Products; and Chemicals & Related Products.

However, import bills for Food and Live Animal declined to US\$35.0 million at end-June, 2012, from US\$40.7 million in the previous quarter, reflecting 14.0 percent contraction. The fall in import expenditure on Food and Live Animal during the review period was mainly on account of slowdown in the imports of Commercial Rice and the unavailability of data on Non-commercial Rice

5.3 Merchandise Exports

Export proceeds for the second quarter, 2012 amounted to US\$107.3 million, a decline of 18.8 percent relative to the total receipts in the previous quarter. All major export commodities contributed to the reduction except Gold and Round Logs. However, on an annual basis, total export proceeds grew by 18.4 percent from US\$90.7 million recorded during the corresponding quarter of 2011 (Table 26 & Chart 23).

Receipts from rubber, one of the nation's key primary foreign exchange earners, plummeted by 34.3 percent to US\$39.8 million at end-June, 2012, from US\$60.6 million for the previous quarter. This was attributed to contractions in both quantity and price of the commodity. Similarly, receipts from cocoa beans declined by 46.2 percent during the quarter to US\$1.4 million, from US\$2.6 million of the preceding quarter. The decline was on account of a fall in the volume of export of the commodity, although the market price of the product increased. Total proceeds from cocoa also fell during the review quarter.

Iron ore exports similarly declined to US\$32.3 million at end-June, 2012, from US\$49.0 million recorded in the preceding quarter. This was largely driven by a fall in global demand for the product. Compared with the corresponding quarter of 2011, iron ore exports recorded a six-fold expansion from US\$5.1 million.

Mixed variations were recorded in the minerals category comprising of diamond and gold. While proceeds from diamond contracted, those from gold expanded. Export receipts from diamond fell by 32.5 percent in the current quarter, from US\$4.0 million recorded in the first quarter of 2012. Relative to the corresponding period of 2011, diamond exports also fell by 34.1 percent, from US\$4.1 million. In contrast to the development in diamond exports, earnings from gold expanded to US\$6.8 million during the review quarter, from US\$6.0 million registered in the previous quarter, 2012, indicating an increase of 13.3 percent.

Receipts from round logs exports recorded the highest increase during the review quarter. Earnings from the product rose by 73.6 percent to US\$15.8 million in the second quarter of 2012, from US\$9.1 million reported in the preceding quarter. This development was largely attributed to lag effect as huge volume of timber produced during the previous quarter was exported during the current quarter.

Table 26: Commodity Composition of Exports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012

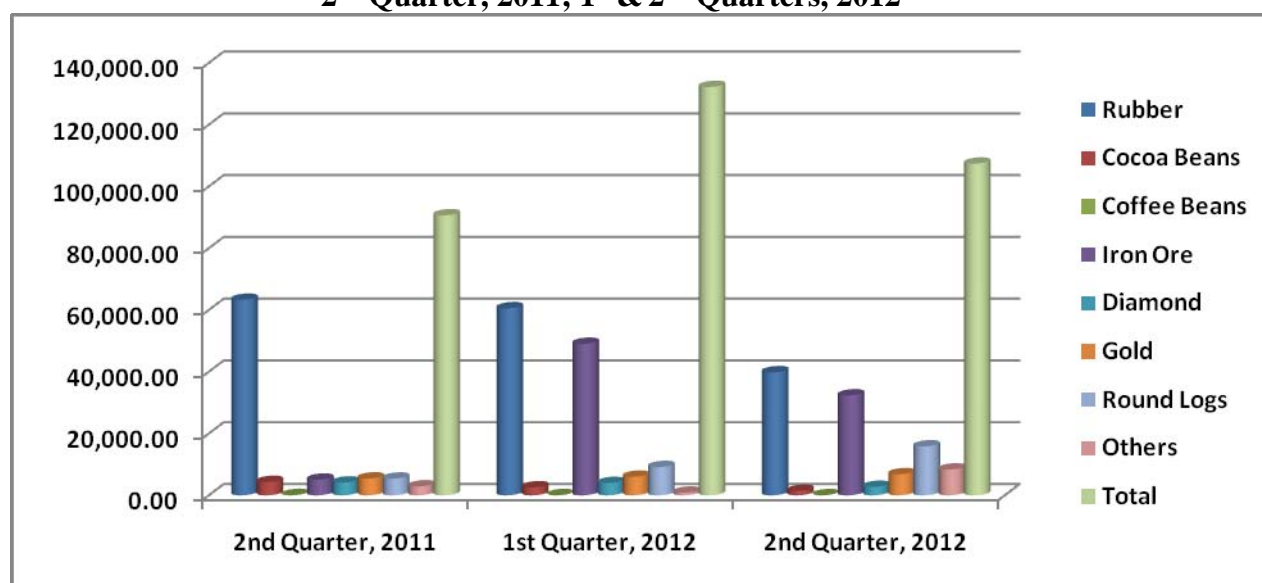
Commodity Composition of Exports	Volume	2 nd Quarter, 2011			1 st Quarter, 2012*			2 nd Quarter, 2012**		
	Units	Volume In '000'	Value In '000' US\$	FOB Prices	Volume In '000'	Value In '000' US\$	FOB Prices	Volume In '000'	Value In '000' US\$	FOB Prices
Rubber	Mt.	17.97	63,291.43	3,522.06	15.43	60,556.23	3,925.47	14.18	39,818.21	2,808.08
Cocoa Beans	Mt.	5.74	4,326.03	753.66	3.82	2,572.53	672.73	1.91	1,442.37	754.71
Coffee Beans	Mt.	0.20	100.00	500.00	0.15	52.50	350.00	0.10	30.00	300.00
Iron Ore	Mt.	75.00	5,054.45	67.39	990.00	49,035.03	49.53	1,047.00	32,330.26	30.88
Diamond	Carat	10.53	4,137.44	392.92	8.59	3,963.81	462.10	7.3	2,748.4	376.5
Gold	Ounce	4.75	5,441.18	1,151.86	4.54	6,013.88	1,324.61	5.5	6,825.8	1,241.1
Round Logs	m ³	24.25	5,407.26	223.02	106.16	9,153.47	86.22	87.82	15,845.57	180.42
Others¹	-	-	2,893.36	-	-	852.55	-	-	8,344.25	-
Total	-	-	90,651.15	-	-	132,200.00	-	-	107,384.86	-

Sources: Ministry of Commerce & Industry (MCI), Ministry of Land, Mines & Energy, Forestry Development Authority and Firestone Rubber Company

1 Other Commodities not else where classified

**Revised*

Chart 23: Commodity Composition of Exports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012



5.4 Direction of Trade

The Liberian Economy is a small-open and import driven economy with a limited export base and origins of imports. The overall trade position of Liberia during the review quarter recorded a contraction of 39.1 percent with North America, Europe and Middle East competing for purchases of Liberia's export commodities and domestic market for imports of mainly finished products.

5.4.1 Destination of Exports

North America becomes the dominant destination of Liberia's exports, followed by Middle East. Liberia's exports shipped to North America during the review quarter, totaled US\$35.4 million, down from US\$53.3 million, representing about 33.6 percent share. On an annualized basis, exports destined to North America declined from US\$51.0 million or 30.6 percent (Table 27 & Chart 24).

