

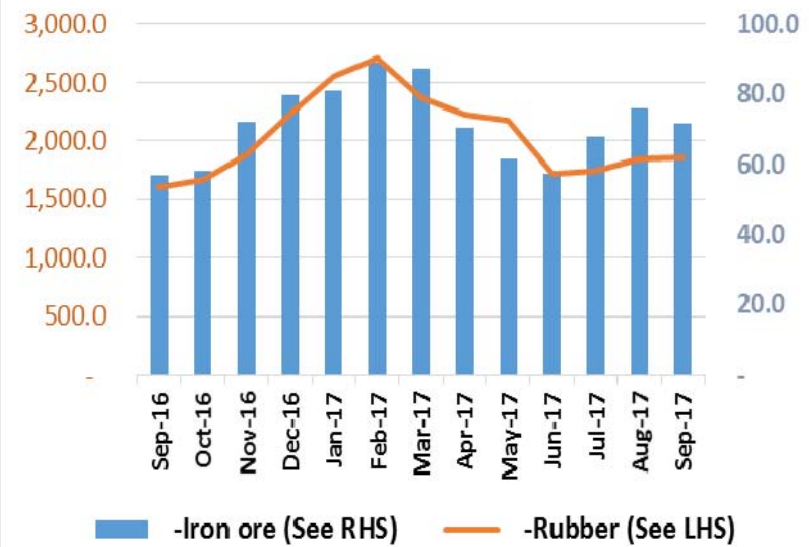


CENTRAL BANK OF LIBERIA (CBL)

MONTHLY
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Trends in Global Prices of Iron Ore and Rubber (In USD/MT)



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**Table 2: Performances of End-of-Period WAMZ
Exchange Rates against the US Dollar**

Currency	Sep-16	Aug-17	Sep-17	Appr (-)/Depr (+)	
				MoM	YoY
GHC	3.971	4.399	4.402	0.06	10.85
GMD	47.050	46.187	46.401	0.46	-1.38
GNF	9,092.161	8,996.146	8,976.343	-0.22	-1.27
LRD	97.500	116.650	117.720	0.92	20.74
NGN	305.000	305.350	305.300	-0.02	0.10
SLL	6,572.825	7,463.475	7,521.010	0.77	14.43

Sources: Central Banks of Liberia and WAMA: www.amao-wama.org/

LRD—Liberian Dollar

GHC—Ghanaian Cedi

GMD—Gambian Dalasi

GNF—Guinean Franc

NGN—Nigerian Naira

SLL—Sierra Leonean Leone

USD—US Dollar

	Jun-17	Jul-17	Aug-17	Sep-17
External Trade (Volume) – cont'd	(Metric Tons)			
- Petroleum Products	4,715	4,759	4,731	4,507
- Cocoa Beans	221	0.0	2,145	0.0
- Palm Oil	645	3,063	1,511	2,126
10 Inflation	(In percent)			
Overall (Year-on-year) Rate of Inflation	10.8	10.5	12.3	13.1
a. Food and Non-alcoholic Beverages Inflation	7.1	3.8	5.4	6.0
- Domestic Food Inflation	1.4	-2.7	1.0	2.0
- Imported Food Inflation	10.6	8.1	8.1	7.6
b. Transport Inflation	14.3	13.8	13.6	17.2
c. Imported Fuels Inflation	20.6	16.8	19.5	22.4
Overall (Month-on-Month) Rate of Inflation	3.0	2.3	2.2	1.2
Core Inflation	(In percent)			
Inflation excluding Food & Non-alcoholic Beverages	12.0	14.8	17.2	18.1
Inflation excluding Imported Food	10.0	10.3	13.0	14.3
Inflation excluding Domestic Food	5.5	6.1	6.9	7.2
Inflation excluding Food and Transport	11.5	14.9	17.7	18.2
Production	(Metric Tons, Carats and Ounces)			
Iron Ore	52,140	164,964±	0†	513,772
Gold	15,417	3,145	4,710	3,930
Diamond	5,878.1	19,295	18,295	13,520
Rubber	3,165	3,145	4,710	3,930
Cement	21,331	19,295	18,295	13,520
Beverages	(In Litres)			
<i>Alcoholic</i>	1,174,466	1,053,913±	937,795±	701,416
<i>Non-Alcoholic</i>	978,232	657,518	1,043,239	692,626
11 Int'l Commodity Prices	US\$/Unit			
Iron Ore (US\$/MT)	57.5†	67.7†	76.1†	71.5
Rubber (US\$/MT)	1,720.0†	1,750.0†	1,840.0†	1,860.0
Crude Oil (US\$/Barrel)/1	46.2†	47.7†	49.9†	53.0
Rice (US\$/MT)	458.0†	417.0†	393.0†	402.0
Cocoa Beans (US\$/MT)	2,000.0†	1,990.0†	1,990.0†	2,000.0
Palm Oil	677†	663.0†	674.0†	724.0

