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OVERVIEW

Economic recovery in major advanced economies have remained uncertain as policies in the United States and the euro area have restrained confidence of consumers and investors, creating risk of viability in advanced economies. Emerging markets and developing economies have suffered from spillovers from advanced economies along with domestic difficulties that have lowered commodity prices, directly affecting commodity exporters. Analyses reveal that global growth has been weaker than the forecast in previous World Economic Outlook (WEO) publications.

The global economy is expected to grow at a slow pace of 3.3 percent with China and India being the major drivers. Output is expected to remain subdued in advanced economies with a number of emerging market economies experiencing inflationary pressure. In the United States, growth has been gradually improving, but the current bottleneck has shifted attention to the “fiscal cliff”, causing real GDP growth to appear to be losing momentum again as forecast for 2013 is on the downside.

The euro area crisis has deepened due to deep cutbacks in production in the surrounding economies. Sovereign issuers and banks are struggling to attract foreign investors as their sovereign debt spreads have risen. As a result, growth is projected at negative 0.4 percent. With these setbacks in advanced economies, growth in emerging markets and developing economies still remain strong. In many emerging markets and developing economies, output is already above pre-crisis trends, suggesting recovery is complete with expansion to follow. Growth is certain to stay above 5.3 percent in these economies. In sub-Saharan Africa, increased commodity prices and the region’s relative insulation to external financial shock is expected to keep growth robust. It is expected that growth for the remaining of the year will stay above 5.0 percent.

The Liberian economy is projected to grow at 8.7 percent in 2012, 0.5 percentage point higher than the revised level recorded in 2011. During the review quarter, the production of sawn timber increased while rubber production, cocoa and round logs declined relative to the previous quarter’s production. Inaccessible roads resulting from the rainy season partly contributed to the reduced output levels.

Gold output for the quarter reduced by 6.9 percent compared to the level recorded at end June, 2012. On the other hand, diamond production increased by 33.1 percent to 9,752 carats, while yearly production fell by 38.2 percent.

Performance of the manufacturing sector was mixed. The production of cement, beer, soft drink, soap, mattresses and manoline hair grease decreased, while the production of other items increased. On the overall, quarterly total production increased by 5.6 percent. Petroleum products consumed during the period under review compared to the corresponding and previous quarters declined. The fall in consumption was mainly on account of a reduction in the importation of Premium Motor Spirit (PMS).

Domestic inflation subsided during the quarter to 4.5 percent, from 7.2 percent in the previous quarter, mainly due to the slowdown in the prices of food and transport items in the consumer basket along with the relative stability in the Liberian dollar.

The banking sector remained strong. At end-September, 2012, the industry balance sheet improved by 1.5 percent over the previous quarter and 57.0 percent over the figure recorded a year ago. Commercial bank loans and advances grew by 3.5 percent compared to the figure recorded a quarter ago and 45.0 percent over the corresponding quarter. Though capitalization is strong, low profitability and high non-performing loans still remain a challenge.

In terms of sectoral distribution of total loans, Trade, Hotel, & Restaurant accounted for the largest share of 39.9 percent, followed by Construction, 8.5 percent; Transportation, 6.9 percent; and Agriculture, 3.7 percent, respectively. The “Others” category constituted 38.5 percent.

Excluding average time deposit and average mortgage rates, all other category of interest rates recorded increases relative to the previous quarter.

Liberian dollar in circulation at end-September declined by 3.3 percent to L\$6,939.8 million, from L\$7,173.5 million at end-June, 2012, on account of a 7.2 percent fall in currency outside banks. The stock of narrow money (M1) declined by 3.9 percent to L\$28,715.40 million,

while broad money (M2) grew by 1.1 percent to L\$45,516.44 million. However, on year-on-year basis, both M1 and M2 grew by 7.6 percent and 9.7 percent, respectively.

During the quarter under review, the Liberian dollar slightly appreciated by 2.2 percent to L\$73.32 per US\$1.00, from L\$74.54 per US\$1.00 in the previous quarter. Similarly, the end of period rate also appreciated by 2.0 percent to L\$73.00 per US\$1.00, from L\$74.50 per US\$1.00. The relative stability in the exchange rate is largely due to the CBL's weekly intervention in the foreign exchange market via the auction. At end-September, 2012, a total of US\$16.9 million was offered to the market as against US\$24.2 million in the previous quarter. The reduced level of intervention was occasioned by the appreciation of the Liberian dollar during the reporting quarter.

Total inward remittances for the quarter grew by 5.7 percent to US\$357.0 million, from US\$337.8 million in the previous quarter. Yearly comparison indicates that total inward remittances grew by 25.2 percent. The rise was on account of an 89.4 percent increase in inward workers' remittances.

Government fiscal operations resulted into an excess of expenditure over revenue by L\$260.6 million or 3.4 percent while the public debt stock for both domestic and external stood at US\$561.5 million with domestic debt accounting for 50.4 percent and external debt constituting the remaining 49.6 percent. Total government expenditure for the quarter reduced to L\$7,915.6 million or by 12.5 percent relative to the previous quarter's outlay. Recurrent expenditure accounted for 91.4 percent, capital expenditure, 8.0 percent, while interest on debt & other charges and other expenditure accounted for the remaining share of 0.6 percent.

Total trade position for the quarter amounted to US\$372.8 million, down from US\$435.1 million recorded during the preceding quarter, representing 14.3 percent decline, largely due to a simultaneous fall in merchandise exports and imports by 4.5 percent and 18.0 percent, respectively. A year-on-year comparison shows that the trade deficit considerably moderated by 24.1 percent.

I. DEVELOPMENTS IN THE WORLD ECONOMY

The global economy remained constrained by fiscal adjustments, sluggish labor markets and impaired financial intermediation, creating uncertainty on outlook. Policies in major advanced economies have not restored confidence in medium-term prospects with risks of viability of the euro area and the looming U.S fiscal cliff that continues to preoccupy investors' confidence have led to a lowering of global growth forecast.

The World Economic Outlook forecast shows only a gradual strengthening of activity from the relatively slow pace of growth in early 2012. The projected global growth rates of 3.3 percent and 3.6 percent in 2012 and 2013, respectively, are lower than the July, 2012 projections of 3.5 percent and 3.9 percent, respectively. Output is expected to remain slow in advanced economies with a reduction in projections from the previous quarter, but still relatively solid in many emerging markets and developing economies.

The global recovery is broadly moving in twofolds, one with large output gaps in advanced economies and closing or closed gaps in emerging and developing economies. Unemployment is likely to remain high in many parts of the world, while financial conditions remain fragile. Growth in sub-Saharan Africa still remains strong even though there is a slight reduction from the previous quarter projection of 5.1 to 5.0 percent (Table 1).

1.1 The U.S. Economy

In the US, which has been enjoying a better recovery than the UK and euro zone, real GDP growth appears to be losing momentum again. Projection for the third quarter, 2012 reveals a 0.1 percentage point fall in 2013 as reported in the July, 2012 WEO Update. The current policy bottleneck has shifted attention to the possibility of a sharp cutback in government spending and a simultaneous rise in taxes –**fiscal cliff**, creating a cutback on GDP of between negative 3.0 to 5.0 percent. In the meantime, monetary policy has limited ability to induce households or firms with debt-impaired balance sheets to spend more vigorously. Private investment is slowing in anticipation of withdrawal of fiscal stimulus and a falling consumer confidence, among others.

1.2 The euro area

The crisis in the euro area has deepened. Activity is contracting, mainly due to deep cutbacks in production in the surrounding economies, with financial and fiscal conditions being very tight. Sovereign issuers and banks in the periphery are struggling to attract foreign investors. Their sovereign debt spreads have risen appreciably, and their banks rely increasingly on the European Central Bank (ECB) for funding. As a result, they have cut back domestic credit as projection shows growth is at a negative of 0.4 percent, a 0.1 percentage point lower than the WEO July, 2012 projection, of negative 0.3 percent.

1.3 Asia

China and India remain the pilots of the world economy out of recession. In many emerging and developing economies, output is already above pre-crisis trends, suggesting that recovery is complete with expansion to follow. But fears of possible asset bubbles linger due to the inflow of investment capital into the region. India's activity suffered from declining business confidence amid slow approvals for new projects, sluggish structural reforms, policy rate hikes designed to control inflation, and flagging external demand while China slow growth is due to a tightening in credit conditions and weaker external demand.

Despite the improvement in these economies, the risk that food and energy price increases will start an inflationary spiral is much greater in emerging and developing economies than in advanced economies. In most of these economies, monetary conditions appear highly harmonious such that real interest rates remain far below pre-crisis levels, and the extent of expected tightening seems limited relative to what is needed. It is projected that the Asian economy will grow at 6.7 and 7.2 percent in 2012 and 2013, respectively, with decline of negative 0.4 and 0.3 percentage points in 2012 and 2013, respectively, from the projection of WEO July, 2012.

1.4 Latin America

Latin America suffered from a slow growth, down to about 3.0 percent in the first half of 2012, largely due to past measures of containing inflationary pressure aimed at moderating credit growth in some market segments, along with increased pull recently from global factors. Growth outlook for the region is projected at 3.2 and 3.9 percent in 2012 and 2013, respectively, reflecting a decline of 0.2 and 0.3 percentage points, from the revised projections made in the July, 2012 WEO.

1.5 Sub-Saharan Africa

Growth in sub-Saharan Africa (SSA) is projected to stay above 5.0 percent according to the WEO October, 2012 edition. In the region, increased commodity prices and the improvements in emerging and developing economies along with the regions relative insulation to external financial shock is expected to keep growth robust for the remaining of the year.

1.6 Global Inflation

The global economic slowdown in major advanced economies along with lower commodity prices, have caused a drop in headline inflation for the review quarter. In advanced economies, headline inflation has reduced to about 1.9 percent, down from more than 2.0 percent projected in the July 2012 WEO estimates. Inflation in emerging markets and developing economies has also declined by 0.2 percentage points from that reported in the previous WEO 2012 edition, to 6.1 percent. Inflationary pressure in the advanced economies is forecast to move to about 1.6 percent in 2013. In emerging markets and developing economies, headline inflation is projected to fall broadly to 5.8 percent.

Table 1: World Economic Indicators

	2010	2011	<u>Projections</u>		Difference from	
			2012	2013	July Estimates	
World Output	5.1	3.8	3.3	3.6	-0.2	-0.3
Advanced Economies	3.0	1.6	1.3	1.5	-0.1	-0.3
United States	2.4	1.8	2.2	2.1	0.1	-0.1
Euro Area	2.0	1.4	-0.4	0.2	-0.1	-0.5
Japan	4.5	-0.8	2.2	1.2	-0.2	-0.3
United Kingdom	1.8	0.8	-0.4	1.1	-0.6	-0.3
Canada	3.2	2.4	1.9	2.0	-0.2	-0.2
Emerging and Developing Economies	7.4	6.2	5.3	5.6	-0.3	-0.2
Central & Eastern Europe	4.6	5.3	2.0	2.6	0.1	-0.2
Developing Asia	9.5	7.8	6.7	7.2	-0.4	-0.3
China	10.4	9.2	7.8	8.2	-0.2	-0.2
India	10.1	6.8	4.9	6.0	-1.3	-0.6
Latin America & the Caribbean	6.2	4.5	3.2	3.9	-0.2	-0.3
Middle East & North Africa	5.0	3.3	5.3	3.6	-0.2	0.0
Sub-Sahara Africa	5.3	5.1	5.0	5.7	-0.1	0.0
Consumer Prices						
Advanced Economies	1.5	2.7	1.9	1.6	-0.1	0.0
Emerging Markets & Developing Economies	6.1	7.2	6.1	5.8	-0.2	0.2

Source: World Economic Outlook, October, 2012

II. DOMESTIC PRODUCTION AND CONSUMER PRICES

2.1 Introduction

The Liberian economy is projected to grow at an estimated 8.7 percent in 2012, 0.5 percentage points higher than the revised level recorded in 2011, to be driven mainly by mining & panning and services sectors.

2.2 Sectoral Review

2.2.1 Agriculture and Forestry

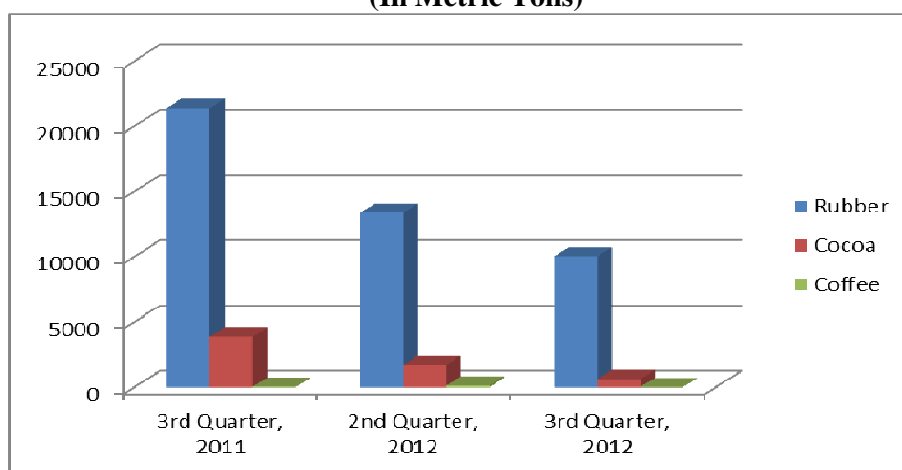
The performance of the agriculture and forestry sectors during the review quarter was not impressive. Except for sawn timber production that rose to an estimated 62,725 pieces, rubber, cocoa, and round logs registered declines.

Table 2: Key Agricultural Production
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)

Commodity	Unit	3 rd Quarter, 2011	2 nd Quarter, 2012	3 rd Quarter, 2012
Rubber	Mt	21,386	13,387	10,029
Cocoa	Mt	3,872	1,713	633
Coffee	Mt	27	135	-
Round Logs	M3	18,824	53,523	38,972*
Sawn Timber	Pcs	64,277	61,576	62,725*

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

Chart 1: Key Agricultural Production
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Metric Tons)



a. Rubber

Rubber production at end-September, 2012 declined to 10,029 metric tons, from 13,387 metric tons in the previous quarter (Table 2). The 33.5 percent reduction in output was mainly due to the low production of the commodity for the months of July and August as a result of a decline in the price. Compared with the corresponding quarter of 2011, rubber output fell by 11,357 metric tons at end-September, 2012 (Table 2 & Chart 1).

b. Cocoa & Coffee

Cocoa output declined to 633 metric tons during the quarter, from 1,713 metric tons at the end of the previous quarter, reflecting a sharp fall of 63.0 percent. The reduction in cocoa output was partly due to low harvest by farmers. Year-on-year comparison shows that cocoa output in the current period was 3,239 metric tons lower than the corresponding quarter in 2011. Quarterly and annual analyses of coffee could not be done due to the unavailability of the commodity in the review period.

c. Sawn Timber

For the review quarter, production of sawn timber was estimated at 62,725 pieces, 1.9 percent more than the 61,576 pieces produced in the previous quarter. Yearly comparison indicates that output for the reporting quarter declined by 1,552 pieces (Table 2).

d. Round Logs

Log production decreased to an estimated 38,972 cubic meters in the reporting quarter, from 53,523 cubic meters in the second quarter of 2012; representing a fall in production of 27.2 percent. The reduction was largely due to bad roads in the hinterland where most of the logs are extracted. Corresponding quarter comparison also shows that the production level recorded in the reporting quarter is 20,148 cubic meters lower.

Industrial Production

Industrial production continues to be hampered by the shortage of basic infrastructure, including public electricity and water supply, and limited skilled manpower.

2.2.2 Mining (Gold and Diamond)

a. Gold

Total output of gold produced at end-September 2012 was 5,126 ounces, compared with 5,504 ounces produced during the previous quarter, reflecting a 6.9 percent reduction in output. However, production of gold during the quarter increased by 1,813 ounces relative to the level recorded during the corresponding period of 2011.

b. Diamond

Diamond production during the review quarter increased by 2,425 carats or 33.1 percent, to 9,752 carats, from 7,327 carats in the previous quarter. Compared with the total output in the corresponding quarter of 2011, output for the reporting quarter declined by 6,032 carats.

2.2.3 Manufacturing

Output in the manufacturing subsector exhibited mixed performance during the third quarter. While outputs for cement, beer, soft drinks, soap, mattresses and manoline fell, outputs for the rest rose.

a. Cement

Cement production reduced markedly to 21,824 metric tons during the third quarter of 2012, from 33,749 metric tons at end- June, 2012, indicating a 35.3 percent fall in output. The reduction in the output of cement was mainly on account of an increase in the quantity of imported cement. Yearly comparison shows that production level for the quarter was 1,575 metric tons or 6.7 percent lower than the quantity produced a year ago.

b. Beverages

Output of beverages declined by 1.4 million liters to 5.9 million liters at end-September, from 7.3 million liters reported at end-June, 2012. The slowdown in production was largely attributed to major repair works on the machine of one of the major companies. Production of beverages declined by 18.1 percent, compared with the level of output in the corresponding quarter of 2011. On a disaggregated basis, alcoholic beverages (spirit, beer and stout) accounted for 60.4 percent, while non-alcoholic beverages (malta and soft drinks) accounted for 39.6 percent of total output (Table 3).

c. Soap

Soap production during the review quarter was 118,311 kilograms, a 34.6 percent decline compared with the second quarter of 2012, mainly due to low supply of raw materials. Output in the reporting quarter was 34,473 kilograms or 23.1 percent lower than the level produced in the corresponding quarter of 2011.

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

Commodity	Unit	2011	2012	
		3 rd Quarter	2 nd Quarter	3 rd Quarter
Diamond	Carat	15,784	7,327	9,752
Gold	Ounce	3,313	5,504	5,126
Cement	Mt	23,399	33,749	21,824
Spirit	Litre	159,458	188,921	207,663
Beer	Litre	2,548,153	2,265,281	1,983,418
Stout	Litre	1,407,336	1,246,560	1,369,701
Malta	Litre	267,664	136,454	172,727
Soft Drinks	Litre	2,847,758	3,439,541	2,161,044
Oil Paint	Gal.	6,736	8,474	17,967
Water Paint	Gal.	61,875	69,995	102,352
Varnish	Gal.	1,684	2,118	4,492
Manoline Hair Grease	Kg.	6,208	10,088	8,744
Soap	Kg.	153,784	180,967	118,311
Candle	Kg.	101,651	71,453	97,052
Chlorox	Litre	93,845	167,660	214,901
Rubbing Alcohol	Litre	38,205	59,150	62,746
Thinner	Gal.	2,780	3,980	6,391
Mattresses	Pcs.	27,527	25,764	21,796
Finished Water	Gal.	471,479,897	449,294,055+	474,572,411*

Sources: Ministry of Lands, Mines & Energy; Liberia Water & Sewer Corporation and Ministry of Commerce

**Estimate*

+Revised

d. Paint (Oil and Water)

Aggregate production of both oil and water paints during the third quarter of 2012 totalled 120,319 gallons, from 78,469 gallons produced at end-June, 2012. This output level reflects a 53.3 percent increase in production relative to the preceding quarter. The increase in production was partly due to an increase in the quantity of raw materials. A disaggregation of the paint production shows that oil paint accounted for 14.9 percent of total paint production and water paint accounted for 85.1 percent. Yearly comparison shows that paint production

expanded by 75.4 percent to 120,319 gallons at end-September 2012, from 68,611 gallons for the corresponding period of 2011 (Table 3).

e. Candle

Total output of candle during the quarter under review amounted to 97,052 kilograms, from 71,453 kilograms produced during the previous quarter, reflecting a 35.8 percent increase. Matched against total output for the corresponding quarter of 2011, candle production declined by 4,599 kilograms or 4.5 percent.

f. Mattresses

During the quarter, mattress production reduced to 21,796 pieces, from 25,764 pieces in the previous a quarter. The output level for the quarter under consideration was 20.8 percent lower than the amount reported at end-September, 2011.

g. Water supply

The quantity of water supplied during the third quarter, 2012 was estimated at 474.6 million gallons compared with 449.3 million gallons produced in the preceding quarter, indicating an increase of 5.6 percent. The production for the quarter was 0.7 percent higher than that of the corresponding quarter of 2011.