The Middle East is the second largest purchaser of Liberia's primary commodities during the quarter under review, accounting for 30.3 percent to US\$32.6 million, up from US\$0.4 million of the previous quarter. The Middle East was closely followed by Europe which accounted for 30.2 percent share or US\$32.4 million recorded at end-June, 2012, from US\$21.3 million of the preceding quarter. Matched against the corresponding quarter of

2011, total exports absorbed by Europe during the second quarter of 2012, grew by 11.3 percent.

Other purchasers of Liberia's export commodities during the review quarter were Others, US\$5.2 million; ECOWAS sub-region, US\$0.5 million, respectively. South America and Others-Africa sub-regions did not receive exports from Liberia during the review quarter. Liberia's exports are largely primary commodities which are mainly absorbed by industrial oriented economies. The demand for the country's exports in the ECOWAS sub-region remained sluggish because most countries in the region are themselves primary commodity exporters (Table 27 & Chart 24).

Table 27: Direction of Exports
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(FOB Value in Million US\$)

REGION	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
Europe	29.1	28.7	32.4
North America	51.0	61.1	35.4
South America	0.0	0.0	0.0
Middle East	3.7	0.4	32.6
Asia	5.6	54.0	1.3
ECOWAS	0.4	1.3	0.5
Others-Africa	0.0	1.9	0.0
Others	1.0	0.0	5.2
Total	90.7	147.5	107.4

Sources: Division of Foreign Trade/MCI & BIVAC-Liberia.

Chart 24: Direction of Exports
(2nd Quarter 2011, 1st & 2nd Quarters, 2012)
(FOB Value in Million US\$)

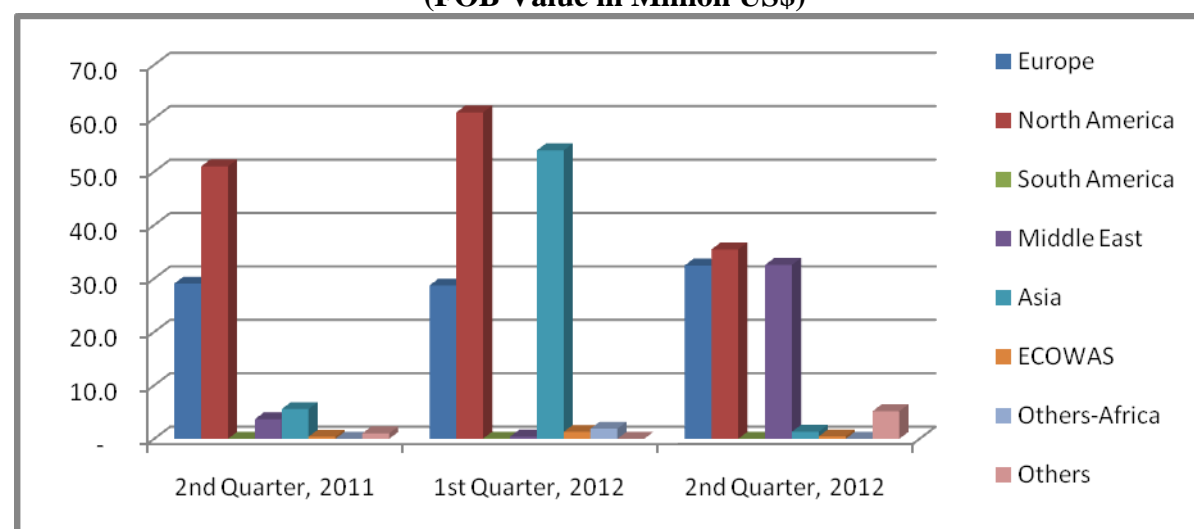
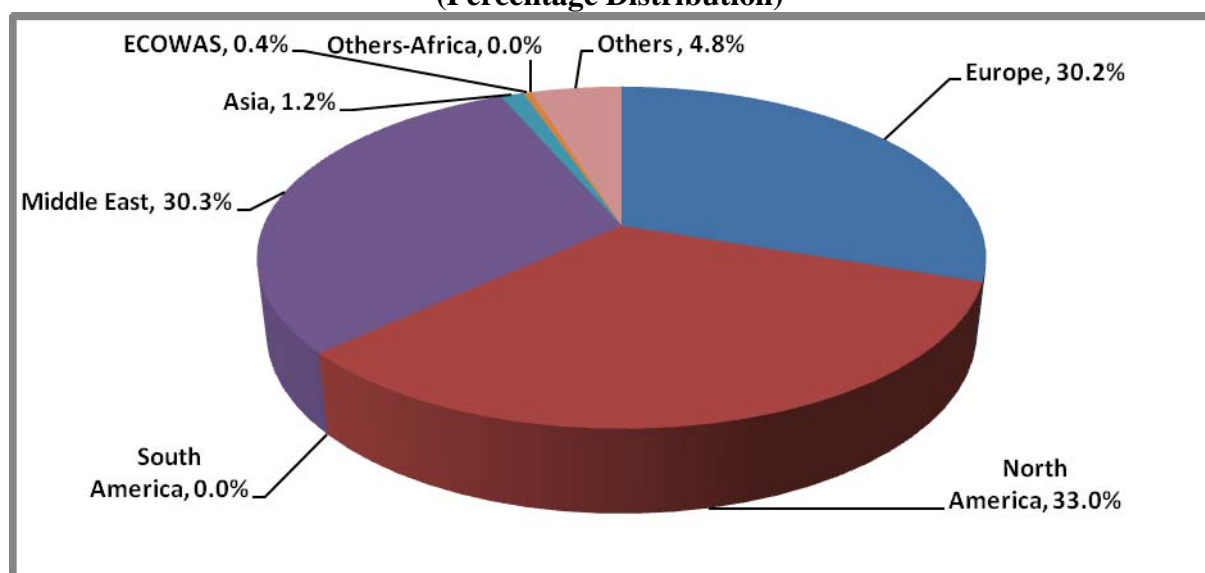


Table 28: Direction of Exports
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(Percentage Distribution)

REGION	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
Europe	32.0	19.5	30.2
North America	56.2	41.4	33.0
South America	0.0	0.0	0.0
Middle East	4.0	0.3	30.3
Asia	6.1	36.6	1.2
ECOWAS	0.4	0.9	0.4
Others-Africa	0.0	1.3	0.0
Others	1.1	0.0	4.8
Total	100.0	100.0	100.0

Chart 25: Direction of Exports
(2nd Quarter 2011, 1st & 2nd Quarters, 2012)
(Percentage Distribution)



5.4.2 Sources of Imports

North America was the dominant source of the country's imports during the review quarter, accounting for about US\$101.7 million, reflecting 32.2 percent share, up from US\$97.6 million recorded in the previous quarter. North America, therefore, overtook Asia which accounted for 34.0 percent of total imports in the first quarter of 2012 (Table 29 & Chart 26). Compared with the corresponding quarter, imports emanating from North America region also significantly increased, from US\$40.0 million. On the contrary, total imports originating

from Asia amounted to US\$25.9 million or 8.2 percent share at end-June, 2012, down from US\$191.1 million of the preceding quarter.

During the review period, Middle East accounted for about US\$88.5 million of Liberia's total imports, from US\$85.7 million reported in the last quarter, representing the second largest origin of imports. In terms of share of total imports, the Middle East region accounted for 28.1 percent, overtaking Europe which recorded US\$42.0 million or 13.3 percent at end-June, 2012. A year-on-year comparison indicates that total imports emanating from Europe declined by 55.8 percent, from US\$95.0 million of the corresponding quarter, 2011.

