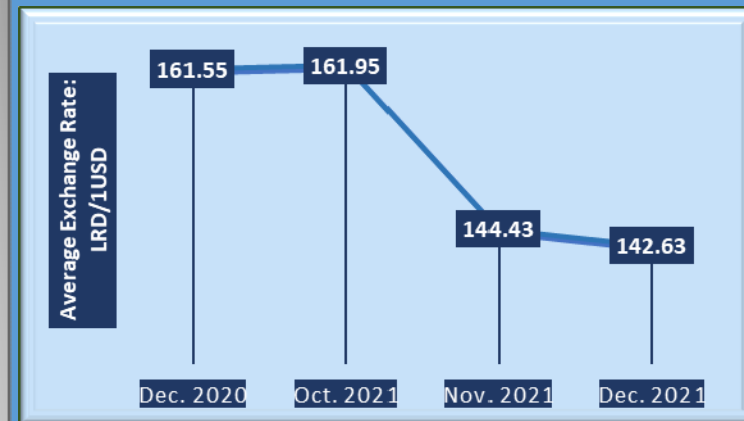




CENTRAL BANK OF LIBERIA

MONTHLY  
ECONOMIC  
REVIEW



DECEMBER 2021

VOLUME 7 No. 12

The Monthly Economic Review is produced by the Central Bank of Liberia (CBL). Inquiries concerning this publication should be addressed to:

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**Table 8: Global Commodity Prices**

GLOBAL PRICE	Dec-20	Oct-21	Nov-21	Dec-21	Percent Change	
					MoM	YoY
	(In price per Unit of Measure)					
Iron ore (US\$/MT)	155.43	122.91	96.24	116.96	21.53	-24.75
Gold (US\$/Oz)	1,868.42	1,776.85	1,821.76	1,790.43	-1.72	-3.66
Rubber (US\$/MT)	2,330.00	1,731.70	1,930.00	1,920.00	-0.52	-17.60
Cocoa Beans (US\$/MT)	2,410.00	2,572.86	2,390.00	2,380.00	-0.42	-1.24
Palm Oil (US\$/MT)	1,016.37	1,306.90	1,340.65	1,270.29	-5.25	24.98
Crude Oil (US\$/BBL)	48.73	82.06	80.77	74.31	-8.00	52.49
Food Price Index (FAO)	108.46	133.20	135.30	134.10	-0.89	23.64
Rice_ 5% broken (US\$/MT)	520.00	401.00	400.00	400.00	0.00	-23.08
Sugar (US\$/MT)	310.00	424.39	430.00	420.00	-2.33	35.48
Commodity Price Index	125.50	118.98	183.85	186.94	1.68	48.96

Source : [www.indexmundi.com](http://www.indexmundi.com), <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>  
 1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices

2/ Commodity Price Index includes both Fuel and Non-Fuel Price Indices

## 7.8 Rice

The price of rice remained stable at US\$400.00 per metric ton, same as in the preceding month. However, on an annualized basis, the price of the commodity declined about 23.1 percent, from US\$520.00 per metric ton in December 2020.

## 7.9 Cocoa Beans

Cocoa beans price fell slightly to US\$2,380.00 per metric ton, from US\$2,390.00 per metric ton in the review month. The by 0.4 percent decline was on account of uncertainty on the London and New York cocoa markets about weather condition of unseasonal rainfalls, and restriction from Omicron variant of the COVID-19 that could have a negative impact on cocoa beans productions in Ivory Coast, and Ghana, the world two major producers of the commodity. Compared to December 2020, the price of cocoa beans fell by 1.2 percent from US\$2,410.00 per metric ton.

## 7.10 Commodity Outlook

Prospects for commodity prices for January as well as the entire first quarter of 2022 remain high in the preceding month based on the World Bank Commodity Outlook. The price index of energy commodities (mainly crude oil, coal, etc.) is forecast to average US\$120.34 in January, compared to US\$ 111.42 in December 2021. However, prices of non-energy commodities including base metals and minerals (iron ore), agricultural products (beverages and food), raw materials (timber, and other raw materials), and fertilizers are forecast to average US\$122.43, compared to US\$116.94 in last month December on account global supply chain constraints at ports of entries, and inflation expectations.

Price index for agriculture under the non-energy commodities is expected to surge due to expected rise in the prices of food & beverages in anticipation of rising inflation in the USA, and truck driver shortages, logjam of trucks at border entries in the UK & other countries of Europe.

The price indices of base metal and minerals (iron ore) are expected to rise by 2.4 percent on account of rising demand for the commodity from recovery of steel production in China to restore inventory. Conversely, the price of precious metal (gold) is anticipated to fall by 2.6 percent in January due to expectations of US Federal Reserve's interest rate hike on Federal bonds, which could make gold less attractive for safe haven thereby causing a downward price trajectory for the commodity.

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## 1.0 INTRODUCTION

The Monthly Economic Review (MER) is published by the Research, Policy and Planning Department (RPPD) of the Central Bank of Liberia (CBL). It is a regular publication that provides a snapshot of economic developments in key sectors (Real, Monetary, Fiscal and External) of the Liberian economy. The MER also highlights the Monetary Policy stance of the CBL and provides a synopsis of exchange rate developments in the West African Monetary Zone (WAMZ).

This Edition represents Volume 7 Number 12.