2.3 Consumption of Petroleum Products

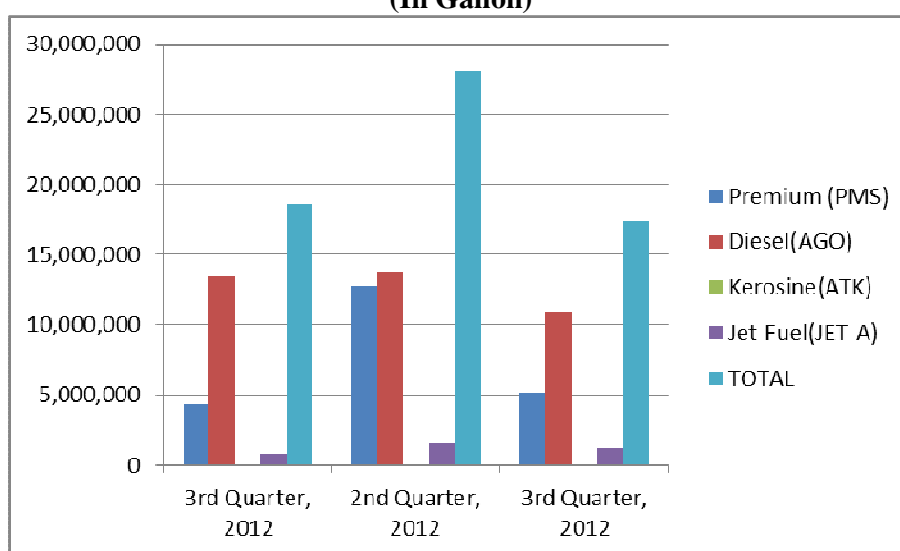
Total consumption of petroleum products during the review quarter was 17.4 million gallons, from 28.0 million gallons consumed in the preceding quarter (Table 4 & Chart 2). The decline was mainly driven by a low importation of Premium Motor Spirit (PMS). Annual comparison indicates that total consumption of petroleum products decreased by 1.2 million gallons at end-September, 2011, from 18.6 million gallons during the corresponding period of 2011. On a disaggregated basis, Premium Motor Spirit was 30.0 percent; Diesel (AGO), 63.0 percent and Jet-Fuel (Jet-A), 7.0 percent. Data on kerosene imports was not available at the time of publication of the bulletin (Table 4 & Chart 2).

Table 4: Consumption of Petroleum Products
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Gallon)

Commodity	Unit	2011	2012	
		3 rd Quarter	2 nd Quarter	3 rd Quarter
Premium(PMS)	Gallon	4,350,990	12,724,897	5,221,407
Diesel(AGO)	Gallon	13,404,187	13,748,451	10,963,584
Kerosene(ATK)	Gallon	-		
Jet-Fuel(JET-A)	Gallon	841,447	1,565,699	1,225,248
Total		18,596,624	28,039,047	17,410,238

Source: Ministry of Commerce, Monrovia, Liberia

Chart 2: Consumption of Petroleum Products
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
(In Gallon)



2.4 Sea Port Developments

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

2.5 Price Developments

2.5.1 Domestic Inflation

Inflationary pressures subsided during the quarter under review to 4.5 percent, down from 7.2 percent in the previous quarter, and 9.0 percent in the corresponding period in 2011. The decline in inflation reflects the slowdown in the prices of food and transport items in the consumer basket, and the relative stability in the value of the local currency.

Chart 3 Quarterly Inflationary Trends (%)

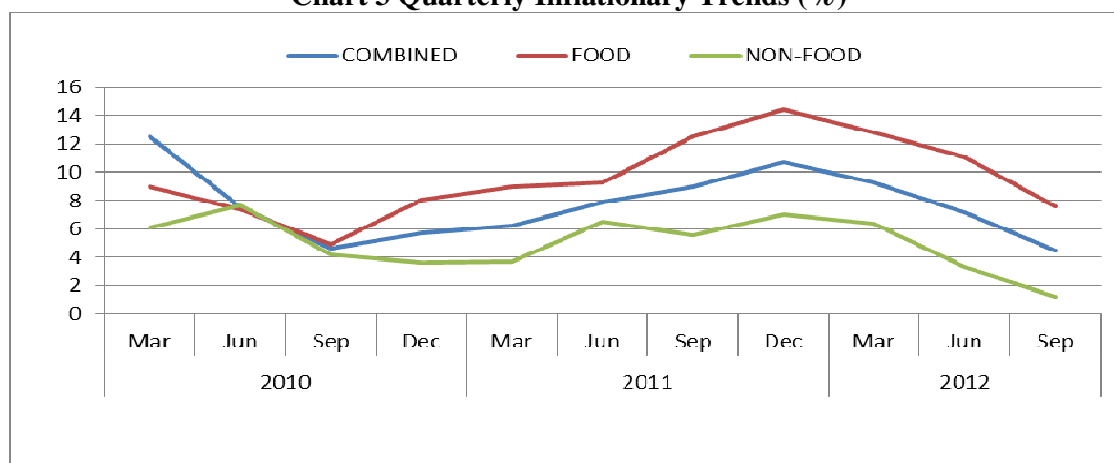
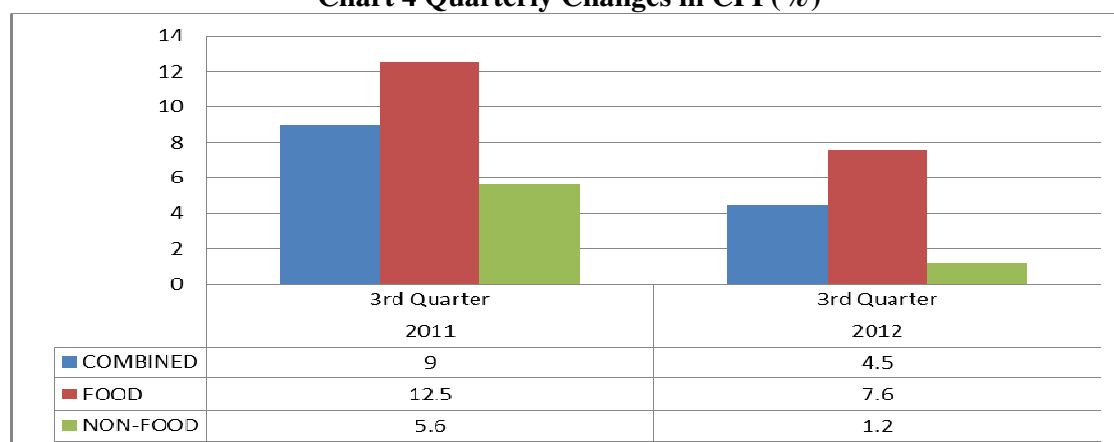


Chart 4 Quarterly Changes in CPI (%)



The dip in inflation over the second and third quarters of 2012 emanated from both subdued food and non-food categories of the consumer price index.

a. Quarterly Changes in CPI

- h.** Quarterly changes in consumer prices followed similar trends in the headline inflation pointing to a moderation in inflationary pressure. Overall inflation declined by 4.5 percent during the quarter, compared with increases of 7.2 percent and 9.0 percent in the preceding quarter and the corresponding quarter in 2011, respectively.

a. Group Inflation

Most of the groups in the Harmonized Consumer basket recorded declines in the reporting quarter, compared with the first and second quarters of 2012. However, Food, Clothing and

Footwear, Housing and Transport which constitute more than half of the weights of the consumer basket experienced disinflation during the second and third quarters of 2012. In the first three quarters of 2012, Food and Non-Alcoholic Beverages recorded a year-on-year inflation of 7.6 percent during the quarter, compared with 11.1 percent and 12.9 percent in the previous quarter and the first quarter of 2012, respectively. This was followed by Housing, 2.8 percent; Clothing and Footwear, 2.5 percent and Transport, negative 0.16 percent during the current quarter.

b. Contributions to the Change in Consumer Prices

In the analysis on contributions to changes in consumer prices, the Food and Non-Alcoholic Beverages group contributed an average of 62.3 percent towards the overall rate of inflation at end-September, 2012, having contributed 59.9 percent the same quarter in the preceding year. The contribution of the non-food group, however, declined to 37.7 percent during the quarter, from 40.1 percent rate for the corresponding quarter in 2011.

c. Outlook for Inflation

Assessment of the outlook shows that overall inflation may remain within single digit throughout the rest of the year, benefiting from the relatively low imported food and fuel prices and broad stability in the exchange rate.

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

		Headline Inflation (Year-on-Year changes)			Monthly Changes in HCPI (%)		
		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
	Jul	3.59	5.55	1.47	1.59	3.49	-0.45
	Aug	4.25	7.51	0.68	1.56	3.68	-0.82
	Sep	5.68	9.61	1.58	-1.09	-2.77	0.87

Source: Central Bank of Liberia

Table 6: Inflation by Sub-Groups: Year-on-Year Changes in CPI (%)
2011 – 2012

Food Group	Weight	Q3-11	Q2-12	Q3-12	Non-Food Group	Weight	Q3-11	Q2-12	Q3-12
Rice	10.3	12.84	11.74	-0.06	Alcoholic	3.03	10.9	1.67	2.20
Orange	0.45	23.89	34.87	11.39	Beverages, Tobacco				
Mackerel	0.63	-3.64	-	-6.46	Clothing &	7.75	4.79	3.63	2.53
Snappers	1.38	35.82	6.35	-0.89	Footwear				
Live chicken	0.16	7.26	-	-2.09	Housing, Water,	12.0	6.20	4.48	2.75
Onions	0.41	57.73	11.26	38.18	Elect, Gas & Fuels				
Frozen chicken	0.25	14.90	20.26	-1.62	Furnish, H/H Equip, &Rout Maint	5.25	0.11	7.73	-0.09
Dried Bonnies	2.58	-96.0	7.35	-7.08	Health	3.91	-0.32	0.00	0.00
Olive Oil	0.34	0.00	0.00	-2.00	Transport	6.11	19.85	2.59	-0.16
Lemons	0.27	25.0	30.43	-9.51	Communications	1.53	0.04	0.37	0.17
Cucumber	0.39	20.01	0.00	-2.51	Recreation &				
Potatoes(Irish)	0.10	-4.29	14.39	-6.56	Culture	3.85	4.84	0.12	0.45
Yam	0.28	-12.1	29.02	33.80	Education	3.20	0.00	0.00	0.00
Lipton Tea	0.03	-0.77	19.28	-4.18	Hotel & Restaurants	4.64	2.01	3.09	1.22
Mineral Water	0.05	39.10	-0.42	-2.19	Miscellaneous gds &serv.	3.53	0.28	3.69	1.41

Source: Central Bank of Liberia

Table 7: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(December, 2005=100)

FUNCTION	WEIGHT	11-Jul	11-Aug	11-Sep	3rd Quarter	12-Apr	12-May	12-Jun	2nd Quarter Ave. '12	12-Jul	12-Aug	12-Sep	3rd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	45.2	15.71	15.21	6.74	12.55	11.72	10.35	11.16	11.08	5.56	7.51	9.61	7.56
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	9.4	10.81	12.49	10.9	2.85	1.86	0.29	1.67	1.2	1.02	4.37	2.2
CLOTHING AND FOOTWEAR	7.75	5.1	4.51	4.75	4.79	3.26	3.53	4.1	3.63	1.82	1.52	4.24	2.53
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12	6.34	6.21	6.06	6.2	4.36	4.74	4.35	4.48	4.96	1.08	2.22	2.75
AND ROUTINE MAINTENANCE OF THE HOUSE	5.25	-0.32	-0.72	1.36	0.11	7.34	7.65	8.21	7.73	0.34	0.12	-0.72	-0.09
HEALTH	3.91	-0.32	-0.32	-0.32	-0.32	0	0	0	0	0	0	0	0
TRANSPORT	6.11	20.08	20.02	19.44	19.85	5.13	1.44	1.19	2.59	-0.49	-0.39	0.39	-0.16
COMMUNICATION	1.53	0.08	0	0.03	0.04	0.32	0.36	0.44	0.37	0.19	0.15	0.18	0.17
RECREATION AND CULTURE	3.85	5.05	4.83	4.65	4.84	0.08	0.03	0.24	0.12	0.49	0.38	0.48	0.45
EDUCATION	3.2	0	0	0	0	0	0	0	0	0	0	0	0
RESTUARANTS AND HOTELS	4.64	2.26	1.78	1.98	2.01	3.23	3.46	2.59	3.09	1.1	1	1.55	1.22
MISCELLANEOUS GOODS AND SERVICES	3.53	0.94	-0.26	0.18	0.28	6.05	2.12	2.89	3.69	1.4	1.5	1.32	1.41
GENERAL RATE OF INFLATION	100	10.6	10.27	6.21	9.03	7.67	6.69	7.08	7.15	3.58	4.25	5.68	4.5

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

III. MONETARY AND FINANCIAL DEVELOPMENTS

Money and Banking

3.1 Banking Developments

Developments in the banking sector during the quarter show steady growth in total assets, loans and deposits. The banking industry remained well capitalized and liquid during the review quarter. However, profitability remains a challenge due to poor asset quality of a number of banks as a result of general operating environment and the relatively high amortization of pre-operating expenses for new banks.

Data available at end-September, 2012 indicates that the industry's balance sheet in terms of total assets, expanded by 1.5 percent to L\$59,190.0 million or US\$810.82 million over the previous quarter and by 57.0 percent over the level recorded for the corresponding period in 2011. At end-September, 2012, total loans and advances grew by 3.5 percent compared with the figure recorded during the preceding quarter and 45.0 percent over the same period a year ago.

Deposits recorded a growth rate of 2.5 percent, compared with the previous quarter and 49.0 percent over the same period in 2011. Total capital declined by 2.0 percent, when matched against the previous quarter. This decline was mainly due to a 23.0 percent contraction in the industry's income. Nevertheless, the capital position surged by 33.0 percent above the corresponding quarter of 2011, due partly to a slight improvement in earnings from a loss to income position, coupled with infusion of capital by several commercial banks. Overall, the growth rates reflect continuous confidence in the banking system, increased financial deepening as well as growing economic activities.

The Capital Adequacy Ratio (CAR) slightly increased to 21.3 percent at end-September, 2012, from 20.8 percent in the preceding quarter. Although there was a decline in total capital, the industry's CAR improved due largely to a decline in off-balance sheet assets by 19.0 percent, from L\$ 4,260.0 million to L\$3,500.0 million. Non-performing loans (NPLs) as a ratio of total loans in the industry increased to 22.1 percent at the end of the quarter, 2012, from 19.6 percent reported during the previous quarter. Compared with the same quarter in 2011, non-performing loans as a ratio of total loans also deteriorated by 2.5 percentage points. Similarly, in absolute terms, non-performing loans increased by 40.0 percent to

L\$4,080.0 million or US\$55.9 million at end-September, 2012, from L\$2,920.0 million or US\$40.6 million recorded a year ago. The deterioration in the ratio of non-performing loans to total loans was mainly due to re-classification of several loans.

The industry recorded gross earnings of L\$3,920.0 million or US\$53.7 million and an operating profit of L\$3,690.0 million or US\$50.6 million (before loan loss provisions and taxes). This development was indicative of improvements of 16.0 percent in gross earnings and an improvement of 14.0 percent in operating profit, compared with the third quarter of 2011.

The industry recorded a net income of L\$83.3 million or US\$1.1 million during the quarter. Net income after tax declined by 22.6 percent to L\$83.3 million during the review period, from L\$107.6 million at end-June, 2012. However, on an annualized basis, there was an improvement from a loss to income position which was attributed to growth in earnings. Majority of the industries earnings (59.0 percent) comes from non-interest sources.

The banking industry continues to maintain strong liquidity position, recording a liquidity ratio of 46.7 percent at end-September, 2012. All of the banks recorded above the minimum required liquidity ratio of 15 percent. The total liquid assets of the industry at the end of September, 2012 was L\$20,680.0 million or US\$283.3 million. This amount comprises L\$4,180.0 million or US\$57.3 million (20.0 percent) as vault cash; L\$8,760.0 million or US\$120.1 million (42.0 percent) as foreign bank balances and L\$5,7 million or US\$76.96 million (27.0 percent) as current account balances with the CBL, respectively. Generally, the loan to deposit ratio for the sector has been below 60.0 percent, except for 4 banks, which is an indication of the comfortable liquidity position of the banking industry to meet the liquidity needs of their customers and other contingent liabilities.

3.2 Commercial Bank Credit

The strong credit impulse observed during the beginning of the year continued in the third quarter, 2012. The implementation of development projects relative to reconstruction and revitalization in both the public and private sectors all led to the expansion in economic activities and hence rise in credit to the various economic sectors. With specific respect to the quarter under consideration, total exposure of the banking industry rose by 2.8 percent to L\$18,500.0 million, from L\$17,900.0 million recorded in the previous quarter. Major sectors that contributed to the growth of total loan portfolio included Agriculture, Construction and

the “Others”. On a yearly basis, total credit grew considerably by 24.2 percent, from L\$14,900.0 million a year earlier (Table 8 & Chart 5).