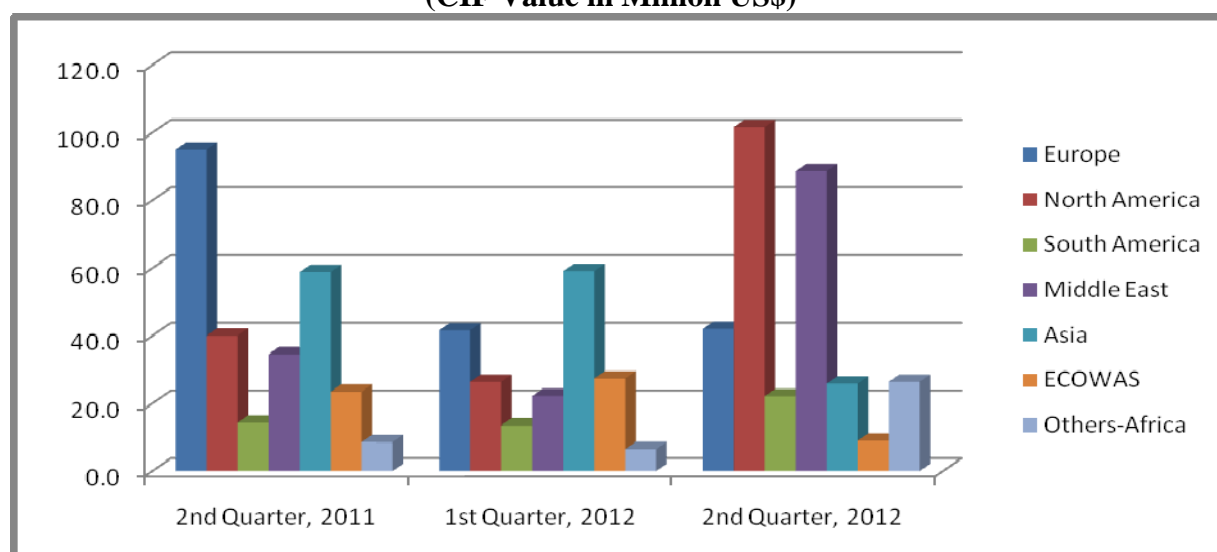
Table 29: Sources of Imports
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(CIF Value in Million US\$)

REGION	2 nd Quarter, 2011	1 st Quarter, 2012*	2 nd Quarter, 2012
Europe	95.0	41.6	42.0
North America	40.0	26.4	101.7
South America	14.3	13.5	22.2
Middle East	34.5	22.2	88.5
Asia	58.8	59.1	25.9
ECOWAS	23.5	27.4	9.0
Others-Africa	8.6	6.5	26.4
Total	274.7	196.7	315.6

Sources: Division of Foreign Trade/MCI & BIVAC-Liberia.

Note that the First Quarter 2012 revision of merchandise imports is not reflected in the sources of imports.

Chart 26: Sources of Imports
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(CIF Value in Million US\$)

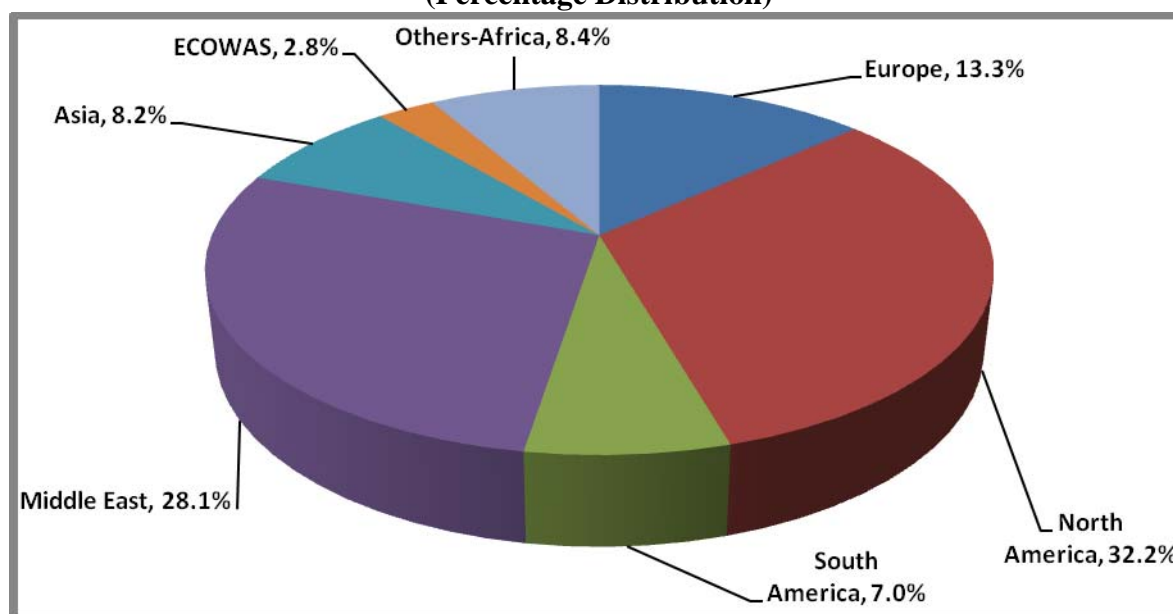


Imports originating from South America grew to US\$22.0 million during the review quarter, up from US\$13.5 million at end-March, 2012, representing 64.4 percent. In terms of share of total imports, about 7.0 percent emanated from the South America region. Others-Africa and ECOWAS sub-regions accounted for US\$26.4 million (8.4 percent) and US\$9.0 million (2.8 percent), respectively. The decline in total imports from other West African countries was largely due to skirmishes at the Liberian-Ivorian border. The insecurity culminated into closing down of the main trading route with Ivory Coast which leads to Ghana, Togo and Nigeria, Liberia's key sub-regional trading partners.

Table 30: Sources of Imports
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(Percentage Distribution)

REGION	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
Europe	34.6	21.1	13.3
North America	14.6	13.4	32.2
South America	5.2	6.9	7.0
Middle East	12.6	11.3	28.1
Asia	21.4	30.0	8.2
ECOWAS	8.5	13.9	2.8
Others-Africa	3.1	3.3	8.4
Total	100.0	100	100.0

Chart 27: Sources of Imports
(2nd Quarter 2011, 1st & 2nd Quarters, 2012)
(Percentage Distribution)



5.5 Current Account Balance

Available data on the current account balance at end-March, 2012 indicates that the overall balance remains in deficit at US\$279.6 million. This persistent deficit reflects the import driven nature of the economy, as total import of goods and services more than offset the level of export during the review quarter. Total import payments during the quarter exceeded the sum of net investment income and net transfers by US\$351.0 million. Compared with the US\$1,069.0 million of the previous quarter ended in December, 2011, the deficit, however, moderated at end-March, 2012. A year-on-year analysis revealed that the current account deficit rose significantly, from a surplus of US\$50.8 million reported in March, 2011 (Table 31).

