

**MONTHLY
ECONOMIC
REVIEW**

DECEMBER 2023

VOLUME 9 No. 12



CENTRAL BANK OF LIBERIA



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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GLOBAL PRICE	Dec- 22	Oct- 23	Nov-23	Dec-23	MoM	YoY
	(Commodity price per Unit of Measure)					
Iron ore (US\$/MT)	111.84	118.75	131.07	137.05	4.56	22.54
Gold (US\$/Oz)	1,797.55	1,916.25	1,984.11	2,026.18	2.12	12.72
Rubber (US\$/MT)	1,540.00	1,607.30	1,670.00	1,661.90	(0.49)	7.92
Cocoa Beans (US\$/MT)	2,510.00	3,629.23	4,030.00	4,208.89	4.44	67.68
Palm oil (US\$/MT)	940.39	804.26	830.47	813.51	(2.04)	(13.49)
Crude oil (US\$/BBL)	78.07	89.08	81.35	75.72	(6.92)	(3.01)
Food Price Index (FAO) ¹	132.20	120.60	120.40	118.50	(1.58)	(10.36)
Rice_5% broken (US\$/MT)	467.00	563.00	598.00	644.00	7.69	37.90
Sugar (US\$/MT)	810.00	567.03	570.00	478.18	(16.11)	(40.97)
Commodity Price Index No ²	194.03	167.77	164.45	159.49	(3.42)	(17.80)

1/Commodity Food Price Index includes Cereal, Vegetable Oils, Meat, Seafood, Sugar, Bananas, and Oranges Price Indices²/ Commodity Price Index includes both Fuel and Non-Fuel Price Indices

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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 9 Number 12.

2.0 OVERVIEW

Production statistics showed improved performance for key commodities in December 2023 as gold, iron ore, rubber, cement, and beverages recorded increased productions while diamond output declined during the month under review compared to the previous month.

Headline inflation moderated to 10.01 percent during the month under review, from 11.43 percent in November 2023, largely reflecting decrease in the prices of all major items in the CPI basket except food & non-alcoholic beverages.

The Central Bank of Liberia's (CBL) monetary policy stance was anchored on price stability with emphasis on the management of Liberian dollar liquidity during the period under review. As part of the CBL's monetary policy operations, the Bank issued bills at tenors of two-week, one-month, and three-month at the Monetary Policy Rate (MPR) of 20.0 percent per annum.

Broad money (M2) supply increased by 2.8 percent to L\$222.01 billion at end-December 2023 relative to the L\$215.92 billion reported in the previous month. This development was driven by 4.5 percent increase in net domestic asset (NDA) as net foreign assets (NFA) contracted by 16.0 percent. Similarly, demand deposits and currency in circulation grew by 4.2 percent and 3.2 percent, respectively, during the month under review.

The financial soundness indicators of the Liberian banking system remained favorable during the review period as commercial banks were mostly in compliance with most of the regulatory requirements of the CBL. The industry's liquidity ratio and Capital Adequacy Ratio (CAR) remained well above their regulatory requirements of 15.0 percent and 10.0 percent at 44.1 percent and 25.2 percent, respectively, during the month under review. Additionally, Return on Assets (ROA) and Return on Equity (ROE) increased by 2.35 percent and 17.69 percent, respectively, at end-December 2023.

7.6 Sugar

The price of sugar fell by 16.1 percent in December 2023 to US\$478.18 per metric ton, from US\$570.00 per metric ton in the previous month. Annual price comparison showed that the price of sugar also decreased by 40.9 percent, from US\$810.00 per metric ton in December 2022.

7.7 Palm Oil

The price of palm oil decreased by 2.0 percent in December 2023 to US\$813.51 per metric ton, from US\$830.47 per metric ton in the preceding month, occasioned by a slowdown in global demand. Compared to December in the previous year, the price of palm oil fell by 13.5 percent, from US\$940.39 per metric ton.

7.8 Rice

Rice price increased by 7.7 percent to US\$644.00 per metric ton, from US\$598.00 per metric ton in November 2023, largely on account of market sentiments. Annual comparison indicated that the price of the commodity also rose by 37.9 percent, from US\$467.00 per metric ton in December 2022.

7.9 Cocoa Beans

Cocoa bean price grew by 4.4 percent to US\$4,208.89 per metric ton in December 2023, from US\$4,030.00 per metric ton in the previous month, occasioned mainly by supply constraints. Compared to December 2022, the price of cocoa beans also increased by 67.7 percent, from US\$2,510.00 per metric ton.

Commodity Price Outlook

Global commodity market outlook of the World Bank showed that commodity prices will continue a mixed trend for the months ahead. The overall index of commodity price indices measured in US dollars for energy, non-energy, agriculture, fertilizers, metal & minerals, and precious metals, are all expected to decrease in January 2024.

