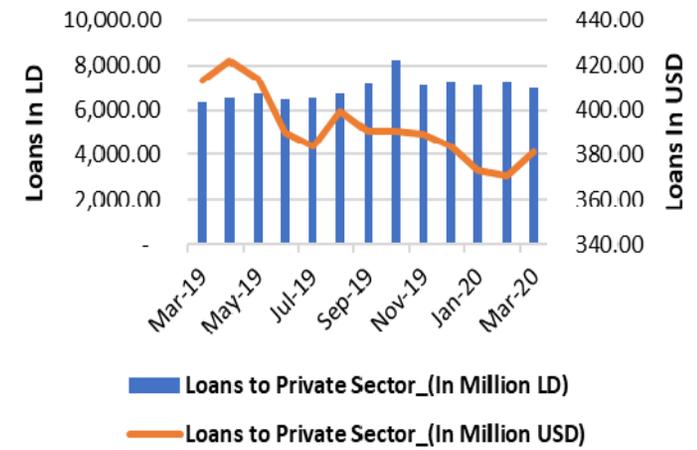




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percent, from US\$300.00 per metric ton.

Cocoa beans

The price of cocoa beans decreased in March 2020 to US\$2,430.0 per metric, from US\$2,730.0 per metric ton in the preceding month. The 10.7 percent rise in the price of the commodity was due mainly to decline in its supply from the two main West Africa countries (Ghana and Cote d'Ivoire). Compared with the same month a year ago, the price of cocoa beans fell modestly by 0.4 percent, from US\$2,440.00 per metric ton.

Table 8: External Sector Statistics: Global Prices

GLOBAL PRICE	Mar - 19	Jan - 20	Feb - 20	Mar - 20	Percent Change	
					MoM	YoY.
	(In price per Unit of Measure)					
Iron ore (US\$/MT)	92.65	95.76	87.68	88.99	1.49	(3.95)
Gold (US\$/Oz)	1,479.13	1,560.67	1,597.10	1,591.93	(0.32)	7.63
Rubber (US\$/MT)	1,660.00	1,680.00	1,610.00	1,500.00	(6.83)	(9.64)
Cocoa Beans (US\$/MT)	2,440.00	2,660.00	2,720.00	2,430.00	(10.66)	(0.41)
Palm oil (US\$/MT)	763.73	810.07	728.81	635.19	(12.85)	(16.83)
Crude oil (US\$/BBL)	63.35	61.63	53.35	32.20	(39.64)	(49.17)
Food Price Index (FAO)	181.50	183.00	180.00	172.20	(4.33)	2.74
Rice_5% broken (US\$/MT)	432.00	451.00	450.00	434.00	9.78	14.35
Sugar (US\$/MT)	300.00	310.00	330.00	260.00	(21.21)	(13.33)
Commodity Price Index	119.91	119.47[†]	111.09	93.88	(15.45)	(21.71)

Source : www.indexmundi.com, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>
† - Revised

Crude oil (Petroleum) price

During the third month of 2020, the price of petroleum fell by 39.6 percent to US\$32.2 per barrel, from the price reported in the previous month. The decline in the price of petroleum was occasioned by weak global crude oil demand induced by the COVID-19 pandemic. Similarly, compared with the price of US\$63.4 per barrel in March 2019, the price of petroleum fell by 49.2 percent per barrel.

Rubber

During the review month, the price of rubber stood at US\$1,610.00 per metric ton, reflecting 4.2 percent decline compared with the preceding month. In addition to the effect of the fungal disease that had persistently affected rubber plantations in key producing economies, the decline in the price of rubber was, to some extent, due to slowing demand by automobile manufacturers. Yearly comparison of the price of rubber showed 3.0 percent slowdown from US\$1,660.00 per metric ton.

Food Price (FAO)¹

FAO Food Price Index showed that the price of food further declined in the third month of the year. Food price index fell by 7.8 percentage points to 172.2 due to sharp decrease in the prices of mainly vegetable oils and sugar. Year-on-year comparison of the index showed that food price rose by 4.6 percentage points, from 167.6.

Rice

Rice price in March 2020 was reported at US\$494.0 per metric ton, reflecting a rise in price by 9.8 percent compared with the price per metric ton in the preceding month. The rise in the price of the commodity during the month was largely due to weak supply of the commodity as a result of export restriction decision by some rice producing countries induced by COVID-19. The Annual comparison of the price of the commodity showed a surge of 14.4 percent, from US\$432.0 per metric ton.

