

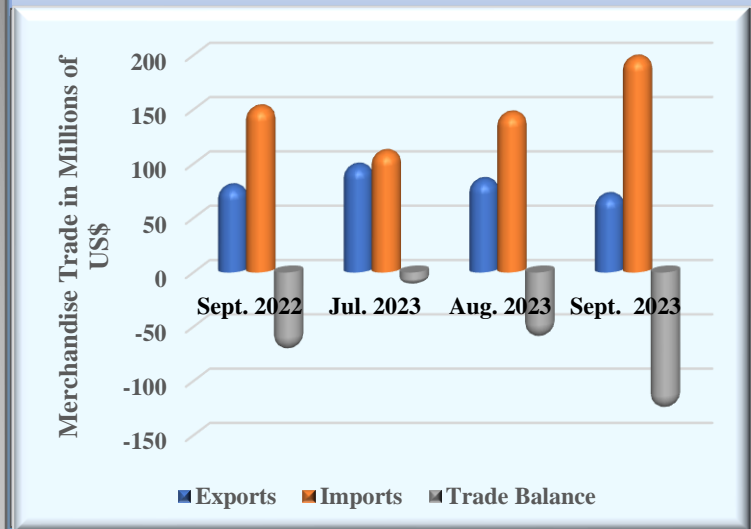
**MONTHLY
ECONOMIC
REVIEW**

SEPTEMBER 2023

VOLUME 9 No. 9



CENTRAL BANK OF LIBERIA



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

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Table 8: Developments in Global Commodity Prices

GLOBAL PRICE	Sept- 22	Jul-23	Aug-23	Sept- 23	Percent Change	
					MoM	YoY
(Commodity price per Unit of Measure)						
Iron ore (US\$/MT)	99.80	114.43	110.20	120.98	9.78	21.22
Gold (US\$/Oz)	1,680.78	1,951.02	1,918.70	1,915.95	(0.14)	13.99
Rubber (US\$/MT)	1,480.00	1,492.50	1,469.70	1,554.40	5.76	5.03
Cocoa Beans (US\$/MT)	2,300.00	3,387.46	3,459.61	3,611.14	4.38	57.01
Palm oil (US\$/MT)	909.32	878.50	860.82	829.60	(3.63)	(8.77)
Crude oil (US\$/BBL)	88.22	78.98	84.72	92.22	8.85	4.53
Food Price Index (FAO) ¹	136.00	123.90	121.40	121.50	(0.08)	(10.66)
Rice_5% broken (US\$/MT)	439.00	524.00	600.00	587.00	(2.17)	33.71
Sugar (US\$/MT)	770.00	521.17	528.01	579.59	9.77	(24.73)
Commodity Price Index No ²	219.74	158.73	161.45	168.4	4.36	(23.36)

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

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1.0 INTRODUCTION

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

This Edition represents Volume 9 Number 9.

2.0 OVERVIEW

Production statistics of key commodities largely declined in September 2023 relative to the preceding month. Total beverages production increased, outputs of gold, diamond, rubber, and cement plummeted, while iron ore production remained unchanged during the review month against the previous month. Headline inflation moderated by 1.70 percentage points to 9.96 percent in September 2023, from 11.70 percent in the previous month. This development was driven by decline in the prices of food & non-alcoholic beverages, furnishings, household equipment & routine maintenance, health, transport, communication, restaurants & hotels, and recreation & culture-related items in the Consumer Price Index (CPI) basket.

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

Broad money (M2) supply rose by 0.5 percent to L\$203.24 billion at end-September 2023, from L\$202.25 billion in the previous month. From the liability side, the increase was mainly led by growth in time & savings deposits, while on the asset side, the growth reflected increases in credits to the private sector and government (net). Similarly, currency in circulation increased by 8.3 percent to L\$29.17 billion at end-September 2023, induced by growths in both currency in banks and outside banks.

Financial soundness indicators of the Liberian banking system remained favorable during the review period as commercial banks were largely in compliance with most of the regulatory requirements of the CBL.

7.6 Sugar

The price of sugar grew by 9.8 percent in September 2023 to US\$579.59 per metric ton, from US\$528.01 per metric ton in the previous month. Annual comparison showed that the price of sugar decreased by 24.7 percent, from US\$770.00 per metric ton in September 2022.

Palm Oil

The price of palm oil decreased by 3.6 percent in September to US\$829.60 per metric ton, from US\$860.82 per metric ton in August 2023, occasioned by supply shock resulting from bad weather in producing countries. Compared to September 2022, the price of palm oil fell by 8.9 percent, from US\$909.32 per metric ton.