7.1 Iron ore

The global price of iron ore increased by 4.5 percent to US \$137.05 per metric ton in December 2023, from US \$131.07 per metric ton in the previous month. The increase in the price of the commodity was due to rising demand in the steelmaking industries as well as market sentiments. Year-on-year comparison showed that iron ore price rose by 22.5 percent, from the US \$111.84 per metric ton recorded in December 2022.

7.2 Gold

The price of gold surged by 2.1 percent to US\$2,026.18 per ounce in December 2023, from US\$1,984.11 per ounce in the preceding month, on account of growing demand due to concerns about global economic slowdown. Year-on-year comparison indicated that the price increased by 12.7 percent, from the US\$1,797.55 per ounce recorded in December 2022.

7.3 Crude Oil (Petroleum) price

Petroleum price decreased by 6.9 percent to US\$75.72 per barrel in December 2023 relative to the price reported in the preceding month. This development was due to the buildup of crude oil stockpile in the US and increase in global production. Compared to December 2022, the price of petroleum also fell by 3.0 percent, from US\$78.07 per barrel.

7.4 Rubber

Rubber price plummeted by 0.5 percent to US\$1,661.90 per metric ton during the month under review, from US\$1,670.00 per metric ton in November 2023, mainly due to low demand. Year-on-year comparison showed that the price of the commodity increased by 7.9 percent, from US\$1,540.00 per metric ton in December 2022.

7.5 Food Price (FAO)

FAO food price index (FFPI) decreased by 1.5 percent to US\$118.5 in December 2023, from US\$120.4 in the previous month. The decline was led by decreases in the price indices for sugar, vegetable oils, and meat.

The Government of Liberia's (GoL) fiscal operations worsened as the overall balance deficit grew to 0.8 percent of GDP, from 0.04 percent of GDP in November 2023, on account of increase in government expenditure which outweighed the growth in total revenue. The total public debt rose by 0.8 percent to 51.0 percent of GDP at end-December 2023, compared to the debt stock reported at the end of the preceding month, explained by increase in both domestic and external debt.

The merchandise trade deficit grew by 50.7 percent to 5.9 percent of GDP in December 2023, while total merchandise trade rose by 16.3 percent to 9.9 percent of GDP during the review month relative to the preceding month, largely on account of growth in imports.

Gross International Reserves (GIR) decreased by 3.8 percentage points to 10.4 percent of GDP at end-December 2023 against the GIR reported in the previous month, mainly driven by depreciation in Special Drawing Rights (SDRs) Holdings & Reserves coupled with growth in the CBL's net liquid US dollar denominated liabilities. Similarly, the months of import cover fell to 1.2 months, 1.8 months below the ECOWAS minimum regional threshold.

Net personal remittance inflows (including remittances terminated through mobile wallet) increased by 51.5 percent to US\$82.9 million (1.9 percent of GDP) in December 2023 against the amount recorded in the preceding month, led by growth in inward remittances. The Liberian dollar slightly depreciated against the US dollar on both average and end-period basis in December 2023 by 0.2 percent and 0.2 percent to L\$188.26 /US\$1.00 and L\$188.50 /US\$1.00, respectively, compared to the previous month. This development was driven by persistent high demand for foreign exchange to facilitate payments for imports during the period.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics largely showed increased performance for key commodities in December 2023 compared to the preceding month. Gold, iron ore, rubber, cement, and beverages recorded increase in productions while diamond output declined during the month under review.

In the mining subsector, gold production grew by 5.2 percent to 33,343 ounces, from the 31,680 ounces produced in November 2023, on account of increased artisanal gold mining activities. Iron ore production rose by 2.0 percent in the reporting month compared to the 505,000 metric tons produced in November 2023, mainly driven by increase in the global price of the commodity. Conversely, diamond output plummeted to 56.0 carats in December 2023, from the 7,008.0 carats reported in the previous month.

Activity in the manufacturing subsector showed that beverages (alcoholic and non-alcoholic) production increased by 9.1 percent to 3.25 million liters in December 2023, from 2.98 million liters in the previous month, mainly due to pre-festive season activities. When disaggregated, alcoholic beverages constituted 49.7 percent of the total beverages produced for the month, while non-alcoholic beverages accounted for 50.3 percent. Cement output increased by 25.2 percent to 48,615 metric tons, from the 38,840 metric tons produced in November 2023. The rise in the production commodity was largely led by increase in construction-related activities.

In the agriculture subsector, rubber output rose by 25.1 percent to 5,659 metric tons in the reporting period, from the 4,523 metric tons recorded in the previous month. The growth in rubber output was mainly explained by increase in the production of the commodity by small farmers holders during the review period.