Table 8: Commercial Bank Loans by Economic Sectors
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In ‘000’L\$)

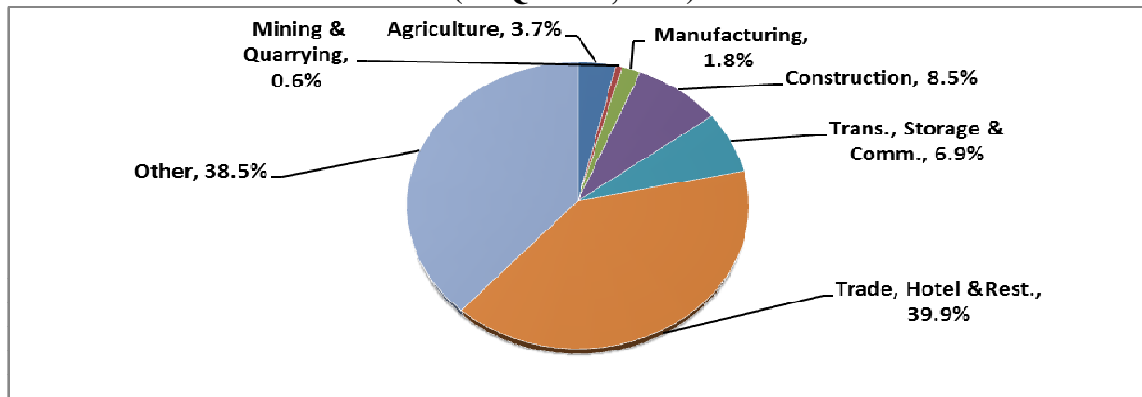
Sectors	2011		2012			
	3 rd Quarter	% Share	2 nd Quarter	% Share	3 rd Quarter	% Share
Agriculture	514,759	3.4	654,065.50	3.7	681,743	3.7
Mining & Quarrying	66,965	0.4	118,832.50	0.7	109,651	0.6
Manufacturing	259,416	1.7	418,079.13	2.3	340,836.95	1.8
Construction	1,312,594	8.8	1,484,294	8.3	1,577,276	8.5
Trans., Storage & Comm.	1,322,107	8.8	1,347,239.50	7.5	1,280,063	6.9
Trade, Hotel & Rest.	5,918,394.92	39.6	7,691,397.85	43.1	7,367,492.50	39.9
Others ¹	5,554,867.08	37.2	6,143,449.16	34.4	7,095,397.22	38.5
Total	14,949,103	100	17,857,357.63	100	18,452,459.67	100

Source: Central Bank of Liberia, Monrovia, Liberia

¹The “Others” sector includes loans extended mainly to individual and service-related institutions

A sectoral analysis revealed that the Trade, Hotel & Restaurant sector constituted the largest share of 39.9 percent, indicative of the conducive environment for merchandise trading and improved hotel accommodation; followed by “Others” category, which accounted for 38.5 percent of the total loan portfolio. Traditionally, loans to this sector comprise obligations to individuals as well as other service-oriented institutions such as the insurance industry, among others. The Construction sector received the third largest share of 8.5 percent of the total loans. Transportation, Storage & Communication received 6.9 percent; Agriculture, 3.7 percent; Manufacturing, 1.8 percent and Mining & Quarrying, 0.6 percent.

Chart 5: Percentage Distribution of Commercial Bank Loans by Economic Sectors
(3rd Quarter, 2012)



3.3 Interest Rate

There were variations recorded in the interest rate structure of the banking industry. The average lending and savings rates surged during the quarter relative to the previous quarter. The lending rate, on average, rose by 0.20 percentage points to 13.6 percent, from 13.4 percent registered in the second quarter. Additionally, the average savings rate increased to 2.10 percent, from 2.02 percent in the preceding quarter, a rise of 0.08 percentage points. The average personal loan rate also rose by 0.4 percentage points to 14.06 percent at end-September, 2012, relative to the second quarter.

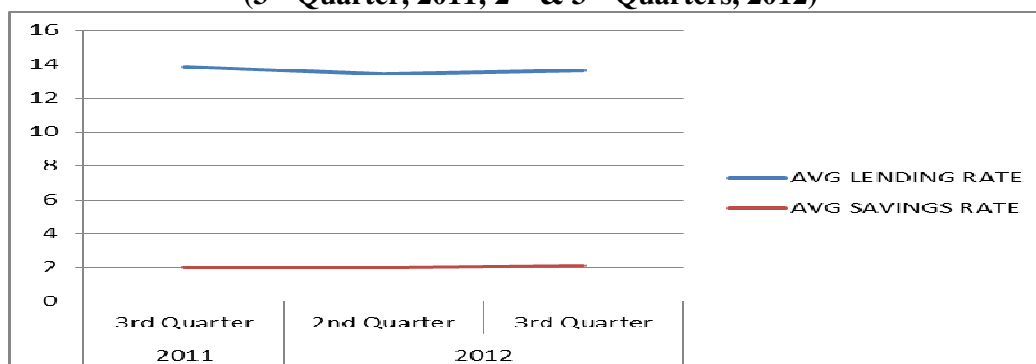
However, there were declines in the other categories of interest rates between the second and third quarters of 2012. These include average mortgage rate that showed a decline of 0.10 percentage point to 13.76 percent and average time deposit rate, from 3.80 percent in the previous quarter to 3.60 percent in the current quarter. Relative to the corresponding quarter of 2011, the average rate on Certificate of Deposits remained constant at 3.00 percent during the third quarter, 2012.

Table 9: Commercial Banks' Interest Rates
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)

COMMERCIAL BANKS	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
Avg Lending Rate	13.80	13.42	13.62
Avg Personal Loan Rate	14.44	14.02	14.06
Avg Mortgage Rate	15.00	13.86	13.76
Avg Time Deposit Rate	2.70	3.80	3.60
Avg Savings Rate	2.01	2.02	2.10
Avg Rate on CDs	3.00	3.00	3.00

Central Bank of Liberia, Monrovia, Liberia

Chart 6: Commercial Banks' Interest Rates
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)



The spread between the lending and savings rates around 12.0 percentage points, reflecting the underdeveloped nature of the financial system characterized by a risk adverse banking industry. The high ratio of non-performing loans to total loan remains a major challenge. However the CBL is undertaking various reform measures to help mitigate the situation.

3.4 Monetary Policy Stance

The monetary policy stance of the CBL remained directed towards the achievement of price level stability in the domestic economy. To this end and given the limited range of policy instruments, the CBL has persistently used the foreign exchange auction as the readily available tool to affect the domestic monetary conditions. The anticipated introduction of a Treasury-bill market will help to widen the scope of available policy instruments that the CBL can use in managing liquidity.

3.5 Liberian Dollars in Circulation¹

Liberian dollars in circulation during the review quarter totaled L\$6,939.8 million, down from L\$7,173.5 million reported at end-June, 2012, representing 3.3 percent contraction. The decline was largely ascribed to the 7.2 percent fall in currency outside banks which more than offset the increase in the amount in banks. However, currency in circulation grew by 21.5 percent on a year-on-year basis, from L\$5,710.5 million recorded at end-September, 2011.

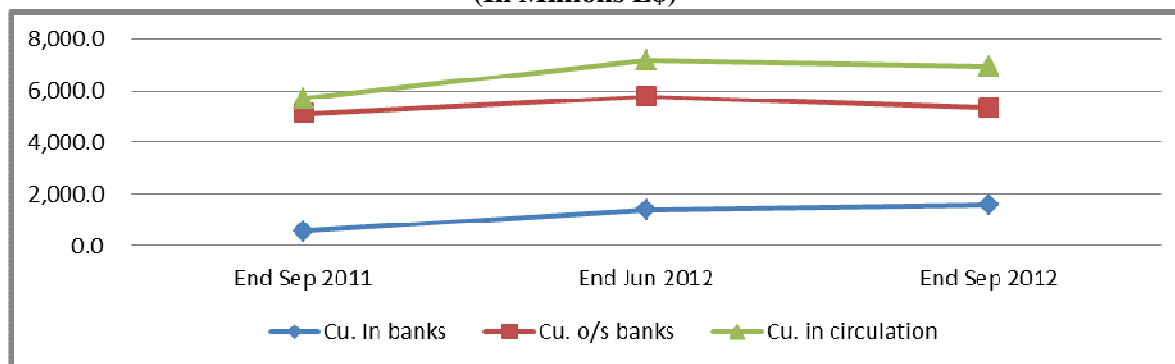
Table 10: Liberian Dollars in Circulation
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)

	3 rd Quarter, 2011	2 nd Quarter, 2012	3 rd Quarter, 2012	
Currency in Banks	586.2	1,395.5	1,575.7	(1)
Currency outside Banks	5,124.3	5,778.0	5,364.1	(2)
Currency in Circulation	5,710.5	7,173.5	6,939.8	(3) = (1) + (2)

Source: Central Bank of Liberia, Monrovia, Liberia

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

Chart 7: Liberian Dollars in Circulation
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)



3.6 Money Supply, M1²

During the quarter ended September, 2012, money supply (M1) amounted to L\$28,715.4 million, slightly down from L\$29,874.2 million reported in the preceding quarter, reflecting a 3.9 percent contraction. The slowdown in narrow money was attributed to a simultaneous reduction in currency outside banks by 7.2 percent and demand deposits, 3.1 percent, respectively. Compared with the corresponding quarter of 2011, money supply (M1) increased by 7.6 percent, from L\$26,686.9 million at end- September, 2011 (Table 11 & Chart 8).

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

Table 11: Money Supply and its Sources
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)

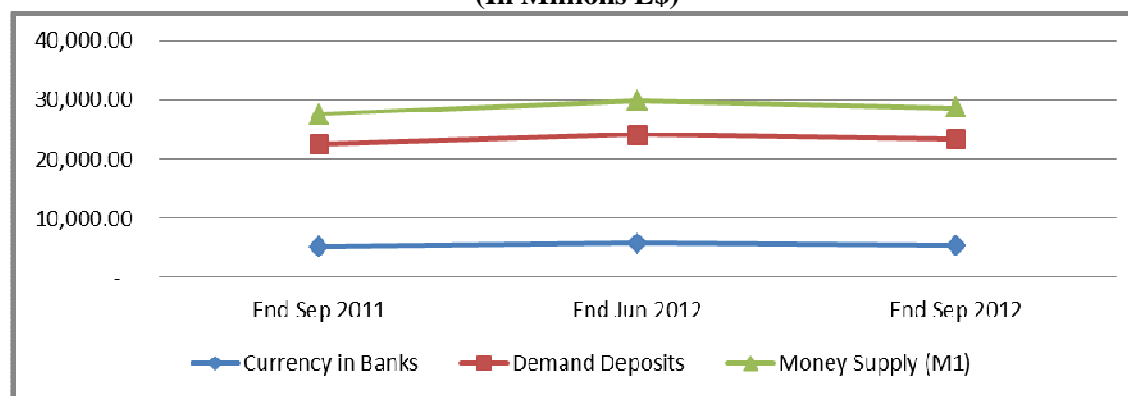
Monetary Aggregates	2011	2012		Percent Change	
	3 rd Quarter	2 nd Quarter	3 rd Quarter	Yearly	Quarterly
1. Money Supply M2 (1.1 + 1.2)	38,772.32	42,068.75	42,516.44	9.7	1.1
1.1 Money Supply M1	26,686.91	29,874.18	28,715.40	7.6	-3.9
1.1.1 Currency outside banks	5,124.29	5,778.03	5,364.11	4.7	-7.2
1.1.2 Demand deposit ¹	21,562.63	24,096.15	23,351.28	8.3	-3.1
1.2 Quasi Money	12,085.40	12,194.57	13,801.04	14.2	13.2
1.2.1 Time & Savings deposits	11,022.98	11,885.86	13,646.81	23.8	14.8
1.2.2 Other deposits ²	1,062.43	308.71	154.23	-85.5	-50.0
2. Net Foreign Assets	23,792.93	24,498.39	24,189.97	1.7	-1.3
2.1 Central Bank	15,176.57	15,383.21	14,912.45	-1.7	-3.1
2.2 Banking Institutions	8,616.36	9,115.19	9,277.52	7.7	1.8
3. Net Domestic Assets (1 - 2)	14,979.39	17,570.36	18,326.46	22.3	4.3
3.1 Domestic Credit	31,834.93	35,785.86	37,800.56	18.7	5.6
3.1.1 Government (net)	14,412.07	14,376.43	15,295.99	6.1	6.4
3.1.2 Pvt. Sector & Other Pvt. Sector	17,422.87	21,409.44	22,504.57	29.2	5.1
3.2 Other assets Net (3 - 3.1)	16,855.55	18,215.50	19,474.10	15.5	6.9
Memorandum Items	62,900.73	68,789.35	68,453.24	8.8	-0.5
1. Overall Liquidity	38,772.32	42,068.75	42,516.44	9.7	1.1
2. Reserve Money	24,128.41	26,720.60	25,936.81	7.5	-2.9
Currency outside banks	5,124.29	5,778.03	5,364.11	4.7	-7.2
Banks Reserves	19,004.12	20,942.57	20,572.70	8.3	-1.8

¹Excludes managers checks from commercial banks

²Includes official and managers checks issued by the Central Bank

Source: Central Bank of Liberia, Monrovia, Liberia

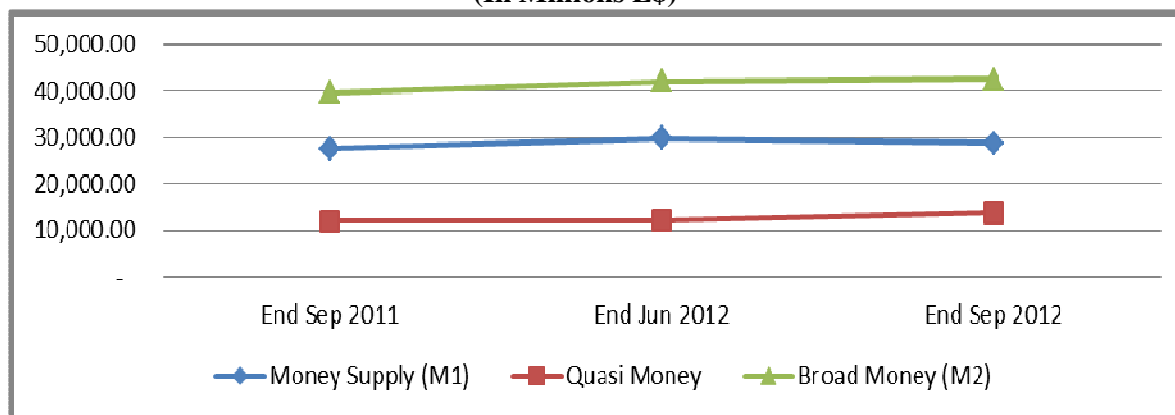
Chart 8: Money Supply (M1)
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)



3.7 Broad Money (M2)³

Broad money (M2) or the overall liquidity slightly increased to L\$42,516.4 million at end-September, 2012, from L\$42,068.8 million reported in the preceding quarter, 2012, representing a growth rate of 1.1 percent. The increase was driven by a 13.2 percent expansion in quasi money to L\$13,801.0 million at end-September, 2012, from L\$12,194.6 million of the previous quarter. Considering the CBL's balance sheet, the growth in broad money was partly due to a 4.3 percent increase in Net Domestic Assets (NDA) to L\$18,326.5 million during the review quarter, from L\$17, 570.4 million reported during the preceding quarter, 2012 (Table 11 & Chart 9).

Chart 9: Money Supply (M2)
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)



On an annual basis, Broad money recorded a growth rate of 9.7 percent, from L\$38,772.3 million reported during the corresponding quarter of 2011. Expansion in the overall liquidity mirrors the increasing level of economic activities taking place in the country. Of the total broad money recorded during the review quarter, US dollars component constituted 74.6 percent, while the Liberia dollars accounted for the remaining 25.4 percent. The domineering share of the US dollars portion of broad money is indicative of the dollarized nature of the Liberian economy (Table 12 & Chart 10).

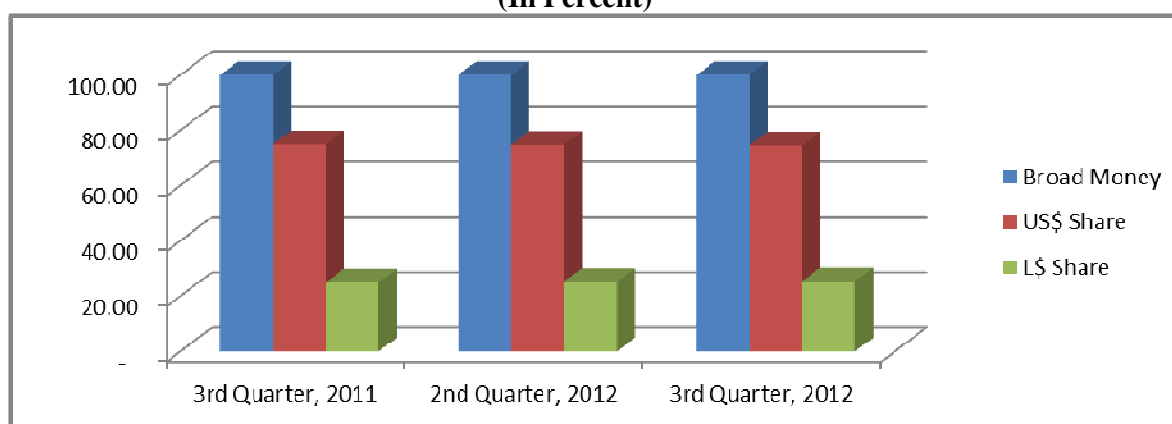
³ M2 = (M1 plus Quasi Money); alternatively, M2 = (Net Foreign Assets plus Net Domestic Assets)

Table 12: Broad Money (M2): Share of US and Liberian Dollars
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)

	2011		2012			
	3 rd Quarter	Percent Share	2 nd Quarter	Percent Share	3 rd Quarter	Percent Share
Broad Money	38,772.32	100	42,068.75	100	42,516.44	100
US\$ Component	29,078.44	75	31,459.66	74.78	31,699.71	74.56
L\$ Component	9,693.88	25	10,609.09	25.22	10,816.72	25.44

Source: Central Bank of Liberia, Monrovia, Liberia

Chart 10: Broad Money (M2): Share of US and Liberian Dollars
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Percent)



3.8 Exchange Rate

The average exchange rate of the Liberian dollar vis-à-vis the United States dollar slightly appreciated by 2.2 percentage points, to L\$73.32 per US\$1.00 during the third quarter, 2012, from L\$75.54 per US\$1.00 in the preceding quarter. Similarly, the end of period exchange rate stood at L\$73.00 per US\$1.00, from L\$74.50 per US\$1.00, indicating an appreciation of 2.0 percent.

The continued intervention by the CBL through its weekly foreign exchange auction program has helped stave off volatility in the Liberian dollar. At end-September, 2012, a total of US\$16.9 million was offered to the market as against US\$24.2 million, a decline in the Bank's intervention by 7.3 percent. The reduced intervention in the third quarter relative to the second was on account of the slight appreciation of the Liberian dollar in the third quarter.