* US\$ converted to L\$ ^With liquidity Effect
 ** Other Deposits Include Official and Manager Checks

***The Minimum Capital Adequacy Ratio is 10%

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

†Reserves exclude ECF borrowing from the IMF

± Provisional, Preliminary, Estimate ‡Revised †Not Available (NA)

/1 Average Monthly prices of Dated Brent, West Texas Intermediate & Dubai Fateh

REAL SECTOR & PRICE DEVELOPMENTS

Production

Trends in outputs of major commodities during the month ended-September, 2017 were mixed. Rubber output slumped by 780 metric tons to 3,930 metric tons, from 4,710 metric tons during the previous month. The fall in the output of Rubber was attributed to the reduction in production of the commodity by small-holder farmers. Beverage production during the month decreased by 29.6 percent to 1.4 million liters, from 2.0 million liters in the previous month. The reduction in beverage production was largely occasioned by fall in the production of Malta. Cement production also declined to 13,520 metric tons, from 18,295 metric tons during the preceding month. The 26.1 percent fall in output was attributed to the relaxed construction activities as a result of the rainy season which slowed down the demand of the product. Output of Iron ore in September, 2017 stood at 513,772 metric tons. No production data was available for iron ore in August, 2017. Gold output dropped by 5,348 ounces to 13,655 from 19,003 ounces a month ago. The decline in the output of Gold was partly explained by the heavy downpour of rain during the period.

Consumer Prices

Inflation on a year-on-year basis increased by 4.6 percentage points to 13.1 percent, up from 8.5 percent at end-September 2016. The rise in inflation was mainly explained by increases in some major subgroups, including: Food and Non-Alcoholic beverages, housing, water, electricity, gas & other fuels, Transport, tobacco & narcotics, restaurants & hotels (See Table 1).

On a Month-on-month basis, the rate of inflation decreased by 1.0 percentage point to 1.2 percent from 2.2 percent reported a month ago. The drop in monthly inflation rate was a result of decreases in the prices of some items in the consumer basket, which include: Food and Non-Alcoholic beverages, Clothing and footwear, furnishings, household Equipment & routine maintenance of house, and Communication.

MONETARY DEVELOPMENTS

Monetary Policy Stance

The monetary policy stance of the CBL has continuously been anchored on price stability through broad exchange rate stability.

For the month ended-September, 2017, the foreign exchange auction and the Treasury-bills were the readily available policy tools used to implement domestic monetary policy operations.

Monetary Aggregates and Credit

Broad money supply (M2) at end-September, 2017 grew by 3.1 percent to L\$75,107.9 million, from L\$72,819.8 million recorded at end-August, 2017. The expansion was on account of a 3.2 percent and 3.1 percent growths in narrow money supply (M1) and quasi money supply respectively. On a year-on-year basis, broad money expanded by 19.4 percent supported by 22.0 and 14.5 percent growths in both narrow and quasi money supplies, respectively.

On the assets side, Net foreign assets (NFA) and net domestic assets (NDA) at end-September, 2017 trended in opposite directions. NDA grew MoM and YoY by 5.4 and 58.3 percent, respectively, underpinned by MoM and YoY expansions in credit to private sector including NBFIs. On the other hand, NFA declined MoM and YoY by 0.1 percent and 12.4 percent, respectively on account of declines in both CBL and commercial banks foreign assets.

