

# **Financial and Economic Bulletin**

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**Central Bank of Liberia**

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# Overview

The economy is estimated to grow at 8.8 percent in 2008, slower than what was projected in 2007. The performance of the economy is expected to be driven by the commencement of operations by major concessions (Arcelor-Mittal Steel, Buchanan Renewable Energy (BRE), etc), which will lead to a gradual reduction in the rate of unemployment. During the reporting quarter, the agriculture sector generally performed sluggishly on account of poor state of agricultural infrastructure, inadequate fertilizers application, pest menace, etc.. The average rate of inflation as measured by the Harmonized Consumer Price Index (HCPI) rose from 15.2 percent in the preceding quarter to 17.6 percent in the reporting period, largely due to the global surge in food and energy prices and structural weaknesses.

The banking sector continued to be characterized by steady growth in key areas of banks' balance sheet. For the reporting period, deposit base, gross loans, and total assets of the banking industry increased by 9.7 percent, 8.8 percent, and 3.5 percent, respectively. The liquidity ratio of the industry stood at 54.2 percent, far in excess of the minimum legal required ratio of 15.0 percent. However, total capital in the industry declined marginally by 2.2 percent due to additional loan loss provisions and provisions on GoL bonds due to misclassification. Despite the marginal decline in total capital, aggregate banks' capital, except one, exceeded the minimum legal requirement of 8.0 percent, as measured by the capital adequacy ratio (CAR) during the quarter under review. However, the CAR in the banking industry declined from 24.0 percent in the previous quarter to 19.0 percent in the reporting quarter. Non-performing loans as a ratio of total loans in the sector also declined.

Aggregate banks' credit in the economy grew by 8.7 percent in the review quarter, from L\$4,794.6 million to L\$5,211.0 million when compared with the first quarter of 2008, helping to finance the ongoing economic recovery process and stimulate growth of the private sector. During the quarter, average interest rates on lending, savings and personal loan marginally declined by 0.2, 0.08 and 0.07 percentage points, respectively. However, the average time deposit rate grew by 0.8 percentage points.

Liberian dollar in circulation declined by 1.4 percent or L\$46.8 million, from L\$3,383.5 million at end of the previous quarter to L\$3,336.7 million at end of the review quarter. The decline was largely due to the L\$48.4 million fall in currency outside banks. Money Supply (M1) marginally expanded by 0.52 percent to L\$10,023.8 million at end of the second quarter, from L\$9,972.0 million at end of the first quarter, 2008. Broad Money (M2) expanded by 4.1 percent, from L\$13,393.7 million at the end of the preceding quarter to L\$13,937.9 million at the end of the reporting quarter. The rise in broad money was driven mainly by increases in savings and time deposits, demonstrating the growing public confidence in the banking system.

The exchange rate of the Liberian dollar relative to the US dollar fluctuated between L\$63.00 and L\$64.01 per US\$1.00. The period average rate depreciated by 1.6 percent to L\$63.52 per US\$1.00 at end-June, from L\$62.50 per US\$1.00 at end-March, 2008. The selling rate remained broadly stable around L\$63.00 per US\$1.00. The CBL sold US\$8.0 million through its foreign exchange auction program during the quarter, which is helping to ensure broad stability in the exchange rate.

Total inflows for the review quarter summed to US\$253.8 million with outflows amounting to US\$213.6 million yielding a net inflow of US\$40.2 million. Matched against the level of net inflow for the previous quarter, net inflow for the second quarter rose by US\$23.0 million.

Government aggregate revenue and expenditure recorded during the second quarter of 2008 amounted to L\$3,662.7 million and L\$3,559.4 million, respectively, implying that revenue exceeded expenditure by L\$103.3 million. During the period under review, total public debt amounted to US\$4,479.1 million, with US\$3,823 million or 85.4 percent representing external debt while domestic debt accounted for US\$656.1 million or 14.6 percent. On the multilateral front, the World Bank cleared US\$400.0 million through bridge loan and the African Development Bank (AfDB) cleared US\$255.0 million through its Post-Conflict Countries Facilities (PCCF).

The trade deficit widened during the quarter, rising from US\$112.4 million at end-March to US\$120.4 million at end-June, 2008. The widening of the deficit was largely

due to the country's narrow exports base and a surge in demand for imports caused by an accelerated increase in the economic reconstruction and revitalization processes.

# 1.0 Domestic Production and Consumer Prices

## 1.1 Introduction

Performance of the real sector during the quarter was mixed. Agriculture production generally declined, while industrial output showed a moderate increase compared with the preceding quarter. Petroleum consumption recorded a fall relative to the level consumed a quarter ago. The average rate of inflation, as measured by the HCPI increased to 17.6 percent, from 15.2 percent in the preceding quarter. This was mainly driven by increase in prices of food and oil on the world market coupled with other domestic structural factors.

## 1.2 Sectoral Review

### 1.2.1 Agriculture

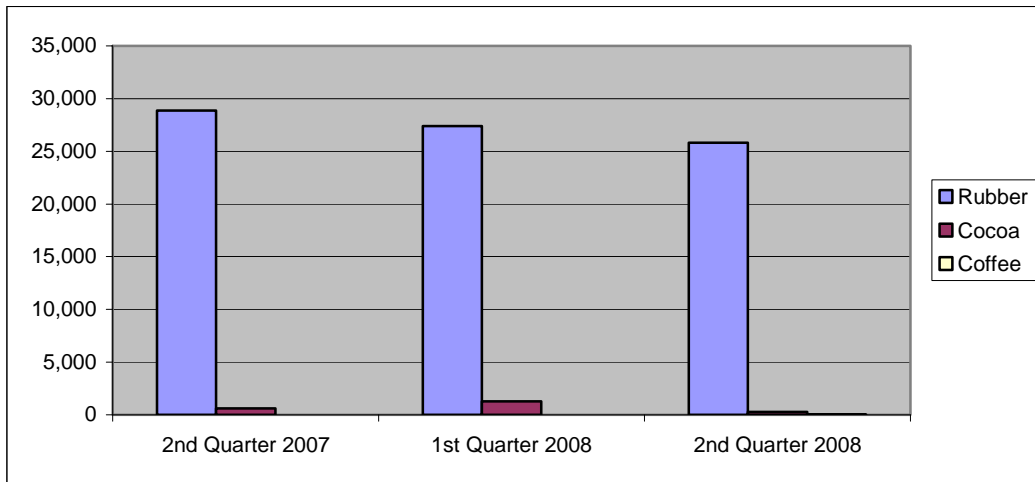
Agriculture production was low during the quarter because of a number of factors including seasonal rainfall, poor economic infrastructure, shortage of farm implements, inadequate supply of seeds and seedlings. Activities in the forestry sub-sector showed an improvement despite the delay in actual logging operations. The fishing sub-sector is faced with difficult problems — economic, technical, and physical — which led to cessation of actual fishing operation for the past 3 quarters by almost all of the industrial fishing entities. Besides imports, artisanal fishing remains generally the means of fish production in the economy.

**Table 1: Key Agricultural Production**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Commodity	Unit	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008	2 <sup>nd</sup> Quarter 2008
Rubber	Mt	28,859	27,386	25,825
Cocoa	Mt	599	1,284	265
Coffee	Mt	N/A	N/A	18
Round Logs	M <sup>3</sup>	N/A	N/A	N/A
Sawn Timber	Pcs	151,167	286,207	289,732

*Sources: Ministry of Planning and Economic Affairs; Ministry of Commerce & Industry; Liberia Produce Marketing Corporation (LPMC), and Forestry Development Authority (FDA) Monrovia, Liberia*

**Chart 1: Key Agricultural Production**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Metric Tons)**



**a. Rubber**

The production of rubber during the quarter declined by 5.7 percent, from 27,386 metric tons in the previous quarter to 25,825 metric tons. Several factors were responsible for the poor performance of the rubber sub-sector including the aging of rubber trees; poor security and administrative problems at major rubber plantations. Comparatively, production for the quarter was 10.5 percent lower than that of the corresponding quarter of 2007.

**b. Cocoa and Coffee**

Cocoa production registered a decline of 79.4 percent during the quarter, from 1,284 metric tons in the preceding quarter, to 265 metric tons in the review quarter. The decline in cocoa production is generally attributed to the seasonality associated with its production. Compared with the corresponding quarter of 2007, production for the quarter decreased by 55.8 percent. Production of coffee, which ceased for about a year, began during the review quarter with a total production of 18.0 metric tons.

### **c. Sawn Timber**

Production of sawn timber during the period under consideration totaled 289,732 pieces. The 1.2 percent increase in production was influenced by the demand for timber-related and timber products during this period of reconstruction. Relative to the corresponding quarter a year ago, production of the review quarter rose by 91.7 percent (Table 1).

## **1.3 Industrial Production**

The industrial sector comprises mining and manufacturing. Its growth was inhibited by a number of factors among which are inadequate trained manpower and high cost of imported raw materials.

### **a. Mining (Diamond and Gold)**

The mining sector is one of the key sectors driving growth in the economy. Foreign Direct Investment (FDI) in the sector is gradually increasing following the signing of the concession agreement between Arcelor-Mittal Steel and the Government of Liberia for the exploitation of iron ore from the former LAMCO Area; the submission of bid proposals by four international mining companies for the exploitation of the Bong Range Iron Ore Project among others. All of these activities are geared towards bringing about economic growth and sustainable development of the country.

Diamond production increased during the quarter by 4.1 percent to 12,821 carats, from 12,315 carats in the previous quarter. The rise in diamond production was attributed to the high price of the mineral on the world market.

Gold production showed a decline of 8.5 percent during the reporting quarter to 5,117 ounces, from 5,593 ounces in the previous quarter (Table 2). The reduction in production was partly due to the shift of resources from gold to diamond production as a result of the high price of diamond.



## **b. Manufacturing**

### **i. Cement**

During the review quarter, the volume of cement produced declined to 18,391 metric tons, from 36,338 metric tons produced in the first quarter. The 49.4 percent decline was influenced basically by the huge importation of cement into the country and inadequate storage facilities. Output for the reporting period declined by 50.2 percent when compared with production for the same period in 2007.

### **Beverages**

Output of beverages totaled 4.4 million liters during the review quarter against 3.7 million liters produced during the preceding quarter, reflecting an increase of 18.9 percent. The increase in production was mainly driven by heightened domestic demand. Matched against the output of the second quarter of 2007, output for the quarter declined by 20.0 percent.

Of the overall output of beverages produced, alcoholic beverages (beer, spirit, and stout) accounted for 71.6 percent, while non-alcoholic beverages (Malta and Soft Drinks) represented 28.4 percent.

**Table 2: Key Industrial Output**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Commodity	Unit	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008	2 <sup>nd</sup> Quarter 2008
Diamond	Carat	N/A	12,315	12,821
Gold	Ounce	2,652	5,593	5,117
Cement	Mt	36,953	36,338	18,391
Spirit	Litre	210,734	299,438	238,000
Beer	Litre	1,756,726	1,879,563	2,134,282
Stout	Litre	704,825	740,259	776,152
Malta	Litre	226,781	279,473	269,494
Soft Drinks	Litre	2,600,136	542,945	978,422
Oil Paint	Gal.	6,358	9,633	1,032
Water Paint	Gal.	10,553	18,970	16,045
Varnish	Gal.	1,589	2,408	984
Manoline Hair Grease	Kg.	N/A	11,768	11,466
Powder Soap	Kg.	25,547	28,040	41,155
Candle	Kg.	76,409	102,491	69,227
Chlorox	Litre	140,609	106,801	127,812
Rubbing Alcohol	Litre	138,751	40,902	20,496
Thinner	Gal.	823	505	270
Mattresses	Pcs	30,035	28,371	30,044
Deep Well Water <sup>1</sup>	Gal.	14,445,148*	N/A	N/A
Finished Water <sup>2</sup>	Gal.	211,601,419*	324,326,369	267,963,894*

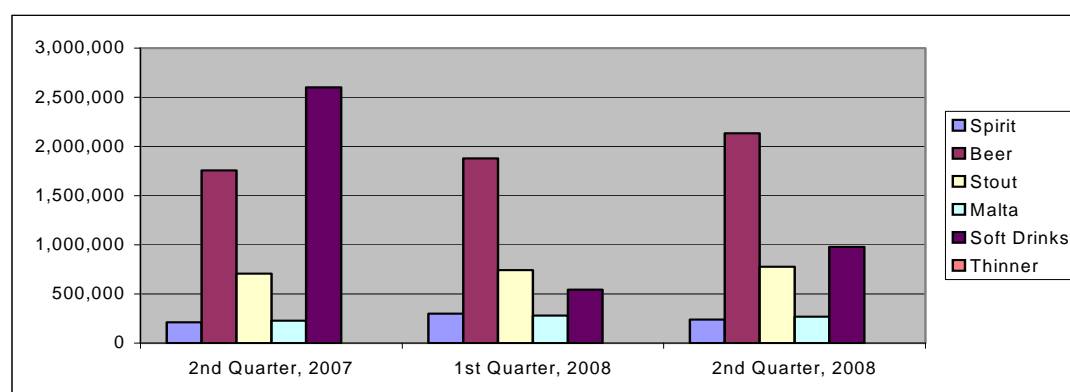
Note: <sup>1</sup> Water from drilled wells (program has been terminated)

