



ANNUAL REPORT

OF THE

MINISTRY OF COMMERCE & INDUSTRY
REPUBLIC OF LIBERIA

COVERING THE PERIOD

JANUARY 1st, 2008 TO DECEMBER 31st, 2008

Hon. Miata Beysolow
MINISTER

MONROVIA, LIBERIA
DECEMBER 31st, 2008



REPUBLIC OF LIBERIA
MINISTRY OF COMMERCE & INDUSTRY
MONROVIA



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December 31, 2008
Honorable Members
National Legislature
Capitol Hill
Monrovia, Liberia

Hon. Ladies & Gentlemen:

We have the honor to most respectfully submit herewith, the Annual Report of the Ministry of Commerce and Industry; covering the period January 1st, to December 31st, 2008.

We fervently pray that information and recommendations contained herewith will receive your Honorable Body's favorable consideration.

Honorable Members of the National Legislature, the entire staff of the Ministry of Commerce & Industry joins me in expressing our overwhelming gratitude for the support and stately guidance received from you; and we pray that the Almighty Father will continue to shower His bountiful blessings upon you, as you contribute meaningfully towards the growth and development of our dear Country, Liberia.

With sentiments of high esteem I remain,

Sincerely yours,

Miata Beysolow
MINISTER

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EXECUTIVE SUMMARY

In conformity with her constitutional mandate, her Excellency Madam Ellen Johnson-Sirleaf, the President of Liberia was pleased to make major changes in government. Those changes also affected the Ministry of Commerce and Industry with the ushering in of the Honorable Miata Beysolow, as Minister of Commerce and Industry, in September 2008, replacing the Honorable, Counselor Frances Johnson-Morris. Additionally, the change further resulted in the appointment of Hon. Aletha Browne as Assistant Minister for Commerce and Trade in November 2008, replacing Honorable Adorkor Coleman.

Confronting the Global Economic Crisis

During the period under review, the world economy began to experience some serious uncertainties in the supply of food, including rice, thereby resulting in an unprecedented soaring of food prices on the international market.

In order to stabilize the Liberian rice market and to continue to ensure the availability of rice at an affordable price, the President of Liberia was pleased to initiate a national agenda for rice and other essential commodities. Accordingly, the President initiated visits to China, Japan and Washington D.C. and successfully negotiated for a more robust supply of rice to Liberia.

While in China, a negotiation was concluded for the procurement of 80,000 Metric Tons of butter rice, on concessionary terms, for the Liberian Market. On her visit to Japan, the President further secured a grant of 780 million Yen or approximately US \$6.5 million (at a parity of US\$1.00 to 120 Yen) for Liberia to be applied towards the purchase of butter rice, which would be sold—the proceeds of which were to be utilized to boost domestic food production.

On June 19, 2008, the President then called the attention of the nation as to what was obtaining on the international market regarding the price of rice, fuel oil and other commodities, and explained that it was indeed beyond the control of Government. She therefore, called for a “Back to the Soil Program” to strengthen food security by boosting domestic production of the nation’s staple food, rice, for sustainable growth and development. Accordingly, a rigorous Consumer Education and Public Awareness campaign shortly ensued. Thereafter, the government resolved to take an interim approach, through the suspension of the duty imposed on rice imports.

Consequently, the Ministry launched the consumer education and sensitization campaign, beginning with four counties, namely, Montserrado, Bomi, Cape Mount and Margibi—an effort, which was received with great enthusiasm and understanding.

In October 2008, the Ministry in collaboration with the Liberia Petroleum Refining Company (LPRC) critically reviewed and analyzed the encouraging trend in the price of petroleum products on the world market. Realizing a downward trend, an appropriate adjustment was made in the price of petroleum products that initiated subsequent reduction in nation wide road transport fares thereby bringing some economic relief to the public.

Business Registration Enhancement

In line with Pillar II of the Government's Poverty Reduction Strategy on Economic Revitalization, the Ministry put into effect 21 reforms, in collaboration with other line ministries, agencies and development partners, to encourage Business Start-up's and to further facilitate trade. These reforms demonstrate a significant decrease in the time period for processing business documents at the Ministry. The processing time had been reduced to a maximum of two to three days. Moreover, a standard format for articles of incorporation has been adopted to avoid delay. Currently, a new system of business registration renewal on an anniversary basis has been put in place to alleviate the problems caused by requiring business registration on the basis of a calendar year.

Consistent with the Economic Recovery Program, the Government of Liberia has initiated the development of a Modern Business Registry Project to facilitate comprehensive and reliable services for business registration. The Investment Climate Facility for Africa (ICF), one of our esteemed partners in progress, has agreed to compliment the efforts of the government, with funding of **US\$2.5 Million**, in the implementation of the project. Towards an early implementation of the project, a Joint Steering Committee (JSC), comprising the Ministries of Commerce and Industry, Justice, Foreign Affairs, Finance and the Central Bank, has provided tender and has nominated the Norway Registers Development (NRD) to implement services under the relevant contract, upon its imminent execution. This Registry Project is to provide a one-stop shop for business registration.

During the period under review, business registration was recorded at a total of **7,569** businesses, as compared to **6,764** in 2007, representing an increase of **11.90 percent**. Of the total businesses registered, Liberian owned entities accounted for **6,593** as compared to **5,870** or **87.10 percent**. While, foreign owned entities were **975** or **12.90 percent**. In the same period, there was a growth in Liberian owned businesses of **723** as compared to **1,176** registered businesses in 2007, or **10.96 percent growth**. Foreign owned businesses also had a growth from **894** in 2007 to **975** representing an increase of **81** registered businesses or **8.30 percent** increase.

Meanwhile, the revenue generated from business registration amounted to **L\$16,914,150.00** as compared to **L\$14,644,700.00** in 2007 and **US\$786,425.00** as compared to **US\$707,500.00** in 2007, thereby reflecting an increase of **L\$2,269,450.00** and **US\$78,925.00** in 2008 and 2007 respectively. These amounts were directly deposited by business entities at the Central Bank of Liberia through the Ministry of Finance.

Importantly, as a consequence of the successes in the economic recovery program, which are impacting growth in the Commerce of Liberia, a total of **2,642** new businesses were recorded in 2008, as compared to **1,217** in 2007—indicating a growth of **1,425** new businesses or **54 percent** increase.

Promoting the Micro-Enterprise Sector

The Ministry of Commerce and Industry seeks to reach out to local, indigenous small and micro entities, with a view of developing them into strong and more viable entities, which would thereby develop the economy in a sustainable manner, in support of the government's Poverty Reduction Strategy, code named "Lift Liberia". In

support of this, the Ministry has provided “seed capital” of **US\$8,000.00** in its 2008/2009 fiscal year budget, to facilitate loans to 40 students who have completed the Grooming of Liberia’s Future Entrepreneurs program. The Ministry also provided seed capital of **US\$15,000.00** in its 2008/2009 fiscal year budget for Maryland, Rivercess and Sinoe Counties, and has allocated **US\$5,000.00** for each county. The said “seed capital” is deposited at Eco-Bank Liberia Limited, which will be doubled under the Bank’s Matching Grant Scheme. However, few of the participants, as of yet, have taken advantage of this Entrepreneur Fund at Eco-Bank Liberia.

Import, Export and the Reality of Our Trade Gap

During the 2008 reporting period, exports were recorded to be **US\$181.05 million**, as against **US\$197.86 million** in 2007, indicating a decline of **US\$16.81 million** or **8.50 percent**. The decline in export performance was influenced by the temporary ban placed on the exportation of scraps, as well as the gradual preliminary work undertaken as to the reform of the forestry sector and the early preparation of the restart of the iron ore mining sector.

Meanwhile, a significant upsurge has been noted in amount of gross imports, with a value of **US\$856.81 million** in 2008, as compared to **US\$478.51 million** in 2007, representing an increase of **US\$378.3 million** or **79.06 percent**. The increase in importation is greatly influenced by that of machinery and transport equipment. This important scenario is indeed a significant development for Liberia’s rehabilitation and reintegration of the mining and forestry sectors in the economy, which have been dormant for nearly two decades, as a result of the civil conflict. It is important to note that when the two sectors become fully operational, it is expected that the economy will have a tremendous boost in trade, which will enhance the creation of job opportunities and positively impact the government’s Poverty Reduction Strategy.

In 2008, an unfavorable balance of trade in the amount of **US\$765.76 million** has been reported, as compared with **US\$280.05 million** in 2007, representing a worsening position of **140.78 percent**. Nevertheless, a brighter future in the export sub-sector is on the horizon, as Liberia seeks to take advantage of the opportunity for her entry into the Africa Growth and Opportunity Act (AGOA), as well as a full rejuvenation of the mining and forestry sectors.

In an effort to address the trade deficit, and in consistence with the government program of integrated framework which is also geared toward enhancing the promotion of non-traditional export products and strengthening national capacity for the export sub-sector, the Ministry in cooperation and collaboration with the International Trade Center (ITC) and the Ministry of Agriculture (MOA), recruited and trained 28 extension workers, under the Liberia Export Promotion Program—to increase the production and export of agricultural products, such as eggplant and cassava.

Additionally, three employees of the Ministry were recruited to form part of a new team of facilitators for the Liberia Export Development Framework (LEDF), which is being implemented at present.

Commercial Law Reform: Prompting a Veritable, Economic Revolution

Consistent with the vital economic reform regime, prudently pursued by the Administration, as set forth by the PRS, the Ministry has embarked upon perhaps the most pivotal of its reforms, the Commercial Law Reform program, coordinated by its recently reactivated legal office, lead by the newly inducted *Legal Counselor*, W. Coleman Foster II.

The Commercial Law Reform program entails, *inter-alia*, an inter-ministerial effort to review present commercial laws, regulations and policies, and to promulgate new provisions that would enhance the legal framework of our trade, commercial and industrial sectors—forming the very foundation of our highly sought after sustainable economic recovery and growth. This consolidated endeavor is one which ensues from a series of initial commercial law and policy reforms presently under review. Those reforms include, but are not limited to, the following: the new Commercial Alternative Dispute Resolution (ADR) Board; the Consumer Protection Regulation/Law, being promulgated by the Ministry of Commerce and Industry, along with governmental and non-governmental partners; the review of the General Business Laws and Associations Laws, and the promulgation of a Commercial Code, assisted by the Investment Climate Facility for Africa and the Liberia Better Business Forum; as well as the proposed reforms to the Investment Incentives Code, coordinated by the LRDC and the National Investment Commission. Accordingly, this initiative seeks to consolidate the coordination of all commercial law reform efforts, whether current or upcoming, under a single Commercial Law Reform Program, in a manner that would maximize the use of resources, as well as funding and support sourcing efforts, in order to ensure ultimate harmonization, effectiveness and mutual understanding; to avoid duplicative and contradictory measures; to achieve effective project coordination and cooperation; as well as to synchronize future logistics and functionality across the board.

It is envisaged that this effort to restore and enhance the Rule of Law in the trade, commerce and industry sectors, will set the pace for stability, predictability, investor confidence and even explosive economic growth in the not so distant future.

Trade Standards

In fulfillment of the desire of government to maintain quality products in Liberia's stream of commerce, the Ministry in collaboration with our international partners, especially UNIDO, has completed Eighty-Five percent (85%) of the renovation of the Standards Laboratory in cooperation with USAID, now undertaken at the premises of the Ministry of Public Works. This endeavor will equip the Government of Liberia, through the Ministry, to more effectively coordinate and monitor quality control and standardization in Liberia, in accordance with standards of the International Standards Organization (ISO); and thereby enhance quality in domestic production and reduce the influx of sub-standard goods in the Commerce of Liberia. We fervently hope that the creation of a state-of-the-art, standard laboratory will strengthen the capacity of Liberia to cope with and maximize its opportunities to export under the AGOA framework, as well as other bilateral and multilateral trading arrangements.

Small and Medium Enterprises (SME's)

Consistent with the programs of the government's Poverty Reduction Strategy (PRS) and particularly with the vision pursuant to Pillar II: Economic Revitalization, the Ministry has taken appropriate steps to foster, develop and increase Liberian Small and Medium Enterprises as well as Small and Medium Industries (SME's/SMI's), within the Liberian marketplace. Accordingly, Phase II of the LED/EEI program, in 2008, began with twenty (20) additional students who were recruited from the University of Liberia and who are satisfactorily pursuing training under the Grooming of Liberian Future Entrepreneurs program of the Ministry. This Phase is now succeeding Phase I, which graduated twenty (20) participants in 2008. The Ministry also successfully implemented a training of twenty (20) trainers in the area of Rubber Science Technology, under her Phase I of the Central Songhai Satellite Project in Maryland County.