The US dollar component of commercial bank loans to private sector at end-September, 2017 grew marginally by 0.2 percent to US\$388.8 million, from US\$388.0 million at end-August, 2017, while the Liberian dollars component rose by 3.5 percent to L\$4,044.1 million, from L\$3,907.6 million recorded a month ago. On a year-on-year basis, the US dollar component grew by 12.9 percent and the Liberian dollar component, by 51.4 percent, both driven by increases in personal loans, loans to Services, Oil & Gas and the 'Others' sectors.

Exchange Rate

At end-September, 2017, the Liberian dollar vis-à-vis the US dollar, on average, depreciated by 1.8 percent to L\$117.24/US\$1.00, from L\$115.12/US\$1.00. The end-of-period (EOP) exchange rate also depreciated by 0.9 percent to L\$117.72/US\$1.00, from L\$116.65/US\$1.00. Year-on-year comparison revealed that the average exchange rate depreciated by 20.3 percent and the EOP, by 20.7 percent. The weakness of the Liberian dollar is primarily occasioned by the high demand for US dollar to facilitate imports.

In the WAMZ, the Gambia Dalasi, Guinean Franc and Nigerian Naira appreciated by 1.03 percent, 0.22 percent and 0.02 percent respectively while the Liberian dollar, the Sierra Leonean Leone and Ghana Cedis depreciated, respectively, by 1.14 percent,

	Jun-17	Jul-17	Aug-17	Sep-17
Non-performing Loans (% change)	-21.9	2.9	3.7	8.5
Returns on Assets (ROA)	0.15	0.12	0.24	0.30
Returns on Equity (ROE)	0.92	0.76	1.49	1.82
Liquidity Ratio****	51.2	50.5	49.5	47.2
7 Fiscal Operations				
7a Revenue, Expenditure & Debt	(Millions of US\$)			
Actual Revenue & Grants	44.3	45.2	38.8	36.8±
Projected Revenue & Grants	46.6	56.0	45.0	51.6±
Expenditure	45.7	38.2	48.0	43.7±
Public Debt Stock	849.0	860.0	851.1	868.9
Domestic	267.1	267.6	267.1	266.7
External	581.9	592.4	584.0	602.2
7b Treasury Securities	(Millions of L\$)			
T- Bills Issued	-53.7	-37.7	-32.2	-32.5
T- Bills Redeemed	51.8	52.3	53.3	53.7
Net GoL Treasury Bills Operations^	-1.9	14.6	21.1	21.2
Ave. Weighted Discount Rate_T Bills	2.9	3.5	3.74	4.35
Bond Issued (2 yrs.) amount in Billion				
T- Bond Issued	0.0	-0.9	0.0	0.0
T- Bond Settled	0.0	0.0	0.0	0.0
Net GoL Treasury Bond Operations^	0.0	-0.9	0.0	0.0
Ave. Weighted Discount Rate_T Bond	0.0	9.5	0.0	0.0
8 External Trade (Value)	(Millions of US\$)			
8a Exports/1	32.9	27.5	25.4	46.4
- O/w Iron Ore	1.8	1.1	n/a	15.8
- O/w Rubber	4.9	4.5	5.0	9.5
- O/w Mineral	17.9	20.3	19.0	16.3
-o/w Cocoa Bean	0.2	0.0	0.7	0.0
-o/w Palm Oil	0.4	1.1	0.8	0.9
8b Imports (F.O.B)/1	72.3	66.1	74.3	70.4
Minerals, Fuel, Lubricants	11.7	13.6	10.9	10.3
-O/w Petroleum Products	10.1	10.0	9.7	9.4
Food and Live Animals	14.2	21.0	15.7	21.0
-O/w Commercial Rice	3.6	13.5	5.8	7.0
-O/w Non-commercial Rice	0.7	0.5	0.2	0.5
Machinery & Transport Equipment	18.7	10.3	20.0	18.4
Import (C.I.F)	78.3	72.2	81.7	77.4
Trade Balance	-54.1	-38.6	-48.9	-24.0
9 External Trade (Volume)	(Metric Tons)			
- Rubber	3,165	3,145†	4,710	3,929
-Iron Ore	52,140±	40,300	n/a	513,772
-Commercial Rice	277,125±	288,210±	282,446±	177,789±
-Non-commercial Rice	2,042±	1,486±	1,865±	1,710±

/1 Trade data now sourced from Customs (LRA) with larger coverage than BIVAC.