<sup>2</sup> Water from the treatment plant in White Plains

\*Estimates

Sources: Ministry of Planning and Economic Affairs and The Liberia Water & Sewer Corporation, Monrovia, Liberia

**Chart 2: Key Industrial Output**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(Volume in Liters)

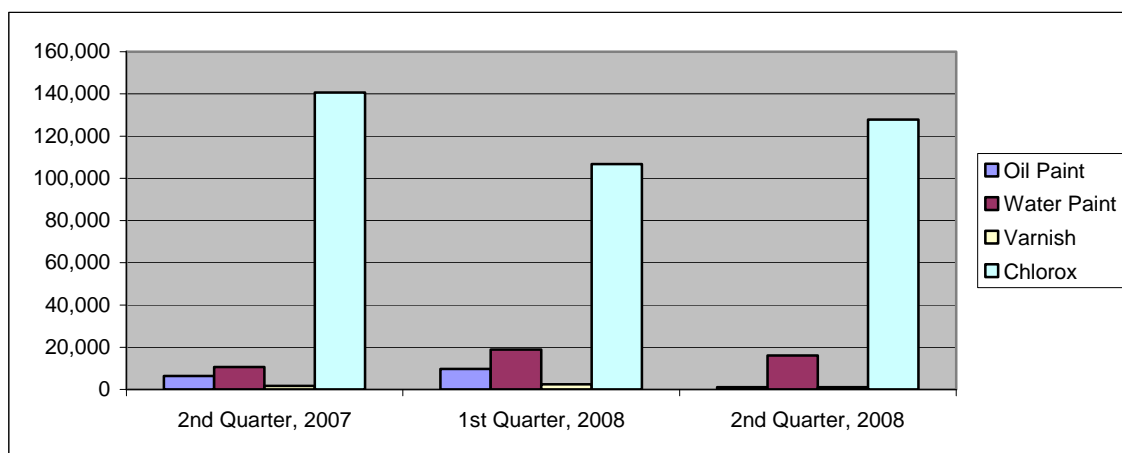


### Paints (Oil and Water)

The output of paints during the reporting quarter recorded a decline of 40.3 percent to 17,077 liters, from 28,603 liters in previous quarter. The shortage of raw materials

used in the production of paints resulted into the fall in output of the commodities. Of aggregate production, oil paint represented 6.0 percent, while water paint accounted for 94.0 percent.

**Chart 3: Key Industrial Output  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(Volume In Gallons)**



### **Candle**

Production of candle during the quarter contracted to 69,227 kilograms, from 102,491 kilograms in the preceding quarter. The 32.5 percent fall was on account of limited supply of raw materials used in the manufacturing of the product. Output of the reporting quarter declined by 9.4 percent when compared to that of the corresponding quarter of 2007.

### **Mattresses**

During the review quarter, a total of 30,044 pieces of mattresses was manufactured against 28,371 pieces manufactured in the previous quarter. The rise of 5.9 percent in production was largely an outcome of the influx of returnees from refugee camps in the sub-region which raised the demand for the commodity. Comparatively, output of the quarter slightly exceeded that of the second quarter of 2007 by 0.03 percent.

The volume of water supplied during the reporting period plummeted to 268.0 million gallons, from 324.3 million gallons in the previous period. The termination of the deep well water program was generally responsible for the 17.4 percent decline in the quantity of water supplied. Compared with the corresponding quarter of 2007, supply of water during the quarter rose by 18.5 percent (Table 2).

#### 1.4 Consumption Of Petroleum Products

The volume of petroleum products consumed during the quarter totaled 10.0 million gallons, from 10.5 million gallons in the previous quarter. Global increase in the price of oil was one key reason for the 4.8 percent decline in the volume of petroleum products consumed. The reduction in the volume of petroleum products used in the economy affected negatively transportation, manufacturing, electricity production, etc.

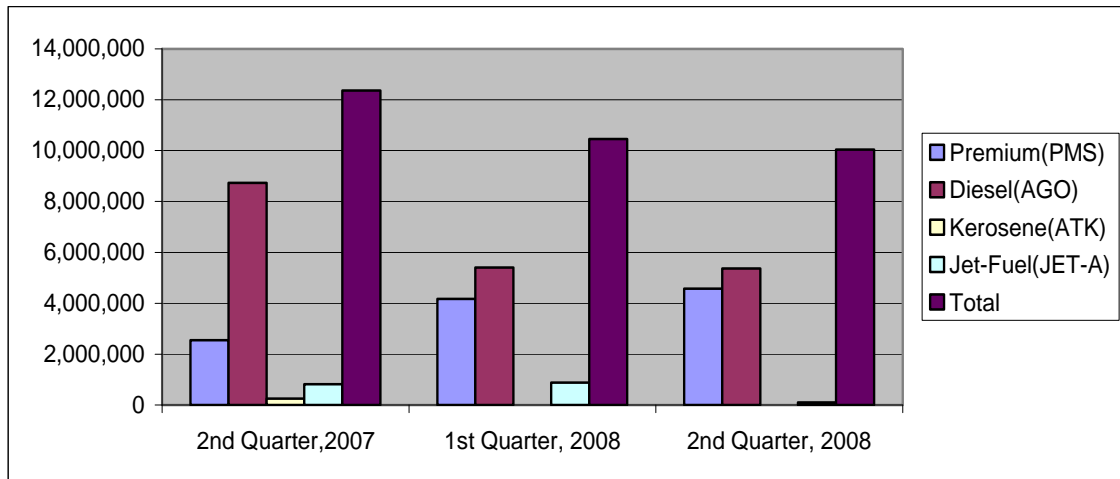
Of the aggregate petroleum products consumed during the reporting period, Premium Motor Spirit (PMS) represented 45.6 percent; Automotive Gas Oil (AGO) accounted for 53.5 percent and Jet-Fuel (Jet-A) represented 0.9 percent. There was no kerosene (ATK) import in the quarter. Consumption of petroleum products during the review period fell by 19.4 percent when compared to that of the second quarter of 2007 (Table 3 & Chart 3).

**Table 3: Consumption of Petroleum Products  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008  
(In Gallons)**

Commodity	Unit	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008	2 <sup>nd</sup> Quarter 2008
Premium(PMS)	Gallon	2,552,984	4,173,050	4,578,750.00
Diesel(AGO)	Gallon	8,732,001	5,403,200	5,372,500.00
Kerosene(ATK)	Gallon	255,788	N/A	N/A
Jet-Fuel(JET-A)	Gallon	820,264	881,600	96,000
<b>Total</b>		<b>12,361,037</b>	<b>10,457,850</b>	<b>10,047,250</b>

*Source: Ministry of Commerce and Industry, Monrovia, Liberia*

**Chart 4: Consumption of Petroleum Products  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Gallons)**



### 1.5 Seaport Developments

Shipping activities in the economy plummeted during the quarter after a marginal improvement in the previous quarter. Vessel traffic reduced by 26.9 percent to 68 vessels and cargo tonnage contracted by 30.9 percent to 300,235 metric tons (Table 4). There were several factors that influenced the contraction, prominent amongst which were the physical deterioration of the port facilities and the international price increase of petroleum products. Of the total tonnage, export represented 18.9 percent; while imports accounted for 81.1 percent. Annual comparison showed that cargo movements during the current quarter rose by 18.6 percent when matched against the same period in 2007.

**Table 4: Vessel Traffic and Cargo Movements  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**

Quarter	No. of Vessels	Vessel Weight(SDWT*)	Cargo Tonnage ( in metric tons)		
			Imports	Exports	Total
2 <sup>nd</sup> Quarter, 2007	93	1,010,671	201,305	51,878	<b>253,183</b>
1 <sup>st</sup> Quarter, 2008	93	1,154,894	364,442	70,172	<b>434,614</b>
2 <sup>nd</sup> Quarter, 2008	68	887,724	243,628	56,607	<b>300,235</b>

\* SDWT = Summer Dead Weight Tons

Source: National Port Authority (NPA), Monrovia, Liberia

## **1.6 Consumer Price Developments**

The general rate of inflation continued to rise during the reporting quarter with the general index averaging 135.37, compared with 129.5 at the end of the previous quarter. The average quarterly rate of inflation was 17.6 percent at the end of the quarter compared with 15.2 percent for the preceding quarter (Table 5). During the quarter, all of the sub-indices registered increases except the Communication index, which recorded a decline of 1.5 percent, and the Education index which exhibited no change. Growing competition in the cell-phone industry induced the fall in the communication index. Noticeable increases in the HCPI which impacted most on consumers' budgets were: Transport (55.2 percent); Food & Alcoholic Beverages (24.6 percent); Furnishing, Household Equipment and Routine Maintenance (15.9); Miscellaneous goods and services (8.88 percent) and housing, water, electricity, gas and other fuel (8.3 percent) (Table 5). The overall rise in the general price level in the economy was on account of a combination of factors, both external and domestic, including the global increase in food and oil prices and the poor state of key economic infrastructure.

**Table 5: Harmonized Consumer Price Index (HCPI) By Major Sub Groups**  
**Year-On-Year Rates of Inflation**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(Dec. 2005=100)**

<b>FUNCTION</b>	<b>WEIGHT</b>	<b>Apr-07</b>	<b>May-07</b>	<b>Jun-07</b>	<b>2<sup>nd</sup> Qtr 07 Average</b>	<b>Jan-08</b>	<b>Feb-08</b>	<b>Mar-08</b>	<b>1<sup>st</sup> Qtr 08 Average</b>	<b>Apr-08</b>	<b>May-08</b>	<b>Jun-08</b>	<b>2<sup>nd</sup> Qtr 08 Average</b>
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	45.20	24.81	16.44	23.03	21.43	28.27	24.65	22.46	25.13	15.70	26.29	31.83	24.61
<b>ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS</b>	3.03	7.58	7.24	2.56	5.79	4.53	2.39	6.24	4.39	4.62	4.44	6.41	5.16
<b>CLOTHING AND FOOTWEAR</b>	7.75	9.12	7.99	8.64	8.58	2.62	0.71	1.14	1.49	1.32	3.98	1.45	2.25
<b>HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	12.00	10.02	9.11	9.19	9.44	3.89	4.58	5.44	4.64	5.73	9.46	9.62	8.27
<b>FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE</b>	5.25	2.10	2.82	0.96	1.96	9.39	11.25	12.30	10.98	16.62	15.75	15.42	15.93
<b>HEALTH</b>	3.91	0.00	0.00	0.00	0.00	-0.34	0.00	2.03	0.56	0.00	0.34	1.01	0.45
<b>TRANSPORT</b>	6.11	0.38	0.24	2.04	0.89	26.44	28.68	26.18	27.10	27.52	68.99	68.99	55.17
<b>COMMUNICATION</b>	1.53	-10.27	-10.20	-10.20	-10.22	-3.41	-0.49	-3.26	-2.39	-0.57	-0.60	-3.31	-1.49
<b>RECREATION AND CULTURE</b>	3.85	12.14	12.01	2.80	8.98	4.43	4.62	9.41	6.15	9.19	9.11	8.02	8.77
<b>EDUCATION</b>	3.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>RESTAURANTS AND HOTELS</b>	4.64	-3.33	3.34	1.69	0.57	5.54	0.49	2.55	2.86	6.39	0.75	0.86	2.67
<b>MISCELLANEOUS GOODS AND SERVICES</b>	3.53	3.75	3.53	2.02	3.10	5.05	7.59	7.69	6.77	9.32	8.66	8.67	8.88
<b>GENERAL RATE OF INFLATION</b>	<b>100.00</b>	<b>13.49</b>	<b>10.08</b>	<b>12.45</b>	<b>12.01</b>	<b>16.50</b>	<b>14.78</b>	<b>14.29</b>	<b>15.19</b>	<b>11.72</b>	<b>19.22</b>	<b>21.95</b>	17.63

*Sources: Liberia Institute for Statistics & Geo-Information Services (LISGIS), and the Central Bank of Liberia, Monrovia, Liberia*

## **II. MONETARY AND FINANCIAL DEVELOPMENTS**

### **2.1 Money and Banking**

#### **Banking Developments**

Developments in the banking system continued to be marked by steady growth in key areas of the banks' balance sheets. During the review quarter, there were several improvements over the first quarter. The deposit base, gross loans and total assets of the banking industry showed increases of 9.7 percent, 8.8 percent and 3.5 percent, respectively, when compared to the preceding quarter. However, total capital in the industry declined by 2.2 percent due to additional loan loss provisions and provisions on GOL bonds due to its misclassification. Liquidity ratio of the system was 54.2 percent, which was far above the minimum required ratio of 15.0 percent. Overall, the growth rates reflect the banking industry's ability to meet market demands. These improvements were largely due to the ongoing reform measures by the CBL which have increased confidence in the banking system.

