



# CENTRAL BANK OF LIBERIA

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## OVERVIEW

The expectations of improved growth that signaled the first quarter projection of 2014 became illusive with growth been narrowed down by 0.2 percentage points to 3.4 percent as a result of weaker than expected second quarter performances of the advanced economies. The improvement in exports and inventory demand in the US has moderated due to unfavorable weather condition.

In emerging market and developing economies, growth slightly fell below the level recorded in the April 2014 edition of the World Economic Outlook (WEO) by 0.3 percentage points while sub-Saharan Africa has remained strong and is projected to reach 5.4 percent at the close of the year. Inflationary pressures have stayed at bay during the first half of the year partly as a result of declines in commodity prices, especially food and fuel.

Agricultural output during the quarter was mixed with declines in rubber and cocoa beans production while round logs and sawn timber recorded increases. Output in the mining sector during the review quarter was mixed, with increases recorded in gold and diamond production while output of iron ore declined. The performance of the manufacturing sector was also mixed. There were declines in the output of both beverages and paint (water and oil) while increases were recorded for wall putty, thinner, rubbing alcohol, chlorox and finished water.

Real GDP growth rate was projected at 5.9 percent in 2014, 2.8 percentage points lower than the revised growth rate of 8.7 in 2013. Sectors expected to drive growth during the year include Agriculture and Fisheries, Forestry, Manufacturing and Services.

Annual consumer inflation accelerated in the second quarter at a higher pace than the first quarter. This was largely driven by the upward pressure in the exchange rate.

The banking sector continued its strong performance during the quarter as total assets and total loans and advances expanded when compared with the preceding quarter. Total capital also recorded increase compared with the previous quarter. However; deposits, the dominant source of financing of the banks' asset base, recorded a decrease. Overall, the growth rates reflect continuous confidence in the banking system, increased financial deepening and growing economic activities in the country.

The average exchange rate between the Liberian and United States dollars depreciated by 5.7 percent during the quarter ended June, 2014.

The major contributing factors to the pressure in the foreign exchange market were the high demand for foreign exchange to service import payments by import oriented businesses. Liberian dollar in circulation increased by 2.4 percent in which the US dollar component of broad money for the review quarter accounted for 72.1 percent, while the Liberian dollar share constituted 27.9 percent, reflecting the high level of dollarization of the domestic economy.

Government of Liberia (GoL) T-bills issued during the review quarter increased by L\$705.2 million at a weighted average discount rate of 4.36 percent. The Government's fiscal operations at end-June, 2014, resulted in an overall surplus of L\$5,926.9 million (3.5 % of GDP), up from a deficit of L\$1,012.0 million (0.6 % of GDP) in the preceding period. However, receipts from actual revenue and grants for the quarter fell below their budgetary target by L\$1,501.5 million, from a projection of L\$14,562.7 million realized revenue and grants of L\$13,061.2 million. GoL's total expenditure for the same period fell by L\$3,763.7 million or 34.5 percent compared with the amount recorded in the previous quarter.

Liberia's provisional overall balance of payments recorded a surplus of US\$18.6 million from a deficit of US\$148.7 million recorded at end-March, 2014. The quarterly development in the balance of payments was largely on account of the improvement in the current account deficit at end-June, 2014. Total merchandise trade slightly inched up by 0.4 percent, from US\$382.1 million reported at the end of the preceding quarter. Merchandise export receipts fell by 6.4 percent during the review quarter, from US\$152.5 million recorded at end-March, 2014, accounting for 37.2 percent of total trade. Declines in rubber and iron ore export receipts during the quarter relative to the preceding quarter led to the downward trend in total export earnings.

On the other hand, total import payments (f.o.b) rose by 5.0 percent to US\$241.1 million at end-June, 2014, largely driven by increases in import payments in key categories: food & other consumables and chemicals & related products. Net current transfers grew by 23.6 percent to US\$363.0 million at end-June, 2014 as net workers' remittances rose by US\$28.1 million to US\$47.1 million. The capital and financial account balance declined by 2.2 percent to US\$342.7 million during the review quarter, largely on account of a 13.4 percent fall in the financial account that outpaced the 12.6 percent rise in capital transfers.

# I. DEVELOPMENTS IN THE WORLD ECONOMY

## **1.0 Introduction**

The expectations of improved growth that signaled the first quarter projection of 2014 became unrealized as growth has now been narrowed down by 0.2 percentage points to 3.4 percent as a result of weaker than expected second quarter performances of the advanced economies, particularly the United States, following a period of bad weather and declining demand; sluggish demand in emerging market and developing economies; as well as the political tension involving Russia and Ukraine.

Although risk to the outlook in the form of higher oil prices as a result of the crisis in Russia and Ukraine and the unexpected higher U.S. long-term interest rate remains. Growth momentum in some advanced economies suggest that global growth forecast is expected to firm from the second quarter onward and remind at 4.0 percent for 2015. According to the July WEO update, global growth moderated in the second quarter more than the slowdown experienced in the first quarter of 2014. Second quarter growth fell to 2.8 percent compared with 3.8 percent in the second quarter of 2013.

## **1.1 The US Economy**

The momentum with which growth started in the second half of 2013 as a result of improved exports and inventory demand in the US has moderated due to unfavorable weather condition as predicted by the April 2014 WEO. However, the projected slowdown is now expected to improve, but at a much slower pace. Given these developments, the IMF forecasts that growth for the U.S. is expected to reach 1.7 percent in 2014 and peak at 3.0 percent in 2015.

## **1.2 The Euro Area**

The recovery in the euro area from the last quarter of 2013 has continued and is expected to reach 1.1 percent in 2014. Supportive monetary and labor market conditions and improved consumer confidence which steered activities and boosted the recovery of domestic demand in many core economies will continue, but with uneven growth momentum across the region. According to the July WEO update, continued financial fragmentations, weak private and public sector balance sheets and high unemployment in some countries will remain and growth for 2015 is expected to remain at 1.5 percent.

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

Forecast from the WEO July, 2014 edition puts emerging market and developing economies growth slightly below that recorded in the April 2014 by 0.3 percentage points to 4.6 percent and 5.2 percent for 2015. Targeted policy measures to support activity in China including tax relief for small and medium enterprise; fiscal and infrastructure spending and required reserves ratios cuts will see growth at 7.4 percent for 2014 and moderate to 7.1 percent for 2015. For India, forecast remains the same (5.4 percent) as stated in the earlier edition of the WEO. Recovery is gradually picking up and is projected to continue as unfavorable agriculture growth wind down.

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

Growth momentum in sub-Saharan Africa remained strong in the second quarter of 2014. It is projected to reach 5.4 percent at the close of the year and inch a bit higher around 5.5 percent in 2015. This growth prospect is a result of strong investment in natural resources along with infrastructural development as well as the recovery in the advanced economies. Growth figures for South Africa showed sluggish results for the second quarter with a projection of 1.7 percent, some 0.6 percentage points lower than the April 2014 WEO edition. However, growth is projected to remain strong in 2015.

### **1.5 Global Inflation**

Inflationary pressure stayed at bay during the first half of the year partly due to declines in commodity prices, especially food and fuel. In advanced economies, inflation is currently stuck below target and below the longer-term inflation expectations. Also, in emerging market and developing economies, easing world commodity prices is expected to moderate inflationary pressure. However, in some economies, due to exchange rate depreciation, inflation moderation could be counteracted. According to the WEO July 2014 edition, forecast suggests that inflation in advanced economies slightly tilted up to 1.6 percent, from 1.5 percent and reduced to 5.4 percent, from 5.5 percent in emerging market and developing economies.

**Table 1: Growth of Selected Global Output**

	2012	2013	Projections		Difference from April	
			2014	2015	2014 WEO Update	
<b>World Output</b>	<b>3.5</b>	<b>3.2</b>	<b>3.4</b>	<b>4.0</b>	<b>-0.3</b>	<b>0.0</b>
<b>Advanced Economies</b>	<b>1.4</b>	<b>1.3</b>	<b>1.8</b>	<b>2.4</b>	<b>-0.4</b>	<b>0.1</b>
United States	2.8	1.9	1.7	3.0	-1.1	0.1
Euro Area	-0.7	-0.4	1.1	1.5	0.0	0.1
Japan	1.4	1.5	1.6	1.1	0.3	0.0
United Kingdom	0.3	1.7	3.2	2.7	0.4	0.2
Canada	1.7	2.0	2.2	2.4	-0.1	0.0
<b>Emerging Market and Developing Economies</b>	<b>5.1</b>	<b>4.7</b>	<b>4.6</b>	<b>5.2</b>	<b>-0.2</b>	<b>-0.1</b>
Commonwealth of Independent States	3.4	2.2	0.9	2.1	-0.1	-1.1
<b>Emerging and Developing Asia</b>	<b>6.7</b>	<b>6.6</b>	<b>6.4</b>	<b>6.7</b>	<b>-0.2</b>	<b>-0.1</b>
China	7.7	7.7	7.4	7.1	-0.2	-0.2
India	4.7	5.0	5.4	6.4	0.0	0.0
<b>Latin America &amp; the Caribbean</b>	<b>2.9</b>	<b>2.6</b>	<b>2.0</b>	<b>2.6</b>	<b>-0.5</b>	<b>-0.3</b>
<b>Middle East , North Africa, Afghanistan, &amp; Pakistan</b>	<b>4.2</b>	<b>2.4</b>	<b>3.2</b>	<b>4.4</b>	<b>-0.1</b>	<b>-0.3</b>
<b>Sub-Saharan Africa</b>	<b>5.1</b>	<b>5.4</b>	<b>5.4</b>	<b>5.8</b>	<b>0.0</b>	<b>0.2</b>
<b>Consumer Prices</b>						
Advanced Economies	2.0	1.4	1.6	1.7	0.1	0.1
Emerging and Developing Economies	6.1	5.9	5.4	5.3	-0.1	0.1

*Source: IMF World Economic Outlook Update: July, 2014*



## II. DOMESTIC PRODUCTION AND CONSUMER PRICES

### 2.0 Introduction

The GDP growth rate of the Liberian economy was projected at 5.9 percent in 2014, 2.8 percentage points lower than the revised growth rate of 8.7 percent in 2013. Sectors expected to drive growth in 2014 include Agriculture and Fisheries, Forestry, Manufacturing and Services. Liberia's rate of growth exceeds that of Sub Saharan Africa by 0.4 percentage points. Average inflation at end-June, 2014 rose to 10.3 percent, 2.1 percentage points higher than the previous quarter rate. On a year-on-year basis, it rose by 2.9 percentage points compared with the corresponding period of 2013.

### 2.1 Sectoral Review

#### 2.1.1 Agriculture and Forestry

Agricultural output during the quarter was mixed with declines in rubber and cocoa beans production while round logs and sawn timber recorded increases. Data on coffee production was unavailable (Table 2).

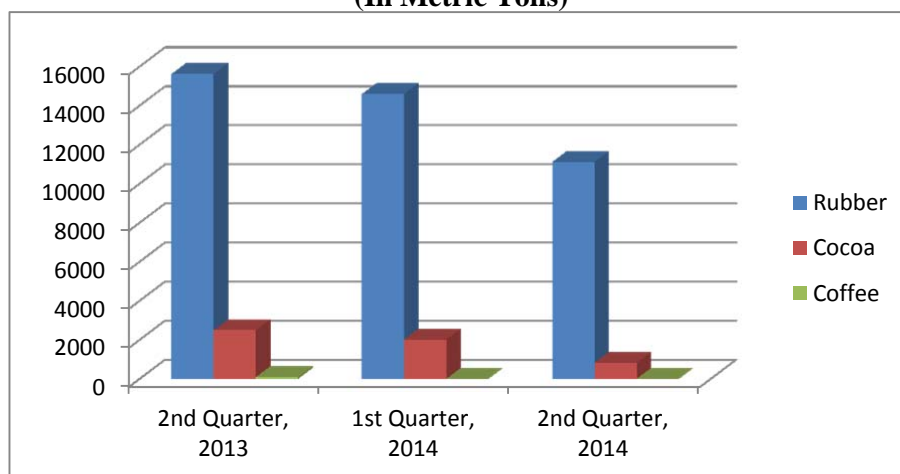
**Table 2: Key Agricultural Production**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014	2 <sup>nd</sup> Quarter, 2014
Rubber	Mt.	15,612	14,584	11,106
Cocoa Beans	Mt.	2,485	2,012	818
Coffee	Mt.	92	-	-
Round Logs	Mt.	30,909	6,869	52,057*
Sawn Timber	Pcs.	183,447	192,433	273,115

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

*\* Preliminary*

**Chart 1: Key Agricultural Production**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Metric Tons)



**a. Rubber**

Rubber output at end-June, 2014 declined by 23.8 percent to 11,106 metric tons due mainly to fall in the global price of the commodity. The year-on-year comparison showed that production of the commodity declined by 28.9 percent, from 15,612 metric tons recorded during the corresponding quarter in 2013.

**b. Cocoa and Coffee**

Cocoa production fell by 1,194 metric tons at end-June, 2014 to 818 metric tons when matched against the previous quarter. The slowdown in cocoa output was on account of unfavorable domestic conditions driven by the rainy season, poor road conditions and low harvest. On an annualized basis, cocoa production fell by 67.1 percent to 818 metric tons, from 2,485 metric tons recorded at end-June, 2013. Data on coffee production remains unavailable since the second quarter of 2013.

**c. Round Logs**

At end-June, 2014, preliminary data revealed that the production of round logs expanded by 657.9 percent when compared with the previous quarter. The sharp rise in the production was mainly explained by the Government's partial relaxation of the moratorium on the production of the commodity. The year-on-year analysis showed that production of the commodity increased by 68.4 percent.

**d. Sawn Timber**

Sawn timber production increased by 80,682 pieces to 273,115 pieces during the review quarter of 2014, from 192,433 pieces reported in the preceding quarter. The rise in production was informed by increased demand for the commodity as a result of increased construction activities. When compared with the corresponding period of 2013, output rose by 48.9 percent.

## **2.1.2 Industrial Production**

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

Output in the mining sector in the review quarter was mixed with increases recorded in gold and diamond production while output of iron ore declined.

#### **(i) Gold**

Gold production at end-June, 2014 rose by 63.5 percent or 2,578 ounces to 6,637 ounces, up from 4,059 ounces of the preceding quarter. The surge in production was largely due to increase in the global price of the commodity. An annual comparison showed that gold output expanded by 56.7 percent, from 4,235 ounces reported for the same period a year ago.

#### **(ii) Diamond**

Diamond output at end-June, 2014 was 19,555 carats, up from 17,623 carats recorded during the preceding quarter. The rise in output was explained by increased alluvial mining activities from new fields. Compared with the corresponding period in 2013, diamond production increased by 32.4 percent, from 14,765 carats.

#### **(iii) Iron Ore**

Iron ore production during the review quarter decreased slightly by 82,515 metric tons or 5.7 percent to 1,357,825 metric tons at end-June, 2014, down from 1,440,340 metric tons reported during the previous quarter. The fall in production was on account of decline in the global market price of the commodity. The year-on-year analysis revealed a 12.6 percent rise in the production of iron ore.

### **2.1.2.2 Manufacturing**

The performance of the manufacturing sector was mixed. Declines were recorded in beverages, paint (water and oil) and cement while increases were recorded for wall putty, thinner, rubbing alcohol, chlorox and finished water.

#### **(i) Cement**

At end-June, 2014, cement output was 14.0 metric tons lower than the production level of the previous quarter. The slight fall in output was in response to inventory accumulated during the previous quarter of 2014. Compared with the corresponding quarter of 2013, cement output surged by 73.2 percent, from 53,876 metric tons at end-June, 2013.

**(ii) Beverages**

The production of beverages (Alcoholic and Non-Alcoholic) during the period fell by 5.7 percent to 6.6 million litres, from 7.0 million litres recorded at end-March, 2014. The fall in production was a result of a rise in the quantity of imported beverages on the domestic market. When compared with the same period of 2013, production of beverages declined by 1.6 million litres, from 8.2 million litres. On a disaggregated basis, alcoholic beverages accounted for 48.5 percent or 3.2 million litres while non-alcoholic beverages constituted 51.5 percent.

**(iii) Paint (Water and Oil)**

Paint (Oil and Water) output at end-June, 2014, declined by 13,630 gallons or 18.8 percent to 58,863 gallons, from 72,493 gallons produced during the preceding quarter. The fall in production was largely driven by decline in outputs of both oil and water paints by 18.9 percent and 18.7 percent, respectively, due to sluggish demand for the products. Compared with output during the corresponding period of 2013, paint production increased by 24.6 percent, from 47,240 gallons. A disaggregation showed that water paint constituted 59.8 percent of the total paint produced while oil paint recorded 40.2 percent at end-June, 2014.

**(iv) Soap**

Soap production at end-June, 2014, contracted by 8,411 kilograms to 62,465 kilograms, down from 70,876 kilograms recorded in the preceding quarter. The decline in production was in response to huge inventory brought forward from the previous quarter. An annualized comparison also showed that production declined by 35.2 percent, from 96,404 kilograms reported at end June, 2013.

**Table 3: Key Industrial Output**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014	2 <sup>nd</sup> Quarter, 2014
<b>Mining</b>				
Gold	Ounces	4,235	4,059	6,637
Diamond	Carat	14,765	17,623	19,555
Iron Ore	Mt.	1,205,375	1,440,430	1,357,825
<b>Manufacturing</b>				
Cement	Mt.	53,876	93,310	93,296
Spirit	Litre	94,504	92,301	104,690
Beer	Litre	2,607,009	1,981,911	1,910,314
Stout	Litre	1,466,293	1,435,302	1,152,463
Malta	Litre	265,811	207,908	141,538
Soft Drink	Litre	3,797,798	3,272,960	3,318,278
Oil Paint	Gal.	20,833	29,197	23,680
Water Paint	Gal.	26,407	43,296	35,183
Varnish	Gal.	3,002	3,689	2,326
Wall Putty		3,329	1,112	3,125
Manoline Hair Grease	Gal.	12,508	7,342	2,176
Thinner	Gal.	3,943	1,729	2,528
Rubbing Alcohol	Litre	58,701	59,510	78,792
Soap	Kg.	96,404	70,876	62,465
Chlorox	Litre	190,870	208,383	233,712
Candle	Kg.	36,425	65,048	51,282
Mattresses	Pcs.	27,366	35,520	29,997
Finished Water	Gal.	491,191,713	429,035,601	500,822,966
Mineral Water	Gal.	2,387,828	2,252,243	1,204,373

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

**(v) Varnish**

Varnish output during the review quarter declined to 2,326 gallons, down from 3,689 gallons produced at end-March, 2014. The 36.9 percent decline in the production of the commodity was driven mainly by slump in its demand occasioned by the rainy season. Compared with the corresponding quarter of 2013, production fell by 676 gallons, from 3,002 gallons recorded a year ago.

**(vi) Thinner**

Total production of thinner at end-June, 2014, was 2,528 gallons, up from 1,729 gallons produced during the preceding quarter. The rise in production was largely on account of increased construction activities in the country. However, on a year-on-year basis, thinner production slumped by 35.9 percent, from 3,943 gallons at end-June, 2013.

**(vii) Manoline Hair Grease**

The production of Manoline Hair Grease during the review quarter fell by 70.4 percent, down from 7,342 gallons during the previous quarter. The fall in the output of the product as compared with the preceding quarter was largely explained by accumulation of stocks three quarters ago. When matched against the corresponding period of 2013, production of the commodity fell by 10,332 gallons.

**(viii) Rubbing Alcohol**

Total output of rubbing alcohol at end-June, 2014 was 78,792 litres, up from 59,510 litres produced during the previous quarter of 2014, representing 32.4 percent growth in production. The rise in production during the period was driven by growing demand for the product as a result of increased health awareness activities relative to the Ebola outbreak. When compared with the corresponding quarter of 2013, production rose by 2,091 litres or 34.2 percent, from 58,701 litres recorded.

**(ix) Chlorox**

Total chlorox production at end-June, 2014 expanded by 12.2 percent to 233,712 kilograms, up from 208,383 kilograms reported during the preceding quarter. The rise in production was driven by a surge in the demand for the product occasioned by the heightened sensitization by health authorities for public hand washing against the spread of the Ebola virus.

**(x) Candle**

Candle output during the review quarter declined by 21.2 percent, down from 65,048 kilograms recorded at end-March, 2014 to 51,282 kilograms for the period. The fall in the production of the product was driven by low demand in anticipation of increased power supply. There was a 40.8 percent expansion in production when compared with the corresponding quarter of 2013.

**(xi) Mattress**

During the quarter ended June, 2014, the production of mattresses contracted by 15.5 percent to 29,997 pieces, from 35,520 pieces produced during the preceding quarter. The decline in production was informed by accumulated stock brought forward from the previous quarter. However, a year-on-year analysis showed a 9.6 percent growth in production, from 27,366 pieces.

**(xii) Water Supply**

The total volume of water produced during the review quarter was 502.0 million gallons, up from 431.0 million gallons reported at end-March, 2014. The 16.4 percent rise in production was on account of additional pumping hours occasioned by increased demand for water for industrial purpose. A year-on-year comparison also revealed a 1.7 percent rise in production. On a disaggregated basis, finished water constituted 99.8 percent of the total water production while mineral water accounted for 0.2 percent during the period.

**2.2 Consumption of Petroleum Products**

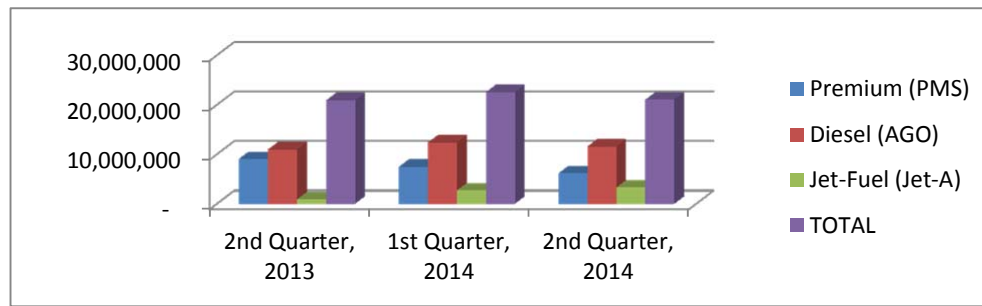
Total consumption of petroleum products at end-June, 2014 contracted by 1.5 million gallons or 6.6 percent to 21.1 million gallons, down from 22.6 million gallons used during the preceding quarter. The slump in consumption of petroleum products was largely on account of decline in both Premium (PMS) and Diesel (AGO) consumption by 1.3 million gallons and 0.8 million gallons, respectively. Jet-fuel (Jet-A), on the other hand, increased by 22.2 percent at end-June, 2014. On an annualized basis, premium motor spirit (PMS) consumption declined by 31.9 percent while diesel (AGO), and Jet-fuel (Jet-A) consumption increased by 5.5 percent and 266.7 percent, respectively. In terms of percentage distribution of total petroleum consumption, Premium (PMS), Diesel (AGO) and Jet-Fuel (Jet-A) recorded 29.3 percent, 55.0 percent and 15.6 percent, respectively.

**Table 4: Consumption of Petroleum Product  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

Commodity	Unit	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014	2 <sup>nd</sup> Quarter, 2014
Premium (PMS)	Gallon	9,061,551	7,468,890	6,166,612
Diesel (AGO)	Gallon	10,956,020	12,381,596	11,587,291
Jet-Fuel (Jet-A)	Gallon	879,463	2,700,234	3,313,628
Kerosene (ATK)	Gallon	-	-	-
<b>Total</b>		<b>20,897,034</b>	<b>22,550,720</b>	<b>21,067,531</b>

*Source: Ministry of Commerce, Monrovia, Liberia*

**Chart 2: Consumption of Petroleum Products  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Gallons)**



### 2.3 Sea Port Developments

The number of vessels which berthed at the various ports during the review quarter was estimated at 174 with combined SDWT<sup>1</sup> of 6,067,606, up from 4,748,856.72. The 22-vessel expansion during the quarter was explained by improved port facilities at the marginal wharf of the Free Port of Monrovia by APM Terminal, the cargo handling concessionaire. The year-on-year analysis showed that total vessel traffic rose by 7 vessels.