Trade Policy

Cognizant of the need to develop the trade sector of Liberia, the Ministry in collaboration with ECOWAS Commission of Trade, established the Liberia National Coordinating Committee on Trade (LNCCT). The Committee will ensure that a road map for trade be developed which would be transparent and consistent with internationally accepted principles.

The Inspectorate

In an effort to restructure and strengthen the Inspectorate in the Leeward Counties to adequately monitor trade and commerce, the Ministry undertook the process of rotation of staff.

Personnel

The total workforce of the Ministry presently stands at 305 employees.

During the reporting period, the Ministry, in line with the government's pension scheme, honorably retired and granted pension to 10 (ten) civil servants, for longstanding service and job related disability, respectively. These Civil Servants served the Government of Liberia for a period ranging from 23 to 43 years.

Necrology: Also during the reporting period, the Ministry again experienced the cold hands of death that emerged in our midst and snatched away four (4) devoted Civil servants of the state in persons of;

Mr. Alex Numeh	-	Inspector, Margibi County
Ms. Isabella Walker	-	Secretary, Domestic Trade
Mr. Sonpon Wreh	-	Messenger, Bureau of Commerce
Mr. Setunneh Broplah	-	Sr. County Commerce Inspector, Grand Gedeh County

May their souls and the souls of the faithful departed rest in peace and may His light perpetually shine on them.

Recommendations

In retrospect of the difficult challenges unfolding in the Commerce of Liberia in 2008, which have left adverse impact on the economy of Liberia; we hereby recommend the following:

1. That in consideration of the goal of Government to provide maximum food security for Liberia, the program “Back to the Soil” be vigorously pursued and supported in order to enhance food supply at the domestic level.
2. Realizing the visible deteriorating export performance in the trade sub-sector of Liberia with grave negative impact on the national economy, we hereby recommend that the government undertakes appropriate measures to ensure growth in the export sub-sector, so as to eliminate the unfavorable balance of trade.
3. That in the wake of soaring prices on the world market, which Liberia has no control over, Government should review the implementation of the Pre-Shipment Inspection Program in the economy, with the view of streamlining all unacceptable practices that are not cognizant of factors undermining prices on the domestic market. Particularly, the operation of BIVAC outside the Ministry of Commerce and Industry should be reconsidered.
4. As the improvement in the Poverty Reduction Strategy is also correlated to maintaining vibrant trade exchanges, which also depends on standardized economic policies; it is further recommended that the government intensifies its efforts to complete the standards laboratory as early as possible.
5. In consideration of the fact that trade management would not be effective without a firm documented trade policy, it is hereby recommended that the government undertakes measures to vigorously support the development of a National Trade Policy for Liberia, and that the government implements all relevant trade regulations, which will make trade management effective and achievable in the best interest of Liberia.
6. As economic recovery in the shortest possible time also depends on the effective implementation of the major economic programs, which require the active involvement of the government institution that stimulates the private sector, we hereby recommend that the Ministry of Commerce and Industry, which currently has a low operating budget, be considered for an increment in budgetary allotment of at least 200 percent of its current annual budget—for effective implementations of all its programs in relation to commerce, trade and industrial development.
7. Realizing that trade exchanges will be greatly associated with the availability of small denominations of our currency and its enhancement of trade through effective pricing policy; we hereby recommend the re-introduction of coins into the economy.
8. National Standard Policy is expedient in the development of post conflict Liberia. Such policy is greatly enhanced by the creation of a National

Standards Board; thus, it is hereby recommended that a National Standards Board be created in collaboration with international best practices, particularly the International Standards Organization (ISO).

9. In order to accomplish the worthy goals and objectives of the “Commercial Law Reform Project” in pursuit of sustainable livelihood, economic growth and development in Liberia, it is further highly recommended that the government and its international partners provide maximum support for this initiative.

BUREAU OF CENTRAL ADMINISTRATION

Overview

The Bureau of Administration is headed by a Deputy Minister for Administration and assisted by an Assistant Minister for Administration. This Bureau is responsible for the day-to day operations of the Ministry of Commerce and Industry. It has the statutory mandate to investigate all matters that relates to personnel and administrative affairs within the territorial limits of Liberia and particularly, where a Commerce Office is located. Investigation and solution findings of all matters that may be affecting employees of the institution fall within its purview.

The Bureau comprised of the following divisions:

1. Division of Finance
2. Division of Planning and Research
3. Division of Personnel
4. Division of Information
5. Division of Electronic Data Processing
6. Division of Procurement
7. Division of Maintenance

DIVISION OF FINANCE

Overview

The Division of Finance is headed by a Comptroller and assisted by a Deputy Comptroller. The Division is responsible for, amongst others: the financial management of the Ministry. This includes the preparation, management and execution of the annual budget, and all financial reports. It keeps track of financial resources; records and material assets provided to the Ministry by the Government and other agencies.

2008/2009 Budgets Formulation

In 2008, the Division commenced the executing of the fiscal year 2007-2008 budget of US\$1,065,113 (One Million Sixty Five Thousand One Hundred Thirteen United States Dollars) and the preparation of the fiscal year 2008/2009 budget. The budget formulation process involved all of the Directors and chaired by the former Minister, Cllr. Frances Johnson-Morris, geared toward evolving a realistic budget proposal that would capacitate this Ministry to effectively and efficiently execute its statutory mandate. At the end of the process, a proposed budget of US\$2,697,752 (Two Million Six Hundred Ninety Seven Thousand Seven Hundred Fifty Two United States Dollars) referred to as Secondary Budget by the Bureau of the Budget was prepared.

During the period under review, the former Director General of the Bureau of the Budget, Hon. Augustine K. Ngafuan communicated with this Ministry indicating that only 2 percent increment was made available under the Fiscal Year 2008-2009 budget over the 2007-2008 annual budgetary appropriations in the areas of Goods and Services and Capital Expenditure. The reason given for this restriction was due to the shortfall in revenue generation; however, we were assured of positive changes if conditions improve. The 2 percent increment was US\$12,537.00 (Twelve Thousand Five Hundred Thirty Seven United States Dollars) over the

Fiscal Year 2007/2008 budget, making the 2008/2009 budget considered as Primary Budget US\$1,077,650 (One Million Seventy Seven Thousand Six Hundred Fifty United States Dollars). Both the Primary and Secondary Budgets were submitted for processing as per the request of the Bureau of the Budget, now the Department of Budget.

Budget Measurable Objectives

The Bureau of the Budget strongly advised us to prepare the Ministry's budget consistent with the Government Poverty Reduction Strategy (PRS) by clearly indicating the deliverables of the last budget year, achievements and the Ministry measurable objectives for fiscal year 2008-2009. The Budget Bureau further indicated that this Ministry would give an account of its current annual budgetary appropriation at the end of Fiscal Year 2008-2009 base on its deliverables prior to the next allocation.

The Bureau of Administration and Management in collaboration with the Bureau of Commerce/ Trade and Industrial Services addressed the issue of the fiscal year 2008-2009 deliverables or Measurable Objectives in a document submitted to the Bureau of the Budget and the Bureau condensed it as contained in the budget document as follow:

1. Pillar II Objective 1. To reduce or eliminate unnecessary business regulations and administrative requirements.

2. The Ministry Measurable Objective for fiscal year 2008/2009:

A. Bureau of Commerce and Trade Services

- Developed and implement a streamlined business registration process and computerized business registry;
- Reduced the number of steps in the business registration process from two weeks to five days;
- Established a Price Intelligence Unit.

B. Bureau of Industrial Services

- Complete Phase II of the Songhai Satellite Project in Maryland;
- Establish a Standard Laboratory and prepare a Standard Policy for Liberia;
- Launched Phase II of the Grooming Liberia's Future Entrepreneurs;
- Implemented Phase II of the Export Promotion Programs (ITC, WTO, AGOA, IF);
- Enforced Warranty on goods.

C. Bureau of Administration and Management

- Implemented agreed administrative reforms as identified by the Business Reform Committee, with initial emphasis on those associated with starting a business;
- Capacitated the Ministry to deliver effective services;
- Strengthened the Inspectorate to monitor prices;
- Strengthened 15 existing structures to enforce commercial laws;
- Assisted in the initial development of trade policy for the commerce of Liberia;
- Implemented Phase II of the LED-EEL.

Budget Hearings

The former Minister, Cllr. Frances Johnson-Morris led a delegation comprising of the Deputy Minister for Administration, Hon. Andrew S. Allakamenin and the Comptroller, Mr. Filiman S. Sanyon to the Ministry of Finance to defend the budget. The former Minister excellently performed in presenting the case of the Ministry and why it should be given the funding, focusing on the Secondary Budget. Her presentation was followed by questions from Budget Committee Members and answered by the entire delegation, at the end of the exercise we were urged to prioritize our priorities.

Another Hearing was scheduled at the Ministry of Foreign Affairs during a Cabinet Meeting that was attended by the Acting Minister at the time, Dr. Frederick B. Norkeh and Comptroller. Though that hearing was not held, Dr. Frederick B. Norkeh presented the Ministry's case in Cabinet with emphasis on the extension of its activities through out the country. Moreover, the Comptroller and the Acting Minister engaged the former Director General of the Budget after the Cabinet Meeting and succeeded in arranging a meeting with the Budget Committee through him. A letter dated April 25, 2008 was written to that effect reinforcing the Ministry's pleads for more budgetary support with emphasis on the Ministry measurable objectives. The letter indicated that this Ministry is one of the revenue base Ministries of government and capacitating it to an appreciable level to cover the entire country will translate to an increase in our revenue intake.

The Deputy Minister for Administration and the Comptroller made two attempts to meet with the House Standing Committee on Commerce and Industry at the invitation of the Committee, but to no avail, however, informal discussions were held with some members of the Committee including its Co-Chairman at the Capitol Building.

Budget Ceiling

The Ministry received a budget ceiling of US\$1,400,000(One Million Four Hundred Thousand United States Dollars) for FY 2008-2009; the final formulation of this budget was based on this figure.

However, there have been some upward and downward adjustments in the budget that currently stands at US\$1,509,800 (One Million Five Hundred Nine Thousand Eight Hundred United States Dollars).

EXPENDITURE BY MAJOR OBJECT

CODE	OBJECT OF EXPENDITURE	2007-2008 BUDGET	2007-2008 REVISED ESTIMATE	2008-2009 ESTIMATE	2008-2009 BUDGET %
11	PERSONNEL	438,190	438,190	527,990	34.97
13	GOODS & SERVICES	529,923	529,923	691,560	45.81
14	CAPITAL EXPENDITURES	97,000	97,000	290,250	19.22
	TOTAL COST	1,065,113	1,065,113	1,509,800	100

EXPENDITURE BY PROGRAM

CODE	BUREAU	2007-2008 BUDGET	2007-2008 REVISED BUDGET	2008-2009 ESTIMATE	2008-2008 BUDGET%
4-4-03-01	Bureau of Trade Services	208,460	208,460	385,790	25.55
5-4-03-02	Bureau of Commerce	228,266	213,266	234,006	15.50
5-4-03-03	Bureau of Administration	628,387	643,387	890,004	58.95
	TOTAL COST	1,065,113	1,65,113	1,509,800	100

Of the US\$1,509,800 (One Million Five Hundred Nine Thousand Eight Hundred United States Dollars), US\$527,990 (Five Hundred Twenty Seven Thousand Nine Hundred Ninety United States Dollars) or 34.97% was allotted to Personnel Expenditures, US\$691,560 (Six Hundred Ninety One Thousand five Hundred Sixty United States Dollars) or 45.81% to Good & Services, and US\$290,250 Two Hundred Ninety Thousand Two Hundred Fifty United States Dollars) or 19.22% to Capital Expenditures.

At the program level, Bureau of Trade Services received US\$385,790 (three Hundred Eighty Five Thousand Seven Hundred Ninety United States Dollars) or 25.55%; Bureau Of Industrial Services, US\$234,006 (Two Hundred Thirty Four Thousand Six United States Dollars) or 15.50% and the Bureau of Administration US\$890,004 (Eight Hundred Ninety Thousand Four United States Dollars) or 58.95%.

Budget Execution

As regards the expenditures of the Ministry current Annual Budgetary Appropriation, we wish to state that the procedure as required by the Public Procurement and Concession Commission Act (PPCCA) is fully adhered to, as well as the Ministry of Finance Financial Rules.