Despite the slight decline in total capital, banks' capital continued to exceed CBL's regulatory requirements. Measured by the capital adequacy ratio (CAR), all of the banks, except one, were in excess of the minimum 8.0 percent requirement during the review quarter. The industry's CAR, however, declined slightly from 24.0 percent at end of the first quarter to 19.0 percent at the end of the reporting quarter.

The banking system continued to maintain strong liquidity position during the reporting quarter, signaling relative stability in the system. Non performing loans as a ratio of total loans declined from 17.4 percent at end March to 13.9 percent at end-June 2008.

### **2.2 Commercial Bank Credit**

The intermediation role of the commercial banks continued to improve during the quarter with total banks' credit increasing by 8.7 percent to L\$5,211.0 million, from L\$4,794.6 million at end of the first quarter of 2008. This development is necessary to help facilitate the ongoing reconstruction and developmental activities taking place in the economy. The rise



was driven largely by increases in credit to the Construction Sector, the Others Sector, and the Transportation, Storage & Communication Sector, which rose by 24.8 percent, 19.3 percent, and 4.6 percent, respectively.

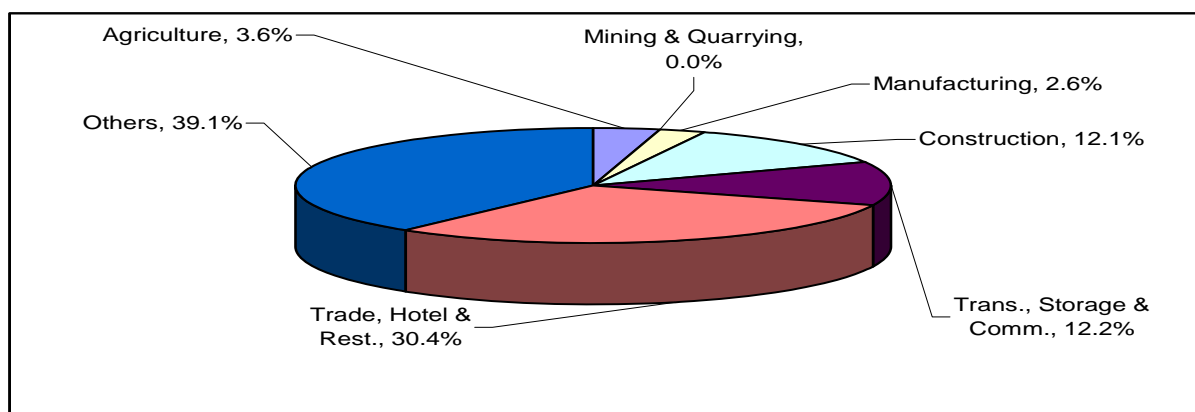
**Table 6: Commercial Banks' Loans by Economic Sectors  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In '000' L\$)**

Economic Sectors	2 <sup>nd</sup> Quarter 2007	Percent Share	1 <sup>st</sup> Quarter 2008	Percent Share	2 <sup>nd</sup> Quarter 2008	Percent Share
Agriculture	306,542	6.6	205,824	4.3	187,103	3.6
Mining & Quarrying	0.0	0.0	0.0	0.0	0.0	0.0
Manufacturing	49,224	1.1	151,638	3.2	134,932	2.6
Construction	367,850	7.9	504,507	10.5	629,578	12.1
Trans., Storage & Comm.	130,201	2.8	607,620	12.7	635,349	12.2
Trade, Hotel & Rest.	559,485	12.0	1,617,513	33.7	1,586,326	30.4
Others	3,260,267	69.8	1,707,517	35.6	2,037,757	39.1
<b>Total</b>	<b>4,673,570</b>	<b>100.0</b>	<b>4,794,619</b>	<b>100.0</b>	<b>5,211,044</b>	<b>100.0</b>

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

A percentage decomposition of total banks' credit for the review quarter, showed that the Trade, Hotel & Restaurant Sector accounted for 30.4 percent; Transportation, Storage & Communication, 12.2 percent; Construction, 12.1 percent; Agriculture, 3.6 percent; Manufacturing, 2.6 percent. The "Others" Sector accounted for 39.1 percent (Table 6 and Chart 5).

**Chart 5: Percentage Share of Commercial Banks' Loans by Economic Sectors  
(2<sup>nd</sup> Quarter, 2008)**



## 2.3 Interest Rates

For the reporting period, the average lending rate declined by 0.2 percentage points to 14.40 percent, from 14.60 percent at end-March, 2008. The savings rate, on the average, showed a decline of 0.08 percentage points, while the average time deposit rate rose by 0.1 percentage points. Average personal loan rate fell by 0.07 percentage points, from 14.87 percent during the preceding quarter to 14.80 percent for the quarter under review (Table 7). On the average, the cost of capital acquisition within the banking sector is relative high and there is little incentive to induce greater savings.

**Table 7: Interest Rates**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

<b>RATES</b>	<b>2<sup>nd</sup> Quarter 2007</b>	<b>1<sup>st</sup> Quarter 2008</b>	<b>2<sup>nd</sup> Quarter 2008</b>
Avg Lending Rate	15.11	14.60	14.40
Avg Personal Loan Rate	13.00	14.87	14.80
Avg Mortgage Rate	12.00	12.00	12.00
Avg Time Deposit Rate	3.77	4.10	4.20
Avg Savings Rate	2.12	2.20	2.12
Avg Rate on CD'S	3.00	3.00	3.00

## 2.4 Monetary Policy Stance

The Monetary Policy objective of the CBL is the maintenance of price stability. The Bank's foreign exchange auction remains the readily available monetary policy tool used to affect domestic monetary condition in support of its efforts at ensuring broad exchange rate stability.

## 2.5 Liberian Currency in Circulation<sup>1</sup>

The domestic currency in circulation at end-June declined by L\$46.8 million or 1.4 percent to L\$3,336.7 million, from L\$3,383.5 million at end-March 2008. The decline was on account of a L\$48.4 million fall in currency outside banks, which broadly indicates growing public confidence in the banking system (Table 8 & Chart 6).

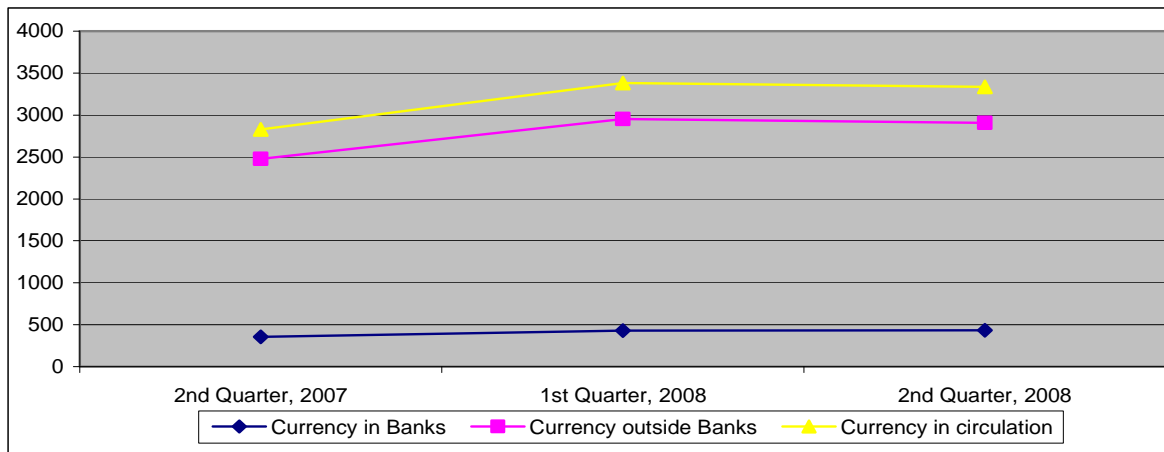
<sup>1</sup>Currency in circulation includes currency in banks plus currency outside banks in the hands of the non-bank public.

**Table 8: Liberian Currency in Circulation  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Millions L\$)**

Quarter	Currency in Banks	Currency outside Banks	Currency in circulation
<b>2007</b>	(1)	(2)	(1+2=3)
2 <sup>nd</sup> Quarter	353.3	2,476.8	2,830.1
<b>2008</b>			
1 <sup>st</sup> Quarter	429.8	2,953.7	3,383.5
2 <sup>nd</sup> Quarter	431.4	2,905.3	3,336.7

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

**Chart 6: Liberian Currency in Circulation  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Millions L\$)**



## 2.6 Money Supply (M1)<sup>2</sup>

Money supply (M1) increased during the quarter under review, rising slightly by 0.5 percent to L\$10,023.8 million at end-June, from L\$9,972.0 million at end-March, 2008. The increase was on account of a 1.4 percent increase in demand deposits, from L\$7,018.4 million at end-March to L\$7,118.6 million at end-June, 2008 (Table 9 & Chart 7).

<sup>2</sup> Money Supply (M1) is narrowly defined as currency outside banks plus demand deposits.

**Table 9: Money Supply & Broad Money**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

<b>Quarter</b>	<b>Liberian Currency Outside Banks (1)</b>	<b>Demand Deposits (2)</b>	<b>Money Supply M1(1+2) (3)</b>	<b>Savings Deposits (4)</b>	<b>Time Deposits (5)</b>	<b>Quasi- Money (4+5) (6)</b>	<b>Broad Money- M2 (3+6) (7)</b>
<b>Quarter, 2007</b>							
2 <sup>nd</sup> Quarter	2,476.8	5,031.1	7,507.9	2,357.5	132.2	2,489.7	9,997.6
<b>Quarter, 2008</b>							
1 <sup>st</sup> Quarter	2,953.6	7,018.4	9,972.0	2,893.2	528.5	3,421.7	13,393.7
2 <sup>nd</sup> Quarter	2,905.2	7,118.6	10,023.8	3,334.2	579.9	3,914.1	13,937.9

**Chart 7: Money Supply**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

## **2.7 Broad Money (M2)<sup>3</sup>**

Broad money (M2) also increased by 4.1 percent to L\$13,937.9 million at end-June from L\$13,393.7 million at end-March 2008. The increases in savings and time deposits or quasi money were largely responsible for the rise in broad money — rising by 15.2 percent to L\$3,334.2 million and 9.7 percent to L\$579.9 million at end-June, 2008, respectively. These developments are demonstrative of growing public confidence in the banking system.

<sup>3</sup> M2 is defined as M1 plus savings and time deposits or quasi-money with commercial banks.

**Chart 8: Broad Money**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**



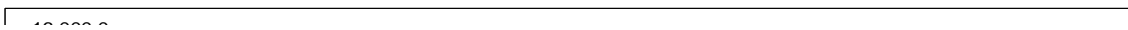
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percent, while the Liberian dollar component accounted for 32.1 percent at end June, 2008 (Table 10 & Chart 9).

**Table 10: Broad Money (M2): Share of US and Liberian Dollars**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

	<b>Jun-07</b>	<b>Percent Share</b>	<b>Mar-07</b>	<b>Percent Share</b>	<b>Jun-08</b>	<b>Percent Share</b>
Broad Money	9,997.6		13,393.7		13,937.9	
US\$ Converted*	6,411.1	64.1	8,927.1	66.7	9,463.9	67.9
L\$	3,586.5	35.9	4,466.6	33.3	4,474.0	32.1
		100.0		100.0		100.0

**Chart 9: Broad Money (M2): Share of US and Liberian Dollars**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**



## 2.8 Exchange Rate

At the close of the review quarter, the end-of-period market rate was L\$63.50 per US\$1.00, depreciating by 1.4 percent, from L\$62.63 at end-March, 2008. Following similar trend, the period average rate depreciated by 1.6 percent to L\$63.50 for a US dollar, from L\$62.50 per US dollar at end-March, 2008. The exchange rate remained broadly stable around L\$63.00 per US\$1.00 for the review quarter (Tables 11 & 12).