**Table 5: Vessel Traffic and Cargo Movement  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

QUARTER	No. of Vessels	Vessel Weight (SDWT)	Cargo Tonnage (in Metric tons)		
			Import	Exports	Total
2 <sup>nd</sup> Quarter, 2013	167	3,775,207	623,204	1,339,641	<b>1,962,845</b>
1 <sup>st</sup> Quarter, 2014	152	4,748,857	516,147	1,628,422	<b>2,144,568</b>
2 <sup>nd</sup> Quarter, 2014*	174	6,067,606	659,264	1,653,621	<b>2,312,885</b>

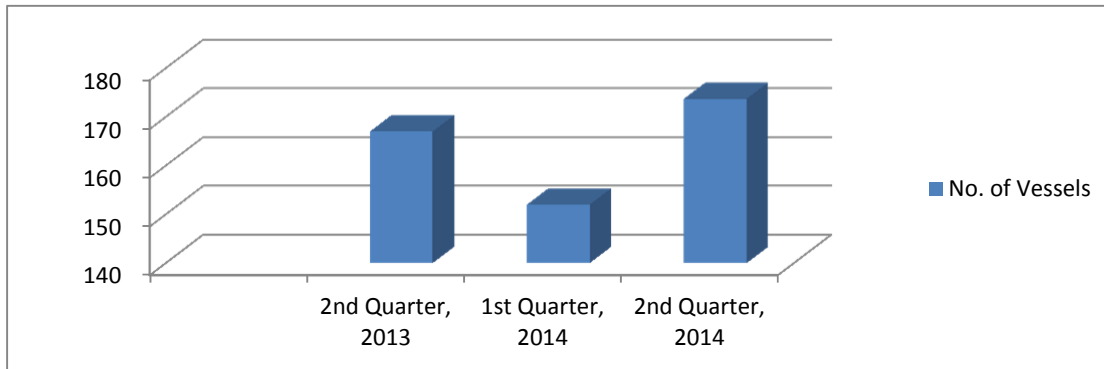
*Source: National Port Authority*

*NB: Summer Dead Weight Tons = SDWT*

*\* Estimate*



**Chart 3: Vessel Traffic and Cargo Movement  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**



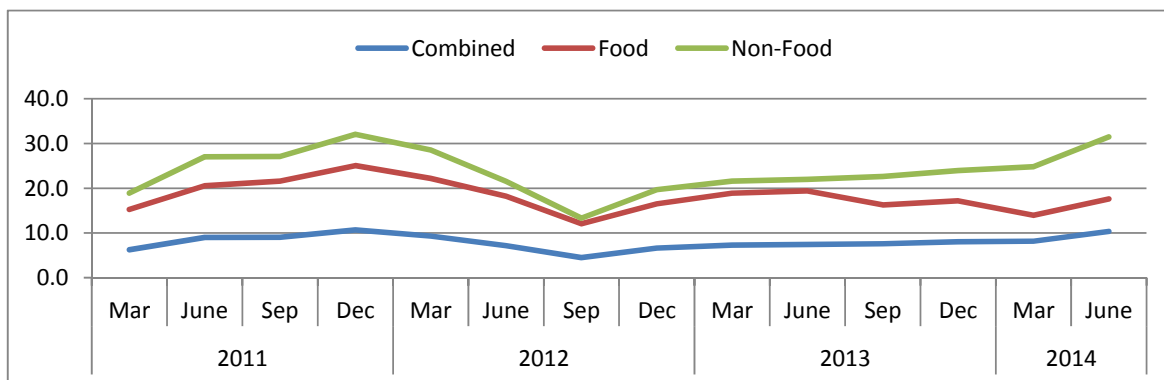
## 2.4 Price Developments

### 2.4.1 Domestic Inflation

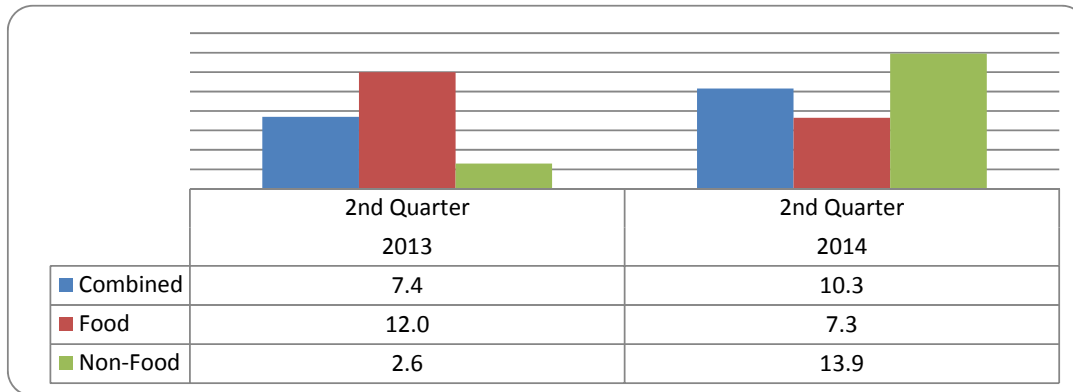
In the domestic economy, the annual consumer inflation accelerated further in the second quarter at a higher pace than at end-March, 2014. This was largely driven by the upward pressure on the exchange rate; from 8.0 percent at the end of the fourth quarter of 2013, annual headline inflation moved up to 8.2 percent at end-March 2014. Inflation continued to trend upwards, ending the second quarter at 10.3 percent.

The increase in inflation during the review quarter was driven by expansions in both food inflation (1.5 percentage points) and non-food prices (3.0 percentage points), respectively. Food prices rose to 7.3 percent during the second quarter of 2014, from 5.8 percent at the end of the preceding quarter. Non-food inflation also rose to 13.9 percent, from 10.9 percent recorded at end-March, 2014. Except for education which remained stable, the increase in non-food inflation was broad based, and was reflected in all components.

**Chart 4: Quarterly Inflationary Trends (%)**



**Chart 5: Quarterly Changes in CPI**



### **2.4.2 Inflation by Group**

In the sub-component analysis, the yearly movements of consumer basket reflected higher increases in inflation while in most of the components with the exception of food sub-index, the education sub-index remained at the level recorded a year ago. The main sub-indices that exerted upward pressures on prices were clothing & footwear and miscellaneous goods & services.

### **2.4.3 Contributions to Changes in CPI**

The assessment of contributions of the main sub-indices to inflation in the review quarter showed significant changes as observed in the same period a year ago. Food and non-alcoholic beverages contributed significantly toward the upward movements in prices reflecting some exchange rate pass through effects. Food and non-alcoholic beverages contributed 56.8 percent while non-food constituted the remaining 43.2 percent.

### **2.4.4 Outlook for Inflation**

The build-up of inflationary pressure which started in the fourth quarter of 2013 continued in the first and second quarters of 2014. The major risks to inflation include global international food and oil prices, the level of domestic food production and the rate of depreciation of the Liberian dollar. However, suppression of the current inflationary build-up will largely depend on the behavior of international prices of food and oil, prudent monetary and fiscal policies, increased intervention in the foreign exchange market in order to strengthen the Liberian dollar against the US dollar.

**Table 6: Headline and Quarterly Changes in CPI (%)**

	Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI (%)		
	Combined	Food	Non-Food	Combined	Food	Non-Food
Jan-12	8.9	11.9	6.0	0.6	0.8	0.5
Feb	10.3	14.0	6.6	1.8	3.1	0.5
Mar	8.7	12.8	6.6	-1.4	-2.7	0.0
Apr	7.7	11.7	3.8	-0.5	-1.1	0.1
May	6.7	10.4	3.1	0.5	0.4	0.7
Jun	7.1	11.2	3.0	2.0	3.8	0.2
Jul	3.6	5.6	1.5	1.6	3.5	-0.5
Aug	4.2	7.5	0.7	1.6	3.7	-0.8
Sep	5.7	9.6	1.6	-1.1	-2.8	0.9
Oct	4.8	6.1	3.5	1.1	0.3	1.9
Nov	7.3	11.5	2.9	0.8	2.2	-0.7
Dec	7.7	12.2	3.0	0.5	0.7	0.3
Jan-13	8.0	13.4	2.3	0.9	1.9	-0.2
Feb	5.5	7.7	3.0	-0.6	-2.1	1.1
Mar	8.4	13.7	2.8	1.3	2.6	-0.1
Apr	8.7	15.0	2.1	-0.2	0.0	-0.6
May	6.5	9.9	3.0	-1.5	-4.1	1.5
June	7.0	11.1	2.6	2.6	4.9	-0.1
July	7.1	8.8	5.2	1.7	1.3	2.0
Aug	7.5	8.1	6.7	1.9	3.1	0.6
Sep	8.2	9.1	7.1	-0.5	-1.9	1.3
Oct	8.5	11.6	5.1	1.4	2.6	0.0
Nov	7.0	8.1	5.8	-0.6	-1.0	-0.1
Dec	8.5	7.7	9.4	1.9	0.4	3.7
Jan-14	7.7	5.6	10.2	0.1	-0.2	0.5
Feb	7.9	6.4	9.5	-0.4	-1.3	0.5
Mar	8.9	5.5	12.9	2.3	1.7	3.0
Apr	9.8	5.4	14.9	0.6	0.0	1.2
May	9.6	7.3	12.1	-1.7	-2.4	-1.0
June	11.7	9.2	14.6	4.5	6.8	2.1

*Source: The Central Bank of Liberia & the Liberia Institute for Statistics & Geo-Information Services*

**Table 7: Inflation by sub-groups: Year-on-Year Changes in CPI (percent):  
2013-2014**

**INFLATION BY SUB-GROUPS: YEAR-ON-YEAR CHANGES IN HCPI(%): 2013-2014**

<b>Food Group</b>	<b>Weight</b>	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q1-14</b>	<b>Q2-14</b>	<b>Non-Food Group</b>	<b>Weight</b>	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q1-14</b>	<b>Q2-14</b>
Fresh, Chilled or Frozen fish	<b>4.33</b>	6.06	3.82	1.091	17.40	Alcoholic Beverages, Tobacco	<b>3.03</b>	2.92	5.51	10.29	14.45
Dried, smoked or salty fish and seafood	<b>2.58</b>	19.69	-4.11	-1.52	21.34	Clothing & Footwear	<b>7.75</b>	1.02	0.93	16.58	21.03
Leaf and stem vegetables	<b>2.31</b>	1.56	17.29	4.14	9.48	Housing, Water, Elect, Gas & Fuels	<b>12.00</b>	0.12	0.26	0.55	1.67
Sugar	<b>1.27</b>	-3.94	-0.57	7.25	9.87	Furnish, H/H Equip, & Rout Maint	<b>5.25</b>	-1.63	0.97	18.65	19.07
Salt, spices and culinary herbs	<b>0.45</b>	69.05	4.60	18.99	25.16	Health	<b>3.91</b>	-1.08	-1.08	11.82	18.42
Coffee	<b>0.62</b>	9.64	13.19	32.52	45.03	Transport	<b>6.11</b>	10.78	6.18	11.24	17.02
						Communications	<b>1.53</b>	0.15	0.11	1.30	1.76
						Recreation & Culture	<b>3.85</b>	6.61	8.08	10.48	10.22
						Education	<b>3.20</b>	0.00	0.00	0.00	0.00
						Hotel & Restaurants	<b>4.64</b>	2.43	2.73	13.31	18.24
						Miscellaneous gds & serv.	<b>3.53</b>	5.37	4.52	16.03	21.40

*Source: The Central Bank of Liberia & the Liberia Institute for Statistics & Geo-Information Services*

**Table 8: Harmonized Consumer Price Index (HCPI) By Major Groups**  
**Year - on - Year Rates of Inflation**  
**(2<sup>nd</sup> Quarter,2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(December, 2005 = 100)**

FUNCTION	WEIGHT	Apr-13	May-13	Jun-13	2 <sup>nd</sup> Quarter	Jan-14	Feb-14	Mar-14	1 <sup>st</sup> Quarter	Apr-14	May-14	Jun-14	2 <sup>nd</sup> Quarter
FOOD AND NON-ALCOHOLIC BEVERAGES	45.20	15.01	9.89	11.10	<b>12.00</b>	5.55	6.40	5.48	<b>5.81</b>	5.42	7.28	9.17	<b>7.29</b>
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	4.73	3.98	7.80	<b>5.51</b>	11.81	8.66	10.40	<b>10.29</b>	15.43	14.05	13.86	<b>14.45</b>
CLOTHING AND FOOTWEAR	7.75	-0.06	0.31	2.53	<b>0.93</b>	14.89	15.17	19.67	<b>16.58</b>	22.77	18.01	22.30	<b>21.03</b>
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12.00	1.02	-0.18	-0.05	<b>0.26</b>	0.07	-0.24	1.83	<b>0.55</b>	2.62	0.79	1.59	<b>1.67</b>
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.25	-5.43	1.37	6.97	<b>0.97</b>	23.00	12.06	20.04	<b>18.37</b>	27.42	17.22	12.56	<b>19.07</b>
HEALTH	3.91	-3.25	0.00	0.00	<b>-1.08</b>	5.19	8.12	22.15	<b>11.82</b>	22.15	15.91	17.21	<b>18.42</b>
TRANSPORT	6.11	9.62	8.67	0.25	<b>6.18</b>	8.50	12.59	12.65	<b>11.24</b>	12.98	13.72	24.36	<b>17.02</b>
COMMUNICATION	1.53	0.07	0.11	0.15	<b>0.11</b>	1.43	1.02	1.47	<b>1.30</b>	1.80	1.62	1.87	<b>1.76</b>
RECREATION AND CULTURE	3.85	6.59	9.51	8.15	<b>8.08</b>	9.88	9.64	11.91	<b>10.48</b>	12.75	9.34	8.57	<b>10.22</b>
EDUCATION	3.20	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	<b>0.00</b>
RESTAURANTS AND HOTELS	4.64	2.47	3.49	2.23	<b>2.73</b>	12.60	12.34	14.98	<b>13.31</b>	16.41	14.34	17.40	<b>16.05</b>
MISCELLANEOUS GOODS AND SERVICES	3.53	5.31	4.26	3.99	<b>4.52</b>	15.27	14.11	18.72	<b>16.03</b>	19.91	20.47	23.81	<b>21.40</b>
GENERAL RATES OF INFLATION	<b>100.00</b>	<b>8.69</b>	<b>6.48</b>	<b>7.03</b>	<b>7.40</b>	<b>7.68</b>	<b>7.86</b>	<b>8.91</b>	<b>8.15</b>	<b>9.78</b>	<b>9.58</b>	<b>11.66</b>	<b>10.34</b>

Source: The Central Bank of Liberia & the Liberia Institute for Statistics & Geo-Information Services

### III. MONEY AND BANKING

#### **3.1 Banking Developments**

The banking sector continued its strong performance for the second quarter of 2014 with key items on the industry's balance sheet showing improved performance. The industry's key balance sheet items at end-June, 2014, were higher than their previous quarter positions on account of revaluations of fixed assets and depreciation of the Liberian dollar against the United States dollar. Capitalization and liquidity position of the industry continued to be strong; however, profitability still remains subtle due to poor assets quality of a number of banks, mainly on account of the weak credit administration and a relatively high operation expenses.

Data for the quarter ended June 2014 indicated that the industry's balance sheet, in terms of total assets, expanded by 9.4 percent to L\$75.5 billion over the previous quarter and by 20.7 percent over the corresponding period in 2013. Similarly, total loans and advances grew by 6.3 percent to L\$30.0 billion compared with the previous quarter and 31.4 percent when compared with the same period in 2013. Total capital also increased by 17.7 percent to L\$11.0 billion at end-June, 2014 compared with the previous quarter and 30.9 percent from June of 2013. However, deposits, being the dominant source of financing of the banks' asset base, recorded a decrease of 4.0 percent to L\$46.6 billion compared with the previous quarter, but recorded 6.6 percent growth over the figure recorded for the same period a year ago. Overall, the growth rates reflect continuous confidence in the banking system; increased financial deepening and increased economic activities in the country.

The Capital Adequacy Ratio (CAR) for the industry decreased slightly from 22.5 percent at end-March, 2014 to 22.3 percent at the end of June, 2014. Measured by the CAR, all of the banks are in excess of the minimum requirement of 10 percent. Regarding the minimum net worth for each bank, two banks fell short of this requirement. It must be noted that these capital levels are adjusted based on the bank's IFRS submission to the CBL. That is, the increase in the industry's net worth is largely due to revaluation of fixed assets to reflect the fair value measurement as well as exchange rate factor.

Non-performing loans (NPLs) as a ratio of total loans in the industry increased slightly by 1.0 percentage point to 15.5 percent during the second quarter in 2014. Compared with the corresponding quarter in 2013, non-performing loans as a ratio of total loan improved by 3.3

percentage points. In absolute term, NPLs deteriorated by 13.9 percent to L\$4.7 billion as at end-June, 2014. When compared with the same period a year ago, NPLs in absolute terms, also deteriorated by 8.2 percent. Six of the 9 banks recorded non-performing loans to total loans above the regulatory limit of 10.0 percent, while the remaining 3 banks fell within the limit.

The banking industry, at end-June, 2014, recorded gross earnings of L\$3.7 billion and operating profit of L\$968.3 million (before loan loss provisions and taxes), representing improvements by 36.8 percent and 115.4 percent when compared with the corresponding quarter in 2013. Like the second quarter in 2013, the industry recorded a net loss position at end-June, 2014. Five of the banks recorded profits, while the remaining 4 banks recorded net loss positions. At end-June, 2014, about 51.5 percent of earnings in the industry were from non-interest sources, down from 54.2 percent recorded in the preceding quarter. This reflects the low profitability of financial intermediation in the banking sector.

The banking system continues to maintain a strong liquidity position. It recorded a liquidity ratio of 41.6 percent. Except for two banks, all of the remaining 7 banks recorded above the minimum required liquidity ratio of 20 percent. The industry recorded a total liquid assets of L\$19.4 billion (comprising L\$4.2 billion or 21.7 percent as vault cash, L\$11.4 billion or 58.9 percent as foreign bank balances and L\$3.7 billion or 19.3 percent as current account balances with the CBL). The composition of the industry's liquid assets shows that most of these assets are held in foreign accounts, which may pose a potential liquidity risk to the system in meeting domestic liquidity needs. However, except for two banks, the loan to deposit ratios both at individual bank and industry levels are below 70.0 percent. This is evident of the comfortable liquidity position of most of the banks to meet the liquidity needs of their customers. Regarding CBL's restriction on commercial banks' placement abroad, all of the banks are in compliance with the regulations.

### **3.2 Commercial Banks' Credit**

Growth in Credits to various sectors of the economy during the quarter ended June 30, 2014 expanded by 6.3 percent to L\$30,049.5 million compared with the 4.1 percent rate of the previous quarter. (Table 9 & Chart 6). Loans to "Other Sector" comprising largely of service institutions, households, government of Liberia, public corporations, etc. were the main drivers of credit growth for the quarter coupled with a 6.6 percent increase in credit to the manufacturing sector.

Year-on-year comparison revealed that credit grew by 30.5 percent, arising from expansions in credit to the construction; transport, storage & communication sectors, as well as a growth in the agriculture sector. The current reconstruction drive of the country, growth in the transportation and communication sector arising from Government of Liberia (GoL)'s duty-free-privilege granted to the commercial transport sub-sector, as well as the agriculture stimulus initiatives are among factors driving year-on- year credit growth in the economy.

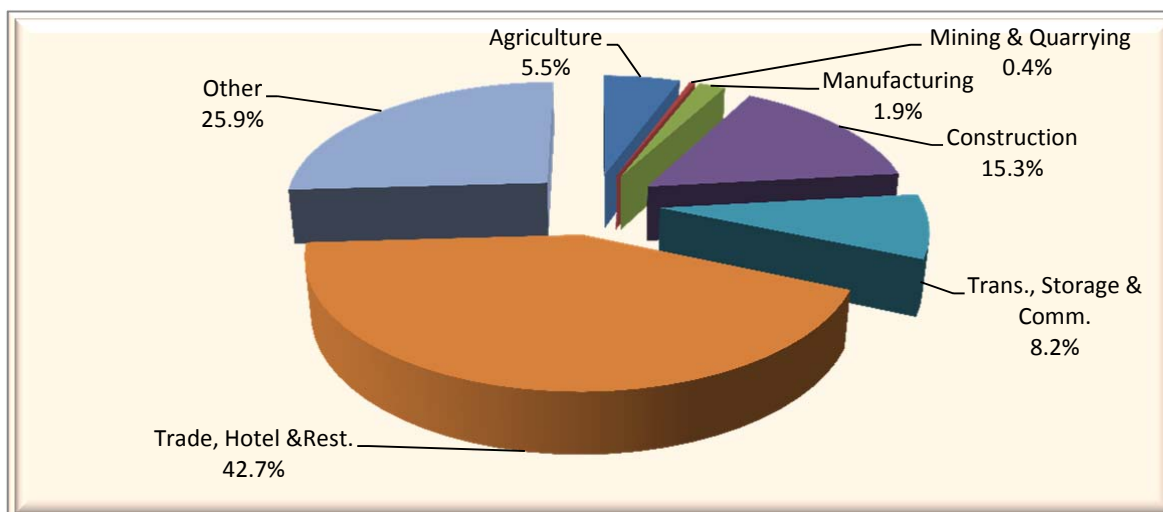
**Table 9: Commercial Banks' Loans by Economic Sector**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In '000' L\$)**

	2013		2014			
	2 <sup>nd</sup> Quarter	Share	1 <sup>st</sup> Quarter	Share	2 <sup>nd</sup> Quarter	Share
Agriculture	1,105,087	4.8	1,782,107	6.3	1,662,566	5.5
Mining & Quarrying	170,136	0.7	134,406	0.5	124,981	0.4
Manufacturing	376,407	1.6	545,044	1.9	581,278	1.9
Construction	2,216,129	9.6	4,419,157	15.6	4,606,376	15.3
Trans., Storage & Comm.	1,363,423	5.9	2,394,505	8.5	2,465,197	8.2
Trade, Hotel & Rest.	9,867,039	42.8	12,788,117	45.2	12,820,169	42.7
Other	7,933,055	34.4	6,212,676	22.0	7,788,930	25.9
<b>Total</b>	<b>23,031,274</b>	<b>100</b>	<b>28,276,011</b>	<b>100</b>	<b>30,049,496</b>	<b>100</b>

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



**Chart 6: Percentage Distribution of Commercial Banks' Loans by Economic Sector  
(2<sup>nd</sup> Quarter, 2014)**



### 3.3 Interest Rate

Like the previous quarter, trends in the average interest rates for the quarter were mixed. Interest rates on lending, mortgage and time deposits showed marginal increases of 0.03, 0.05 and 0.7 percentage points, respectively, while interest rate on certificate of deposits indicated an increase of about 1.0 percentage point with personal loan and savings rates remaining unchanged. However, yearly comparison generally showed upward movements in the interest rates for the quarter ended June, 2014 (Table 10). The spread between the lending and savings rates slightly increased by 0.03 percentage point, compared with 0.1 percentage point decline recorded in the preceding quarter.

**Table 10: Commercial Bank's Interest Rates  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

Commercial Banks' Interest Rates	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
Avg. Lending Rate	13.63	13.65	13.68
Avg. Personal Loan Rate	13.91	14.01	14.01
Avg. Mortgage Rate	14.25	14.25	14.30
Avg. Time Deposit Rate	3.86	3.80	4.50
Avg. Savings Rate	2.01	2.00	2.00
Avg. Rate on CDs	2.00	2.99	2.00

Source: Central Bank of Liberia, Monrovia, Liberia

### 3.4 Exchange Rate

The average exchange rate between the Liberian and United States dollars recorded a depreciation of 5.7 percent to L\$89.22/US\$1.00 at end-June, from L\$84.38/US\$1.00 at end-March, 2014. An annualized comparison showed that the average exchange rate weakened by 16.6 percent, from L\$76.54/US\$1.00 at end-June, 2013. Major contributing factors to the pressure in the foreign exchange market was the high demand for foreign exchange needed to service import payments in the economy coupled with high GoL's Liberian-dollar expenditure. The level of foreign exchange demand, approximated by the amount of total subscription<sup>1</sup> in the CBL's FX auctions for the quarter in review, was recorded at US\$117.6 million, representing growth by 35.8 percent, from US\$86.6 million reported during the first quarter of 2014. Similar depreciation rates of 5.8 percent and 18.3 percent were reported for the end-of-period exchange rate against the previous quarter and the corresponding quarter of 2013, respectively.