**Table 13: Market Exchange Rates: Liberian Dollars per US Dollar
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)**

Market Rate	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
End of Period	72.00	74.50	73.00
Period Average	72.08	75.54	73.32

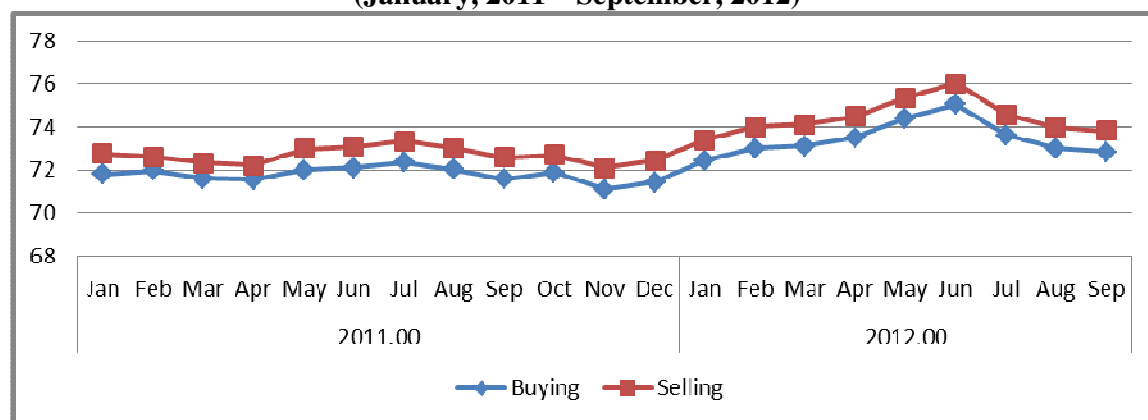
Source: Central Bank of Liberia, Monrovia, Liberia

**Table 14: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar
(January, 2011 – September, 2012)**

	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	73.62	74.58
August	72.02	73.00	72.99	73.99
September	71.58	72.58	72.84	73.80
October	71.88	72.69		
November	71.10	72.10		
December	71.43	72.43		
Q1	71.79	72.56	72.85	73.84
Q2	71.88	72.76	74.32	75.30
Q3	71.98	72.97	73.15	74.12
Q4	71.47	72.40		
Year	71.78	72.67		

Source: Central Bank of Liberia, Monrovia, Liberia

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



3.9 Foreign Exchange Auction

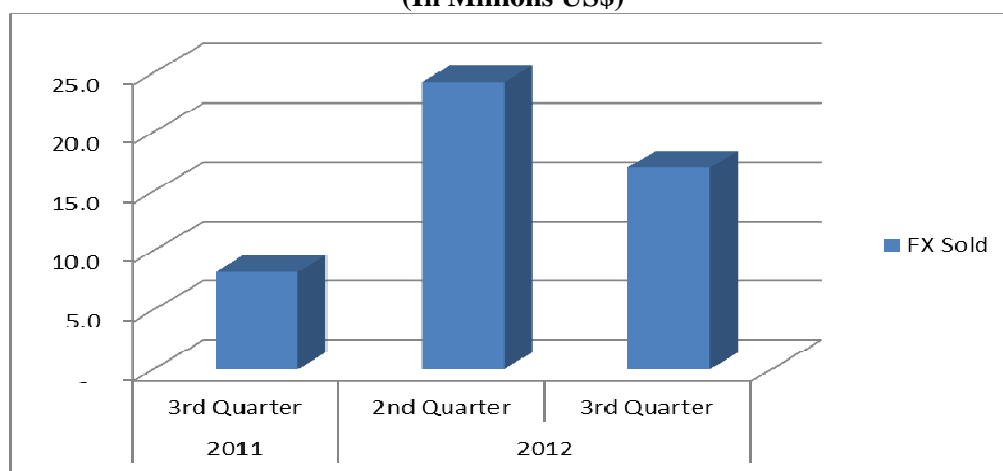
Total foreign exchange sold during the Bank's regular weekly auction program amounted to US\$16.9 million, down from US\$24.2 million recorded in the preceding quarter, a reduction of 30.2 percent. As the local currency appreciated during the quarter, there was less need to intervene and mop up Liberian dollars. On an annualized basis, the amount sold rose by more than two-folds from US\$8.2 million for the third quarter, 2011.

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

	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
FX Sold	8.2	24.2	16.9

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 remittances, particularly workers' remittances have been a major source of support for a cross section of the Liberian society. For the review period, total inward remittances amounted to US\$357.0 million, an expansion of 5.7 percent, compared to US\$337.8 million registered in the second quarter 2012. Additionally, on a year-on-year basis, total inward remittances expanded by 25.2 percent, from US\$285.2 million.

The rise in total inward remittances was mainly ascribed to increase in personal remittances. As noted earlier, these funds usually improve the livelihood of the society. Moreover, these remittances can also be used for construction as well as other investment activities. Inward workers' remittances for the quarter amounted to US\$179.74 million, accounting for 50.4 percent of total inward remittances.

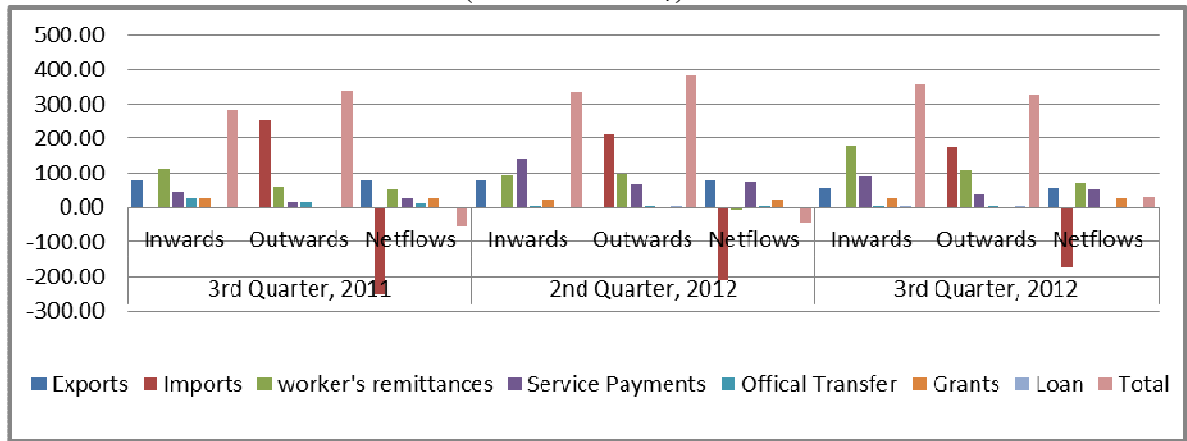
On the other hand, outflows were also recorded during the quarter. Total outflows amounted to US\$326.0 million, resulting to a net flow of US\$31.0 million when matched against total inflows. It must be noted that during the quarter, total import payments plummeted by 17.8 percent, from US\$213.5 million recorded in the second quarter to US\$175.6 million in the current quarter. For the review period, import payments represented 53.9 percent of total outward remittances. This is closely followed by personal/workers' remittances, 33.2 percent.

**Table 16: Remittances: Inflows and Outflows
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions US\$)**

	3rd Quarter, 2011			2nd Quarter, 2012			3rd Quarter, 2012		
	Inwards	Outwards	Netflows	Inwards	Outwards	Netflows	Inwards	Outwards	Netflows
Exports	76.50	0	76.50	77.42	0	77.42	58.28	0	58.28
Imports	0	250.82	-250.82	0	213.51	-213.51	0	175.60	-175.60
Worker's remittances	112.13	60.71	51.41	94.92	99.57	-4.65	179.74	108.18	71.57
Service Payments	45.17	15.36	29.81	141.16	66.94	74.22	90.68	37.49	53.20
Official Transfer	24.76	13.49	11.27	1.90	1.55	0.35	3.92	4.20	-0.28
Grants	26.65	0	26.65	22.41	0	22.41	24.05	0	24.05
Loan	0	0	0	0	0.04	-0.04	0.31	0.50	-0.20
Total	285.20	340.39	-55.19	337.80	381.60	-43.80	356.98	325.96	31.02

Central Bank of Liberia, Monrovia, Liberia

Chart 13: Remittances: Inflows and Outflows
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions US\$)



IV. FISCAL DEVELOPMENTS

The Government of Liberia fiscal budget for 2012/2013 of US\$672.05 million was formulated as part of the Medium Term Expenditure Framework (MTEF) in accordance with Section 8 (1) of the Public Financial Management (PFM) Law.

Fiscal operations for the quarter under review showed that Government expenditure exceeded revenue by L\$260.6 million or 3.4 percent (Table 17 & Chart 14). Liberia's public debt stock at end-September, 2012 stood at US\$561.5 million, with domestic and external debt constituting 50.4 percent and 49.6 percent, respectively.

Table 17: Fiscal Operations
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$ & US\$)

GoL Fiscal Operations	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter*
Total Revenue ⁺	6,991.4	9,581.8	7,655.0
Total Expenditure ⁺	4,981.1	9,052.0	7,915.6
Total Public Debt ⁺⁺	519.0	552.4	561.5

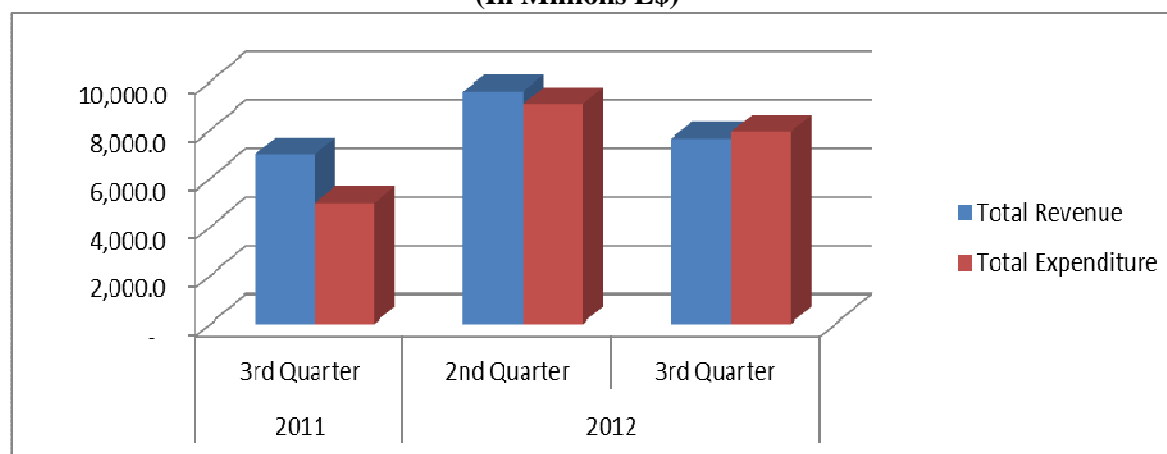
Source: Ministry of Finance, Republic of Liberia

⁺Values in Millions of L\$

⁺⁺Values in Millions of US\$

*Preliminary

Chart 14: Fiscal Operations
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)



4.1 Fiscal Budget – 2012/2013

The fiscal budget for 2012/2013 of US\$672.05 million was formulated as part of the Medium Term Expenditure Framework (MTEF) in accordance with Section 8 (1) of the Public Financial Management (PFM) law. The MTEF introduces a multi-year budgeting to Liberia, and ensures an alignment of the budget to policy priorities in the Agenda for Transformation within a constrained environment.

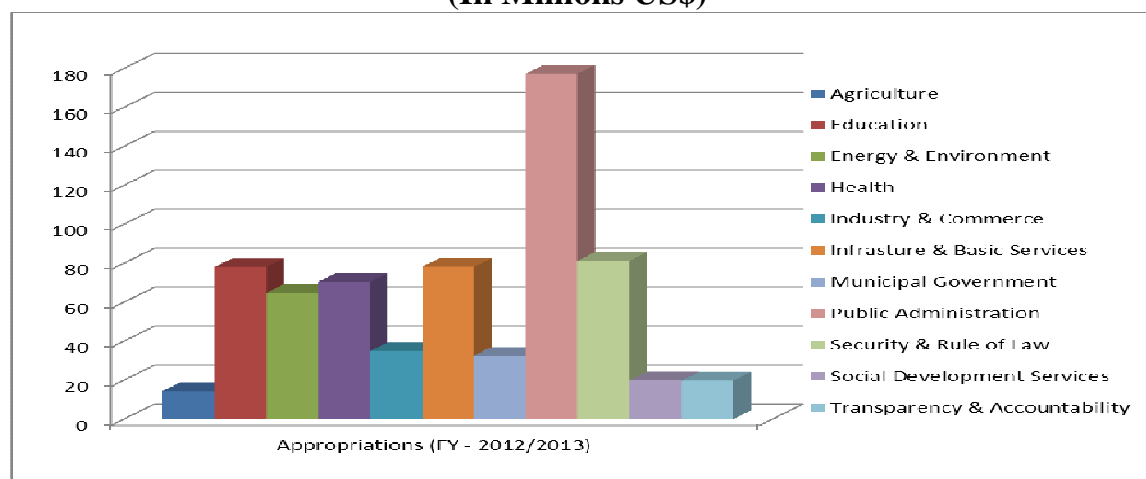
The Government fiscal budget for 2012/2013 is disaggregated as follows: operational budget US\$433.0 million (64.0 percent) and the Public Sector Investment Program (PSIP) component US\$239.0 million (36.0 percent). The budget targets investments in priority areas which include capacity fund, consolidated fund, reconciliation fund, and youth fund. Budget appropriation by the MTEF sectors shows that public administration, security & rule of law, infrastructure & basic services, and education accounted for US\$177.4 million (26.4 percent), US\$81.3 million (12.1 percent), US\$78.2 million (11.6 percent), and US\$78.1 million (11.6 percent), respectively. The health and energy & environment sectors also received appropriations in the amount of US\$70.5 million (10.5 percent) and US\$64.9 million (9.7 percent), respectively. The other sectors (industry & commerce, municipal government, transparency & accountability, social development services, and agriculture) accounted for US\$121.8 million (18.1 percent).

Table 18: 2012/2013 Fiscal Budget
Budget Appropriation by MTEF Sectors
(In Millions US\$)

MTEF Sectors	Appropriations	% of Budget
Agriculture	14.5	2.2
Education	78.1	11.6
Energy & Environment	64.9	9.7
Health	70.5	10.5
Industry & Commerce	35	5.2
Infrastructure & Basic Services	78.2	11.6
Municipal Government	32.6	4.9
Public Administration	177.4	26.4
Security & Rule of Law	81.3	12.1
Social Development Services	19.9	2.9
Transparency & Accountability	19.8	2.9
Total Budget	672.2	100

Source: Ministry of Finance, Republic of Liberia

**Chart 15: 2012/2013 Fiscal Budget
Budget Appropriation by MTEF Sectors
(In Millions US\$)**



4.2 Total Revenue and Grants

Total revenue and grants generated during the quarter was L\$7,655.0 million, 20.1 percent lower than the amount recorded in the preceding period and 9.5 percent over the level collected during the corresponding quarter in 2011. The reduction in total revenue and grants collections during the current quarter was attributed to massive decreases in both tax and non-tax revenues.

4.2.1 Tax Revenue

Tax revenue collection amounted to L\$7,156.0 million or 93.5 percent of total revenue and grants, reducing by 12.6 percent when compared to the preceding quarter in 2012 and growing by 28.4 percent, relative to the corresponding period in 2011. Of all the major components of tax revenue, international trade taxes and taxes on income & profits contributed L\$2,778.2 million (38.8 percent) and L\$2,620.7 million (36.6 percent), respectively. Sale taxes on goods & services, property & real estate taxes, and other tax revenue amounted to L\$1,358.5 million (19.0 percent), L\$85.0 million (1.2 percent), and L\$313.6 million (4.4 percent), respectively.

The cutback in tax revenue was largely attributed to declines in all of the major components of tax revenue (international trade taxes, taxes on income & profits, sale taxes on goods & services, and other tax revenue), except property & real estate taxes.

4.2.2 Non-Tax Revenue

Non-tax revenue amounted to L\$498.9 million, or 6.5 percent of total revenue and grants receipts. When compared to the level recorded at end-June, 2012 and end-September, 2011, it shrank by L\$896.2 million (64.2 percent) and L\$919.3 million (64.8 percent), respectively. The decline in non-tax revenue for the review period was largely attributed to low receipts from charges & other administrative fees and no revenue intake on grants.

Table 19: Total Revenue by Sources
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)

Revenue Sources	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter*
A. Tax Revenue	5,573.1	8,186.7	7,156.0
i. International Trade Taxes	2,716.5	3,093.2	2,778.2
<i>Taxes & Duties on Imports</i>	2,665.5	2,987.0	2,772.5
<i>Taxes on Exports</i>	51.0	106.2	5.7
ii. Taxes on Income & Profits	1,757.8	3,095.0	2,620.7
<i>Individual Taxes on income & profits</i>	884.8	1,073.6	1,824.1
<i>Taxes Payable by Corporate Entities</i>	862.0	2,000.2	794.7
<i>Others</i>	11.1	21.1	2.0
iii. Sale Taxes on Goods & Services	859.5	1,395.3	1,358.5
<i>Goods & Service Tax</i>	269.7	461.6	457.1
<i>Excise Taxes</i>	228.2	217.1	37.4
<i>Maritime Revenue</i>	238.8	325.5	319.7
<i>Others</i>	122.7	391.0	544.3
iv. Property & Real Estate Taxes	63.2	51.2	85.0
v. Other Tax Revenue ¹	176.1	552.1	313.6
B. Non-Tax Revenue	1,418.2	1,395.1	498.9
i. Charges & Other Administrative Fees	432.7	709.2	498.9
ii. Grants	-	115.9	-
iii. Others	985.5	570.0	-
<i>Contingent Revenue</i>	985.5	-	-
<i>Borrowing</i>	-	570.0	-
<i>Carry Forward</i>	-	-	-
Grand Total (A + B)	6,991.4	9,581.8	7,655.0

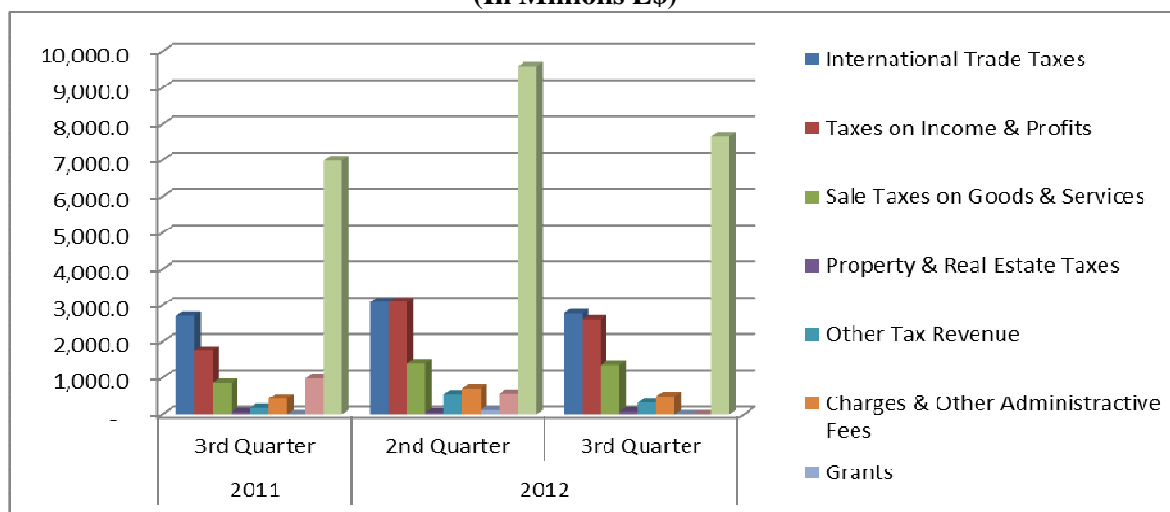
Source: Ministry of Finance, Republic of Liberia

¹Tax Revenue not elsewhere mentioned

²In CBL Quarterly Reporting System, Annual Year (AY) – 3rd Quarter is Fiscal Year (FY) – 1st Quarter

*Preliminary

Chart 16: Total Revenue by Sources
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)



4.3 Projected and Actual Revenues (1st Quarter: FY – 2012/2013)

The actual revenue and grant collections between July to September, 2012 amounted to L\$7,655.0 million, L\$399.3 million (5.5 percent) in excess of its projected and approved budgetary forecast of L\$7,255.7 million. The growth in actual revenue and grant against its projected and approved budgetary projection can largely be accredited to increase in economic activities resulting from the effects of sound and robust economic policies of the Government.