3.2 Consumer Prices

Headline inflation moderated to 10.01 percent in December 2023, from the 11.43 percent reported in November of the same year. This development reflected decrease in the prices of all major items in the CPI basket except food & non-alcoholic beverages which increased, and health and education that remained unchanged. On a month-on-month basis, inflation slightly moderated to negative 1.85 percent, from the negative 1.70 percent reported in the previous month. The decline was mainly driven by decrease in the prices of commodities in the major food group.

Additionally, core inflation¹ decreased to 2.97 percent in December 2023, from 5.83 percent in the previous month.

On period average basis, all the six (6) currencies in the West African Monetary Zone (WAMZ) depreciated against the US dollar in December 2023. The Guinean franc depreciated by 0.1 percent; Liberian dollar by 0.2 percent; Gambian dalasi by 0.6 percent; Ghanaian cedi by 0.8 percent; Sierra Leonean leone by 2.4 percent; and the Nigerian naira by 9.6 percent. Compared to December 2022, all currencies in the WAMZ also weakened against the US dollar, except the Guinean franc which strengthened during the period. The dalasi, leone, Liberian dollar, cedi, and the naira depreciated by 1.7 percent, 17.1 percent, 17.9 percent, 26.3 percent, and 51.7 percent, respectively, while the Guinean franc appreciated against the US dollar by 0.5 percent.

Table 7: Exchange Rate Developments in Liberia and the WAMZ Countries

Rate & Currency	Dec-22	Oct-23	Nov-23	Dec-23	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	8.58	11.32	11.54	11.64	(0.8)	(26.3)
GMD	61.40	62.58	62.12	62.48	(0.6)	(1.7)
GNF	8,553.28	8,493.16	8,497.36	8,507.15	(0.1)	0.5
LRD	154.34	186.98	187.81	188.26	(0.2)	(17.9)
NGN	448.55	792.77	839.80	928.93	(9.6)	(51.7)
SLL	18.83	22.51	22.19	22.73	(2.4)	(17.1)
LRD End-of-period Exchange Rate						
LRD	154.49	187.48	188.05	188.50	(0.2)	(18.1)

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

GHC - Ghanaian cedi; LD - Liberian dollar; GMD - Gambian dalasi; GNF - Guinean franc; NGN - Nigerian naira; SLL—Sierra Leonean leone; USD - United States dollar

7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

Commodity Price Index of fuel and non-fuel commodities decreased in December 2023. Similarly, the Food and Agriculture Organization (FAO) food price index (FFPI) declined by 1.5 percent during the month under review, largely led by decrease in the price indices of sugar, vegetable oils, and meat.

6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in December 2023 was Europe, which accounted for US\$ 64.0 million worth of the export proceeds, of which Switzerland accounted for US\$55.8 million. For the sources of imports to Liberia, Africa, Europe, and Asia were the main regions, accounting for US\$153.67 million, US\$91.60 million, and US\$84.17 million, respectively. Imports from Cote d'Ivoire, India, and the Eurozone amounted to US\$148.52 million, US\$49.26 million, and US\$14.54 million, respectively, during the review month.

6.3 Personal Remittances

Personal remittance inflows (net), including remittances terminated through mobile wallet, increased significantly by 51.5 percent to US\$82.9 million (1.9 percent of GDP) during the month under review, compared to the US\$54.8 million (1.3 percent of GDP) recorded in November 2023. This development was driven by 47.7 percent increase in inward remittances as outward remittances similarly grew by 7.0 percent during the month. Inward and outward remittances amounted to US\$88.3 million and US\$5.4 million, from the US\$59.8 million and US\$5.0 million recorded, respectively, in the preceding month.

6.4 Gross International Reserves

Gross International Reserves (GIR) fell by 3.8 percent to US\$451.0 million (10.4 percent of GDP) at end-December 2023, from the US\$468.8 million (10.8 percent of GDP) recorded at end-November 2023. This development was mainly driven by depreciation in Special Drawing Rights (SDRs) Holdings & Reserves coupled with growth in the CBL's net liquid US dollar denominated liabilities. Similarly, the months of import cover reduced to 1.2 months, from 1.6 months in November 2023, on account of growth in imports coupled with depreciation in the GIR. Consequently, the months of import cover fell well below the ECOWAS minimum regional threshold of 3.0 months by 1.8 (Table 6).

6.5 Exchange Rate Developments

A month-on-month comparison showed that the Liberian dollar slightly depreciated against the US dollar by 0.2 percent to L\$188.50/US\$1.00 at end-December 2023 compared to the L\$188.05/US\$1.00 rate reported at end-November 2023. A year-on-year analysis also showed of the Liberia dollar depreciated by 18.1 percent against the US dollar. This development was driven by the high demand for foreign exchange to facilitate the importation of basis consumable goods and services.