7.8 Rice

The price for rice decreased by 2.2 percent to US\$587.00 per metric ton, from US\$600.00 per metric ton in August 2023, on account of low global demand. Annual comparison indicated that the price of rice increased by 33.7 percent, from US\$439.00 per metric ton in September 2022.

7.9 Cocoa Beans

Cocoa bean price increased by 4.4 percent to US\$3,611.14, from US\$3,459.61 per metric ton in August 2023, ending a three-month trend. This development was occasioned by favorable weather conditions that improved cocoa production in Cote d'Ivoire and Ghana. Compared to September 2022, the price of the commodity rose by 57.0 percent from US\$2,300.00 per metric ton.

Commodity Price Outlook

The global commodity market outlook of the World Bank indicates that commodity prices will experience an upward trend in the months ahead. Overall index of commodity price indices measured in US dollars of energy, non-energy, agriculture, fertilizers, metal & minerals, and precious metals, are expected to increase in October 2023.

7.1 Iron ore

The price of iron ore grew by 9.8 percent to US\$120.98 per metric ton in September 2023, from US\$110.20 per metric ton in the previous month. This development was due to a surge in the price of steel in China. Year-on-year comparison showed that the price of the commodity rose by 21.2 percent, from US\$99.80 recorded in September 2022.

7.2 Gold

The price of gold moderately fell by 0.1 percent to US\$1,915.95 per ounce in September 2023, from US\$1,918.70 per ounce in the preceding month, on account of a strong dollar and higher yields in bonds. Compared to the corresponding period, the price of gold increased by 14.0 percent during the review month, from the US\$1,680.78 per ounce recorded in September 2022.

7.3 Crude Oil (Petroleum) price

Petroleum price increased by 8.9 percent to US\$92.22 per barrel in September 2023, from US\$84.72 per barrel in the previous month. The increase in petroleum price was driven by ongoing supply cuts by some OPEC members along with speculation in the global economy. Compared to September 2022, the price of the commodity increased by 4.5 percent from US\$88.22 per barrel.

7.4 Rubber

Rubber price rose by 5.8 percent to US\$1,554.40 per metric ton during the review month, from the US\$1,469.70 per metric ton recorded in August 2023, mainly driven by stronger demand and improved trade. Year-on-year comparison showed that the price of rubber increased by 5.0 percent from US\$1,480.00 in September 2022.

7.5 Food Price (FAO)

The FAO food price index (FFPI) marginally increased by 0.1 percent to US\$121.50 during the review period, from US\$121.40 in August 2023. The modest rise was led by a corresponding increase in the price indices for sugar and cereals, which offset the decline in the price indices for vegetable oils, dairy products, and meat.

The industry liquidity ratio increased by 0.23 percentage point to 41.01 percent, while the Capital Adequacy Ratio (CAR) grew by 3.01 percentage points to 20.09 percent at end-September 2023. Similarly, Return on Assets (ROA) rose by 0.28 percentage point to 1.85 percent, while Return on Equity (ROE) increased by 1.79 percentage point to 13.40 percent at end-September 2023.

The Government of Liberia's (GoL) fiscal operations recorded a deficit in its overall balance amounting to 1.0 percent of GDP in August 2023, from the 0.7 percent of GDP surplus reported in the previous month, driven by a significant reduction in total revenue which outweighed the decrease in total public expenditure. The total public debt slightly rose by 0.7 percent to 50.8 percent of GDP at end-August 2023 compared to the 50.5 percent of GDP reported at the end of the preceding month, explained by 1.3 percent increase external debt.

The merchandise trade deficit grew to 2.9 percent of GDP in September 2023, while total merchandise trade increased by to 6.2 percent of GDP during the review month relative to the preceding month, largely on account of increase in import payments.

Gross International Reserves (GIR) fell by 5.1 percent to 11.1 percent of GDP at end-September 2023 relative to the GIR reported in the previous month, mainly driven by depreciation in Special Drawing Rights (SDRs) Holdings & Reserves. Similarly, the months of import cover declined to 2.2 months during the review month, on account of growth in import payments coupled with the depreciation in the GIR.

Net personal remittance inflows (including remittances terminated through mobile wallet) rose slightly by 0.1 percent to US\$56.8 million in September 2023 against to the amount recorded in the previous month, led mainly by decline in outward remittances as inward remittances similarly reduced. The Liberian dollar depreciated marginally against the US dollar on both average and end-period basis in September 2023 by 0.1 percent and 0.5 percent to L\$186.40/US\$1.00 and L\$186.76/US\$1.00, respectively, compared to the preceding month. This development was due to the high demand for foreign exchange to facilitate payments for imports during the period.