Actual tax revenue collection during the review period exceeded its budgetary projection by L\$430.8 million (6.4 percent). Of all the main components of actual tax revenue, only Sale tax on goods & services contracted in its actual revenue intakes.

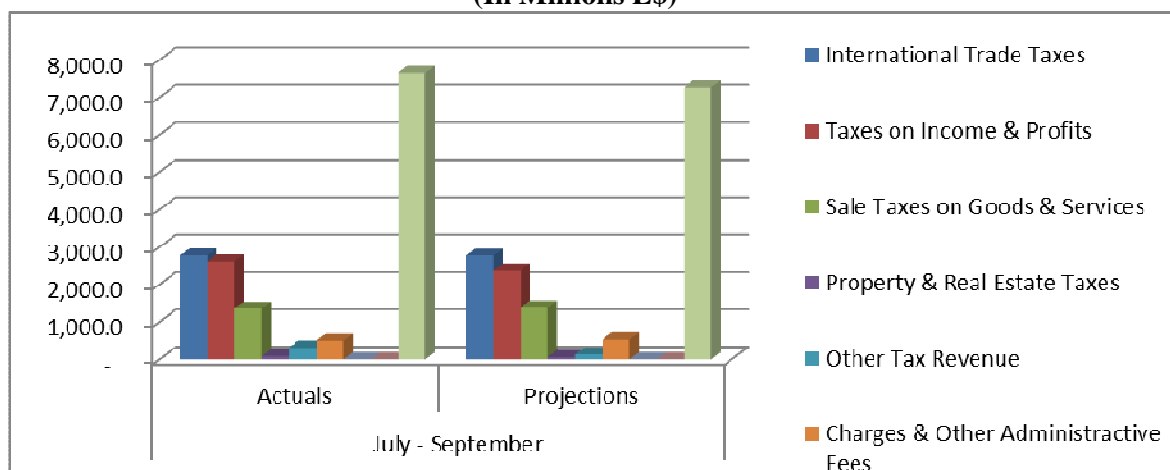
Non-tax revenue receipts contracted by L\$31.6 million (6.0 percent) over the budgetary projection of L\$530.5 million (as actual non-tax revenue collections amounted to L\$498.9 million). Of all the components of non-tax revenue, only charges & other administrative fees recorded revenue intakes but fell short to reach its budgetary forecast.

Table 20: Revenue by Sources
(1st Quarter, Fiscal Year – 2012/2013)
(In Millions L\$)

Revenue Sources	July - September*	
	Actuals	Projections
A. Tax Revenue	7,156.0	6,725.2
i. International Trade Taxes	2,778.2	2,773.2
<i>Taxes & Duties on Imports</i>	2,772.5	2,736.6
<i>Taxes on Exports</i>	5.7	36.5
ii. Taxes on Income & Profits	2,620.7	2,373.4
<i>Individual Taxes on income & profits</i>	1,824.1	1,968.3
<i>Taxes Payable by Corporate Entities</i>	794.7	404.4
<i>Others</i>	2.0	0.7
iii. Sale Taxes on Goods & Services	1,358.5	1,381.1
<i>Goods & Service Tax</i>	457.1	332.6
<i>Excise Taxes</i>	37.4	88.9
<i>Maritime Revenue</i>	319.7	341.9
<i>Others</i>	544.3	617.8
iv. Property & Real Estate Taxes	85.0	65.0
v. Other Tax Revenue ¹	313.6	132.5
B. Non-Tax Revenue	498.9	530.5
i. Charges & Other Administrative Fees	498.9	530.5
ii. Grants	-	-
iii. Others	-	-
<i>Contingent Revenue</i>	-	-
<i>Borrowing</i>	-	-
<i>Carry Forward</i>	-	-
Grand Total (A + B)	7,655.0	7,255.7

Sources: Ministry of Finance, Republic of Liberia
**Preliminary*

Chart 17: Revenue by Sources
(1st Quarter, Fiscal Year – 2012/2013)
(In Millions L\$)



4.4 Total Expenditure by Codes

During the quarter under review, the Government of Liberia expended L\$7,915.6 million, reducing by L\$1,136.4 million (12.6 percent), from L\$9,052.0 million during the previous period, 2012. The reduction was on account of low spending on all of the major expenditure components (recurrent expenditure, capital expenditure, and interest on debt & other charges). Compared to the corresponding period in 2011, total expenditure grew by L\$2,934.5 million (58.9 percent).

A disaggregation of total expenditure shows that recurrent expenditure amounted to L\$7,231.9 million (91.4 percent); capital expenditure, L\$630.3 million (8.0 percent); and interest on debt & other charges, L\$53.4 million (0.6 percent).

a. Recurrent Expenditure

Recurrent expenditure totalled L\$7,231.9 million during the reporting period, from L\$7,912.5 million in the preceding quarter, decreasing by L\$680.6 million (8.6 percent). Matched against the level recorded in the corresponding period of 2011, it rose by L\$2,611.6 million (56.5 percent). The growth in recurrent expenditure was largely on account of increased Government spending on salaries & allowances, goods & services, and grants.

A proportional distribution of recurrent expenditure indicates that expenditure on salaries & allowances amounted to L\$2,958.5 million (40.9 percent); expenditure on goods & services,

L\$2,719.3 million (37.6 percent); subsidies, L\$548.5 million (7.6 percent); grants, L\$977.6 million (13.5 percent); and social benefits, L\$28.1 million (0.4 percent).

b. Capital Expenditure

Capital expenditure during the quarter under review amounted to L\$630.3 million, L\$360.8 million (36.4 percent) less than the outlay in the preceding quarter. Annual comparison shows that capital expenditure rose by L\$358.3 million or 131.7 percent. The rise in capital expenditure was mainly characterized by increased spending on acquisition of fixed assets.

A disaggregation of capital expenditure during the reporting quarter revealed that depreciation expenditure and expenditure on the acquisition of fixed assets amounted to L\$177.2 million and L\$444.1 million, respectively. Spending on the other capital expenditure sub-categories summed to L\$9.0 million.

c. Interest on Debt & Other Charges

During the period under review, interest on debt and other charges was L\$53.4 million, declining by L\$95.0 million (64.0 percent), from L\$148.4 million recorded during the previous quarter. As against the corresponding period in 2011, interest on debt and other charges also fell by L\$35.4 million (39.9 percent), from L\$88.8 million recorded at end-September, 2011. The reduction in Government spending relative to interest on debt & other charges was due to low expenditure on domestic & foreign debts and to non-residents.

Expenditure breakdown on interest on debts & other charges shows that spending on domestic & foreign debts amounted to L\$12.9 million (24.2 percent). Payments to non-residents accounted for a larger share of expenditure on interest on debt & other charges in the amount of L\$38.3 million (71.7 percent).

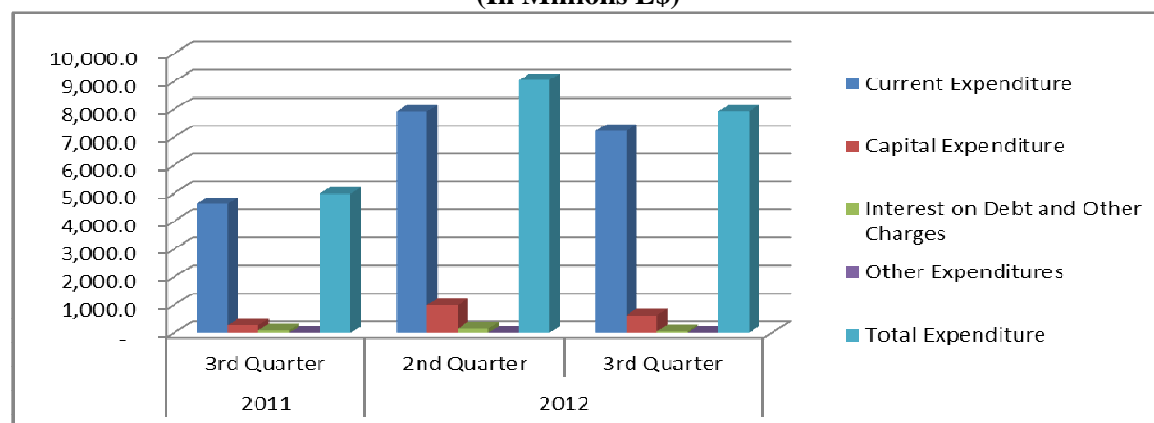
Table 21: Expenditure by Codes
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)

	Expenditure by Codes	2011	2012	
		3 rd Quarter	2 nd Quarter	3 rd Quarter*
A.	Current Expenditure	4,620.3	7,912.5	7,231.9
i.	Salaries & Allowances	1,983.4	3,348.7	2,958.5
ii.	Expenditure on Goods & Services	1,601.7	2,924.8	2,719.3
iii.	Subsidies	635.4	582.7	548.5
iv.	Grants	380.0	1,032.2	977.6
v.	Social Benefits	19.8	24.2	28.1
vi.	Others	-	-	-
B.	Capital Expenditure	272.0	991.1	630.3
i.	Depreciation	-	245.6	177.2
ii.	Acquisition of Fixed Assets	234.3	738.8	444.1
iii.	Others	37.7	6.8	9.0
C.	Interest on Debt and Other Charges	88.8	148.4	53.4
i.	On Domestic & Foreign Debts	26.9	19.2	12.9
ii.	To Non-Residents	61.9	127.5	38.3
iii.	Others	-	1.7	2.3
D.	Other Expenditures¹	-	-	-
	Total Expenditures (A+B+C+D)	4,981.1	9,052.0	7,915.6

¹Expenditures not elsewhere mentioned

*Preliminary

Chart 18: Expenditure by Codes
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)



4.5 Total Expenditure by Sectors

A sectoral distribution of total expenditure shows that nearly all of the sectors recorded decreases when compared to the preceding quarter, except expenditure on rule of law & public safety. A distribution of total expenditure shows that spending on public & administrative services accounted for the highest share, L\$2,486.3 million (31.4 percent); followed by spending on social & community services, Economic services, L\$2,221.2 million (28.1 percent) and L\$1,862.4 million (23.5 percent), respectively. Outlays on the Rule of Law & Public Safety constituted L\$1,345.7 million, or 17.0 percent.

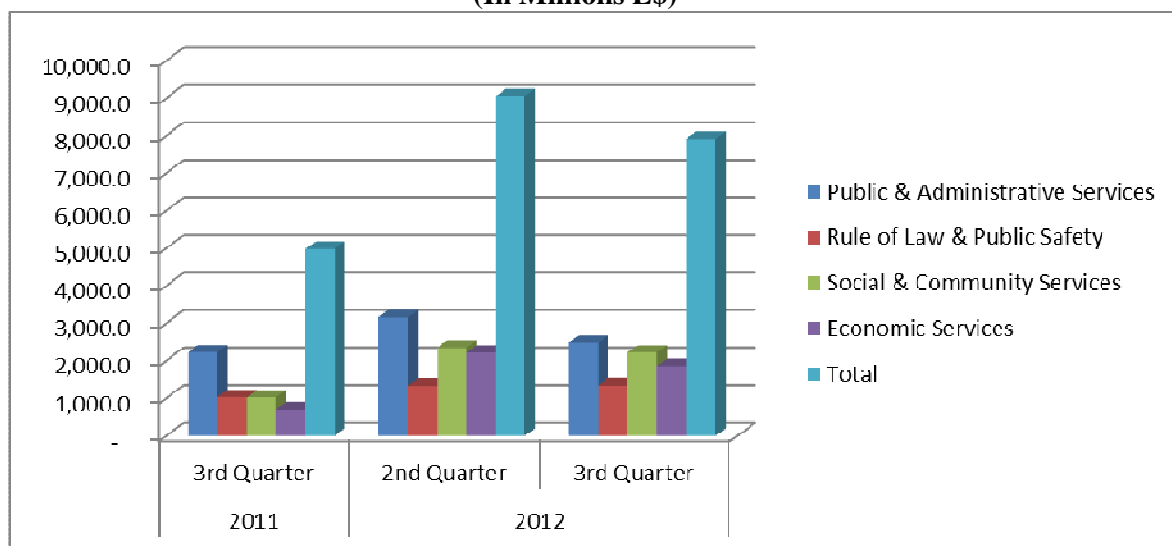
Table 22: Expenditure by Sectors
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)

Expenditure by Sectors	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter*
Public & Administrative Services	2,229.0	3,157.6	2,486.3
Rule of Law & Public Safety	1,032.5	1,333.7	1,345.7
Social & Community Services	1,021.2	2,346.3	2,221.2
Economic Services	698.3	2,214.5	1,862.4
Total	4,981.1	9,052.0	7,915.6

Source: Ministry of Finance, Republic of Liberia

*Preliminary

Chart 19: Expenditure by Sectors
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)



4.6 Liberia's Public Debt

Liberia's public debt stock at end-September, 2012 stood at US\$561.5 million, from US\$552.4 million recorded at end-June, 2012 indicating an increase by US\$9.1 million (1.6 percent). Of the total debt stock, domestic debt represented 50.4 percent while external debt accounted for 49.6 percent. The growth in the debt stock is largely attributed to increase in external debt obligations through bilateral arrangements as well as multilateral financial institutions.

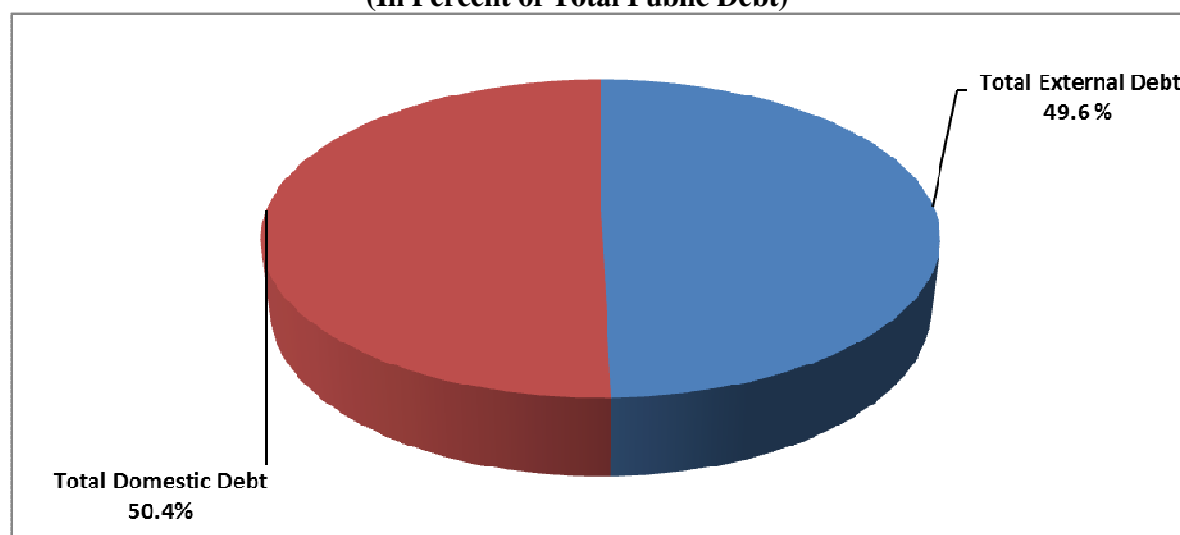
Table 23: Debt Composition
At End-September, 2012
(In Millions US\$)

Debt Composition	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter
Total External Debt	238.5	269.3	278.3
Total Domestic Debt	280.5	283.1	283.1
Total Public Debt	519.0	552.4	561.5

Source: Ministry of Finance, Republic of Liberia

*Revised

Chart 20: Debt Composition
At End-September, 2012
(In Percent of Total Public Debt)



a. External Debt

During the period under review, total external debt stock stood at US\$278.3 million, from US\$269.3 million at end-June, 2012, recording an increase of US\$9.0 million (3.3 percent). A disaggregation of external debt stock shows that multilateral debt amounted to US\$143.8

million (51.7 percent) and bilateral debt stock totalled US\$134.5 million (48.3 percent) at end-September, 2012. Multilateral debt was the main contributor to the rise in external debt stock.

b. Domestic Debt

The total domestic debt stock for Liberia was recorded at US\$283.1 million during the period under review. Data at end-September, 2012 shows that domestic debt to suppliers' credit, salary & allowances, financial institutions, pre-NTGL salary arrears, and others, remained unchanged. A percentage distribution of total domestic debt indicates that suppliers' credit accounted for 0.7 percent; salary & allowances, 1.3 percent; financial institutions, 97.1 percent; Pre-NTGL salary arrears, 0.5 percent; and Others, 0.4 percent.

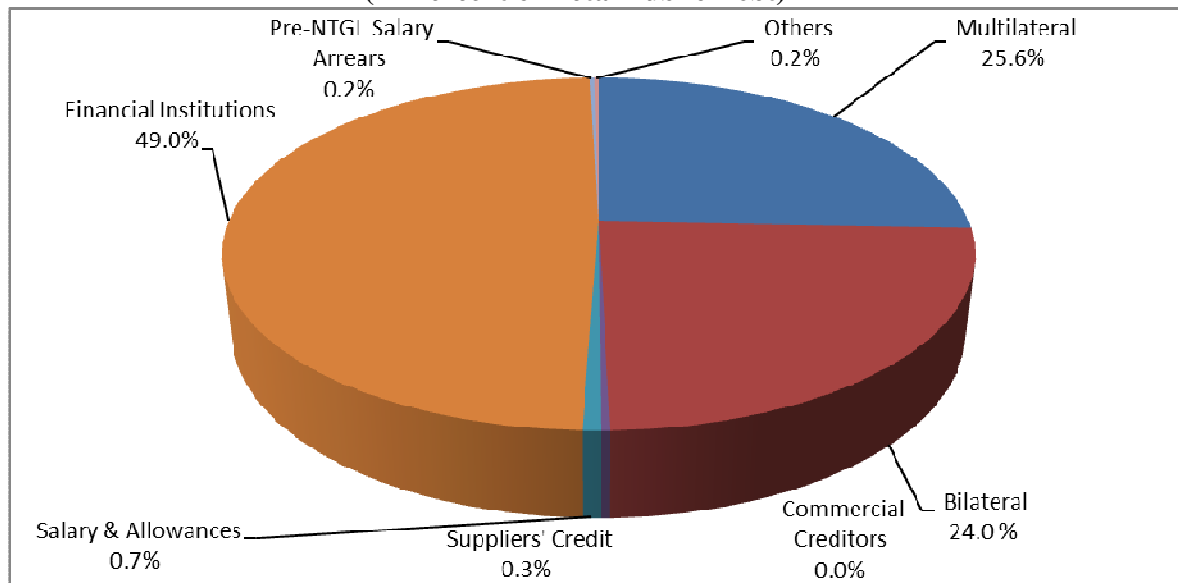
**Table 24: Debt Position
At-end September, 2012
(In Millions US\$)**

Creditors	2011	2012	
	3rd Quarter	2nd Quarter*	3rd Quarter
Multilateral	107.8	136.2	143.8
Bilateral	130.4	133.1	134.5
Commercial Creditors	0.3	-	-
Total External Debt	238.5	269.3	278.3
Suppliers' Credit	3.3	1.9	1.9
Salary & Allowances	5.0	3.7	3.7
Financial Institutions	269.1	275.0	275.0
Pre- NTGL Salary Arrears	-	1.3	1.3
Others	3.1	1.1	1.2
Total Domestic Debt	280.5	283.1	283.1
Total Public Debt	519.0	552.4	561.5

Source: Ministry of Finance, Republic of Liberia

**Revised*

**Chart 21: Liberia's Overall Debt Position
At-end September, 2012
(In Percent of Total Public Debt)**



V. EXTERNAL SECTOR DEVELOPMENTS

5.1 Merchandise Trade

The total trade position at end-September, 2012 was US\$372.8 million, down from US\$435.1 million recorded during the preceding quarter, representing 14.3 percent decline. The fall in total trade position during the review quarter was largely due to a simultaneous decline in merchandise exports and imports by 4.5 percent and 18.0 percent, respectively. Merchandise trade marginally increased by 0.6 percent on a year-on-year basis, from US\$370.6 million (Table 25 & Chart 21).