## 2.0 OVERVIEW

In December 2021, production statistics from the real sector mostly showed improvements compared to the outputs recorded in the preceding month. In the mining subsector, iron ore and diamond output increased due to improvement in weather conditions on mining sites, while gold production declined. In the agriculture subsector, rubber output rose on account of increased harvest, while in the manufacturing subsector, cement and beverages recorded growths in output.

Month-on-month, consumer price index (CPI) increased to -0.33 percent during the review month, driven by developments in the prices of housing, water, electricity, gas and other fuels, furnishings, household equipment, & routine household maintenance, and miscellaneous goods and services. Conversely, the CPI on a year-on-year basis moderated to 5.46 percent, while core inflation rose to 14.35 percent at end-December 2021.

The CBL monetary policy stance remained anchored on price stability with emphasis on the management of Liberian dollar liquidity. As part of the CBL's monetary policy operations, the CBL during the review month issued bills at tenors of two-week, one-month, and three-month at the annual policy rate (MPR) of 20.0 percent.

Monetary statistics showed that broad money (M2) growth slowed by 0.1 percent to L\$125.41 billion at end-December 2021, on account of 4.1 percent decline in net domestic assets (NDA). Conversely, the stock of Liberian dollar in circulation grew to L\$24.08 billion, driven by increase in currency in banks.

The banking industry remained largely in compliance with the sector's regulatory requirements. Return on Assets (ROA) increased by 0.27 percentage point to 3.38 percent at end-December 2021, while Return on Equity (ROE) increased by 0.78 percentage point. Capital Adequacy Ratio (CAR) and liquidity ratio stood at 31.80 percent and 42.59 percent at end-December 2021, respectively, above their minimum regulatory requirements. The non-performing loans to total loans ratio increased to 22.69 percent against the 10.0 percent regulatory limit, reflecting less recovery of loans during the review month.

Provisional Government finance statistics showed that fiscal operations recorded an increase in the deficit to 0.7 percent of GDP in December 2021, induced by growth in government expenditure that outweighed the rise in total revenue.

## 7.2 Gold

The price of gold declined during the month by 1.7 percent to US\$1,790.43 per ounce, from US\$1,821.76 per ounce in November 2021 mainly on account of strong expectations of the US Federal Reserve raising its interest rate. Year-on-year comparison showed that the price decreased by 3.7 percent, from US\$1,868.43 reported in December 2020.

## 7.3 Crude oil (Petroleum) price

At end of the review month, the average price of petroleum decreased by 8.0 percent to US\$74.31 per barrel, from US\$80.77 per barrel, in November 2021. Demand for the commodity was overshadowed by fears of the new Omicron COVID-19 variant discovered in South Africa. When compared to December 2020, the price of petroleum increased by 52.5 percent from US\$48.73 per barrel.

## 7.4 Rubber

During the month, the price of rubber fell marginally by 0.5 percent to US\$1,920.00 per metric ton, from US\$1,930.00 per metric ton recorded in the preceding month. The decrease in the price of the commodity was largely due to slowdown in demand induced by lower-than-expected vehicle sales that were linked to the semiconductor shortage. Compared to the corresponding month in 2020, the price of the commodity declined by 17.6 percent, from US\$2,330.00 per metric ton.

## 7.5 Food Price (FAO)

The FAO food price index showed a decrease of 0.9 percent in the review month compared with the November 2021 index. The decline in the index during the month was engendered by declines in prices of vegetable oils, sugar, and cereal (mainly wheat and rice). Further analysis showed that the annual price of food rose by 23.6 percent compared with the price in December 2020.

## 7.6 Sugar

The price of sugar fell by 2.3 percent to US\$420.00 per metric ton, from US\$430.00 per metric ton reported in the month before. This development was mainly driven by fear over the impact of the Omicron variant of COVID-19 on global demand, weaker Brazilian real, and lower prices of ethanol. Annual comparison showed that the price of sugar increased by 35.5 percent, from US\$310.00 per metric ton in December 2020.

## 7.7 Palm Oil

The price of crude palm oil (CPO) shrank by 5.3 percent to US\$1,270.29 per metric ton, from US\$1,348.07 per metric ton in the preceding month, mainly due to sharp increase in palm oil production in Malaysia, which drove down the benchmark prices of CPO. Compared with December in the previous year, the price of CPO rose by 25.0 percent, from US\$1,016.37 per metric ton.

In December 2021, developments in the foreign exchange markets in member states of the West African Monetary Zone (WAMZ) were mixed. The end-of-period exchange rates of the Liberian dollar, the Ghanaian cedi, the Sierra Leonean leone, and the Nigerian naira showed that these currencies depreciated against the United States dollar by 2.2 percent, 1.3 percent, 1.2 percent, and 0.4 percent, respectively. However, the Guinea franc and the Gambian dalasi appreciated by 2.1 percent and 1.7 percent, respectively at end-December 2021 relative to the rates recorded at end-November 2021.

Year-on-year comparison showed that except the Liberian dollar and the Guinea franc that strengthened by 13.0 percent and 8.6 percent, respectively, the other currencies in the WAMZ weakened against the United States dollar, with leone recording the highest depreciation of 10.3 percent relative to December 2020.