The decline was mainly on account of moderations in the prices of alcoholic beverages & tobacco narcotics, housing, water, electricity, gas & other fuels, and recreation & culture.

Table 1: Production and Price Statistics

Production	Dec - 2022	Oct- 2023	Nov - 2023	Dec - 2023
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	460,000	400,000	505,000	515,000
Gold (Ounces)	32,429	40,362	31,680	33,343
Diamond (Carat)	617	10	7,008	56
Rubber (Metric ton)	4,875	7,437	4,523	5,659
Cement (Metric ton)	31,789	29,545	38,840	48,615
Total Beverages (liter)	1,543,225	2,068,422	2,983,527	3,253,927
Alcoholic	1,407,555	727,289	1,228,727	1,619,572
Non-Alcoholic	135,670	1,341,133	1,694,801	1,634,355
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	9.19	10.14	11.43	10.01
a. Food and Non-alcoholic Beverage Inflation	-2.47	16.86	25.13	26.93
- Domestic Food Inflation	-3.66	28.23	25.85	14.62
- Imported Food Inflation	-1.66	9.19	24.42	37.59
b. Transport Inflation	56.56	5.27	6.30	6.12
c. Imported Fuels Inflation	36.31	7.17	14.43	12.85
Overall (M-o-M) Rate of Inflation	-0.61	0.05	-1.70	-1.87
Core Inflation				
Inflation excluding Food & NAB ¹	14.53	7.20	5.89	3.40
Inflation excluding Imported Food	11.30	10.31	8.90	5.13
Inflation excluding Domestic Food	11.41	7.15	8.83	8.89
Inflation excluding Food and Transport	9.85	7.50	5.83	2.97
Annual Gross Domestic Product (GDP)²	3,398.4	3,553.2	3,553.2	3,553.2
Nominal (NGDP) (in millions US\$)	3,992.1	4,345.4	4,345.4	4,345.4
RGDP growth (in percent)	4.8	4.6	4.6	4.6

Sources: AML, MLME, FSL, CEMENCO, LCCBC, RITCO, NICOM, MB, CEMENCO, CBL & LISGIS.

¹ Non-alcoholic beverages

² 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's monetary policy stance continues to be anchored on price stability with emphasis on the management of Liberian dollar liquidity. As part of the CBL's monetary policy operations, the Bank issued bills at tenors of two-weeks, one-month, and three-months at the annual policy rate (MPR) of 20.0 percent.

4.2 Monetary Aggregates

Monetary aggregates statistics at end-December 2023 revealed a month-on-month growth of 2.8 percent in broad money (M2) supply to L\$222.01 billion, from the L\$215.92 billion recorded at the end of the previous month. The growth was driven by 4.5 percent increase in net domestic asset (NDA) as net foreign assets (NFA) contracted by 16.0 percent. Similarly, arrowed money (M1) supply grew by 3.9 percent to L\$159.69 billion at end-December 2023, from L\$153.63 billion in the preceding month, triggered by 4.2 percent and 3.2 percent rise in demand deposits and currency in circulation, respectively. Quasi money remained unchanged at L\$62.32 billion at end-December 2023, from L\$62.30 billion at end-November 2023, occasioned by the net effect of movements in savings & time, and other deposits.

Commercial banks loans to the private sector in both Liberian and US dollars declined by 0.6 percent and 14.1 percent to L\$5.64 billion and US\$393.3 million at end-December 2023, from L\$5.67 billion and US\$457.7 million at end-November 2023, respectively. The decrease in the Liberian dollar component was largely due to declines in advances to agriculture (by 12.0 percent), services (by 2.6 percent) and trade (by 3.6 percent) related activities. Similarly, the decline in the US dollar component was mainly driven by decrease in loans to trade (by 33.3 percent), services (by 23.9 percent) and construction (by 21.3 percent) related activities. On a year-on-year basis, the Liberia dollar component of loans and advances rose by 9.3 percent, mainly induced by growths in loans to services, and oil & gas sub-sectors. Conversely, year-on-year, the US dollar component contracted by 14.0 percent, reflecting declines in loans to trade, services, manufacturing, and personal loans related activities.

In terms of shares, trade, services, personal loans, and the manufacturing subsectors constituted the largest shares of total Liberian dollar loans to the private sector accounting for 49.2 percent, 12.4 percent, 7.2 percent, and 4.7 percent, respectively. For the total US dollar loans, the largest shares were to trade (23.7 percent), personal loans (22.0 percent), services (12.6 percent), oil & gas (9.2 percent), construction (8.7 percent) and agriculture (6.1 percent) subsectors.