Consistent with this government policy of prudent financial management, we abide by a system institutionalized in the operations of government for the control of its expenditures on a monthly basis. Accordingly, a Cash Plan for the sub-programs and a consolidated one for the Ministry were prepared in collaboration with the Bureau of the Budget and the Ministry of Finance, to guide the process of preparing our monthly allotments.

Budgetary Appropriation

Our budget submission for fiscal year 2008-2009 was drastically reduced thereby posing many challenges to the Ministry in performing its statutory mandate. The Annual Budgetary Appropriation of this Ministry is US\$1,509,800 (One Million Five Hundred Nine thousand Eight Hundred United States Dollars).

Of this amount, US\$385,790 (three Hundred Eighty Five Thousand Seven Hundred Ninety United States Dollars) or 25.55% was appropriated to sub-program I, Bureau of Trade Services.

The Bureau of Administration and Management was given US\$890,004 (Eight Hundred Ninety Thousand Four United States Dollars) or 58.95 percent. It is necessary to note here

that certain expenditures lines in this sub-program are shared with the other two sub-programs, for example, operational funds.

Approved Allotment

The amount of US\$915,748 (Nine Hundred Fifteen Thousand Seven Hundred Forty Eight United States Dollars) was approved in allotment for the period July-December 2008, from the fiscal year 2008/2009, which represents 60.65 percent of the total budget.

Of the amount approved in allotment US\$252,193 (Two Hundred Fifty Two Thousand One Hundred Ninety Three United States Dollars) or 27.54 percent was for the Bureau of Trade Services.

The Bureau of Industrial Services got US\$145,348 (One Hundred Forty Five Thousand Three Hundred Eight Five United States Dollars) or 15.88 percent.

The Bureau of Administration received US\$518,171 (Five Hundred Eighteen Thousand One Hundred Seventy One United States Dollars) or 56.58 percent.

Expenditures

The total expenditures for the period under review were US\$771,975.85 (Seven Hundred Seventy One Thousand Nine Hundred Seventy Five United States Dollars Eight Five Cents) or 84.30 percent of the total allotment of US\$915,748 (Nine Hundred Fifteen Thousand Seven Hundred Forty Eight United States Dollars).

During the period under review, the amount expended was US\$226,173 (Two Hundred Twenty Six Thousand One Hundred Seventy Three United States Dollars) or 29.30 percent was from the Bureau of Trade Services, US\$102,434 (One Hundred Two Thousand Four Hundred Thirty Four United States Dollars) or 13.27 percent from the Bureau of Industrial Services and US\$443,368.85 (Four Hundred Forty Three Thousand Three Hundred Sixty Eight United States Dollars Eighty Five Cents) or 57.43 percent came from Bureau of Administration.

Balance in Appropriation

The balance in appropriation for the period under review is US\$594,052 (Five Hundred ninety Four Thousand Fifty Two United States Dollars) or 39.35 percent of the annual appropriation of US\$1,509,800 (One Million Five Hundred Nine Thousand Eight Hundred United States Dollars).

The balance in appropriation for the Bureau of Commerce/Trade Services is US\$133,597 (One Hundred Thirty Three Thousand Five Hundred Ninety Seven United States Dollars) or 34.63 percent of its annual appropriation.

The Bureau of Industrial Services balance in appropriation is US\$88,622 (Eighty Eight Thousand Six Hundred Twenty Two United States Dollars) or 37.87 percent of its annual appropriation.

The balance in appropriation for the Bureau of Administration is US\$371,833 (Three Hundred Seventy One Thousand Eight Hundred Thirty Three United States Dollars) or 41.78 percent of its annual appropriation.

Balance in Allotment

The balance in allotment for the period July 1st to December 31st, 2008 is US\$143,772.15 (One Hundred Forty Three Thousand Seven Hundred Seventy Two United States Dollars Fifteen Cents) or 15.70 percent of the total allotment of US\$915,748 (Nine Hundred Fifteen Thousand Seven Hundred Forty Eight United States Dollars).

The balance in allotment for the Bureau of Commerce/Trade Services is US\$26,020 (Twenty Six Thousand Twenty United States Dollars) or 10.32 percent of the total allotment of US\$915,748 (Nine Hundred Fifty United States Dollars) or 29.87 percent and the Bureau of Administration US\$74,802.15 (Seventy Four Thousand Eight Hundred Two United States Dollars Fifteen Cents) or 52.03 percent.

Budgetary Transfer

The amount of US\$10,000.00 (Ten Thousand United States Dollars) was transferred from the Budget Line Foreign means of travel to Government of Liberia (GOL) General Claims (Contingency Reserved Fund) to support expended security operations during the Christmas and New Year Seasons.

Achievements

The Finance Division of the Ministry of Commerce and Industry is executing the budget consistent with the Ministry of Finance Financial Rules and the Public Procurement and Concession Commission Act; in ensuring the provision of cost of personnel, goods and services and capital items for the proper functioning of the Ministry. The systems of data collection and reporting have improved while at the same time working to better it.

During the period under review, the Comptroller, Mr. Filiman S. Sanyon attended one-week seminar on Liberia Macroeconomic Policy Analysis Capacity Building Project (LIMPAC) on Medium Term Fiscal Framework (MTFF) at the Department of Budget, Ministry of Finance; while his Deputy Mr. Elvin C. A. Frank attended two days workshops on Gender Responsive Budgeting at the Ministry of Gender and Development.

Challenges

The Finance Division lacks training opportunities. Moreover, we need computers for the use of the Accountant and the Secretary considering the workload of the Division.

The Division needs photocopier owing to the volume of photocopies we do on a daily basis as well as a good working environment.

Way Forward

- That training opportunities be provided the staff of the Finance Division;
- That the Finance Division be furnished and provided computers for the Accountant and Secretary considering its huge workload;
- That the Finance Division be provided Photo Copier since lots of photo coping of financial documents are required;
- That the Comptroller be provided a Laptop due to the nature of his work.

REPUBLIC OF LIBERIA
 MINISTRY OF COMMERCE AND INDUSTRY
 FINANCE DIVISION
 JULY 1-DECEMBER 31, 2008 BUDGET REPORT

BUDGETARY APPROPRIATION, ALLOTMENT AND BALANCE IN APPROPRIATION

No.	Bureau	Code	Annual App.	Allotment	Balance in App.	Percentage
1.	Commerce/Trade Serv.	5-4-03-01	385,790.00	252,193.00	133,597.00	34.63
2.	Industrial Services	5-4-03-02	234,006.00	145,384.00	88,622.00	37.87
3.	Administration	5-4-03-03	890,004.00	518,171.00	371,833.00	41.78
	Total		1,509,800.00	915,748.00	594,052.00	

Allotment, Expenditure and Balance in Allotment						
No.	Bureau	Code	Allotment	Expenditure	Balance in Allot.	Percentage
1.	Commerce/Trade Serv.	5-4-03-01	252,193.00	226,173.00	26,020.00	10.32
2.	Industrial Services	5-4-03-02	145,384.00	102,434.00	42,950.00	29.54
3.	Administration	5-4-03-03	518,171.00	443,368.85	74,802.15	14.44
	Total		915,748.00	771,975.85	143,772.15	

DIVISION OF PLANNING AND RESEARCH

Overview

The Division is headed by a Director of Planning and Research and assisted by an Assistant Director. This Division has the responsibilities including but not limited to plan and make research that relates to the functions of the Ministry of Commerce and Industry in collaboration with other divisions. It is also responsible for the Grooming of Liberia future entrepreneur program at the Ministry in collaboration with our Partners in Progress. The Division also researches price of commodities in the Liberian Market to backstop the inspectorate, price and Standard Divisions for equitability of prices.

Major Achievements/Deliverables and Impact

During the period under review, the Division successful made the following achievements:

- The first phase of the Grooming Entrepreneur Program which commenced in 2007 was completed in 2008 with 20 students from the University of Liberia participating.
- In furtherance of the program in 2008, the second phase of the program was successfully launched and is on-going with an additional 20 students recruited from the University of Liberia participating. Currently, the participants have completed the training and internship component with relevant existing business entities and are now awaiting the leadership Workshop.

- The Ministry in collaboration with ECOWAS held two Trade Negotiation Capacity Building Workshops. Because of its cross cutting nature, the Division served as focal point for the workshops which resulted in the establishment of the Liberia National Coordinating Committee on Trade (LNCCT) at Crystal Hotel to formulate and develop Trade Policies for Liberia.

Additionally, the Division in collaboration with ECOWAS designed and implemented the Trade Strategy Decision Making Mechanism Workshop. At the end of the workshop basic documents emerging there from were validated to form part of the working tools of the Liberia National Coordinating Committee on Trade.

In order to kick-start the official mandate of the LNCCT in October 2008, the committee organized and conducted a one day working session at Rib House, Larkpazee, Air Field Sinkor resulting in the following:

- a. Identification of thematic areas of trade policy and establishing respective sub-committees.
 - b. Adoption of terms of reference (TOP) for sub-committees.
 - c. The LNCCT and its sub-committees mandates are on-going until a comprehensive trade policy for Liberia is drafted and adopted.
 - d. Adoption of Financial manual for LNCCT
 - e. Eight (8) sub-committees were established at Rib House by LNCCT and are vigorously working to make sure that their mandates lead to the full establishment of the trade policy for Liberia.
- The Division also in partnership with LISGIS has undertaken appropriate actions to improve the statistical data collection, analysis capacity and harmonize methodology of the Ministry to conform to internationally accepted practices.
 - On behalf of the Ministry, again, the Division collaborate with the Ministry of Youth and Sport for the implementation of the National Youth Volunteer Program

Challenges

Despite the laudable achievements, in 2008, the Division is faced with some daunting challenges as follows:

- Lack of logistical support to conduct desk and field researches
- Lack of direct access to internet in the Division.

Way Forward

In an effort to remedy serious challenges currently facing the Division, the way forward is to provide maximum support for it to work at full capacity. The support should include basic logistics including computers, air conditioners, access to internet and vehicle.

Division of Personnel

Overview

The division is headed by a Director of Personnel. Its diversified functions include but not limited to: hiring, training, implementation of employee's benefits, vacation, hospital benefits, death, bereavement, salary issues, etc of the Ministry's employees.

Major Achievements/Deliverables and Impact

- In the earlier part of 2008, the workforce of the Ministry consisted of 313 employees. Ten (10) employees were honorable retired and pensioned by the Civil Service Agency leaving a total of 303 staff by the end of 2008. This was in compliance with Government ongoing Civil service Reform in 2008.
- Nine (9) long service and one (1) incapacitated employees were honorable retired and pensioned.
- During the year 2008, a total number of eight (8) employees benefited from local training workshop under the auspicious of the Liberia Institute of Public “administration with emphasis in Managing the Boss, Public Administration, leadership, General management and Women in Management. Two (2) other employees participated in the Point-man Compact Leadership training workshop. And nine (9) employees benefited from Foreign Training Workshops, under the bi-lateral arrangement of the People’s Republic of china. All the participants in the foreign training programs have returned and rendering their quota to national development.

Challenges

- Lack of direct access to interest in the Division
- Capacity building of staff in training to qualify as trainers of trainers (TOT)
- Lack of logistics (vehicle) for assessment of staff in the leeward counties.

Obituary

During the reporting period, the cold hand of death emerged in our midst and snatched away four (4) of our dedicated workers in persons of:

Ms. Isbella Walker	Secretary, Domestic Trade
Mr. Alex Numeh	Inspector, Margibi County
Mr. Sonpon Wreh	Messenger, Bureau of Commerce
Mr. Setunneh Bropleh	Sr. County Commerce Inspector, Grand Gedeh County

Way Forward

Complete renovation of the Resource Room to enhance capacity building of the Ministry’s staff. The Resource Room is used as training area for the Ministry’s staff. This enhancement includes; resource books, upgraded computer software and hardware, tables, chairs, etc.

Division of Information

Overview

The Division is headed by a Director of Information. It has the mandate to educate and inform the consuming public the business community and the Nation’s partners in Progress on the Ministry’s activities through press releases, journals, announcements, as well as coordinating press conference. It also communicates Government’s Commercial and Industrial policies. The Division also serves as the protocol arm of the Ministry arm in obtaining passport and other traveling documents for officials of the Ministry.

Major Achievements/Deliverables and Impact

In 2008, the Information Services Division undertook the issuance of press release, announcements, and circulars, and also coordinated press conferences through both electronic and print media institutions on the implementation of government policies on trade dissemination, information on the price of commodities on the market in collaboration with other divisions.