**Table 7: WAMZ Countries End-of-Period & Liberian Dollar Average Exchange Rates per US Dollar**

Rate & Currency	20-Dec	21-Oct	21-Nov	21-Dec	Appr (+)/Depr (-)	
	End-of-Period Exchange Rate y per USD				MoM	YoY
					Percent change	
GHC	5.72	5.90	5.92	6.00	(1.3)	(4.7)
GMD	50.44	51.66	52.74	51.85	1.7	(2.7)
GNF	9,930.56	9,574.24	9,332.90	9,142.07	2.1	8.6
LRD	164.22	170.99	142.13	145.36	(2.2)	13.0
NGN	379.50	410.56	410.64	412.20	(0.4)	(7.9)
SLL	10,091.68	10,780.93	11,117.56	11,255.72	(1.2)	(10.3)
<b>Average Exchange Rate (LD/USD)</b>						
LD	161.55	161.95	144.43	142.63	1.3	13.3

Source: CBL, WAMA: [www.amao-wama.org/](http://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

## 7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

Developments in the global commodity market relative to its general commodity price index were mixed in December 2021. The price index of the food group declined by 0.9 percent, while energy and non-energy groups such as petroleum, and mineral (mainly iron ore), rose by 1.7 percent. The movement in prices during the month was largely influenced by demand factors.

### 7.1 Iron ore

The price of iron ore increased by 21.5 percent to about US\$117.00 per metric ton in December 2021, from US\$96.24 per metric ton in the preceding month. The rise in the price of the commodity was mainly influenced by price increase on the Asian market for iron ore, as a result of strong demand mainly from China whose steel production recovered during the month under review. Compared with the price in December 2020, iron ore price declined by 24.8 percent, from US\$155.43 per metric ton.

Though the total stock of public debt remained in compliance with the ECOWAS regional limit, not exceeding 70.0 percent of GDP, it slightly increased to 49.7 percent of GDP due to growth in domestic borrowing.

In the external sector, total merchandise trade amounted to 6.9 percent of GDP during the review month while the trade deficit widened on account of decline in export earnings.

Gross International Reserves (GIR) grew by 3.3 percent to US\$671.6 million at end-December 2021, mainly reflecting increase in other reserve assets excluding SDR holdings. The months of import cover reduced slightly to 3.6 months, from the 4.7 months recorded at end-November 2021.

Net inflow of personal remittances fell to US\$24.81 million (0.7 percent of GDP) during the review month, on account of the decline in inward remittances.

In the foreign exchange market, the Liberian dollar (end-of-period) depreciated by 2.2 percent against the US dollar, while on average, the currency strengthened against the US dollar by 1.3 percent in December 2021. Similarly, in the West African Monetary Zone (WAMZ), the Ghanaian cedi, Sierra Leonean leone, and Nigerian naira weakened against the United States dollar, while the Gambian dalasi and Guinean franc strengthened against at end-December 2021 relative to their respective rates at end-November 2021.

### 3.0 REAL SECTOR & PRICE DEVELOPMENTS

#### 3.1 Production Analyses of Key Commodities

Production statistics of key commodities showed considerable improvements as iron ore, diamond, rubber, beverages, and cement outputs rose in December 2021 compared to the previous month.

In the mining subsector, iron ore production increased to 515,000 metric tons in December 2021, from the 495,000 metric tons recorded in the preceding month on account of favorable mining environment. Similarly, diamond output surged by 36.8 percent to 6,360 carats, from the 4,650 carats in the previous month. However, gold output fell by 4,265 ounces to 31,951 ounces, from 36,216 ounces due to inventory spillover after successive increases in the previous two months.

In the agriculture subsector, rubber output significantly grew by 85.6 percent to 9,591 metric tons, from the 5,167 metric tons logged in the previous month due to favorable harvest by small farmer holders.

Total output of beverages (alcoholic and nonalcoholic) rose by 26.5 percent to 1.6 million liters during the review month, from 1.3 million liters, driven by increased consumption during the festive season. When disaggregated, alcoholic beverages constituted 90.2 percent of the total beverages produced while nonalcoholic beverages accounted for 9.8 percent. Cement production grew by 4.6 percent to 49,237 metric tons, due to slow recovery in construction activity resulting to inventory buildup.

#### 3.2 Consumer Prices

Consumer prices remained relatively stable in December 2021. Headline inflation (month-on-month) stood at -0.33 percent, from -3.17 percent in the preceding month, reflecting development in the prices of housing, water, electricity, gas and other fuels, furnishings, household equipment, & routine household maintenance, and miscellaneous goods and services sub-groups recorded in the preceding month. On an annualized basis, headline inflation decelerated to 5.46 percent in December 2021, from 13.12 percent, while core inflation<sup>1</sup> (year-on-year) grew to 14.35 percent during the review period, from 12.47 percent in December 2020.

**Table 1: Production and Price Statistics**

Production	Dec. - 20	Oct. - 21	Nov. - 21	Dec. -21*
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	488,000	385,000	495,000	515,000
Gold (Ounces)	15,377	25,229	36,216	31,951
Diamond (Carat)	5,526	5,321	4,650	6,360
Rubber (Metric ton)	8,445	10,855	5,167	9,591
Cement (Metric ton)	36,686	46,515	47,079	49,237
Total Beverages (liter)	1,413,401	1,456,988	1,275,588	1,613,963
Alcoholic	1,364,131	1,321,913	1,134,002	1,455,000
Non-Alcoholic	49,270	135,076	141,586	158,962

#### 6.2 Personal Remittances

Net inflows of personal remittances declined by 8.3 percent to US\$24.81 million (0.7 percent of GDP) in December 2021, from the US\$27.05 million (0.8 percent of GDP) registered in November 2021, on account of growth in outward remittances during the review period. While inward remittances fell by 1.6 percent to US\$32.22 million, outward remittances grew by 64.3 percent to US\$7.41 million during the review month relative to the preceding period.