**Table 11: Market Exchange Rate: Liberia Dollar per US Dollar  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Market Rate End of Period</b>	76.50	85.50	90.50
<b>Market Rate Period Average</b>	76.54	84.38	89.22

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

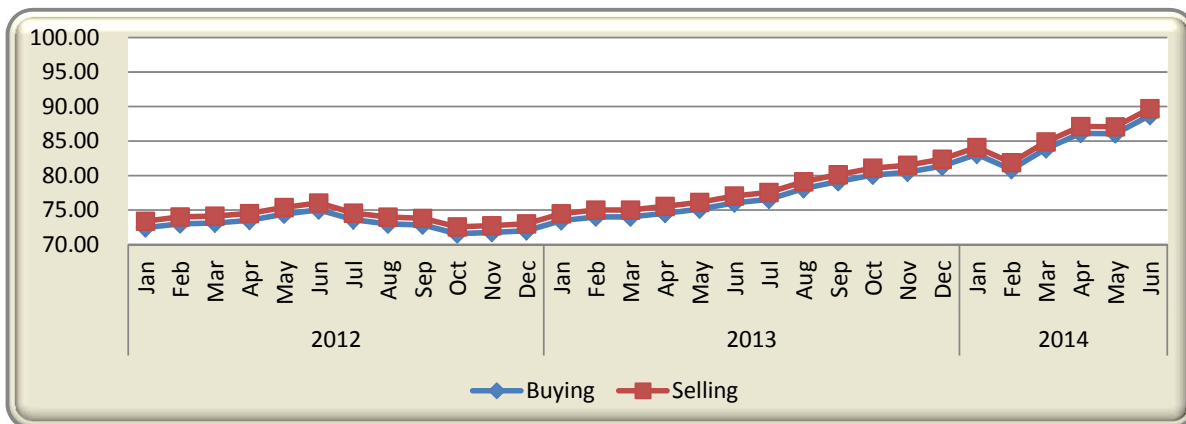
<sup>1</sup>Total subscription in the CBL FX auction equals the amount sold by the CBL plus the amount of oversubscription. Oversubscription is the amount put in for by the auction participants less the amount they received.

**Table 12: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar (2012-June, 2014)**

Period Average	2012		2013		2014	
	Buying	Selling	Buying	Selling	Buying	Selling
January	72.44	73.40	73.46	74.46	83.07	84.07
February	73.00	74.00	74.00	75.00	80.88	81.88
March	73.11	74.11	74.00	75.00	83.88	84.88
April	73.50	74.50	74.54	75.54	86.12	87.12
May	74.41	75.37	75.13	76.13	86.07	87.07
June	75.04	76.04	76.04	77.04	88.72	89.72
July	73.62	74.58	76.56	77.56		
August	72.99	73.99	78.11	79.11		
September	72.84	73.80	79.14	80.14		
October	71.56	72.56	80.07	81.07		
November	71.75	72.75	80.48	81.48		
December	72.00	73.00	81.38	82.38		

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 7: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar (2012-June, 2014)**



### 3.5 Monetary Policy Stance

The conduct of monetary policy by CBL continued to be focused on the achievement of exchange rate and price stability within the economy. The CBL's foreign exchange interventions and its bills or note are the readily available policy instruments to influence domestic monetary conditions in the economy. The introduction of the T-bill market by the government of Liberia is also aiding the process of Liberian dollar liquidity management as it helps scale down the rapid accumulation of excess liquidity in the banking system, even though the T-bill is largely used to smooth GoL's short-term cash flow.

### 3.6 Liberian Dollars in Circulation

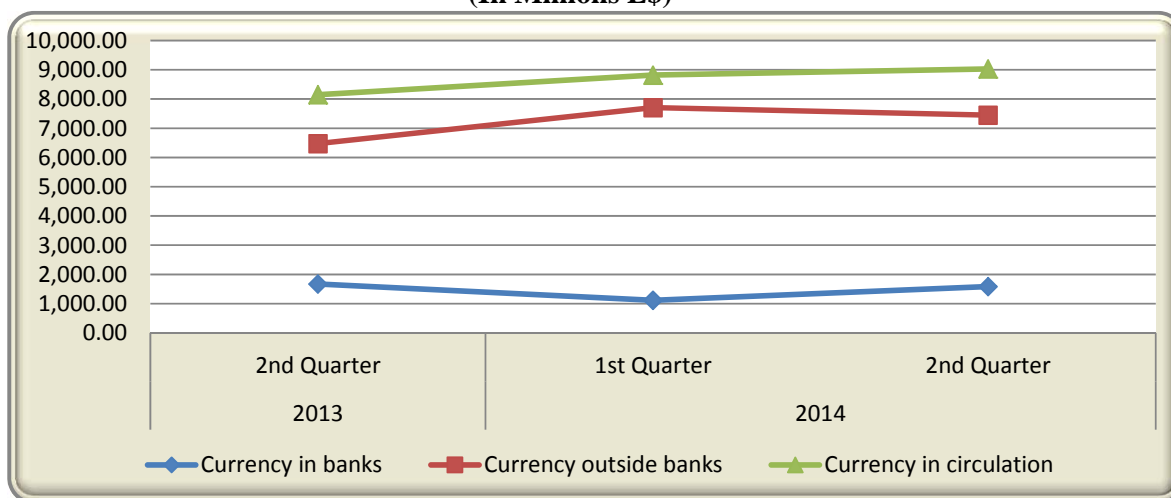
Liberian dollars in circulation at end-June, 2014 totaled L\$9,029.3 million, indicating an increase of 2.4 percent compared with L\$8,820.2 million reported at the end of the previous quarter. The quarterly growth was solely attributable to a 42.1 percent increase in currency in banks. A corresponding period analysis showed that currency in circulation increased by 10.8 percent (Table 13 & Chart 8).

**Table 13: Liberian Dollars in Circulation**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)

	2013		2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	
Currency in banks	1,672.50	1,114.0	1,582.8	
Currency outside banks	6,474.70	7,706.2	7,446.5	
Currency in circulation	8,147.20	8,820.2	9,029.3	

Source: Central Bank of Liberia

**Chart 8: Liberian Dollars in Circulation**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)



### 3.7 Money Supply (M1)

Narrow money supply (M1) in the quarter fell by 7.2 percent to L\$34,399.9 million, from L\$37,061.6 million in the preceding quarter, mainly on account of an 8.2 percent fall in demand deposits. However, year-on-year growth stood at 3.9 percent (Table 14 & Chart 9).

**Table 14: Money Supply and its Sources**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)

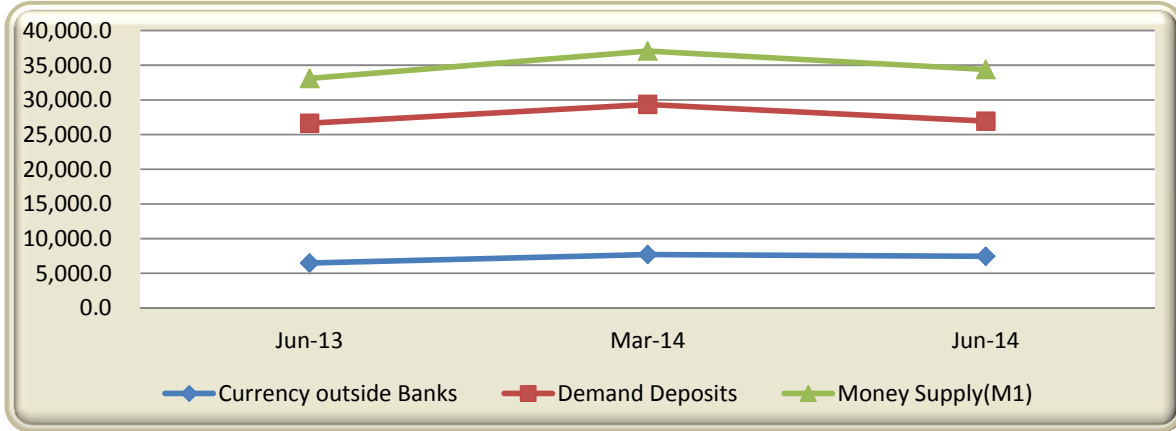
Monetary Aggregates	Jun-13	Mar-14	Jun-14	Percent Change	
				Quarterly	y-o-y
<b>Money Supply, M2 (1.1 + 1.2)</b>	<b>48,085.5</b>	<b>54,326.9</b>	<b>52,022.8</b>	-4.24	8.2
<b>1.1 Money Supply, M1</b>	33,117.7	37,061.6	34,399.9	-7.18	3.9
1.1.1 Currency outside banks	6,474.7	7,706.2	7,446.5	-3.37	15.0
1.1.2 Demand deposit <sup>1/</sup>	26,643.0	29,355.4	26,953.4	-8.18	1.2
<b>1.2 Quasi Money</b>	<b>14,967.8</b>	<b>17,265.3</b>	<b>17,623.0</b>	2.07	17.7
Time & Savings deposits	14,902.4	17,226.5	17,550.8	1.88	17.8
Other deposits <sup>2/</sup>	65.4	38.8	72.2	86.10	10.4
<b>Net Foreign Assets</b>	<b>24,080.7</b>	<b>23,515.4</b>	<b>28,138.1</b>	19.66	16.8
2.1 Central Bank	14,788.7	16,486.6	16,450.1	-0.22	11.2
2.2 Banking Institutions	9,292.0	7,028.8	11,688.0	66.29	25.8
<b>Net Domestic Assets (1 - 2)</b>	<b>24,004.8</b>	<b>30,811.5</b>	<b>23,884.7</b>	-22.48	-0.5
<b>3.1 Domestic Credit</b>	<b>41,080.5</b>	<b>56,186.2</b>	<b>54,645.1</b>	-2.74	33.0
3.1.1 Government (net)	15,396.0	22,112.2	19,058.3	-13.81	23.8
3.1.2 Pvt. Sector & Other Pvt. Sector	25,684.5	34,074.0	35,586.7	4.44	38.6
3.2 Other assets Net (3 - 3.1)	17,075.7	25,374.7	30,760.3	21.22	80.1
<b>Memorandum Items</b>	<b>76,506.5</b>	<b>83,778.4</b>	<b>80,899.4</b>	-3.44	5.7
1. Overall Liquidity	48,085.5	54,326.9	52,022.8	-4.24	8.2
2. Reserve Money	28,421.0	29,451.6	28,876.6	-1.95	1.6
Currency outside banks	6,474.7	7,706.2	7,446.5	-3.37	15.0
Banks Reserves	21,946.3	21,745.4	21,430.1	-1.45	-2.4

Source: Central Bank of Liberia, Monrovia, Liberia

<sup>1/</sup>Excludes managers checks from commercial banks.

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

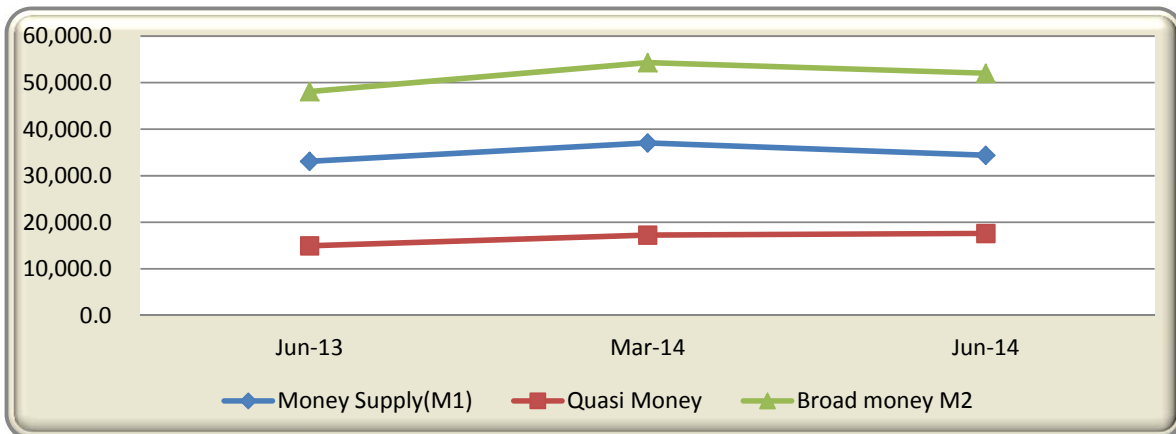
**Chart 9: Money Supply and its Sources**  
 (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
 (In Millions L\$)



### 3.8 Broad Money (M2)<sup>3</sup>

Broad Money (M2) which measures the overall liquidity in the banking system declined in the review quarter by 4.2 percent to L\$52,022.8 million, from L\$54,326.9 million recorded at end-March, 2014. The reduction emanated from a 22.5 percent fall in net domestic assets (NDA). Viewed against the corresponding quarter of 2013, broad money rose by 8.2 percent (Table 14 & Chart 10).

**Chart 10: Money Supply, M2**  
 (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
 (In Millions L\$)



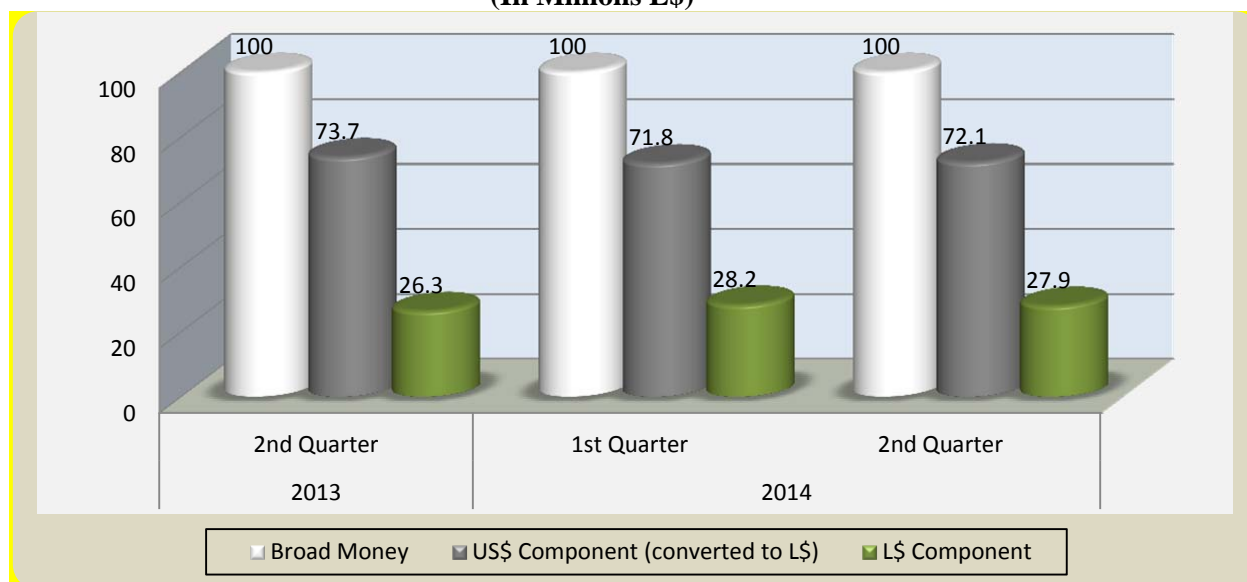
The US dollar component of broad money during the review quarter accounted for 72.1 percent, while the Liberian dollar share was 27.9 percent, reflective of the high level of dollarization of the domestic economy (Table 15 & Chart 11).

**Table 15: Broad Money: Share of US and Liberian Dollars**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)

	2013		2014			
	2 <sup>nd</sup> Quarter	Share	1st Quarter	Share	2nd Quarter	Share
<b>Broad Money</b>	48,085.5	100	54,326.90	100	52,022.8	100
<b>US\$ Component (converted to L\$)</b>	35,451.6	73.7	39,008.30	71.8	37,534.3	72.1
<b>L\$ Component</b>	12,633.9	26.3	15,318.60	28.2	14,488.5	27.9

Source: Central Bank of Liberia, Monrovia, Liberia

**Chart 11: Broad Money (M2): Share of US and Liberian Dollars**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)



### 3.9 Foreign Exchange Auction

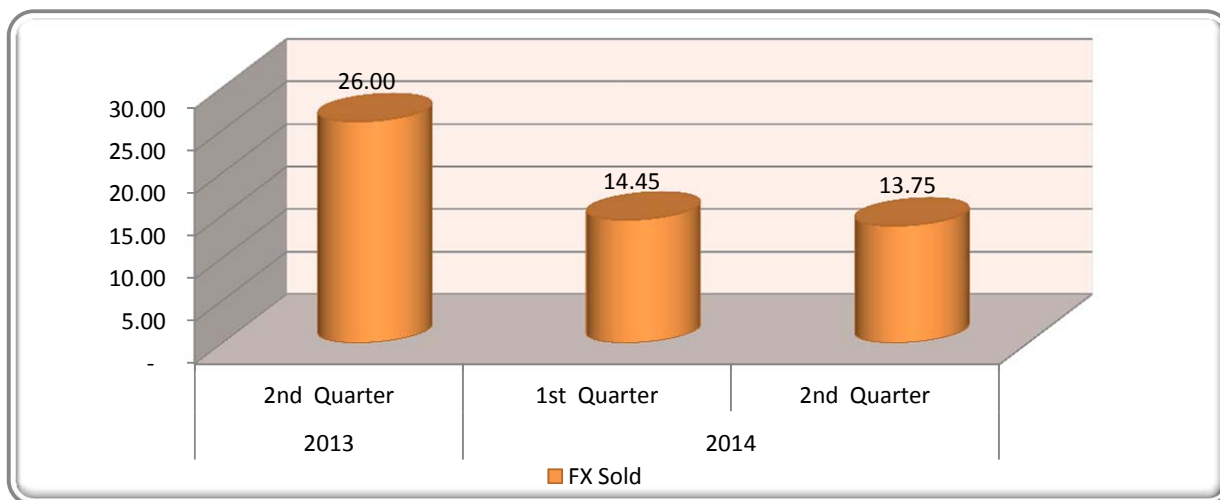
The total amount of foreign exchange sold during the quarter was US\$13.75 million, US\$0.7 million less than the US\$14.45 million sold during the previous quarter. On a year-on-year basis, the total FX sold during the quarter declined by 47.1 percent, from US\$26.0 million during the second quarter of 2013 (Table 16 & Chart 12). The decline was in line with the government of Liberia's policy of external reserves accumulation as well as the IMF benchmark for the CBL's intervention.

**Table 16: Foreign Exchange Sale Auction  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions US\$)**

	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter
<b>FX Sold</b>	26.00	14.45	13.75

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

**Chart 12: Foreign Exchange Sale Auction  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions US\$)**



### 3.10 Money Market Developments

Operations in the money market continued on behalf of the Government of Liberia. During the review quarter, a total of L\$929.5 million of GOL’s T-bills were issued at a weighted average discount rate of 4.36 percent. Compared with the previous quarter, GOL’s T-bills increased by L\$705.2 million. Similarly, Matched against the corresponding quarter of 2013, the amount of the T-bills issued was L\$552.5 million greater. This huge difference was attributed to the fact that the GOL treasury bills operation kicked off in May, 2013 with only two auctions during the inaugural quarter. Furthermore, in June, 2014, the CBL auctioned two series of GOL’s bills totaling L\$673,000,000; a three-month (91-day) bill and a one-year (365-day) bill.



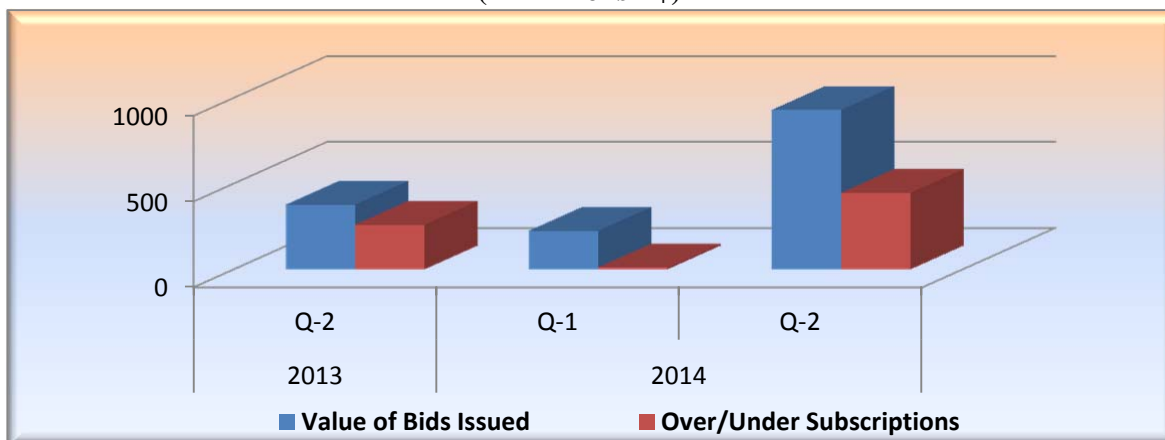
Additionally, the level of over subscription in the review quarter was L\$446.3 million. The previous quarter was characterized by an over subscription of L\$33.1 million in the first and third auctions while the second was marked by an under-subscription of L\$22.2 million. There was no issuance of CBL's bill in the quarter ended June, 2014.

**Table 17: Government of Liberia Treasury Bill Auction  
(Jan – Jun, 2014)  
(In Liberian Dollars)**

Date	Amount Issued	Value of bid(s) Received	Over/(Under) Subscription	Cut-Off Interest Rate	Weighted Average Discount Rate
12-Jun-14	500,000,000.00	670,000,000.00	170,000,000.00	7.15	6.85
5-Jun-14	173,000,000.00	282,600,000.00	109,600,000.00	4.0	3.32
1-May-14	171,000,000.00	296,200,000.00	125,200,000.00	4.33	3.69
3-Apr-14	85,500,000.00	126,950,000.00	41,450,000.00	4.85	3.58
<b>Total/Ave</b>	<b>929,500,000.00</b>	<b>1,375,750,000.00</b>	<b>446,250,000.00</b>	<b>5.08</b>	<b>4.36</b>
6-Mar-14	83,500,000.00	100,150,000.00	16,650,000.00	5.0	3.9
6-Feb-14	58,300,000.00	58,300,000.00	-22,200,000.00	4.5	3.71
2-Jan-14	82,500,000.00	98,950,000.00	16,450,000.00	3.1	2.51
<b>Total/Ave</b>	<b>224,300,000.00</b>	<b>257,400,000.00</b>	<b>33,100,000.00/ -22,200,000.00</b>	<b>4.20</b>	<b>3.37</b>

Source: Central Bank of Liberia

**Chart 13: Government of Liberia Treasury Bill Auction  
(Value of Bids issued and Over/Under Subscriptions)  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarter, 2014)  
(In Millions L\$)**



#### IV. FISCAL DEVELOPMENTS

GoL's fiscal operations during the second quarter, 2014, resulted in an overall balance (surplus) of L\$5,926.9 million (3.5 % of GDP), up from a deficit of L\$1,012.0 million (0.6 % of GDP) in the preceding period. On a year-on-year basis, the overall balance rose by L\$4,747.4 million, from a surplus of L\$1,179.5 million (0.8 % of GDP) recorded in the corresponding quarter in 2013.

Receipts from actual revenue and grants for the quarter fell below their budgetary target by L\$1,501.5 million, from a projection of L\$14,562.7 million realized revenue and grants of L\$13,061.2 million. Liberia's public debt stock rose to US\$658.0 million (31.4 % of GDP) at end-June, up from US\$643.3 million (31.5 % of GDP) at end-March, 2014 and US\$580.6 million (29.6 % of GDP) at end-June, 2013.