Moreover, amongst the achievements of the Division were the followings:

- Undertook massive education campaign on the situation obtaining in the supply of rice on the market to advert artificial shortage.
- Collaborated with the LPRC and other divisions in maintaining the price trend of petroleum products on the global and domestic market.
- Collaborated with the Flomo Theater in producing Radio Drama on the increase in prices on essential commodities.
- Successfully participated in various workshops including standardization, ECOWAS Trade Capacity Building Workshop, ITC awareness on Consumer Education and Loan Scheme for Medium Business Enterprise.

As a result of these activities, the General public began to realize the unfolding situation obtaining in the price require on the global market, as a result some major price reduction on essential commodities was initiated.

Challenges

Despite the achievements of the Division the lack of budgetary support to implement most of the work programs of the Division remains a major constraint.

Way Forward

- The development of the newsletter for the Ministry
- Capacity building of the Division staff (Training)

Division of Electronic Data Processing

Overview

The division is headed by a Director of Electronic Data Processing. It develops and maintains the Data Base System in the Ministry, control and supervises the internet service of the Ministry, prints up to date Trade and Commerce information, publishes booklets, brochures and flyers and periodically carries out in-house training of the Ministry's staff in computer technology.

Major Achievements/Deliverables and Impact

In 2008, the Division implemented the following major activities:

- Managed all the computers and networking system of the Ministry as well as maintained the data base system.
- Controlled and supervised the internet services of the Ministry and also providing up-to-date trade and commerce printed information to the Minister.

- Periodic In-House Training of the Ministry's employees on best method of using the computer.
- Desktop Publishing(Booklets, Flyers and Brochures)

The Division during the year made the following achievements:

- Network and collaborated with a Website Developer in developing a website for the Ministry. The Web address is www.moci.gov.lr
- Served on the joint steering committee of the World Bank sponsored project "Doing Business in Liberia"
- Extended the provision of internet services to the Directors of Foreign Trade, Domestic Trade, Standards and Price Analysis and Marketing.
- Member of the Secretariat of the ECOWAS sponsored "Trade Policy Development for Liberia".

Challenges

The Division is under staff thus, seriously impeding productivity and output.

Way Forward

- In order to facilitate the Division to meet the challenges, technical training should be provided to staff as a means of capacity building
- The Division should be made mobile in meeting the daily activities.
- The system should be made viable to eliminate the problems faced in ensuring effective internet services of the divisions of the Ministry; including vim's, Logging Off, Mal-functioning, Climage Chirue, Ram-chip etc.

Division of Procurement

Overview

The Division is headed by a Procurement Officer. It has the responsibility to prepare procurement plan, purchase and provide full accountability for all items needed by the Ministry in conformity with the regulations of the Public Procurement and Concessions Commission Act of Liberia. It maintains records of all assets.

Major Achievements/Deliverables and Impact

In 2008, the Division implemented the following major activities:

- The Division of Procurement in effort to further ensure accountability for the material assets and inventory of the Ministry, have introduced in 2008, mechanism which requires reports from all units on the usage of supplies given before future disbursements and made.
- Several office furniture and needed supplies were procured by the Division to enhance the work environment of the staff within the framework of the Ministry's budget allotment which supports the Government's PRS.
- The Division, having been given a budgetary appropriation of US\$12,000.00 for the purchase of six motorcycles for the Inspectorate Division on account of our professional and prudent management of the Ministry's assets and keeping in line with the PPCC Act, successfully negotiated the procurement of twelve (12) motorcycles as compared to six (6) originally budgeted for

- The small skillful method was applied for the purchase of some cars and buses for the Ministry. With a total appropriation of US\$198,000.00 to purchase two (2) buses and four (4) vehicles for the general staff, three (3) Assistant Ministers and one Deputy Minister respectively. However, a total of eight vehicles have been purchased with the financial appropriations made for six vehicles.
- The Division, again successfully negotiated the purchase of a total of eight vehicles with the amount originally intended for six.

Challenges

The Division should be made mobile in meeting the daily activities.

- Lack of logistical support for procurement of Ministry's goods.
- Lack of direct access to internet in the Division.

Way Forward

- Capacity building of Division staff (Procurement)
- Support is needed for basic logistics including air conditioner and vehicle

Maintenance Division

Overview

The Division is headed by a Maintenance Officer. It is responsible for the general maintenance of the building, vehicle repair and maintenance, security of the building; maintain physical inventory and other assets of the Ministry.

Major Achievements/Deliverables and Impact

In 2008, the Division implemented the following major activities:

- Painting the interior and exterior of the Ministry
- Renovation of several offices for better working environment which included; changing doors, locks, toilets, wall mirrors and carpets, etc.
- Replacement of office furniture in various offices and Divisions of the Ministry

Challenges

- The Division should be made mobile in meeting the daily activities
- Lack of direct access to internet in the Division.

Way Forward

- Support is needed for basic logistics including computers, air conditioners, access to internet and vehicle.

BUREAU OF INDUSTRY

Overview

The Bureau of Industry promulgates, implements, monitors, evaluates promotes and regulates the activities of the industrial sector of the economy.

The Bureau is headed by a Deputy Minister and assisted by an Assistant Minister and comprises of the following divisions:

1. Division of Industrial Administration/Supervision
2. Division of Industrial Development
3. Division of Standards
4. Division of Small Medium Enterprise/Industrial

DIVISION OF INDUSTRIAL ADMINISTRATION AND SUPERVISION

Overview

The Division of Industrial Administration and Supervision was created within the Bureau of Industry for the primary purpose of administering, supervising and monitoring the activities of local manufacturing and fishing industries. The Division collects, complies and analyzes industrial data on stock movement to determine the impact analysis and performances of the industrial sector as it relates to industrial growth. It further form an integral part of the Inter-Ministerial Technical Committee of the National Investment Commission (NIC) to appraise and scrutinize project proposals submitted to Government for granting investments incentives to newly established industries. The Division is headed by a Director, assisted by an Assistant Director and other Personnel who perform the duties of the Division. The statutory responsibilities of the Division are coordinated and executed under the direct supervision of the Assistant Minister of Industry.

Major Activities Undertaken in 2008

During the period under review, the Division in fulfillment of its statutory mandate carried out the following major activities:

Development of an Industrial Data Bank

Realizing that the revitalization and development of the Industrial Sector of Liberia also greatly depend on the availability of industrial data which would facilitate policy decision making for sustainable growth and development of the Industrial Sector, the Division initiated appropriate program toward the compilation of relevant industrial data.

The program incorporated the process of a quarterly report on the Industrial Sector which would reflect existing trend in the industrial growth of the economy. Toward this end, all industries including manufacturing establishments have been contacted to submit a monthly production and sales report of their respective industries including, ex-factory prices, employment ratio of Liberians and non-Liberians and change growth in the increase/decrease of investment in industrial capital.

Progress Report on the Industrial Data Base

The goal and objective of this exercise was not fully realized due to some obstacles encountered during the process of implementation. The Division experienced the lack of transportation, office equipment, logistics, administrative support and limited cooperation from some of the industrial establishments to make the return of most needed industrial questionnaires / forms.

Issuance of Distributorship Certificates

During the reporting period, the Division, in collaboration with the Liberian Cement Corporation (CEMENCO) made significant progress in the issuance of dealership certificates. A total of 60 distributorship certificates were issued in 2008 as compared to 45 certificates issued in 2007, indicating an increase of 33.33 percent. The names of applicants accepted by CEMENCO were forwarded to the Ministry for certification. It is important to note that Monrovia and its environs have continued to dominate the Cement Market.

Nevertheless, there is a nation-wide boom in the construction industry with cement a critical import and therefore, there is a need to increase the number of distributors in the leeward counties. Interestingly, the Cement Market also benefited from an upward price adjustment of US\$8.05 to US\$9.05 ex –factory price and US\$9.05 – US\$10.50 at the retail level. In 2008, the problem of scarcity for the product was never experienced in the market.

It was, however, discovered that some unscrupulous distributors were deliberately reducing the quantity in the bag during the process of distribution. In order to curb this unwholesome practice, both CEMENCO and the Government have taken appropriate action.

Inter-Ministerial Technical Committee Meeting of the N.I.C.

In 2008, the Division actively participated in the Inter-Ministerial Technical Committee Meetings of the National Investment Commission (NIC). The Committee critically reviewed, analyzed and accepted several project proposals and forwarded them to the Commissioners for consideration. The projects accepted and released to the Commission were in the areas of; Manufacturing, Metal Scrap, Construction, Water Processing Building Materials and Hotel Services.

Consequently, the implementation of the project would yield the creation of 482 new jobs with a total initial investment capital injection of about US\$14 million into the economy.

The investment incentives approved by the committee were in the neighborhood of: appropriate duty exemption on machinery and equipment for not more three (3) years, duty exemption on raw and auxiliary materials ranging from two (2) to five (5) years, and as well as duty exemption for the importation of related spare parts for a period ranging from two (2) to three (3) years. Furthermore, the committee made it mandatory to believe the specified list of equipment, machinery and spare parts under the incentive request prior to the acceptance of the proposal.

Foreign Travel

In an effort to enhance the capacity of the Division, two foreign workshops were attended:

1. Global Agro-Industries Forum held in Delhi, India from 8-11 April, 2008.

2. ACP Agricultural Commodities Programme held in Dakar, Senegal from 27-29, May 2008. Both programs center around the Development of Competitive Agro-Industries, which is crucial for creating employment and income opportunities and for enhancing the demand for farm products. The Government of India in collaboration with the United Nations Industrial Development Organization (UNIDO) and the Food and Agriculture Organization hosted these global gathering.

Accomplishments/Achievements

- Collaborated with other line ministries and agencies by providing technical and advisory support on behalf of the Ministry in appraising a number of projects submitted to Government for the granting of Investment Incentives . Four hundred and eighty two (482) new jobs were created.
- Organized and brought together the industrial sectors to celebrate this year Africa Industrialization Day.
- Assist with the Bureau term of reference
- Assisted with the compilation of the Bureau Draft Industrial Policy
- Presently working with the Division of Industrial Development in creating the Bureau of Industry Industrial Directory

Constraints/ Challenges

1. Lack of required logistics; computers, vehicle, etc.
2. Lack of administrative support, and refusal of most industrial establishments to submit statistical report.
3. Capacity Building.

Way Forward

That Administration provides the Division with the requisite office equipment and logistics. That Administration provides training opportunity to improve the capacity of the Division Staff.

DIVISION OF INDUSTRIAL DEVELOPMENT

Overview

The Division of Industrial Development is one of the four (4) divisions within the Bureau of Industry and charged with the statutory mandate to access, evaluates, promotes, develop, regulate, analyzed, and seek the expansion of industries in the Republic.

The Division spearheads the formulation and implementation of the industrial policy of Liberia. It also seeks to create agro-industrial linkages to stimulate industrial growth and productivity through the transfer of appropriate technology; thereby enhancing employment opportunities and increasing the Industrial Sector's contribution to the Gross Domestic Product (GDP) of Liberia.

Major Activities/Achievements

Major activities undertaken in 2008 in line with the accomplishment of deliverables under the Poverty Reduction Strategy (PRS) were as follows:

- Development of a program towards drafting of the Industrial Policy for Liberia
- Collaborated in development of Trade Policy for Liberia and;
- Implementation of the 2008 Africa Industrialization Day Program

Accomplishments/Deliverables in line with the Poverty Reduction Strategy (PRS)

The Division represented by its Director was appointed by the Assistant Minister for Industry to serve as Chairman on the Sub-Committee to draft the Industrial Policy of Liberia.

In fulfillment, the following activities were undertaken

- Partial draft of the policy has been critiqued by UNMIL's Civil Affairs Officer assigned to the Ministry and copy of the critiqued draft paper has been made available to the committee for possible inclusion in the draft policy.
- The Ministry of Commerce and Industry, through the Bureau of Industry is to shortly host a stakeholder participatory workshop for final analysis of the draft policy in early 2009.

Collaboration in the Development of Trade Policy for Liberia

The Division of Industrial Development formed part of the sub-committees on multi-literal trade and enhancing industrial production capacity for domestic and export markets under the frame-work of the Liberia National Coordinating Committee on Trade (LNCCT).

The sub-committees worked under the auspices of the Ministry of Commerce and Industry and in collaboration with ECOWAS.

The trade policy formulation is in progress and the initial activities had taken into account major stakeholders participation after a two weeks (2) workshop which was held at the Crystal Ocean View Hotel, in Mamba Point and as well as one day working session at P. A. Guest House at Lakpazec, Sinkor.