Table 31: Liberia Analytical Current Account
(In Million of US\$)

Years	2011*	2011*	2012**
<i>Current Account</i>	1 st Quarter	4 th Quarter	1 st Quarter
Current Account Balance	50.8	(1,069.0)	(279.6)
Current Account Balance, excluding grants	(232.4)	(1,365.1)	(275.5)
Trade Balance	(87.2)	(1,253.6)	(430.6)
Merchandise Exports (FOB)	109.0	147.7	132.2
Iron ore	0.5	34.3	49.0
Rubber	68.4	85.8	60.6
Commodities excluding Iron Ore & Rubber	40.1	27.6	22.6
Total exports to ECOWAS countries	1.5	20.4	1.3
Merchandise Imports (FOB)	(201.7)	(1,406.7)	(562.8)
Oil (Petroleum)	(13.7)	(62.0)	(58.2)
Rice	(39.8)	(45.7)	(14.8)
Commodities excluding Petroleum & Rice	(148.2)	(1,299.0)	(489.7)
Total Imports from ECOWAS countries	(25.6)	(44.6)	(27.4)
Services (Net)	(167.1)	(133.4)	(61.0)
O/w freight	5.2	6.3	11.6
Investment income (Net)	21.9	21.9	23.8
Investment income - Credit	25.4	25.4	30.6
Investment income - Debit	(3.5)	(3.5)	(6.6)
Current transfers (Net)	283.2	296.1	188.2
Public transfers (Net)	231.2	238.2	131.3
Private transfers (Net)	52.0	58.0	56.9

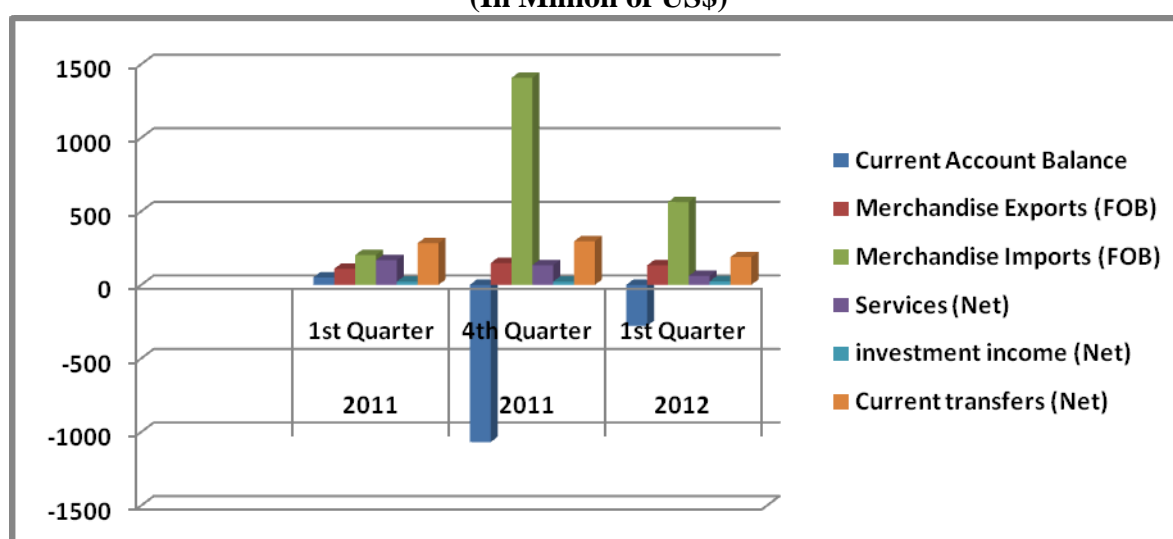
Sources: BIVAC and Ministry of Finance.

*Actual

**Preliminary

The current account balance, excluding grants, amounted to US\$275.5 million at end-March, 2012, down from US\$1,365.1 million of the preceding quarter. The trade balance also recorded a deficit of US\$430.6 million, declining by 65.7 percent or US\$823.0 million, compared with the amount at end-December, 2011. The huge deficit recorded in the trade balance at end-December, 2011 was mainly attributed to import payments of US\$984.6 million for a large set of hospital equipment late in October, 2011 by one of the mining companies in the country.

**Chart 28: Current Account Balance
(In Million of US\$)**



A year-on-year analysis indicates that the deficit in the trade balance significantly increased by US\$343.4 million, from US\$87.2 million.

Services, in the first quarter of 2012, recorded a net outflow of US\$61.0 million, down from US\$133.4 million of the preceding quarter, representing 54.3 percent decline. A yearly analysis indicates that services (net) moderated by 63.5 percent, from US\$167.1 percent reported a year ago.

Net investment income during the review quarter amounted to US\$23.8 million, reflecting an increase of 6.7 percent, from US\$21.9 million of the previous quarter. It increased by the same amount on a year-on-year basis. Net current transfers, on the other hand, contracted by 36.4 percent to US\$188.2 million at end-March, 2012, from US\$296.1 million transferred during the preceding quarter. On a yearly basis, it declined by 33.5 percent to US\$283.2 million.

STATISTICAL APPENDIX

PART A: REAL SECTOR

- Table A-1: Key Agricultural Production (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table A-2: Key Industrial Output (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table A-3: Consumption of Petroleum Products (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table A-4: Harmonized Consumer Price Index (HCPI) By Major Groups (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)

PART B: FINANCIAL SECTOR

- Table B-1: Monetary Survey (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table B-2: Liberian Currency in Circulation (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table B-3: Money Supply and Broad Money (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table B-4: Other Depository Corporations' Balance Sheet (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table B-5: Sectoral Balance Sheet of Central Bank of Liberia (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table B-6: Commercial Banks' Loans by Economic Sectors (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table B-7: Central Bank of Liberia Foreign Exchange Auction Program (January – June, 2012)
- Table B-8: Exchange Rate Developments: Liberian Dollars per US Dollar (Period Averages) (January, 2011 – June, 2012)

PART C: FISCAL SECTOR

- Table C-1: Government of Liberia Revenue by Sources (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)

- Table C-2: Government of Liberia Expenditure by Category (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table C-3: Government of Liberia Revenue & Expenditure (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table C-4: Government of Liberia's Total Expenditure by Sectors (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table C-5: Liberia's Overall Debts Position (As at June 30, 2012)

PART D: EXTERNAL SECTOR

- Table D-1: Commodity Composition of Exports (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table D-2: Commodity Composition of Imports (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table D-3: Balance of Trade (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table D-4: Direction of Exports (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
- Table D-5: Sources of Imports (2nd Quarter, 2011; 1st & 2nd Quarters, 2012)

Table A-1: Key Agricultural Production
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)

Commodity	Unit	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
Rubber	Mt	17,972	21,455	13,387
Cocoa	Mt	13,376	3,497	1,713
Coffee	Mt	154	NA	135
Round Logs	M3	20,342	44,943	22,703
Sawn Timber	Pcs	121,131	110,945	61,576

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

Table A-2: Key Industrial Output
(2nd Quarter, 2011; 1st & 2nd Quarters, , 2012)

Commodity	Unit	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
Diamond	Carat	10,535	9,945	7,327
Gold	Ounce	4,745	4,660	5,504
Cement	Mt	19,972	37,703	33,749
Spirit	Litre	186,840	163,796+	188,921
Beer	Litre	2,783,748	2,367,719	2,265,281
Stout	Litre	1,321,333	1,127,024	1,246,560
Malta	Litre	297,784	256,616	136,454
Soft Drinks	Litre	3,480,345	3,430,166+	3,439,541
Oil Paint	Gal.	7,680	10,750	8,474
Water Paint	Gal.	56,538	70,107	69,995
Varnish	Gal.	1,920	2,687	2,118
Manoline Hair Grease	Kg.	11,634	10,021+	10,004
Soap	Kg.	122,243	124,559+	80,967
Candle	Kg.	128,352	84,147+	71,453
Chlorox	Litre	291,763	177,808+	167,660
Rubbing Alcohol	Litre	90,118	31912+	59,150
Thinner	Gal.	7,825	4,090	3,980
Mattresses	Pcs.	40,068	29,853	25,764
Finished Water	Gal.	440,753,978	597,807,215*	501,129,441*