Palm oil

During the month under review, palm oil price decreased for the second consecutive month following January 2020 price rise. The price slowed down by 12.8 percent to US\$635.2 per metric ton mainly on account of rising uncertainties regarding weak global demand associated with the pandemic. Year-on-year comparison of the price of palm oil reflected a fall by 16.8 percent, from US\$763.7 per metric ton.

Sugar

Sugar price reduced during the month by 21.2 percent to US\$260.0 per metric ton. The fall was due to slow global demand for the commodity. Similarly, year-on-year comparison of the price of sugar indicated a decrease of 13.3 per-

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INTRODUCTION

The Monthly Economic Review (MER) is a regular publication of the Central Bank of Liberia (CBL) that provides a snapshot of major developments in key economic sectors (Real, Monetary, Fiscal and External) of Liberia. The MER also highlights the Monetary Policy Stance of the CBL and exchange rate developments in the West African Monetary Zone (WAMZ).

OVERVIEW

During the third month of 2020, production of key commodities in the Liberian economy showed slight rise in growth. Although there was no production of gold and diamond, output of rubber declined during the month. On the other hand, iron ore, beverages and cement showed increases in production during the month compared to the previous month. Headline inflation decreased during the month occasioned largely by decrease in the prices of items related to furnishings, household equipment & routine maintenance. Similarly, core inflation fell mainly on account of reduction in the prices of items relating to restaurants and hotels subgroup and furnishings, household equipment & routine maintenance.

The Monetary policy stance of the CBL continued to be focused on price stability using interest rate-based instruments. During the month, the CBL maintained a tight monetary policy stance using the available monetary policy instruments that included reserves requirements, the CBL bill at different tenors and the standing deposit facility (SDF) to help ease the pressure on the Liberian dollar.

Analysis of monetary aggregates showed that broad money (M2) narrowed during the month. The fall in M2 was due to decline in all its sub-categories. On the asset side, the decrease in M2 was largely on account of reduction in net domestic assets (NDA). Disaggregation of commercial banks loans to private sector showed that the share of United States Dollar (USD) denominated loans increased, while loans exposure in Liberian Dollar (LD) fell. Loans in USD rose on account of increase in credits to oil and gas, manufacturing and individual sectors following fall in credits to individuals and manufacturing in the preceding month. On the other hand, loans in LD declined on account of decreases in loans and advances to extractive, trade, agriculture, services, among others.

The banking sector remained sound and resilient during the month. Performance of few of the indicators improved, including capital adequacy ratio (CAR), Return on Assets (ROA), Return on Equity (ROE) and Liquidity Ratio (LR).

Fiscal operations during the month resulted to a deficit following a surplus recorded in the preceding month. The recorded deficit during the month was mainly occasioned by a rise in expenditure as a result of increases in recurrent expenditure on payment of interest and wages.

Deficit in the trade balance continued and widened during the month compared to the deficit in the previous month, on account of rising merchandise import payments in the face of slump in export receipts. Export earnings declined on the back of a fall in receipt from rubber export coupled with lack of shipment of

0.3 percent to L\$198.06/US\$1.00, while the AVE exchange rate showed depreciation of the Liberian dollar by 0.5 percent to L\$197.83/US\$1.00. In the face of increased net flows of remittances, the marginal depreciation of the Liberian dollar was largely triggered by the high demand for foreign exchange. Compared with the rates reported in the corresponding month a year ago, the EOP and AVE exchange rates showed depreciation of the Liberian dollar by 17.7 percent and 18.0 percent, respectively.

Foreign exchange developments in the West African Monetary Zone (WAMZ) at end-March 2020 showed that five currencies in the WAMZ depreciated, while one currency marginally appreciated. The Gambian Dalasi slightly appreciated against the USD by 0.1 percent to D47.79/US\$1 compared with the rate reported a month ago. For the first time in several months, the Nigerian Naira showed a considerable depreciation. The Naira, the Ghanaian Cedi, the Sierra Leonean Leone, the Liberian dollar and the Guinean Franc depreciated during the month by 14.9 percent, 2.8 percent, 0.6 percent, 0.3 percent and 0.2 percent, respectively, compared with the rates recorded at end-February 2020. Annual comparison of the exchange rate movements in WAMZ showed that all currencies depreciated against the United States Dollar. The Liberian dollar recorded the highest depreciated by 17.7 percent. The Nigerian Naira, the Sierra Leonean Leone, the Ghanaian Cedi, the Guinea Franc and the Gambia Dalasi depreciated respectively by 15.0 percent, 11.6 percent, 6.6 percent 2.9percent and 1.7 percent (Table 7).