Rapid Needs Assessment of the Industrial Sectors

The Division of Industrial Development perceived the need to critically analyze industrial sector of the economy in 2008. Accordingly, the Division drafted a project proposal for implementation to conduct an industrial assessment to specifically determine the strength, weaknesses, opportunities and threats (SWOT). This SWOT analysis will cover all industrial sectors in Liberia including rural and urban. It is envisaged that when the proposal is fully implemented it will provide better insight into the industrial sector of Liberia and lead to positive industrial drive with the views to generating immense interest of potential investors and the international community to participate in the industrial programs of government.

Africa Industrialization Day Program

The Charter of the United Nations Industrial Development Organization (UNIDO) has set aside the 20th of November of each year to be celebrated as Africa Industrialization Day. In Liberia, the Ministry of Commerce and Industry in collaboration with the United Nations Development Program (UNDP) and manufacturing industries implemented and deliberated on the programs in observance of the day in 2008, that commensurate with the significant of the day. The Ministry gave special consideration to indoor and outdoor programs including exhibition of industrial products, speeches from H.E Banki-Moon- the Secretary General of

the United Nations, the Hon. Frances Johnson-Morris, the Minister of Commerce and Industry and other dignitaries.

Constraints/Challenges

The Division of Industrial Development in 2008, continued to face immense strangulating challenges; as a result, many programs of the Division could not be fully implemented. Thus, the Industrial Sector of Liberia continues to contribute only about eight percent to the Gross Domestic Product (GDP) to the economy.

Regrettably, the preparation of an industrial directory could not be undertaken due to limited institutional support including capacity building. We are, however, optimistic that the first half of 2009 will provide an enabling environment for undertaking this important project.

The Way Forward

The way forward for sound industrial program in Liberia greatly depends on the administrative will to recognize and support the industrial sector as an engine of growth, which would ensure sustainable development and livelihood for Liberians and create hopes for the future after our depletable assets would have been exhausted.

DIVISION OF STANDARDS

Overview

During the reporting period, the Ministry again noted with concern the numerous influx of unwholesome and sub-standard goods in the Commerce of Liberia, particularly in the category of essential commodities. While the outputs of the domestic manufacturing industries have not gained appreciable compliance with industrial competitiveness in quality and standards of International Standards Organization (ISO) and the African Regional Standards Organization (ARSO), thereby posing problems for the industrial sector of Liberia.

The Division of Standards in this context considers it a major responsibility of ensuring that consumers be fully protected against the influx of sub-standard goods.

Major Activities / Accomplishments in Line with the PRS

One of the visions of the deliverables for the year was the full establishment of a National Standard Laboratory. Accordingly, a Memorandum of Understanding (MOU) was signed with the Ministry of Public Works for the utilization of one of the buildings partially renovation by USAID.

The technical modification and renovation, the equipment and international experts for the installation of the equipment are being done by the United Nations Industrial Development Organization (UNIDO) with the support of the European Union West Africa Quality program.

Three laboratories are scheduled to become operational in the first quarter of 2009, to include the Chemistry, Micro-Biology and Metrology Laboratories which when completed, would improve the efficiency of the Division and ensure standard in the economy in keeping with international best practices.

The equipments have begun arriving in the country and the experts are expected shortly to commence training of staff for the laboratories.

Some personnel of the division also benefited from training in China in several areas relating to the development and writing of standards to improve their skills toward the work of a National Standard body.

The Division of Standards also carryout the following functions:

- The arrangement or provision of facilities for the testing and calibration of precision instruments, gauges and scientific apparatus for the determination of their degrees, or frequency of accuracy with reference to international standards;
- To promulgate policy frame work for standards;
- To assist in the rationalization of Industry by monitoring the efforts of producers and consumers for the improvement of processing appliances, raw materials and products.

Challenges/Constraints

The Division continues to operate under the following challenges:

- Delay in the establishment of a National Standard Body;
- Limited knowledge regarding the procedures employed in matter of standard;
- Limited trained man power;
- Lack of adequate funding for awareness in relation to standardization in Liberia

Way Forward

In spite of the numerous constraints the Division continues to experience, it is with profound optimism that greater progress will be achieved in 2009 and beyond if the following consideration would be accorded;

- That the Division made mobile and be provided eight (8) computers to facilitate its works.
- That adequate logistics including twenty-five filing cabinets be made available to the Division.
- That adequate capacity building opportunities be provided including training to upgrade the technical managerial skills of the personnel in the Division;
- That appropriate consideration be given to the need to improve indigenous Liberian effective participation in the domestic trade system.

DIVISION OF SMALL MEDIUM ENTERPRISE/INDUSTRIES (SME's/SMI's)

Overview

The Division of SME is the arm of the Ministry, responsible for the development of Small and Medium skills enterprises and to graduate the informal sector from the state of in informality to formal. Most of the indigenous businesses are entrenched the informal sector now constitute an important retail outlet.

The Ministry is contacting some of our partners in progress to provide support to the program of the informal sector.

Major Activities

The Division in collaboration with other Divisions pursue series of SME related activities approved by the Ministry which include the following:

1. Centre Songhi Model;
2. Grooming Liberia future Entrepreneurs Program;
3. Ganta Methodist war affected market women, men and youth micro-finance scheme;
4. Liberia Export Development Project (under the ITC);

The Division successfully mobilized forty (40) Small Liberian producers entrepreneurs who had benefited from series of training workshops sponsored by the ITC Ghana Institute of Management and Public Administration (GIMPA) Pan African Investment Incorporated and the United States Department of Travel under the AGOA program.

The Small Liberian Producers benefited from the area of business start-up processes, including simple bookkeeping, quality and standardization control, methods in exhibition of locally made products, effective participation in public business environment and market access for local commodities/products.

Achievements/Accomplishments

The Division successfully served as the coordinator of the Liberian Export Development Project under the ITC program during which time a core team of export promoters were established to assume effective role of export production.

Additionally, the Division in concert with our international partners recruited and trained 2,500 Small Liberian Farmers in Community Development as well as in the production of non traditional exportable products.

Human Resource Capacity Building

In 2008, there were short termed training programs awarded to the Division of SME in two significant activities including the following:

- i. Study leading to the sustainable use of non-timber forest products in Ghana; and
- ii. A month long seminar in Eco-leather production held in the People's Republic of China. The skills acquired have been utilized to expand innovative capacity.

Constraints

The Division continues to experience the following:

- Lack of adequate qualified manpower;
- Lack of funding to undertake needs assessment survey of the informal sector;
- Lack of mobility (vehicle)
- Limited computer

Way Forward

In spite of the constraints faced within the management of the SME Sector, there are opportunities for a way forward as Liberians are gaining the enthusiasm to engage in small business enterprises and, the Ministry have taken the initiation to provide proper guidance in the start-up processes leading to simple record keeping and the necessary technical and managerial skills that will make their business ventures sustainable and viable over time. Additionally, the Ministry has now commenced linking the personnel of small businesses with workshops and training programs that will adequately improve their knowledge about business environment in the developing economy.

BUREAU OF COMMERCE

Overview

The Bureau of Commerce is headed by a Deputy Minister and assisted by an Assistant Minister and comprises four Divisions, namely:

- i. Division of Domestic Trade
- ii. Division of Foreign Trade
- iii. Division of Price Analysis and Marketing
- iv. Division of National Inspectorate

The Bureau is charged with the statutory mandate to implement the Commercial and Trade Policies of Government. It formulates, regulates, monitors, promotes, develops, expands and controls all commercial and trade activities in the best interest of government's economic goals and objectives.

DIVISION OF DOMESTIC TRADE

Overview

The Division of Domestic Trade is responsible for the coordination and implementation of the domestic trade policy of the Government of Liberia.

Accordingly, it performs the registration of all profit and non-profit making entities that may intend to operate within the Commerce of Liberia on a yearly basis. It also ensures that all establishments conform to the domestic trade regulations. Hence, the division regulates controls, coordinates, monitors, promotes, and develops the domestic commerce of Liberia.

Major Activities and Implementation

In furtherance of the goal of Government to achieve an early Economic Recovery a diagnostic review of the Investment Climate of Liberia was also undertaken with a view to prioritize a reform and institutional development of a Modern Business Registry.

In this vein, the Government of Liberia approached the Investment Climate Team for Africa (ICA) to assist in funding the Business Registry Project and the ICTA favorably responded by committing US\$2.5 million to the project.

In preparation for the Modern Registry Project; Expression of Interests (EOI) notices were published in the Liberian newspapers and international outlets.

Upon receiving the Expression of Interests (EOI) from interested consulting firms or groups of consultants the Joint Steering Committee (JSC) comprising the Ministry of Commerce and Industry, the Ministry of Foreign Affairs, the Ministry of Justice, the Ministry of Finance and the Central Bank of Liberia decided to invite the top two firms, the Norway Registry Development (NRD) and the Consortium of Jacobs and Associates and Enterprise Registry to speed-up the process for selecting the firm to assist with the development of the Liberian Modern Registry.

The Team of Consultants agreed to review the technical proposals and to assist the JSC to determine the responsiveness to the Terms of Reference and ability to deliver on the Modern Business Registry project. The Team advised that the final decision on what proposal/service

producer to be selected from among the qualifying candidates will however rests exclusively with the Joint Steering Committee.

In furtherance of the implementation of the project, the staff of IFC (Monrovia) advised that a project proposal evaluation meeting was held in Washington D.C. on June 24, 2008. The evaluators were Industry and product experts of the World Bank Group; who collectively have significant experience in developing business registries.

A progress report reflects that only the Norway Registry Development (NRD) and consortium Jacobs and Associates and Enterprise Registry Solutions (JAERS) qualified for consideration of their financial proposals. The technical proposal submitted by Nexedi was incomplete in certain sections and did not respond adequately to the terms of reference.

The evaluation of the technical proposal of NRD & SJERS led consortia, however yielded several questions / comments and resulted in a decision by the evaluators to:

- Qualified candidates NRD and Jacobs and Associate (SJERS) were invited to make presentations on how they would execute the project if selected as service provider.

The presentations via video conference were held on July 14, 2008. Thereafter, a decision was reached selecting Norway Registry Development (NRD) as the successful candidate based on the following submission:

✓ Consulting Fees, Travel and Miscellaneous	US\$871,685.00
✓ Software procurement, Customization and Installation	520,480.00
✓ Indicative Quotation for Hardware	<u>150,000.00</u>
Total Project Cost	<u>US\$1,542,165.00</u>

The above mentioned cost was also an added opportunity that left the JSC with no other alternative but to select the NRD for the implementation of the project based upon the below listed qualities:

- ✓ Specific experience of NRD as it relates to the project
- ✓ Adequacy of the proposed work plan and methodology in responding to the Terms of Reference
- ✓ Qualifications and competence of the key staff for the project
- ✓ Participation of Liberians in service delivery and adequacy of capacity transfer proposal.

Major achievements/Deliverables and Impact

Business Registration Enhancement

In line with Pillar II of the Government's Poverty Reduction Strategy on Economic Revitalization, the Ministry put into effect 21 reforms, in collaboration with other line ministries, agencies and development partners, to encourage Business Start-Up's and to further facilitate trade. These reforms resulted in a significant decrease in the time period for processing business documents at the Ministry. The processing time had been reduced to a maximum of two to three days. Moreover, a standard format for articles of incorporation has been adopted to avoid delay. Currently, a new system of business registration renewal on an

anniversary basis has been put in place to alleviate the problems caused by requiring business registration on the basis of a calendar year.

During the period under review, from January to December 2008, the Division of Domestic Trade realized a grand total in registration of both profit and non-profit making entities of 7,569.00.

The figure segmentation is as stipulated in the table below:

LIBERIA					NON-LIBERIAN				
No.	Category	Qty.	Unit Cost (LD\$)	Total Cost (LD\$)	No.	Category	Qty.	Unit Cost (US\$)	Total Cost (US\$)
1.	Corporation	1,772	4,000	6,888,000	1.	Corporation	536	900	482,400
	Branch	97	2,000	194,000		Branch	74	450	33,300
2.	Partnership	77	3,000	231,000	2.	Partnership	141	800	112,800
	Branch	3	1,500	4,500		Branch	9	400	3,600
3.	Sole-Prop	4,202	2,000	8,404,000	3.	Sole-Prop.	168	700	117,600
4.	NGO	23	200	4,600	4.	NGO	4	50	200
5.	Total	6,124		15,726,100	5.	Total	932		749,900

DIVISION OF FOREIGN TRADE

The Division of Foreign Trade promulgates and implements the foreign trade sub-sector of the economy. It regulates, controls, monitors, develops, expands, and promotes trade activities as it relates to imports and exports. The Division in concert with the Ministry also collaborates with bilateral, multilateral, regional and sub-regional bodies to strengthen and enhance Liberia's participation in the global trading system.