#### 6.3 Gross International Reserves

Gross International Reserves (GIR) rose by 3.3 percent to US\$671.6 million at end-December 2021, from the US\$649.9 million position recorded at end-November 2021, mainly due to growth other reserve assets of the CBL (excluding SDR holdings). Accordingly, the months of import cover amounted to 3.6 months, from the 4.7 months logged in the previous month. Compared with the ECOWAS regional benchmark, the months of import cover in the review month exceeded the regional minimum threshold of 3.0 months by 0.6 month (Table 6).

#### 6.4 Direction of Trade (DOT)

Switzerland, France, The United States of America, and Belgium were the main destinations of Liberia's exports (mainly gold, iron ore and rubber) accounting for 70.3 percent of total export earnings. Export earnings from Switzerland (mainly gold) declined by 26.7 percent to US\$34.72 million compared to the value recorded in the previous month. Export earnings from France (mainly iron ore) declined by 3.9 percent to US\$6.16 million; earnings from the United States of America (predominantly rubber) dropped by 7.2 percent to US\$5.40 million, while export earnings from Belgium (mainly iron ore) increased by 34.4 percent to US\$5.24 million during the review month.

The five main sources of imports to Liberia during the review period were India, China, Cote d'Ivoire, the USA, and Lebanon. Import Payments to India (mainly for the purchase of food and live animals) increased by US\$47.24 million to US\$54.46 million during; payments to China (mainly for the purchase of machinery and transport equipment) increased by US\$7.34 million to US\$18.86 million; payments to Cote d'Ivoire (mainly Minerals, fuels and Lubricants) fell by US\$21.12 million to US\$15.27 million. Conversely, payments to the United States of America (mainly for the purchase of machinery and transport equipment) increased by US\$5.47 million to US\$9.66 million., while payments to Lebanon (for the purchase of Food and Live Animals) increased by US\$8.16 million to US\$9.15 million.

#### 6.3 EXCHANGE RATE DEVELOPMENTS

The Liberian dollar, on average, strengthened against the United States dollar by 1.3 percent to L\$142.63/US\$1.00, from the L\$144.43/US\$1.00 recorded in November 2021. This development was driven by rising inflows of remittances that complimented the Bank's tight policy stance.



<b>Imports (CIF)/<sup>1†</sup></b>	<b>111.21</b>	<b>101.48</b>	<b>115.58</b>	<b>164.26</b>
Minerals, Fuel, Lubricants	18.19	6.25	44.35	20.03
o/w Petroleum Products	11.81	-	36.34	15.26
Food and Live Animals (incl. Animal and veg. oil)	25.12	40.91	23.26	79.71
o/w Rice	6.19	26.52	0.30	62.29
Machinery & Transport Equipment	35.27	25.95	28.09	26.53
Manufactured goods classified by materials	11.76	12.08	6.52	14.21
Other categories of imports	20.87	16.30	13.36	23.78
<b>Trade Balance</b>	<b>(39.96)</b>	<b>(39.88)</b>	<b>(39.35)</b>	<b>(91.00)</b>
<b>Total Trade</b>	<b>182.46</b>	<b>163.08</b>	<b>191.80</b>	<b>237.53</b>
<b>External Trade (Volume)</b>	<b>(In Unit as may be specified)</b>			
Rubber (MT)	8,444.64	10,855.09	5,157.04	9,591.29
Iron Ore (MT)	488,745.23	243,448.15	314,465.62	407,329.66
Cocoa Beans (MT)	-	492.00	-	930.00
Palm Oil (MT)	4,028.00	29,571.00	12,504.00	368,858.00
Gold (Oz)	15,377.24	25,228.64	36,216.13	31,958.20
Diamond (Crt)	5,525.74	5,320.92	4,650.46	6,360.09
Petroleum Products (MT)		-	26,758.18	11,908.92
Rice (MT)	-		-	-
<b>Other Indicators</b>				
Net Foreign Reserves Position	37.7	381.2	360.3	393.3
Import (FOB)	85.67	88.42	106.32	142.92
Gross International Reserves (GIR) <sup>2</sup>	281.3	649.8	649.9	671.6
<b>Import covers (In Month)</b>	<b>2.2</b>	<b>4.9</b>	<b>4.7</b>	<b>3.6</b>
<b>Personal Remittances</b>				
Inflows	31.00	53.33	32.74	32.22
Outflows	8.78	7.75	4.51	7.41
<b>Net flows</b>	<b>22.22</b>	<b>45.58</b>	<b>27.05</b>	<b>24.81</b>
<b>Direction of Trade (DOT)</b>				
<b>Destination of Export</b>	<b>71.25</b>	<b>61.60</b>	<b>76.22</b>	<b>73.27</b>
o/w Switzerland	23.73	30.60	47.36	34.72
o/w Unite States of America	18.03	4.23	6.41	6.16
o/w France	4.71	8.46	5.82	5.40
o/w Belgium	4.35	4.62	3.90	5.24
<b>Sources of Import (fob)</b>	<b>99.21</b>	<b>88.42</b>	<b>106.32</b>	<b>142.92</b>
o/w Cote d'Ivoire (Ivory coast)	16.89	28.29	7.22	54.46
o/w China	15.23	13.05	11.52	18.86
o/w United Arab Emirates	11.98	0.01	36.39	15.27
o/w India	7.85	3.90	4.19	9.66
o/w Indonesia	1.07	1.89	0.99	9.15