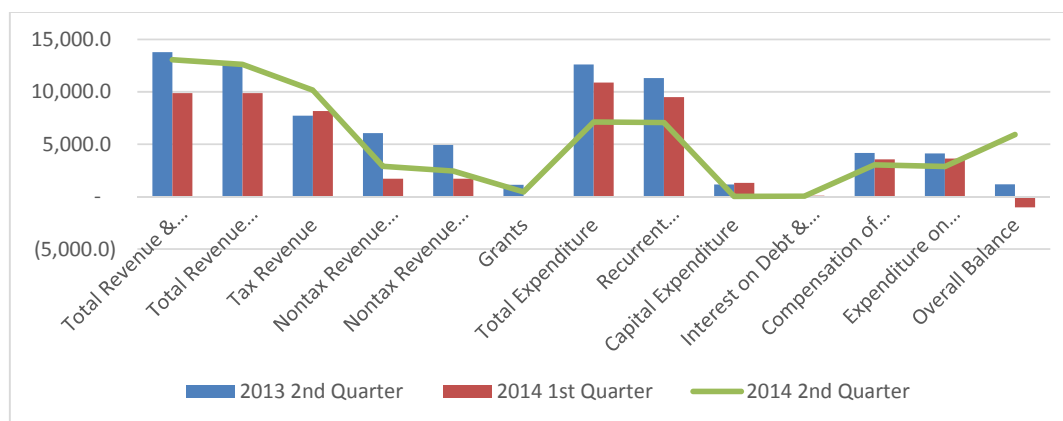
**Table 18: Government of Liberia's Fiscal Sector Indicators**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$\*)**

<b>Indicators</b>	<b>2013</b>	<b>2014</b>	
	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>
Total Revenue & Grants	13,803.99	9,885.92	13,061.20
<i>% of GDP</i>	9.09	5.79	7.65
Total Revenue Excluding Grants	12,670.77	9,885.92	12,613.53
<i>% of GDP</i>	8.34	5.79	7.39
Tax Revenue	7,733.46	8,169.89	10,166.81
<i>% of GDP</i>	5.09	4.79	5.96
Nontax Revenue Including Grants	6,070.53	1,716.03	2,894.39
<i>% of GDP</i>	4.00	1.01	1.70
Nontax Revenue Excluding Grants	4,937.31	1,716.03	2,446.72
<i>% of GDP</i>	3.25	1.01	1.43
Grants	1,133.22	-	447.67
<i>% of GDP</i>	0.75	-	0.26
Total Expenditure	12,624.49	10,897.95	7,134.31
<i>% of GDP</i>	8.31	6.38	4.18
Recurrent Expenditure	11,310.84	9,495.26	7,071.82
<i>% of GDP</i>	7.44	5.56	4.14
Capital Expenditure	1,166.07	1,311.34	12.80
<i>% of GDP</i>	0.77	0.77	0.01
Interest on Debt & Other Charges	147.58	91.36	49.69
<i>% of GDP</i>	0.10	0.05	0.03
Compensation of Employees	4,172.20	3,568.33	3,027.55
<i>% of GDP</i>	2.75	2.09	1.77
Expenditure on Goods and Services	4,131.83	3,642.53	2,882.04
<i>% of GDP</i>	2.72	2.13	1.69
Overall Balance	1,179.50	(1,012.04)	5,926.89
<i>% of GDP</i>	0.78	(0.59)	3.47
Stock of Public Debt <b>(In Millions, US\$)</b>	580.59	643.27	657.99
<i>% of GDP</i>	29.58	31.54	31.42
Stock of External Debt <b>(In Millions, US\$)</b>	284.13	342.24	346.60
<i>% of GDP</i>	14.48	17.46	16.55
Stock of Domestic Debt <b>(In Millions, US\$)</b>	296.46	301.03	311.39
<i>% of GDP</i>	15.10	14.08	14.87
<b>Nominal GDP (In Millions, US\$)</b>	<b>1,962.70</b>	<b>2,094.40</b>	<b>2,094.40</b>

Sources: Ministry of Finance, and Central Bank of Liberia

\*Except otherwise indicated

**Chart 14: Government of Liberia’s Fiscal Sector Indicators  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions, L\$\*)**



#### 4.1 Government Total Revenue and Grants

Total revenue and grants for the period amounted to L\$13,061.2 million (7.7 % of GDP). Compared with the level recorded in the preceding quarter, it rose by L\$3,175.3 million, but shrank by L\$742.8 million in the corresponding period in 2013. The growth in total revenue and grants during the quarter was largely attributed to increase in tax and non-tax revenue receipts from all sub-categories, except property & real estate taxes, charges & other administrative fees, and the ‘other tax revenue’. Matched against budgetary projections, actual revenue and grants fell by 10.3 percent or L\$1,501.5 million. The shortfall was largely on account of under performances in both tax and non-tax revenue - as taxes on international trade, sale taxes on goods & services, property & real estate taxes, the ‘other tax revenue’, and grants did not meet budgetary target.

Actual tax revenue receipts during the quarter amounted to L\$10,166.8 million (6.0 % of GDP), which constituted 77.8 percent of total revenue and grants. Matched against its budgetary target for the period, actual tax revenue fell by 5.7 percent, but rose by 24.4 percent and 31.5 percent compared with the preceding quarter in 2014 and corresponding period of 2013, respectively. The quarterly increase in actual tax revenue was attributed to improved performances in all of its sub-categories, except property & real estate taxes, and the ‘other tax revenue’ categories. Receipts from non-tax revenue (including grants) totalled L\$2,894.4 million (1.7 % of GDP), representing 22.2 percent of total revenue and grants’ for the quarter. It fell-short of the budgetary target by 23.6 percent. Matched against the previous quarter, non-tax revenue (including grants) grew by 68.7 percent, but reduced by 52.3 percent when compared with the

corresponding period. The growth in non-tax revenue over the previous quarter was on account of increase in receipts from grants and borrowing.

#### **4.1.1 International Trade Taxes**

Taxes from international trade, during the review quarter, amounted to L\$3,753.3 million, representing 36.9 percent share of tax revenue and 28.7 percent of total revenue and grants, respectively. It was L\$698.6 million or 13.7 percent less than the budgetary target. Compared with the preceding quarter, international trade taxes rose by 22.9 percent, from L\$3,054.7 million recorded at end-March, 2014. Matched against the corresponding quarter in 2013, international trade taxes rose by 26.6 percent.

#### **4.1.2 Taxes on Income and Profits**

Taxes on income and profits amounted to L\$4,487.2 million, an increase of L\$682.8 million or 18.0 percent when matched against its budgetary forecast for the period. Compared with the preceding quarter and the corresponding quarter of 2013, taxes on income and profits grew by 41.2 percent or L\$1,311.1 million and 30.8 percent or L\$1,056.0 million respectively. They accounted for 44.1 percent and 34.4 percent of tax revenue and total revenue and grants for the period, respectively.

Individual taxes on income and profits amounted to L\$4,038.9 million, 18.6 percent more than its budgetary target. Revenue from corporate entities rose to L\$424.7 million, from a budgetary projection of L\$276.8 million.

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

Taxes on goods and services totalled L\$1,814.8 million, indicating an increase of L\$564.3 million or 45.1 percent, from L\$1,250.5 million reported at end-March, 2014. The amount was L\$539.5 million (22.9 percent) below its budgetary target for the review quarter. Yearly comparisons also showed that sale taxes on goods and services rose by 48.2 percent or L\$590.3 million, from L\$1,224.5 million. Proportionally, taxes on goods and services constituted 17.9 percent of tax revenue and 13.9 percent of total revenue & grants, respectively. Goods & service tax, excise taxes, maritime revenue, and the 'other taxes category' of taxes on goods and services fell below their budgetary projections by 34.5 percent, 5.5 percent, 21.6 percent, and 13.6 percent, respectively.

#### **4.1.4 Property and Real Estate Taxes**

Taxes on property and real estate amounted to L\$110.5 million during the quarter, 47.5 percent lower than its budgetary target of L\$210.5 million. Compared with the amount recorded in the preceding quarter, taxes on property and real estate shrank by 13.3 percent at end-June, 2014. In terms of percentage share, property and real estate taxes constituted 1.1 percent of tax revenue and 0.9 percent of total revenue & grants for the period. On a year-on-year basis, it also declined by 0.8 percent.

#### **4.1.5 Other Tax Revenue**

Other tax revenue (tax revenue not elsewhere mentioned) amounted to L\$1.0 million, a L\$55.2 million or 98.3 percent shortfall against its expected target of L\$56.2 million. Matched against the level recorded in the previous quarter, it declined by L\$560.2 million. However, other tax revenue grew by 18.6 percent compared with the amount collected in the corresponding period in 2013.

#### **4.1.6 Charges and Other Administrative Fees**

Non-tax revenue from charges and other administrative fees amounted to L\$1,541.4 million at end-June, 2014, 10.6 percent more than the amount projected for the quarter. Compared with the level recorded in the previous quarter, it fell by 10.2 percent; however, it rose by 19.1 percent in the corresponding quarter in 2013. In shared value to the review period, it constituted 53.2 percent and 11.8 percent of non-tax revenue (including grants) and total revenue and grants, respectively.

#### **4.1.7 Grants**

Non-tax revenue from grants and borrowing during the period amounted to L\$447.7 million and L\$905.6 million, respectively.

**Table 19: Government of Liberia's Total Revenue by Sources**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$)**

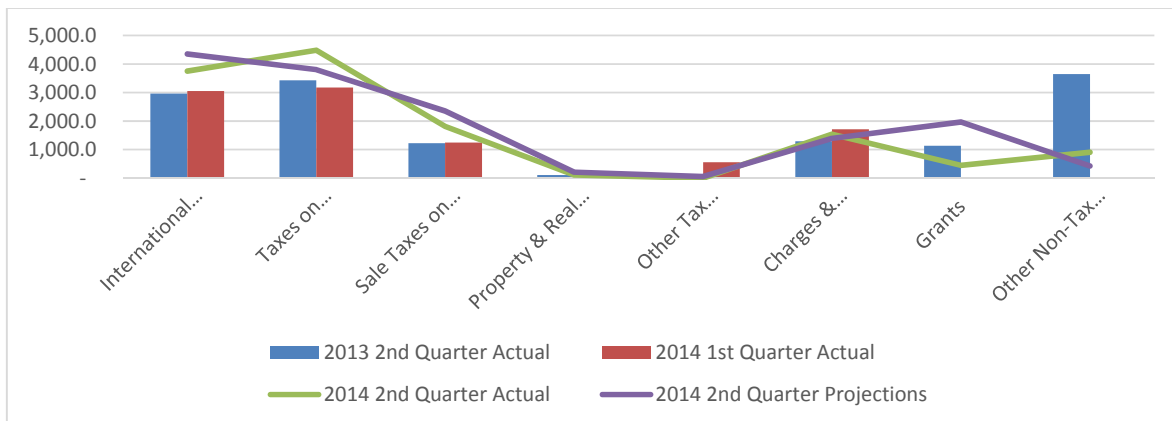
Revenue Sources	2013	2014		
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter
	Actual			Projections
<b>A. Tax Revenue</b>	<b>7,733.5</b>	<b>8,169.9</b>	<b>10,166.8</b>	<b>10,776.2</b>
i. International Trade Taxes	2,965.5	3,054.7	3,753.3	4,350.8
<i>Taxes &amp; Duties on Imports</i>	2,957.7	3,047.6	3,735.8	4,330.1
<i>Taxes on Exports</i>	7.7	7.0	17.5	20.7
ii. Taxes on Income & Profits	3,431.2	3,176.1	4,487.2	3,804.4
<i>Individual Taxes on income &amp; profits</i>	2,906.4	2,959.2	4,038.9	3,406.8
<i>Taxes Payable by Corporate Entities</i>	502.8	192.9	424.7	276.8
<i>Others</i>	22.0	23.9	23.6	120.8
iii. Sale Taxes on Goods & Services	1,224.5	1,250.5	1,814.8	2,354.3
<i>Goods &amp; Service Tax</i>	490.9	584.6	660.3	1,007.4
<i>Excise Taxes</i>	93.4	100.9	112.1	118.7
<i>Maritime Revenue</i>	424.8	200.9	187.9	239.5
<i>Others</i>	215.4	364.1	854.5	988.7
iv. Property & Real Estate Taxes	111.5	127.4	110.5	210.5
v. Other Tax Revenue <sup>1</sup>	0.8	561.2	1.0	56.2
<b>B. Non-Tax Revenue</b>	<b>6,070.5</b>	<b>1,716.0</b>	<b>2,894.4</b>	<b>3,786.6</b>
i. Charges & Other Administrative Fees	1,294.1	1,716.0	1,541.1	1,393.7
ii. Grants	1,133.2	-	447.7	1,965.4
iii. Others	3,643.2	-	905.6	427.5
<i>Contingent Revenue</i>	3,265.3	-	-	-
<i>Borrowing</i>	377.9	-	905.6	427.5
<i>Carry Forward</i>	-	-	-	-
<b>Grand Total (A + B)</b>	<b>13,804.0</b>	<b>9,885.9</b>	<b>13,061.2</b>	<b>14,562.7</b>

Source: Ministry of Finance, Republic of Liberia

<sup>1</sup>Tax Revenue not elsewhere mentioned

<sup>2</sup>In CBL Quarterly Reporting System, Fiscal Year (FY) - 4th Quarter, is Annual Year (AY) - 2nd Quarter

**Chart 15: Government of Liberia’s Total Revenue by Sources**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup>& 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$)**



#### 4.2 Government Expenditure

GoL’s total expenditure for the review quarter totalled L\$7,134.3 million (4.2 % of GDP). Compared with the level recorded during the previous quarter total GoL’s expenditure fell by L\$3,763.7 million or 34.5 percent. Similarly, it declined by L\$5,490.2 million or 43.5 percent compared to the corresponding quarter in 2013, from L\$12,624.5 million. The reduction in total expenditure during the quarter was attributed mainly to cutbacks in both recurrent and capital spending as a result of budgetary shortfall experienced by the GoL in Fiscal Year 2013/2014.

Recurrent expenditure at end-June, 2014, amounted to L\$7,071.8 million (4.1 % of GDP), which constituted 99.1 percent of total public expenditure. Matched against the level recorded in the previous quarter, it reduced by 25.5 percent or L\$2,423.5 million. On an annualized basis, recurrent expenditure fell by L\$4,239.0 million (37.5 percent), from L\$11,310.8 recorded during the corresponding period in 2013. The low public spending on recurrent expenditure was on account of reduced expenditure primarily on goods & services, and grants (to foreign governments, international organizations, other general government units, transfers to non-governmental organizations, and transfers to private entities)

Capital expenditure during the review quarter totalled L\$12.8 million (0.01 % of GDP), representing 0.2 percent of total public expenditure. Matched against the previous quarter and corresponding period in 2013, it shrank by 99.0 percent and 98.9 percent, respectively. Interest on debt and other charges’ component of total expenditure was L\$49.7 million (0.03 % of GDP), accounting for 0.7 percent of total public expenditure. The cutback in capital expenditure was mainly due to the lack of public acquisition of fixed assets during the quarter.



## **4.2.1 Recurrent Expenditure**

### **Compensation of Employees**

Expenditure on employees' compensation (salaries & allowances, and social contributions) during the quarter totalled L\$3,027.6 million (1.2 % of GDP). Public spending on employees' compensation constituted 42.8 percent of recurrent expenditure for the period. Matched against the previous quarter, expenditure on employees' compensation declined by 15.2 percent, from L\$3,568.3 million. Similarly, it fell by L\$603.9 million or 27.4 percent compared with the corresponding period in 2013,

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

Public spending on goods and services was L\$2,882.0 million (1.7 % of GDP) for the review quarter, a decline by 20.9 percent compared with the preceding quarter and 30.3 percent slump considering the corresponding period in 2013, respectively. Expenditure on goods and services constituted 40.8 percent of recurrent expenditure for the review period.

### **Subsidies**

Like in the preceding quarter, there was no public spending on subsidies (to public corporations and private enterprises).

### **Grants**

Public spending on grants (to foreign governments, international organizations, other general government units, transfers to non-governmental organizations, and transfers to private entities) for the quarter totalled L\$1,147.9 million, 49.3 percent lower than the amount recorded in the previous quarter. On a yearly basis, total GoL's grants during the quarter ended June, 2014 was 61.5 percent less than the amount recorded during the corresponding period in 2013. In terms of percentage composition, grants constituted 16.2 percent of recurrent expenditure for the quarter.

### **Social Benefits**

Expenditure on social benefits totalled L\$14.3 million, down from L\$21.9 million registered at end-June, 2014, a 34.8 percent decline. Matched against the amount recorded a year ago, expenditure on social benefits declined significantly by 44.8 percent.

## **4.2.2 Capital Expenditure**

### **Fixed Capital Depreciation**

Unlike the preceding quarter and corresponding period in 2013, there was no public spending on interest payments on domestic and foreign debts.

### **Acquisition of Fixed Assets**

Expenditure on fixed assets acquisition for the review quarter amounted to L\$12.5 million, from L\$1,290.5 million reported at end March, 2014, indicating a decline of 99.0 percent. It constituted 97.5 percent of capital expenditure for the period. Similarly, expenditure on fixed assets was 98.9 percent less than the amounts expended in the corresponding period in 2013.

## **4.2.3 Interest on Debt and Other Charges**

### **To Residents (Other Than General Government)**

Like in the preceding and corresponding quarters, there was no public spending on interest payments on domestic and foreign debts.

### **To Non-Residents (Loan Interest and Commitment Charges)**

Expenditure on Interest on debt and other charges to non-residents summed up to L\$49.7 million during the review quarter, a 45.6 percent increase when compared with the last quarter. Year-on-year comparison showed 66.3 percent rise, from L\$147.6 million recorded in the same period in 2013. It constituted 100.0 percent of interest on debt & other charges.

**Table 20: Government of Liberia's Total Expenditure**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$)**

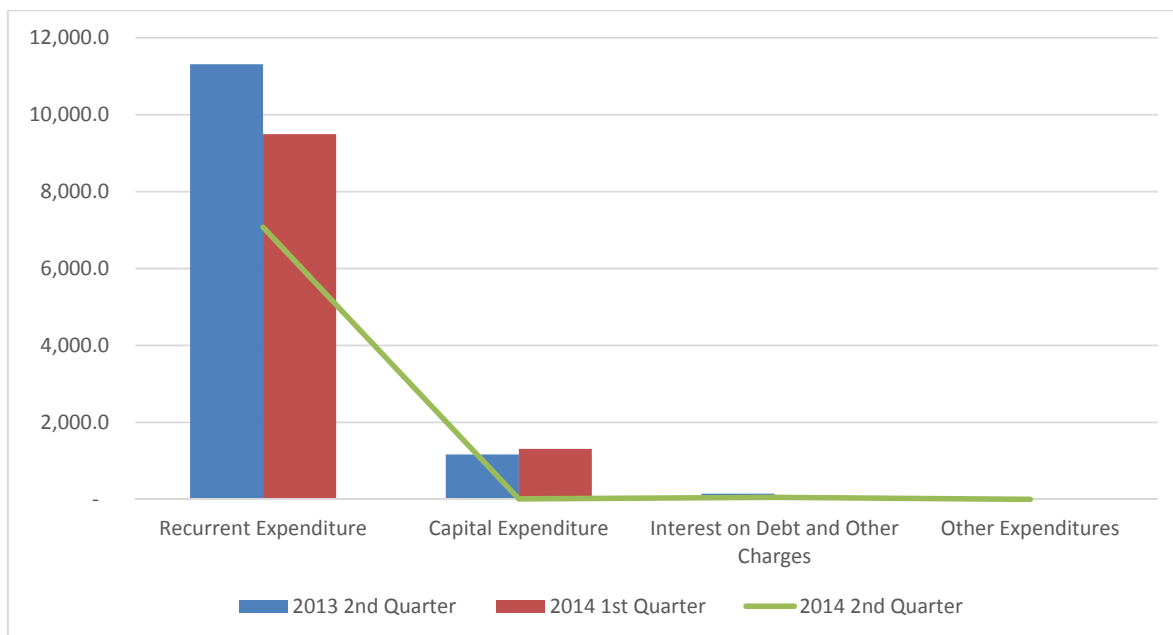
<b>Total Expenditure</b>	<b>2013</b>	<b>2014</b>	
	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter*</b>
<b>Recurrent Expenditure</b>	<b>11,310.8</b>	<b>9,495.3</b>	<b>7,071.8</b>
Salaries & Allowances	4,172.2	3,568.3	3,027.6
Expenditure on Goods & Services	4,131.8	3,642.5	2,882.0
Subsidies	0.9	-	-
Grants	2,979.9	2,262.5	1,147.9
Social Benefits	25.9	21.9	14.3
Others	-	-	-
<b>Capital Expenditure</b>	<b>1,166.1</b>	<b>1,311.3</b>	<b>12.8</b>
Depreciation	4.5	1.6	-
Acquisition of Fixed Assets	1,161.0	1,290.5	12.5
Others	0.5	19.2	0.3
<b>Interest on Debt and Other Charges</b>	<b>147.6</b>	<b>91.4</b>	<b>49.7</b>
On Domestic & Foreign Debts	-	-	-
To Non-Residents	147.6	91.4	49.7
Others	-	-	-
<b>Other Expenditures<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure</b>	<b>12,624.5</b>	<b>10,898.0</b>	<b>7,134.3</b>

*Source: Ministry of Finance, Republic of Liberia*

*1 Expenditures not elsewhere mentioned*

*\*Preliminary*

**Chart 16: Government of Liberia's Total Expenditure**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$)**



### 4.3 Stock of Public Debt

Total public debt stock for Liberia at end-June, 2014, rose by US\$14.7 million (2.3 percent) to US\$658.0 million (31.4 % of GDP), up from US\$643.3 million (31.5 % of GDP) at end-March, 2014. Compared with the stock recorded during the corresponding period in 2013, it grew by US\$77.4 million (13.3 percent). External and domestic debt stocks at end-June, 2014, stood at US\$346.6 million (16.6 % of GDP) and US\$311.4 million (14.9 % of GDP), representing 52.7 percent and 47.3 percent, respectively, of Liberia's total public debt stock. The rise in the country's external debt stock was attributed to new disbursements on the EIB loan, IDA, and IMF credits from multilateral organizations as well as domestic sources from financial institutions.

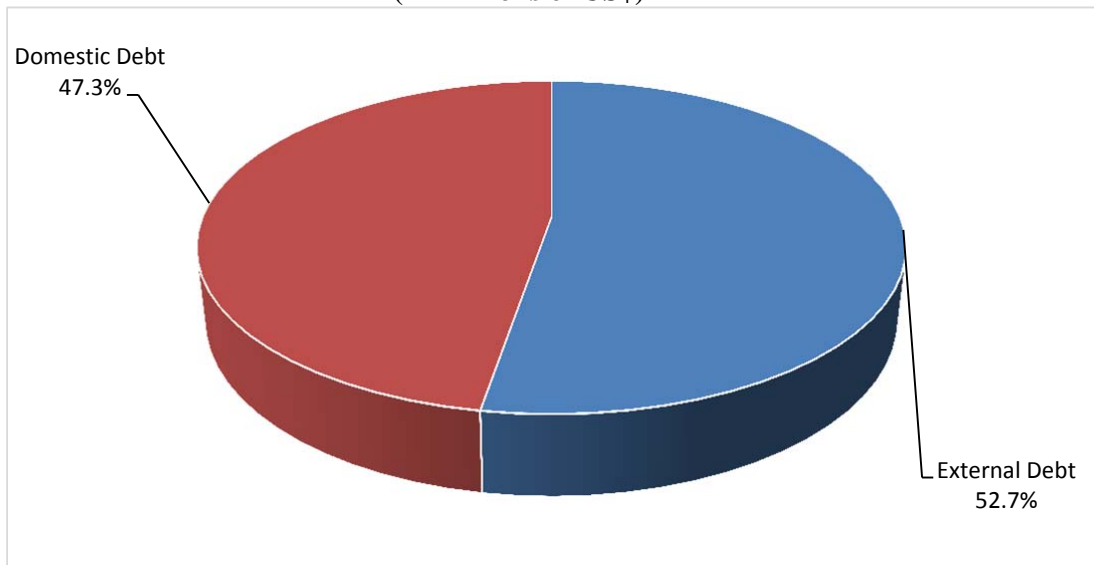
**Table 21: Liberia's Overall Public Debt Position by Composition**  
**As At June 30, 2014**  
**(In millions of US\$)**

Debt Composition	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter*
Total External Debt	284.1	342.2	346.6
Total Domestic Debt	296.5	301.0	311.4
<b>Total Public Debt</b>	<b>580.6</b>	<b>643.3</b>	<b>658.0</b>

*Source: Ministry of Finance, Republic of Liberia*

*\*Estimates by CBL*

**Chart 17: Liberia’s Overall Public Debt Position by Composition  
As At June 30, 2014  
(In millions of US\$)**



**4.3.1 External Debt**

External debt stock at end-June, stood at US\$346.6 million (16.6 % of GDP), an increase of US\$4.4 million or 1.3 percent compared with the amount recorded at end-March, 2014. On an annualized basis, total external debt stock grew by 22.0 percent or US\$62.5 million, from L\$284.1 million reported during the corresponding period in 2013. Multilateral and bilateral debt stocks stood at US\$224.5 million (10.7 % of GDP) and US\$122.1 million (5.8 % of GDP), constituting 64.8 percent and 35.2 percent of the country’s external debt stock, respectively. The marginal growth in the country’s external debt stock was attributed to increase in credit (disbursements on the EIB loan as well as IDA and IMF credits) from multilateral organizations or sources.