**Estimate +Revised*

Table A-3: Consumption of Petroleum Products
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Gallons)

Commodity	Unit	2 nd Quarter, 2011	1 st Quarter, 2012	2 nd Quarter, 2012
Premium(PMS)	Gallon	16,870,516	9,856,195	12,724,896
Diesel(AGO)	Gallon	10,224,333	16,877,704	13,748,451
Kerosene(ATK)	Gallon	-	-	-
Jet-Fuel(JET-A)	Gallon	2,022,334	1,348,379	1,565,699
Total		29,117,183	28,082,278	28,039,046

Source: Ministry of Commerce, Monrovia, Liberia

Table A-4: Harmonized Consumer Price Index (HCPI) By Major Groups
Year Year-on-Year Rates of Inflation
2nd Quarter, 2009; 1st & 2nd Quarters, 2010
(December, 2005=100)

FUNCTION	WEIGHT	Apr-09	May-09	Jun-09	2 nd Quarter Ave. '09	Jan-10	Feb-10	Mar-10	1 st Quarter Ave. '10	Apr-10	May-10	Jun-10	2 nd Quarter Ave. '10
FOOD AND NON-ALCOHOLIC BEVERAGES	45.20	7.36	1.61	0.56	3.18	9.37	6.65	10.95	8.99	8.68	11.96	1.42	7.35
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	10.71	8.39	11.91	10.34	15.34	20.63	11.80	15.92	10.83	14.14	12.38	12.45
CLOTHING AND FOOTWEAR	7.75	10.19	16.59	21.35	16.04	11.54	11.86	14.80	12.73	16.14	8.13	4.63	9.63
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12.00	-0.75	-3.11	-3.37	-2.41	2.62	3.25	2.97	2.95	2.88	2.60	2.95	2.81
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.25	20.87	36.36	36.54	31.26	23.98	25.19	18.58	22.58	15.02	1.05	2.27	6.11
HEALTH	3.91	4.05	3.70	3.01	3.59	4.05	4.05	0.00	2.70	0.00	0.00	0.00	0.00
TRANSPORT	6.11	23.91	-6.17	-6.17	3.86	3.43	4.30	3.96	3.90	4.12	4.62	3.20	3.98
COMMUNICATION	1.53	-2.26	-2.35	1.01	-1.20	1.10	1.16	1.06	1.11	0.76	0.66	0.29	0.57
RECREATION AND CULTURE	3.85	3.31	4.47	5.96	4.58	4.40	4.56	7.88	5.61	3.33	1.64	1.49	2.15
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	10.41	94.70	99.81	68.31	107.10	88.76	88.06	94.64	90.58	7.30	5.99	34.63
MISCELLANEOUS GOODS AND SERVICES	3.53	-1.55	10.01	12.98	7.15	13.49	12.95	13.47	13.30	14.57	4.03	1.28	6.63
GENERAL RATE OF INFLATION	100.00	7.80	7.72	7.55	6.76	12.88	11.45	13.21	12.51	11.92	8.01	2.50	7.48

Sources: Liberia Institute for Statistics & Geo-Information Services (LISGIS), and the Central Bank of Liberia, Monrovia, Liberia

Table B-1: Monetary Survey
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Million L\$)

	Jun-11	Mar-12	Jun-12
<i>End of Period Rate</i>	73.00	74.00	76.00
<i>Period Average Rate</i>	72.60	73.61	74.89
FOREIGN ASSETS (NET)	22,913.1	27,469.0	24,498.4
FOREIGN ASSETS (MA)	35,588.1	38,970.8	36,774.2
(-) FOREIGN LIABILITIES (MA)	20,707.0	21,247.4	21,391.0
FOREIGN ASSETS (CoB)	9,418.0	12,626.2	11,609.9
(-) FOREIGN LIABILITIES (CoB)	1,386.0	2,880.6	2,494.7
DOMESTIC CREDIT	29,516.2	34,516.3	35,785.9
CLAIMS ON GENERAL GOVERNMENT (NET)	13,135.5	13,830.3	14,376.4
CLAIMS ON GENERAL GOVERNMENT (MA)	19,094.2	19,350.3	20,964.7
(-) GENERAL GOVERNMENT DEPOSITS (MA)	5,390.4	4,816.8	5,679.7
CLAIMS ON GENERAL GOVERNMENT (CoB)	448.9	421.8	413.5
(-) GENERAL GOVERNMENT DEPOSITS (CoB)	1,017.3	1,125.0	1,322.1
CLAIMS ON PUBLIC CORPORATIONS (MA)	0.0	0.0	0.0
CLAIMS ON PUBLIC CORPORATIONS (CoB)	893.0	1,279.3	1,457.0
CLAIMS ON PRIVATE SECTOR (MA)	359.8	345.1	354.9
CLAIMS ON PRIVATE SECTOR (CoB)	14,990.9	18,946.9	19,484.5
CLAIMS ON NBFIS (MA)	0.0	0.0	0.0
CLAIMS ON NBFIS (CoB)	137.1	114.7	113.0
MONEY	35,666.9	38,975.8	42,424.3
CURRENCY OUTSIDE BANKS (MA)	4,924.6	6,094.3	5,778.0
LIBERIAN CURRENCY IN CIRCULATION (MA)	5,647.3	7,339.6	7,173.5
(-) CURRENCY HOLDINGS (CoB)	722.7	1,245.3	1,395.5
DEMAND DEPOSITS	20,725.8	20,827.1	24,451.7
DEMAND DEPOSITS (MA)	1,073.5	1,351.4	355.6
DEMAND DEPOSITS (CoB)	19,652.3	19,475.7	24,096.2
OTHER DEPOSITS	10,016.6	12,054.4	12,194.6
OTHER DEPOSITS (MA)	93.0	312.7	308.7
TIME AND SAVINGS DEPOSITS (CoB)	9,923.5	11,741.7	11,885.9
BONDS AND SECURITIES (CoB)	0.0	0.0	0.0
RESTRICTED DEPOSIT	52.8	47.6	45.7
CAPITAL ACCOUNTS	26,814.5	27,581.9	26,927.8
CAPITAL ACCOUNTS (MA)	17,665.5	17,016.6	15,914.1
CAPITAL ACCOUNTS (CoB)	9,148.9	10,565.3	11,013.7
OTHER ITEMS (NET)	(10,011.9)	(4,307.3)	(8,804.9)
UNCLASSIFIED LIABILITIES (MA)	9,830.2	11,746.8	12,342.4
(-) UNCLASSIFIED ASSETS (MA)	15,594.9	16,621.0	17,239.2
(-) UNCLASSIFIED ASSETS (CoB)	6,490.4	8,115.3	10,083.3
UNCLASSIFIED LIABILITIES (CoB)	3,972.1	9,612.7	8,222.4
COMMERCIAL BANKS DEPOSITS (MA)	10,860.5	12,267.6	13,125.4
(-) RESERVES (CoB)	11,958.8	13,110.9	15,185.5
CURRENCY HOLDINGS (CoB)	722.7	1,245.3	1,395.5
LIABILITIES TO CENTRAL BANK (CoB)	109.5	111.0	216.5
(-) CLAIMS ON DOMESTIC BANKS (MA)	643.0	824.3	955.5
(-) CLAIMS ON CENTRAL BANK OF LIBERIA (CoB)	906.5	925.5	931.7
(-) UNBALANCED ITEMS	86.8	306.3	288.2
VERTICAL CHECK	0.0	(0.0)	0.0

