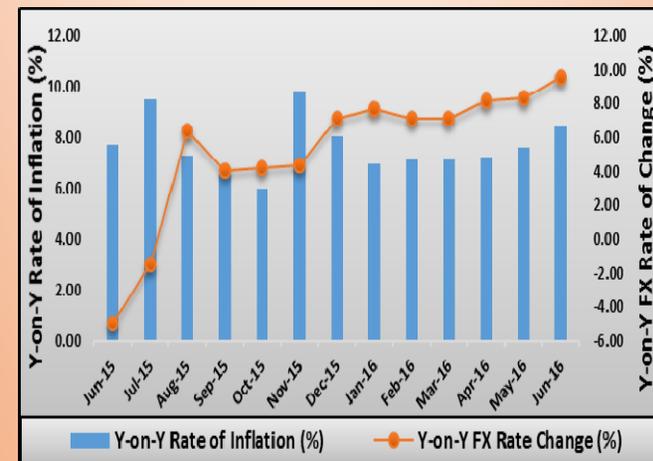




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**Table 2: Performances of End-of-Period WAMZ Countries
Exchange Rates against the US Dollar**

Currency	May-16	Jun-16	
	Curr. Unit./US\$1	Curr Unit./US\$1	M-on-M Rate of Appr (-)/Depr(+)
LRD	91.5	94.5	3.3
GHC	3.8	3.9	2.4
GMD	42.5	46.5	9.4
GNF	8,943.9	8,986.5	0.5
NGN	196.5	281.5	43.3
SLL	6,090.6	6,212.5	2.0

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

LRD—Liberian Dollar

GHC—Ghanaian Cedi

GMD—Gambian Dalasi

GNF—Guinean Franc

NGN—Nigerian Naira

SLL—Sierra Leonean Leone

USD—US Dollar

GBP—British Pound

	Mar-16	Apr-16	May-16	Jun-16
11	Inflation			
	<i>(In percent)</i>			
	7.1	7.2	7.6	8.4
	Overall (Year-on-year) Rate of Inflation			
a. Food and Non-alcoholic Beverages Inflation	5.6	3.1	1.9	4.1
- Domestic Food Inflation	11.3	13.6	3.9	9.1
- Imported Food Inflation	0.6	-5.7	0.1	-0.4
b. Transport Inflation	26.4	26.7	30.6	22.4
c. Imported Fuels Inflation	-0.7	-0.7	-2.6	2.0
	2.0	0.2	-0.3	5.2
	Overall (Month-on-Month) Rate of Inflation			
	Core Inflation			
Inflation excluding Food & Non-alcoholic Beverages	9.0	12.3	14.7	13.7
Inflation excluding Imported Food	9.8	12.8	10.6	12.0
Inflation excluding Domestic Food	5.6	5.0	8.9	8.2
Inflation excluding Food and Transport	6.1	10.0	12.1	12.1
	Production			
	<i>(Metric Tons)</i>			
Iron Ore	80,804	317,997†	171,029.0	101,337
Rubber	2,903	5,724†	3,003.0	2,500
Cement	28,490	25,406†	22,853	17,808
	Beverages			
	<i>(In Litres)</i>			
Alcoholic	1,359,733	1,231,710†	1,411,795	905,899
Non-Alcoholic	920,217	889,937†	856,441	768,341

* US\$ converted to L\$

** Other Deposits Include Official and Manager Checks

***The Minimum Capital Adequacy Ratio is 10%

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

‡Reserves exclude ECF borrowing from the IMF

± Provisional, Preliminary, Estimate

†Revised

‡Not Available (NA)

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

^With liquidity Effect

REAL SECTOR & PRICE DEVELOPMENTS

Production

Output during the review period experienced uniform declines across all key commodities. Iron ore production declined by 40.7 percent, up from 171,029 metric tons in May 2016 to 101,337 metric tons. The decline was attributed to its falling global market price. Rubber output declined to 2,500 metric ton from 3003 metric tons produced in the preceding period. The fall was informed by its slumping international market price.

Cement production trended similarly. There was a decline by 22.1 percent or 5,045 metric tons. The fall in output was explained by the ongoing rainy season during which time construction activities are restrained. Beverages output with likewise pattern saw a decline of 26.2 percent; to 1.7 million litres down from 2.3 million litres produced during the previous period. The decline was generally explained by the fall in the production of alcoholic beverages by 35.8 percent while non-alcoholic beverages declined by 10.3 percent.