The slowdown in total trade during the review quarter was followed by a 26.3 percent improvement in the trade balance to US\$144.6 million at end-September, 2012, from US\$196.1 million recorded during the previous quarter, although it remains in a deficit. Yearly comparison indicates that the trade deficit considerably moderated by 24.1 percent, from US\$190.5 million at end-September, 2011.

Table 25: Balance of Trade
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In '000' US\$)

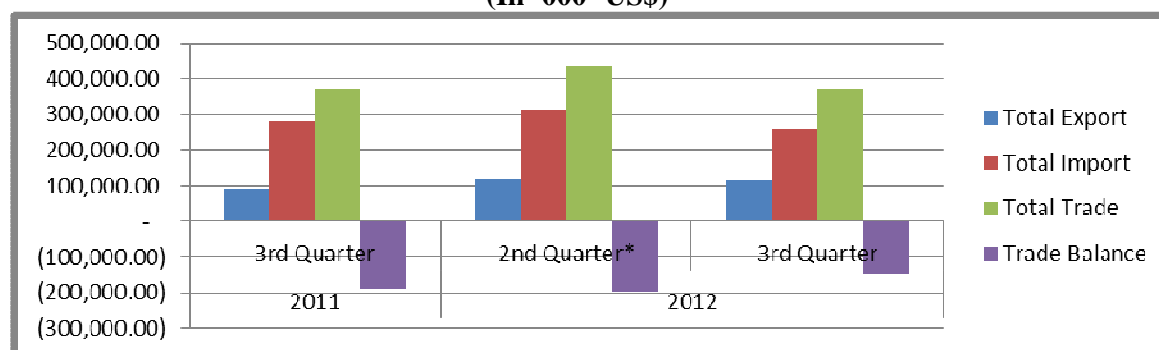
Periods	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter**
Total Export	90,039.63	119,484.87	114,135.27
Total Import	280,586.99	315,585.19	258,692.01
Total Trade	370,626.62	435,070.06	372,827.29
Trade Balance	(190,547.36)	(196,100.32)	(144,556.74)

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

*Revised

**Preliminary

Chart 22: Balance of Trade
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In '000' US\$)



5.2 Merchandise Exports

Total export receipts at end-September, 2012 declined by US\$5.4 million or 4.5 percent to US\$114.1 million, from US\$119.5 million recorded during the preceding quarter. The slump in exports earnings during the review quarter was largely on account of falls in all export categories except for diamond and “Other Commodities” components. However, total export during the quarter was up by 26.8 percent to US\$114.1 million, from US\$90.0 million at end-September, 2011.

Proceeds from rubber exports totaled US\$27.1 million at end-September, 2012, down from US\$39.8 million recorded in the preceding quarter, indicating a 31.9 percent reduction. The sluggish performance of earnings from rubber exports was partly ascribed to decline in the total volume exported during the review period, despite a rise in the unit price of the commodity on the world market. The slowdown in production of the commodity was partly due to down-pour of rain during the months of July and August, the peak of the rainy season. Rubber accounts for 23.8 percent of total export proceeds at end-September, 2012.

Earnings from exports of cocoa beans also slightly contracted to US\$0.1 million during the review quarter, 2012, from US\$1.4 million at the end of the previous quarter. The decline in receipts from cocoa beans exports was mainly attributed to low production due to seasonality. Data on coffee export was not available during the quarter under review.

Earnings from iron ore exports slightly dropped to US\$31.9 million at end-September, 2012, from US\$32.3 million recorded during the preceding quarter, a 1.2 percent decline. Iron ore was one of the main foreign exchange earners during the review quarter, slightly taking over from rubber. Earnings from iron ore accounted for about 28.0 percent of total exports during the review quarter. However, there was no export of iron ore during the corresponding quarter in 2011, making annual comparison impossible (Table 26 & Chart 23).

Proceeds from gold exports also fell by 5.9 percent to US\$6.4 million during the current quarter, 2012, from US\$6.8 million recorded at the end of the previous quarter. The decline in production was largely attributed to the fall in receipts from exports of the commodity. Compared to the corresponding quarter in 2011, total earnings from gold exports increased by US\$2.1 million (48.8 percent).

Similarly, total earnings from round logs at end-September, 2012 considerably declined to US\$9.2 million, from US\$15.8 million reported in the preceding quarter. The 41.8 percent decline was partly on account of a downturn in production of the commodity due to heavy rain fall and its associated deplorable road condition in the rural parts of Liberia during the review period. Annual comparison also reveals a contraction in export receipts from round logs by US\$5.0 million.

Table 26: Commodity Composition of Exports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Thousands US\$)

Commodity Composition of Exports	Units	3 rd Quarter, 2011			2 nd Quarter, 2012*			3 rd Quarter, 2012**		
		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.	21.39	65,192.99	3,047.83	13.39	39,818.21	2,973.73	7.48	27,076.79	3,619.89
Cocoa Beans	Mt.	5.41	3,990.25	737.57	1.91	1,442.37	755.17	0.13	81.25	625
Coffee Beans	Mt.	-	-	-	0.1	30	300	-	-	-
Iron Ore	Mt.	-	-	-	585	32,330.26	55.27	680.85	31,851.36	46.78
Diamond	Carat	21.28	3,882.63	182.45	7.33	2,748.43	374.96	15.66	5,686.12	363.1
Gold	Ounce	3.31	4,297.71	1,298.40	5.5	6,825.80	1,241.05	5.13	6,386.81	1,244.99
Round Logs	m ³	19.61	4,178.46	213.08	87.82	15,845.57	180.43	55.75	9,204.04	165.09
Others ¹	-	-	8,497.59	-	-	20,444.25	-	-	33,848.92	-
Total	-	-	90,039.63	-	-	119,484.87	-	-	114,135.28	-

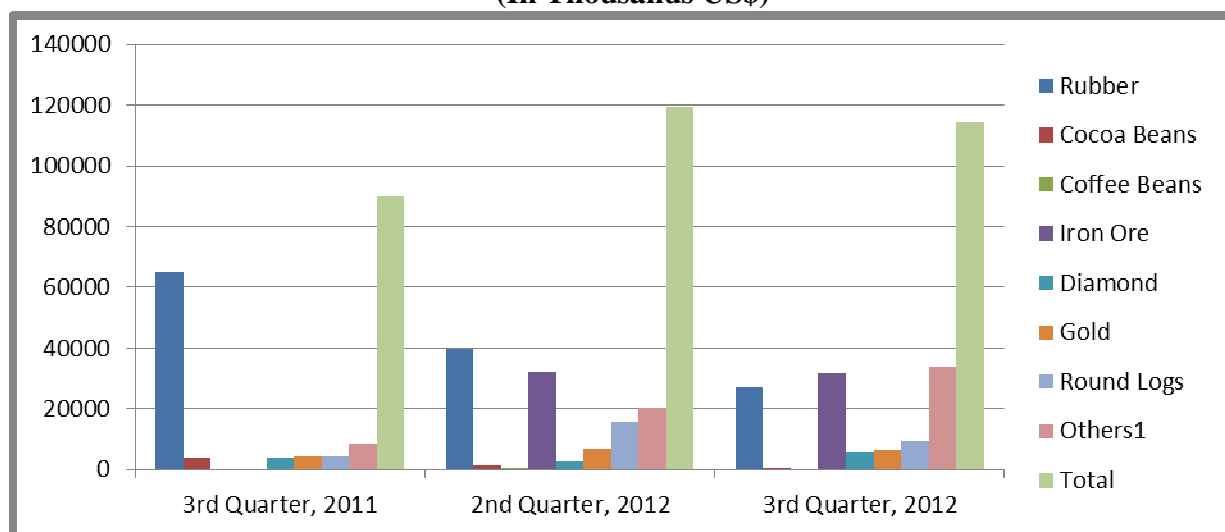
Sources: Ministry of Commerce & Industry (MCI), Ministry of Lands, Mines & Energy, Forestry Development Authority (FDA) and Firestone Rubber Company

1 Other Commodities not elsewhere classified

**Revised*

***Preliminary*

Chart 23: Commodity Composition of Exports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Thousands US\$)



However, diamond and “other commodities” category registered increased growth rates at end-September, 2012. Proceeds from diamond exports expanded by US\$3.0 million to US\$5.7 million, from US\$2.7 million recorded during the preceding quarter. Compared with the corresponding quarter, diamond exports rose by 46.1 percent, from US\$3.9 million at end-September, 2011. Export earnings from “other commodities” at the end of the third quarter, 2012, expanded to US\$33.8 million, from US\$20.4 million, reflecting a 65.7 percent rise. Considering total export earnings during the quarter under review, “other commodities” contributed about 29.6 percent.

5.3 Merchandise Imports

The total value of merchandise goods imported during the third quarter of 2012 amounted to US\$258.7 million, from US\$315.6 million recorded during the previous quarter, showing a decline of 18.0 percent. Import categories that contributed to the decline in payments include Animals and Vegetable Oil that fell by 47.6 percent to US\$7.6 million during the review quarter, from US\$14.5 million recorded at the end of the preceding quarter in 2012. Import payments for Chemicals & Related Products also declined by 12.8 percent to US\$13.0 million at end-September, 2012, from US\$14.9 million during the previous quarter. Other import categories that contracted during the quarter were Manufactured Goods classified chiefly by Materials, 37.7

percent; Petroleum Products, 52.0 percent, and Miscellaneous Manufactured Articles, 49.2 percent (Table 27 & Chart 24).

On an annual basis, import payments in the review quarter declined by US\$21.9 million or 7.8 percent, compared with the same period in 2011. Comparison, a year ago, shows that the fall in import payments was mainly ascribed to simultaneous decline in import bills for Food and Live Animal by 52.9 percent, Manufactured Goods classified chiefly by Materials (2.3 percent), Petroleum Products (16.1 percent) and Miscellaneous Manufactured Articles (40.5 percent), respectively. However, import payments for Food and Live Animals rose to US\$39.3 million at the end of September, 2012, from US\$35.0 million during the preceding quarter, representing 12.3 percent expansion.

Table 27: Commodity Compositions of Imports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(Values in '000' US\$)

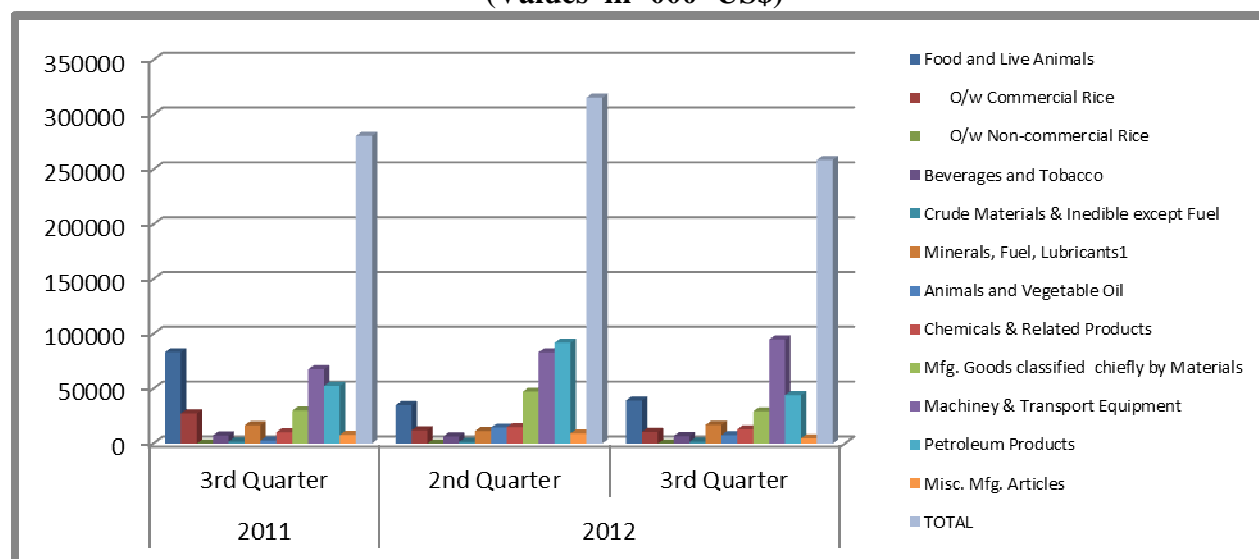
Commodity Composition of Imports	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter**
Food and Live Animals	83,451.75	34,998.62	39,324.02
O/w Commercial Rice	27,518.48	12,007.94	10,672.31
O/w Non-commercial Rice	5.23	-	21.94
Beverages and Tobacco	7,328.60	6,457.00	6,899.77
Crude Materials & Inedible except Fuel	1,849.47	1,522.21	1,763.79
Minerals, Fuel, Lubricants ¹	16,634.04	11,399.53	17,015.94
Animals and Vegetable Oil	2,663.60	14,526.49	7,578.09
Chemicals & Related Products	10,375.40	14,949.08	13,047.93
Mfg. Goods classified chiefly by Materials	30,069.23	47,245.49	29,425.86
Machinery & Transport Equipment	67,740.80	83,320.52	94,855.70
Petroleum Products	52,565.66	91,935.78	44,096.26
Misc. Mfg. Articles	7,908.44	9,230.47	4,684.65
TOTAL	280,586.99	315,585.19	258,692.02

Sources: Ministry of Commerce & Industry and BIVAC

**Revised*

*** Preliminary*

Chart 24: Commodity Compositions of Imports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(Values in '000' US\$)



5.4 Direction of Trade

Liberia, a small and open economy, remained import driven with limited export base. The overall trade position of Liberia during the quarter under review amounted to US\$372.8 million, down from US\$435.1 million recorded at end June, 2012, a 14.3 percent contraction (Table 25). Outlook for the export sector remains positive as pre-war iron ore mines are redeveloped, new rubber and oil palm plantations are being developed, and the logging sector activity considerably improving. The major importers of Liberian export commodities remained North America, Europe, Middle East and Asia. During the review quarter, Asia took over from North America as the major purchaser of Liberia's export commodities and origin of the country's basic imports.

5.4.1 Sources of Imports

During the review quarter, Asia was the largest source of Liberia's imports by origin, accounting for US\$65.7 million or 25.4 percent of total import. Payments for imports originating from Asia increased by 153.7 percent, from US\$25.9 million recorded at end-June, 2012. Asia over took North America which accounted for US\$101.7 million or 32.2 percent of imports in the preceding quarter, 2012; followed by Europe which accounted for US\$58.3 million or 22.5 percent share of imports. Compared with the previous quarter, imports emanating from Europe

grew by 38.8 percent at end-September, 2012. Europe was the leading source of Liberia's imports a year ago, accounting for US\$83.9 million or 35.6 percent of the total movement of goods into the country.

Table 28: Sources of Imports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(CIF Value in Millions US\$)

Region	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter**
Europe	83.9	42.0	58.3
North America	27.0	101.7	33.4
South America	16.1	22.2	14.0
Middle East	50.6	88.5	27.9
Asia	40.1	25.9	65.7
Ecowas	11.8	9.0	54.4
Others - Africa	5.9	26.4	5.0
Total	235.4	315.7	258.7

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

**Revised*

***preliminary*

Chart 25: Sources of Imports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(CIF Value in Millions US\$)

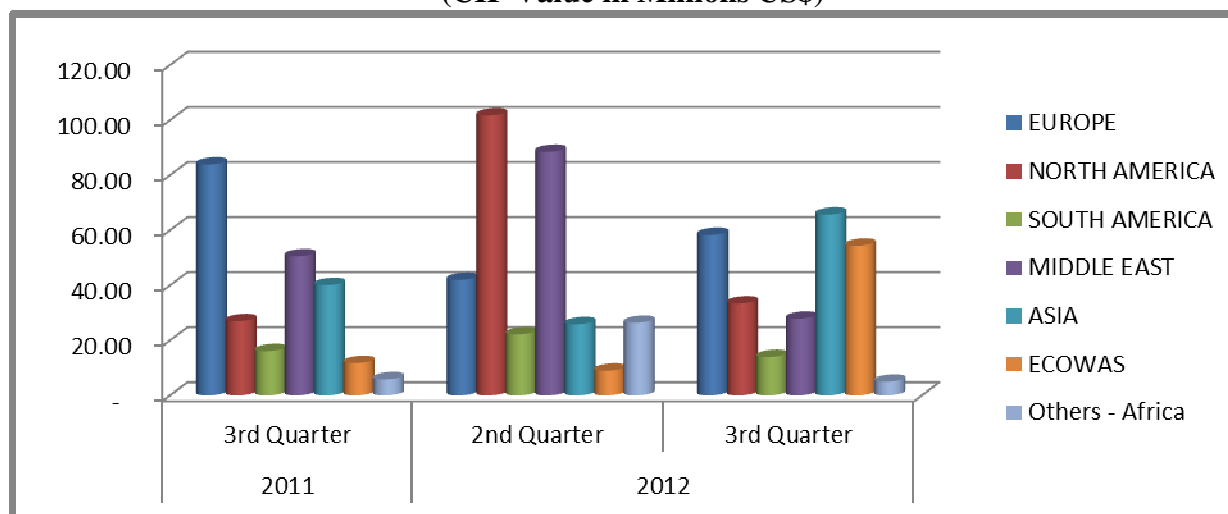
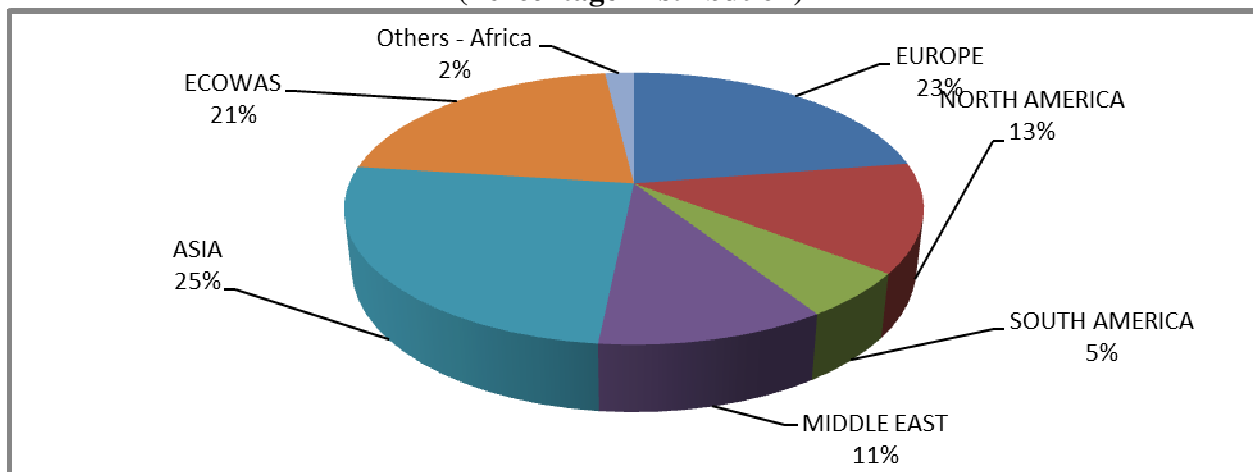


Table 29: Sources of Imports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(Percentage Distribution)

Region	3 rd Quarter, 2011	2 nd Quarter, 2012	3 rd Quarter, 2012
Europe	35.6	13.3	22.5
North America	11.5	32.2	12.9
South America	6.9	7.0	5.4
Middle East	21.5	28.0	10.8
Asia	17.0	8.2	25.4
ECOWAS	5.0	2.9	21.0
Others - Africa	2.5	8.4	1.9
Total	100	100	100

Source: Central Bank of Liberia

Chart 26: Sources of Imports
(3rd Quarter, 2012)
(Percentage Distribution)



5.4.2 Direction of Exports

During the quarter, Asia, North America and Europe were the main destinations of Liberia's primary commodity exports. Asia was the biggest buyer of the country's exports, accounting for about US\$33.1 million, representing 42.2 percent share in total exports at end-September, 2012. Asia's purchases of Liberian commodities exceeded North America which was the main buyer, accounting for US\$35.4 million during the previous quarter. Total exports to North America contracted by 22.6 percent to US\$27.4 million at the end of the review quarter, from US\$35.4 million recorded in the preceding quarter of 2012.