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-2: Liberian Dollars in Circulation
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

End of Period	L\$ in Banks	L\$ outside Banks	L\$ in Circulation
	(1)	(2)	(3)=(1)+(2)
2 nd Quarter, 2011	722.7	4,924.6	5,647.3
1 st Quarter, 2012	1,245.3	6,094.3	7,339.6
2 nd Quarter, 2012	1,395.5	5,778.0	7,173.5
Percentage Change			
<i>Year-on-year</i>	<i>93.1</i>	<i>17.3</i>	<i>27.0</i>
<i>Quarterly</i>	<i>12.1</i>	<i>-5.2</i>	<i>-2.3</i>

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-3: Money Supply and Broad Money
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Million L\$)

	Jun-11	Mar-12	Jun-12
BROAD MONEY	34,593.5	37,624.3	42,068.8
M1	24,576.9	25,570.0	29,874.2
CURRENCY OUTSIDE BANKS (MA) L\$	4,924.6	6,094.3	5,778.0
DEMAND DEPOSITS (CoB)	19,652.3	19,475.7	24,096.2
<i>United States Dollars component of demand deposits denominated to Liberian Dollars</i>	<i>18,336.2</i>	<i>17,844.0</i>	<i>22,531.3</i>
<i>Liberian Dollars component of demand deposits</i>	<i>1,316.1</i>	<i>1,631.6</i>	<i>1,564.8</i>
TIME AND SAVINGS (CoB)	9,923.5	11,741.7	11,885.9
<i>United States Dollars component of savings deposits denominated to Liberian Dollars</i>	<i>7,670.7</i>	<i>8,309.3</i>	<i>8,640.2</i>
<i>Liberian Dollars component of time & savings deposits</i>	<i>2,252.8</i>	<i>3,432.4</i>	<i>3,245.7</i>
OTHER DEPOSITS	93.0	312.7	308.7
<i>United States Dollars component of savings deposits denominated to Liberian Dollars</i>	<i>86.8</i>	<i>306.3</i>	<i>288.2</i>
<i>Liberian Dollars component of time & savings deposits</i>	<i>6.2</i>	<i>6.5</i>	<i>20.6</i>
United States Dollars component of Broad Money denominated to Liberian Dollars	26,093.8	26,459.6	31,459.7
Percentage share of US dollars to Liberian dollars .	75.4%	70.3%	74.8%
Exchange Rate	73.00	74.00	74.50

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-4: Other Depository Corporations' Balance Sheet
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Thousand L\$)

ASSETS	Jun-11	Mar-12	Jun-12
RESERVES	11,958,847	13,110,949	15,185,457
O/w: CASH ON HAND: COINS/LD NOTES	722,668	1,245,335	1,395,454
FOREIGN ASSETS	9,418,032	12,626,193	11,609,922
CLAIMS ON GENERAL GOVERNMENT	448,943	421,824	413,501
CLAIMS ON PUBLIC CORPORATIONS	892,970	1,279,289	1,456,990
CLAIMS ON PRIVATE SECTOR	14,990,876	18,946,865	19,484,480
CLAIMS ON CENTRAL BANK OF LIBERIA	906,533	925,500	931,678
CLAIMS ON NBFIS	137,074	114,747	113,028
UNCLASSIFIED ASSETS	6,490,429	8,115,333	10,083,288
TOTAL ASSETS	45,243,704	55,540,699	59,278,344
LIABILITIES	Jun-11	Mar-12	Jun-12
DEMAND DEPOSITS	19,652,319	19,475,654	24,096,153
TIME AND SAVINGS DEPOSITS	9,923,519	11,741,653	11,885,860
RESTRICTED DEPOSITS	34,011	28,817	26,906
BONDS AND SECURITIES	0	0	0
FOREIGN LIABILITIES	1,386,014	2,880,560	2,494,737
GOVERNMENT DEPOSITS	1,017,293	1,124,998	1,322,119
LIABILITIES TO CENTRAL BANK	109,500	111,000	216,512
CAPITAL ACCOUNTS	9,148,945	10,565,305	11,013,681
UNCLASSIFIED LIABILITIES	3,972,102	9,612,713	8,222,377
TOTAL LIABILITIES	45,243,703	55,540,700	59,278,344
VERTICAL CHECK (ASSETS/LIABILITIES)	0	(1)	0

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-5: Sectoral Balance Sheet of Central Bank of Liberia
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Thousand L\$)

ASSETS	Jun-11	Mar-12	Jun-12
FOREIGN ASSETS	35,588,071	38,970,809	36,774,214
CLAIMS ON GENERAL GOVERNMENT	19,094,182	19,350,280	20,964,717
CLAIMS ON PUBLIC CORPORATIONS	0	0	0
CLAIMS ON PRIVATE SECTOR	359,815	345,106	354,938
CLAIMS ON DOMESTIC BANKS	642,989	824,255	955,528
CLAIMS ON NBFIS	0	0	0
UNCLASSIFIED ASSETS	15,594,886	16,620,978	17,239,208
TOTAL ASSETS	71,279,944	76,111,428	76,288,605
LIABILITIES	Jun-11	Mar-12	Jun-12
RESERVE MONEY	17,668,127	21,264,951	20,942,566
OTHER DEPOSITS	0	0	0
RESTRICTED RESERVES	18,781	18,781	18,781
FOREIGN LIABILITIES	20,706,965	21,247,448	21,391,007
LIABILITIES TO GENERAL GOVERNMENT	5,390,367	4,816,803	5,679,670
CAPITAL ACCOUNTS	17,665,550	17,016,628	15,914,142
UNCLASSIFIED LIABILITIES	9,830,153	11,746,817	12,342,439
TOTAL LIABILITIES	71,279,944	76,111,428	76,288,605
VERTICAL CHECK (ASSETS-LIABILITIES)	0	0	0

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-6: Commercial Banks' Loans by Economic Sectors
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Thousand L\$)