**Table 11: Exchange Rates: L\$/US\$  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**

<b>EXCHANGE RATE</b>	<b>2<sup>nd</sup> Quarter 2007</b>	<b>1<sup>st</sup> Quarter 2008</b>	<b>2<sup>nd</sup> Quarter 2008</b>
Market Rate: End of Period	62.50	62.63	63.50
Market Rate: Period Average	62.51	62.50	63.50

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

**Table 12: Exchange Rate Developments: Liberian Dollars per US dollar  
(Monthly Averages)  
(January 2007 – June, 2008)**

	<b>2007</b>		<b>2008</b>	
	<b>Buying</b>	<b>Selling</b>	<b>Buying</b>	<b>selling</b>
<b>January</b>	60.57	61.65	62.96	64.00
<b>February</b>	60.21	61.13	62.21	63.21
<b>March</b>	60.00	61.01	62.00	63.01
<b>April</b>	60.40	61.54	62.06	63.08
<b>May</b>	61.22	62.17	62.78	63.56
<b>June</b>	62.02	63.00	63.00	64.00
<b>July</b>	60.77	61.71		
<b>August</b>	61.91	62.91		
<b>September</b>	61.12	62.12		
<b>October</b>	61.13	62.15		
<b>November</b>	59.65	60.67		
<b>December</b>	60.27	61.27		
<b>Q1</b>	<b>60.26</b>	<b>61.26</b>	<b>62.39</b>	<b>63.41</b>
<b>Q2</b>	<b>61.21</b>	<b>62.24</b>	<b>62.61</b>	<b>63.54</b>
<b>Q3</b>	<b>61.27</b>	<b>62.25</b>		
<b>Q4</b>	<b>60.35</b>	<b>61.36</b>		
<b>Year</b>	<b>60.77</b>	<b>61.78</b>		

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

**Chart 10: Exchange Rate Developments: Liberian Dollars per US dollar  
(Monthly Averages)  
(January 2007 – June, 2008)**

## **2.9 Foreign Exchange Auction**

The total amount of US\$8.0 million was sold through the CBL's weekly foreign exchange auction program during the review quarter compared with US\$8.2 million sold during the first quarter of the year. The frequency of the auction is significantly contributing to the increased amount of US dollars offered for sale at the auction which is helping to ensure broad exchange rate stability (Chart 11).

**Chart 11: US Dollars Sold at the CBL's Foreign Exchange Auction  
(In Millions US\$)**

## 2.10 Remittances

Remittances for the quarter amounted to a net inflow of US\$40.2 million, from total inflows of US\$253.8 million and total outflows of US\$213.6 million. Compared with the previous quarter, net inflow for the second quarter of the year rose by 36.5 percent, from US\$17.0 million at end-March 2008, reflecting a higher level of inflows into the economy than outflows (Table 13 & Chart 12).

**Table 13: Remittances: Inflows and Outflows**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions US\$)**

	<b>2<sup>nd</sup> Quarter 2007</b>	<b>1<sup>st</sup> Quarter 2008</b>	<b>2<sup>nd</sup> Quarter 2008</b>
<b>Inflows</b>	181.1	239.4	253.8
<b>Outflows</b>	162.5	222.4	213.6
<b>Net Flows</b>	18.6	17.0	40.2

**Chart 12: Remittances: Inflows and Outflows**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions US\$)**



### **III. Fiscal Developments**

The amounts of L\$ 3,662.7 million and L\$ 3,559.4 million were reported for revenue and expenditure, respectively, for the second quarter of 2008 indicating that revenue exceeded expenditure by L\$103.3 million or 2.9 percent during the quarter.

#### **3.1 Revenue**

Total revenue for the second quarter amounted to L\$3,662.7 million, showing a marginal decrease of L\$7.1 million or 0.2 percent over the first quarter of 2008. The decline was driven by contractions in Direct Taxes and Grants, which fell by L\$58.2 million and L\$168.2 million, respectively. Despite the fall in aggregate revenue, Indirect Taxes and Maritime revenue registered marked increases. Indirect Taxes rose by L\$147.0 million or 21.0 percent, while Maritime revenue surged to L\$246.7 million, an increase of 24.5 percent. Other revenue sources that reported increases were Customs & Excise by 0.8 percent and Petroleum Sales Levy, 8.9 percent.

Matched against the level recorded for the second quarter of 2007, total revenue increased by L\$1,199.5 million or 48.7 percent. This marked increase in revenue was on account of prudent tax administration, which has helped to ensure the sealing of leakages and other malpractices that characterized revenue collection in the past. A disaggregation of total revenue by sources revealed that Customs & Excise Taxes amounted to L\$1,268.6 million (34.6 percent of total revenue); Direct Taxes, L\$1,057.8 million (28.9 percent); Indirect Taxes, L\$846.3 million (23.1 percent); FDA Levy, L\$17.0 million (0.5 percent); Petroleum Sales Levy, L\$121.7 million (3.3 percent); Maritime, L\$246.7 million (6.7 percent), and Grants, L\$104.6 million (2.9 percent) (Table 14 & Chart 13).

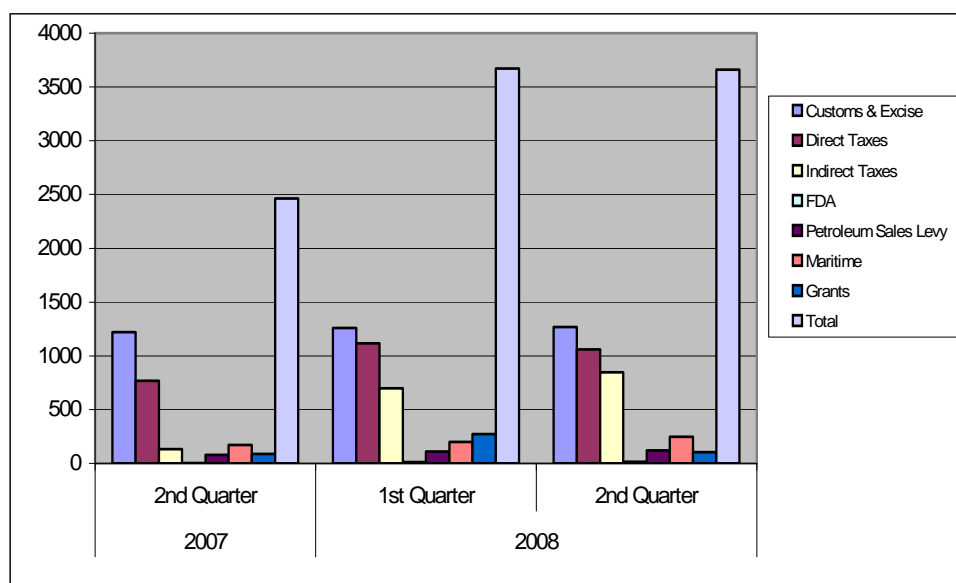
**Table 14: Government of Liberia Revenue by Sources**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

Revenue Sources	2007	2008	
	2nd Quarter	1st Quarter	2nd Quarter
Customs & Excise	1,220.5	1,258.2	1,268.6
Direct Taxes	769.4	1,116.0	1,057.8
Indirect Taxes	131.3	699.3	846.3
FDA <sup>1</sup> Levy	3.8	13.5	17.0
Petroleum Sales Levy	80.1	111.8	121.7
Maritime	171.1	198.2	246.7
Grants	87.0	272.8	104.6
<b>Total</b>	<b>2,463.2</b>	<b>3,669.8</b>	<b>3,662.7</b>

<sup>1</sup> Forestry Development Authority

Source: Ministry of Finance, Monrovia, Liberia

**Chart 13: Government of Liberia Revenue by Sources**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**



### 3.2 Expenditure

During the reporting quarter, total government spending amounted to L\$3,559.4 million, indicating an increase of L\$684.3 million or 23.8 percent over the preceding quarter. The increased expenditure during the quarter was on account of ministries and agencies of Government spending the last portions of their various budgetary allotments in the 2007/2008 national budget during the last quarter of the Government's fiscal year. Additionally,

increased understanding of the procurement process by ministries and agencies of Government was partly responsible for the increase in Government's expenditure during the last quarter of the fiscal year which covered April to June, 2008. When compared with the level of expenditure recorded during the second quarter of 2007, total expenditure rose by L\$1,039.8 million or 41.3 percent (Table 15 & Chart 14).

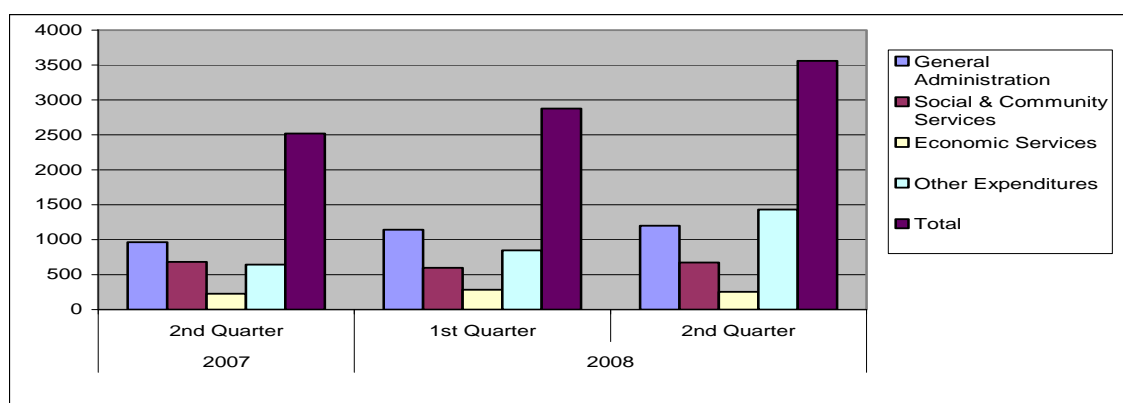
A disaggregation of total expenditure showed that spending on the General Administrative Services Sector amounted to L\$1,199.4 million (or 33.7 percent of total expenditure); Social and Community Services, L\$671.7 million (18.9 percent); Economic Services, L\$256.5 million (7.2 percent), and Other Expenditures, L\$1,431.8 million (40.2 percent).

**Table 15: Government of Liberia Expenditure by Category**  
(2<sup>nd</sup> quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Millions L\$)

Expenditure Category	2007	2008	
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
General Administration	964.8	1144.6	1,199.4
Social & Community Services	683.6	598.8	671.7
Economic Services	227.1	285.7	256.5
Other Expenditures	644.1	846	1,431.8
<b>Total</b>	<b>2,519.6</b>	<b>2,875.1</b>	<b>3,559.4</b>

Source: Ministry of Finance, Monrovia, Liberia

**Chart 14: Government of Liberia Expenditure by Category**  
(2<sup>nd</sup> quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Millions L\$)



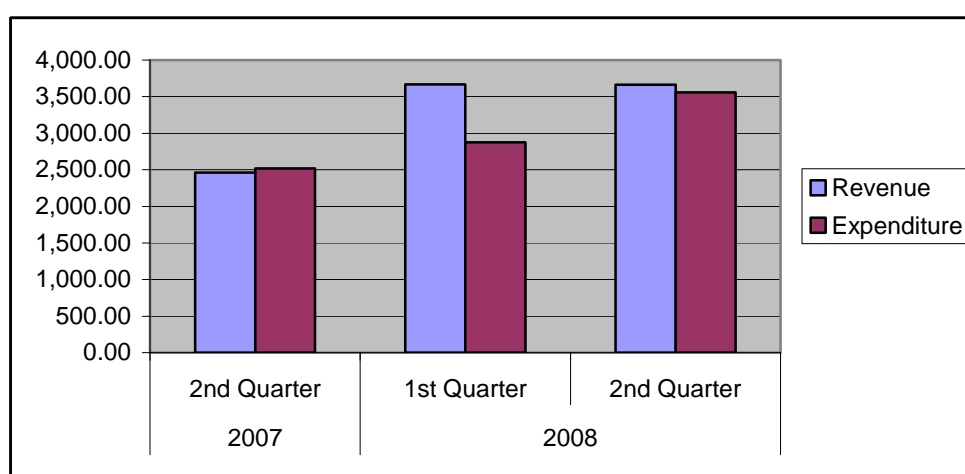
Revenue and expenditure for the second quarter of 2007, and that of the first and second quarters of 2008 are presented in Table 16 and Chart 15 below.

**Table 16: Government of Liberia Revenue & Expenditure by Quarter**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

	2007	2008		% Change
	2 <sup>nd</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	1 <sup>st</sup> & 2 <sup>nd</sup> Quarters
Revenue	2,463.2	3,669.8	3,662.7	0.2
Expenditure	2,519.6	2,875.1	3,559.4	23.8

*Source: Ministry of Finance, Monrovia, Liberia*

**Chart 15: Government of Liberia Revenue & Expenditure by Quarter**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**



### 3.3 Public Debt<sup>4</sup>

The total stock of public debt stood around US\$4,479.1 million at end June, 2008, with the external debt component accounting for US\$3,823 (85.4 percent) and the domestic debt component totaling US\$656.1 million (14.6 percent).