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

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

/1† as of July 2020, import data reported here are on CIF instead of FOB

<b>Inflation</b>	<b>(In percent)</b>			
<b>Overall (Y-o-Y) Rate of Inflation</b>	<b>13.12</b>	<b>4.42</b>	<b>5.44</b>	<b>5.46</b>
a. Food and Non-alcoholic Beverage Inflation	15.74	(2.39)	(6.58)	(7.05)
- Domestic Food Inflation	20.95	0.65	(3.58)	(6.87)
- Imported Food Inflation	11.76	(4.78)	(9.10)	(7.09)
b. Transport Inflation	6.29	(0.90)	(3.67)	(2.57)
c. Imported Fuels Inflation	(10.43)	(0.49)	(7.57)	(4.36)
<b>Overall (M-o-M) Rate of Inflation</b>	<b>(0.36)</b>	<b>(1.85)</b>	<b>(3.17)</b>	<b>(0.33)</b>
<b>Core Inflation</b>				
Inflation excluding Food & NAB <sup>1</sup>	11.72	8.00	12.12	12.40
Inflation excluding Imported Food	13.51	6.60	8.97	8.42
Inflation excluding Domestic Food	12.81	5.74	7.61	8.41
<b>Inflation excluding Food and Transport</b>	<b>12.47</b>	<b>9.14</b>	<b>14.20</b>	<b>14.35</b>
<b>Annual Gross Domestic Product (GDP)<sup>1/2</sup></b>				
Nominal (NGDP)(in millions US\$)	<b>3,037</b>	<b>3,483</b>	<b>3,483</b>	<b>3,483</b>
RGDP growth (in percent)	<b>(3.0)</b>	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>

<sup>1/2</sup> GDP was revised following the IMF- ECF review mission in April 2021

± - Not Available (na) \* - estimate

† - revise

## 4.0 MONETARY DEVELOPMENTS

### 4.1 Monetary Policy Stance

The CBL, in its continuous effort to achieve price stability through broad exchange rate stability, maintained its monetary stance sustain the down trend in inflation. The issuance of CBL bills, its main policy tool, continued during the month with tenors of two-week, one-month and three-month at an effective annual rate of 20.0 percent.

### 4.2 Monetary Aggregates

Monetary statistics showed that broad money (M2) growth contracted by 0.1 percent to L\$125.41 billion at end-December 2021, from the L\$125.51 billion recorded at end-November 2021. From the liability side, the decline in M2 was due mainly to 5.3 percent and 58.8 percent decreases in demand deposits and other deposits, respectively. While on the asset side, the decline was driven by a 4.1 percent contraction in the net domestic assets (NDA). Conversely, total stock of Liberian dollar in circulation increased to L\$24.08 billion, from the L\$22.88 billion recorded in the preceding month, on account of growth in currency in banks to L\$1.85 billion.

Sectoral distribution of commercial banks' credits showed that the trade, construction, and services subsectors accounted for 75.6 percent of total Liberian dollar denominated credits to the private sector,

while the trade, services and construction subsectors constituted 56.1 percent of total United States dollar denominated credits to the private sector. However, disbursement of commercial banks' loans in both currencies varied. Loans denominated in Liberian dollar declined by 4.6 percent to L\$5,345.74 million on account of decreases in loans to the manufacturing, extractive, and services subsectors. In contrast, the US dollar denominated loans grew by 2.6 percent to US\$413.40 million, induced by increases in new loans advanced to the extractive, personal, and oil & gas subsectors.

At end-December 2021, total deposits<sup>1</sup> amounted to L\$103.18 billion (20.4 percent of GDP), compared to the L\$103.54 billion (20.9 percent of GDP) reported a month ago. The decline was largely explained by appreciation of the Liberian dollar vis-à-vis the United States dollar.