The Division is headed by a Director and assisted by an Assistant Director. Accordingly, the division is structured into three operational units namely:

- i. Internal Commercial Relations
- ii. Trade Promotion Office
- iii. Trade Information Service

Internal Commercial Relations

The functions of the Internal Commercial Relation Unit of the Division encompasses trade facilitation services, handling of enquiries, and participation in trade meetings, seminars, workshops and conferences.

The Pre-Shipment Inspection Program (PSI) which ensures correct prices, qualities and quantities of imports into the Liberia and Export from Liberia is supervised by the Unit.

Additionally, the Unit in consultation with the Assistant Minister of Commerce and in collaboration with the Office of the Consultant on Intellectual Property System, the Copy Right Office and other line institutions ensure the implementation of the Trade mark and Patent distributorship rights with respect to the economic rights. It also liaises with the

Environmental Protection Agency (EPA) in regulating and monitoring the importation of hazardous chemicals and dangerous substances in the Commerce of Liberia with the view to ensuring that Liberia remains in full compliance with international conventions on the environment.

Trade Promotion Office

This unit is responsible to perform duties relating to the promotion of trade and commerce. It identifies exportable products and in collaboration with the Bureau of Industry ensures that such products are developed to meet international standards.

Predicated upon the above, the unit carries out the following activities for product identification:

- Collect statistical data on products for analysis

The unit in collaboration with the Division of Standards develop and expand the export capacity of Liberia, generate needed foreign exchange earnings in the economy, enhance employment opportunities, strengthen sustainable development and growth of the economy, improve income generation and gender equity for the promotion of sustainable livelihood of the Liberian people in line with the aspiration of the Poverty Reduction Strategy (PRS) of the Government of Liberia. The activities of the unit which was halted due to the massive destruction on the protective industrial facilities and basic trade infrastructures, and rejuvenated in 2008.

Consequently, the following activities were carried out:

- The collection of trade statistics on selected product for development;
- Classify commodities by group and ensures tariff heading;
- Identification of trading partners to advise on countries with good trading system or market;
- Collection of samples from local manufacturers for show casing.

The unit also subsequently facilitated the work of the Internal Commercial Relation Unit of the division with respect to the processing of Import Permit Declaration (IPD). Accordingly, the unit critically reviewed and analyzed Import Permits to conform to accurate CIF Quotations, International Standard and Trade Classification (SITC) Codes and Common Customs Cooperation Nomenclature (CCCN) codes. The unit also compiles foreign trade import statistics.

Trade Information Services (TIS)

The Trade Information Services (TIS) unit under the aegis of the Division and the Ministry collaborated with the international partners such as; UNDP, ITC, UNIDO in creating an enabling environment to attract investors in the economy.

Currently, the unit has been selected as the focal point to the International Trade Center (ITC) for the implementation of the Trade Information program. Meanwhile, a staff of the unit has been appointed to serve as the counterpart to ITC experts on Trade Information Services. The unit will provide maximum trade information services to potential investors as well as public and private sectors on the opportunities for doing business with Liberia.

Trade Analysis

A. Imports

The analysis of 2008 preliminary trade data reflected a relative increase in import from US\$478.51 million in 2007 to US\$856.81 million in 2008 indicating a significant upsurge which represents an increase of US\$378.3 million or 79.06 percent. This rise is chiefly due to an increase in the importation of machinery and transport equipment. This scenario is indeed a significant development for Liberia's rehabilitation and reintegration of the mining and forestry sectors in the economy, which have been dormant for nearly two decades, as a result of the civil conflict. It is important to note that when the two sectors become fully operational, it is expected that the economy will have a tremendous boost in trade that will enhance the creation of job opportunities and positively impact the government's Poverty Reduction Strategy; coupled with the return of Liberians from the Diaspora. The analysis of imports further revealed relative shifting in the trade partners of Liberia over 2007/2008 from the United States of America as the single largest trading partner to the People's Republic of China.

B. Exports

In 2008 exports recorded US\$181.05 million as against US\$197.86 million in 2007, indicating a decline of US\$16.81 million or 8.50 percent. The decline in export performance was influenced by the temporary ban placed on the exportation of scrap, as well as the gradual preliminary work undertaken as to the reform of the forestry sector and the early preparation of the restart of the iron ore mining sector.

Balance of Trade

An unfavorable balance of trade in the amount of US\$765.76 million has been reported as compared to US\$280.05 million in 2007, representing a worsening position of 140.78 percent. Nevertheless, a brighter future in the export sub-sector is on the horizon, as Liberia seeks to take advantage of the opportunity for her entry into the Africa Growth and Opportunity Act (AGO), as well as a full rejuvenation of the mining and forestry sectors.

Challenges/Constraints

Despite the significant achievements of the Division, there are still some challenges including the following;

- Shortage of staff
- Lack of Computers and accessories
- Lack of vehicle
- Training of staff

Way Forward

The way forward to these challenges is the increase of budgetary support and the provision of much needed logistics.

The training of staff in the areas of data collection and analysis as well as trade promotion will enhance the overall performance of the Division.

DIVISION OF PRICE ANALYSIS & MARKETING

Overview

The Division is charged with the duties and responsibilities to analyze and evaluate all commercial transactions with the view to ensuring that prices correspond with the prevailing world market prices; and that quality of goods as specified are in accordance with the Trade Contract.

Major Activities

The Division of Price Analysis & Marketing in fulfillment of its statutory mandate and in line with the Ministry's roll in relation to Pillar II: Economic Revitalization of the Government's Poverty Reduction Strategy (PRS) which is also geared towards the overall economic revitalization of the Liberian economy through trade vigorously pursued its mandate of reviewing analyzing of essential commodities particularly sensitive and critical commodities in the Commerce of Liberia of which the consumption greatly impacts the livelihood of the Liberian people.

Accordingly, the following activities were implemented:

- The review of the market of essential/critical commodities such as; Cement, Rice, Petroleum Products, Pharmaceutical Products, Building Materials and Copy Books;
- Active Collaboration with stake-holders on matters relative to the persistent increase in cost; in the following trade sub – sectors;
 - a. Transport Fare;
 - b. Consultative Meeting on Prices of Other Commodities;
 - c. Development of National Road Map for enhancing Export;
 - d. Back to the Soil Program to strengthen food security;
 - e. Development of Trade Policy with focus on genuine domestic pricing;
- Review and analysis of costing on global price trend in the Commerce of Liberia.

Accomplishments/Achievements

The Division, during the period under review, actively participated in separate meetings and conferences with stake-holders in a bid to enhance stable market environment with emphasis on price and availability of commodities on the Liberian market in line with the vision under Pillar II of the Poverty Reduction Strategy (PRS).

In early 2008, in pursuit of Administrative Policy of Government, the Honorable Minister of Commerce & Industry was pleased to make appropriate reshuffle in the Ministry which also occasioned the transfer of Director Johnny Lincoln from the Division of Foreign Trade to the Division of Price Analysis & Marketing as the Director and thereby replacing Director Charles D. Bennie.

1. The Cement Market

Consequently, in February 2008, Government began pursuing a rigorous systematic review of the Cement Market in Liberia. A Cabinet Working Group was established and mandated to take over from the Interim Working Group on Cement.

The Working Group was mandated to explore prospects of and define modalities for early decontrolling of price of cement in the Liberian market and as well as to define modalities for selling GOL's 26.6% share in CEMENCO, a process which is ongoing.

- In pursuance of its mandate, the Working Group collected and analyzed general background information on the local cement market;
- The Group further surveyed, collected and analyzed information on sub-regional cement market;
- The working group also interviewed potential Liberian Cement Market operators;
- The Group was also mandated to collect and access specific information on Cement relative to CEMENCO and its operation.

A review of the Cement Market has revealed the following significant information:

Domestic Production

CEMENCO, the only Cement Factory in the country operating at full capacity produces 350,000 bags of Portland cement packed in 50Kg bags per month.

Demand

In 2008, the demand of cement exceeded supply with CEMENCO aggressively supplying the market with both local production and import.

Qualitative and quantity estimated data in 2008 are as follow:

a. Daily Production	14,000 bags
b. Daily Consumption	18,000 bags
c. Monthly Consumption	353,240 bags
d. Annual Consumption	4,238,880 bags
e. Annual Import	2.15million bags

Price Trend

The Cement Industry has experienced some price escalation due to the unprecedented soaring of prices in the International Market mainly influenced by the uncertainty in the Petroleum Market affecting freight. Thus, in 2008, the price of cement on the Liberian Market rose from US\$6.30 retail price per bag in 2005 to US\$10.50 in 2008 thereby indicating an increase of 66.67 percent over the period of 3 years resulting in strong government negotiation to stabilize the market. See Table 1 below.

Table 1: Cement Price Trend in the Commerce of Liberia from 2005 – 2008

	Price in USD	Period of Change
Wholesale Price	6.30	June 2005
Large End Users	N/A	
Retail Price	6.50	
Wholesale Price	8.05	September 2007
Large End Users	8.45	
Retail Price	8.50	
Wholesale Price	9.05	March – December 2008
Large End Users	9.45	
Retail Price	10.50	

In spite of the fact that factors affect changes on the Cement Market both locally and internationally in which Petroleum price has a correlated effect, CEMENCO has expressed optimism in its preparedness to sustain the market. Towards this end, CEMENCO has received supply to enhance production processes and import of one (1) million bags of cement is expected to last until January 2009.

Despite of that, there is a gradual expectation of potential importers entry into the Cement Industry, we are hopeful that the economy will enter into the first quarter of next year with excellent assurances of maintaining the steady supply of cement to continue the bloom in the construction industry in Liberia.

The Rice Market

During the first half of 2008, the world economy began to experience some acute uncertainties in the supply of food. Rice, the staple food of Liberia was among the food items which were seriously affected by this phenomenon. Major producing countries including suppliers to Liberia expressed doubt of continuing to export because of soaring food prices at home and coupled with upsurge in their respective domestic demands.

In an upper thrust, the President was pleased to undertake a greater national agenda with the view to initiating “Back to the Soil” Program to strengthen food security. Accordingly, on June 19, 2008, she was pleased to call the attention of the nation that what was obtaining on the international market regarding the price of rice was indeed beyond the control of Government She was therefore pleased to launch the “Back to the Soil” Program for boosting the domestic production of the nation’s staple food for sustainability, growth and development. She further called for a robust consumer education and public awareness campaign to buttress national effort towards reaching out to the consuming public.

Immediately thereafter, Liberia observed the temporary exit of some major supplying countries from the International Market. Thus, the price of rice began to escalate in the Commerce of Liberia. By January 2008, the price of rice began to escalate in the Commerce of Liberia. By January 2008, the price of Butter Rice, the dominant brand which has 75% market share of the total rice import has risen to US\$27.00 per 50Kg bag, 25% broken from the level of retail price US\$24.00 per bag. It was now a clear signal that the rice market was gradually approaching an alarming proportion.

By April 2008 again, the price of rice had risen to US\$30.00 per 50Kg bag at retail level from US\$27.00.

Similarly, by May 2008, importers again began informing Government that the price of the commodity was steadily raising and therefore they could only afford making the commodity available at a higher cost of about US\$44.00 wholesale US\$45.00 retail. This situation immediately caught the attention of government and succeeded with a negotiation to bring the price of the butter rice to US\$34.00 wholesale and US\$35.00 retail respectively.

Strikingly, the situation with the other brands of rice had equally worsened with the price of the Thai White Rice, 5% broken 50Kg bag, the Thai Parboiled Rice, Chinese Parboiled Rice rising beyond expectation to US\$44.00 and US\$54.00 respectively for wholesale price. As these specifications of the brand of rice are mainly for high income earners and diabetic patients who prefer them, the brands were accepted and introduced in the market as alternative source of supply.

The first three quarters of 2008 experienced a looming crisis in the rice market that had to be contained, as an unprecedented soaring of prices on the global market occasioned this phenomenon. The food security on the Liberian market was also equally affected by the situation. The supply of Butter Rice from July to August 2008 recorded to cover only two (2) months with a stock of 875,577 bags. A pending order of 145,607 bags, at the time, was however, awaited but at a price of US\$44.00 wholesale and retail US\$45.00 per bag and thereby far exceeding the market price of Butter Rice at that time of wholesale US\$30.00 and retail US\$31.00 per bag in excess of US\$14.00 per bag respectively; thereby reflecting an inflationary pressure of more than 40 percent. A course of action not favorable to Government was now at hand.