#### External Debt

For the reporting quarter, total external debt was recorded at US\$3,823.0 million, from an original amount of US\$4,732.0 million after a debt relief of US\$909.0 million. A breakdown of the external debt showed that multilateral debt amounted to US\$960.0 million (or 25.1

<sup>4</sup> Debt numbers are provisional

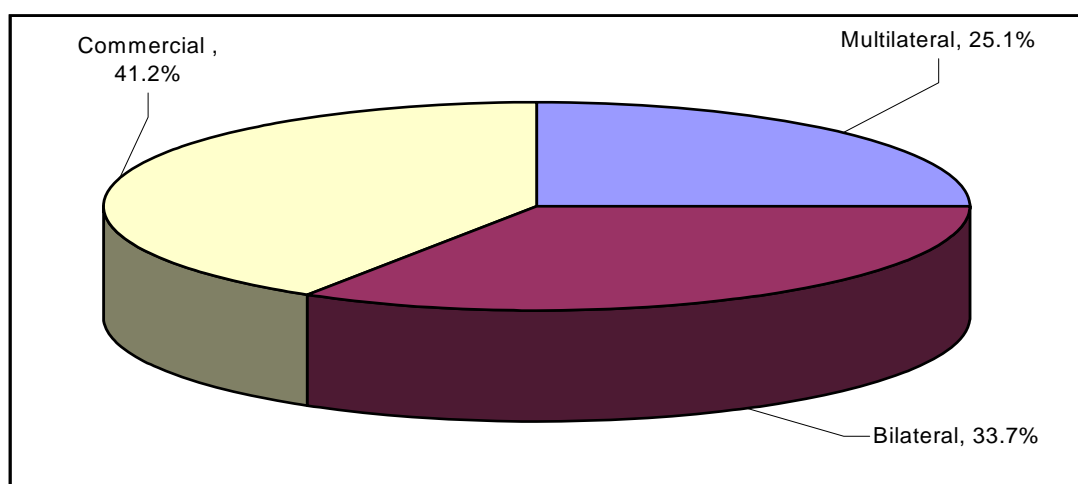
percent of the total external debt); bilateral debt, US\$1,289 million (33.7 percent), and commercial creditors, US\$1,574.0 (41.2 percent) (Table 17 & Chart 16).

**Table 17: Summary Estimate of External Debt Stock & Status  
As at June 30, 2008  
(In Millions US\$)**

	Original Amount	Estimates Debt Relief	Current
<b>Multilateral</b>			
World Bank	443.0	400.0	43.0
AfDB	271.0	255.0	16.0
IMF	809.0	0.0	809.0
Others	92.0	0.0	92.0
<b>Total Multilateral</b>	<b>1,615.0</b>	<b>655.0</b>	<b>960.0</b>
<b>Bilateral</b>			
Paris Club	1,414.0	254.0	1,160.0
Non-Paris Club			
China	16.0	0.0	16.0
Kuwait	11.0	0.0	11.0
Saudi Arabia	27.0	0.0	27.0
Taiwan	75.0	0.0	75.0
<b>Total Bilateral</b>	<b>1,543.0</b>	<b>254.0</b>	<b>1,289.0</b>
<b>Commercial Creditors</b>			
Banks and Funds	1325.0	0.0	1325.0
Suppliers Credit	249.0	0.0	249.0
<b>Total Commercial</b>	<b>1574.0</b>	<b>0.0</b>	<b>1574.0</b>
<b>Total External</b>	<b>4,732.0</b>	<b>909.0</b>	<b>3,823.0</b>

Source: Ministry of Finance, Monrovia, Liberia

**Chart 16: Summary Estimate of External Debt Stock & Status  
as at June 30, 2008**



## **Debt Relief**

To date, the country has received a total of US\$909.0 million in debt relief. On the multilateral front, US\$655.0 million has been realized in debt relief, with the World Bank clearing US\$400.0 million through bridge loan. The African Development Bank (AfDB) has cleared the amount of US\$255.0 million through its Post-Conflict Countries Facility (PCCF).

Following the clearance of Liberia's arrears totaling over US\$841 million to the IMF in March 2008, the IMF Board approved Fund financing of around US\$900 million under the Poverty Reduction and Growth Facility and Extended Fund Facility. Liberia also formally entered the HIPC process which allows the Fund and other creditors to forgive Liberia's debts of over US\$4.7 billion in the context of the HIPC Initiative framework. Since its achievement of the HIPC Decision Point in March, Liberia has started to benefit from IMF interim debt relief, which is expected to continue with full application of the IMF's share of debt relief to be delivered when Liberia reaches the HIPC Completion Point.

Regarding bilateral creditors, Paris Club creditors have offered US\$254.0 million in immediate reduction, with no debt service payment for the next 3 years. Most Paris Club creditors have committed themselves to give the country more favorable terms (97.0 percent), leading to an eventual debt cancellation. China has announced its intention to forgive 100.0 percent of debt outstanding.

With regard to commercial creditors, the government has met 3 of its creditors and there is the likelihood that there will be a debt buyback with support from the International Development Association (IDA) Debt Reduction Facility.

## **Domestic Debt**

Total domestic debt stood at US\$656.1 million for the reporting quarter, showing a decline of US\$1.0 million over the level recorded during the last quarter. The decline was on account of a US\$1.0 million reduction in Vendors/Rental Arrears.

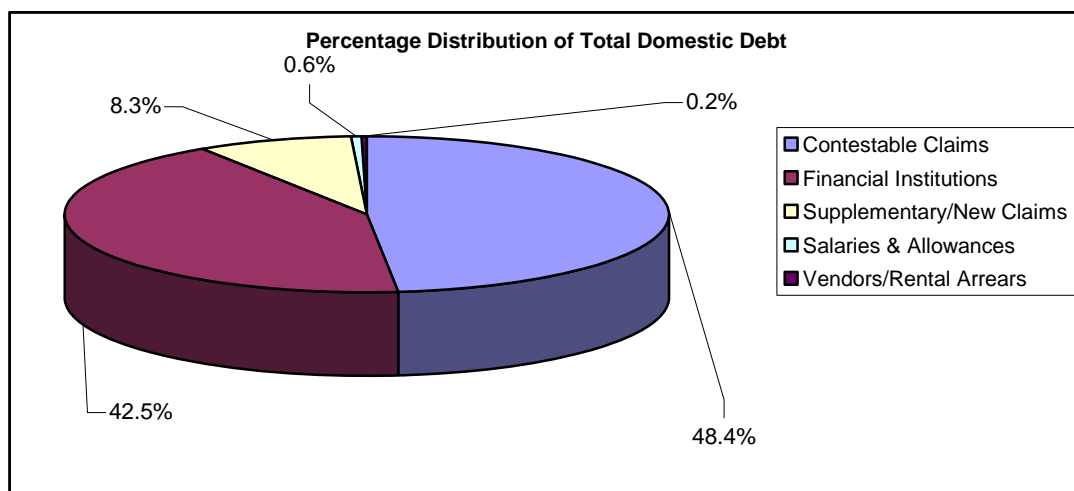
A disaggregation of the domestic debt showed that Contestable Claims amounted to US\$317.5 million (or 48.4 percent of the total), followed by Financial Institutions, US\$279.1 million (42.5 percent); Supplementary/New Claims, US\$54.5 million (8.3 percent); Salaries and Allowances, US\$3.8 million (0.6 percent), and Vendors/Rental Arrears, US\$1.2 million (0.2 percent) (Table 18 & Chart 17).

**Table 18: Stock of Domestic Debt  
As at June 30, 2008  
(In Millions US\$)**

	<b>Amount</b>	<b>Percentage Distribution of Total Domestic Debt</b>
Contestable Claims	317.5	48.4
Financial Institutions	279.1	42.5
Supplementary/New Claims	54.5	8.3
Salaries & Allowances	3.8	0.6
Vendors/Rental Arrears	1.2	0.2
<b>Total</b>	<b>656.1</b>	<b>100</b>

*Source: Ministry of Finance, Monrovia, Liberia*

**Chart 17: Percentage Distribution of Total Domestic Debt**



#### 4.1 Balance of Trade

The trade deficit increased during the quarter. It rose to US\$120.4 million, deteriorating by 7.1 percent. This was mainly on account of rising import payments which outpaced increase in export proceeds (Table 19 & Chart 18).

**Table 19: Balance of Trade**  
**2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008**  
**(In '000' US\$)**

	<b>2<sup>nd</sup> Quarter, 2007</b>	<b>1<sup>st</sup> Quarter 2008</b>	<b>2<sup>nd</sup> Quarter, 2008</b>
Total Export	46,379	64,592.9*	67,729.3
Total Import	101,499.8	176,966.1	188,145.2
<b>Trade Balance</b>	<b>-147,878.8</b>	<b>-112,373.2</b>	<b>-120,415.9</b>

**Chart 18: Exports, Imports & Trade Balance**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000 US\$)**

#### Merchandise Exports

Although the economy is gradually opening up, the country's export base remains narrow. The mining sector, which is expected to commence in about a year's time, has not been operational for more than a decade now, while logging activities are yet to resume. Export of



timber is expected to start at the end of the year, following the completion of forest reform laws.

Notwithstanding the preceding, there were some export activities during the second quarter. For the second consecutive quarter, export receipts were on the rise, though at a very marginal level. Total export earnings for the review quarter stood at US\$67.7 million as against US\$64.6 million in the previous quarter. This modest rise was due to mixed variations in the major export commodities.

Proceeds from rubber exports, the country's highest export earner, accounted for 86.9 percent for the review quarter, expanding by 5.2 percent, from US\$55.6 million in the preceding quarter to US\$58.5million in the reporting quarter. This was mainly due to an increase in the price of the commodity.

Receipts from cocoa exports were also on the rise. This can be ascribed to the significant increase in quantity from 0.6 metric ton in the first quarter to 1.2 metric tons in the reporting quarter.

Earnings from diamond have been on the rise following the lifting of UN sanctions on the commodity. The granting of licenses to artisanal miners coupled with the signing of mineral development agreements with recognized mining enterprises generally contributed to expansion in earnings from the mineral. For the review quarter, receipts from diamond expanded significantly by 83.1 percent to US\$3.2 million. On the contrary, receipts from gold exports declined by 11.0 percent due to simultaneous reductions in volume and unit price. The contribution of the mineral to total export is negligible at the moment as activities in diamond mining just became operational about a year ago.

Receipts from the "Other Commodities" category declined by 47.2 percent during the review quarter. The decline was on account of re-exports of used cars and other personal effects of UNMIL staff reported in the previous quarter, but which did not occur during the reporting quarter. Thus, for the reporting quarter, only the exporting of non-traditional exports such as palm oil, scraps, charcoal, etc. were recorded for this category.

**Table 20: Commodity Composition of Exports  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**

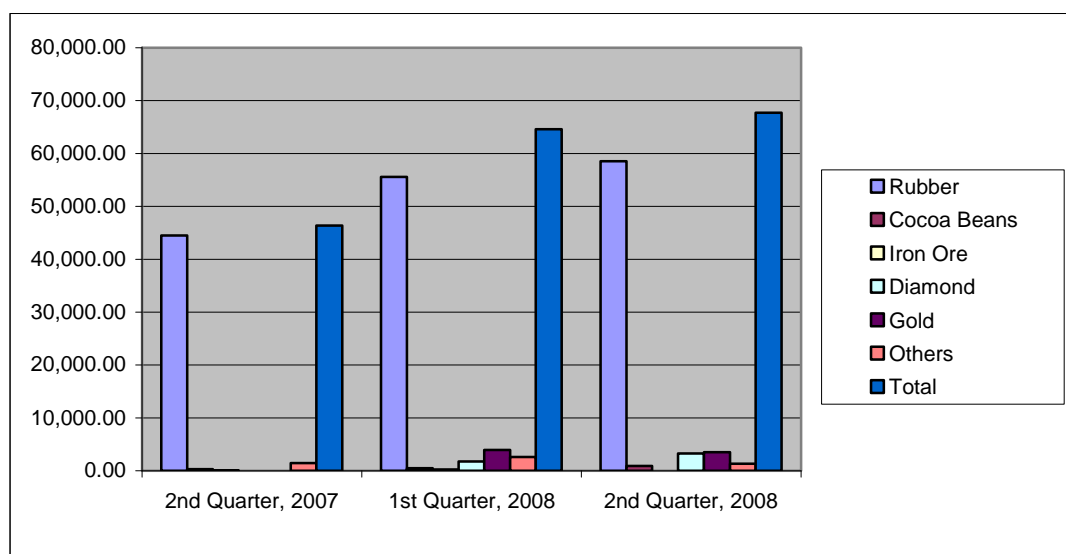
Commodity	Unit of Measurement	2 <sup>nd</sup> Quarter, 2007	1 <sup>st</sup> Quarter, 2008			2 <sup>nd</sup> Quarter, 2008		
		Value (In '000' of US\$)	Volume (In '000' Units)	Value (In '000' of US\$)	Unit Price US\$	Volume (In '000' Units)	Value (In '000' of US\$)	Unit Price US\$
Rubber	Mt.	44,522.5	27.4	55,588.6	2,028.8	25.8	58,547.1	2,269.3
Cocoa Beans	Mt.	305.5	0.6	458.5	764.2	1.2	915.4	762.8
Iron Ore	Mt.	80.0	15.0	270.0	18.0	0.0	0.0	0
Diamond	Carat	-	12.3	1,768.9	143.8	12.8	3,239.7	253.1
Gold	Ounce	-	5.6	3,930.8	701.9	5.1	3,497.1	685.7
Others**	-	1,471.0	-	2,576.0	-	0.0	1,359.5	0.0
<b>Total</b>	-	<b>46,379</b>	-	<b>64,592.9*</b>	-		<b>67,729.3</b>	

*\*Revised*

*\*\*other commodities of minimal values*

*Sources: Ministry of Commerce & Industry and the Forestry Development Authority, Monrovia, Liberia*

**Chart 19: Commodity Composition of Exports**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000 US\$)**



## 4.2 Merchandise Imports

Payments for merchandise imports expanded during the reporting quarter by 6.3 percent, from US\$177.0 million at end-March to US\$188.1 million at end-June, 2008. Contributing mainly towards this development was increased expenditure on most major import categories, such as Beverages & Tobacco, Manufactured Goods, Machinery & Transport Equipment and Petroleum Products. The rise in payments for Manufactured Goods & Machinery and Transport Equipment was on account of increased reconstruction activities, and the surge in the price of petroleum products globally.