**4.3.1 Domestic Debt**

Domestic debt stock at end-June, 2014, stood at US\$311.4 million (14.9 % of GDP), growing by 3.4 percent or US\$10.4 million and 5.0 percent or US\$14.9 million compared with the amounts accumulated at the end of March, 2014, and at end-June, 2013, respectively. The growth in the country’s domestic debt stock was attributed to increase in credit from domestic financial institutions. Domestic debt stock to financial institutions rose by US\$10.4 million, up from US\$294.1 million at end-March, 2014, to US\$304.5 million (14.5 % of GDP) recorded during the review quarter. Matched against the corresponding period in 2013, domestic debt to

financial institutions grew by 5.2 percent or US\$14.9 million at end-June, 2014, and constituted 97.8 percent and 46.3 percent of domestic debt and public debt stocks, respectively.

Domestic debt to suppliers' credit, salary & allowances, and pre-NTGL salary arrears at end-June, 2014, stood at US\$1.9 million, US\$3.7 million, and US\$1.3 million, respectively.

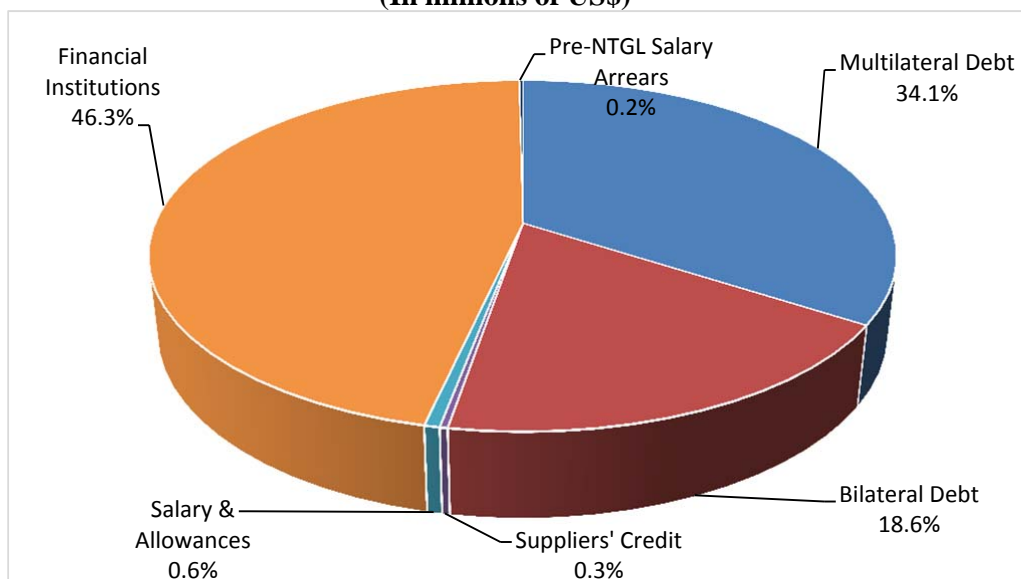
**Table 22: Liberia's Overall Public Debt Position by Creditors  
As At June 30, 2014  
(In millions of US\$)**

Creditors	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter*
Multilateral	161.6	220.0	224.5
Bilateral	122.6	122.3	122.1
Commercial Creditors	-	-	-
<b>Total External Debt</b>	<b>284.1</b>	<b>342.2</b>	<b>346.6</b>
Suppliers' Credit (Valid Claims)	1.9	1.9	1.9
Salary & Allowances	3.7	3.7	3.7
Financial Institutions	289.5	294.1	304.5
Pre- NTGL Salary Arrears	1.3	1.3	1.3
Others	-	-	-
<b>Total Domestic Debt</b>	<b>296.5</b>	<b>301.0</b>	<b>311.4</b>
<b>Total Public Debt</b>	<b>580.6</b>	<b>643.3</b>	<b>658.0</b>

Source: Ministry of Finance, Republic of Liberia

\*Estimates by CBL

**Chart 18: Liberia's Overall Public Debt Position by Creditors  
As At June 30, 2014  
(In millions of US\$)**



## V. EXTERNAL SECTOR DEVELOPMENTS

### 5.1 Review of Foreign Trade

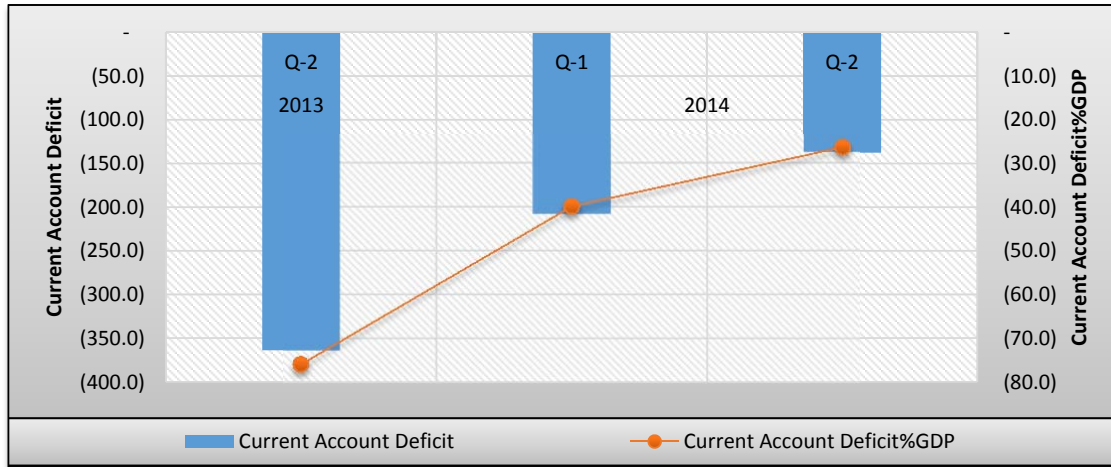
At end-June 2014, Liberia's provisional overall balance of payments recorded a surplus of US\$18.6 million, from a deficit of US\$148.7 million recorded at the end of the previous quarter. On an annualized basis, the overall balance of payments improved by US\$205.0 million at end-June, 2014, from a deficit of US\$199.4 million at end-June, 2013. The quarterly improvement in the balance of payments was largely on account of the improvement in the current account deficit at end-June, 2014. Compared with the levels recorded at end-March 2014 and end-June, 2013, the current account deficit narrowed by 43.4 percent and 62.2 percent, respectively, at end-June, 2014 (Table 23).

### 5.2 The Current Account

The current account deficit narrowed by 33.9 percent to US\$137.6 million at end-June, from US\$208.2 million at end-March, 2014 largely on account of the 23.6 rise in current transfers and the 15.0 percent decline in investment income deficit during the quarter, offsetting the 27.6 percent widening in the trade balance. Compared with the corresponding quarter in 2013, the current account deficit narrowed by 62.2 percent at end-June, 2014. In the wake of the Ebola crisis that began at the end of the preceding quarter, both public and private transfers rose during the quarter. Public transfers (grants) rose by 15.0 percent to US\$316.0 million from US\$274.8 million at end-March, 2014. Compared with the corresponding quarter in 2013, public transfers rose by 34.1 percent. Net inward private transfers (personal remittances) grew by US\$28.1 million to US\$47.1 million at end-June, 2014, from US\$19.0 million at end-March, 2014. However, on an annualized basis, net inward private remittances inched down by 0.5 percent at the end of the quarter. Investment income deficit fell by 15.0 percent to US\$168.4 million at the end of the quarter, from US\$198.1 million, largely reflecting declining reinvested earnings in the domestic economy. Compared with the corresponding quarter in 2013, investment income deficit narrowed by 42.6 percent at end-June, 2014. The deterioration in the trade deficit at end-June, 2014 was on account of the 5.0 percent rise in merchandise import payments against the 6.4 percent decline in export receipts. On a year-on-year basis, the trade deficit widened by 8.8 percent at end-June, 2014.

As a percentage of GDP (quarterly nominal GDP estimation), Liberia's current account deficit stood at 26.3 percent, from 39.8 percent and 75.8 percent at end-March and end-June, 2014, respectively (Chart 19).

**Chart 19: Trends of Current Account Deficit as % of GDP\***  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup>& 2<sup>nd</sup> Quarters, 2014)**  
**(In Thousand US\$)**



*\*2013& 2014 projected nominal GDP quarterized using quadratic-match sum function in E-views.*

### 5.2.1 *Merchandise Trade*

Total merchandise trade at end-June, 2014 slightly inched up by 0.4 percent to US\$383.8 million, from US\$382.1 million at end of the previous quarter. Merchandise export receipts fell by 6.4 percent to US\$142.7 million at the end of the quarter from US\$152.5 million at end-March, 2014, accounting for 37.2 percent of total trade. Declines in rubber and iron ore export receipts during the quarter relative to the preceding quarter led the downward trend in total export receipts (Table 23). On an annualized basis, total export receipts fell by 11.1 percent, largely driven by the 41.7 percent decline in rubber export earnings. On the other hand, merchandise import payments (on FOB basis) rose by 5.0 percent to US\$241.1 million during the quarter, from US\$229.6 million at the end of the preceding quarter.



**Table 23: Liberia's Quarterly Balance of Payments<sup>2</sup>**  
(In Millions of US\$)

Year	2013	2014		Q-on-Q Change		Y-on-Y Change	
Quarter	Q-2	Q-1	Q-2	Absolute Amt.	% Change	Absolute Amt.	% Change
<b>Current Account Balance</b>	<b>(363.8)</b>	<b>(208.2)</b>	<b>(137.6)</b>	<b>70.6</b>	<b>(33.9)</b>	<b>226.2</b>	<b>(62.2)</b>
Current Account Balance, excluding grants	(430.0)	(482.9)	(453.6)	29.3	(6.1)	(23.6)	5.5
<b>Trade Balance</b>	<b>(90.4)</b>	<b>(77.1)</b>	<b>(98.3)</b>	<b>(21.3)</b>	<b>27.6</b>	<b>(7.9)</b>	<b>8.8</b>
<b>Merchandise Exports (FOB)</b>	<b>160.5</b>	<b>152.5</b>	<b>142.7</b>	<b>(9.8)</b>	<b>(6.4)</b>	<b>(17.8)</b>	<b>(11.1)</b>
<i>Iron ore</i>	88.7	100.6	88.8	(11.8)	(11.7)	0.1	0.1
Rubber	36.6	30.2	21.3	(8.8)	(29.3)	(15.3)	(41.7)
Non-Iron Ore & Rubber Exports	35.2	21.8	32.6	10.8	49.7	(2.6)	(7.4)
<b>Merchandise Imports (FOB)</b>	<b>(250.9)</b>	<b>(229.6)</b>	<b>(241.1)</b>	<b>(11.5)</b>	<b>5.0</b>	<b>9.9</b>	<b>(3.9)</b>
Oil (Petroleum)	57.3	75.8	63.7	(12.1)	(15.9)	6.4	11.1
Rice	30.3	11.8	10.0	(1.9)	(15.7)	(20.3)	(67.0)
<i>Machinery &amp; Transport Equipment</i>	50.9	57.6	48.6	(8.9)	(15.5)	(2.2)	(4.4)
Others	112.4	84.4	118.7	34.3	40.7	6.3	5.6
<b>Services (Net)</b>	<b>(262.9)</b>	<b>(226.8)</b>	<b>(233.9)</b>	<b>(7.1)</b>	<b>3.1</b>	<b>29.0</b>	<b>(11.0)</b>
<i>Receipts</i>	112.6	110.3	44.1	(66.2)	(60.0)	(68.5)	(60.8)
Payments	(375.5)	(327.1)	(278.1)	49.1	(15.0)	97.4	(26.0)
<b>Income (Net)</b>	<b>(293.4)</b>	<b>(198.1)</b>	<b>(168.4)</b>	<b>29.7</b>	<b>(15.0)</b>	<b>125.0</b>	<b>(42.6)</b>
<i>Investment income (net)</i>	(293.4)	(198.1)	(168.4)	29.7	(15.0)	125.0	(42.6)
Other Income	-	-	-	-	-	-	-
<b>Current transfers (Net)</b>	<b>282.9</b>	<b>293.8</b>	<b>363.0</b>	<b>69.3</b>	<b>23.6</b>	<b>80.1</b>	<b>28.3</b>
<i>Public transfers (net)</i>	235.6	274.8	316.0	41.2	15.0	80.4	34.1
Grants (net)	235.6	274.8	316.0	41.2	15.0	80.4	34.1
<b>Private transfers (net)</b>	<b>47.3</b>	<b>19.0</b>	<b>47.1</b>	<b>28.0</b>	<b>147.3</b>	<b>(0.2)</b>	<b>(0.5)</b>

<sup>3</sup>Excludes the following: Crude Materials & Inedible except Fuel, Minerals, Fuel & Lubricants (including petroleum products), Chemicals & Related Products and Machinery & Transport Equipment

<i>Workers' Remittances (net)</i>	47.1	19.0	47.1	28.0	147.3	(0.0)	(0.0)
<b>Capital &amp; Financial Account</b>	<b>300.3</b>	<b>350.4</b>	<b>342.7</b>	<b>(7.7)</b>	<b>(2.2)</b>	<b>42.4</b>	<b>14.1</b>
<i>Capital Transfers (Net)</i>	115.7	151.1	170.1	19.0	12.6	54.4	47.1
<b>Financial Account</b>	<b>184.6</b>	<b>199.3</b>	<b>172.5</b>	<b>(26.8)</b>	<b>(13.4)</b>	<b>(12.1)</b>	<b>(6.5)</b>
Direct investment in reporting economy	78.3	81.6	69.4	(12.2)	(15.0)	(8.9)	(11.4)
Direct investment abroad	-	-	-	-	-	-	-
<b>Portfolio Investment (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Other Investment (Net)</i>	101.3	98.7	111.0	12.3	12.5	9.7	9.6
Trade Credit	63.9	57.1	59.6	2.4	4.3	(4.4)	(6.9)
<b>Reserve Assets</b>	<b>5.0</b>	<b>(23.7)</b>	<b>(7.9)</b>	<b>15.8</b>	<b>(66.6)</b>	<b>(12.9)</b>	<b>(257.9)</b>
<i>Errors and Omissions</i>	(135.9)	(290.9)	(199.5)	91.4	(31.4)	(63.6)	46.8
<b>OVERALL BALANCE/1</b>	<b>(199.4)</b>	<b>(148.7)</b>	<b>5.6</b>	<b>154.2</b>	<b>(103.7)</b>	<b>205.0</b>	<b>(102.8)</b>
<b>Financing</b>	<b>199.4</b>	<b>148.7</b>	<b>(5.6)</b>	<b>(154.2)</b>	<b>(103.7)</b>	<b>(205.0)</b>	<b>(102.8)</b>
<i>Changes in Gross Foreign Reserves</i>	5.0	(23.6)	(7.9)	15.7	(66.6)	(12.9)	(256.8)
<b>Memorandum Items</b>							
<i>Annual Nominal GDP (millions US\$) Estimate</i>	1,945.8	2,119.1	2,119.1				
<i>Average Quarterly Merchandise (CIF) &amp; Service Imports</i>	208.8	185.6	173.0				
<i>Current Account balance as % of Quarterly Estimated GDP*</i>	(75.8)	(46.5)	(26.3)				
<i>Gross External Reserves (Including SDR Holdings) at end of Quarter</i>	480.9	491.8	483.9				
<i>Gross External Reserves in months of import(CIF) Cover</i>	2.3	2.6	2.8				

Source: Central Bank of Liberia (CBL)

**Table 24: Balance of Trade**  
**2<sup>nd</sup> Quarter, 2013; & 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014**  
**(In Thousands of US\$)**

	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014*	2 <sup>nd</sup> Quarter, 2014**
<b>Total Export</b>	160,542.5	152,539.9	142,733.8
<b>Total Imports (F.O.B)</b>	250,948.0	229,555.1	241,060.9
<b>Total Trade</b>	411,490.4	382,095.1	383,794.7
<b>Trade Balance</b>	(90,405.5)	(77,015.2)	(98,327.1)

*Sources: Ministry of Commerce & Industry, BIVAC, Firestone Liberia, Ministry of Lands, Mines & Energy, Forestry Development Authority*

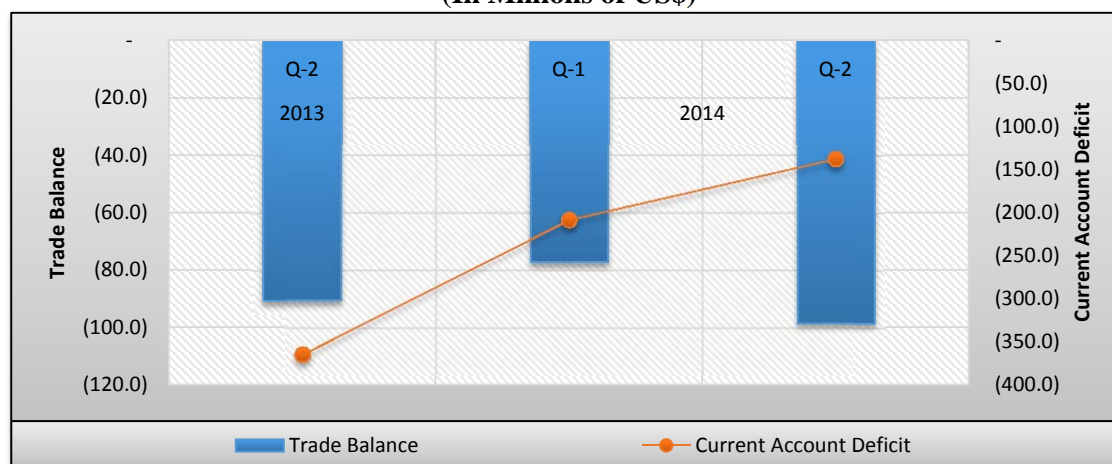
*-Imports are measured on FOB basis consistent with applications in the Balance of Payments compilation,*

*\*Revised*

*\*\*Provisional*

At end-June, 2014, Liberia’s merchandise trade deficit widened by 27.7 percent to US\$98.3 million, from US\$77.0 million recorded at the end of the preceding quarter, on account of a 5.0 percent rise in import payments against a 6.4 percent decline in export receipts during the quarter. On an annualized basis, the trade deficit rose by 8.8 percent at end-June, 2014, explained by the 11.1 percent decline in export receipts that offset the 3.9 percent fall in imports payments. The impact of the quarterly deterioration in the trade deficit was outweighed by the rise in current transfers coupled with the decline in investment income deficit during the quarter, leading to a narrower current account deficit (Table 24 & Chart 20).

**Chart 20: Trade Balance & Current Account Deficit**  
**(2<sup>nd</sup> Quarter, 2013; & 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions of US\$)**



### ***Merchandise Exports***

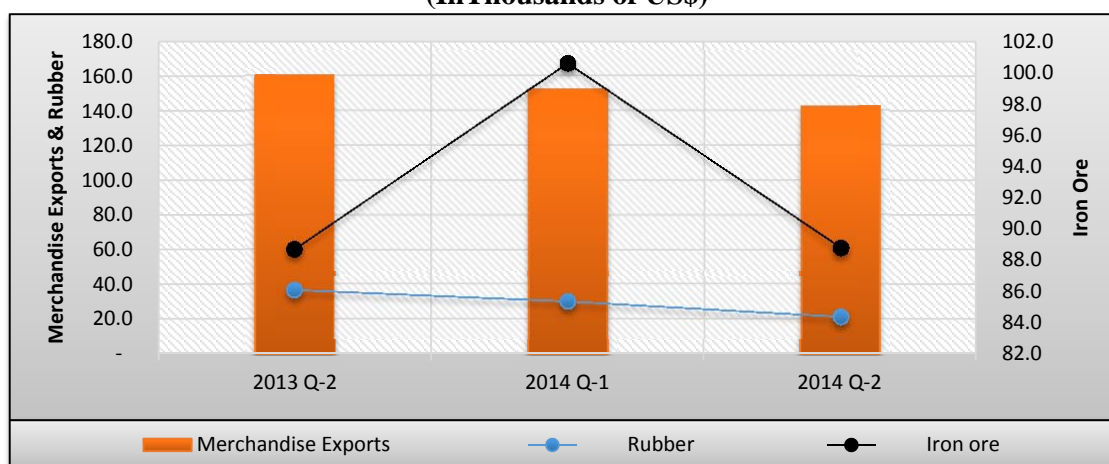
Merchandise export receipts declined by 6.4 percent to US\$142.7 million at end-June, from US\$152.5 million at end-March, 2014, largely on account of 11.7 percent and 29.3 percent declines in iron ore and rubber export receipts, respectively, due to both price and volume factors, outweighing the gains recorded from minerals (diamond & gold) and round logs exports during the quarter relative to the preceding quarter. As growth in the Chinese economy slows down toward a more sustainable path, weak demand continues to affect the prices of iron ore, rubber and other major commodities.

Quarterly global iron ore price fell by an average of 15.0 percent at end-June, 2014 compared with the preceding quarter. Compared with the corresponding quarter in 2013, iron ore price fell by an average of 18.2 percent. At end-June, 2014, Rubber price fell on average by 5.9 percent and 27.1 percent compared with end-March, 2014 and end-June, 2013, respectively. With growth in emerging markets projected to slow further during the remainder of the year, iron ore and rubber prices are expected to continue the downward spiral. On the domestic front, declines in iron ore and rubber export volumes as a result of the ongoing rainy season and the replanting of aging rubber trees also affected export performance during the quarter.

Despite the ongoing rainy season (during May-June), minerals (diamond & gold) and round logs export earnings outperformed the levels recorded in the preceding quarter, with diamond export receipts rising by 14.9 percent to US\$8.0 million at end-June, from US\$6.9 million at end-March, 2014. Gold exports increased by 62.5 percent to US\$6.5 million, from US\$4.0 million at end-March, 2014. Compared with the corresponding quarter in 2013, diamond and gold export receipts rose by 63.0 percent and 39.5 percent, respectively. The growth in mineral-related export earnings was largely on account of increased domestic production as a result of the discovery of new mining fields. Round logs export earnings inched up to US\$7.6 million from US\$7.0 million at end-March, 2014. On a year-on-year basis, logs export receipts rose by 29.0 percent at end-June, 2014. The improvement in round logs exports was largely on account of increased export volume as a result of a temporary lifting of the moratorium placed on the commodity.

Compared with the corresponding period in 2013, total merchandise export earnings fell by 11.1 percent at end-June, 2014, largely on account of the 41.7 percent year-on-year decline in rubber export receipts.

**Chart 21: Trends in Iron Ore & Rubber Compositions of Total Export Receipts  
2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2013  
(In Thousands of US\$)**



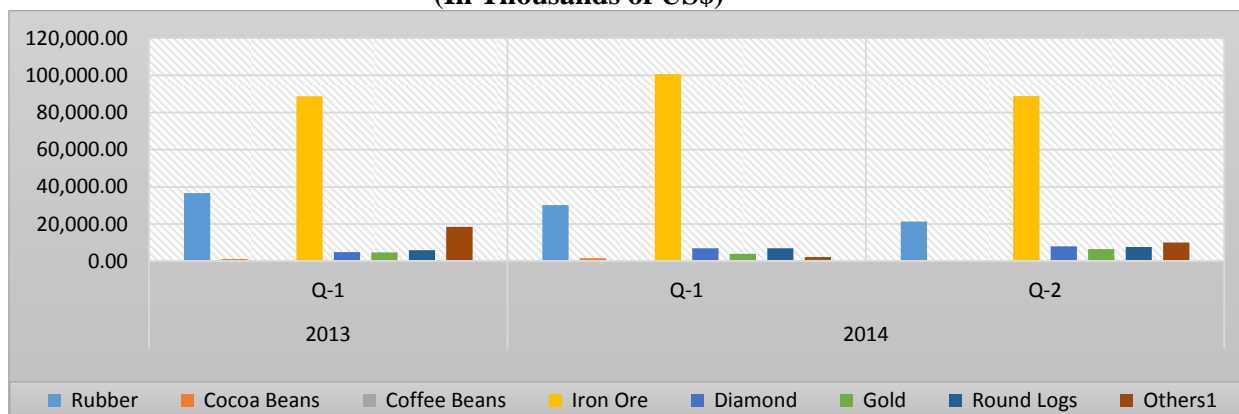
The enclave sectors continued to drive exports, with iron ore and rubber still leading Liberia's total merchandise export performance. During the quarter, iron ore and rubber accounted for 15.0 percent and 62.2 percent, respectively, from 66.0 percent and 19.8 percent, respectively at end-March, 2014. Consequently, Liberia continued to import basic consumables that could otherwise be locally manufactured for consumption and exports, thus putting more depreciating pressure on the exchange rate. Policies and programs aimed at widening the export base towards non-traditional commodity exports must be pursued to reverse the trend.