Other Indicators				
Net Foreign Reserves Position	335.65	246.87	236.21	222.72
Import (FOB)	180.85	112.90	249.04	327.21
Gross International Reserves (GIR) ^y	598.49	478.03	468.77	451.05
Import covers (In Month) [†]	2.7	3.2	1.6	1.2
Personal Remittances				
Inflows	66.36	57.32	59.80	88.33
Outflows	5.96	6.51	5.04	5.39
Net flows	60.40	50.81	54.76	82.93
Direction of Trade (DOT)				
Destination of Export	67.2	91	101.2	76.5
Africa	1.6	3.9	1	5.9
o/w ECOWAS	-	-	0.1	4.2
o/w Neighboring Countries	-	-	0	1.8
Asia	1.5	1.8	2.7	1.6
o/w The Middle East	1.3	0.3	1.2	0.7
o/w United Arab Emirate	0.1	0.3	0.3	0.7
then China	0	-	0	-
Europe	64.1	79	90.6	64
o/w Euro Zone	3.3	1.2	4.3	0.9
o/w The United Kingdom	3.3	1.2	4.3	0.9
Switzerland	47	64.2	52.5	55.8
North America & The Caribbean	-	6.2	6.7	4.6
o/w USA	-	6.2	6.7	4.6
Sources of Import (cif)	203.12	125.39	268.99	341.68
Africa	33.9	12.17	18.33	153.67
o/w ECOWAS	25.04	5.78	16.01	150.07
o/w Neighboring Countries	25.21	5.91	16.43	150.35
o/w Cote D Ivoire	22.53	3.89	11.86	148.52
Asia	135.63	82.55	111	84.17
o/w The Middle East	4.59	6.25	6.11	7.57
o/w United Arab Emirate	2.36	1.95	3.35	2.04
o/w China	23.91	34.48	37.61	18.78
o/w India	91.51	21.08	41.61	49.26
Europe	22.55	20.79	127.6	91.6
o/w Europe Zone	19.57	17.97	8.13	14.54
o/w The United Kingdom	0.82	3.09	1.16	0.47
o/w Spain	1.56	2.76	1.45	0.78
North America & The Caribbean	6.66	4.6	6.89	8.08
o/w USA	6.27	3.85	4.55	7.07
South & Central America	4.1	4.93	4.6	3.66
o/w Brazil	3.33	3.93	3.2	2.84
o/w Argentina	0.26	0.32	0.11	0.25
Oceania	0.27	0.35	0.57	0.5
o/w Australia	0.26	0.3	0.31	0.35

Source: CBL

Total merchandise trade increased to US\$427.28 million (9.9 percent of GDP) during the month under review, from US\$367.46 million (8.5 percent of GDP) in the previous month, due to increase in import payments.

Export earnings plummeted by 13.5 percent to US\$85.14 million (2.0 percent of GDP) in December 2023, from US\$98.47 million (2.3 percent of GDP) in the previous month, occasioned by decreased in receipts from mainly rubber and iron ore. Payments for merchandise imports grew by 27.2 percent to US\$342.14 million (7.9 percent of GDP), from the US\$268.99 million (6.2 percent of GDP) recorded in the preceding month, largely due to rise in payments for minerals, fuel & lubricants, and food & live animals.

Table 6: External Sector Statistics

External Trade (Value)	Dec-22	Oct-23	Nov-23	Dec-23
	(Millions of US\$; Except Otherwise Indicated)			
Exports/ ¹	82.05	90.98	98.47	85.14
Iron Ore	21.71	13.16	29.27	6.29
Rubber	8.15	8.31	12.82	11.74
Gold	46.92	64.48	52.76	56.59
Diamond	1.27	0.01	1.84	0.02
Cocoa Bean	-	0.53	0.06	0.88
Palm Oil	1.25	4.01	0.82	4.11
Other Commodities	2.75	0.47	0.91	5.51
Imports (CIF)/ ^{1†}	203.12	125.39	268.99	342.14
Minerals, Fuel, Lubricants	31.48	6.47	130.26	226.42
o/w Petroleum Products	22.4	3.81	6.95	148.42
Food and Live Animals (incl. Animal and veg. oil)	97.64	39.15	49.12	59.17
o/w Rice	79.79	10.19	32.5	36.76
Machinery & Transport Equipment	41.09	44.29	50.43	27.87
Manufactured goods classified by materials	13.28	16.73	21.75	11.53
Other categories of imports	19.62	18.75	17.44	17.15
Trade Balance	-45.76	-34.31	-170.52	-257
Total Trade	204.86	216.47	367.46	427.28
External Trade (Volume)				
Rubber (MT)	4,407.12	4,396.27	4,523.25	5,638.57
Iron Ore (MT)	398,643.71	205,989.84	436,268.20	108,466.42
Cocoa Beans (MT)	-	-	13.75	209.08
Palm Oil (MT)	1,505.00	-	983.15	5,056.53
Gold (Oz)	32,429.27	40,361.68	31,679.62	33,342.99
Diamond (Crt)	616.75	9.84	11,417.90	56.08
Petroleum Products (MT)	8,667	1,297	3,992	51,131
Rice (MT)	930.62	205,989.84	19,950.23	16,697.90

All deposits converted to Liberian dollars (as a percent of GDP) increased by 0.6 percentage point to 23.5 percent at end-December 2023, from the 22.9 percent reported in the previous month. The rise was largely caused by increases in demand and other deposits.