3.0 REAL SECTOR & PRICE DEVELOPMENTS

3.1 Production Analyses of Key Commodities

Production statistics of key commodities largely declined in September 2023 relative to the preceding month. Total production of beverages reported increase, iron ore output remained unchanged, while gold, diamond, rubber, and cement outputs declined during the review month against the previous month.

In the mining subsector, gold production fell by 5.7 percent to 34,013 ounces in September 2023, from the 36,085 ounces produced in the previous month on account of limited artisanal mining activities. Similarly, diamond output decreased by 37.4 percent to 2,386 carats in September 2023, from 3,821 carats, largely due to slowdown in mining activities of the commodity. However, iron ore production remained unchanged at 365,000 metric tons during the review month, same as in the previous month.

For the manufacturing subsector, beverages (alcoholic and non-alcoholic) production increased by 4.7 percent to 2.0 million liters in September 2023, from 1.9 million liters, due to excess inventory spillover resulting from the August's Flag Day celebration. When disaggregated, alcoholic beverage production constituted 49.7 percent, while non-alcoholic beverage production accounted for 50.2 percent of total beverages produced during the month. However, cement output plummeted by 48.0 percent to 20,412 metric tons during the reporting month, from 39,258 metric tons produced in August 2023. This development was partly on account of the slow pace of resumption of construction-related activities as the rainy season gradually ends.

In the agriculture subsector, rubber output declined by 76.4 percent to 2,200 metric tons in during the review month, from the 3,187 metric tons recorded in August 2023. The decrease was mainly explained by decline in the output of the commodity from small holder farmers during the review period.

3.2 Consumer Prices

Headline inflation moderated to 9.96 percent in September 2023, from 11.70 percent in the previous month. This development largely reflected decline in the prices of food & non-alcoholic beverages, furnishings, household equipment & routine maintenance, health, transport, communication, restaurants & hotels, and recreation & culture-related items in the Consumer Price Index (CPI) basket. Similarly, on a month-on-month basis, inflation moderated to negative 1.3 percent during the review month, from 2.4 percent in the preceding month. The moderation was mainly driven by decline in the prices of food & non-alcoholic beverages, furnishings, household equipment & routine maintenance, health, and recreation & culture.

On period average basis, nearly all currencies in the West African Monetary Zone (WAMZ) depreciated against the United States dollars in September 2023. Except the Guinean franc which appreciated by 0.2 percent, the Liberian dollar depreciated by 0.1 percent; Ghanaian cedi by 0.5 percent; Nigerian naira by 0.6 percent; the Gambian dalasi by 2.4 percent; and the Sierra Leonean by 3.5 percent against the US dollar in September 2023 relative to the previous month.

Compared to the corresponding period of 2022, the trend was similar as all currencies in the WAMZ depreciated against the US dollar except the Guinean franc which appreciated by 1.4 percent. The dalasi, cedi, Liberian dollar, leone, and naira depreciated by 0.7 percent, 13.5 percent, 17.4 percent, 29.7 percent, and 43.7 percent against the US dollar, respectively, during the review month.

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

Rate & Currency	Sep-22	Jul-23	Aug-23	Sep-23	Appr (+)/Depr (-)	
					MoM	YoY
Exchange Rate	LD/USD				Percent change	
	Currency per USD					
GHC	9.56	11.00	11.01	11.06	(0.5)	(13.5)
GMD	60.86	58.47	59.82	61.28	(2.4)	(0.7)
GNF	8,604.37	8,514.31	8,504.12	8,486.07	0.2	1.4
LRD	153.93	183.98	186.22	186.40	(0.1)	(17.4)
NGN	432.37	768.10	763.17	768.03	(0.6)	(43.7)
SLL	15.62	20.15	21.45	22.22	(3.5)	(29.7)
Avg Period						
LRD	153.77	186.28	185.85	186.76	(0.5)	(17.7)

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

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

7.0 GLOBAL COMMODITY PRICE DEVELOPMENTS

The food and Agriculture Organization (FAO) food price index (FFPI), Commodity Price Index of fuel, and non-fuel commodities increased in September 2023. The rise in the FFPI index was led by a corresponding increase in the price indices for sugar and cereals, which offset the decline in the price indices for vegetable oils, dairy products, and meat.

6.2 Direction of Trade (DOT)

The main destination of Liberia's exports in September 2023 was Europe, which accounted for US\$63.1 million worth of the export proceeds, of which Switzerland accounted for US\$54.7 million. For the sources of imports to Liberia, Asia and Africa were the two main regions accounting for US\$80.0 million and US\$78.8 million, respectively. Imports from Cote d'Ivoire, India, and China amounted to US\$60.6 million, US\$22.1 million, and US\$37.8 million, respectively, during the review month.