**Table 25: Commodity Composition of Exports  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

Commodity Composition of Exports	Unit	2 <sup>nd</sup> Quarter, 2013		1 <sup>st</sup> Quarter, 2014		2 <sup>nd</sup> Quarter, 2014	
		Volume '000'	Value In '000' US\$	Volume '000'	Value In '000' US\$	Volume In '000'	Value In '000' US\$
<b>Rubber</b>	<b>Mt.</b>	<b>15.6</b>	<b>36,637.7</b>	<b>14.6</b>	<b>30,183.2</b>	<b>11.1</b>	<b>21,349.0</b>
Cocoa Beans	Mt.	3.7	1,209.0	2.2	1,602.3	0.5	375.0
Coffee Beans	Mt.	-	-	-	-	0.0	7.2
<b>Iron Ore</b>	<b>Mt.</b>	<b>1,205.4</b>	<b>88,730.9</b>	<b>1,440.4</b>	<b>100,600.4</b>	<b>1,357.8</b>	<b>88,814.8</b>
Diamond	Carat	14.8	4,918.3	17.6	6,973.7	19.6	8,015.6
Gold	Ounce	4.2	4,687.5	4.1	3,954.1	6.6	6,537.8
Round Logs	m3	22.8	5,924.0	34.2	6,956.0	47.5	7,644.7
Others1		-	18,435.1	-	2,270.3	-	9,989.7
<b>Total</b>		<b>-</b>	<b>160,542.5</b>	<b>-</b>	<b>152,539.9</b>	<b>-</b>	<b>142,733.8</b>

*Sources: Ministry of Commerce & Industry, Ministry of Lands, Mines & Energy, Forestry Development Authority, Firestone Liberia Ltd.*

**Chart 22: Commodity Composition of Exports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Thousands of US\$)**



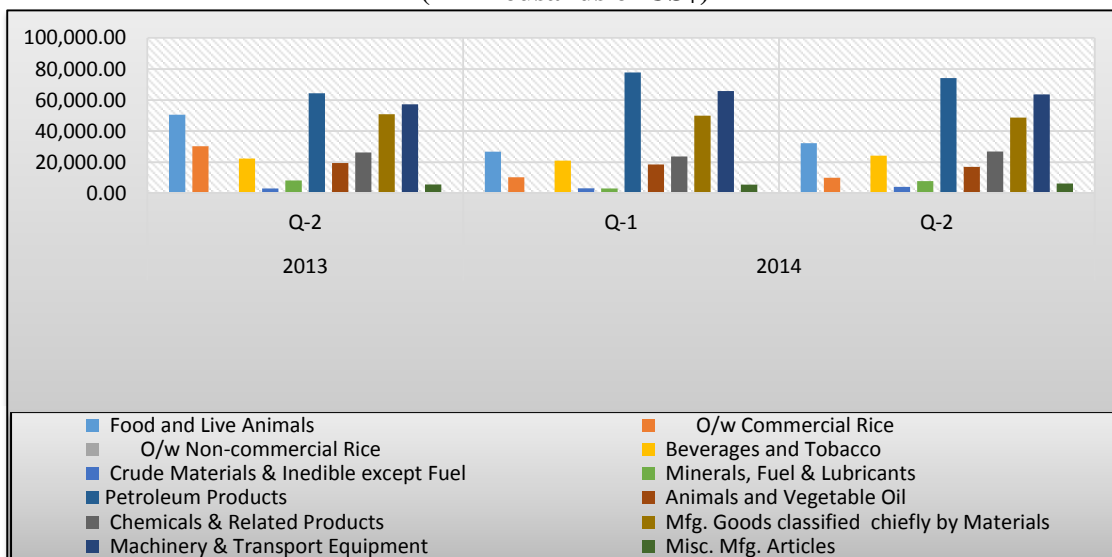
### Merchandise Imports

Total import payments (f.o.b) rose by 5.0 percent to US\$241.1 million at end-June, from US\$229.6 million at end-March 2014, largely driven by increases in import payments on key categories: food & other consumables<sup>3</sup> and chemicals & related products. In this category, imports payments on food & live animals (excluding rice) rose by 20.6 percent to US\$32.2 million at end-June, 2014, from US\$26.7 million at end-March, 2014. Payments toward tobacco & beverages rose by 14.6 percent to US\$24.1 million at the end of the review quarter, from US\$21.0 million at end-March, 2014. The growing demand for imported beverages continues to be the driving factor for the increased import bill in this category. Due to the declining price of rice on the global market, imports payments for the commodity fell by 15.7 percent to US\$10.0 million at the end of the quarter, from US\$11.8 million at end-March, 2014. Compared with the corresponding quarter, rice import bill fell by 67.0 percent at end-June, 2014. In response to the Ebola outbreak and the heightened public health crisis facing the country, import payments on chemicals & related products (particularly viral & bacteria disinfectants) rose by 13.6 percent to US\$26.8 million at end-June, from US\$23.6 million at end-March, 2014—the beginning of the Ebola epidemic. Increased import payments are expected in this category for the remainder of the year.

<sup>3</sup>Excludes the following: Crude Materials & Inedible except Fuel, Minerals, Fuel & Lubricants (including petroleum products), Chemicals & Related Products and Machinery & Transport Equipment

The growth in import payments on food & other consumables and chemicals & related products outweighed the declines in payments toward other categories, particularly petroleum products and machinery & transport equipment. Petroleum import payments declined by 4.6 percent to US\$74.2 million at end-June, from US\$77.8 million at end-March, 2014, reflecting stable international oil prices and low import volume during the quarter. However, compared with the corresponding quarter in 2013, payments toward petroleum products rose by 15.4 percent at end-June, 2014 (Table 26 & Chart 23).

**Chart 23: Commodity Composition of Imports**  
**2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014**  
**(In Thousands of US\$)**



**Table 26: Commodity Composition of Imports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Thousands of US\$)**

Commodity	2 <sup>nd</sup> Quarter, 2013		1 <sup>st</sup> Quarter, 2014		2 <sup>nd</sup> Quarter, 2014	
	Amount	% Share	Amount	% Share	Amount	% Share
Food and Live Animals	50,625.9	20.2	26,735.0	11.6	32,229.7	13.4
O/w Commercial Rice	30,270.9	12.1	10,277.5	4.5	9,980.2	4.1
O/w Non-commercial Rice	6.1	0.0	-	-	10.7	0.0
Beverages and Tobacco	22,268.6	8.9	21,025.7	9.2	24,091.0	10.0
Crude Materials & Inedible except Fuel	3,150.2	1.3	3,215.5	1.4	4,041.6	1.7
Minerals, Fuel & Lubricants	72,597.2	28.9	80,912.4	35.2	81,963.2	34.0
<b>O/w Petroleum Products</b>	<b>64,315.3</b>	<b>25.6</b>	<b>77,759.0</b>	<b>33.9</b>	<b>74,189.1</b>	<b>30.8</b>
Animals and Vegetable Oil	19,503.5	7.8	18,551.3	8.1	16,935.5	7.0
Chemicals & Related Products	26,314.9	10.5	23,617.5	10.3	26,826.3	11.1
Mfg. Goods classified chiefly by Materials	50,890.4	20.3	49,963.5	21.8	48,642.2	20.2
Machinery & Transport Equipment	57,335.8	22.8	65,787.5	28.7	63,713.7	26.4
Misc. Mfg. Articles	5,597.4	2.2	5,534.3	2.4	6,331.4	2.6
<b>TOTAL</b>	<b>250,948.0</b>		<b>229,555.1</b>		<b>241,060.9</b>	
<i>Food &amp; Other Consumables/1</i>	91,549.9	36.5	56,022.2	24.4	64,516.0	26.8

*Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance*  
*/1Excludes Crude Materials & Inedible except Fuel, Minerals, Fuel & Lubricants (including petroleum products),*  
*Chemicals & Related Products and Machinery & Transport Equipment*

### **Direction of Trade**

Liberia's growing current account deficit largely points to the import-dependent nature of the economy, with import trade still accounting for the larger share of total trade. The dependence on primary commodity exports, mainly iron ore and rubber, continues to expose the country to external shocks.

### ***Destination of Exports***

Asia, Europe and North America were the leading export destinations during the quarter. Export receipts from Asia amounted to US\$55.2 million, accounting for 38.7 percent of total export earnings, from 21.1 percent (US\$32.1 million) for the preceding quarter. Europe's share of total exports amounted to US\$38.5 million (27.0 percent), from US\$58.0 million (38.0 percent) at end-March, 2014 (Table 27 & Chart 24). North America recorded 21.4 percent (US\$30.5 million) of total export earnings. Intra-regional ECOWAS export trade has been weak, despite the ongoing regional trade facilitation and customs reforms.

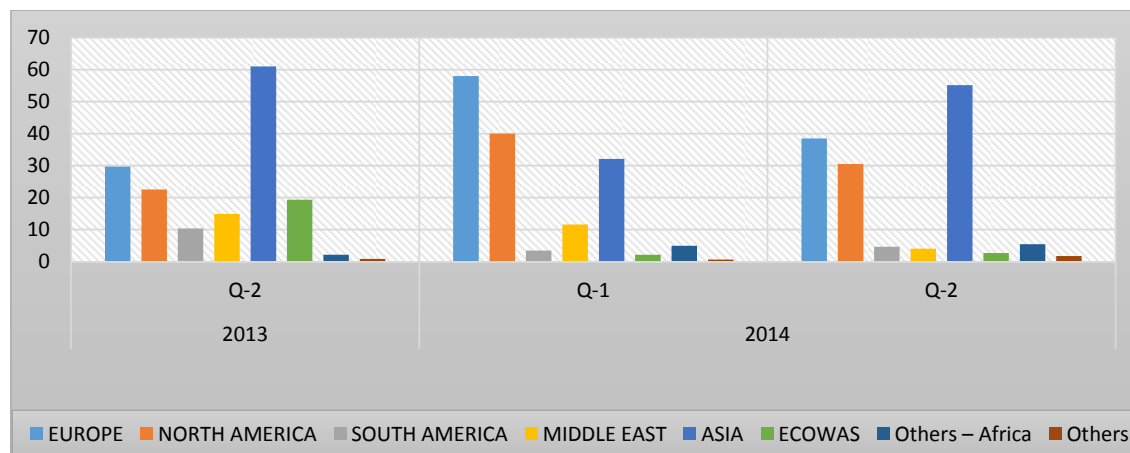


**Table 27: Destination of Exports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(FOB Values In Millions US\$)**

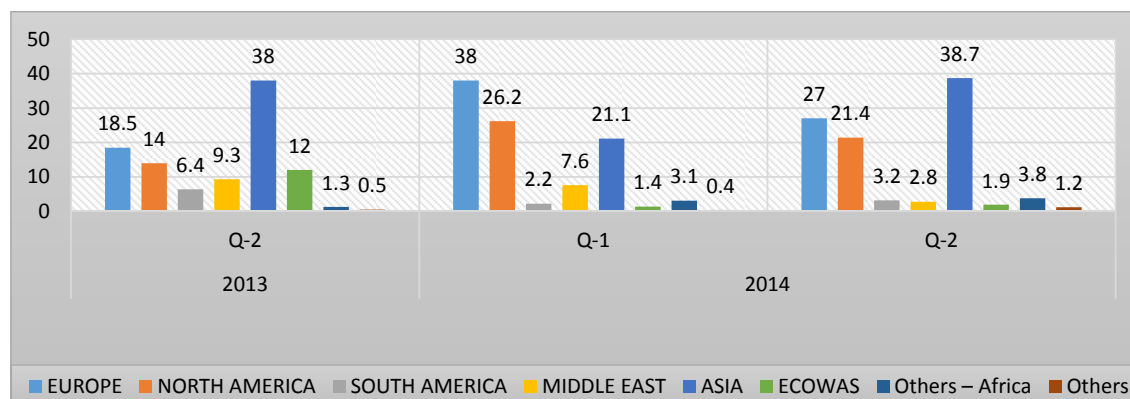
REGIONS	2 <sup>nd</sup> Quarter, 2013		2014			
			1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter**	
	Exports	% Share	Exports	% Share	Exports	% Share
EUROPE	29.7	18.5%	58.0	38.0	38.5	27.0
NORTH AMERICA	22.5	14.0%	40.0	26.2	30.5	21.4
SOUTH AMERICA	10.3	6.4%	3.4	2.2	4.6	3.2
MIDDLE EAST	14.9	9.3%	11.6	7.6	4.0	2.8
ASIA	61.0	38.0%	32.1	21.1	55.2	38.7
ECOWAS	19.3	12.0%	2.1	1.4	2.7	1.9
Others – Africa	2.1	1.3%	4.9	3.1	5.4	3.8
Others	0.8	0.5%	0.6	0.4	1.7	1.2
<b>Total</b>	<b>160.5</b>	<b>100.0 %</b>	<b>126.9</b>	<b>100.0%</b>	<b>142.7</b>	<b>100.0</b>

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

**Chart 24: Destination of Exports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(FOB Values In Millions US\$)**



**Chart 25: Destination of Exports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**Percentage Distribution**



### *Sources of Imports*

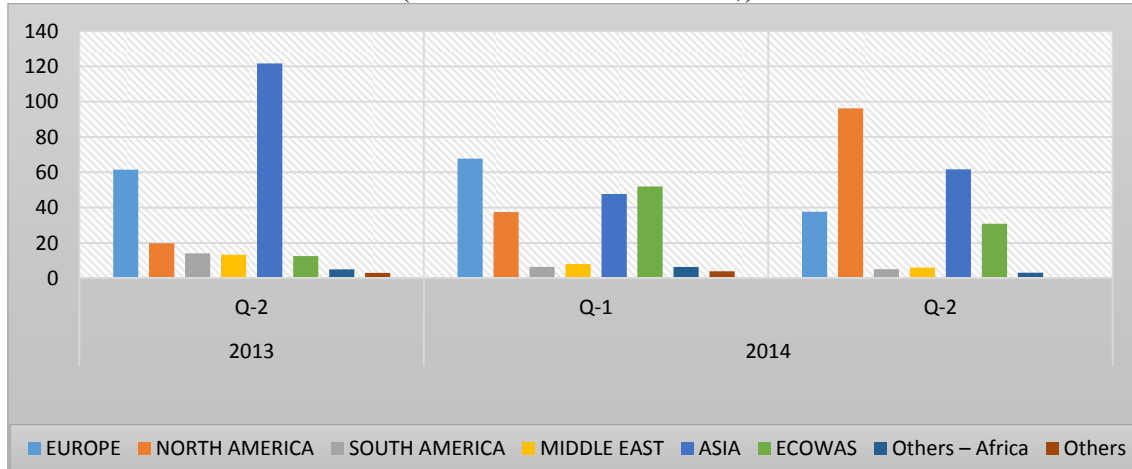
At end-June, 2014, North America accounted for 39.9 percent of Liberia’s import payments, with Asia following next with 25.6 percent. Imports from Europe experienced a sharp decline to 15.6 percent at end-June, from 29.5 percent at end-March, 2014, as both North America and Asia recorded quarterly increases. ECOWAS share of import trade declined to 12.8 percent, largely reflecting lower imports of petroleum products during the quarter.

**Table 28: Sources of Imports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(FOB Values In Millions US\$)**

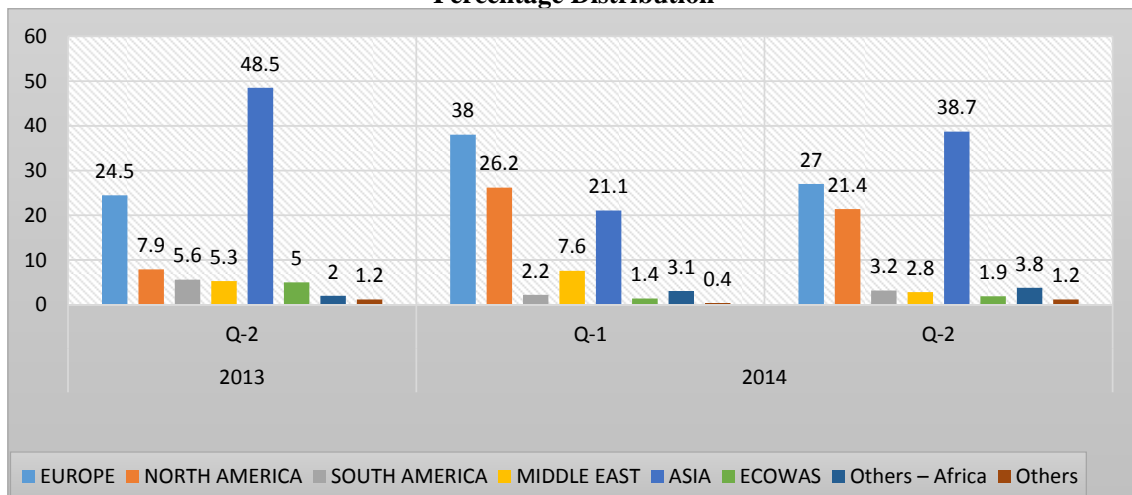
REGION	2 <sup>nd</sup> Quarter, 2013		2014			
			1 <sup>st</sup> Quarter*		2 <sup>nd</sup> Quarter**	
	Imports	% Share	Imports	% Share	Imports	% Share
<b>EUROPE</b>	61.48	24.5%	67.7	29.5	37.6	15.6
<b>NORTH AMERICA</b>	19.82	7.9%	37.4	16.3	96.2	39.9
<b>SOUTH AMERICA</b>	14.05	5.6%	6.4	2.8	5.1	2.1
<b>MIDDLE EAST</b>	13.30	5.3%	8.0	3.5	6.0	2.5
<b>ASIA</b>	121.71	48.5%	47.7	20.8	61.7	25.6
<b>ECOWAS</b>	12.55	5.0%	51.9	22.6	30.9	12.8
<b>Others - Africa</b>	5.02	2.0%	6.4	2.8	3.1	1.3
<b>Others</b>	3.01	1.2%	3.9	1.7	0.5	0.2
<b>Total</b>	<b>250.95</b>	<b>100%</b>	<b>284.4</b>	<b>100.0%</b>	<b>241.1</b>	<b>100</b>

*Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance*

**Chart 26: Sources of Imports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(FOB Values In Millions US\$)**



**Chart 27: Sources of Imports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**Percentage Distribution**



### 3.0 Commodity Price Outlook

Weak external demand for primary commodities (for iron ore and rubber in the case of Liberia), volatile international oil prices as a result of the war in Iraq and instability in Libya and elsewhere in the Middle East and the ongoing Ebola epidemic, will present the major challenges to Liberia’s external performance for the coming quarter and the remainder of 2014.

### ***Iron Ore & Rubber***

On the back of weak external demand, notably as a result of the slowdown in the Chinese economy and political uncertainties in the euro area posed by the ongoing Russian-Ukrainian crisis, iron ore demand is expected to remain on the downside in the near term, with the IMF projecting a 4.0 percent decline in iron ore prices in the second half of 2014.

Largely on account of the ongoing monetary easing in the Eurozone which may boost credit and industrial production, rubber prices are projected to remain broadly stable for the remainder of 2014, though below their pre-2014 levels. The ongoing Ebola epidemic may however, further weaken domestic production and rubber export earnings during the rest of 2014.

### ***Petroleum***

International oil prices are projected to remain volatile for the next quarter and during the remainder of 2014 on account of political and economic uncertainties in the Middle East, notably Iraq, and the outcome of the Russian-Ukrainian crisis.

### ***Rice***

The downward trend in global food prices, mainly rice, as experienced during the last half of 2013, is projected to persist in the near term to be largely driven by expectations of further improved weather conditions and better harvests in major rice-producing countries. The IMF projects rice price to fall by 5.1 percent during the second half of this year compared with the first half.

### **Services**

The deficit on the services sub-account rose by 7.1 percent to US\$233.9 million at the end of the quarter, from US\$226.8 million at end-March, 2014 largely driven by a 49.1 percent increase in service payments coupled with the 66.2 percent decline in service receipts. Compared with the corresponding quarter, net service receipts declined by 11.2 percent. Declines in non-resident travels and other non-resident services as a result of the Ebola crisis led to the fall in service receipts. Increased freights and insurance charges as well as increased travel fares paid by residents accounted for the rise in service payments during the quarter (Table 23).

## Income

The deficit on the income account narrowed by 15.0 percent to US\$168.4 million at end-June, 2014, from US\$198.1 million at end-March, 2014, reflecting similar trend in net investment income during the quarter. Compared with the corresponding quarter in 2013, investment income fell by 42.6 percent during the quarter. The quarterly and annualized declines in investment income during the quarter was largely on account of declining trends of reinvested earnings by non-resident direct investment enterprises in the domestic economy.

## Current Transfers

Net current transfers grew by 23.6 percent to US\$363.0 million at the end of the quarter, from US\$293.8 million at end-March, 2014 largely on the back of the 15.0 percent rise in public transfers (grants) and the US\$28.1 million increase in private transfers (net inward personal remittances) during the quarter. The increases in public and private transfers during the quarter were largely driven by the growing international and personal efforts aimed at combating the deadly Ebola epidemic that began at the end of the preceding quarter. On a year-on-year basis, net current transfer rose by 28.3 percent on account of the 34.1 percent rise in public transfers as private transfers flattened out during the quarter.

## Workers' Remittances

**Table 29: Inward & Outward Workers' Remittances**  
**2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014**  
(In Millions of US\$)

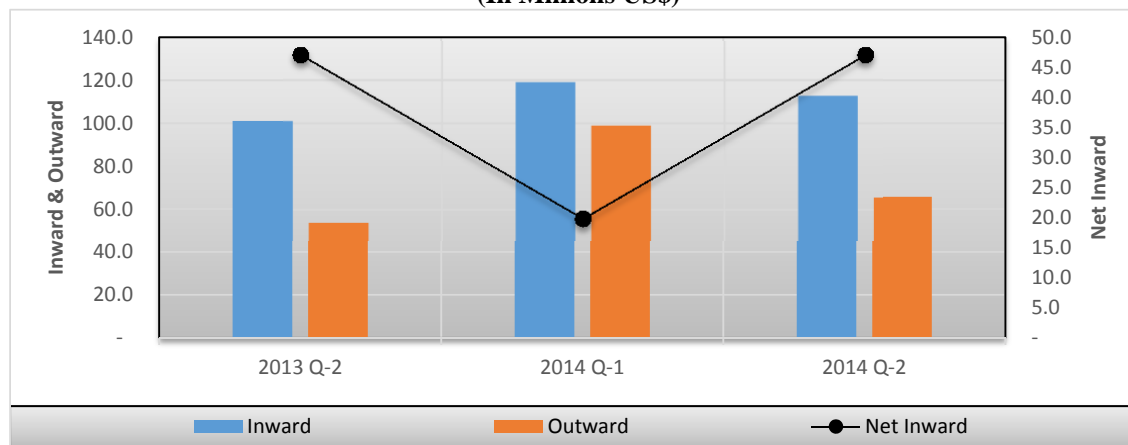
Remittances	2013	2014	
	Q-2	Q-1	Q-2
<b>Inward</b>	<b>101.0</b>	<b>119.0</b>	<b>112.8</b>
<b>Outward</b>	<b>53.9</b>	<b>99.0</b>	<b>65.7</b>
<b>Net Inward</b>	<b>47.1</b>	<b>20.0</b>	<b>47.1</b>

Source: Central Bank of Liberia

At end-June, 2014, net workers' remittances rose by US\$28.1 million to US\$47.1 million, from US\$20.0 million, largely on account of the 33.7 percent fall in outward remittances. The decline in outward remittances during the quarter largely reflected the decreased presence of resident and non-resident expatriates in Liberia during the quarter as a result of the Ebola outbreak. Compared with the corresponding quarter in 2013, net inward remittances leveled out as the 11.6 percent rise in inward remittances was matched against a 21.9 percent increase in outward remittances. Net inward remittances are projected to surge for the remainder of

2014 on account of increased personal efforts to assist residents by non-residents in the wake of the ongoing Ebola outbreak.