Table 7: Exchange Rates: WAMZ Countries End-of-Period Exchange Rates against the US Dollar

Rate & Currency	Mar - 19	Jan - 20	Feb - 20	Mar - 20	Appr (-)/Depr (+)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
End of Period	163.05	195.39	197.57	198.06	(0.25)	(17.68)
Period Average	162.22	192.06	196.76	197.83	(0.54)	(18.00)
WAMZ Currency	Currency per USD				Percent change	
GHC	5.08	5.47	5.29	5.44	(2.76)	(6.59)
GMD	46.99	47.88	47.83	47.79	0.08	(1.67)
GNF	9,105.83	9,350.56	9,365.23	9,381.12	(0.17)	(2.93)
NGN	306.45	307.00	306.95	360.50	(14.85)	(14.99)
SLL	8,675.71	9,737.48	9,753.05	9810.40	(0.58)	(11.57)

Source: CBL, WAMA: www.amao-wama.org/

GHC - Ghanaian Cedi; LD - Liberian Dollar; GMD - Gambian Dalasi; USD - United States Dollar; GNF - Guinean Franc; NGN - Nigerian Naira; SLL—Sierra Leonean Leone; USD - United States Dollar

GLOBAL COMMODITY PRICE DEVELOPMENTS

Iron ore

The price of iron ore reportedly stood at US\$89.0 per metric ton, rising by 1.5 percent, from the price per metric ton in the preceding month. The rise in the price of the metal was occasioned by anticipation of supply disruption from Malaysia and Brazil over policy restriction and weather condition, respectively. When compared with the price in the corresponding month of 2019, iron ore price fell by 4.0 percent.

Trade Statistics	Mar - 19	Jan - 20	Feb - 20	Mar - 20
Direction of Trade (DOT)	(Millions of USD)			
Sources of Import	66.65	59.00	71.33	83.35
o/w Cote d'Ivoire	0.98	6.15	20.78	10.12
o/w China	16.17	11.61	13.01	7.12
o/w United States of America	6.99	3.76	6.10	10.61
o/w India	6.88	5.71	5.81	32.89

Source: LRA (ASYCUDA), AML, MLME, FSL & CBL

/1 Trade data are primarily sourced from LRA (Custom) with larger coverage than BIVAC.

/2 (GIR) is the sum of net foreign liquid asset plus SDR and Reserve tranche less liabilities to CoBs and GoL

Remittances

During the month, the flow of inward personal remittances grew by 5.8 percent to US\$28.8 million, while outflows fell by the same percent to US\$9.8 million, resulting to a net inflow of US\$19.0 million, which was 13.0 percent higher compared with the previous month. Compared with the same month a year ago, net inflows of personal remittance decreased by 23.6 percent, from net inflow of US\$24.9 million in March 2019.

Gross International Reserves

Gross international reserves (GIR) position stood at US\$257.9 million at end-March 2020, rising by 3.1 percent compared with the stock recorded in the preceding month. The moderate increase in GIR in the face of a much higher rise in payments for goods led to a 2.4 months of import cover. The months of import cover during the month is 0.6 months lower than the ECOWAS benchmark of 3.0 months (Table 6).

Direction of Trade (DOT)

During the month, Europe and America remained the main destination of Liberia's exports. France, Germany and Great Britain were the main destinations of exports and constituted 48.3 percent of total export earnings. Commodities exported to those countries were mainly iron ore. Rubber was the key commodity exported during the month to the USA.

Four countries in Asia, Africa and the Americas continued to show dominance as sources of merchandise imports to Liberia. During the month, the payments for imports from India and China together amounted to US\$40.0 million, accounting for 48.0 percent of total payments. Goods imported from India were predominantly rice followed by pharmaceuticals and building materials, while those from China were predominantly vehicle and parts, electronic appliance, as well as other household materials and assorted items. Imports from Cote d'Ivoire were significantly petroleum products, while goods imported from the Americas were mainly medical supplies and food items.