**Table 2: Monetary Aggregates**

Monetary Aggregates	Dec - 20	Oct - 21	Nov - 21	Dec- 21*
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	23,902.53	22,599.47	22,880.90	24,080.06
-o/w Currency in banks (LD)	1,311.21	805.21	911.65	1,852.72
Money Supply (M1) in LD only	33,749.79	32,215.94	32,802.51	33,009.66
Quasi Money in LD only	7,745.40	7,233.65	7,322.21	6,943.95
Broad money (M2) in LD only	41,626.90	39,449.59	40,124.73	39,953.61
Broad money (M2) (both LD and USD Converted to LD)	127,296.86	124,685.61	125,513.96	125,410.72
Net Foreign Assets (NFA) – LD	12,099.55	20,701.53	20,540.44	24,736.13
Net Domestic Assets (NDA) – LD	115,197.32	103,984.08	104,973.52	100,674.59
Currency outside banks – LD	22,591.32	21,794.26	21,969.33	22,227.33
Demand deposit – LD	63,327.00	63,547.63	66,104.42	62,598.76
Time & Savings deposits – LD	40,900.93	39,079.36	36,626.08	40,249.44
Other deposits – LD	477.62	264.37	814.12	335.19
<b>Loans to Private Sector</b>				
Commercial banks loans to private sector- USD	386.63	410.18	402.92	413.40
Commercial banks loans to private sector - LD	5,796.79	5,612.29	5,603.40	5,345.74
<b>Demand Deposits of Commercial Banks</b>				
Demand deposits – USD	317.68	353.38	384.52	358.38
Demand deposits – LD	11,158.47	10,421.68	10,774.50	11,146.32
Time & savings deposits – USD	201.90	212.19	207.17	229.67
Time & savings deposits – LD	7,745.40	7,179.04	7,180.33	6,863.58
<b>Other Deposits **</b>				
Other deposits (USD)	2.11	1.40	4.73	1.75
Other deposits	131.71	54.60	141.88	80.37
Total Deposits <sup>1</sup>	104,705.54	102,891.35	103,544.62	103,183.39

o/w Payments on Loans, interest, and other charges	10.94	2.75	14.29	1.52	(89.33)
<b>Overall Balance (Surplus+; Deficit -)</b>	<b>33.27</b>	<b>14.99</b>	<b>(9.88)</b>	<b>(25.10)</b>	<b>-</b>
<b>Total Debt Stock</b>	<b>1596.78</b>	<b>1688.30</b>	<b>1718.94</b>	<b>1731.63</b>	<b>0.74</b>
<b>o/w Domestic</b>	<b>643.82</b>	<b>691.58</b>	<b>691.58</b>	<b>705.02</b>	<b>1.94</b>
o/w Financial Institutions	586.02	621.44	621.44	634.88	2.16
o/w Other Debts	57.80	70.14	70.14	70.14	0.00
<b>o/w External</b>	<b>952.97</b>	<b>996.72</b>	<b>1027.36</b>	<b>1026.61</b>	<b>(0.07)</b>
o/w Multilateral	840.29	883.31	913.95	913.37	(0.06)
o/w Bilateral	112.68	113.41	113.41	113.24	(0.16)
<b>Memo Items</b>					
Government Revenue (% of GDP)	3.26	1.33	1.40	1.60	-
Government Expenditure (% of GDP)	2.17	0.90	1.69	2.32	-
Total Debt Stock (% of GDP)	52.58	48.47	49.35	49.72	-
NGDP (at Level)	3037.00	3483.00	3483.00	3483.00	-

Source: CBL calculation using MFDP's data

## 6.0 EXTERNAL SECTOR DEVELOPMENTS

### 6.1 Merchandise Trade

External sector developments mirrored increases in the trade deficit, total merchandise trade, gross international reserves as well as the appreciation of the Liberia dollar during the review month. Total merchandise trade increased to US\$237.53 million (6.9 percent of GDP) in December 2021, from the US\$191.80 million (5.6 percent of GDP) recorded in the preceding month, mainly on account of increased import payments. Similarly, the merchandise trade deficit increased to US\$91.00 million, from the US\$39.35 million registered in November 2021, driven by growth in import payments coupled with decline in export earnings.

Export earnings plummeted by 3.9 percent to US\$73.27 million (2.1 percent of GDP) in December 2021, from the US\$76.22 million (2.2 percent of GDP) in the preceding month, driven by declines in receipts from mainly gold and rubber. Conversely, payments for merchandise imports rose by 42.1 percent to US\$164.26 million (4.8 percent of GDP), from 3.4 percent of GDP in the preceding month, occasioned by increases in payments for mainly food and live animals (including animal and vegetable oil) and manufactured goods.

**Table 6: External Sector Statistics**  
**Table 1: Production and Price Statistics**

External Trade (Value)	Dec - 20	Oct - 21	Nov - 21	Dec-21*
	<i>(Millions of USD; Except Otherwise Indicated)</i>			
<b>Exports<sup>1</sup></b>	<b>71.25</b>	<b>61.60</b>	<b>76.22</b>	<b>73.27</b>
Iron Ore	34.29	9.31	14.12	16.93
Rubber	9.56	13.41	10.39	10.30
Gold	23.81	30.60	47.36	34.72
Diamond	0.49	1.23	0.64	1.35
Cocoa Bean	-	0.13	-	0.93



Non-performing Loans (percent change)	24.24	(6.17)	(25.03)	10.83
Returns on Assets (ROA)	1.24	2.95	3.11	3.38
Returns on Equity (ROE)	7.22	16.54	17.74	18.52
Liquidity Ratio***	36.75	40.39	44.17	42.59
Capital Adequacy Ratio (CAR)****	31.41	27.47	27.47	31.80

Source : CBL

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

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

## 5.0 FISCAL SECTOR DEVELOPMENTS

### 5.1 Total Revenue and Expenditure

From provisional statistics, GoL's fiscal operations recorded a deficit of US\$25.10 million (0.7 percent of GDP) in December 2021, primarily driven by an increase in government expenditure outpacing the 14.0 percent growth in total revenue. Total revenue rose to US\$55.7 million (1.6 percent of GDP), mainly reflecting increases in both tax and non-tax revenues. Tax revenue totaled US\$48.5 million (1.4 percent of GDP), increasing by 8.4 percent while non-tax receipt grew significantly by 74.0 percent to US\$7.2 million (0.2 percent of GDP).