**Chart 28: Inward & Outward Workers' Remittances**  
**2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014**  
(In Millions US\$)



### 5.3 Financial & Capital Account

#### 5.3.1 The Capital Account & Financial Account

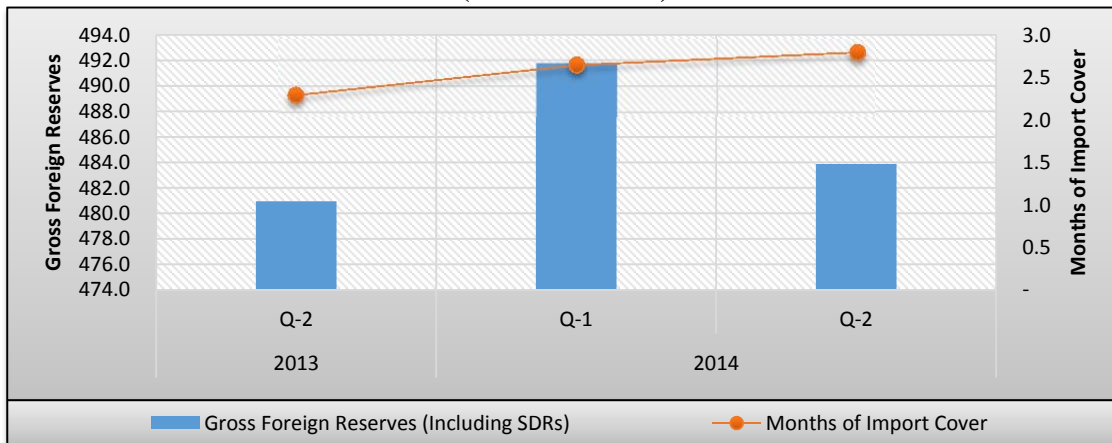
The capital and financial account balance declined by 2.2 percent to US\$342.7 million at end-June, 2014, from US\$350.4 million at end-March, 2014, largely on account of a 13.4 percent fall in the financial account that outpaced the 12.6 percent rise in capital transfers during the quarter. The decline in the financial account balance at end-June, 2014 was largely on account of the fall in direct investment in the domestic economy, mainly in the form of reduced reinvestment of earnings, in the wake of the ongoing public health crisis. Direct investment fell by 15.0 percent to US\$69.4 million at end-June, 2014, from US\$81.6 million at end-March, 2014. Capital transfers rose by 12.6 percent during the quarter (Table 23). Compared with the corresponding quarter in 2013, the capital & financial account balance rose by 14.1 percent at end-June, 2014, largely driven by the 47.1 percent rise in capital transfers.

### 6.0 International Reserves

At end-June, 2014, gross foreign reserves (excluding SDR holdings) fell by 3.6 percent to US\$209.4 million, from US\$217.3 million at end-March, 2014. Compared with the corresponding quarter in 2013, gross international reserves declined by 9.5 percent at the end of the quarter. At end-June, 2014, gross international reserves (including SDR holdings of US\$274.4 million) in months of import cover stood at 2.8 months, from 2.6 months at end-

March, 2014. Liberia remains below the West African Monetary Zone (WAMZ) minimum threshold of 3.0 months of gross foreign reserves in months of import cover (Chart 29).

**Chart 29: Gross External Reserves in Months of Imports Cover**  
**3<sup>rd</sup> Quarter, 2012; 2<sup>nd</sup> & 3<sup>rd</sup> Quarters, 2013**  
**(In Million US\$)**



# STATISTICAL APPENDIX



**PART A: REAL SECTOR**

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Table A-2:	Key Agricultural Production (2 <sup>nd</sup> Quarter, 2013; 1 <sup>st</sup> & 2 <sup>nd</sup> Quarters, 2014)
Table A-3:	Key Industrial Output (2 <sup>nd</sup> Quarter, 2013; 1 <sup>st</sup> & 2 <sup>nd</sup> Quarters, 2014)
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Table B-2:	Commercial Bank's Interest Rates (2 <sup>nd</sup> Quarter, 2013; 1 <sup>st</sup> & 2 <sup>nd</sup> Quarters, 2014)
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Table B-8:	Foreign Exchange Sale Auction (2 <sup>nd</sup> Quarter 2013; 1 <sup>st</sup> & 2 <sup>nd</sup> Quarters, 2014)
Table B-9:	Government of Liberia Treasury Bill Auction (Jan-Jun, 2014)

**PART C: FISCAL SECTOR**

Table C-1: Government of Liberia's Fiscal Sector Indicators (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Table C-2: Government of Liberia's Total Revenue by Sources (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Table C-3: Government of Liberia's Total Expenditure (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Table C-4: Liberia Overall Public Debt Position by Composition as at June 30, 2014

Table C-5: Liberia Overall Public Debt Position by Creditors as at June 30, 2014

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Table D-1: Liberia's Quarterly Balance of Payments<sup>2</sup> (*In Million US Dollars*)

Table D-2: Balance of Trade (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Table D-3: Commodity Composition of Exports (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Table D-4: Commodity Composition of Imports (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Table D-5: Destination of Exports (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

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Table D-7: Inward & Outward Workers' Remittance (2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

**Table 1: Growth of Selected Global Output**

	2012	2013	Projections		Difference from April	
			2014	2015	2014 WEO Update	
<b>World Output</b>	<b>3.5</b>	<b>3.2</b>	<b>3.4</b>	<b>4.0</b>	<b>-0.3</b>	<b>0.0</b>
<b>Advanced Economies</b>	<b>1.4</b>	<b>1.3</b>	<b>1.8</b>	<b>2.4</b>	<b>-0.4</b>	<b>0.1</b>
United States	2.8	1.9	1.7	3.0	-1.1	0.1
Euro Area	-0.7	-0.4	1.1	1.5	0.0	0.1
Japan	1.4	1.5	1.6	1.1	0.3	0.0
United Kingdom	0.3	1.7	3.2	2.7	0.4	0.2
Canada	1.7	2.0	2.2	2.4	-0.1	0.0
<b>Emerging Market and Developing Economies</b>	<b>5.1</b>	<b>4.7</b>	<b>4.6</b>	<b>5.2</b>	<b>-0.2</b>	<b>-0.1</b>
Commonwealth of Independent States	3.4	2.2	0.9	2.1	-0.1	-1.1
<b>Emerging and Developing Asia</b>	<b>6.7</b>	<b>6.6</b>	<b>6.4</b>	<b>6.7</b>	<b>-0.2</b>	<b>-0.1</b>
China	7.7	7.7	7.4	7.1	-0.2	-0.2
India	4.7	5.0	5.4	6.4	0.0	0.0
<b>Latin America &amp; the Caribbean</b>	<b>2.9</b>	<b>2.6</b>	<b>2.0</b>	<b>2.6</b>	<b>-0.5</b>	<b>-0.3</b>
<b>Middle East , North Africa, Afghanistan, &amp; Pakistan</b>	<b>4.2</b>	<b>2.4</b>	<b>3.2</b>	<b>4.4</b>	<b>-0.1</b>	<b>-0.3</b>
<b>Sub-Saharan Africa</b>	<b>5.1</b>	<b>5.4</b>	<b>5.4</b>	<b>5.8</b>	<b>0.0</b>	<b>0.2</b>
<b>Consumer Prices</b>						
Advanced Economies	2.0	1.4	1.6	1.7	0.1	0.1
Emerging and Developing Economies	6.1	5.9	5.4	5.3	-0.1	0.1

Source: IMF World Economic Outlook Update: July, 2014

**Table 2: Key Agricultural Production**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014	2 <sup>nd</sup> Quarter, 2014
Rubber	Mt.	15,612	14,584	11,106
Cocoa Beans	Mt.	2,485	2,012	818
Coffee	Mt.	92	-	-
Round Logs	Mt.	30,909	6,869	52,057*
Sawn Timber	Pcs.	183,447	192,433	273,115

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

\* Preliminary

**Table 3: Key Industrial Output**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014	2 <sup>nd</sup> Quarter, 2014
<b>Mining</b>				
Gold	Ounces	4,235	4,059	6,637
Diamond	Carat	14,765	17,623	19,555
Iron Ore	Mt.	1,205,375	1,440,430	1,357,825
<b>Manufacturing</b>				
Cement	Mt.	53,876	93,310	93,296
Spirit	Litre	94,504	92,301	104,690
Beer	Litre	2,607,009	1,981,911	1,910,314
Stout	Litre	1,466,293	1,435,302	1,152,463
Malta	Litre	265,811	207,908	141,538
Soft Drink	Litre	3,797,798	3,272,960	3,318,278
Oil Paint	Gal.	20,833	29,197	23,680
Water Paint	Gal.	26,407	43,296	35,183
Varnish	Gal.	3,002	3,689	2,326
Wall Putty		3,329	1,112	3,125
Manoline Hair Grease	Gal.	12,508	7,342	2,176
Thinner	Gal.	3,943	1,729	2,528
Rubbing Alcohol	Litre	58,701	59,510	78,792
Soap	Kg.	96,404	70,876	62,465
Chlorox	Litre	190,870	208,383	233,712
Candle	Kg.	36,425	65,048	51,282
Mattresses	Pcs.	27,366	35,520	29,997
Finished Water	Gal.	491,191,713	429,035,601	500,822,966
Mineral Water	Gal.	2,387,828	2,252,243	1,204,373

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

**Table 4: Consumption of Petroleum Product**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)

Commodity	Unit	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014	2 <sup>nd</sup> Quarter, 2014
Premium (PMS)	Gallon	9,061,551	7,468,890	6,166,612
Diesel (AGO)	Gallon	10,956,020	12,381,596	11,587,291
Jet-Fuel (Jet-A)	Gallon	879,463	2,700,234	3,313,628
Kerosene (ATK)	Gallon	-	-	-
<b>Total</b>		<b>20,897,034</b>	<b>22,550,720</b>	<b>21,067,531</b>

*Source: Ministry of Commerce, Monrovia, Liberia*

**Table 5: Vessel Traffic and Cargo Movement  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

QUARTER	No. of Vessels	Vessel Weight (SDWT)	Cargo Tonnage (in Metric tons)		
			Import	Exports	Total
2 <sup>nd</sup> Quarter, 2013	167	3,775,207	623,204	1,339,641	<b>1,962,845</b>
1 <sup>st</sup> Quarter, 2014	152	4,748,857	516,147	1,628,422	<b>2,144,568</b>
2 <sup>nd</sup> Quarter, 2014*	174	6,067,606	659,264	1,653,621	<b>2,312,885</b>

Source: National Port Authority

NB: Summer Dead Weight Tons = SDWT

\* Estimate

**Table 6: Headline and Quarterly Changes in CPI (%)**

	Headline Inflation (yr.-on-yr. changes)			Monthly Changes in HCPI (%)		
	Combined	Food	Non-Food	Combined	Food	Non-Food
Jan-12	8.9	11.9	6.0	0.6	0.8	0.5
Feb	10.3	14.0	6.6	1.8	3.1	0.5
Mar	8.7	12.8	6.6	-1.4	-2.7	0.0
Apr	7.7	11.7	3.8	-0.5	-1.1	0.1
May	6.7	10.4	3.1	0.5	0.4	0.7
Jun	7.1	11.2	3.0	2.0	3.8	0.2
Jul	3.6	5.6	1.5	1.6	3.5	-0.5
Aug	4.2	7.5	0.7	1.6	3.7	-0.8
Sep	5.7	9.6	1.6	-1.1	-2.8	0.9
Oct	4.8	6.1	3.5	1.1	0.3	1.9
Nov	7.3	11.5	2.9	0.8	2.2	-0.7
Dec	7.7	12.2	3.0	0.5	0.7	0.3
Jan-13	8.0	13.4	2.3	0.9	1.9	-0.2
Feb	5.5	7.7	3.0	-0.6	-2.1	1.1
Mar	8.4	13.7	2.8	1.3	2.6	-0.1
Apr	8.7	15.0	2.1	-0.2	0.0	-0.6
May	6.5	9.9	3.0	-1.5	-4.1	1.5
June	7.0	11.1	2.6	2.6	4.9	-0.1
July	7.1	8.8	5.2	1.7	1.3	2.0
Aug	7.5	8.1	6.7	1.9	3.1	0.6
Sep	8.2	9.1	7.1	-0.5	-1.9	1.3
Oct	8.5	11.6	5.1	1.4	2.6	0.0
Nov	7.0	8.1	5.8	-0.6	-1.0	-0.1
Dec	8.5	7.7	9.4	1.9	0.4	3.7
Jan-14	7.7	5.6	10.2	0.1	-0.2	0.5
Feb	7.9	6.4	9.5	-0.4	-1.3	0.5
Mar	8.9	5.5	12.9	2.3	1.7	3.0
Apr	9.8	5.4	14.9	0.6	0.0	1.2
May	9.6	7.3	12.1	-1.7	-2.4	-1.0
June	11.7	9.2	14.6	4.5	6.8	2.1

Source: The Central Bank of Liberia & the Liberia Institute for Statistics & Geo-Information Services

**Table 7: Inflation by sub-groups: Year-on-Year Changes in CPI (percent):  
2013-2014**

**INFLATION BY SUB-GROUPS: YEAR-ON-YEAR CHANGES IN HCPI(%): 2013-2014**

<b>Food Group</b>	<b>Weight</b>	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q1-14</b>	<b>Q2-14</b>	<b>Non-Food Group</b>	<b>Weight</b>	<b>Q1-13</b>	<b>Q2-13</b>	<b>Q1-14</b>	<b>Q2-14</b>
Fresh, Chilled or Frozen fish	<b>4.33</b>	6.06	3.82	1.091	17.40	Alcoholic Beverages, Tobacco	<b>3.03</b>	2.92	5.51	10.29	14.45
Dried, smoked or salty fish and seafood	<b>2.58</b>	19.69	-4.11	-1.52	21.34	Clothing & Footwear	<b>7.75</b>	1.02	0.93	16.58	21.03
Leaf and stem vegetables	<b>2.31</b>	1.56	17.29	4.14	9.48	Housing, Water, Elect, Gas & Fuels	<b>12.00</b>	0.12	0.26	0.55	1.67
Sugar	<b>1.27</b>	-3.94	-0.57	7.25	9.87	Furnish, H/H Equip, & Rout Maint	<b>5.25</b>	-1.63	0.97	18.65	19.07
Salt, spices and culinary herbs	<b>0.45</b>	69.05	4.60	18.99	25.16	Health	<b>3.91</b>	-1.08	-1.08	11.82	18.42
Coffee	<b>0.62</b>	9.64	13.19	32.52	45.03	Transport	<b>6.11</b>	10.78	6.18	11.24	17.02
						Communications	<b>1.53</b>	0.15	0.11	1.30	1.76
						Recreation & Culture	<b>3.85</b>	6.61	8.08	10.48	10.22
						Education	<b>3.20</b>	0.00	0.00	0.00	0.00
						Hotel & Restaurants	<b>4.64</b>	2.43	2.73	13.31	18.24
						Miscellaneous gds. & serv.	<b>3.53</b>	5.37	4.52	16.03	21.40

Source: The Central Bank of Liberia & the Liberia Institute for Statistics & Geo-Information Services

**Table 8: Harmonized Consumer Price Index (HCPI) By Major Groups**  
**Year - on - Year Rates of Inflation**  
**(2<sup>nd</sup> Quarter,2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(December, 2005 = 100)**

FUNCTION	WEIGHT	Apr-13	May-13	Jun-13	2 <sup>nd</sup> Quarter	Jan-14	Feb-14	Mar-14	1 <sup>st</sup> Quarter	Apr-14	May-14	Jun-14	2 <sup>nd</sup> Quarter
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	45.20	15.01	9.89	11.10	<b>12.00</b>	5.55	6.40	5.48	<b>5.81</b>	5.42	7.28	9.17	<b>7.29</b>
ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	3.03	4.73	3.98	7.80	<b>5.51</b>	11.81	8.66	10.40	<b>10.29</b>	15.43	14.05	13.86	<b>14.45</b>
CLOTHING AND FOOTWEAR	7.75	-0.06	0.31	2.53	<b>0.93</b>	14.89	15.17	19.67	<b>16.58</b>	22.77	18.01	22.30	<b>21.03</b>
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	12.00	1.02	-0.18	-0.05	<b>0.26</b>	0.07	-0.24	1.83	<b>0.55</b>	2.62	0.79	1.59	<b>1.67</b>
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	5.25	-5.43	1.37	6.97	<b>0.97</b>	23.00	12.06	20.04	<b>18.37</b>	27.42	17.22	12.56	<b>19.07</b>
HEALTH	3.91	-3.25	0.00	0.00	<b>-1.08</b>	5.19	8.12	22.15	<b>11.82</b>	22.15	15.91	17.21	<b>18.42</b>
TRANSPORT	6.11	9.62	8.67	0.25	<b>6.18</b>	8.50	12.59	12.65	<b>11.24</b>	12.98	13.72	24.36	<b>17.02</b>
COMMUNICATION	1.53	0.07	0.11	0.15	<b>0.11</b>	1.43	1.02	1.47	<b>1.30</b>	1.80	1.62	1.87	<b>1.76</b>
RECREATION AND CULTURE	3.85	6.59	9.51	8.15	<b>8.08</b>	9.88	9.64	11.91	<b>10.48</b>	12.75	9.34	8.57	<b>10.22</b>
EDUCATION	3.20	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	<b>0.00</b>
RESTAURANTS AND HOTELS	4.64	2.47	3.49	2.23	<b>2.73</b>	12.60	12.34	14.98	<b>13.31</b>	16.41	14.34	17.40	<b>16.05</b>
MISCELLANEOUS GOODS AND SERVICES	3.53	5.31	4.26	3.99	<b>4.52</b>	15.27	14.11	18.72	<b>16.03</b>	19.91	20.47	23.81	<b>21.40</b>
<b>GENERAL RATES OF INFLATION</b>	<b>100.00</b>	<b>8.69</b>	<b>6.48</b>	<b>7.03</b>	<b>7.40</b>	<b>7.68</b>	<b>7.86</b>	<b>8.91</b>	<b>8.15</b>	<b>9.78</b>	<b>9.58</b>	<b>11.66</b>	<b>10.34</b>

*Source: The Central Bank of Liberia & the Liberia Institute for Statistics & Geo-Information Services*

**Table 9: Commercial Bank Loans by Economic Sector**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In '000' L\$)**

	2013		2014			
	2 <sup>nd</sup> Quarter	Share	1 <sup>st</sup> Quarter	Share	2 <sup>nd</sup> Quarter	Share
Agriculture	1,105,087	4.8	1,782,107	6.3	1,662,566	5.5
Mining & Quarrying	170,136	0.7	134,406	0.5	124,981	0.4
Manufacturing	376,407	1.6	545,044	1.9	581,278	1.9
Construction	2,216,129	9.6	4,419,157	15.6	4,606,376	15.3
Trans., Storage & Comm.	1,363,423	5.9	2,394,505	8.5	2,465,197	8.2
Trade, Hotel & Rest.	9,867,039	42.8	12,788,117	45.2	12,820,169	42.7
Other	7,933,055	34.4	6,212,676	22.0	7,788,930	25.9
<b>Total</b>	<b>23,031,274</b>	<b>100</b>	<b>28,276,011</b>	<b>100</b>	<b>30,049,496</b>	<b>100</b>

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

**Table 10: Commercial Bank's Interest Rates**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

Commercial Banks' Interest Rates	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
Avg. Lending Rate	13.63	13.65	13.68
Avg. Personal Loan Rate	13.91	14.01	14.01
Avg. Mortgage Rate	14.25	14.25	14.30
Avg. Time Deposit Rate	3.86	3.80	4.50
Avg. Savings Rate	2.01	2.00	2.00
Avg. Rate on CDs	2.00	2.99	2.00

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

**Table 11: Market Exchange Rate: Liberia Dollar per US Dollar**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
<b>Market Rate End of Period</b>	76.50	85.50	90.50
<b>Market Rate Period Average</b>	76.54	84.38	89.22

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



**Table12: Monthly Average Buying and Selling Rates of Liberian Dollars per US Dollar  
(2012-June, 2014)**

Period Average	2012		2013		2014	
	Buying	Selling	Buying	Selling	Buying	Selling
January	72.44	73.40	73.46	74.46	83.07	84.07
February	73.00	74.00	74.00	75.00	80.88	81.88
March	73.11	74.11	74.00	75.00	83.88	84.88
April	73.50	74.50	74.54	75.54	86.12	87.12
May	74.41	75.37	75.13	76.13	86.07	87.07
June	75.04	76.04	76.04	77.04	88.72	89.72
July	73.62	74.58	76.56	77.56		
August	72.99	73.99	78.11	79.11		
September	72.84	73.80	79.14	80.14		
October	71.56	72.56	80.07	81.07		
November	71.75	72.75	80.48	81.48		
December	72.00	73.00	81.38	82.38		

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

**Table 13: Liberian Dollars in Circulation  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)**

	2013		2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter
Currency in banks	1,672.50	1,114.0	1,582.8	1,114.0
Currency outside banks	6,474.70	7,706.2	7,446.5	7,706.2
Currency in circulation	8,147.20	8,820.2	9,029.3	8,820.2

*Source: Central Bank of Liberia*

**Table 14: Money Supply and its Sources**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)

Monetary Aggregates	Jun-13	Mar-14	Jun-14	Percent Change	
				Quarterly	y-o-y
<b>Money Supply, M2 (1.1 + 1.2)</b>	<b>48,085.5</b>	<b>54,326.9</b>	<b>52,022.8</b>	-4.24	8.2
<b>1.1 Money Supply, M1</b>	33,117.7	37,061.6	34,399.9	-7.18	3.9
1.1.1 Currency outside banks	6,474.7	7,706.2	7,446.5	-3.37	15.0
1.1.2 Demand deposit <sup>1/</sup>	26,643.0	29,355.4	26,953.4	-8.18	1.2
<b>1.2 Quasi Money</b>	<b>14,967.8</b>	<b>17,265.3</b>	<b>17,623.0</b>	2.07	17.7
Time & Savings deposits	14,902.4	17,226.5	17,550.8	1.88	17.8
Other deposits <sup>2/</sup>	65.4	38.8	72.2	86.10	10.4
<b>Net Foreign Assets</b>	<b>24,080.7</b>	<b>23,515.4</b>	<b>28,138.1</b>	19.66	16.8
2.1 Central Bank	14,788.7	16,486.6	16,450.1	-0.22	11.2
2.2 Banking Institutions	9,292.0	7,028.8	11,688.0	66.29	25.8
<b>Net Domestic Assets (1 - 2)</b>	<b>24,004.8</b>	<b>30,811.5</b>	<b>23,884.7</b>	-22.48	-0.5
<b>3.1 Domestic Credit</b>	<b>41,080.5</b>	<b>56,186.2</b>	<b>54,645.1</b>	-2.74	33.0
3.1.1 Government (net)	15,396.0	22,112.2	19,058.3	-13.81	23.8
3.1.2 Pvt. Sector & Other Pvt. Sector	25,684.5	34,074.0	35,586.7	4.44	38.6
3.2 Other assets Net (3 - 3.1)	17,075.7	25,374.7	30,760.3	21.22	80.1
<b>Memorandum Items</b>	<b>76,506.5</b>	<b>83,778.4</b>	<b>80,899.4</b>	-3.44	5.7
1. Overall Liquidity	48,085.5	54,326.9	52,022.8	-4.24	8.2
2. Reserve Money	28,421.0	29,451.6	28,876.6	-1.95	1.6
Currency outside banks	6,474.7	7,706.2	7,446.5	-3.37	15.0
Banks Reserves	21,946.3	21,745.4	21,430.1	-1.45	-2.4

Source: Central Bank of Liberia, Monrovia, Liberia

<sup>1/</sup>Excludes managers checks from commercial banks.