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Dec-22	Oct-23	Nov-23	Dec-23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
ASSETS				
Net Foreign Assets (NFA)	16,548.9	12,274.6	17,653.3	14,823.4
Net Domestic Assets (NDA)	137,152.2	195,379.5	198,276.2	207,185.4
Domestic Credits	195,191.6	259,530.1	295,090.4	303,341.2
Net Claims on Government	102,981.8	150,668.8	147,447.6	152,365.5
Claims on Private Sector	92,209.8	108,861.4	147,642.8	150,975.7
Other Items Net	- 58,039.4	- 64,150.6	- 96,814.2	- 96,155.8
LIABILITIES				
Broad money (M2)	153,701.1	207,654.1	215,929.5	222,008.8
Narrow Money (M1)	106,211.7	145,678.4	153,628.2	159,688.6
Liberian Dollars in Circulation	26,175.5	29,747.2	30,408.8	31,384.3
Currency in banks	2,544.0	2,124.2	1,788.7	1,907.1
Currency outside banks	23,631.5	27,623.0	28,620.2	29,477.2
Demand deposits	82,580.2	118,055.5	125,008.0	130,211.4
Quasi Money	47,489.4	61,975.6	62,301.3	62,320.2
Time & Savings deposits	46,878.7	61,778.1	62,078.3	61,790.7
Other deposits	610.7	197.5	223.1	529.5
	MEMORANDUM			
Broad money (M2) in LRD only	47,812.5	53,568.7	53,979.6	54,703.4
Money Supply (M1) in LRD only	40,131.0	43,628.0	44,228.6	45,139.5
Loans to Private Sector				
Commercial banks loans to private sector- USD	457.5	467.3	457.7	393.3
Commercial banks loans to private sector - LRD	5,155.0	5,591.6	5,671.8	5,635.6
Demand Deposits of commercial banks				
Demand deposits – USD	427.7	544.3	581.7	607.7
Demand deposits – LRD	16,499.4	16,005.0	15,608.4	15,662.3
Time & savings deposits – USD	254.1	277.3	279.3	278.0
Time & savings deposits – LRD	7,623.1	9,784.8	9,553.0	9,379.4
Other Deposits**				
Actual US\$ component of other deposits	3.6	0.2	0.1	1.8
Liberian \$ component of other deposits	58.5	155.9	198.0	184.6
Total Deposits (both USD & LRD) converted to LRD ¹	130,069.6	180,031.1	187,309.4	192,531.6
Liberian Dollar share of Broad Money (% of total Money Supply)	31.1	25.8	25.0	24.6

‡ - 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

In December 2023, financial markets activities showed the continuous issuance of CBL bills in support of the Bank's monetary policy objectives. The bills were issued with tenors of 2-weeks, 1-month, and 3-months on an effective annual rate of 20.0 percent. Based on the regular and timely redemption of the bills and the dissemination of periodic redemption reports on the bank's website, public confidence in the bill has grown.

The total CBL bills issued during the period amounted to L\$6,048.85 million, decreasing by 8.2 percent from the amount purchased in the previous month. Similarly, the CBL redeemed L\$8,242.11 million of its outstanding bills, thus reducing the total outstanding of its bills to L\$7,563.01 million in December 2023. However, the number of retail investors increased to L\$262.85 million during the month.

There was no new issuance of treasury securities during the month. Consequently, the total outstanding Treasury securities in Liberian Dollars (LRD) stands at L\$3,642.67 million with a total stock of L\$8,277.30 million, while the US dollar treasury securities remained at US\$124.04 million at end-December 2023.