SECTORS	Jun-11		Mar-12		Jun-12	
	2 nd Quarter 2011	%Share	1st Quarter 2011	%Share	2nd Quarter 2012	%Share
1. Agriculture	517,277	3.6	643111	3.7	654,066	3.7
1.1 Rubber	98,113	0.7	132,439	0.8	125,122	0.7
1.2 Forestry	164,424	1.1	157,637	0.9	143,264	0.8
1.3 Fishing	167,462	1.2	153,990	0.9	167,700	0.9
1.4 other	87,278	0.6	199,045	1.1	217,981	1.2
2. Mining & Quarrying	49061	0.3	231625	1.3	118,833	0.7
2.1 Iron Ore	1,173	0.0	86,358	0.5	3,800	0.0
2.2 Quarrying	47,888	0.3	145,267	0.8	115,033	0.6
3. Manufacturing	305,190	2.1	346,370	2.0	418,079	2.3
4. Construction	1,585,257	11.1	1319674	7.6	1,484,294	8.3
4.1 Mortgage Loans	141,985	1.0	129,574	0.7	218,434	1.2
4.2 Home Improvement	349,723	2.4	60,499	0.3	15,943	0.1
4.3 Other	1,093,549	7.6	1,129,601	6.5	1,249,917	7.0
5. Trans., Storage & Comm.	1,457,491	10.2	1747678	10.0	1,347,240	7.5
5.1 Transportation	703,656	4.9	1,094,819	6.3	784,198	4.4
5.2 Storage	-	-	0	0.0	-	0.0
5.3 Communication	753,835	5.3	652,859	3.7	563,042	3.2
6. Trade, Hotel & Rest.	5,679,708	39.6	7452817	42.7	7,691,398	43.1
6.1 Diamond trade	20,732	0.1	24,198	0.1	24,734	0.1
6.2 Other trade	5,263,696	36.7	7,134,968	40.8	7,379,021	41.3
6.3 Hotels	374,950	2.6	256,152	1.5	252,916	1.4
6.4 Restaurants	20,330	0.1	37,499	0.2	34,728	0.2
7. Other	4,741,944	33.1	5726158	32.8	6,143,449	34.4
7.1 Services	1,066,688	7.4	2,250,095	12.9	1,793,111	10.0
7.2 Personal	3,254,737	22.7	2,612,638	15.0	2,614,985	14.6
7.3 GOL	68,912	0.5	55,881	0.3	64,832	0.4
7.4 Central Bank of Liberia	-	-	0	0.0	-	0.0
7.5 Public Corporations	179,288	1.3	414,765	2.4	298,178	1.7
7.5 Other	172,319	1.2	392,779	2.2	1,372,344	7.7
Total	14,335,928	100.0	17,467,432	100.0	17,857,358	100.0

Source: Central Bank of Liberia

**Table B-7: Central Bank of Liberia Foreign Exchange Auction
(January – June, 2012)**

Auction No.	Date	FX Offered for sale by CBL(US\$)	Auction Rate L\$/US\$	Total Purchased US\$	No. of Selected Bids	No. of Non-Selected Bids	Value of Rejected Bids (US\$)	Over/(Under) Subscription (US\$)	Total Value of Bids Submitted by Participating Banks/FX Bureaux (US\$)
317	27-Jun-12	2,000,000.00	73.9525	2,000,000.00	34	0	-	1,282,500.00	3,282,500.00
316	20-Jun-12	3,000,000.00	74.1000	3,000,000.00	36	0	-	766,167.50	3,766,167.50
315	13-Jun-12	3,000,000.00	74.4525	3,000,000.00	43	0	-	1,683,000.00	4,683,000.00
314	6-Jun-12	3,000,000.00	74.7500	3,000,000.00	41	0	-	1,654,764.90	4,654,764.90
313	30-May-12	2,200,000.00	74.9000	2,200,000.00	35	0	-	1,934,000.00	4,134,000.00
312	23-May-12	2,200,000.00	74.8500	2,200,000.00	36	0	185,513.51	1,291,663.51	3,491,663.51
311	16-May-12	1,000,000.00	74.8500	1,000,000.00	23	10	-	1,079,000.00	2,079,000.00
Special Window	15-May-12	1,000,000.00	74.5000	1,000,000.00					
310	9-May-12	1,000,000.00	74.7100	1,000,000.00	22	19	200,000.00	1,630,000.00	2,630,000.00
Special Window	8-May-12	1,000,000.00	74.0000	1,000,000.00					
309	2-May-12	1,000,000.00	74.5000	1,000,000.00	31	7	-	1,194,000.00	2,194,000.00
308	25-Apr-12	1,000,000.00	74.4500	1,000,000.00	25	11	65,000.00	1,362,000.00	2,362,000.00
307	18-Apr-12	1,000,000.00	74.2000	1,000,000.00	22	11	100,000.00	1,112,240.00	2,112,240.00
306	11-Apr-12	1,000,000.00	74.4000	1,000,000.00	24	21	375,000.00	1,355,500.00	2,355,500.00
305	4-Apr-12	750,000.00	74.2400	750,000.00	17	20	0.00	744,000.00	1,494,000.00
304	28-Mar-12	500,000.00	73.9999	500,000.00	13	31	224,492.56	1,422,592.56	1,922,592.56
303	21-Mar-12	500,000.00	73.8000	500,000.00	17	19	250,000.00	1,073,200.00	1,573,200.00
302	16-Mar-12	500,000.00	73.5900	500,000.00	16	9	50,000.00	377,000.00	877,000.00
301	7-Mar-12	500,000.00	73.4900	500,000.00	15	23	150,000.00	1,152,200.00	1,652,200.00
300	29-Feb-12	1,000,000.00	73.0000	1,000,000.00	28	15	0.00	1,387,100.00	2,387,100.00
299	22-Feb-12	1,000,000.00	72.7665	1,000,000.00	29	13	0.00	1,158,667.00	2,158,667.00
Special Window	21-Feb-12	500,000.00	73.0000	500,000.00					
298	15-Feb-12	1,500,000.00	72.6000	1,500,000.00	34	7	0.00	1,123,548.21	2,623,548.21
297	8-Feb-12	1,500,000.00	72.4000	1,500,000.00	35	0	0.00	634,834.00	2,134,834.00
296	1-Feb-12	1,500,000.00	72.3000	1,500,000.00	32	0	86,098.13	343,498.13	1,843,498.13
Special Window	26-Jan-12	125,000.00	72.5000	125,000.00					
Special Window	25-Jan-12	375,000.00	71.5000	375,000.00					
295	25-Jan-12	1,000,000.00	72.5000	1,000,000.00	29	0	0.00	419,000.00	1,419,000.00
294	18-Jan-12	1,000,000.00	72.4990	1,000,000.00	23	0	0.00	213,000.00	1,213,000.00
293	11-Jan-12	750,000.00	72.5000	750,000.00	20	10	0.00	506,340.00	1,256,340.00
292	4-Jan-12	500,000.00	72.2000	500,000.00	16	8	0.00	467,300.00	967,300.00
		36,900,000.00		36,900,000.00	696	234	1,686,104.20	27,367,115.81	61,267,115.81

Source: Central Bank of Liberia, Monrovia, Liberia

**Table B-8: Monthly Averages of Buying and Selling Rates of Liberian Dollar per one
US Dollar
(2011 – June, 2012)**

Period	2011		2012	
	Buying	Selling	Buying	Selling
January	71.79	72.75	72.44	73.40
February	71.96	72.60	73.00	74.00
March	71.61	72.31	73.11	74.11
April	71.54	72.21	73.50	74.50
May	72.00	72.98	74.41	75.37
June	72.10	73.10	75.04	76.04
July	72.35	73.33		
August	72.02	73.00		
September	71.58	72.58		
October	71.88	72.69		
November	71.10	72.10		
December	71.43	72.43		
Q1	71.79	72.56		
Q2	71.88	72.76		
Q3	71.98	72.97		
Q4	71.47	72.40		
Year	71.78	72.67		

Source: Central Bank of Liberia, Monrovia, Liberia

Table C-1: Government of Liberia Revenue by Sources
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