6.3 Personal Remittances

Personal remittance inflows (net), including remittances terminated through mobile wallet, slightly grew by 0.1 percent to US\$56.80 million (1.3 percent of GDP) in September 2023, compared to the US\$56.76 million (1.3 percent of GDP) recorded in the preceding month. This development was driven by 2.2 percent reduction in outward remittances as inward remittances likewise marginally decreased by 0.1 percent during the review month. Inward and outward remittances amounted to US\$61.31 million and US\$4.51 million, from the US\$61.37 million and US\$4.61 million recorded, respectively, in August 2023.

6.4 Gross International Reserves

Gross International Reserves (GIR) declined by 4.4 percent to US\$482.2 million (11.1 percent of GDP) at end-September 2023, from the US\$504.5 million (11.6 percent of GDP) recorded at the end of the previous month. This development was mainly driven by depreciation in Special Drawing Rights (SDRs) Holdings & Reserves. Similarly, the months of import cover reduced to 2.2 months, from 3.0 months in August 2023, on account of growth in payments for imports coupled with the depreciation of the GIR. Additionally, the months of import cover fell short of achieving the ECOWAS minimum regional threshold of 3.0 months by 0.8 (Table 6).

6.5 Exchange Rate Developments

At end-September 2023, the Liberian dollar slightly depreciated against the United States dollar by 0.5 percent to L\$186.76/US\$1.00, from L\$185.85/US\$1.00 at the end of the preceding month. This development was mainly driven by demand for foreign exchange to facilitate payments for imports as we approach the festive season.

Additionally, core inflation¹ moderated to 4.7 percent in September 2023, from the 5.9 percent reported in the preceding month. The fall was mainly on account of decrease in the prices of non-food-related, and non-transport-related items.

Table 1: Production and Price Statistics

Production	Sep - 2022	July - 2023	Aug - 2023	Sep-2023
	<i>(In Metric ton, Ounce, Carat and Liter)</i>			
Iron Ore (Metric ton)	350,000	370,000	365,000	365,000
Gold (Ounces)	31,167	44,449	36,085	34,013
Diamond (Carat)	178	3,141	3,821	2,386
Rubber (Metric ton)	4,696	3,187	9,354	2,200
Cement (Metric ton)	23,887	35,362	39,258	20,412
Total Beverages (liter)	796,724	2,583,483	1,914,779	2,005,651
Alcoholic	724,582	1,116,850	1,002,941	998,354
Non-Alcoholic	72,230	1,466,634	911,838	1,007,297
Inflation	<i>(In percent)</i>			
Overall (Y-o-Y) Rate of Inflation	7.23	11.01	11.70	9.96
a. Food and Non-alcoholic Beverage Inflation	-5.12	16.51	26.66	23.49
- Domestic Food Inflation	-6.38	14.76	27.94	17.65
- Imported Food Inflation	-4.20	18.07	25.83	28.46
b. Transport Inflation	47.89	2.72	2.79	2.96
c. Imported Fuels Inflation	49.01	-7.97	-8.98	7.93
Overall (M-o-M) Rate of Inflation	0.25	5.01	2.35	-1.32
Core Inflation				
Inflation excluding Food & NAB ¹	13.19	8.66	5.48	4.49
Inflation excluding Imported Food	9.61	9.64	9.01	6.54
Inflation excluding Domestic Food	9.98	10.15	8.87	8.34
Inflation excluding Food and Transport	9.16	9.63	5.91	4.73
Nominal (NGDP) (in millions US\$)	3,974.4	4,331.6	4,331.6	4,331.6
RGDP growth (in percent)	4.8	4.6	4.6	4.6

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

¹ Non-alcoholic beverages

² GDP was revised following the IMF- ECF review mission in April 2021

± - Not Available (na) * - estimate

† - revise

4.0 MONETARY DEVELOPMENTS

4.1 Monetary Policy Stance

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

4.2 Monetary Aggregates

Broad money (M2) supply grew by 0.5 percent to L\$203.24 billion at end-September 2023, from the L\$202.25 billion recorded at the end of the preceding month. From the liability side, this development was largely triggered by 0.6 percent growth in time & savings deposits. Similarly, from the asset side, the increase was primarily due to 1.7 percent rise in credits to the private sector and government (net). Additionally, the stock of Liberian dollars in circulation rose by 8.3 percent to L\$29.17 billion at end-September 2023, from L\$26.93 billion at end-August 2023. The increase was triggered by 11.5 percent and 8.1 percent growths in currency in banks and currency outside banks, respectively. Currency outside banks increased to L\$27.09 billion, from L\$25.07 billion, while currency in banks rose to L\$2.08 billion, from the L\$1.86 billion recorded at end-August 2023.