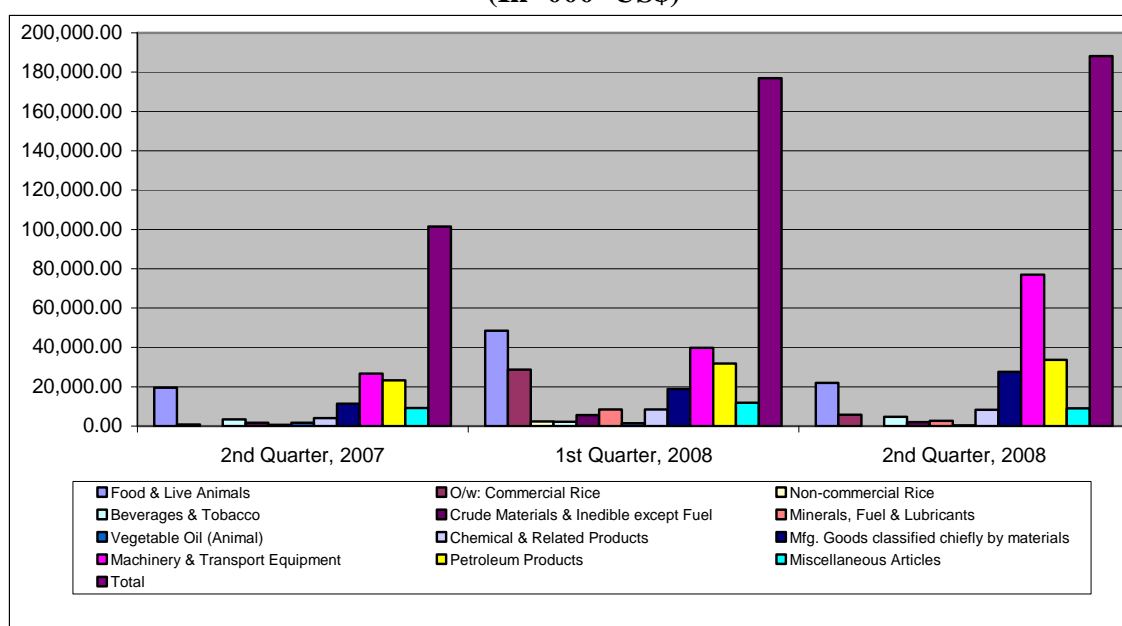
However, there were other categories that registered declines in expenditures, prominent among which was the Food & Live Animals category. Payment to this category for the review quarter was recorded at almost half its value in the preceding quarter. Accounting for this development was a more than five-fold reduction in payment to the nation's staple food, rice, which was recorded at US\$5.8 million in the reporting quarter, as against US\$28.7 million in the first quarter. For the reporting period, expenditure on rice accounted for 25.3 percent of payments for the Food & Live Animals Category and 3.1 percent of total import bills, as against 59.1 percent and 16.2 percent, respectively, during the last quarter.

**Table 21: Commodity Composition of Imports**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000' US\$)**

Import Categories	2 <sup>nd</sup> Quarter, 2007	1 <sup>st</sup> Quarter, 2008	2 <sup>nd</sup> Quarter, 2008
Food & Live Animals	19,524.2	48,543.9	22,933.4
O/w: Commercial Rice	729.7	28,666.0	5,783.8
Non-commercial Rice	N/A	2,378.7	N/A
Beverages & Tobacco	3,417.5	2,249.4	4,741.7
Crude Materials & Inedible except Fuel	1,723.3	5,578.7	1,957.3
Minerals, Fuel & Lubricants	632.8	8,455.5	2,657.3
Animal & Vegetable Oil	1,683.5	1,419.4	243.1
Chemical & Related Products	4,015.0	8,491.3	8,189.3
Mfg. Goods classified chiefly by materials	11,444.1	18,903.1	27,647.7
Machinery & Transport Equipment	26,675.2	39,783.8	77,078.6
Petroleum Products	23,242.0	31,750.8	33,684.8
Miscellaneous Articles	9,142.2	11,790.1	9,012.0
<b>Total</b>	<b>101,499.8</b>	<b>176,966.1</b>	<b>188,145.2</b>

*Source: Ministry of Commerce & Industry, Monrovia, Liberia*

**Chart 20: Commodity Composition of Imports**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000' US\$)**



# STATISTICAL APPENDIX

## **PART A: REAL SECTOR**

- Table A-1: Key Agricultural Production (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
- Table A-2: Key Industrial Output (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
- Table A-3: Consumption of Petroleum Products (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
- Table A-4: Vessel Traffic and Cargo Movements (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
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- Table B-1: Monetary Survey (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
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- Table B-4: Other Depository Corporations' Balance Sheet (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
- Table B-5: Sectoral Balance Sheet of the Central Bank of Liberia (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
- Table B-6: Commercial Banks' Loans by Economic Sectors (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)
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Table C-1: Government of Liberia Revenue by Sources (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Table C-2: Government of Liberia Expenditure by Category (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Table C-3: Summary Estimate of External Debt Stock & Status (As at June 30, 2008)

Table C – 4: Functional Classification of Government Expenditure (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

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Table D-1: Commodity Composition of Exports (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Table D-2: Commodity Composition of Imports (2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

**Table A-1: Key Agricultural Production  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**

Commodity	Unit	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008	2 <sup>nd</sup> Quarter 2008
Rubber	Mt	28,859	27,386	25,825
Cocoa	Mt	599	1,284	265
Coffee	Mt	N/A	N/A	18
Round Logs	M <sup>3</sup>	N/A	N/A	N/A
Sawn Timber	Pcs	151,167	286,207	289,732

*Sources: Ministry of Planning and Economic Affairs; Ministry of Commerce & Industry; Liberia Produce Marketing Corporation (LPMC), and Forestry Development Authority (FDA) Monrovia, Liberia*

**Table A-2: Key Industrial Output**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Commodity	Unit	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008	2 <sup>nd</sup> Quarter 2008
Diamond	Carat	N/A	12,315	12,821
Gold	Ounce	2,652	5,593	5,117
Cement	Mt	36,953	36,338	18,391
Spirit	Litre	210,734	299,438	238,000
Beer	Litre	1,756,726	1,879,563	2,134,282
Stout	Litre	704,825	740,259	776,152
Malta	Litre	226,781	279,473	269,494
Soft Drinks	Litre	2,600,136	542,945	978,422
Oil Paint	Gal.	6,358	9,633	1,032
Water Paint	Gal.	10,553	18,970	16,045
Varnish	Gal.	1,589	2,408	984
Manoline Hair Grease	Kg.	N/A	11,768	11,466
Powder Soap	Kg.	25,547	28,040	41,155
Candle	Kg.	76,409	102,491	69,227
Chlorox	Litre	140,609	106,801	127,812
Rubbing Alcohol	Litre	138,751	40,902	20,496
Thinner	Gal.	823	505	270
Mattresses	Pcs	30,035	28,371	30,044
Deep Well Water <sup>1</sup>	Gal.	14,445,148*	N/A	N/A
Finished Water <sup>2</sup>	Gal.	211,601,419*	324,326,369	267,963,894*

*Note: <sup>1</sup> Water from drilled wells (program has been terminated)*

*<sup>2</sup> Water from the treatment plant in White Plains*

*Sources: Ministry of Planning and Economic Affairs and The Liberia Water & Sewer Corporation, Monrovia, Liberia*

*\*Estimates*

**Table A-3: Consumption of Petroleum Products**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Gallons)

Commodity	Unit	2 <sup>nd</sup> Quarter 2007	1 <sup>st</sup> Quarter 2008	2 <sup>nd</sup> Quarter 2008
Premium(PMS)	Gallon	2,552,984	4,173,050	4,578,750.00
Diesel(AGO)	Gallon	8,732,001	5,403,200	5,372,500.00
Kerosene(ATK)	Gallon	255,788	N/A	N/A
Jet-Fuel(JET-A)	Gallon	820,264	881,600	96,000
<b>Total</b>		<b>12,361,037</b>	<b>10,457,850</b>	<b>10,047,250</b>

*Source: Ministry of Commerce and Industry, Monrovia, Liberia*

**Table A-4: Vessel Traffic and Cargo Movements**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Quarter	No. of Vessels	Vessel Weight(SDWT*)	Cargo Tonnage ( in metric tons)		
			Imports	Exports	Total
2 <sup>nd</sup> Quarter, 2007	93	1,010,671	201,305	51,878	<b>253,183</b>
1 <sup>st</sup> Quarter, 2008	93	1,154,894	364,442	70,172	<b>434,614</b>
2 <sup>nd</sup> Quarter, 2008	68	887,724	243,628	56,607	<b>300,235</b>

*\* SDWT = Summer Dead Weight Tons*

*Source: National Port Authority (NPA), Monrovia, Liberia*



**Table A-5: Harmonized Consumer Price Index (HCPI) By Major Sub Groups**  
**Year-On-Year Rates of Inflation**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(Dec. 2005=100)**

<b>FUNCTION</b>	<b>WEIGHT</b>	<b>Apr-07</b>	<b>May-07</b>	<b>Jun-07</b>	<b>2<sup>nd</sup> Qtr 07 Average</b>	<b>Jan-08</b>	<b>Feb-08</b>	<b>Mar-08</b>	<b>1<sup>st</sup> Qtr 08 Average</b>	<b>Apr-08</b>	<b>May-08</b>	<b>Jun-08</b>	<b>2<sup>nd</sup> Qtr 08 Average</b>
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	45.20	24.81	16.44	23.03	21.43	28.27	24.65	22.46	25.13	15.70	26.29	31.83	24.61
<b>ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS</b>	3.03	7.58	7.24	2.56	5.79	4.53	2.39	6.24	4.39	4.62	4.44	6.41	5.16
<b>CLOTHING AND FOOTWEAR</b>	7.75	9.12	7.99	8.64	8.58	2.62	0.71	1.14	1.49	1.32	3.98	1.45	2.25
<b>HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS</b>	12.00	10.02	9.11	9.19	9.44	3.89	4.58	5.44	4.64	5.73	9.46	9.62	8.27
<b>FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE</b>	5.25	2.10	2.82	0.96	1.96	9.39	11.25	12.30	10.98	16.62	15.75	15.42	15.93
<b>HEALTH</b>	3.91	0.00	0.00	0.00	0.00	-0.34	0.00	2.03	0.56	0.00	0.34	1.01	0.45
<b>TRANSPORT</b>	6.11	0.38	0.24	2.04	0.89	26.44	28.68	26.18	27.10	27.52	68.99	68.99	55.17
<b>COMMUNICATION</b>	1.53	-10.27	-10.20	-10.20	-10.22	-3.41	-0.49	-3.26	-2.39	-0.57	-0.60	-3.31	-1.49
<b>RECREATION AND CULTURE</b>	3.85	12.14	12.01	2.80	8.98	4.43	4.62	9.41	6.15	9.19	9.11	8.02	8.77
<b>EDUCATION</b>	3.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>RESTAURANTS AND HOTELS</b>	4.64	-3.33	3.34	1.69	0.57	5.54	0.49	2.55	2.86	6.39	0.75	0.86	2.67
<b>MISCELLANEOUS GOODS AND SERVICES</b>	3.53	3.75	3.53	2.02	3.10	5.05	7.59	7.69	6.77	9.32	8.66	8.67	8.88
<b>GENERAL RATE OF INFLATION</b>	<b>100.00</b>	<b>13.49</b>	<b>10.08</b>	<b>12.45</b>	<b>12.01</b>	<b>16.50</b>	<b>14.78</b>	<b>14.29</b>	<b>15.19</b>	<b>11.72</b>	<b>19.22</b>	<b>21.95</b>	17.63

*Sources: Liberia Institute for Statistics & Geo-Information Services (LISGIS), and the Central Bank of Liberia, Monrovia, Liberia*