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

**Table 15: Broad Money: Share of US and Liberian Dollars**  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions L\$)

	2013		2014			
	2 <sup>nd</sup> Quarter	Share	1st Quarter	Share	2nd Quarter	Share
<b>Broad Money</b>	48,085.5	100	54,326.90	100	52,022.8	100
<b>US\$ Component (converted to L\$)</b>	35,451.6	73.7	39,008.30	71.8	37,534.3	72.1
<b>L\$ Component</b>	12,633.9	26.3	15,318.60	28.2	14,488.5	27.9

Source: Central Bank of Liberia, Monrovia, Liberia

**Table 16: Foreign Exchange Sale Auction  
(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)  
(In Millions US\$)**

	2013	2014	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter
<b>FX Sold</b>	26.00	14.45	13.75

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

**Table 17: Government of Liberia Treasury Bill Auction  
(Jan – Jun, 2014)  
(In Liberian Dollar)**

Date	Amount Issued	Value of bid(s) Received	Over/(Under) Subscription	Cut-Off Interest Rate	Weighted Average Discount Rate
12-Jun-14	500,000,000.00	670,000,000.00	170,000,000.00	7.15	6.85
5-Jun-14	173,000,000.00	282,600,000.00	109,600,000.00	4.0	3.32
1-May-14	171,000,000.00	296,200,000.00	125,200,000.00	4.33	3.69
3-Apr-14	85,500,000.00	126,950,000.00	41,450,000.00	4.85	3.58
<b>Total/Ave</b>	<b>929,500,000.00</b>	<b>1,375,750,000.00</b>	<b>446,250,000.00</b>	<b>5.08</b>	<b>4.36</b>
6-Mar-14	83,500,000.00	100,150,000.00	16,650,000.00	5.0	3.9
6-Feb-14	58,300,000.00	58,300,000.00	-22,200,000.00	4.5	3.71
2-Jan-14	82,500,000.00	98,950,000.00	16,450,000.00	3.1	2.51
<b>Total/Ave</b>	<b>224,300,000.00</b>	<b>257,400,000.00</b>	<b>33,100,000.00/ -22,200,000.00</b>	<b>4.20</b>	<b>3.37</b>

*Source: Central Bank of Liberia*

**Table 18: Government of Liberia's Fiscal Sector Indicators**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$\*)**

<b>Indicators</b>	<b>2013</b>	<b>2014</b>	
	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>
Total Revenue & Grants	13,803.99	9,885.92	13,061.20
<i>% of GDP</i>	9.09	5.79	7.65
Total Revenue Excluding Grants	12,670.77	9,885.92	12,613.53
<i>% of GDP</i>	8.34	5.79	7.39
Tax Revenue	7,733.46	8,169.89	10,166.81
<i>% of GDP</i>	5.09	4.79	5.96
Nontax Revenue Including Grants	6,070.53	1,716.03	2,894.39
<i>% of GDP</i>	4.00	1.01	1.70
Nontax Revenue Excluding Grants	4,937.31	1,716.03	2,446.72
<i>% of GDP</i>	3.25	1.01	1.43
Grants	1,133.22	-	447.67
<i>% of GDP</i>	0.75	-	0.26
Total Expenditure	12,624.49	10,897.95	7,134.31
<i>% of GDP</i>	8.31	6.38	4.18
Recurrent Expenditure	11,310.84	9,495.26	7,071.82
<i>% of GDP</i>	7.44	5.56	4.14
Capital Expenditure	1,166.07	1,311.34	12.80
<i>% of GDP</i>	0.77	0.77	0.01
Interest on Debt & Other Charges	147.58	91.36	49.69
<i>% of GDP</i>	0.10	0.05	0.03
Compensation of Employees	4,172.20	3,568.33	3,027.55
<i>% of GDP</i>	2.75	2.09	1.77
Expenditure on Goods and Services	4,131.83	3,642.53	2,882.04
<i>% of GDP</i>	2.72	2.13	1.69
Overall Balance	1,179.50	(1,012.04)	5,926.89
<i>% of GDP</i>	0.78	(0.59)	3.47
Stock of Public Debt (In Millions, US\$)	580.59	643.27	657.99
<i>% of GDP</i>	29.58	31.54	31.42
Stock of External Debt (In Millions, US\$)	284.13	342.24	346.60
<i>% of GDP</i>	14.48	17.46	16.55
Stock of Domestic Debt (In Millions, US\$)	296.46	301.03	311.39
<i>% of GDP</i>	15.10	14.08	14.87
<b>Nominal GDP (In Millions, US\$)</b>	<b>1,962.70</b>	<b>2,094.40</b>	<b>2,094.40</b>

Sources: Ministry of Finance, and Central Bank of Liberia

\*Except otherwise indicated

**Table 19: Government of Liberia's Total Revenue by Sources**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$)**

Revenue Sources	2013	2014		
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	2 <sup>nd</sup> Quarter
	Actual			Projections
<b>A. Tax Revenue</b>	<b>7,733.5</b>	<b>8,169.9</b>	<b>10,166.8</b>	<b>10,776.2</b>
i. International Trade Taxes	2,965.5	3,054.7	3,753.3	4,350.8
<i>Taxes &amp; Duties on Imports</i>	2,957.7	3,047.6	3,735.8	4,330.1
<i>Taxes on Exports</i>	7.7	7.0	17.5	20.7
ii. Taxes on Income & Profits	3,431.2	3,176.1	4,487.2	3,804.4
<i>Individual Taxes on income &amp; profits</i>	2,906.4	2,959.2	4,038.9	3,406.8
<i>Taxes Payable by Corporate Entities</i>	502.8	192.9	424.7	276.8
<i>Others</i>	22.0	23.9	23.6	120.8
iii. Sale Taxes on Goods & Services	1,224.5	1,250.5	1,814.8	2,354.3
<i>Goods &amp; Service Tax</i>	490.9	584.6	660.3	1,007.4
<i>Excise Taxes</i>	93.4	100.9	112.1	118.7
<i>Maritime Revenue</i>	424.8	200.9	187.9	239.5
<i>Others</i>	215.4	364.1	854.5	988.7
iv. Property & Real Estate Taxes	111.5	127.4	110.5	210.5
v. Other Tax Revenue <sup>1</sup>	0.8	561.2	1.0	56.2
<b>B. Non-Tax Revenue</b>	<b>6,070.5</b>	<b>1,716.0</b>	<b>2,894.4</b>	<b>3,786.6</b>
i. Charges & Other Administrative Fees	1,294.1	1,716.0	1,541.1	1,393.7
ii. Grants	1,133.2	-	447.7	1,965.4
iii. Others	3,643.2	-	905.6	427.5
<i>Contingent Revenue</i>	3,265.3	-	-	-
<i>Borrowing</i>	377.9	-	905.6	427.5
<i>Carry Forward</i>	-	-	-	-
<b>Grand Total (A + B)</b>	<b>13,804.0</b>	<b>9,885.9</b>	<b>13,061.2</b>	<b>14,562.7</b>

Source: Ministry of Finance, Republic of Liberia

<sup>1</sup>Tax Revenue not elsewhere mentioned

<sup>2</sup>In CBL Quarterly Reporting System, Fiscal Year (FY) - 4th Quarter, is Annual Year (AY) - 2nd Quarter

**Table 20: Government of Liberia's Total Expenditure**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions, L\$)**

<b>Total Expenditure</b>	<b>2013</b>	<b>2014</b>	
	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter*</b>
<b>Recurrent Expenditure</b>	<b>11,310.8</b>	<b>9,495.3</b>	<b>7,071.8</b>
Salaries & Allowances	4,172.2	3,568.3	3,027.6
Expenditure on Goods & Services	4,131.8	3,642.5	2,882.0
Subsidies	0.9	-	-
Grants	2,979.9	2,262.5	1,147.9
Social Benefits	25.9	21.9	14.3
Others	-	-	-
<b>Capital Expenditure</b>	<b>1,166.1</b>	<b>1,311.3</b>	<b>12.8</b>
Depreciation	4.5	1.6	-
Acquisition of Fixed Assets	1,161.0	1,290.5	12.5
Others	0.5	19.2	0.3
<b>Interest on Debt and Other Charges</b>	<b>147.6</b>	<b>91.4</b>	<b>49.7</b>
On Domestic & Foreign Debts	-	-	-
To Non-Residents	147.6	91.4	49.7
Others	-	-	-
<b>Other Expenditures<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure</b>	<b>12,624.5</b>	<b>10,898.0</b>	<b>7,134.3</b>

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

*\*Preliminary*

**Table 21: Liberia's Overall Public Debt Position by Composition**  
**As At June 30, 2014**  
**(In Millions of US\$)**

<b>Debt Composition</b>	<b>2013</b>	<b>2014</b>	
	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter*</b>
Total External Debt	284.1	342.2	346.6
Total Domestic Debt	296.5	301.0	311.4
<b>Total Public Debt</b>	<b>580.6</b>	<b>643.3</b>	<b>658.0</b>

*Source: Ministry of Finance, Republic of Liberia*

*\*Estimates by CBL*

**Table 22: Liberia's Overall Public Debt Position by Creditors**  
**As At June 30, 2014**  
**(In Millions of US\$)**

<b>Creditors</b>	<b>2013</b>	<b>2014</b>	
	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter*</b>
Multilateral	161.6	220.0	224.5
Bilateral	122.6	122.3	122.1
Commercial Creditors	-	-	-
<b>Total External Debt</b>	<b>284.1</b>	<b>342.2</b>	<b>346.6</b>
Suppliers' Credit (Valid Claims)	1.9	1.9	1.9
Salary & Allowances	3.7	3.7	3.7
Financial Institutions	289.5	294.1	304.5
Pre- NTGL Salary Arrears	1.3	1.3	1.3
Others	-	-	-
<b>Total Domestic Debt</b>	<b>296.5</b>	<b>301.0</b>	<b>311.4</b>
<b>Total Public Debt</b>	<b>580.6</b>	<b>643.3</b>	<b>658.0</b>

*Source: Ministry of Finance, Republic of Liberia*

*\*Estimates by CBL*

**Table 23: Liberia's Quarterly Balance of Payments<sup>4</sup>**  
(In Millions of US\$)

Year	2013	2014		Q-on-Q Change		Y-on-Y Change	
Quarter	Q-2	Q-1	Q-2	Absolute Amt.	% Change	Absolute Amt.	% Change
<b>Current Account Balance</b>	<b>(363.8)</b>	<b>(208.2)</b>	<b>(137.6)</b>	<b>70.6</b>	<b>(33.9)</b>	<b>226.2</b>	<b>(62.2)</b>
Current Account Balance, excluding grants	(430.0)	(482.9)	(453.6)	29.3	(6.1)	(23.6)	5.5
<b>Trade Balance</b>	<b>(90.4)</b>	<b>(77.1)</b>	<b>(98.3)</b>	<b>(21.3)</b>	<b>27.6</b>	<b>(7.9)</b>	<b>8.8</b>
<b>Merchandise Exports (FOB)</b>	<b>160.5</b>	<b>152.5</b>	<b>142.7</b>	<b>(9.8)</b>	<b>(6.4)</b>	<b>(17.8)</b>	<b>(11.1)</b>
<i>Iron ore</i>	88.7	100.6	88.8	(11.8)	(11.7)	0.1	0.1
Rubber	36.6	30.2	21.3	(8.8)	(29.3)	(15.3)	(41.7)
Non-Iron Ore & Rubber Exports	35.2	21.8	32.6	10.8	49.7	(2.6)	(7.4)
<b>Merchandise Imports (FOB)</b>	<b>(250.9)</b>	<b>(229.6)</b>	<b>(241.1)</b>	<b>(11.5)</b>	<b>5.0</b>	<b>9.9</b>	<b>(3.9)</b>
Oil (Petroleum)	57.3	75.8	63.7	(12.1)	(15.9)	6.4	11.1
Rice	30.3	11.8	10.0	(1.9)	(15.7)	(20.3)	(67.0)
<i>Machinery &amp; Transport Equipment</i>	50.9	57.6	48.6	(8.9)	(15.5)	(2.2)	(4.4)
Others	112.4	84.4	118.7	34.3	40.7	6.3	5.6
<b>Services (Net)</b>	<b>(262.9)</b>	<b>(226.8)</b>	<b>(233.9)</b>	<b>(7.1)</b>	<b>3.1</b>	<b>29.0</b>	<b>(11.0)</b>
<i>Receipts</i>	112.6	110.3	44.1	(66.2)	(60.0)	(68.5)	(60.8)
Payments	(375.5)	(327.1)	(278.1)	49.1	(15.0)	97.4	(26.0)
<b>Income (Net)</b>	<b>(293.4)</b>	<b>(198.1)</b>	<b>(168.4)</b>	<b>29.7</b>	<b>(15.0)</b>	<b>125.0</b>	<b>(42.6)</b>
<i>Investment income (net)</i>	(293.4)	(198.1)	(168.4)	29.7	(15.0)	125.0	(42.6)
Other Income	-	-	-	-	-	-	-
<b>Current transfers (Net)</b>	<b>282.9</b>	<b>293.8</b>	<b>363.0</b>	<b>69.3</b>	<b>23.6</b>	<b>80.1</b>	<b>28.3</b>
<i>Public transfers (net)</i>	235.6	274.8	316.0	41.2	15.0	80.4	34.1
Grants (net)	235.6	274.8	316.0	41.2	15.0	80.4	34.1



<b>Private transfers (net)</b>	<b>47.3</b>	<b>19.0</b>	<b>47.1</b>	<b>28.0</b>	<b>147.3</b>	<b>(0.2)</b>	<b>(0.5)</b>
<i>Workers' Remittances (net)</i>	<i>47.1</i>	<i>19.0</i>	<i>47.1</i>	<i>28.0</i>	<i>147.3</i>	<i>(0.0)</i>	<i>(0.0)</i>
<b>Capital &amp; Financial Account</b>	<b>300.3</b>	<b>350.4</b>	<b>342.7</b>	<b>(7.7)</b>	<b>(2.2)</b>	<b>42.4</b>	<b>14.1</b>
<b>Capital Transfers (Net)</b>	<b>115.7</b>	<b>151.1</b>	<b>170.1</b>	<b>19.0</b>	<b>12.6</b>	<b>54.4</b>	<b>47.1</b>
<b>Financial Account</b>	<b>184.6</b>	<b>199.3</b>	<b>172.5</b>	<b>(26.8)</b>	<b>(13.4)</b>	<b>(12.1)</b>	<b>(6.5)</b>
Direct investment in reporting economy	78.3	81.6	69.4	(12.2)	(15.0)	(8.9)	(11.4)
Direct investment abroad	-	-	-	-	-	-	-
<b>Portfolio Investment (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Other Investment (Net)</i>	<i>101.3</i>	<i>98.7</i>	<i>111.0</i>	<i>12.3</i>	<i>12.5</i>	<i>9.7</i>	<i>9.6</i>
Trade Credit	63.9	57.1	59.6	2.4	4.3	(4.4)	(6.9)
<b>Reserve Assets</b>	<b>5.0</b>	<b>(23.7)</b>	<b>(7.9)</b>	<b>15.8</b>	<b>(66.6)</b>	<b>(12.9)</b>	<b>(257.9)</b>
<i>Errors and Omissions</i>	<i>(135.9)</i>	<i>(290.9)</i>	<i>(199.5)</i>	<i>91.4</i>	<i>(31.4)</i>	<i>(63.6)</i>	<i>46.8</i>
<b>OVERALL BALANCE/1</b>	<b>(199.4)</b>	<b>(148.7)</b>	<b>5.6</b>	<b>154.2</b>	<b>(103.7)</b>	<b>205.0</b>	<b>(102.8)</b>
<b>Financing</b>	<b>199.4</b>	<b>148.7</b>	<b>(5.6)</b>	<b>(154.2)</b>	<b>(103.7)</b>	<b>(205.0)</b>	<b>(102.8)</b>
<i>Changes in Gross Foreign Reserves</i>	<i>5.0</i>	<i>(23.6)</i>	<i>(7.9)</i>	<i>15.7</i>	<i>(66.6)</i>	<i>(12.9)</i>	<i>(256.8)</i>
<b>Memorandum Items</b>							
<i>Annual Nominal GDP (millions US\$) Estimate</i>	<i>1,945.8</i>	<i>2,119.1</i>	<i>2,119.1</i>				
<i>Average Quarterly Merchandise (CIF) &amp; Service Imports</i>	<i>208.8</i>	<i>185.6</i>	<i>173.0</i>				
<i>Current Account balance as % of Quarterly Estimated GDP*</i>	<i>(75.8)</i>	<i>(46.5)</i>	<i>(26.3)</i>				
<i>Gross External Reserves (Including SDR Holdings) at end of Quarter</i>	<i>480.9</i>	<i>491.8</i>	<i>483.9</i>				
<i>Gross External Reserves in months of import(CIF) Cover</i>	<i>2.3</i>	<i>2.6</i>	<i>2.8</i>				

Source:

Central Bank of Liberia (CBL)

**Table 24: Balance of Trade**  
**2<sup>nd</sup> Quarter, 2013; & 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014**  
**(In Thousands of US\$)**

	2 <sup>nd</sup> Quarter, 2013	1 <sup>st</sup> Quarter, 2014*	2 <sup>nd</sup> Quarter, 2014**
<b>Total Export</b>	<b>160,542.5</b>	<b>152,539.9</b>	<b>142,733.8</b>
<b>Total Imports (F.O.B)</b>	<b>250,948.0</b>	<b>229,555.1</b>	<b>241,060.9</b>
<b>Total Trade</b>	<b>411,490.4</b>	<b>382,095.1</b>	<b>383,794.7</b>
<b>Trade Balance</b>	<b>(90,405.5)</b>	<b>(77,015.2)</b>	<b>(98,327.1)</b>

*Sources: Ministry of Commerce & Industry, BIVAC, Firestone Liberia, Ministry of Lands, Mines & Energy, Forestry Development Authority*

*+Imports are measured on FOB basis consistent with applications in the Balance of Payments compilation,*

*\*Revised*

*\*\*Provisional*

**Table 25: Commodity Composition of Exports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**

Commodity Composition of Exports	Unit	2nd Quarter, 2013		1st Quarter, 2014		2nd Quarter, 2014	
		Volume '000'	Value In '000' US\$	Volume '000'	Value In '000' US\$	Volume In '000'	Value In '000' US\$
<b>Rubber</b>	<b>Mt.</b>	<b>15.6</b>	<b>36,637.7</b>	<b>14.6</b>	<b>30,183.2</b>	<b>11.1</b>	<b>21,349.0</b>
Cocoa Beans	Mt.	3.7	1,209.0	2.2	1,602.3	0.5	375.0
Coffee Beans	Mt.	-	-	-	-	0.0	7.2
<b>Iron Ore</b>	<b>Mt.</b>	<b>1,205.4</b>	<b>88,730.9</b>	<b>1,440.4</b>	<b>100,600.4</b>	<b>1,357.8</b>	<b>88,814.8</b>
Diamond	Carat	14.8	4,918.3	17.6	6,973.7	19.6	8,015.6
Gold	Ounce	4.2	4,687.5	4.1	3,954.1	6.6	6,537.8
Round Logs	m3	22.8	5,924.0	34.2	6,956.0	47.5	7,644.7
Others1		-	18,435.1	-	2,270.3	-	9,989.7
<b>Total</b>		-	<b>160,542.5</b>	-	<b>152,539.9</b>	-	<b>142,733.8</b>

*Sources: Ministry of Commerce & Industry, Ministry of Lands, Mines & Energy, Forestry Development Authority, Firestone Liberia Ltd.*

**Table 26: Commodity Composition of Imports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(In Millions of US\$)**

Commodity	2 <sup>nd</sup> Quarter, 2013		1 <sup>st</sup> Quarter, 2014		2 <sup>nd</sup> Quarter, 2014	
	Amount	% Share	Amount	% Share	Amount	% Share
Food and Live Animals	50,625.9	20.2	26,735.0	11.6	32,229.7	13.4
O/w Commercial Rice	30,270.9	12.1	10,277.5	4.5	9,980.2	4.1
O/w Non-commercial Rice	6.1	0.0	-	-	10.7	0.0
Beverages and Tobacco	22,268.6	8.9	21,025.7	9.2	24,091.0	10.0
Crude Materials & Inedible except Fuel	3,150.2	1.3	3,215.5	1.4	4,041.6	1.7
Minerals, Fuel & Lubricants	72,597.2	28.9	80,912.4	35.2	81,963.2	34.0
<b>O/w Petroleum Products</b>	<b>64,315.3</b>	<b>25.6</b>	<b>77,759.0</b>	<b>33.9</b>	<b>74,189.1</b>	<b>30.8</b>
Animals and Vegetable Oil	19,503.5	7.8	18,551.3	8.1	16,935.5	7.0
Chemicals & Related Products	26,314.9	10.5	23,617.5	10.3	26,826.3	11.1
Mfg. Goods classified chiefly by Materials	50,890.4	20.3	49,963.5	21.8	48,642.2	20.2
Machinery & Transport Equipment	57,335.8	22.8	65,787.5	28.7	63,713.7	26.4
Misc. Mfg. Articles	5,597.4	2.2	5,534.3	2.4	6,331.4	2.6
<b>TOTAL</b>	<b>250,948.0</b>		<b>229,555.1</b>		<b>241,060.9</b>	
<i>Food &amp; Other Consumables/1</i>	91,549.9	36.5	56,022.2	24.4	64,516.0	26.8

*Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance*  
*/1Excludes Crude Materials & Inedible except Fuel, Minerals, Fuel & Lubricants (including petroleum products), Chemicals & Related Products and Machinery & Transport Equipment*

**Table 27: Destination of Exports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(FOB Values In Millions US\$)**

REGIONS	2 <sup>nd</sup> Quarter, 2013		2014			
			1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter**	
	Exports	% Share	Exports	% Share	Exports	% Share
<b>EUROPE</b>	29.7	18.5%	58.0	38.0	38.5	27.0
<b>NORTH AMERICA</b>	22.5	14.0%	40.0	26.2	30.5	21.4
<b>SOUTH AMERICA</b>	10.3	6.4%	3.4	2.2	4.6	3.2
<b>MIDDLE EAST</b>	14.9	9.3%	11.6	7.6	4.0	2.8
<b>ASIA</b>	61.0	38.0%	32.1	21.1	55.2	38.7
<b>ECOWAS</b>	19.3	12.0%	2.1	1.4	2.7	1.9
<b>Others – Africa</b>	2.1	1.3%	4.9	3.1	5.4	3.8
<b>Others</b>	0.8	0.5%	0.6	0.4	1.7	1.2
<b>Total</b>	160.5	100.0%	<b>126.9</b>	100.0%	142.7	100.0

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

**Table 28: Sources of Imports**  
**(2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014)**  
**(FOB Values In Millions US\$)**

REGION	2 <sup>nd</sup> Quarter, 2013		2014			
			1 <sup>st</sup> Quarter*		2 <sup>nd</sup> Quarter**	
	Imports	% Share	Imports	% Share	Imports	% Share
EUROPE	61.48	24.5%	67.7	29.5	37.6	15.6
NORTH AMERICA	19.82	7.9%	37.4	16.3	96.2	39.9
SOUTH AMERICA	14.05	5.6%	6.4	2.8	5.1	2.1
MIDDLE EAST	13.30	5.3%	8.0	3.5	6.0	2.5
ASIA	121.71	48.5%	47.7	20.8	61.7	25.6
ECOWAS	12.55	5.0%	51.9	22.6	30.9	12.8
Others - Africa	5.02	2.0%	6.4	2.8	3.1	1.3
Others	3.01	1.2%	3.9	1.7	0.5	0.2
<b>Total</b>	<b>250.95</b>	<b>100%</b>	<b>284.4</b>	<b>100.0%</b>	<b>241.1</b>	<b>100</b>

*Sources: BIVAC, Ministry of Commerce & Industry, Customs-Ministry of Finance*

**Table 29: Inward & Outward Workers' Remittances**  
**2<sup>nd</sup> Quarter, 2013; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2014**  
**(In Millions of US\$)**

Remittances	2013	2014	
	Q-2	Q-1	Q-2
<b>Inward</b>	<b>101.0</b>	<b>119.0</b>	<b>112.8</b>
<b>Outward</b>	<b>53.9</b>	<b>99.0</b>	<b>65.7</b>
<b>Net Inward</b>	<b>47.1</b>	<b>20.0</b>	<b>47.1</b>

*Source: Central Bank of Liberia*