Commercial banks' loans extended to various sectors of the economy in both currencies increased during the review month. Private sector Loans denominated in Liberian dollars rose by 1.6 percent to L\$5,455.55 million, on account of increases in loans extended to the services, manufacturing, and extractive subsectors by 64.5 percent, 15.6 percent, and 1.8 percent, respectively. Similarly, US dollars denominated loans extended to the private sector increased by 1.4 percent to US\$472.82 million, from US\$466.07 million, driven by growth in loans advanced to the extractive, agriculture, and trade subsectors by 43.4 percent, 20.6 percent, and 8.0 percent, respectively.

Sectoral distribution of commercial banks' credits showed that loans extended to the services, manufacturing, and extractive subsectors accounted for 18.5 percent of the total Liberian dollar denominated credits to the private sector. Additionally, the extractive, agriculture, and trade subsectors constituted 36.7 percent of the total US dollar denominated credits extended to the private sector.

Total deposits (including US dollar deposits converted to Liberian dollar) declined by 0.2 percentage point to 21.7 percent of GDP at end-September 2023, from the 21.9 percent of GDP reported in the previous month. This development was largely led by decreases in demand, and other deposits.

Other Indicators				
Net Foreign Reserves Position	315.5	257.7	266.3	246.6
Import (FOB)	137.9	97.2	136.4	182.4
Gross International Reserves (GIR) ^y	574.7	502.6	504.5	482.2
Import covers (In Month) [†]	3.3	3.8	3.0	2.2
Personal Remittances				
Inflows	57.0	60.0	61.4	61.3
Outflows	6.8	5.2	4.6	4.5
Net flows	50.1	54.8	56.8	56.8
Direction of Trade (DOT)				
Destination of Export	75.1	97	85.4	69.6
Africa	3.3	1.4	1.2	1.4
o/w ECOWAS	0.3	0	0	0.1
o/w Neighboring Countries	-	-	-	-
Asia	2.3	3	3.6	2.1
o/w The Middle East	0.3	2	2.4	1
o/w United Arab Emirate then China	0.1	1.5	1.4	0.7
	877.4	0	0.1	0
Europe	63.4	86.5	71	63.1
o/w Euro Zone	-	0.1	2.7	0
o/w The United Kingdom	-	-	2.7	0
Switzerland	37.4	70.7	55.3	54.7
North America & The Caribbean	6	5.9	9.7	2.9
o/w USA	6	5.4	9.7	2.9
Sources of Import (cif)	133.64	110.31	145.77	197.28
Africa	63.34	9.13	43.64	78.82
o/w ECOWAS	60.35	1.59	35.36	65.57
o/w Neighboring Countries	60.26	2.59	35.9	66.21
o/w Cote D Ivoire	60.22	-	32.87	60.6
Asia	48.81	75.57	71.3	79.97
o/w The Middle East	1.84	5.12	6.24	8.15
o/w United Arab Emirate	-	2.11	2.45	4.08
o/w China	27.76	26.61	44.25	37.67
o/w India	7.76	32.37	11.64	22.09
Europe	13.05	15.08	17.18	26.27
o/w Europe Zone	11.44	13.23	15.83	23.08
o/w The United Kingdom	3.5	0.74	1.51	1.32
o/w Spain	-	0.73	1.19	1
North America & The Caribbean	5.05	7.68	5.86	4.77
o/w USA	4.53	7.33	5.21	4.09
South & Central America	3.22	2.63	7.39	7.32
o/w Brazil	2.53	1.41	4.66	5.66
o/w Argentina	0.19	0.23	1.54	0.32
Oceania	0.18	0.23	0.4	0.13
o/w Australia	0.17	0.09	0.18	0.13

Conversely, payments for merchandise imports rose by 35.3 percent to US\$197.3 million (4.6 percent of GDP), from US\$145.8 million (3.4 percent of GDP) recorded in August 2023, largely on account of increase in payments for minerals, fuel & lubricants (mainly petroleum), machinery & transport equipment, and food & live animals (including animal & vegetable oil).