Lending, average savings, and time deposit rates remained unchanged at 12.4 percent, 2.1 percent, and 3.5 percent during the month under review, respectively, same as the previous month. However, money market instruments, such as repos, were not traded during the month. In interbank market, commercial banks persisted in engaging exclusively in non-interest-bearing swaps, a strategic approach aimed at alleviating liquidity disparities among banks, particularly in the context of their international and intra-country transactions (Table 3).

o/w Current Expenditure	74.31	57.08	28.18	105.80
o/w Compensation	28.94	14.03	11.80	75.29
o/w Goods and Services	35.39	40.72	13.60	11.27
o/w Capital Expenditure	3.24	1.55	1.61	0.29
o/w Payments on Loans, interest & other charges	4.80	2.95	10.42	3.85
Overall Balance (Surplus+; Deficit -)	(32.87)	(17.53)	(1.73)	(34.30)
Total Debt Stock	2,018.69	2,212.76	2,190.81	2,209.76
o/w Domestic	884.41	951.75	914.33	923.45
o/w Financial Institutions	829.96	824.06	786.64	786.64
o/w Other Debts	54.45	127.69	127.69	136.81
o/w External	1,134.27	1,261.01	1,276.48	1,286.31
o/w Multilateral	1,022.56	1,149.21	1,164.68	1,174.52
o/w Bilateral	111.72	111.80	111.80	111.80
Debt Service	15.64	2.14	39.19	2.01
o/w Interest Payments	4.02	1.03	0.54	0.75
o/w Principal Repayments	11.62	1.10	38.65	1.25
Government Revenue (% of GDP)				
Memo Items				
Government Expenditure (% of GDP)	1.25	1.02	0.89	1.75
Government Expenditure (% of GDP)	2.07	1.42	0.93	2.54
Total Debt Stock (% of GDP)	50.79	51.08	50.58	51.02
NGDP (at Level)	3,974.44	4,331.56	4,331.56	4,331.56

Source: CBL calculation using MFDP's data

*Projections

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

In the external sector, the merchandise trade deficit and total trade increased by 50.7 percent and 16.3 percent in December 2023, respectively, relative to their levels in the preceding month. Trade deficit rose to US\$257.00 million (5.9 percent of GDP), from US\$170.52 million (3.9 percent of GDP) in November 2023, on account of growth in payments for imports coupled with the reduction in export earnings.

Total government expenditure grew by more than one hundred percent to US\$109.9 million, from US\$40.2 million in the preceding month, led by growth in current expenditure. Current expenditure increased to US\$105.8 million (2.4 percent of GDP) during the month under review, of which compensation of employees and spending on goods & services amounted to US\$75.3 million and US\$11.3 million, respectively. However, capital expenditure and payments on loans, interests & other charges declined to US\$0.3 million (0.01 percent of GDP) and US\$3.9 million (0.08 percent of GDP) relative to the previous month.

5.2 Total Public Debt

Liberia's stock of public debt slightly grew by 0.8 percent to US\$2,209.8 million (51.0 percent of GDP) at the end-Dec 2023, compared to the US\$2,190.8 million (50.8 percent of GDP) reported in the preceding month. This development was largely driven by increases in both domestic and external debts. Domestic and external debts amounted to US\$923.5 million and US\$1,286.3 million at end-December 2023, from US\$914.3 million and US\$1,276.5 million at end-November 2023, respectively.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Dec-22	Oct-23	Nov-23	Dec-23
	(Millions of USD)			
Government Revenue	49.49	44.04	38.49	75.64
<i>o/w Tax Revenue</i>	43.24	38.41	31.92	37.05
<i>o/w Taxes on Income & Profits</i>	20.21	16.45	11.88	16.91
<i>o/w Taxes on Int'l Trade (Customs)</i>	15.38	13.52	16.47	17.07
<i>o/w Non-tax Revenue</i>	6.25	5.64	6.56	3.79
<i>o/w Property Income</i>	4.91	3.98	5.08	2.78
<i>o/w Administrative Fees & Penalties</i>	1.34	1.66	1.48	1.01
<i>o/w Other Revenue (Including Grants)</i>	-	-	-	34.80
Government Expenditure	82.36	61.58	40.21	109.94

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	November-22	September-23	October-23	November-23
	<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	0.00	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	Na	Na	Na	Na
Bills Purchased per month on EAR basis	7,875.22	5,640.41	6,592.24	6,048.85
Redemption during the month (EAR basis)	9,430.00	6,324.41	6,075.17	8,240.21
Bill Outstanding (EAR basis)	6,475.00	8,987.66	9,756.27	7,563.00
Effective Annual Rate (EAR)	15.0	20.00	20.00	20.00
	7,875.22	5,640.41	6,592.24	6,048.85
Total Purchases (coupon rate & EAR)	9,430.00	6,324.41	6,075.17	8,242.11
Total Redemption (coupon rate & EAR)	6,475.00	8,987.66	9,756.27	7,563.01
Total Outstanding Bills (coupon rate & EAR)	7,875.22	5,640.41	6,592.24	6,048.85
CBL Foreign Exchange Auction¹	<i>(In Millions of United States Dollar)</i>			
US Dollar offered	2.00	0.00	0.00	0.00
US Dollar Amount Sold	0.06	0.00	0.00	0.00
Total Subscription	0.06	0.00	0.00	0.00
Over (+)/ Under (-) Subscription	(1.40)	0.00	0.00	0.00
Treasury Securities	<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	8,247.60	6,900.40	3,642.67	3,642.67
T-Bills Total Stock			8,277.30	8,277.30
Net Treasury Bills Operations[^] withdrawal (+)/Injection (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	10.00	10.00	10.00	10.00
T- Bills Issued (In USD)	12.5	0.00	15.5	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.016	0.00	0.00	0.00
T-Bills Outstanding (Repayment principal and interest)	104.09	108.54	124.04	124.04
Ave. Weighted Discount Rate (T-Bills)	104.09	0.00	0.00	143.17
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	0.00	0.00	0.00	0.00