Table 1: Fact Sheet

	Jun-17	Jul-17	Aug-17	Sep-17
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	146.3	161.8	156.7 [†]	155.5
CBL Gross Foreign Reserves (excluding SDRs)	218.5	202.5	195.5 [†]	195.9
Liberian Dollars in Circulation	12,513.0	12,525.0	12,527.1	13,386.1
Money Supply (M1) in L\$ only	17,560.5	17,493.7	16,946.3 [†]	19,196.7
Broad money (M2) in L\$ only	23,413.5	23,444.8	23,109.9 [†]	26,299.0
Broad money (M2) in both L\$ and US\$*	70,732.0	72,836.9	72,819.8	75,107.9
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	33.1	32.2	31.7	35.0
Interest Rates				
- Lending rate	13.3	13.3	13.28	13.28
-Average Deposit rates				
-Savings	2.2	2.2	2.23	2.23
-Time	3.53	3.53	3.53	3.53
	<i>(In Millions of Currencies)</i>			
Commercial banks loans to private sector - US\$	390.2	386.6	388.0	388.8
Commercial banks loans to private sector - L\$	3,734.2	3,806.7	3,907.6	4,044.1
- Demand Deposits of commercial banks				
Demand deposits - US\$	261.4	270.6	272.5	264.0
Demand deposits - L\$	6,362.2	5,983.5	5,946.4	6,786.0
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	156.7	157.3	153.4	150.6
Time & savings deposits - L\$	5,816.6	5,877.1	6,119.4	7,063.5
- Other Deposits**				
Actual US\$ component of other deposits	0.2	3.2	0.34	0.02
Liberian \$ component of other deposits	36.4	74.0	44.2 [†]	38.8
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	2.7	8.0	4.0	3.0
Total Subscription	3.8	7.8	4.6	4.0
Over(+)- / Under(-) Subscription	1.1	4.1	0.62	1.0
3 CBL Bills Auction	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	0.0	0.0	0.0	0.0
4 Personal Remittances	<i>(Millions of US\$)</i>			
Inflows	54.8	42.4	30.5	53.4
Outflows	46.5	28.1	25.1	73.8
Net flows	8.2	14.3	5.4	-20.4
5 Exchange Rate	<i>(USD/LD)</i>			
End of Period	113.1	114.56	116.65	117.72
Period Average	112.8	113.14	115.12	117.24
6 Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
Capital Adequacy Ratio (CAR)***	17.9 \pm	17.7 \pm	17.8 \pm	17.7 \pm
Non-performing Loans to Total Loans	13.7	14.0	14.36	14.96

0.77 percent and 0.07 percent when match against the rates recorded at end-August, 2017. Y-o-Y analysis revealed that, with the exception of the Gambia Dalasi and the Guinean Franc that appreciated by 1.38 percent and 1.27 percent, respectively, the rest of the currencies in the zone depreciated, Table 2.

Financial Market Developments

During the month ended-September, 2017, net GoL T-bill operations amounted to a net Liberian dollar injection of L\$21.2 million; implying that the CBL on behalf of the government issued L\$32.5 million and redeemed L\$53.7 million in the reporting month. The discount rate in September, 2017 on GoL T-bill issued was 4.35 percent, 61 basis points higher than the yield recorded in August, 2017.

Banking Sector Developments

The banking industry was viable in September, 2017. Capital adequacy and liquidity ratios remained well above the minimum requirements of 10.0 percent and 15.0 percent, respectively. Provisional banking sector data at end-September, 2017 indicated a liquidity ratio of 47.2 percent, 2.3 percentage points lower than the ratio recorded at end-August, 2017. The industry capital adequacy ratio (CAR) stood at 17.5 percent, from 17.7 percent reported a month ago. Non-performing loans ratio was recorded at 14.96 percent, 60 basis points higher than the ratio at end-August, 2017.