Table 6: External Sector Statistics

External Trade (Value)	22-Sep	23-Jul	Aug-23	Sept_23
	(Millions of US\$; Except Otherwise Indicated)			
Exports ¹	78.78	97.75	84.49	70.64
Iron Ore	21.08	10.11	5.49	7.58
Rubber	10.52	10.47	14.85	3.94
Gold	38.51	72.17	55.77	56.13
Diamond	0.36	2.16	1.67	0.63
Cocoa Bean	0.01	0.12	1.05	-
Palm Oil	2.3	1.93	2.42	1.24
Other Commodities	6.01	0.78	3.23	1.12
Imports (CIF) ^{1†}	151.44	110.31	145.77	197.28
Minerals, Fuel, Lubricants	66.76	4.49	35.17	68.84
o/w Petroleum Products	60.05	-	30.4	60.48
Food and Live Animals (incl. Animal and veg. oil)	21.01	37.66	25.11	33.86
o/w Rice	0.4	19.47	2.07	11.43
Machinery & Transport Equipment	26.17	32.67	40.3	50.96
Manufactured goods classified by materials	17.65	17.96	19.49	20.54
Other categories of imports	19.85	17.52	25.7	23.09
Trade Balance	-72.66	-12.56	-61.28	-126.64
Total Trade	230.22	208.06	230.26	267.92
External Trade (Volume)				
Rubber (MT)	5,668.45	2,137.44	7,338.98	1,008.54
Iron Ore (MT)	400,492.14	180,099.54	105,877.68	147,378.63
Cocoa Beans (MT)	18.6	35.03	304.78	-
Palm Oil (MT)	1,160.00	2,387.94	2,812.78	1,492.08
Gold (Oz)	29,841.50	44,448.66	36,085.50	34,013.19
Diamond (Crt)	177.93	3,140.55	3,820.56	2,386.02
Petroleum Products (MT)	16,136	-	10,446.22	1,008.54
Rice (MT)	911.1617312	37156.4885	3450	19471.89097

Table 2: Monetary Aggregates Statistics

Monetary Aggregates	Sept - 22	July - 23	Aug - 23	Sept -23
	<i>In Millions of LD; Except Otherwise Indicated</i>			
Liberian Dollars in Circulation - (LD)	21,967.69	26,384.19	26,936.32	29,176.28
-o/w Currency in banks (LD)	2,138.89	2,216.32	1,866.12	2,081.45
Money Supply (M1) in LD only	35,864.97	41,302.10	42,029.33	42,654.69
Quasi Money in LD only	7,390.27	8,985.48	9,125.90	9,716.84
Broad money (M2) in LD only	43,376.96	50,369.80	51,241.92	52,430.70
Broad money (M2) (both LD and USD Converted to LD)	152,280.23	199,143.30	202,252.80	203,248.93
Net Foreign Assets (NFA) – LD	16,263.89	24,686.93	20,735.66	18,674.23
Net Domestic Assets (NDA) – LD	136,016.34	174,456.38	181,517.13	184,574.70
Currency Outside Banks – LD	19,828.79	24,167.87	25,070.21	27,094.83
Demand Deposit – LD	86,275.61	114,043.74	115,384.38	114,537.30
Time & Savings Deposits – LD	45,874.05	60,488.00	61,171.38	61,545.37
Other Deposits – LD	301.77	443.69	626.83	71.43
Loans to Private Sector				
Commercial banks loans to private sector- USD	473.90	464.50	466.07	472.82
Commercial banks loans to private sector - LD	5,375.77	5,375.39	5,368.26	5,455.55
Demand Deposits of commercial Banks				
Demand deposits – USD	456.79	520.24	529.58	529.98
Demand deposits – LRD	16,036.18	17,134.23	16,959.13	15,559.86
Time & savings deposits – USD	250.27	276.48	280.03	277.52
Time & savings deposits – LRD	7,390.27	8,985.48	9,125.90	9,716.84
Other Deposits**				
Actual US\$ component of other Deposits	1.17	1.94	2.91	0.07
Liberian \$ component of other Deposits	121.72	82.22	86.69	59.17
Total Deposits both (USD & LRD) converted to LRD ¹	132,451.43	174,975.44	177,182.59	176,154.10
Liberian Dollar share of Broad Money	28.48%	25.29%	25.34%	25.80%

‡ - Reserves excluding ECF borrowing from the IMF;

* - estimate/projection

** - Other Deposits Including Official and Manager Checks;

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

4.3 FINANCIAL MARKET (FM) DEVELOPMENTS

To efficiently manage Liberian dollar liquidity and achieve price stability during the review month, the Central Bank of Liberia (CBL) continued the issuance of its bills with varying tenors of 2 weeks, 1 month, and 3 months. The bills were issued at an effective annual rate of 20.00 percent during the review period.