Similarly, government expenditure expanded by 37.6 percent to US\$80.82 million (2.3 percent of GDP), predominantly induced by increases in current and capital expenditures by 76.6 percent and more than a hundred percent, respectively. Current expenditure totaled US\$78.2 million (2.2 percent of GDP), while capital expenditure summed US\$1.1 million (approximately 0.0 percent of GDP). In contrast, interest and other payments declined by 89.3 percent to US\$1.5 million (approximately 0.0 percent of GDP).

### 5.2 Total Public Debt

The stock of public debt at end-December 2021 marginally increased to 49.7 percent of GDP, following a 1.9 percent increase in domestic borrowing via borrowing from financial institutions. External borrowing decreased slightly by 0.1 percent, driven by 0.1 percent and 0.2 percent declines in bilateral and multilateral, respectively.

**Table 5. GOL's Fiscal Operations**

Fiscal Operations	Dec-20	Oct-21	Nov-21	Dec-21	M-O-M
	<i>(In Millions of USD)</i>				<i>(% Change)</i>
<b>Government Revenue</b>	<b>99.15</b>	<b>46.35</b>	<b>48.87</b>	<b>55.71</b>	<b>14.00</b>
<i>o/w Tax Revenue</i>	<i>38.31</i>	<i>40.81</i>	<i>44.73</i>	<i>48.51</i>	<i>8.44</i>
o/w Taxes on Income & Profits	12.53	18.33	26.74	22.77	(14.87)
o/w Taxes on International Trade (Customs)	18.97	16.51	12.65	19.04	50.57
<b><i>o/w Non-tax Revenue</i></b>	<b><i>12.25</i></b>	<b><i>5.54</i></b>	<b><i>4.14</i></b>	<b><i>7.21</i></b>	<b><i>74.01</i></b>
o/w Property Income	11.22	4.01	2.74	5.39	96.73
o/w Administrative Fees & Forfeits	1.03	1.51	1.40	1.82	29.63
<b><i>o/w Other Revenue (Including Grants)</i></b>	<b><i>48.59</i></b>	<b><i>0.00</i></b>	<b><i>0.00</i></b>	<b><i>0.00</i></b>	<b><i>0.00</i></b>
<b>Government Expenditure</b>	<b>65.88</b>	<b>31.36</b>	<b>58.76</b>	<b>80.82</b>	<b>37.55</b>
<i>o/w Current Expenditure</i>	<i>54.92</i>	<i>28.35</i>	<i>44.27</i>	<i>78.16</i>	<i>76.55</i>
o/w Compensation	32.75	4.28	24.68	35.49	43.78
o/w Goods and Services	13.12	17.18	14.17	30.76	117.17
o/w Capital Expenditure	<b>0.02</b>	<b>0.27</b>	<b>0.20</b>	<b>1.13</b>	<b>477.32</b>

Liberian Dollar share of Broad Money	32.70	31.63	32.0%
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Source: CBL

‡ - Reserves excluding ECF borrowing from the IMF;

\* - estimate/projection

\*\* - Other Deposits Including Official and Manager Checks;

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

## 4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

Financial Market operations continued during the review month with issuances of the CBL bills in support of the Bank's monetary policy objectives. The bills were issued with tenors of 2-week, 1-month, and 3-month at the effective annual policy rate of 20.0 percent.

The total CBL bills issued during the month amounted to L\$5,018.10 million in December 2021, reflecting a 33.65 percent increase, from the L\$3,754.60 million issued in the preceding month. Similarly, total redemption increased by 33.63 percent to L\$5,017.70 million, compared with L\$3,755.00 million in the preceding month. Commercial banks' subscriptions remained high at approximately L\$4,961.4 million (98.87 percent), whilst retail investors' subscriptions grew by 79.08 percent to L\$56.70 million, from L\$31.66 million in November 2021. Hence, the CBL recorded a net issuance of L\$0.4 million, and a 0.01 percent increase in the total outstanding bills from the previous month to L\$7,000.00 million.

In December 2021, the Government of Liberia (GoL) issued new Treasury bills amounting to US\$18.02 million, while US\$3.51 million was redeemed. Subsequently, the outstanding Treasury bill balance in United States dollars stood at US\$20.16 million, while the outstanding Treasury bills in Liberian dollars remained L\$2,437.72 million during the review month. The total outstanding principal and coupon on the USD T-bond stood at US\$57.56 million, while the outstanding Liberian T-bond principal remained unchanged at L\$6,000.00 at end-December 2021.

The lending, average savings, and time deposit rates were unchanged at 12.4 percent, 2.1 percent, and 3.5 percent in December 2021, respectively. However, money markets instruments such as repo were not traded. In the interbank operations, commercial banks continued to trade with only non-interest-bearing swaps to ease the liquidity disparity among banks for their international and intra-country transactions. Non-interest-bearing nature of the swap continued during the period under review to compensate for the risks and high cost involved in cash transfers and transshipment with international corresponding banks, and bank branches in Liberia.