FISCAL DEVELOPMENTS

Revenue (including Grants) & Expenditures

From preliminary data, fiscal operations in September, 2017 resulted in a deficit of US\$6.9 million, down from a deficit of US\$9.2 million recorded in the previous month, mainly explained by 5.2 percent increase in total revenue and grants, coupled with 9.0 percent reduction in total public expenditure during the review period.

Tax and non-tax revenue & grants constituted 81.0 percent and 19.0 percent of total revenue and grants receipts during the period under review, respectively. Actual revenue and grants receipts fell below budgetary projections during the month by US\$ 14.8 million or 28.7 percent during the review month. Recurrent and capital expenditure accounted for 94.0 percent and 6.0 percent of total public expenditure for the review period, respectively.

Preliminary statistics showed that Liberia's public debt stock at end-September, 2017, stood at US\$868.9 million, increasing by 2.1 percent against the stock of US\$851.1 million recorded at end-August, 2017,

mainly explained by an increase in external debt stock to multilateral creditors during the review period. Domestic and external debt stocks constituted 30.7 percent and 69.3 percent of Liberia's total public debt stock at end-September, 2017, respectively (Table 1).

EXTERNAL SECTOR DEVELOPMENTS

Merchandise Trade

Liberia's trade deficit at end-September, 2017 narrowed remarkably to US\$24.0 million, from a deficit of US\$48.9 million at end-August, 2017. The more than 50 percent reduction in trade deficit was credited to a surge in export earnings (by US\$21.0 million) and a corresponding reduction in import payments (Table 1).

Exports

Exports earnings during the month ended-September, 2017 increased by 82.7 percent to US\$46.4 million from US\$25.4 million recorded at end-August, 2017. The significant improvement in exports earnings was mainly attributed to increases in receipts from iron ore and rubber.

Imports (FOB)

Payments for imports at end-September, 2017 fell to US\$70.4 million, from a total of US\$74.3 million reported during the preceding month. The 5.2 percent downturn in payments for imports during the month was attributed mainly to a 5.4 percent and an 8.1 percent declines in payments for minerals, fuel, and lubricants as well as machinery & Transport equipment related imports, respectively.

Global Commodity Price Review/

Overall global commodity price is estimated to decline by 0.9 percentage points at end-September, 2017, from the revised 6.2 percentage points reported in the previous month. The slight fall in average global commodity price was largely a result of decreases in the prices of metal (especially iron ore) and agricultural materials (mainly round log).

Iron ore

The international price of Iron ore declined to US\$71.5 per metric ton in September 2017, from US\$76.1 per metric ton at end-August 2017. The 6.0 percent dip in the price of the commodity was a result of increased supplies of the commodity and the anticipation of weak demand for steel.

Rubber (natural)

At end-September 2017, the global price of rubber rose to US\$1,860.0 per metric ton, from revised US\$1,840.0 per metric ton reported during the preceding month on account of increase in demand coupled with supply shortage of the commodity.

Petroleum (Crude Oil)

The average global price of petroleum stood at US\$53.0 per barrel at end-September, 2017, rising from US\$49.9 per barrel recorded in the previous month, occasioned, for the most part, by the effect of the drop in the US crude oil stocks and limited supply of the commodity.

Food (Rice)

The FAO food price situation reported at end-September 2017 indicated that the price of food rose by 0.8 percent above its August 2017 price due mainly to relative increases in the prices of vegetable oil and dairy products. In the same way, the price of rice was reported to have increased by 2.3 percent to US\$402.0 per metric ton, from US\$393.0 per metric ton in the preceding month due mostly to increase in demand for the commodity.

Palm Oil

The price of crude palm oil rose to US\$724.0 per metric ton in September, 2017, from US\$674.0 per metric ton at end-August, 2017. The 7.4 percent jump in the price of the commodity was on account of strong demand in the wake of anticipated production fall especially in Southeast Asia.

Gross Foreign Reserves

Gross foreign reserves position (excluding SDR holdings) of the CBL at end September, 2017 remained relatively stable at US\$195.9 million, from US\$195.5 million reported during the previous month.

Crude oil price is the average of the three global oil price benchmarks: Dated Brent, West Texas Intermediate and Dubai Fateh.