**Table B-1: Monetary Survey**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

	<b>Jun-07</b>	<b>Mar-08</b>	<b>Jun-08</b>
<b>End of Period Rate</b>	62.50	62.63	63.50
<b>Period Average Rate</b>	62.51	62.50	63.50
<b>FOREIGN ASSETS (NET)</b>	(48,559.0)	(39,514.0)	(43,265.0)
FOREIGN ASSETS (MA)	6,163.8	20,889.4	22,509.5
(-) FOREIGN LIABILITIES (MA)	57,389.2	64,320.1	69,669.3
FOREIGN ASSETS (CoB)	3,594.5	4,646.6	4,679.9
(-) FOREIGN LIABILITIES (CoB)	928.6	729.9	785.8
<b>DOMESTIC CREDIT</b>	74,875.1	82,837.5	89,086.5
CLAIMS ON GENERAL GOVERNMENT (NET)	71,581.4	77,419.9	83,250.5
CLAIMS ON GENERAL GOVERNMENT (MA)	73,631.2	80,590.6	86,154.6
(-) GENERAL GOVERNMENT DEPOSITS (MA)	2,802.3	3,720.4	3,554.1
CLAIMS ON GENERAL GOVERNMENT (CoB)	868.9	737.3	746.0
(-) GENERAL GOVERNMENT DEPOSITS (CoB)	116.4	187.6	96.0
CLAIMS ON PUBLIC CORPORATIONS (MA)	0.6	0.0	0.0
CLAIMS ON PUBLIC CORPORATIONS (CoB)	135.2	71.7	75.2
CLAIMS ON PRIVATE SECTOR (MA)	49.7	195.0	244.9
CLAIMS ON PRIVATE SECTOR (CoB)	3,099.6	5,149.7	5,514.9
CLAIMS ON NBFIS (MA)	0.0	0.0	0.0
CLAIMS ON NBFIS (CoB)	8.7	1.3	1.0
<b>MONEY</b>	10,422.6	14,016.9	14,552.6
CURRENCY OUTSIDE BANKS (MA)	2,476.8	2,953.6	2,905.3
LIBERIAN CURRENCY IN CIRCULATION (MA)	2,830.1	3,383.5	3,336.7
(-) CURRENCY HOLDINGS (CoB)	353.3	429.8	431.5
DEMAND DEPOSITS	5,435.9	7,641.6	7,733.2
DEMAND DEPOSITS (MA)	404.8	623.2	614.6
DEMAND DEPOSITS (CoB)	5,031.1	7,018.4	7,118.6
OTHER DEPOSITS	2,510.0	3,421.7	3,914.1
OTHER DEPOSITS (MA)	20.3	0.0	0.0
TIME AND SAVINGS DEPOSITS (CoB)	2,489.7	3,421.7	3,914.1
<b>BONDS AND SECURITIES (CoB)</b>	0.0	0.0	0.0
<b>RESTRICTED DEPOSIT</b>	48.7	48.0	44.8
<b>CAPITAL ACCOUNTS</b>	16,726.4	19,271.0	19,796.6
CAPITAL ACCOUNTS (MA)	14,150.1	15,714.5	16,183.9
CAPITAL ACCOUNTS (CoB)	2,576.3	3,556.5	3,612.7
<b>OTHER ITEMS (NET)</b>	(882.0)	9,987.6	11,426.8
UNCLASSIFIED LIABILITIES (MA)	9,270.6	11,970.2	12,768.8
(-) UNCLASSIFIED ASSETS (MA)	9,258.3	367.5	358.9
(-) UNCLASSIFIED ASSETS (CoB)	1,238.4	1,931.0	1,595.2
UNCLASSIFIED LIABILITIES (CoB)	1,412.5	1,330.9	1,674.2
COMMERCIAL BANKS DEPOSITS (MA)	2,447.1	2,876.7	3,422.5
(-) RESERVES (CoB)	2,843.3	3,347.3	3,816.9
CURRENCY HOLDINGS (CoB)	353.3	429.8	431.5
LIABILITIES TO CENTRAL BANK (CoB)	0.0	399.4	0.0
(-) CLAIMS ON DOMESTIC BANKS (MA)	41.5	284.9	25.5
(-) CLAIMS ON CENTRAL BANK OF LIBERIA (CoB)	795.8	788.7	798.3
(-) UNBALANCED ITEMS	(188.2)	(300.1)	(275.3)
<b>VERTICAL CHECK</b>	(0.0)	0.0	0.0

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

**Table B-2: Currency in Circulation**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

<b>Quarter</b>	<b>Currency in Banks</b>	<b>Currency outside Banks</b>	<b>Currency in circulation</b>
<b>2007</b>	(1)	(2)	(1+2=3)
2 <sup>nd</sup> Quarter	353.3	2,476.8	2,830.1
<b>2008</b>			
1 <sup>st</sup> Quarter	429.8	2,953.7	3,383.5
2 <sup>nd</sup> Quarter	431.4	2,905.3	3,336.7

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

**Table B-3: Money Supply and Broad Money**  
**Liberian & United States Dollars**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In Millions L\$)**

	<b>Quarter,2007</b>	<b>Quarter,2008</b>	
	2nd.Quarter	1st.Quarter	2nd.Quarter
<b>BROAD MONEY</b>	<b>9,997.6</b>	<b>13,393.7</b>	<b>13,937.9</b>
<b>M1</b>	<b>7,507.9</b>	<b>9,972.0</b>	<b>10,023.8</b>
<b>CURRENCY OUTSIDE BANKS (MA) L\$</b>	<b>2,476.8</b>	<b>2,953.6</b>	<b>2,905.3</b>
<b>DEMAND DEPOSITS (CoB)</b>	<b>5,031.1</b>	<b>7,018.4</b>	<b>7,118.6</b>
<i>United States Dollars component of demand deposits denominated to Liberian Dollars</i>	<i>4,582.1</i>	<i>6,323.3</i>	<i>6,489.8</i>
<i>Liberian Dollars component of demand deposits</i>	<i>449.0</i>	<i>695.1</i>	<i>628.7</i>
<b>TIME AND SAVINGS (CoB)</b>	<b>2,489.7</b>	<b>3,421.7</b>	<b>3,914.1</b>
<i>United States Dollars component of time and savings deposits denominated in Liberian Dollars</i>	<i>1,829.0</i>	<i>2,603.8</i>	<i>2,974.1</i>
<i>Liberian Dollars component of time and savings deposits</i>	<i>660.7</i>	<i>817.8</i>	<i>940.0</i>
<b>United States Dollars component of Broad Money denominated in Liberian Dollars</b>	<b>6,411.1</b>	<b>8,927.1</b>	<b>9,463.9</b>
Percentage share of US dollars of broad money.	64.1%	66.7%	67.9%
Exchange Rate	62.50	62.63	63.50

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

**Table B-4: Other Depository Corporations' Balance Sheet**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000 L\$)**

<b>ASSETS</b>	<b>Jun-07</b>	<b>Mar-08</b>	<b>Jun-08</b>
RESERVES	2,843,346	3,347,320	3,816,883
O/w: CASH ON HAND: COINS/LD NOTES	353,307	429,828	431,466
FOREIGN ASSETS	3,594,500	4,646,555	4,679,861
CLAIMS ON GENERAL GOVERNMENT	868,858	737,326	745,967
CLAIMS ON PUBLIC CORPORATIONS	135,189	71,656	75,161
CLAIMS ON PRIVATE SECTOR	3,099,599	5,149,737	5,514,944
CLAIMS ON CENTRAL BANK OF LIBERIA	795,792	788,681	798,296
CLAIMS ON NBFIS	8,693	1,297	1,006
UNCLASSIFIED ASSETS	1,238,383	1,930,959	1,595,190
<b>TOTAL ASSETS</b>	<b>12,584,360</b>	<b>16,673,532</b>	<b>17,227,307</b>
<b>LIABILITIES</b>	<b>Jun-07</b>	<b>Mar-08</b>	<b>Jun-08</b>
DEMAND DEPOSITS	5,031,103	7,018,379	7,118,557
TIME AND SAVINGS DEPOSITS	2,489,695	3,421,656	3,914,100
RESTRICTED DEPOSITS	29,905	29,190	26,004
BONDS AND SECURITIES	0	0	0
FOREIGN LIABILITIES	928,551	729,901	785,769
GOVERNMENT DEPOSITS	116,353	187,615	95,962
LIABILITIES TO CENTRAL BANK	0	399,392	0
CAPITAL ACCOUNTS	2,576,252	3,556,504	3,612,749
UNCLASSIFIED LIABILITIES	1,412,501	1,330,896	1,674,166
<b>TOTAL LIABILITIES</b>	<b>12,584,360</b>	<b>16,673,532</b>	<b>17,227,307</b>
VERTICAL CHECK (ASSETS/LIABILITIES)	0	0	0

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

**Table B-5: Sectoral Balance Sheet of Central Bank of Liberia**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000 L\$)**

<b>ASSETS</b>	<b>Jun-07</b>	<b>Mar-08</b>	<b>Jun-08</b>
FOREIGN ASSETS	6,163,764	20,889,356	22,509,525
CLAIMS ON GENERAL GOVERNMENT	73,631,169	80,590,577	86,154,593
CLAIMS ON PUBLIC CORPORATIONS	598	0	0
CLAIMS ON PRIVATE SECTOR	49,700	194,959	244,875
CLAIMS ON DOMESTIC BANKS	41,513	284,879	25,513
CLAIMS ON NBFIS	0	0	0
UNCLASSIFIED ASSETS	9,258,264	367,489	358,920
<b>TOTAL ASSETS</b>	<b>89,145,008</b>	<b>102,327,261</b>	<b>109,293,425</b>
<b>LIABILITIES</b>	<b>Jun-07</b>	<b>Mar-08</b>	<b>Jun-08</b>
RESERVE MONEY	5,493,773	6,583,254	7,098,584
OTHER DEPOSITS	20,264	0	0
RESTRICTED RESERVES	18,781	18,781	18,781
FOREIGN LIABILITIES	57,389,152	64,320,073	69,669,307
LIABILITIES TO GENERAL GOVERNMENT	2,802,304	3,720,391	3,554,118
CAPITAL ACCOUNTS	14,150,102	15,714,513	16,183,881
UNCLASSIFIED LIABILITIES	9,270,632	11,970,249	12,768,754
<b>TOTAL LIABILITIES</b>	<b>89,145,008</b>	<b>102,327,261</b>	<b>109,293,425</b>
VERTICAL CHECK (ASSETS-LIABILITIES)	0	(0)	0

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

**Table B-6: Commercial Banks' Loans by Economic Sectors**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000 L\$)**

SECTORS	Jun-07		Mar-08		Jun-08	
	2nd Quarter 2007	%Share	1st Quarter 2008	%Share	2nd Quarter 2008	%Share
<b>1. Agriculture</b>	<b>306,542</b>	<b>6.6</b>	<b>205,824</b>	<b>4.3</b>	<b>187,103</b>	<b>3.6</b>
1.1 Rubber	38,307	0.8	36,872	0.8	34,485	0.7
1.2 Forestry	177,475	3.8	34,133	0.7	45,974	0.9
1.3 Fishing	10,983	0.2	20,163	0.4	11,567	0.2
1.4 other	79,778	1.7	114,655	2.4	95,077	1.8
<b>2. Mining &amp; Quarrying</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
2.1 Iron Ore	0	0.0	0	0.0	0	0.0
2.2 Quarrying	0	0.0	0	0.0	0	0.0
<b>3. Manufacturing</b>	<b>49,224</b>	<b>1.1</b>	<b>151,638</b>	<b>3.2</b>	<b>134,932</b>	<b>2.6</b>
			0	0.0	0	0.0
<b>4. Construction</b>	<b>367,850</b>	<b>7.9</b>	<b>504,507</b>	<b>10.5</b>	<b>629,578</b>	<b>12.1</b>
4.1 Mortgage Loans	10,932	0.2	8,698	0.2	7,453	0.1
4.2 Home Improvement	19,941	0.4	12,589	0.3	12,764	0.2
4.3 Other	336,977	7.2	483,220	10.1	609,362	11.7
<b>5. Trans., Storage &amp; Comm.</b>	<b>130,201</b>	<b>2.8</b>	<b>607,620</b>	<b>12.7</b>	<b>635,349</b>	<b>12.2</b>
5.1 Transportation	67,639	1.4	502,444	10.5	500,469	9.6
5.2 Storage	0	0.0	0	0.0	0	0.0
5.3 Communication	62,562	1.3	105,175	2.2	134,880	2.6
<b>6. Trade, Hotel &amp; Rest.</b>	<b>559,485</b>	<b>12.0</b>	<b>1,617,513</b>	<b>33.7</b>	<b>1,586,326</b>	<b>30.4</b>
6.1 Diamond trade	0	0.0	7,516	0.2	7,874	0.2
6.2 Other trade	456,182	9.8	1,455,541	30.4	1,380,374	26.5
6.3 Hotels	96,177	2.1	142,744	3.0	168,615	3.2
6.4 Restaurants	7,126	0.2	11,712	0.2	29,464	0.6
<b>7. Other</b>	<b>3,260,267</b>	<b>69.8</b>	<b>1,707,517</b>	<b>35.6</b>	<b>2,037,757</b>	<b>39.1</b>
7.1 Services	731,678	15.7	1,013,334	21.1	1,363,734	26.2
7.2 Personal	630,076	13.5	453,757	9.5	462,344	8.9
7.3 GOL	754,246	16.1	70,897	1.5	69,469	1.3
7.4 Central Bank of Liberia	821,756	17.6	0	0.0	0	0.0
7.5 Public Corporations	53,983	1.2	23,356	0.5	22,117	0.4
7.5 Other	268,529	5.7	146,173	3.0	120,093	2.3
<b>Total</b>	<b>4,673,570</b>	<b>100.0</b>	<b>4,794,618</b>	<b>100.0</b>	<b>5,211,044</b>	<b>100.0</b>