**Table 3. Financial Market and Interest Rates Statistics**

Market Instruments (CBL indexed Bills)	Dec - 20	Oct - 21	Nov - 21	Dec-21
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	0.00	0.00	0.00	0.00
Redemption during the month (coupon rate)	0.00	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Coupon rate on Index Bill (in %)	7.00	na	na	na
Bills Purchased per month on EAR basis	4,632.64	5,114.30	3,754.60	5,018.10
Redemption during the month (EAR basis)	5,037.93	5,051.56	3,755.00	5,017.70
Bill Outstanding (EAR basis)	4,644.25	7,000.00	6,999.60	7,000.00
Effective Annual Rate (EAR)	25.00	20.00	20.00	20.00
<b>Total Purchases</b> (coupon rate & EAR)	<b>4,632.64</b>	<b>5,114.30</b>	<b>3,754.6</b>	5,018.10
<b>Total Redemption</b> (coupon rate & EAR)	<b>5,037.93</b>	<b>5,051.56</b>	<b>3,755.00</b>	5,017.70
<b>Total Outstanding Bills</b> (coupon rate & EAR)	<b>4,644.25</b>	<b>7,000.00</b>	<b>6,999.60</b>	7,000.00
<b>CBL Foreign Exchange Auction<sup>1</sup></b>	<i>(In Millions of United States Dollar)</i>			
US Dollar offered	0.00	0.00	0.00	0.00
US Dollar Amount Sold	0.00	0.00	0.00	0.00
Total Subscription	0.00	0.00	0.00	0.00
<b>Over (+)/ Under (-) Subscription</b>	0.00	0.00	0.00	0.00
<b>Treasury Securities</b>	<i>(In Millions of Liberian Dollar)</i>			
T- Bills Issued (in LD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	0.00	0.00	0.00	0.00
T-Bills Outstanding	860.94	2,437.72	2,437.72	2,437.72
<b>Net Treasury Bills Operations<sup>^</sup> withdrawal (+)/Injection (-)</b>	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	7.47	5.00	5.00	5.00
T- Bills Issued (In USD)	3,518.66	0.00	0.00	18.018
T- Bills Redeemed (In USD)	na	0.07	0.00	3.512
T-Bills Outstanding	0.00	5.66	5.66	20.16
Ave. Weighted Discount Rate (T-Bills)	na	6.50	6.50	7.16
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	6,000.00	6,000.00	6,000.00	6,000.00
Coupon Payment	0.00	0.00	0.00	0.00
Outstanding coupon on Treasury Bond	0.00	0.00	0.00	0.00
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	16.00	16.00	16.00	16.00
Treasury Bond Issued (USD)	na	1.84	0.00	0.00
Treasury Bond Principal Payment	na	0.00	0.00	0.00
Treasury Bond Outstanding (In USD) (Coupon and Principal)	na	58.49	57.56	57.56
Coupon Payments (USD)	na	0.93	0.00	0.00

Outstanding coupon on Treasury Bond	na	0.00	0.00	0.00
Total T-Bond Outstanding (Coupon & Principal In USD)	na	57.56	57.56	0.00
	<i>(As specified)</i>			
SCF rate	na	25.00	25.00	0.00
SCF Amount (In Millions LD)	na	0.00	0.00	0.00
SDF overnight rate	na	0.00	0.00	0.00
SDF Amount (In Millions LD)	na	0.00	0.00	0.00
<b>Interest Rates</b>	<b>(In Percent)</b>			
- Lending rate	12.44	12.44	12.44	12.44
<b>Average Deposit rates</b>				
-Savings	2.10	2.10	2.10	2.10
-Time	3.53	3.53	3.53	3.53
<b>Money Markets Instrument (In percent)</b>				
Repo	5.5	0.00	0.00	0.00
Swap lending	6.0	0.00	0.00	0.00

Source : CBL

<sup>^</sup> - with Liquidity Effect<sup>1</sup> - CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency<sup>2</sup> - Treasury Bill issued and redeemed during the month were in US Dollar**4.4 BANKING SECTOR DEVELOPMENTS**

The banking industry remained largely in compliance with the sector's regulatory requirements as Capital Adequacy Ratio (CAR) was 31.80 percent during the period under review and remained above the minimum regulatory requirement of 10.0 percent. Also, Return on Assets (ROA) increased by 0.27 percentage point to 3.38 percent, while Return on Equity (ROE) increased by 0.78 percentage point to 18.52 percent relative to the previous month. However, liquidity ratio declined by 0.46 percentage point to 42.59 percent but was 27.59 percentage points above the minimum regulatory requirement of 15%.

The increase in gross loan during the month was occasioned by commercial banks' disbursement of new loan facilities. The ratio of non-performing loans to total loan increased by 1.98 percentage points to 22.69 percent, against the 10.0 percent regulatory tolerable limit, reflecting less recovery of loans.

**Table 4: Selected Financial Soundness Indicators, FSIs**

Financial Soundness Indicators	Dec - 20	Oct - 21	Nov - 21	Dec - 21
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	72.27	70.28	<b>65.52</b>	66.52
Total Non-performing Loans	15.58	18.10	13.57	15.04
	<b>(In Unit As May Be Specified)</b>			
Non-performing Loans to Total Gross Loans (ratio)	21.59	25.83	20.71	22.69
Gross Loan (percent change)	3.65	(11.36)	(6.80)	1.53