Table 30: Direction of Exports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(CIF Value in Millions US\$)

REGION	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter**
EUROPE	23.3	32.4	12.1
NORTH AMERICA	47.8	35.4	27.4
SOUTH AMERICA	0.0	0.0	0.0
MIDDLE EAST	0.28	32.6	0.4
ASIA	5.46	1.3	33.1
ECOWAS	4.66	0.5	0.04
Others - Africa	0.12	0.0	0.01
Others	0.28	17.3	5.5
Total	81.86	119.5	78.5

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

**Revised*

***Preliminary*

Chart 27: Direction of Exports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(CIF Value in Millions US\$)

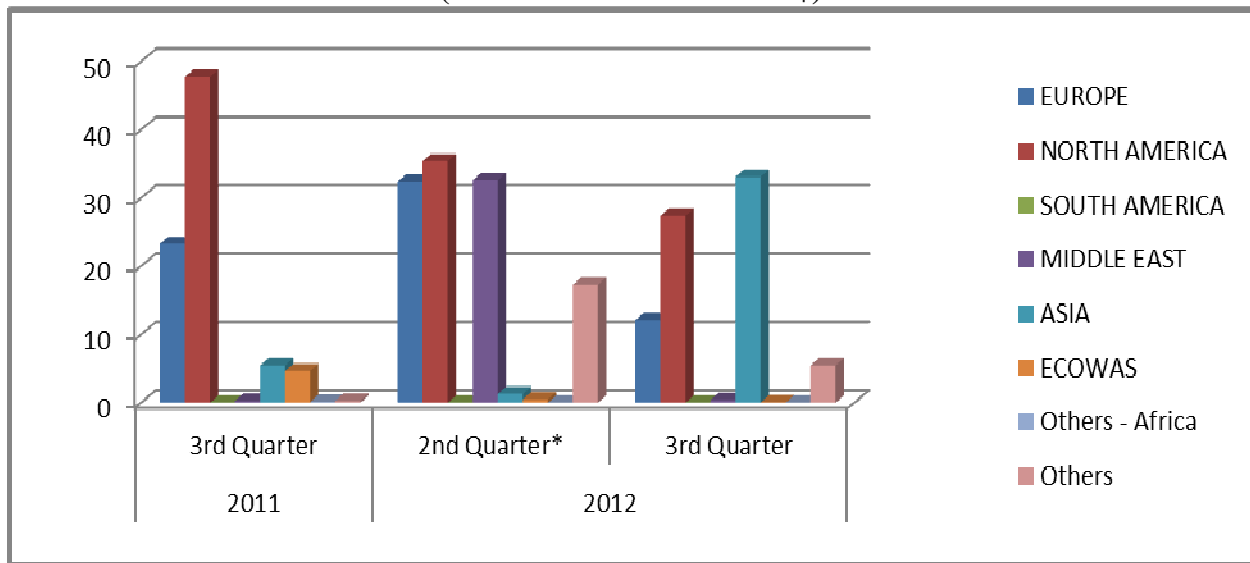
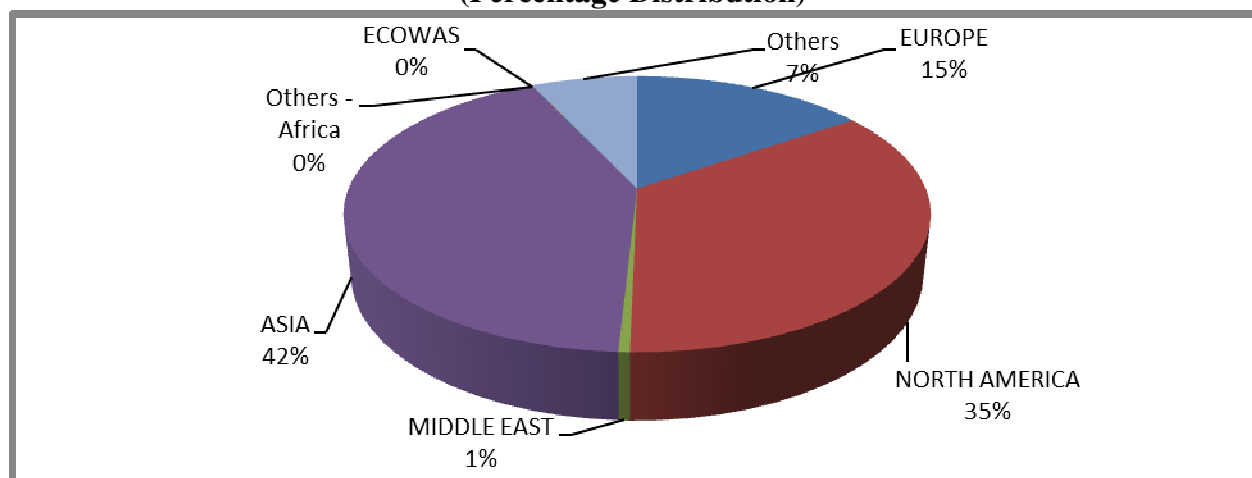


Table 31: Direction of Exports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(Percentage Distribution)

REGION	3rd Quarter, 2011	2nd Quarter, 2012	3rd Quarter, 2012
EUROPE	28.5	27.1	15.4
NORTH AMERICA	58.3	29.6	34.9
SOUTH AMERICA	0.0	0.0	0.0
MIDDLE EAST	0.3	27.3	0.5
ASIA	6.7	1.1	42.1
ECOWAS	5.7	0.4	0.1
Others - Africa	0.1	0.0	0.0
Others	0.3	14.5	7.0
Total	100	100	100

Source: Central Bank of Liberia

Chart 28: Direction of Exports
(3rd Quarter, 2012)
(Percentage Distribution)



STATISTICAL APPENDIX

PART A: REAL SECTOR

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

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- Table B-1: Monetary Survey (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
- Table B-2: Liberian Currency in Circulation (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
- Table B-3: Money Supply and Broad Money (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
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- Table B-6: Commercial Banks' Loans by Economic Sectors (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
- Table B-7: Central Bank of Liberia Foreign Exchange Auction Program (January – September, 2012)
- Table B-8: Exchange Rate Developments: Liberian Dollars per US Dollar (Period Averages) (January, 2009 – June, 2010)

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Table C-1: Government of Liberia Total Revenue by Sources (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Table C-2: Government of Liberia's Expenditure by Codes (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Table C-3: Government of Liberia's Fiscal Operations (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Table C-4: Liberia's Overall Debt Position as at September 30, 2012

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Table D-1: Commodity Composition of Exports (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Table D-2: Commodity Composition of Imports (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Table D-3: Balance of Trade (3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Table A-1: Key Agricultural Production
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Commodity	Unit	3 rd Quarter, 2011	2 nd Quarter, 2012	3 rd Quarter, 2012
Rubber	Mt	21,386	13,387	10,029
Cocoa	Mt	3,872	1,713	633
Coffee	Mt	27	135	-
Round Logs	M3	18,824	53,523	38,972*
Sawn Timber	Pcs	64,277	61,576	62,725*

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

**Estimate*

Table A-2: Key Industrial Output
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)

Commodity	Unit	2011	2012	
		3 rd Quarter	2 nd Quarter	3 rd Quarter
Diamond	Carat	15,784	7,327	9,752
Gold	Ounce	3,313	5,504	5,126
Cement	Mt	23,399	33,749	21,824
Spirit	Litre	159,458	188,921	207,663
Beer	Litre	2,548,153	2,265,281	1,983,418
Stout	Litre	1,407,336	1,246,560	1,369,701
Malta	Litre	267,664	136,454	172,727
Soft Drinks	Litre	2,847,758	3,439,541	2,161,044
Oil Paint	Gal.	6,736	8,474	17,967
Water Paint	Gal.	61,875	69,995	102,352
Varnish	Gal.	1,684	2,118	4,492
Manoline Hair Grease	Kg.	6,208	10,088	8,744
Soap	Kg.	153,784	180,967	118,311
Candle	Kg.	101,651	71,453	97,052
Chlorox	Litre	93,845	167,660	214,901
Rubbing Alcohol	Litre	38,205	59,150	62,746
Thinner	Gal.	2,780	3,980	6,391
Mattresses	Pcs.	27,527	25,764	21,796
Finished Water	Gal.	471,479,897	449,294,055+	474,572,411*

Sources: Ministry of Lands, Mines & Energy; Liberia Water & Sewer Corporation and Ministry of Commerce

**Estimate*

+Revised

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

Commodity	Unit	2011	2012	
		3 rd Quarter	2 nd Quarter	3 rd Quarter
Premium(PMS)	Gallon	4,350,990	12,724,897	5,221,407
Diesel(AGO)	Gallon	13,404,187	13,748,451	10,963,584
Kerosene(ATK)	Gallon	-		
Jet-Fuel(JET-A)	Gallon	841,447	1,565,699	1,225,248
Total		18,596,624	28,039,047	17,410,238

Source: Ministry of Commerce, Monrovia, Liberia

Table A-4: Harmonized Consumer Price Index (HCPI) By Major Groups
Year-on-Year Rates of Inflation
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
(December, 2005=100)

FUNCTION	WEIGHT	11-Jul	11-Aug	11-Sep	3rd Quarter	12-Apr	12-May	12-Jun	2nd Quarter Ave. '12	12-Jul	12-Aug	12-Sep	3rd Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	45.2	15.71	15.21	6.74	12.55	11.72	10.35	11.16	11.08	5.56	7.51	9.61	7.56
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	9.4	10.81	12.49	10.9	2.85	1.86	0.29	1.67	1.2	1.02	4.37	2.2
CLOTHING AND FOOTWEAR	7.75	5.1	4.51	4.75	4.79	3.26	3.53	4.1	3.63	1.82	1.52	4.24	2.53
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12	6.34	6.21	6.06	6.2	4.36	4.74	4.35	4.48	4.96	1.08	2.22	2.75
AND ROUNTINE MAINTENANCE OF THE HOUSE	5.25	-0.32	-0.72	1.36	0.11	7.34	7.65	8.21	7.73	0.34	0.12	-0.72	-0.09
HEALTH	3.91	-0.32	-0.32	-0.32	-0.32	0	0	0	0	0	0	0	0
TRANSPORT	6.11	20.08	20.02	19.44	19.85	5.13	1.44	1.19	2.59	-0.49	-0.39	0.39	-0.16
COMMUNICATION	1.53	0.08	0	0.03	0.04	0.32	0.36	0.44	0.37	0.19	0.15	0.18	0.17
RECREATION AND CULTURE	3.85	5.05	4.83	4.65	4.84	0.08	0.03	0.24	0.12	0.49	0.38	0.48	0.45
EDUCATION	3.2	0	0	0	0	0	0	0	0	0	0	0	0
RESTUARANTS AND HOTELS	4.64	2.26	1.78	1.98	2.01	3.23	3.46	2.59	3.09	1.1	1	1.55	1.22
MISCELLANEOUS GOODS AND SERVICES	3.53	0.94	-0.26	0.18	0.28	6.05	2.12	2.89	3.69	1.4	1.5	1.32	1.41
GENERAL RATE OF INFLATION	100	10.6	10.27	6.21	9.03	7.67	6.69	7.08	7.15	3.58	4.25	5.68	4.5

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

Table B-1: Monetary Survey
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
(In Million L\$)

	11-Sep	12-Jun	12-Sep
<i>End of Period Rate</i>	72	76	73
<i>Period Average Rate</i>	72.08	74.89	73.32
FOREIGN ASSETS (NET)	24,705.00	25,546.00	24,190.00
FOREIGN ASSETS (MA)	35,876.00	37,821.80	35,033.70
(-) FOREIGN LIABILITIES (MA)	20,664.10	21,391.00	20,121.30
FOREIGN ASSETS (CoB)	10,200.70	11,609.90	11,668.80
(-) FOREIGN LIABILITIES (CoB)	707.7	2,494.70	2,391.30
DOMESTIC CREDIT	31,834.90	35,785.90	37,800.60
CLAIMS ON GENERAL GOVERNMENT (NET)	14,412.10	14,376.40	15,296.00
CLAIMS ON GENERAL GOVERNMENT (MA)	18,845.40	20,964.70	20,561.60
(-) GENERAL GOVERNMENT DEPOSITS (MA)	4,134.90	5,679.70	4,237.90
CLAIMS ON GENERAL GOVERNMENT (CoB)	500.3	413.5	405.2
(-) GENERAL GOVERNMENT DEPOSITS (CoB)	798.7	1,322.10	1,432.90
CLAIMS ON PUBLIC CORPORATIONS (MA)	0	0	0
CLAIMS ON PUBLIC CORPORATIONS (CoB)	1,080.20	1,457.00	1,538.70
CLAIMS ON PRIVATE SECTOR (MA)	360.2	354.9	101.3
CLAIMS ON PRIVATE SECTOR (CoB)	15,880.60	19,484.50	20,699.50
CLAIMS ON NBFIS (MA)	0	0	0
CLAIMS ON NBFIS (CoB)	101.9	113	165.1
MONEY	40,737.40	42,424.30	42,785.70
CURRENCY OUTSIDE BANKS (MA)	5,124.30	5,778.00	5,364.10
LIBERIAN CURRENCY IN CIRCULATION (MA)	5,710.50	7,173.50	6,939.80
(-) CURRENCY HOLDINGS (CoB)	586.2	1,395.50	1,575.70
DEMAND DEPOSITS	23,527.70	24,451.70	23,620.60
DEMAND DEPOSITS (MA)	1,088.40	355.6	269.3
DEMAND DEPOSITS (CoB)	22,439.30	24,096.20	23,351.30
OTHER DEPOSITS	12,085.40	12,194.60	13,801.00
OTHER DEPOSITS (MA)	1,062.40	308.7	154.2
TIME AND SAVINGS DEPOSITS (CoB)	11,023.00	11,885.90	13,646.80
BONDS AND SECURITIES (CoB)	0	0	0
RESTRICTED DEPOSIT	51.7	45.7	43.7
CAPITAL ACCOUNTS	27,252.10	27,054.80	27,385.60
CAPITAL ACCOUNTS (MA)	17,260.90	16,961.80	16,269.80
CAPITAL ACCOUNTS (CoB)	9,991.10	10,093.10	11,115.80
OTHER ITEMS (NET)	-10,438.80	-7,884.30	-8,070.20
UNCLASSIFIED LIABILITIES (MA)	10,789.40	12,342.40	11,747.30
(-) UNCLASSIFIED ASSETS (MA)	16,100.90	17,239.20	16,577.80
(-) UNCLASSIFIED ASSETS (CoB)	8,890.30	10,083.30	9,395.00
UNCLASSIFIED LIABILITIES (CoB)	4,668.90	8,222.40	7,989.30
COMMERCIAL BANKS DEPOSITS (MA)	11,149.20	13,125.40	13,224.80
(-) RESERVES (CoB)	12,215.70	15,185.50	15,362.30
CURRENCY HOLDINGS (CoB)	586.2	1,395.50	1,575.70
LIABILITIES TO CENTRAL BANK (CoB)	108	216.5	195.4
(-) CLAIMS ON DOMESTIC BANKS (MA)	689.7	955.5	693.4
(-) CLAIMS ON CENTRAL BANK OF LIBERIA (CoB)	899.8	11.1	913.1
(-) UNBALANCED ITEMS	1,056.10	288.2	138.8
VERTICAL CHECK	0	0	0

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-2: Liberian Dollars in Circulation
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
(In Millions L\$)

End of Period	Currency in banks	Currency outside banks	Currency in circulation
	(1)	(2)	(3)
End Sep 2011	586.2	5,124.3	5,710.5
End Jun 2012	1,395.5	5,778.0	7,173.5
End Sep 2012	1,575.7	5,364.1	6,939.8

Source: Central Bank of Liberia, Monrovia, Liberia

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

	Sep-12	Jun-12	Sep-12
BROAD MONEY	38,772.3	42,068.8	42,516.4
M1	26,686.9	29,874.2	28,715.4
CURRENCY OUTSIDE BANKS (MA) L\$	5,124.3	5,778.0	5,364.1
DEMAND DEPOSITS (CoB)	21,562.6	24,096.2	23,351.3
<i>United States Dollars component of demand deposits denominated to Liberian Dollars</i>	<i>20,003.2</i>	<i>22,531.3</i>	<i>21,421.1</i>
<i>Liberian Dollars component of demand deposits</i>	<i>1,559.4</i>	<i>1,564.8</i>	<i>1,930.2</i>
TIME AND SAVINGS (CoB)	11,023.0	11,885.9	13,646.8
<i>United States Dollars component of savings deposits denominated to Liberian Dollars</i>	<i>8,019.2</i>	<i>8,640.2</i>	<i>10,139.8</i>
<i>Liberian Dollars component of time & savings deposits</i>	<i>3,003.8</i>	<i>3,245.7</i>	<i>3,507.0</i>
OTHER DEPOSITS	1,062.4	308.7	154.2
<i>United States Dollars component of savings deposits denominated to Liberian Dollars</i>	<i>1,056.1</i>	<i>288.2</i>	<i>138.8</i>
<i>Liberian Dollars component of time & savings deposits</i>	<i>6.4</i>	<i>20.6</i>	<i>15.4</i>
United States Dollars component of Broad Money denominated to Liberian Dollars	29,078.4	31,459.7	31,699.7
Percentage share of US dollars to Liberian dollars	75.0%	74.8%	74.6%
Exchange Rate	72.00	74.50	73.00