EXCHANGE RATE DEVELOPMENTS

At end-March 2020, using the end-of-period (EOP) and average (AVE) exchange rates, the Liberian dollar depreciated against the US dollar compared with the rates recorded at end-February 2020. Using the EOP exchange rate, the Liberian dollar depreciated by

diamond and gold. Payments for import, on the other hand, rose due to increase in imports related payments for mainly food and live animals (including oil made from animals and vegetable oil).

At the end of the third month of the year, the stock of Gross International Reserves (GIR) rose compared to the preceding month. The increase in payments for imports exceeded the slight rise in GIR during the month, thus leading to an estimated decline in the months of import cover to 2.0 months, from the 2.2 months recorded in the preceding month. Remittances inflows increased during the month, while outflows fell; resulting to a higher net inflow of remittances compared with the amount recorded in the preceding month. The Liberian dollar, based on average and end-of-period exchange rates, depreciated against the United States dollar due, in part, to rise in demand for the foreign currency to facilitate trade.

REAL SECTOR & PRICE DEVELOPMENTS

Production Analyses of Key Commodities

Production statistics for the third month of 2020 showed a slightly improved performance in outputs of key commodities. Compared with output in February 2020, output of rubber decreased, while production of cement, beverages and iron ore increased. Information was unavailable on production of gold and diamond during the month. Output of rubber reduced by 11.5 percent to 4,832 metric tons, from 5,457 metric tons, occasioned by decrease in harvest from small farm holders as a result of the lock down due to the COVID-19 outbreak that disrupted farming activity. Cement production continued its upward trend during the month, increasing by 12.9 percent to 41,195 metric tons, while iron ore production rose by 26.6 percent to 512,606 metric tons. The rise in productions was mainly on account of favorable weather conditions and an anticipated increase in global price of commodity, particularly iron ore. Total beverage production rose by 6.9 percent to 1.1 million liters on account of a sharp rise in production of alcoholic beverages that outweighed reduction in output of non-alcoholic beverage.

Consumer Prices

Headline inflation for March 2020 was reported at 21.7 percent, declining by 4.1 percentage points, from 25.8 percent in February 2020. The decline in headline inflation was largely due to falls in the prices of items related to furnishings, household equipment & routine maintenance, restaurants & hotels, housing, water, electricity, gas & other fuels and clothing & footwear.

Similarly, core inflation¹ decreased by 9.2 percentage points to 16.3 percent in the month, from 25.5 percent at end-February 2020. This decline was mainly due to fall in the prices of items in furnishings, household equipment & routine maintenance and restaurants & hotels subgroups. Month-on-month rate of inflation stood at 1.9 percent; it rose by 0.6 percentage point from 1.3 percent largely due to increases in the prices of items relating to the food & non-alcoholic beverages sub-group. (Table 1).

¹ Consumer price index excluding food and transport prices

Table 1: Production and Price Statistics

Production	Mar - 19	Jan - 20	Feb - 20	Mar - 20
	(In Metric tons, carat and Ounces)			
Iron Ore (Metric ton)	450,822	493,953	404,850	512,606
Gold (Ounces)	18,475	11,999	10,158	na
Diamond (Carat)	4,518	1,800	7,452	na
Rubber (Metric ton)	3,828	3,940	5,457	4,832
Cement (Metric ton)	43,913	36,377	36,482	41,195
Beverages	(In Liters)			
Alcoholic	1,054,194	1,100,087	874,928 [†]	991,139
Non-Alcoholic	886,185	107,261	109,716 [†]	61,332
Total Beverage Production	1,940,379	1,207,348	984,644 [†]	1,052,471
Inflation	(In percent)			
Overall (Y-o-Y) Rate of Inflation	25.79	23.56	25.76	21.72
a. Food and Non-alcoholic Beverages Inflat'n	23.41	22.18	25.26	30.48
-Domestic Food Inflation	28.98	22.68	25.56	34.66
-Imported Food Inflation	18.36	21.89	25.19	27.25
b. Transport Inflation	22.48	29.78	30.55	25.43
c. Imported Fuels Inflation	33.22	14.81	16.49	18.05
Overall (M-o-M) Rate of Inflation	5.25	0.93	1.28	1.88
Core Inflation	(Millions USD, except otherwise specified)			
Inflation less Food & Non-alcoholic Beverages	27.03	24.33	26.02	17.31
Inflation less Imported Food	27.38	23.99	25.93	20.53
Inflation less Domestic Food	19.43	24.01	25.97	19.60
Inflation less Food and Transport	27.59	23.62	25.45	16.31
	(Millions USD, except otherwise specified)			
Nominal GDP Annual	3,024.28[†]	2,858.40[†]	2,858.40[†]	2,858.40[†]
Real GDP Annual	1,400.14 [†]	1,365.12 [†]	1,365.12 [†]	1,365.12 [†]
Real GDP growth rate (in percent)	(2.5) [†]	(2.5) [†]	(2.5) [†]	(2.5) [†]