Revenue Sources	2011	2012	
	2 nd Quarter	1 st Quarter	2 nd Quarter**
A. Tax Revenue	5,774.7	7,243.3	8,186.7
i. International Trade Taxes	2,093.3	2,712.8	3,093.2
<i>Taxes & Duties on Imports</i>	2,038.7	2,621.9	2,987.0
<i>Taxes on Exports</i>	54.6	90.9	106.2
ii. Taxes on Income & Profits	2,405.7	2,700.4	3,095.0
<i>Individual Taxes on income & profits</i>	1,579.1	1,005.9	1,073.6
<i>Taxes Payable by Corporate Entities</i>	825.0	1,692.8	2,000.2
<i>Others</i>	1.6	1.6	21.1
iii. Sale Taxes on Goods & Services	957.8	1,212.1	1,395.3
<i>Goods & Service Tax</i>	274.2	317.8	461.6
<i>Excise Taxes</i>	165.6	207.2	217.1
<i>Maritime Revenue</i>	326.3	169.3	325.5
<i>Others</i>	191.7	517.8	391.0
iv. Property & Real Estate Taxes	60.0	40.2	51.2
v. Other Tax Revenue ¹	257.9	578.0	552.1
B. Non-Tax Revenue	2,642.8	2,542.3	1,395.1
i. Charges & Other Administrative Fees	589.7	599.4	709.2
ii. Grants	2053.055	1,942.9	115.9
iii. Others	-	-	570.0
<i>Contingent Revenue</i>	-	-	-
<i>Borrowing</i>	-	-	570.0
<i>Carry Forward</i>	-	-	-
Grand Total (A + B)	8,417.5	9,785.6	9,581.8

Source: Ministry of Finance, Republic of Liberia

¹Tax Revenue not elsewhere mentioned

²In CBL Quarterly Reporting System, Fiscal Year (FY) – 4th Quarter, is Annual Year (AY) – 2nd Quarter

**Preliminary

Table C-2: Government of Liberia Expenditure by Sectors
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions, L\$)

Expenditure by Sectors	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Public & Administrative Services	3,807.7	2,819.1	3,157.6
Rule of Law & Public Safety	1,131.0	1,180.3	1,333.7
Social & Community Services	2,443.8	2,139.7	2,346.3
Economic Services	1,798.2	2,024.1	2,214.5
Total	9,180.7	8,163.2	9,052.0

Source: Ministry of Finance, Republic of Liberia

**Revised*

***Preliminary*

Table C-3: Government of Liberia's Fiscal Operations
(2nd Quarter, 2011; 1st & 2nd Quarters, 2012)
(In Millions L\$)

GoL Fiscal Operations	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Total Revenue	8,417.5	9,785.6	9,581.8
Total Expenditure	9,180.7	8,163.2	9,052.0

Source: Ministry of Finance, Republic of Liberia

**Revised*

***Preliminary*

Table D - 1: Commodity Composition of Exports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012

Commodity Composition of Exports	Volume	2 nd Quarter, 2011			1 st Quarter, 2012*			2 nd Quarter, 2012**		
	Units	Volume In '000'	Value In '000' US\$	FOB Prices	Volume In '000'	Value In '000' US\$	FOB Prices	Volume In '000'	Value In '000' US\$	FOB Prices
Rubber	Mt.	17.97	63,291.43	3,522.06	15.43	60,556.23	3,925.47	14.18	39,818.21	2,808.08
Cocoa Beans	Mt.	5.74	4,326.03	753.66	3.82	2,572.53	672.73	1.91	1,442.37	754.71
Coffee Beans	Mt.	0.20	100.00	500.00	0.15	52.50	350.00	0.10	30.00	300.00
Iron Ore	Mt.	75.00	5,054.45	67.39	990.00	49,035.03	49.53	1,047.00	32,330.26	30.88
Diamond	Carat	10.53	4,137.44	392.92	8.59	3,963.81	462.10	7.3	2,748.4	376.5
Gold	Ounce	4.75	5,441.18	1,151.86	4.54	6,013.88	1,324.61	5.5	6,825.8	1,241.1
Round Logs	m ³	24.25	5,407.26	223.02	106.16	9,153.47	86.22	87.82	15,845.57	180.42
Others¹	-	-	2,893.36	-	-	852.55	-	-	8,344.25	-
Total	-	-	90,651.15	-	-	132,200.00	-	-	107,384.86	-

Sources: Ministry of Commerce & Industry (MCI), Ministry of Land, Mines & Energy, Forestry Development Authority and Firestone Rubber Company

1Other Commodities not else where classified

**Revised*

Table D - 2: Commodity Composition of Imports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
(Values In '000' US\$)

Commodity Composition of Imports	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Food and Live Animals	52,824.95	40,683.06	34,998.62
O/w Commercial Rice	26,785.03	14,826.70	11,630.49
O/w Non-commercial Rice	1,030.15	21.99	-
Beverages and Tobacco	3,738.08	3,651.79	6,457.00
Crude Materials & Inedible except Fuel	1,268.73	1,582.98	1,522.21
Minerals, Fuel, Lubricants ¹	28,016.37	3,841.16	11,399.53
Animals and Vegetable Oil	1,066.97	1,206.02	14,526.49
Chemicals & Related Products	11,309.72	13,487.10	14,949.08
Mfg. Goods classified chiefly by Materials	24,704.62	23,299.73	47,245.49
Machinery & Transport Equipment	62,195.20	42,001.93	83,320.52
Petroleum Products	76,828.50	58,227.47	91,935.78
Misc. Mfg. Articles	12,789.58	374,818.76	9,230.47
TOTAL	274,742.72	562,800.00	315,585.18

Sources: Ministry of Commerce & Industry and BIVAC

*Revised

**Preliminary

Table D-3: Balance of Trade
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
(Values In '000' US\$)

Periods	2011	2012	
	2 nd Quarter	1 st Quarter*	2 nd Quarter**
Total Export	90,651.15	132,200.00	107,384.86
Total Import	274,742.72	562,800.00	315,585.18
Total Trade	365,393.87	695,000.00	422,970.04
Trade Balance	(184,091.57)	(430,600.00)	(208,200.32)

Sources: Ministry of Commerce & Industry; Land, Mines & Energy, Forestry Development Authority and BIVAC

*Revised

**Preliminary

Table D-4: Direction of Exports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
((FOB Value in Million US\$))

REGION	2nd Quarter, 2011	1st Quarter, 2012	2nd Quarter, 2012
Europe	29.1	28.7	32.4
North America	51.0	61.1	35.4
South America	0.0	0.0	0.0
Middle East	3.7	0.4	32.6
Asia	5.6	54.0	1.3
ECOWAS	0.4	1.3	0.5
Others-Africa	0.0	1.9	0.0
Others	1.0	0.0	5.2
Total	90.7	147.5	107.4

Sources: Division of Foreign Trade/MCI & BIVAC-Liberia.

Table D-5: Sources of Imports
2nd Quarter, 2011; 1st & 2nd Quarters, 2012
(CIF Value in Million US\$)

REGION	2nd Quarter, 2011	1st Quarter, 2012	2nd Quarter, 2012
Europe	95.0	41.6	42.0
North America	40.0	26.4	101.7
South America	14.3	13.5	22.2
Middle East	34.5	22.2	88.5
Asia	58.8	59.1	25.9
ECOWAS	23.5	27.4	9.0
Others-Africa	8.6	6.5	26.4
Total	274.7	196.7	315.6

Sources: Division of Foreign Trade/MCI & BIVAC-Liberia.