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-4: Other Depository Corporations' Balance Sheet
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
(In Thousand L\$)

ASSETS	Sep-11	Jun-12	Sep-12
RESERVES	12,215,703	15,185,457	15,362,288
O/w: CASH ON HAND: COINS/LD NOTES	586,191	1,395,454	1,575,709
FOREIGN ASSETS	10,200,699	11,609,922	11,668,822
CLAIMS ON GENERAL GOVERNMENT	500,348	413,501	405,177
CLAIMS ON PUBLIC CORPORATIONS	1,080,184	1,456,990	1,538,676
CLAIMS ON PRIVATE SECTOR	15,880,600	19,484,480	20,699,472
CLAIMS ON CENTRAL BANK OF LIBERIA	899,777	11,065	913,142
CLAIMS ON NBFIS	101,875	113,028	165,095
UNCLASSIFIED ASSETS	8,890,325	10,083,288	9,395,002
TOTAL ASSETS	49,769,512	58,357,730	60,147,674
LIABILITIES	Sep-11	Jun-12	Sep-12
DEMAND DEPOSITS	22,439,300	24,096,153	23,351,284
TIME AND SAVINGS DEPOSITS	11,022,976	11,885,860	13,646,814
RESTRICTED DEPOSITS	32,900	26,906	24,896
BONDS AND SECURITIES	0	0	0
FOREIGN LIABILITIES	707,665	2,494,737	2,391,301
GOVERNMENT DEPOSITS	798,687	1,322,119	1,432,867
LIABILITIES TO CENTRAL BANK	108,000	216,512	195,442
CAPITAL ACCOUNTS	9,991,132	10,093,067	11,115,771
UNCLASSIFIED LIABILITIES	4,668,853	8,222,377	7,989,299
TOTAL LIABILITIES	49,769,512	58,357,730	60,147,674
VERTICAL CHECK (ASSETS/LIABILITIES)	0	0	0

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-5: Sectoral Balance Sheet of Central Bank of Liberia
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
(In Thousand L\$)

ASSETS	Sep-11	Jun-12	Sep-12
FOREIGN ASSETS	35,876,040	37,821,837	35,033,705
CLAIMS ON GENERAL GOVERNMENT	18,845,357	20,964,717	20,561,629
CLAIMS ON PUBLIC CORPORATIONS	0	0	0
CLAIMS ON PRIVATE SECTOR	360,206	354,938	101,325
CLAIMS ON DOMESTIC BANKS	689,713	955,528	693,364
CLAIMS ON NBFIS	0	0	0
UNCLASSIFIED ASSETS	16,100,947	17,239,208	16,577,768
TOTAL ASSETS	71,872,264	77,336,229	72,967,791
LIABILITIES	Sep-11	Jun-12	Sep-12
RESERVE MONEY	19,004,123	20,942,566	20,572,698
OTHER DEPOSITS	0	0	0
RESTRICTED RESERVES	18,781	18,781	18,781
FOREIGN LIABILITIES	20,664,063	21,391,007	20,121,252
LIABILITIES TO GENERAL GOVERNMENT	4,134,950	5,679,670	4,237,947
CAPITAL ACCOUNTS	17,260,920	16,961,766	16,269,793
UNCLASSIFIED LIABILITIES	10,789,427	12,342,439	11,747,321
TOTAL LIABILITIES	71,872,264	77,336,229	72,967,791
VERTICAL CHECK (ASSETS-LIABILITIES)	0	0	0

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-6: Commercial Banks' Loans by Economic Sectors
(3rd Quarter 2011; 2nd & 3rd Quarters, 2012)
(In Thousand L\$)

SECTORS	11-Sep		12-Jun		12-Sep	
	3 rd Quarter 2011	%Share	2nd Quarter 2012	%Share	3 rd Quarter 2012	%Share
1. Agriculture	514,759	3.4	654,066	3.7	681,743	3.7
1.1 Rubber	97,401	0.7	125,122	0.7	131,994	0.7
1.2 Forestry	141,152	0.9	143,264	0.8	186,661	1
1.3 Fishing	200,736	1.3	167,700	0.9	84,899	0.5
1.4 other	75,470	0.5	217,981	1.2	278,189	1.5
2. Mining & Quarrying	66,965	0.4	118,833	0.7	109,651	0.6
2.1 Iron Ore	-	-	3,800	0	3,796	0
2.2 Quarrying	66,965	0.4	115,033	0.6	105,855	0.6
3. Manufacturing	259,416	1.7	418,079	2.3	340,837	1.8
4. Construction	1,312,594	8.8	1,484,294	8.3	1,577,276	8.5
4.1 Mortgage Loans	96,408	0.6	218,434	1.2	187,172	1
4.2 Home Improvement	99,576	0.7	15,943	0.1	14,746	0.1
4.3 Other	1,116,610	7.5	1,249,917	7	1,375,358	7.5
		-				
5. Trans., Storage & Comm.	1,322,107	8.8	1,347,240	7.5	1,280,063	6.9
5.1 Transportation	654,054	4.4	784,198	4.4	710,825	3.9
5.2 Storage	-	-	-	-	-	0
5.3 Communication	668,053	4.5	563,042	3.2	569,238	3.1
		-				
6. Trade, Hotel & Rest.	5,918,395	39.6	7,691,398	43.1	7,367,493	39.9
6.1 Diamond trade	22,176	0.1	24,734	0.1	25,477	0.1
6.2 Other trade	5,559,882	37.2	7,379,021	41.3	7,052,632	38.2
6.3 Hotels	314,928	2.1	252,916	1.4	262,934	1.4
6.4 Restaurants	21,409	0.1	34,728	0.2	26,450	0.1
		-				
7. Other	5,554,867	37.2	6,143,449	34.4	7,095,397	38.5
7.1 Services	2,507,723	16.8	1,793,111	10	2,056,939	11.1
7.2 Personal	2,326,209	15.6	2,614,985	14.6	2,927,356	15.9
7.3 GOL	57,528	0.4	64,832	0.4	98,793	0.5
7.4 Central Bank of Liberia	-	-	-	-	-	0
7.5 Public Corporations	346,634	2.3	298,178	1.7	289,991	1.6
7.5 Other	316,773	2.1	1,372,344	7.7	1,722,318	9.3
Total	14,949,103	100	17,857,358	100	18,452,460	100

Source: Central Bank of Liberia

**Table B-7: Central Bank of Liberia Foreign Exchange Auction
(January – September, 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\$)
330	26-Sep-12	1,500,000.00	72.3500	1,500,000.00	39	0	35,426.62	1,245,426.62	2,745,426.62
329	19-Sep-12	1,500,000.00	72.4200	1,500,000.00	41	0	50,000.00	1,378,300.00	2,878,300.00
328	12-Sep-12	900,000.00	72.5000	900,000.00	45	1	40,000.00	2,213,900.00	3,113,900.00
327	5-Sep-12	900,000.00	72.9000	900,000.00	39	2	140,000.00	1,604,100.00	2,604,100.00
326	29-Aug-12	900,000.00	73.0000	900,000.00	38	1	90,000.00	1,402,875.00	2,402,875.00
325	23-Aug-12	1,000,000.00	73.0000	100,000.00	33	11	100,000.00	1,663,800.00	2,663,800.00
324	15-Aug-12	1,000,000.00	72.7500	1,000,000.00	47	1	-	3,158,550.00	4,158,550.00
Special Window	Aug 14-Aug 20, 12	499,800.00	72.7500	499,800.00					
323	8-Aug-12	1,000,000.00	72.9500	1,000,000.00	41	0	-	1,855,200.00	2,855,200.00
Special Window	Aug 6-Aug 10, 12	500,000.00	72.9500	500,000.00					
322	1-Aug-12	2,000,000.00	73.0000	2,000,000.00	43	0	-	1,154,150.00	3,154,150.00
Special Window	Jul 31-Aug 6, 12	499,978.51	73.0000	499,978.51					
321	25-Jul-12	1,000,000.00	73.0000	1,000,000.00	27	0	70,000.00	1,095,000.00	2,095,000.00
320	18-Jul-12	750,000.00	73.0000	750,000.00	29	0	-	1,315,000.00	2,065,000.00
Special Window	Jul 17-Jul 20, 12	250,000.00	73.5000	250,000.00					
319	11-Jul-12	750,000.00	73.5000	750,000.00	30	0	-	1,577,500.00	2,327,500.00
Special Window	Jul 10-Jul 16, 12	500,000.00	73.7500	500,000.00					
318	4-Jul-12	1,000,000.00	73.7500	1,000,000.00	30	0	-	1,040,000.00	2,040,000.00
Special Window	Jun 30-Jul 6, 12	500,000.00	73.9525	500,000.00					
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
TOTAL		53,849,778.51		52,949,778.51	1,178	250	2,211,530.82	48,070,917.43	96,370,917.43

Source: Central Bank of Liberia, Monrovia, Liberia

Table B-8: Exchange Rate Developments: Liberian Dollars per US Dollar
(Monthly Averages)
(January 2011 – September, 2012)

Period Average	2011			2012		
	Buying	Selling	Middle	Buying	Selling	Middle
January	71.79	72.75	72.27	72.44	73.40	72.92
February	71.96	72.60	72.28	73.00	74.00	73.50
March	71.61	72.31	71.96	73.11	74.11	73.61
April	71.54	72.21	71.88	73.50	74.50	74.00
May	72.00	72.98	72.49	74.41	75.37	74.89
June	72.10	73.10	72.60	75.04	76.04	75.54
July	72.35	73.33	72.84	73.62	74.58	74.10
August	72.02	73.00	72.51	72.99	73.99	73.49
September	71.58	72.58	72.08	72.84	73.80	73.32
October	71.88	72.69	72.29			
November	71.10	72.10	71.60			
December	71.43	72.43	71.93			
Q1	71.79	72.56	72.17	72.85	73.84	73.34
Q2	71.88	72.76	72.32	74.32	75.30	74.81
Q3	71.98	72.97	72.47	73.15	74.12	73.64
Q4	71.47	72.40	71.94			
Year	71.78	72.67	72.23			

Source: Central Bank of Liberia, Monrovia, Liberia

Table C-1: Government of Liberia's Total Revenue by Sources
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions, L\$)

Revenue Sources	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter*
A. Tax Revenue	5,573.1	8,186.7	7,156.0
i. International Trade Taxes	2,716.5	3,093.2	2,778.2
<i>Taxes & Duties on Imports</i>	2,665.5	2,987.0	2,772.5
<i>Taxes on Exports</i>	51.0	106.2	5.7
ii. Taxes on Income & Profits	1,757.8	3,095.0	2,620.7
<i>Individual Taxes on income & profits</i>	884.8	1,073.6	1,824.1
<i>Taxes Payable by Corporate Entities</i>	862.0	2,000.2	794.7
<i>Others</i>	11.1	21.1	2.0
iii. Sale Taxes on Goods & Services	859.5	1,395.3	1,358.5
<i>Goods & Service Tax</i>	269.7	461.6	457.1
<i>Excise Taxes</i>	228.2	217.1	37.4
<i>Maritime Revenue</i>	238.8	325.5	319.7
<i>Others</i>	122.7	391.0	544.3
iv. Property & Real Estate Taxes	63.2	51.2	85.0
v. Other Tax Revenue ¹	176.1	552.1	313.6
B. Non-Tax Revenue	1,418.2	1,395.1	498.9
i. Charges & Other Administrative Fees	432.7	709.2	498.9
ii. Grants	-	115.9	-
iii. Others	985.5	570.0	-
<i>Contingent Revenue</i>	985.5	-	-
<i>Borrowing</i>	-	570.0	-
<i>Carry Forward</i>	-	-	-
Grand Total (A + B)	6,991.4	9,581.8	7,655.0

Source: Ministry of Finance, Republic of Liberia

1Tax Revenue not elsewhere mentioned

2In CBL Quarterly Reporting System, Annual Year (AY) – 3rd Quarter is Fiscal Year (FY) – 1st Quarter

**Preliminary*

Table C-2: Government of Liberia's Expenditure by Codes
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Millions, L\$)

	Expenditure by Codes	2011	2012	
		3 rd Quarter	2 nd Quarter	3 rd Quarter*
A.	Current Expenditure	4,620.3	7,912.5	7,231.9
i.	Salaries & Allowances	1,983.4	3,348.7	2,958.5
ii.	Expenditure on Goods & Services	1,601.7	2,924.8	2,719.3
iii.	Subsidies	635.4	582.7	548.5
iv.	Grants	380.0	1,032.2	977.6
v.	Social Benefits	19.8	24.2	28.1
vi.	Others	-	-	-
B.	Capital Expenditure	272.0	991.1	630.3
i.	Depreciation	-	245.6	177.2
ii.	Acquisition of Fixed Assets	234.3	738.8	444.1
iii.	Others	37.7	6.8	9.0
C.	Interest on Debt and Other Charges	88.8	148.4	53.4
i.	On Domestic & Foreign Debts	26.9	19.2	12.9
ii.	To Non-Residents	61.9	127.5	38.3
iii.	Others	-	1.7	2.3
D.	Other Expenditures¹	-	-	-
	Total Expenditures (A+B+C+D)	4,981.1	9,052.0	7,915.6

Source: Ministry of Finance, Monrovia, Liberia

¹Expenditures not elsewhere mentioned

*Preliminary

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

GoL Fiscal Operations	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter*
Total Revenue ⁺	6,991.4	9,581.8	7,655.0
Total Expenditure ⁺	4,981.1	9,052.0	7,915.6
Total Public Debt ⁺⁺	519.0	552.4	561.5

Source: Ministry of Finance, Republic of Liberia

⁺Values in Millions of L\$

⁺⁺Values in Millions of US\$

**Preliminary*

Table C-4: Liberia's Overall Debt Position
As At September 30, 2012
(In Millions, US\$)

Creditors	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter
Multilateral	107.8	136.2	143.8
Bilateral	130.4	133.1	134.5
Commercial Creditors	0.3	-	-
Total External Debt	238.5	269.3	278.3
Suppliers' Credit	3.3	1.9	1.9
Salary & Allowances	5.0	3.7	3.7
Financial Institutions	269.1	275.0	275.0
Pre- NTGL Salary Arrears	-	1.3	1.3
Others	3.1	1.1	1.2
Total Domestic Debt	280.5	283.1	283.1
Total Public Debt	519.0	552.4	561.5

Source: Ministry of Finance, Republic of Liberia

**Revised*

Table D – 1: Commodity Composition of Exports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(In Thousands US\$)

Commodity Composition of Exports	Units	3 rd Quarter, 2011			2 nd Quarter, 2012			3 rd Quarter, 2012		
		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.	21.39	65,192.99	3,047.83	13.39	39,818.21	2,973.73	7.48	27,076.79	3,619.89
Cocoa Beans	Mt.	5.41	3,990.25	737.57	1.91	1,442.37	755.17	0.13	81.25	625
Coffee Beans	Mt.	-	-	-	0.1	30	300	-	-	-
Iron Ore	Mt.	-	-	-	585	32,330.26	55.27	680.85	31,851.36	46.78
Diamond	Carat	21.28	3,882.63	182.45	7.33	2,748.43	374.96	15.66	5,686.12	363.1
Gold	Ounce	3.31	4,297.71	1,298.40	5.5	6,825.80	1,241.05	5.13	6,386.81	1,244.99
Round Logs	m ³	19.61	4,178.46	213.08	87.82	15,845.57	180.43	55.75	9,204.04	165.09
Others¹	-	-	8,497.59	-	-	20,444.25	-	-	33,848.92	-
Total	-	-	90,039.63	-	-	119,484.87	-	-	114,135.28	-

sources: Ministry of Commerce & Industry (MCI), Ministry of Lands, Mines & Energy, Forestry Development Authority (FDA) and Firestone Rubber Company

¹Other Commodities not elsewhere classified

**Revised*

***Preliminary*

Table D - 2: Commodity Compositions of Imports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(Values In '000' US\$)

Commodity Composition of Imports	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter**
Food and Live Animals	83,451.75	34,998.62	39,324.02
O/w Commercial Rice	27,518.48	12,007.94	10,672.31
O/w Non-commercial Rice	5.23	-	21.94
Beverages and Tobacco	7,328.60	6,457.00	6,899.77
Crude Materials & Inedible except Fuel	1,849.47	1,522.21	1,763.79
Minerals, Fuel, Lubricants ¹	16,634.04	11,399.53	17,015.94
Animals and Vegetable Oil	2,663.60	14,526.49	7,578.09
Chemicals & Related Products	10,375.40	14,949.08	13,047.93
Mfg. Goods classified chiefly by Materials	30,069.23	47,245.49	29,425.86
Machinery & Transport Equipment	67,740.80	83,320.52	94,855.70
Petroleum Products	52,565.66	91,935.78	44,096.26
Misc. Mfg. Articles	7,908.44	9,230.47	4,684.65
TOTAL	280,586.99	315,585.19	258,692.02

Sources: Ministry of Commerce & Industry and BIVAC

**Revised*

*** Preliminary*

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

Periods	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter**
Total Export	90,039.63	119,484.87	114,135.27
Total Import	280,586.99	315,585.19	258,692.01
Total Trade	370,626.62	435,070.06	372,827.29
Trade Balance	(190,547.36)	(196,100.32)	(144,556.74)

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

**Revised*

***Preliminary*

Table D-4: Direction of Exports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(CIF Value In Million US\$)

REGION	2011	2012	
	3 rd Quarter	2 nd Quarter	3 rd Quarter
EUROPE	23.3	32.4	12.1
NORTH AMERICA	47.8	35.4	27.4
SOUTH AMERICA	0.0	0.0	0.0
MIDDLE EAST	0.28	32.6	0.4
ASIA	5.46	1.3	33.1
ECOWAS	4.66	0.5	0.04
Others - Africa	0.12	0.0	0.01
Others	0.28	17.3	5.5
Total	81.86	119.5	78.5

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

**Revised*

***Preliminary*

Table D-5: Sources of Imports
(3rd Quarter, 2011; 2nd & 3rd Quarters, 2012)
(CIF Value In Million US\$)

REGION	2011	2012	
	3 rd Quarter	2 nd Quarter*	3 rd Quarter**
EUROPE	83.90	42.0	58.3
NORTH AMERICA	27.01	101.7	33.4
SOUTH AMERICA	16.13	22.2	14.0
MIDDLE EAST	50.57	88.5	27.9
ASIA	40.09	25.9	65.7
ECOWAS	11.76	9.0	54.4
Others - Africa	5.89	26.4	5.0
Total	235.35	315.7	258.7

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

**Revised*

***preliminary*