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, CEMENCO, CBL & LISGIS; IMF & Liberian Authorities; Liberia Mini Model
[†] revised GDP in April 2020

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the CBL remained focused on price stability using interest-rate based instruments to manage Liberian dollar liquidity. In pursuance of its objective, during the month, the Bank used various monetary policy instruments, including reserve requirements, the CBL bill, and the SDF.

Monetary Aggregates

At end-March 2020, broad money supply (M2) declined by 2.4 percent to L\$122,410.0 million, from the stock recorded in the preceding month. The slowdown in M2 was occasioned by falls in currency outside the banking system, demand deposits, time & saving deposits and other deposits by 2.7 percent, 2.4 percent, 2.1 percent and 19.1 percent, respectively. This reduction in M2, from the assets side, emanated from a decrease in net domestic assets (NDA), which offset the growth in net foreign assets (NFA). NDA fell by 10.7 percent due to 9.9 percent decline in net credit to government, while NFA rose by 78.5 percent on the back of a significant increase in foreign currency of the Central Bank. Annual comparison showed that M2 rose by 21.1 percent, due to

However, payments for merchandise imports rose by 16.8 percent to US\$83.4 million (2.9 percent of GDP), from revised 2.5 percent of GDP in February 2020. The rise in imports was largely occasioned by increase in import payments for mainly food & live animals (including animal and vegetable oil). Payments for food more than doubled during the month resulting from excessive increase in imports of commercial rice.

Table 6: External Sector Statistics

Trade Statistics	Mar - 19	Jan - 20	Feb - 20	Mar - 20
External Trade (Value)	(Millions of USD)			
Exports¹	48.54	49.71	46.01	33.35[†]
o/w Iron Ore	20.11	27.00	18.58	18.64
o/w Rubber	4.97	5.50	11.00	9.61
o/w Gold	17.17	14.54	12.84	0.00
o/w Diamond	2.11	0.75	1.92	0.00
o/w Cocoa Bean	0.00	1.36	0.53	1.11
o/w Palm Oil	0.04	0.01	0.05	0.14
Imports (F.O.B)/1	66.65	59.00	71.33	83.35
Minerals, Fuel, Lubricants	3.34	8.88	21.63	12.22
o/w Petroleum Products	0.70	6.00	20.51	9.66
Food and Live Animals (including Animal and vegetable oil)	18.14	16.12	18.63	37.37
o/w Commercial Rice	1.27	0.07	6.32	29.26
o/w Non-commercial Rice	0.68	0.04	0.01	0.00
Machinery & Transport Equipment	18.40	17.37	13.47	10.17
Manufactured goods classified by materials	14.52	7.26	6.09	4.52
Trade Balance	(18.10)	(9.29)	(25.33)	(50.00)
	(In Units as Specified)			
External Trade (Volume)	(In Units as Specified)			
Rubber (MT)	3,828.12	3,940.08	9,489.88	4,831.54
Iron Ore (MT)	489,298.36	563,311.72	415,313.32	341,129.34
Petroleum Products (MT)	3,727.22	9,554.41	36,751.79	8,980.50
Commercial Rice (MT)	3,456.99	80.51	16,451.63	33,066.33
Non-commercial Rice (MT)	1,081.27	80.92	32.39	1.06
Cocoa Beans (MT)	0.00	2,400.00	625.00	1,110.78
Palm Oil (MT)	294.65	15.47	90.27	204.06
Gold (Oz)	18,475.55	11,998.59	10,158.24	0.00
Diamond (Crt)	4,518.17	1,799.85	7,452.41	0.00
Personal Remittances	(Millions of USD)			
Inflows	31.89	23.92	27.24	28.82
Outflows	7.04	10.81	10.43	9.83
Net flows	24.85	13.11	16.81	18.99
Other Indicators	(Millions of USD)			
Import (C.I.F)	74.61	65.50	77.26	91.59
Gross International Reserves (GIR) ²	274.69	251.76	250.21	257.90
Import covers (In Month)	2.3	2.7[†]	2.4	2.4
Direction of Trade (DOT)	(Millions of USD)			
Destination of Export	48.54	48.83	46.01	33.35
o/w France	2.06	4.70	6.74	7.32
o/w United States of America	4.45	4.35	6.48	5.06
o/w Germany	1.57	5.56	1.71	5.55
o/w United Kingdom of Great Britain	0.01	3.28	0.01	3.26