Coupon Payment	0.00	0.00	0.00	0.00
Outstanding coupon on Treasury Bond	0.00	0.00	0.00	8,246.47
Early Redemption	0.00	0.00	0.00	0.00
Coupon rate (%)	0.00	0.00	0.00	0.00
Treasury Bond Issued (USD)	0.00	0.00	0.00	0.00
Treasury Bond Principal Payment	49.51	0.00	0.00	0.00
Treasury Bond Outstanding (In USD) (Coupon and Principal)	0.16	36.33	36.33	36.33
Coupon Payments (USD)	0.00	0.00	0.00	0.00
Total debt stock	49.35	36.33	36.33	36.33
	<i>(As specified)</i>			
SCF rate	17.5	20.0	20.0	20.0
SCF Amount (In Millions LD)	0.00	0.00	0.00	0.00
SDF overnight rate	0.00	0.00	0.00	0.00
SDF Amount (In Millions LD)	0.00	0.00	0.00	0.00
	<i>(As specified)</i>			
Interest Rates				
- 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
Money Markets Instrument (In percent)				
Repo	0.00	0.00	0.00	0.00
Swap lending	0.00	0.00	0.00	0.00

Source : CBL

^ - with Liquidity Effect

/1 – CBL Foreign Exchange Auction includes use of the remittance split to ease the demand for foreign currency

/2 – 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 during the month under review. Though the industry liquidity ratio decreased by 1.64 percentage points to 44.10 percent at end-December 2023, from 45.74 percent in the preceding month, it remained well above the minimum regulatory requirement of 15.0 percent. The Capital Adequacy Ratio (CAR) was unchanged at 25.2 percent, same as in the previous month, and remained above the minimum regulatory requirement of 10 percent by 10.20 percentage points. Additionally, Return on Assets (ROA) increased by 0.17 percentage points to 2.35 percent, and Return on Equity (ROE) grew by 1.52 percentage points to 17.69 percent at end-December 2023.

Total gross loans increased by 1.2 percent to L\$92.94 billion in December 2023, from the L\$91.74 billion reported in the previous month. The growth in total loans was mainly attributed to increase in loan facilities granted to the agriculture (by 39.8 percent), and construction (by 27.4 percent). Conversely, the ratio of non-performing loans to total loans decreased by 0.44 percentage points to 18.06 percent during the month under review against the 10.0 percent regulatory tolerable limit. The reduction in NPLs was largely due to decreased defaults in the service (by 44.1 percent), and manufacturing (35.1 percent) subsectors.

Table 4: Selected Financial Soundness Indicators (FSIs)

Financial Soundness Indicators	Dec- 22	Oct-23	Nov-23	Dec - 23
	<i>(In Billions of Liberian Dollar)</i>			
Total Gross Loans	76.59	93.49	91.74	92.84
Total Non-performing Loans	12.69	17.04	16.97	16.76
Non-performing Loans to Total Gross Loans (ratio)	16.57	18.23	18.50	18.06
Gross Loan (percent change)	(3.54)	(0.39)	(1.87)	1.19
Non-performing Loans (percent change)	(19.90)	14.06	(0.41)	(1.23)
Returns on Assets (ROA)	2.05	2.08	2.18	2.35
Returns on Equity (ROE)	13.54	14.82	16.17	17.69
Liquidity Ratio***	43.51	41.21	45.74	44.10
Capital Adequacy Ratio (CAR)****	4.25	18.16	25.20	25.20

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

Provisional statistics showed that the deficit in the overall fiscal balance (OB) grew by more than one hundred percent to US\$34.3 million (0.8 percent of GDP) in December 2023, from US\$1.7 million (0.04 percent of GDP) in the preceding month. This development was driven by increase in government expenditure which outweighed the growth in total revenue.

Total revenue rose by 96.5 percent to US\$75.6 million (1.8 percent of GDP) in Dec-2023, from US\$38.5 million in the previous month. The increase was on account of growths in tax and other revenues (including grants) as non-tax revenue conversely declined. Tax and other revenues grew to US\$37.1 million and US\$34.8 million, respectively, while non-tax revenue declined to US\$3.8 million during the review month against their respective levels in the preceding month.