The total issuance of CBL bills increased by 30.0 to L\$10,381.76 million in September 2023, compared to the L\$7,983.58 million reported during the preceding month. The substantial rise in subscriptions can be attributed to increase in the policy rate, the Monetary Policy Committee's decision to remove the ceiling on offer amounts, and the CBL's consistent track-record of timely redemptions, instilling confidence in investors.

Commercial banks subscription significantly increased by 29.4 percent to L\$10,179.10 million in September 2023, from L\$7,868.00 million in the previous month, driven by growths in both retail and institutional investors. Significantly, retail investors subscriptions rose by 75.3 percent to L\$202.66 million, from the L\$115.58 million reported in August 2023.

Total redemptions for the month amounted to L\$9,686.50 million, resulting in a net contraction of L\$695.26 million from total purchases of L\$10,381.76 million. This showed a 2.4 percent increase from the previous month's L\$678.68 million. The overall outstanding CBL bills increased by 7.7 percent to L\$9,671.79 million, from L\$8,976.50 million in the previous month.

The government did not issue new treasury securities during the period under review. As a result, the total outstanding Treasury securities for both Liberian dollars and US dollars remained at L\$6,900.40 million and US\$108.54 million, respectively. The government is keenly considering the rollover of US dollars treasury securities in 2023, with a proposed duration of up to 2 years. It is important to note that the government remains committed to fulfilling all interest payments on treasury securities.

The lending, average savings, and time deposit rates remained unchanged at 12.4 percent, 2.1 percent, and 3.5 percent, respectively, compared to the previous month. However, money market instruments such as repos were not traded during the month. In interbank market, commercial banks continued to transact in non-interest-bearing swaps exclusively.

o/w Goods and Services	18.95	20.88	23.88	34.84	45.89
o/w Capital Expenditure	0.60	0.15	5.87	1.51	(74.33)
o/w Payments on Loans, interest & other charges	7.24	4.88	13.29	3.22	(75.76)
Overall Balance (Surplus+; Deficit -)	10.06	8.57	32.14	(42.09)	
Total Debt Stock	1,956.11	2,124.53	2,186.11	2,201.39	0.70
o/w Domestic	837.84	951.62	951.62	950.83	(0.08)
o/w Financial Institutions	771.82	823.93	823.93	823.14	(0.10)
o/w Other Debts	66.02	127.69	127.69	127.69	-
o/w External	1,118.27	1,172.92	1,234.49	1,250.57	1.30
o/w Multilateral	1,006.55	1,060.77	1,122.34	1,138.42	1.43
o/w Bilateral	111.72	112.14	112.14	112.14	-
Memo Items					
Government Revenue (% of GDP)	1.31	1.23	2.67	0.83	-
Government Expenditure (% of GDP)	1.06	1.04	1.92	1.80	-
Total Debt Stock (% of GDP)	49.22	49.05	50.47	50.82	-
NGDP (at Level)	3,974.44	4,331.56	4,331.56	4,331.56	-

Source: CBL calculation using MFDP's data

*Projections

6.0 EXTERNAL SECTOR DEVELOPMENTS

6.1 Merchandise Trade

Developments in the external sector showed that the merchandise trade deficit increased by over one hundred percent to US\$126.6 million (2.9 percent of GDP) in September 2023, from US\$61.3 million (1.4 percent of GDP) in the previous month. This development was driven by reduction in export receipts supported by growth payments for imports. Similarly, total merchandise trade grew by 16.4 percent to US\$267.9 million (6.2 percent of GDP), from the US\$230.3 million (5.3 percent of GDP) reported in August 2023, occasioned by increased import payments.

Export earnings plummeted by 16.4 percent to US\$70.64 million (1.6 percent of GDP) in September 2023, from the US\$84.5 million (2.0 percent of GDP) recorded in the preceding month, led mainly by decline in receipts from rubber.

The reduction in tax revenue was largely explained by 26.1 percent decline in property income tax, while the major driver for the decrease in non-tax revenue was administrative fees & penalties.

Similarly, total government expenditure decreased by 6.6 percent to US\$77.8 million (1.8 percent of GDP) in August 2023, from the US\$83.3 million (1.9 percent of GDP) reported in the previous month. This development was driven by reductions in capital expenditure and payments on loans, interest & other charges as current expenditure increased during the review month. Capital expenditure decreased by 74.3 percent to US\$1.5 million (approximately 0.0 percent of GDP), while payments on interest & other charges declined by 75.8 percent to US\$3.2 million (0.1 percent of GDP). However, current expenditure expanded by 13.9 percent to US\$73.1 million (1.7 percent of GDP) during the month under review.