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

**Table B-7: Central Bank of Liberia Foreign Exchange Auction Program  
(January – June, 2008)**

<b>Auction No.</b>	<b>Date</b>	<b>FX Offered for sale by CBL(US\$)</b>	<b>Auction Rate L\$/US\$</b>	<b>Total Purchased US\$</b>	<b>No. of Accepted Bids</b>	<b>No. of Rejected Bids</b>	<b>Value of Rejected Bids (US\$)</b>	<b>Over/(Under) Subscription (US\$)</b>	<b>Total Value of Bids Submitted by Participating Banks/FX Bureaux (US\$)</b>
86	3-Jan-08	500,000	61.10	500,000	12	7	254,860.50	(255,860.50)	755,860.50
87	9-Jan-00	500,000	61.50	500,000	17	8	400,000.00	(480,672.96)	980,672.96
88	16-Jan-08	500,000	61.80	500,000	14	17	560,925.41	(580,652.27)	1,080,652.27
89	23-Jan-08	500,000	61.99	500,000	12	18	395,543.61	(426,657.40)	926,657.40
90	30-Jan-08	500,000	62.19	500,000	14	13	418,600.00	(446,842.17)	946,842.17
91	6-Feb-08	500,000	61.258	500,000	10	15	457,857.76	(457,857.76)	957,857.76
92	13-Feb-08	500,000	61.191	500,000	17	11	479,802.00	(516,770.89)	1,016,770.89
93	20-Feb-08	500,000	60.52	500,000	13	11	461,402.00	(490,902.00)	990,902.00
94	27-Feb-08	500,000	60.51	500,000	14	12	422,808.34	(441,360.34)	941,360.34
95	5-Mar-08	500,000	60.699	500,000	14	8	23,534.09	(259,434.09)	759,434.09
96	13-Mar-08	500,000	60.656	500,000	11	8	266,544.45	(275,944.45)	775,944.45
97	19-Mar-08	500,000	60.815	500,000	11	12	379,162.32	(388,162.32)	888,162.32
98	26-Mar-08	500,000	60.989	500,000	11	11	382,350.16	(392,850.00)	892,850.00

**Table B-7 (Con't): Central Bank of Liberia Foreign Exchange Auction Program  
(January – June, 2008)**

<b>Auction No.</b>	<b>Date</b>	<b>FX Offered for sale by CBL(US\$)</b>	<b>Auction Rate L\$/US\$</b>	<b>Total Purchased US\$</b>	<b>No. of Accepted Bids</b>	<b>No. of Rejected Bids</b>	<b>Value of Rejected Bids (US\$)</b>	<b>Over/(Under) Subscription (US\$)</b>	<b>Total Value of Bids Submitted by Participating Banks/FX Bureaux (US\$)</b>
99	2-Apr-08	500,000.00	61.008	500,000.00	13	10	355,468.16	(448,468.16)	948,468.16
100	9-Apr-08	500,000.00	61.101	500,000.00	11	13	3,954,370.91	(403,837.91)	903,837.91
101	16-Apr-08	500,000.00	61.219	500,000.00	11	13	462,782.41	(443,933.41)	943,933.41
102	23-Apr-08	500,000.00	61.280	500,000.00	12	13	357,860.87	(399,409.75)	899,409.75
103	30-Apr-08	500,000.00	61.335	500,000.00	14	12	471,756.00	(541,648.74)	1,041,648.74
104	7-May-08	500,000.00	61.444	500,000.00	15	13	461,300.00	(507,775.00)	1,007,775.00
105	15-May-08	500,000.00	61.469	500,000.00	11	22	595,016.45	(617,716.45)	1,117,716.45
106	21-May-08	500,000.00	61.560	500,000.00	17	15	453,451.79	(578,411.65)	1,078,411.65
107	28-May-08	500,000.00	61.696	500,000.00	11	17	379,287.39	(504,247.25)	1,004,247.25
108	4-Jun-08	500,000.00	61.719	500,000.00	13	14	346,277.92	(402,211.92)	902,211.92
109	11-Jun-08	500,000.00	61.811	500,000.00	14	18	677,241.39	(692,041.39)	1,192,041.39
110	18-Jun-08	500,000.00	61.828	500,000.00	11	16	469,203.16	(481,839.95)	981,839.95
111	25-Jun-08	500,000.00	61.875	500,000.00	11	16	553,659.87	(575,419.87)	1,075,419.87
<b>Total</b>		<b>13,000,000</b>		<b>13,000,000</b>	<b>334</b>	<b>343</b>	<b>14,441,066.96</b>	<b>27,441,743.96</b>	<b>25,010,928.6</b>

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



**Table B-8: Exchange Rate Developments: Liberian Dollars per US dollar  
(Monthly Averages)  
(January 2007 – June, 2008)**

	2007		2008	
	Buying	Selling	Buying	selling
January	60.57	61.65	62.96	64.00
February	60.21	61.13	62.21	63.21
March	60.00	61.01	62.00	63.01
April	60.40	61.54	62.06	63.08
May	61.22	62.17	62.78	63.56
June	62.02	63.00	63.00	64.00
July	60.77	61.71		
August	61.91	62.91		
September	61.12	62.12		
October	61.13	62.15		
November	59.65	60.67		
December	60.27	61.27		
Q1	<b>60.26</b>	<b>61.26</b>	<b>62.39</b>	<b>63.41</b>
Q2	<b>61.21</b>	<b>62.24</b>	<b>62.61</b>	<b>63.54</b>
Q3	<b>61.27</b>	<b>62.25</b>		
Q4	<b>60.35</b>	<b>61.36</b>		
Year	<b>60.77</b>	<b>61.78</b>		

Source: Central Bank of Liberia, Monrovia, Liberia

**Table C-1: Government of Liberia Revenue by Sources  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Millions L\$)**

Revenue Sources	2007	2008	
	2nd Quarter	1st Quarter	2nd Quarter
Customs & Excise	1,220.5	1,258.2	1,268.6
Direct Taxes	769.4	1,116.0	1,057.8
Indirect Taxes	131.3	699.3	846.3
FDA <sup>1</sup> Levy	3.8	13.5	17.0
Petroleum Sales Levy	80.1	111.8	121.7
Maritime	171.1	198.2	246.7
Grants	87.0	272.8	104.6
<b>Total</b>	<b>2,463.2</b>	<b>3,669.8</b>	<b>3,662.7</b>

<sup>1</sup> Forestry Development Authority

Source: Ministry of Finance, Monrovia, Liberia

**Table C-2: Government of Liberia Expenditure by Category  
(2<sup>nd</sup> quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
(In Millions L\$)**

Expenditure Category	2007	2008	
	2nd Quarter	1st Quarter	2nd Quarter
General Administration	964.8	1144.6	1,199.4
Social & Community Services	683.6	598.8	671.7
Economic Services	227.1	285.7	256.5
Other Expenditures	644.1	846	1,431.8
<b>Total</b>	<b>2,519.6</b>	<b>2,875.1</b>	<b>3,559.4</b>

Source: Ministry of Finance, Monrovia, Liberia

**Table C-3: Summary Estimate of External Debt Stock & Status**  
**As at June 30, 2008**  
(In Millions US\$)

	<b>Original Amount</b>	<b>Estimates Debt Relief</b>	<b>Current</b>
<b>Multilateral</b>			
World Bank	443.0	400.0	43.0
AfDB	271.0	255.0	16.0
IMF	809.0	0.0	809.0
Others	92.0	0.0	92.0
<b>Total Multilateral</b>	<b>1,615.0</b>	<b>655.0</b>	<b>960.0</b>
<b>Bilateral</b>			
Paris Club	1,414.0	254.0	1,160.0
Non-Paris Club			
China	16.0	0.0	16.0
Kuwait	11.0	0.0	11.0
Saudi Arabia	27.0	0.0	27.0
Taiwan	75.0	0.0	75.0
<b>Total Bilateral</b>	<b>1,543.0</b>	<b>254.0</b>	<b>1,289.0</b>
<b>Commercial Creditors</b>			
Banks and Funds	1325.0	0.0	1325.0
Suppliers Credit	249.0	0.0	249.0
<b>Total Commercial</b>	<b>1574.0</b>	<b>0.0</b>	<b>1574.0</b>
<b>Total External</b>	<b>4,732.0</b>	<b>909.0</b>	<b>3,823.0</b>

*Source: Ministry of Finance, Monrovia, Liberia*

**Table C – 4: Functional Classification of Government Expenditure**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)  
In Millions L\$

<b>Functional Classification</b>	<b>2007</b>	<b>2008</b>	
	<b>2<sup>nd</sup> Quarter 2007</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>
<b>General Administration</b>	<b>964.8</b>	<b>1,144.6</b>	<b>1,199.4</b>
National Legislature	184.11	159.2	362.3
Executive Policy	382.88	497.4	388.0
Internal Management Services	36.82	85.9	47.5
Protection of Person & Property	224.56	226.0	250.6
Foreign Affairs	95.31	156.0	109.2
Defense	41.12	20.0	41.8
<b>Social &amp; Community Services</b>	<b>683.55</b>	<b>598.8</b>	<b>671.7</b>
Social Services	435.52	326.5	439.7
Community Services	248.02	272.3	232.0
<b>Economic Services</b>	<b>227.12</b>	<b>285.7</b>	<b>256.5</b>
Primary	104.05	72.8	140.1
Secondary	123.07	212.9	116.4
<b>Other Expenditure</b>	<b>644.09</b>	<b>846.0</b>	<b>1,431.8</b>
<b>Total</b>	<b>2,519.6</b>	<b>2,875.1</b>	<b>3,559.4</b>

*Source: Ministry of Finance, Monrovia, Liberia*

**Table D-1: Commodity Composition of Exports**  
(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)

Commodity	Unit of Measurement	2 <sup>nd</sup> Quarter, 2007	1 <sup>st</sup> Quarter, 2008			2 <sup>nd</sup> Quarter, 2008		
		Value (In '000' of US\$)	Volume (In '000' Units)	Value (In '000' of US\$)	Unit Price US\$	Volume (In '000' Units)	Value (In '000' of US\$)	Unit Price US\$
Rubber	Mt.	44,522.5	27.4	55,588.6	2,028.8	25.8	58,547.1	2,269.3
Cocoa Beans	Mt.	305.5	0.6	458.5	764.2	1.2	915.4	762.8
Iron Ore	Mt.	80.0	15.0	270.0	18.0	0.0	0.0	0
Diamond	Carat	-	12.3	1,768.9	143.8	12.8	3,239.7	253.1
Gold	Ounce	-	5.6	3,930.8	701.9	5.1	3,497.1	685.7
Others**	-	1,471.0	-	2576.0	-	0.0	1,359.5	0.0
<b>Total</b>	-	<b>46,379</b>	-	<b>64,592.9*</b>	-		<b>67,729.3</b>	

*\*Revised*

*\*\*other commodities of minimal values*

*Sources: Ministry of Commerce & Industry and the Forestry Development Authority, Monrovia, Liberia*

**Table D-2: Commodity Composition of Imports**  
**(2<sup>nd</sup> Quarter, 2007; 1<sup>st</sup> & 2<sup>nd</sup> Quarters, 2008)**  
**(In '000 US\$)**

<b>Import Categories</b>	<b>2<sup>nd</sup> Quarter, 2007</b>	<b>1<sup>st</sup> Quarter 2008</b>	<b>2<sup>nd</sup> Quarter, 2008</b>
Food & Live Animals	19,524.2	48,543.9	22,933.4
O/w: Commercial Rice	729.7	28,666.0	5,783.8
Non-commercial Rice	N/A	2,378.7	N/A
Beverages & Tobacco	3,417.5	2,249.4	4,741.7
Crude Materials & Inedible except Fuel	1,723.3	5,578.7	1,957.3
Minerals, Fuel & Lubricants	632.8	8,455.5	2,657.3
Animal & Vegetable Oil	1,683.5	1,419.4	243.1
Chemical & Related Products	4,015.0	8,491.3	8,189.3
Mfg. Goods classified chiefly by materials	11,444.1	18,903.1	27,647.7
Machinery & Transport Equipment	26,675.2	39,783.8	77,078.6
Petroleum Products	23,242.0	31,750.8	33,684.8
Miscellaneous Articles	9,142.2	11,790.1	9,012.0
<b>Total</b>	<b>101,499.8</b>	<b>176,966.1</b>	<b>188,145.2</b>

*Source: Ministry of Commerce & Industry, Monrovia, Liberia*