The un-expected negative development being difficult to contain, Government immediately considered short-term pragmatic remedial measure of subsidy to be deployed on the 145,000 bags for sustaining the market from the period September to October 2008. The arrangement, than, implored US\$10.00 on 50Kg bag of rice as mechanism to suppress the price from US\$44.00 to US\$34.00 as wholesale. The process for accruing the amount of funding on the subsidy was than to slightly raise the price of rice by US\$4.00 from US\$31.00 retail to US\$34.00 and US\$35.00 per bag respectively.

Thereafter, Government than resolved to taking encouraging intermediate approach through the waiver of duty on rice and the President undertaking visits to China, Japan and Washington D.C. and successfully secured a rewarding result for Liberia. Whilst in China, a negotiation was concluded for the procurement of 80,000 metric tons of Butter Rice at a preferential term for the Liberian market. On the visit to Japan, the President further secured a grant of US\$6.5million for Liberia to be applied on the purchase of Butter Rice which would be sold and proceed there from to be utilized to boost domestic rice production.

The gloomy picture on the rice market from that moment became to clear up and major importers expressed their willingness to provide support for Liberia in her desperate attempt to stabilize the market. Towards this end, they are now engaged in seeking alternative sources of supply on availability and affordability of rice that will meet satisfactory conditions of the market demands.

A graphical analysis in the trend on the rice price in 2008 is shown in Table 2a, b, & c See Appendix 1.

The Market Consumption of Rice

The market now maintains a stock of 42,898 metric tons or 857,961.5 bags of rice that is expected to cover the period from October 25, 2008 to January 7, 2009. However, additional order of 61,780 metric tons or 1.2 million bags has arrived on the market.

Importantly, the market consumption of rice is as follows:

Daily Consumption	583.33 metric tons	or	11,666 bags
Monthly Consumption	17,500 metric tons	or	350,000 bags
Annual Consumption	210,000 metric tons	or	4,200,000 bags

The Petroleum Product Market

The petroleum Market remains one of the sensitive areas of major concern in the Commerce of Liberia. Petroleum products mainly constitute PMS (Gasoline), AGO (Fuel Oil) & Kerosene/Jet A-1 the usage of which greatly impact cost at varying degree on the Liberian Market. All these products are imported.

During the period under review, the price of petroleum product experienced some cyclical trend particularly influenced by event occurring in the International Market. In the second quarter of 2008, the price of crude oil steadily rose from US\$70.00 to US\$140.00 from May thru June and July per barrel. By June 2008, the prices of petroleum products on the domestic market were as follow:

	<i>PMS Price/Gal</i>	<i>AGO/ Price/Gal</i>	<i>Kero/JetA-1</i>
Wholesale/Distributor	US\$4.37	US\$5.12	US\$5.27
Retail	US\$4.55	US\$5.30	US\$5.45

Interestingly, a significant development unfolded in the international oil market with the price taking a systematic downward trend from the peak period of June 2008 to US\$70.00 per barrel at the beginning of the last quarter. The impact of this persistent decline is being felt in the Commerce of Liberia as reflected in the cost analysis reviewed and approved on October 27, 2008 as follow:

Prices per Gallon (October 27, 2008)

	<i>PMS Price/Gal</i>	<i>AGO/ Price/Gal</i>	<i>Kero/JetA-1</i>
Wholesale/Distributor	US\$3.12	US\$3.72	US\$3.57
Retail	US\$3.30	US\$3.90	US\$3.75

The petroleum market in Liberia continues to depict a robust feature as reflected in the data below. If this trend persists, it is likely expected that the market will respond favorably to the corresponding positive changes in the international market trend and would generate consumers' satisfaction.

Market Consumption of Petroleum Products per gallon

Daily Consumption of Petroleum Products per gallon

PMS (Gasoline)	66,834
AGO (Fuel Oil)	83,349
Kerosene (Jet)	1,072

Monthly Consumption of Petroleum products per gallon

PMS (Gasoline)	2,005,026
AGO (Fuel Oil)	2,500,461
Kerosene (Jet)	32,166

Annual Consumption Petroleum Products per gallon

PMS (Gasoline)	24,060,316
AGO (Fuel Oil)	30,005,536
Kerosene (Jet)	386,000

Percentage Increase and Decrease in the Price of Petroleum Products on the Liberian Market in 2008

a. Increases in Wholesale

<u>Product</u>	<u>Percentage Increase</u>	<u>Period</u>
PMS	5%	October 2007 – May 2008
AGO	7.5%	October 2007 – May 2008
KERO/JET	8%	October 2007 – May 2008

b. Increase in Retail

<i>Product</i>	<i>Percentage Increase</i>	<i>Period</i>
PMS	5%	October 2007 – May 2008
AGO	7.5%	October 2007 – May 2008
KERO/JET	8%	October 2007 – May 2008

c. Increase in Wholesale

<i>Product</i>	<i>Percentage Increase</i>	<i>Period</i>
PMS	4.7%	May – June 2008
AGO	5.7%	May – June 2008
KERO/JET	6.7%	May – June 2008

d. Increases in Retail

<i>Product</i>	<i>Percentage Increase</i>	<i>Period</i>
PMS	5%	May – June 2008
AGO	6%	May – June 2008
KERO/JET	7%	May – June 2008

e. Decrease in Wholesale

<i>Product</i>	<i>Percentage Decrease</i>	<i>Period</i>
PMS	3%	June 2007 – August 2008
AGO	3.5%	June 2007 – August 2008
KERO/JET	3%	June 2007 – August 2008

f. Decrease in Retail

<i>Product</i>	<i>Percentage Decrease</i>	<i>Period</i>
PMS	3%	June 2007 – August 2008
AGO	3.5%	June 2007 – August 2008
KERO/JET	3%	June 2007 – August 2008

g. Decrease in Wholesale

<i>Product</i>	<i>Percentage Decrease</i>	<i>Period</i>
PMS	0%	August – September 2008
AGO	1%	August – September 2008
KERO/JET	1.5%	August – September 2008

h. Decrease in Retail

<i>Product</i>	<i>Percentage Decrease</i>	<i>Period</i>
PMS	0%	August – September 2008
AGO	1%	August – September 2008
KERO/JET	1.5%	August – September 2008

i. Decrease in Wholesale

<i>Product</i>	<i>Percentage Decrease</i>	<i>Period</i>
PMS	2%	September – October 2008
AGO	2.5%	September – October 2008
KERO/JET	2.5%	September – October 2008
<i>Total Percentage Increase:</i>	Wholesale 37.6%	Retail 38.5%

<i>Total Percentage Decrease:</i>	Wholesale	Retail
	19%	19%

The Building Material Market:

As consequence of the Division’s work, other key commodities especially in the area of building materials are being monitored vigorously including the following:

- Zinc
- Nails
- Hardboards
- Shovels
- Steel Rods
- Paint

Consultative Meeting on Prices of Other Commodities

On February 3, 2008, the Ministry of Commerce & Industry under the leadership of Cllr. Frances Johnson – Morris, the Honorable Minister convened a one day consultative workshop of the public and private sectors of Liberia at the YMCA on Broad Street, Monrovia. The purpose of the workshop was to critically review the unprecedented high prices of basic commodities in the Commerce of Liberia.

Additionally, the consultative meeting also considered matters of application of the 1973 mark – ups and the 1988 revised mark – ups which is currently in use in the Commerce of Liberia.

Following a lengthy deliberation on the matter, the workshop constituted a twelve (12) men sub – working committee under the Chairmanship of The Liberia Chamber of Commerce (LCC). The Committee was charged with the responsibility to critically review and analyze the factor responsible for escalating prices and to recommend a way forward.

Other members of the Committee were:

- | | |
|---|--------------|
| • The World Lebanese Culture Union | Co– Chairman |
| • Liberia Business Association | Member |
| • The Indian Business Community | Member |
| • The Manufacturer’s Association | Member |
| • The Liberia Women Chamber of Commerce | Member |
| • The ECOWAS Citizen Union of Liberia | Member |
| • The Foola Business Association of Liberia | Member |
| • The Wholesalers Association of Liberia | Member |
| • The National Investment Commission | Member |
| • The Central Bank of Liberia | Member |
| • Ministry of Commerce & Industry | Member |

The Division of Price Analysis & Marketing represented the Ministry of Commerce & Industry at the Sub – Working Committee Meetings.

During the deliberations, the Committee acknowledged that the issues of escalating prices are of two dimensions: The External Global Dimension and Internal Domestic Dimension.

A. External Global Dimension (Factors Contributing to Price Increase)

The Committee further agreed that the prices of most commodities are witnessing unprecedented increases, which are fused by the foreign factors:

- a. A continue growth in demand on the world economy;
- b. A rapid price increase for petroleum products;
- c. The scientific advancement in the production of bio – fuels and its impact on agro business;
- d. Country risk categorization:
Liberia is categorized as a high war risk country by the United Nations and developed countries including some of our own international partners.
- e. Fluctuation in the US dollar against other international currency especially in the case of weak in US dollar.

C. Internal/Domestic Dimension

On the domestic front, the Committee identified the following as factors which adversely impact prices in the Commerce of Liberia. They are:

- a. High interest rate and bank charges;
- b. Poor Port infrastructure;
- c. Poor Port facilities;
- d. Bureaucratic Red Tip
 - Including seven (7) persons at a time accompanying a container from the Port and importer require to pay a fee of USD170.00 per agency;
 - A twenty (20) percent penalty levy by Pre-shipment Inspection (PSI) Company for non PSI compliance;
 - Excessive Port Charges levied on container including loading and gate pass;
 - NPA main gate exit fees and weighing bridge;
 - Fees levy on the processing of documents at Freeport Customs House;
 - Fees levied on processing documents at the Ministry of Finance;
 - Fees levied by Shipping Agencies;
 - Fees levied by Trucker Association;
 - Fees levied by Broker Association.

Other factors linked to rising prices in the Commerce of Liberia are:

- Tax administration;
Foreigners are required to pay taxes in US dollar;
- A dual currency arrangement;
An arrangement which is volatile to exchange rate;
- Low income citizenry;
- Inefficiency cost:
Level of inefficiency and disrespect for time is an immeasurable high cost of doing business.

The Committee forwarded the following recommendations to the Consultative Workshop for consideration. They are:

b. *External Factors:*

1. That all the factors under the external dimensions are certainly beyond the Government and therefore nothing would be done about it;
2. That Liberia should confer with the United Nations and other relevant international partners regarding the war zone categorization (high risk of war zone country).

c. *Internal Factors Dimension*

1. The Committee further recommended that for those internal factors which impact high prices in the Commerce of Liberia, the following actions should be considered. They are:
 - In the case of Bank Charges, the Central Bank of Liberia should review the situation and intervene.
 - Regarding the issues of poor Port infrastructure and facility, the Committee recommended that the Government of Liberia facilitates a financial arrangement that would enable the Port to under take prioritize improvement to become functional and efficient in its services to Port user.

d. *Bureaucratic Red Tip*

The Committee further acknowledged that in order to curb these trade mal – practices, appropriate action should be taken to minimize the occurrence of these acts through the adoption of systematic design and approach that would include electronic and actual paper trail with clearly listed punitive action taken for circumvention / or violation.

e. *Pre – Shipment Inspection*

Regarding associated cost emanating from Pre – Shipment Inspection (PSI), the Committee agreed that there are several issues of concern here that Government needs to critically consider including the following:

The fees charged by Inspection Company are too high taking into consideration continuous increases in the price of goods and services that must be passed on to the end consumers. Moreover, the Inspection Company sometimes levy a punitive fee of twenty percent for non – compliance with PSI in case of inspection at destination. It is therefore recommended that Government should revisit its contract with the Pre-shipment Inspection Company with the view to streamlining all the associated cost with PSI services.

f. *Container Escort*

- As regards to the practices of container escort from the Port which creates additional cost to the Importer, the Committee agreed that practices of seven (7) Ministries or Agencies of Government involving container escort be reduced or eliminated.

g. Overhead Variable Cost Calculation Consideration

- In considering that business operation currently incur huge overhead expenses due to limited utility facilities including power and water, the Committee recommended that overhead should be upward adjusted.

h. A Review of the Revised 1988 Mark – up

- Realizing that the 1973 mark-up was since last revised in 1988, the Committee acknowledged the fact that the mark-up is necessary and should therefore reflect current reality in business operations. The Committee thereby recommended that the Ministry of Commerce should undertake appropriate revision of the mark –up.

i. Follow – up Action on the Consultative Workshop of the Ministry of Commerce and the Public and Private Sectors

- Following the submission of the report on the Consultative Workshop to the Ministry, the Honorable Minister led a special delegation of the private sector to the Executive Mansion where she presented the report to the President of Liberia for consideration. As some major issues in the report were within the statutory jurisdiction of the Ministry of Finance, National Port Authority (NPA) and the Central Bank of Liberia, the actions of those agencies were necessary realizing the importance of the recommendation contained in the report to the effort of Government towards her program for Economic Revitalization in the Poverty Reduction Strategy, the President was pleased to initiate immediate and unconditional implementation of the report. She directed the following actions:
 - That the practices of container escort by seven agencies some of which are totally irrelevant should immediately be abolished. That the National Port Authority should immediately undertake appropriate measures to reduce the unnecessary cost and time of clearing goods at all Liberian Ports.