Consumer Prices

Headline inflation during the review period surged by 0.7 percentage points to 8.4 percent, down from 7.7 percent a year ago. The rise in inflation was mainly explained by the current depreciation of the local currency against the US Dollar.

Month-on-month analysis shows that the rate of inflation rose by 5.5 percentage points, to 5.2 percent, from negative 0.32 percent in the previous month. The monthly rise in inflation was driven by respective increases in food and non-alcoholic beverages to 4.1 percent (from negative 0.6 percent); and clothing and footwear to 10.7 percent (from negative 2.6 percent).

MONETARY DEVELOPMENTS

Monetary Policy Stance

The CBL monetary policy stance continued to be anchored on price stability through broad exchange rate stability. During the month of June, 2016, the foreign exchange auction was the available tool used by the Bank to broadly stabilize the exchange rate.

Monetary Aggregates and Credit

Overall liquidity (M2) in the Liberian Economy at end-June, 2016 grew by 2.7 percent to L\$60,666.5 million, from L\$59,080.7 million reported in the preceding month, due mainly to a 3.2 percent surge in Narrow Money Supply (M1), resulting

from a 3.5 percent and 2.0 percent rise in both demand deposit and currency outside banks, respectively.

Net foreign assets (NFA) during the period reportedly rose to US\$37,052.3 million, from US\$31,698.8 million. The 16.9 percent rise was mainly on account of 15.8 percent growth in foreign assets of the CBL. On the domestic front, net domestic assets (NDA) declined by 13.8 percent, owing to reduction in net credit to Government.

Commercial bank loans to private sector in United States dollars increased by 2.5 percent to US\$338.9 million, from US\$330.5 million, while loans to private sector in Liberian dollars increased by 10.6 percent, respectively, up from L\$1,993.4 million to L\$2,132.4 million during the review period.

Exchange Rate

The average Liberian dollar at end-June, 2016 depreciated by 1.6 percent to L\$92.9/US\$1.00 when compared to the rate recorded in the previous month. Similarly, the end-of-period exchange rate depreciated by 3.3 percent to L\$94.5/US\$1.00. However, compared to the corresponding month a year ago, the monthly average exchange rate depreciated by 8.9 percent against the US dollar. High demand for foreign exchange couple with net injection of Liberian dollar contributed to the depreciation of the Liberian dollar.

In the West African Monetary Zone (WAMZ), all currencies depreciated against the US dollar at end-June, 2016. The Nigerian Naira depreciated by 43.3 percent, followed by the Gambian Dalasi, Liberian dollar, Ghanaian Cedis, Sierra Leonean Leone and the Guinean franc all of which fell by 9.4 percent, 3.3 percent, 2.4 percent, 2.0 percent and 0.5 percent, respectively, (Table 2).

Money Market Developments

Money market operations continued during the month of June, 2016, with a Treasury-bill issuance and a redemption of L\$46.9 million and L\$45.3 million, respectively. The T-bill operations resulted into a net withdrawal of L\$1.6 million from the system. The weighted average discount rate for the month was 4 basis point lower when compared with the previous month.

		Mar-16	Apr-16	May-16	Jun-16
6	Financial Soundness Indicators (FSI)	<i>(In percent)</i>			
	Capital Adequacy Ratio (CAR)***	16.2	15.5†	19.1†	20.0
	Non-performing Loans to Total Loans	15.7	17.3†	14.4†	14.6
	Non-performing Loans (% change)	12.0	0.6	-21.8†	7.6
	Returns on Assets	-2.4	-1.9	-2.2	-1.7
	Returns on Equity (ROE)	-22.1	-16.8	-16.9†	-13.2
	Liquidity Ratio****	34.7	36.6	38.1†	40.2
7	Fiscal Operations				
7a	Revenue, Expenditure & Debt	<i>(Millions of US\$)</i>			
	Actual Revenue & Grants	39.3	45.2	50.4	66.2
	Projected Revenue & Grants	36.2	47.2	32.6	60.5
	Expenditure	44.2	50.9	56.2	47.2
	Public Debt Stock	707.9	719.1	717.9	719.0
	Domestic	269.1	269.2	269.2	269.0
	External	438.8	450.0	448.7	445.0
7b	Treasury Securities	<i>(Millions of L\$)</i>			
	T- Bills Issued	-44.8	-44.9	-44.9	-46.9
	T- Bills Redeemed	43.8	43.8	45.3	45.3
	Net GoL Treasury Operation^	-1.1	-1.1	0.4	1.6
	Average Weighted Discount Rate	3.57	3.01	3.15	3.11
8	External Trade (Value)	<i>(Millions of US\$)</i>			
8a	Exports/1	14.8†	25.6†	12.3†	14.0
	- O/w Iron Ore	3.9	11.1	3.9	2.2
	- O/w Rubber	3.2	7.5†	4.5	3.4
	- O/w Mineral	3.3	4.8	2.9	3.5
8b	Imports (F.O.B)/1	128.6†	105.4	112.4	94.1
	-O/w Petroleum Products	35.1	26.9	22.5	20.7
	-O/w Commercial Rice	11.4	0.2	21.6	0.2
	-O/w Non-commercial Rice	0.3	0.6	0.3	0.5
	Trade Balance	-113.8	-79.8	-100.1	-80.1
9	External Trade (Volume)	<i>(Metric Tons)</i>			
	- Rubber	2,903	5,724†	3,004	2,499.8
	-Iron Ore	80,804	317,997†	171,029	101,336.6
	-Commercial Rice	249,600±	4,379±	472,926	4,378.9
	-Non-commercial Rice	1,744±	3,489±	1,744	2,907.2
	- Petroleum Products	11,328	8,795	8,995	7,933.5
10	Int'l Commodity Prices	US\$/Unit			
	Iron Ore (US\$/MT)	55.5	59.6	54.9	51.4
	Rubber (US\$/MT)	1,447.1	1,720.5	1,673.7	1,580.7
	Crude Oil (US\$/Barrel)/1	37.3	40.8	46.0	47.7
	Rice (US\$/MT)	370.5	376.1	408.9	417.6
	Terms of trade				