It is, however, worth noting that excluding international trade taxes which grew by 12.5 percent, all others major components of tax revenue declined compared to the preceding month.

On the other hand, Government expenditure, stood at US\$36.0 million (1.3 percent of GDP), showing 33.9 percent rise relative to February 2020. The increase in government expenditure was mainly triggered by increases in spending on current expenditure by 25.0 percent and payments on loans, interest and other charges by US\$2.71 million.

The total stock of public debt at end-March 2020 increased slightly by 2.5 percent, to US\$ 1.5 billion (52.6 percent of GDP). The rise in public debt was led by 4.9 percent increase in multilateral debt. The stock of domestic and external debts amounted to US\$604.4 million (21.1 percent of GDP) and US\$898.7 million (31.4 percent of GDP), respectively. Compared to the same period a year ago, the total stock of public debt increased by 41.6 percent (Table 5).

Table 5. Fiscal Sector Statistics

Fiscal Operations	Mar - 19	Jan - 20	Feb - 20	Mar - 20
	(Millions of USD)			
Government Revenue	38.44	65.87	37.76	33.16
Tax Revenue	33.23	40.90	31.92	28.18
Non-tax Revenue	5.21	18.56	4.84	4.98
Other tax Revenue (inclg grants)	0.00	6.41	1.00	0.00
Government Expenditure by Codes	40.18	58.56	26.87	35.97
Current Expenditure	36.08	53.43	25.81	32.26
Capital Expenditure	3.66	0.05	0.05	0.00
Loans, interest and other Payments	0.44	5.08	1.00	3.71
Overall Balance	(1.74)	7.31	10.89	(2.81)
Public Sector Debt	1,061.57	1,465.41	1,466.19	1,503.08
Domestic	264.86	604.41	604.41	604.41
Financial Sector	264.50	552.71	552.71	552.71
Other Sector	0.37	51.70	51.70	51.70
External	796.70	861.01	861.79	898.68
Multilateral	671.51	747.54	748.32	785.21
Bilateral	125.19	113.47	113.47	113.47

Source: Revenue Department, Expenditure Department and Debt Management Unit, MFDU

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

Preliminary data on merchandise trade showed that trade balance at end-March 2020 remained in deficit and worsened further to US\$50.0 million (1.7 percent of GDP), from US\$25.3 million (0.9 percent of GDP) in the preceding month, driven largely by a significant reduction in earnings from exports.

Merchandise exports reduced by 27.5 percent to US\$33.4 million (1.2 percent of GDP), from earnings recorded in the preceding month. The reduction in earnings was driven by contractions in receipts from mainly sales of rubber owing to decrease in the volume of exports of the commodity coupled with non-export of gold and diamond.

24.2 percent increase in narrow money (M1) and 15.7 percent rise in quasi money. The annual growth in M1 was on account of growths in demand deposits and currency outside banks by 28.5 percent and 12.2 percent, respectively; while the rise in quasi money came on the back of 15.5 percent increase in time & saving deposits as well as 29.9 percent expansion in other deposits.

Commercial banks' loans to private sector is denominated in both United States and Liberian dollars. During the month, the components of commercial banks' loans to private sector denominated in United States dollar rose, while the share denominated in Liberian dollar declined. The US dollar share of private sector credit expanded by 2.8 percent to US\$381.0 million as a result of increases in credits to oil & gas, individuals, manufacturing and trade sectors. The Liberian dollar component of credit to private sector declined by 3.5 percent to L\$6,949.9 million on account of decreases in loans and advances to extractive, manufacturing, trade, agriculture, services and oil & gas sectors of the economy. Compared with March 2019, private sector credit in Liberian dollar rose by 9.0 percent, while the US dollar component fell by 7.8 percent.