5.2 Total Public Debt

At end-August⁺ 2023, the stock of Liberia's public debt marginally grew by 0.7 percent to US\$2,201.4 million (50.8 percent of GDP) relative to the US\$2,186.1 million (50.5 percent of GDP) reported at end-July. The slight growth was due to 1.3 percent increase in external debt as domestic debt marginally reduced by 0.1 percent during the period. The stock of domestic and external debts stood at US\$950.8 million (22.0 percent of GDP) and US\$1,250.6 million (28.9 percent of GDP), respectively, at end-August 2023.

Table 5. GOL's Fiscal Operations Statistics

Fiscal Operations	Aug-22	Jun-23	Jul-23	Aug-23	M-O-M
	(Millions of USD)				(% Change)
Government Revenue	52.16	53.42	115.49	35.75	(69.05)
<i>o/w Tax Revenue</i>	43.75	46.97	43.85	31.58	(27.99)
<i>o/w Taxes on Income & Profits</i>	20.55	17.70	19.24	8.92	(53.61)
<i>o/w Taxes on Int'l Trade (Customs)</i>	19.19	17.61	14.23	17.95	26.12
<i>o/w Non-tax Revenue</i>	8.41	6.45	6.64	4.17	(37.17)
<i>o/w Property Income</i>	6.74	2.51	1.38	1.76	27.53
<i>o/w Administrative Fees & Penalties</i>	1.67	3.94	5.26	2.41	(54.16)
<i>o/w Other Revenue (Including Grants)</i>	-	-	65.00	-	(100.00)
Government Expenditure	42.10	44.84	83.35	77.84	(6.62)
<i>o/w Current Expenditure</i>	34.26	39.82	64.19	73.11	13.89
<i>o/w Compensation</i>	12.34	13.26	30.45	31.59	3.74

This strategic approach was aimed at alleviating liquidity disparities among banks, particularly in the context of their international and intra-country transactions (Table 3).

Table 3: Financial Market and Interest Rates Statistics

Market Instruments (CBL indexed Bills)	Sept-22	July-23	August-23	September-23
	<i>(In Millions of Liberian Dollar)</i>			
Bills Purchased per month on coupon basis	0.00	0.00	0.00	0.00
Redemption during the month (coupon rate)	0.00	0.00	0.00	0.00
Bills (Index) outstanding on coupon basis	0.00	0.00	0.00	0.00
Coupon rate on Index Bill (in %)	Na	Na	Na	Na
Bills Purchased per month on EAR basis	4,658.47	6,725.29	7,983.58	10,381.76
Redemption during the month (EAR basis)	4,533.47	6,725.29	7,304.90	9,686.50
Bill Outstanding (EAR basis)	7,125.00	8,300.00	8,976.53	9,671.79
Effective Annual Rate (EAR)	15.0	17.5	20.00	20.00
	4,658.47	6,725.29	7,983.58	10,381.76
Total Purchases (coupon rate & EAR)	4,533.47	6,725.29	7,304.90	9,686.50
Total Redemption (coupon rate & EAR)	7,125.00	8,300.00	8,976.53	9,671.79
Total Outstanding Bills (coupon rate & EAR)	4,658.47	6,725.29	7,983.58	10,381.76
CBL Foreign Exchange Auction¹	<i>(In Millions of United States Dollar)</i>			
US Dollar offered	8.00	0.00	0.00	0.00
US Dollar Amount Sold	1.00	0.00	0.00	0.00
Total Subscription	1.00	0.00	0.00	0.00
Over (+)/ Under (-) Subscription	0.00	0.00	0.00	0.00
Treasury Securities	<i>(In Millions of Liberian Dollar)</i>			
T- Bills Issued (in LD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (in LD)	0.00	0.00	1,782.82	0.00
T-Bills Outstanding	7,726.49	8,683.22	6,900.40	6,900.40
Net Treasury Bills Operations[^] withdrawal (+)/Injection (-)	0.00	0.00	0.00	0.00
Ave. Weighted Discount Rate (T-Bills)	10.00	10.00	10.00	10.00
T- Bills Issued (In USD)	0.00	0.00	0.00	0.00
T- Bills Redeemed (Principal or Interest) (In USD)	0.00	0.00	2.28	0.00
T-Bills Outstanding (Repayment principal and interest)	85.71	110.82	108.54	108.54
Ave. Weighted Discount Rate (T-Bills)	7.16	7.16	11.00	11.00
Treasury Bond Issued (in LD for 2 years)	0.00	0.00	0.00	0.00
Treasury Bond Outstanding (In LD)	0.00	0.00	0.00	0.00