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

Table 1: Fact Sheet

	Mar-16	Apr-16	May-16	Jun-16
1 Monetary	<i>(Millions of US\$)</i>			
CBL Net Foreign Exchange Reserves Position (Including SDRs) [†]	164.4	160.4	169.1	168.7
CBL Gross Foreign Reserves (excluding SDRs)	254.7 [†]	267.1	270.8	291.5
Liberian Dollars in Circulation	10,024.4	10,097.5	10,006.6	9,925.2
Money Supply (M1) in L\$ only	12,485.7	12,934.5	13,056.5	13,269.4
Broad money (M2) in L\$ only	16,987.3	17,559.4	17,568.3	17,985.1
Broad money (M2) in both L\$ and US\$*	60,294.0	61,089.1	59,080.7	60,666.5
	<i>(In percent)</i>			
Liberian Dollar share of Broad Money	28.2	28.7	29.7	29.6
Interest Rates				
- Lending rate	13.6	13.6	13.6	13.5
-Average Deposit rates				
-Savings	2.0	2.0	2.0	2.0
-Time	3.8	4.4	3.7	2.7
Commercial banks loans to private sector - US\$	355.8	358.9	330.5	338.9
Commercial banks loans to private sector - L\$	1,955.6	2,132.4	1,993.4	2,204.6
- Demand Deposits of commercial banks				
Demand deposits - US\$	307.1	296.0	276.2	278.1
Demand deposits - L\$	3,872.8	4,064.0	4,291.7	4,326.8
- Time & Savings Deposits of commercial banks				
Time & savings deposits - US\$	169.1	174.3	172.7	172.0
Time & savings deposits - L\$	4,492.1	4,616.7	4,503.3	4,697.7
- Other Deposits**				
Actual US\$ component of other deposits	2.4	5.4	4.8	1.5
Liberian \$ component of other deposits	9.6	8.3	8.5	18.0
2 CBL's Foreign Exchange Auction	<i>(Millions of US\$)</i>			
US Dollar Amount Sold	2.0	2.0	2.0	5.0
Total Subscription	5.6	6.0	4.8	7.5
Over(+)- / Under(-) Subscription	3.6	4.0	2.8	2.5
3 CBL Bills Auction	<i>(Millions of L\$)</i>			
Bill Issued	0.0	0.0	0.0	0.0
Bill Redeemed	0.0	0.0	0.0	0.0
4 Personal Remittances	<i>(Millions of US\$)</i>			
Inflows	46.7	52.8	47.4	29.1
Outflows	26.6	26.8	24.1	21.6
Net flows	20.1	26.0	23.3	7.5
5 Exchange Rate				
End of Period	90.5	91.5	91.5	94.5
Period Average	90.5	91.4	91.5	92.9

Banking Sector Developments

On account of capital adequacy ratio (CAR) and liquidity position, the banking sector has performed over margin. At end-June, 2016, both the CAR and liquidity ratios of the sector stood high above the minimum required ratios. When compared to the previous month, the capital adequacy and liquidity ratios grew slightly by 0.9 and 2.1 percentage points, respectively. On the other hand, the ratio of non-performing loans to total loan worsened by 20 basis points to 14.6 percent at end-June, 2016, from 14.4 percent recorded during the month of May, 2016 (Table 1). The increasing level of non-performing loan remains a risk to the lending decision of the sector.