At the end of the month, all deposits converted into Liberian dollar stood at L\$103.1 billion (18.2 percent of GDP), decreasing by 2.4 percent compared with the 18.7 percent of GDP reported in the preceding month (Table 2).

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Mar - 19	Jan - 20	Feb - 20	Mar - 20
	(In Millions)			
Liberian Dollars in Circulation - (LD)	18,693.99	21,121.09	21,026.19	20,925.93
Money Supply (M1) in LD only	24,764.81	28,899.74	29,148.03	28,401.40
Broad money (M2) in LD only	32,103.47	37,276.09	37,320.62	35,858.65
M2 (in both LD & USD) Converted to LD	101,062.61	122,750.97	125,473.19	122,409.97
Net Foreign Assets (NFA) – LD	6,716.60	10,838.30	11,644.40	20,781.47
Net Domestic Assets (NDA) – LD	94,346.01	111,912.67	113,828.79	101,628.50
Loans to Private Sector				
Commercial banks loans to private sector- USD	413.24	373.26	370.64	381.00
Commercial banks loans to private sector - LD	6,377.94	7,096.88	7,199.72	6,949.85
Demand Deposits of commercial banks				
Demand deposits - USD	245.12	257.59	269.70	262.49
Demand deposits - LD	7,519.73	8,989.35	9,269.47	9,053.33
Time & savings deposits - USD	152.71	176.94	174.35	172.81
Time & savings deposits - LD	7,282.03	8,318.01	8,030.79	7,338.79
Other Deposits**				
Actual US\$ component of other deposits	1.80	2.91	2.13	1.70
Liberian \$ component of other deposits	56.63	58.35	141.80	118.46
Total Deposits (USD & LD) converted to LD ¹	83,817.52	102,840.59	105,594.64	103,061.90
	(In Percent)			
Liberian Dollar share of Broad Money	31.77	30.37	29.74	29.29

Source: CBL

** - Other Deposits Including Official and Manager Checks;

/1 - The total deposits (US and Liberian dollars) of commercial banks expressed entirely in Liberian dollars.

FINANCIAL MARKET (FM) DEVELOPMENTS

In the last month of the first quarter of 2020, financial markets activities slowed due to the COVID-19 pandemic. The CBL bill purchased on effective annual rate amounted to L\$2,064.8 million, falling by 2.5 percent compared to the previous month. While the

total redemption of CBL bills on both the 30.0 percent effective annual rate and 7.0 percent coupon was 17.9 percent lowered than the previous month redemption, resulting to total outstanding bill of L\$2,834.9 million.

Money markets instrument such as repo traded at the average interest rate of 5.5 percent, while swap lending remained traded at the average interest of 6.0 percent between commercial banks. At the end of the month, the aggregate SDF stood at L\$17,435 million, showing a decrease of 20.3 percent compared to the preceding month, with overnight interest rate unchanged at 0.07 percent (Table 3).

Table 3. Financial Market and Interest Rates Statistics

Market Instruments	Mar - 19	Jan - 20	Feb - 20	Mar - 20
CBL (indexed) Bills	(Millions of LD)			
Bills Purchased on 7% coupon basis	135.93	0.00	0.00	0.00
Redemption on 7% basis	0.00	1.02	375.10	4.81
Bills outstanding on 7% coupon basis	510.93	1,283.19	908.09	903.28
Coupon rate (%)	7.00	7.00	7.00	7.00
Bills Purchased on EAR basis	na	1,990.84	2,118.32	2,064.83
Redemption on EAR basis	na	984.11	2,034.75	1,973.89
Bills Outstanding on EAR basis	na	1,757.13	1,840.70	1,931.64
Effective Annual Rate (EAR) (%)	na	30.00	30.00	30.00
Total Bills purchased (7% and 30% EAR)	135.93	1,990.84	2,118.32	2,064.83
Total Redemption (7% and 30% EAR)	na	985.13	2,409.85	1,978.70
Total Bill Outstanding (7% and EAR)	510.93	3,040.32	2,748.79	2,834.92
CBL Foreign Exchange (Fx) Auction[†]	(Millions of USD)			
US Dollar Amount Sold	na	0.00	0.00	0.00
US Dollar Amount Sold	na	0.00	0.00	0.00
Total Subscription	na	0.00	0.00	0.00
Over (+) /Under (-) Subscription	na	0.00	0.00	0.00
Treasury Securities	(Millions of LD, unless otherwise stated)			
T- Bills Issued	0.00	0.00	0.00	0.00
T- Bills Redeemed	78.57	0.00	0.00	0.00
T-Bills outstanding	273.08	860.94	860.94	860.94
Net Treasury Bills Operations[^]	(78.57)	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	4.34	7.47	7.47	7.47
T- Bills Issued (USD)	na	na	na	na
T- Bills Redeemed (USD)	na	na	na	na
T-Bills Outstanding USD	na	2.60	2.60	2.60
T- Bond Issued	0.00	0.00	0.00	0.00
T- Bond Outstanding	6000.00	6,000.00	6,000.00	6,000.00
Semi-annual Coupon Payment	87.05	392.00	0.00	0.00
Early Redemption	511.30	0.00	0.00	0.00
Coupon rate (%)	16.00	16.0	16.0	16.00
Standing Deposit Facility (SDF)	(In Percent, unless otherwise stated)			
SDF rate (%)	na	4.00	4.00	4.00
SDF Amount (In Millions LD)	na	0.00	0.00	0.00
SDF overnight monthly rate (%)	na	0.07	0.07	0.07
SDF Amount (In Millions LD)	na	19,245.00	21,865.00	17,435.00

Market Instruments	Mar - 19	Jan - 20	Feb - 20	Mar - 20
Interest Rates	(In Percent, unless otherwise stated)			
- Lending rate	12.44	12.44	12.44	12.44
Average Deposit rates				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53

Source: CBL

[^] - with Liquidity Effect where withdrawal (+)/injection (-)

[†] - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency

BANKING SECTOR DEVELOPMENTS

The banking sector continued to be liquid, sound and resilient during the month. All the indicators, except liquidity ratio, showed relative improvement compared with the preceding month. Capital Adequacy Ratio (CAR), Return on Assets (ROA) and Return on Equity (ROE) grew slightly during the month. CAR increased by 3.6 percentage points to 27.9 percent and remained above its minimum requirement by 17.9 percentage points, while ROA and ROE grew marginally by 0.4 percentage point and 2.0 percentage points, respectively, compared with the preceding month.

Liquidity ratio, on the other hand declined during the month, but rose above its minimum requirement by 23.0 percentage points. Total (gross) commercial bank loans to the economic sectors rose by 2.1 percent to settle at L\$85.8 billion (15.2 percent of GDP). Compared with the preceding month, the rise in gross loan during the month was attributed to development in exchange rate, amid the rise in the US dollar component of commercial banks' loans to private sector. Additionally, the sharp decline in non-performing loans during the month was occasioned by banks' strategy to focus more on loan recoveries.

Table 4: Selected Financial Soundness Indicators, FSIs

Financial Soundness Indicators	Mar - 19	Jan - 20	Feb - 20	Mar - 20
Capital Adequacy Ratio (CAR)***	28.87	25.40	24.29	28.58
Non-performing Loans to Total Gross Loans (ratio)	12.09	16.95	20.64	19.74
Total Gross Loans (In Billion L\$)	76.18	84.03	84.07	85.56
Non-performing Loans (% change)	9.01	(2.40)	41.87	(16.22)
Returns on Assets (ROA)	0.59	0.28	0.42	0.44
Returns on Equity (ROE)	3.45	1.69	2.50	2.58
Liquidity Ratio****	37.49	39.94	39.66	37.91

Source: CBL

*** - The Minimum Capital Adequacy Ratio is 10%

**** - The Required Minimum Liquidity Ratio is 15%

[†] - revised

FISCAL SECTOR DEVELOPMENTS

Preliminary statistics on government operations for the month of March 2020 reveals that total GOL's revenue amounted to US\$35.4 million (1.2 percent of GDP), reflecting 9.7 percent decline compared to the preceding month. The decline in total revenue was driven primarily by declines in tax revenue and other revenue including grants. Tax revenue nosedived by 8.7 percent to US\$29.8 million (1.0 percent of GDP), while non-tax revenue marginally increased by 1.0 percent to US\$5.6 million.