FISCAL DEVELOPMENTS**Revenue (including Grants) & Expenditures**

Fiscal operations in June, 2016, resulted in a surplus of US\$19.0 million, up from a deficit of US\$5.8 million recorded in the previous month, explained by month-on-month 31.3 percent growth in actual revenue and grants, coupled with 16.1 percent decline in total public expenditure. Tax and non-tax revenue & grants constituted 59.2 percent and 40.8 percent of total revenue and grants, respectively. Actual revenue and grants rose above budgetary target for the month by US\$5.7 million or 9.4 percent. Recurrent and capital expenditure accounted for 89.4 percent and 10.6 percent of total public expenditure for the review month, respectively.

Liberia's public debt stock at end-June, 2016, stood at US\$718.99 million, reducing by 0.04 percent against the stock of US\$719.10 million recorded in the previous month, mainly explained by 0.04 percent reduction in domestic debt stock during the review period. Domestic and external debt stocks constituted 37.4 percent and 62.6 percent of Liberia's total public debt stock at end-June, 2016, respectively (Table 1).

EXTERNAL SECTOR DEVELOPMENTS**Merchandise Trade**

At end-June, 2016, merchandise trade, though recorded a deficit, improved by 20 percent to US\$80.1 million, from a revised US\$100.1 million during the month of May, 2016, attributed to a gain in export proceeds against the decline in import payments (Table 1).

Exports

During the month ended June, 2016, export receipts rose by 13.8 percent to US\$14.0 million, up from a revised US\$12.3 million recorded in the previous month. The rise in export proceeds was largely on account of a 42.5 percent surge in diamond earnings that constituted 23.0 percent of total exports. All major export commodities experienced decline (Table 1).

Imports

During the reviewed month, import payments (f.o.b) decreased by 16.3 percent to US\$94.4 million, from US\$112.4 million recorded during the previous month. The reduction in import payments at end-June, 2016 was mainly attributed to a significant decline in payments on both petroleum products and commercial rice as a result of large stock of unsold inventories of the products (Table 1).

Global Commodity Price Review

Primary commodity prices for five consecutive months have followed a rising trend. At end-June, 2016, commodity prices rose by 3.1 percent, from a revised 6.3 percent recorded in the preceding month. Like the previous month, the increase in commodity prices was attributed to a 3.7 percent rise in the price of crude oil.

Iron ore

At end-June, 2016, iron ore price, as was in the previous month, reportedly dropped by 6.4 percent to US\$51.4 per metric ton, from US\$54.9 per metric ton recorded in the previous month. The decrease in the price of the commodity was due partly to increased supply from Australia coupled with the large stock of inventory in China, a major buyer (Table 1).

Rubber

Rubber price for the second time slumped by 5.6 percent to US\$1,580.7 per metric ton during June, 2016, from US\$1,673.8 per metric ton recorded in the previous month. The reduction in the price of rubber during the month was mainly on account of lowering demand from major buyers of the commodity.

Petroleum (Crude Oil)¹

Petroleum price during the period ended June, 2016 surged by 3.7 percent to US\$47.7 per barrel, from US\$46.0 per barrel reported in May, 2016. The rise in the price of the commodity has mainly been due to supply outage influenced by slower production from non-OPEC countries as well as supply disruption in the Middle East.

Food (Rice)

Global food price index slightly rose at the end of June, 2016. With moderate gains in cereal prices, rice price during the month rose moderately by 2.1 percent to US\$417.6 per metric ton, from US\$408.8 per metric ton recorded in the preceding month. The rise in the price of the commodity was marked by a continued unfavourable weather condition that had resulted to weak supply in Asia.

Gross Foreign Reserves

Gross foreign reserves (excluding SDR² holdings) of the Central Bank rose by 7.6 percent to US\$291.5 million, from US\$270.8 million recorded in the previous month. The surge in balances with bank abroad and US dollar notes and coins contributed significantly to the gain in gross foreign reserves position. Balances with Banks abroad constituted 80.8 percent of gross foreign reserves at end-June, 2016.

¹Crude oil price is the average of the three global oil price benchmarks: Dated Brent, West Texas Intermediate and Dubai Fateh.

²Special Drawing Rights