The Port Authority of Liberia has now embarked upon a program to reduce costs in line with the mandate of the President and its owned policy of due diligence.

Development of National Roadmap for Enhancing Export in the Commerce of Liberia

In September 2008, the Division of Price Analysis & Marketing actively participated in the workshop undertaken by the Ministry in collaboration with the International Trade Center in Geneva at the YMCA, Broad Street, Monrovia. The purpose of the Workshop was to develop an export promotion framework in Liberia. During the four days deliberation, the Workshop firmly discussed matters relative to understanding the strategy approach to export development under the concept of globalization – developing and transition economic.

The issue of advantages and disadvantages were firmly discussed with respect to:

- a. Access to economy of scale;
- b. Prospect for developing local export, manufacturers and human capacity;
- c. Challenges towards improving local manufacturers and human capacity;
- d. Market protection through tariff and other restricted measures which impede trade and particularly export;
- e. Export diversification;
- f. Value added to local based resources;
- g. Developing a chain value strategy in export development;
- h. Creation of employment opportunities for reducing poverty and accelerating economy development and recovery.

At the end of the Workshop, the participation recommended that there should be a follow-up Workshop, and a small follow-up Committee was therefore constituted; as the process of developing a national roadmap for enhancing export could not be fully covered under a short term.

Transport Fares in the Commerce of Liberia

In June 2008, prices in Petroleum products internationally were strongly felt in the Commerce of Liberia. The Government in concert with stakeholders began the initiative appropriate program towards maintaining a stable vibrant economy. Thus, the Ministry of Commerce & Industry and the Ministry of Transport became strongly collaborating in the process.

During the series of meetings, the participants adopted an action plan that would reflect realistic transport fares in Liberia.

Accordingly, the Government became to release the necessary adjustments in transport fare in the country which brought the strong relief to Committees, the citizenry and transport owners. The process of adjustment in transport fares is a continuous process contingent on the price of petroleum products in the World Market.

However, some other exogenous factors do certainly exist in the economy which the Government may not necessarily have immediate control. The factors include: Transport Infrastructure and adequate public utility equipment to enhance marketing.

The Division of Price Analysis & Marketing is being designated to serve on the Technical Committee.

Development of Trade Policy with Focus on Genuine Domestic Pricing

Additionally, in September 2008, the Ministry of Commerce & Industry in close collaboration with ECOWAS and other stakeholders began the process of developing a trade policy for Liberia. Towards this goal, a one week seminar was conducted at the Ocean-view Hotel, Mamba Point – Monrovia with experts from ECOWAS in Liberia. The Division of Price Analysis & Marketing was invited as a participant. After a lengthy deliberation, a seminar concluded with the establishment of sub-committee on the following:

- ✓ Sub – Committee on Multilateral Trade
- ✓ Sub – Committee on Consumer Protection
- ✓ Sub – Committee on Trade Facility
- ✓ Sub – Committee on Trip
- ✓ Sub – Committee on Domestic Trade
- ✓ Sub – Committee on enhancing production for domestic and export market
- ✓ Sub – Committee on creating a fair and transport import and export regime.

The Division was selected to participate in the Sub – Committee on Consumers Protection a process which is on – going.

Review and Analysis of Costing on Global Price Trend in the Commerce of Liberia

During the reporting period, the Division aggressively pursued a review, analysis and evaluation of products in the Commerce of Liberia including sensitive and critical commodities. The enormous challenges encountered in 2008 were rapid astronomical increases in the CIF value of goods as a result of changes in the FOB, Insurance and Freight in the International Market which were highly influenced by changes in the price of Petroleum Product.

After several priority interventions on costing documents submitted to Government for analysis and consideration by Business Enterprises, the Division successfully analyzed 2,025 costing sheets as a major accomplishment deliverables in line with the PRS. As Government's priority concentration was emphasized on essential commodities in the Commerce of Liberia, the Division particularly focused on the groups of commodities listed as essential commodities. Nevertheless, the prices of essential commodities were largely discovered to be on an increasing price trend. But interestingly, the second half in October witnessed a downward trend in the price of Petroleum Products thereby shown some encouraging positions that prices of commodities would soon become taking a reverse trend which is expected to be more favorable to consumers.

Challenges/ Constraints

Although the Division is yet remained immensely focused in addressing the numerous problems facing price and marketing in Liberia it is however encountering some great challenges as follows:

- A. The lack of change coins in the Commerce of Liberia
For nearly two decades ago, the Commerce has experienced some difficulties in pricing policy due to lack of change coins. This situation has virtually caused some embarrassment in pricing and marketing procedures. As the lowest denominator on the market is now reduced to Five Liberian Dollars (LD\$5.00) and thereby projecting huge multiplying effect in the cost to end consumers.
- B. The unstable exchange rate.
- C. Increase in freight charges which directly affect prices on the market.
- D. Lack of some basic logistics: The lack of vehicle to undertake adequate market survey in the leeward counties is a great set – back in surveying and accessing the market problem in those territories. Similarly, the lack of internet facility and photocopy

machine greatly impede progress at the Division towards achieving the deliverables in line with the PRS.

DIVISION OF INSPECTORATE

Overview

The Division of inspectorate serves as the policing arm of the ministry and has mandate of the enforcement of all regulations and policies regarding the conduct of trade within the Commerce of Liberia. The Division collaborates with other divisions to ensure that businesses operate within the confines of the General Business Laws of Liberia and ensures the payment of revenue obligations, ie business registration fees to government.

The Division is headed by an Inspector-General and assisted by two deputies (Urban and Rural) along with one Assistant Inspector-General.

Additionally, the Division is effectively represented in all political sub-division of the Country by four Regional Coordinators and fifteen (15) Senior County Inspectors. With the exception of the Freeport of Monrovia where the activities of the Inspectorate is supervised by the Coordinator, the Division assigned inspectors to each and every port of entry.

Major Activities

As the global economy entered a recession, unscrupulous business operators attempted to take advantage of the price rise on the International Market of most essential commodities by hoarding and initiating a price hike. The Inspectorate responded to the challenge by successfully leading a task force to vigorously monitor and enforce the officially approved prices for those essential commodities such as , rice, cement, and petroleum products, thereby bringing relief to the citizens.

In honest effort to curtail smuggling, which also has the propensity to create artificial shortages of various commodities and, poses an unfair competition to genuine and duly registered business entities, the Division of Inspectorate beefed up its personnel at the various ports of entry and even monitored some of the routes used in this illegal practice.

During the period under review, the Ministry through the Division fined a total of 64 foreign and Liberian businesses for reasons of profiteering and other unwholesome business practices. This resulted in the deposit of US\$13,134.50 and LD\$69,450.00 into government revenue.

Challenges/Constraints

- Lack of logistics for mobility in the urban and rural areas.
- Lack of office space in the rural areas.

OFFICE OF LEGAL COUNSEL

Overview

The Office of Legal Counsel at the Ministry of Commerce and Industry has been newly re-established during this fiscal year, during the tenure of the former Minister, Cllr. Francis Johnson-Morris. The office is led by W. Coleman Foster II, with credit and appreciation given to the Senior Executive Service (SES) program.

Major Activities

Aside from the management of daily legal affairs, involving cases filed both against and on behalf of the Ministry, the management of administrative hearings and the review of contracts and all other matters of a legal nature, the Office of Legal Counsel has set an ambitious agenda for commercial law reform. This office, in consultation with that of various line Ministries, agencies of government, international partners and private sector representatives, has formulated a most comprehensive commercial law reform package that is envisaged to establish the very foundation for the significant, systematic enhancement of trade and economic development in Liberia. The same would entail the review and necessary revision of existing laws, regulations and policies, as well as the further development of a series of commercial/ trade laws and regulations, within the following areas:

General Business Law (Review and Revision)

- Consumer Protection/Fair Trade/Competition
- Trade Standards
- Commercial Code~Commercial Contracts
- E-Commerce
- Insurance
- Securities/Secured Transactions
- Investment Incentives Code/Concessions/Economic Zones (e.g., FTZ's/SEZ's)

Associations Law (Review and Revision)

Intellectual Property Laws (Review and Revision)

- Industrial Property
- Copyright

Legal Framework for Trade and Industry Policies

Commercial Resource Laws

- Petrochemical Law
- Mineral and Natural Resource Law
- Energy Law

Import/Export Regulations/Laws

Dispute Resolution: Alternative Dispute Resolution (ADR) Board; Courts

International Trade Agreements

- World Trade Organization (WTO)

- World Intellectual Property Organization (WIPO)
- Bilateral Trade Agreements (i.e., AGOA; proposal of new agreements)
- Economic Community of West African States (ECOWAS)
- African Union (AU)
- Mano River Union (MRU)
- European Union (EU)...

International Commercial/Financial Center - Legal Framework

- International Trusts
- Shipping
- Special Provisions for various forms of International Companies
- Mutual Funds
- International Banking
- Anti-Money Laundering and Anti-Terror measures
- International Insurance...

In pursuit of this effort, this office has realized that accomplishing the same would entail the cooperation of multiple line Ministries, agencies of government, private sector representatives, international partners, and would cost millions in donor aid. However, what has also been recognized is that this commercial law reform effort is an indispensable one when it comes to stimulating the economy, as it would set the pace for immeasurable wealth creation and revenue generation for decades to come. (Please see an updated draft of the Commercial Law Reform project proposal, available at the Ministry of Commerce and Industry for further details concerning the plan.)

Accomplishments

Thus far, the Office of Legal Counsel, during its short tenure has 1.) drafted the regulation establishing the Commercial Alternative Dispute Resolution (ADR) Board (in participation with the Ministry of Justice), has drafted Rules and Procedures for commercial arbitration and mediation, has scheduled ADR training seminars for early next year (2009) (in conjunction with the American Bar Association) and has drafted a plan to further advance this important mechanism for developing a more viable and attractive commercial environment. 2.) The office spearheaded an effort to develop Consumer Protection Regulations and Laws, which is still underway as a sub-part of the larger Commercial Law Reform Program. 3.) the office, in collaboration with the Intellectual Property Systems office, the Copyright Office, the Industrial Property Office, the Ministry of Foreign Affairs and the World Intellectual Property Organization (WIPO), has embarked upon a quest to enhance the legal framework of the Intellectual Property systems in Liberia, which has thus far entailed review of intellectual property laws (i.e., the Copyright Act, the Industrial Property Act and international agreements), as well as planning efforts for revision of the same, with the assistance of the WIPO. 4.) This office provided assistance during the review and revision of the Investment Incentives Code, along with the Business Reform Committee; 5.) and provided assistance in addressing the legal framework for our Trade Policy, along with this years ECOWAS delegation. 6.) This office was also instrumental in drafting the Act establishing the Land Reform Commission, as well as other proposed legislative and regulatory measures. 7.) Perhaps most importantly, the efforts of this office have gained the keen attention of the US Department of Commerce and a host of other international partners, who have pledged there support for Liberia's Commercial Law Reform Program, should the Administration make a formal request for the same.

Challenges

The challenges faced by this office are significant, as the office has no budgetary allotment whatsoever, and is thus understaffed (e.g., no administrative staff) and lacks resources (e.g., legal-textual resources, transportation, training and capacity building resources...). Naturally, as general resources are lacking, the resources to start-up a commercial law reform initiative have been next to nil; in fact, the legal officer has, at times, used his own personal, limited resources to advance this effort thus far—in recognition of its grave importance towards developing the economy, in a desperate effort to secure the yet fragile peace.

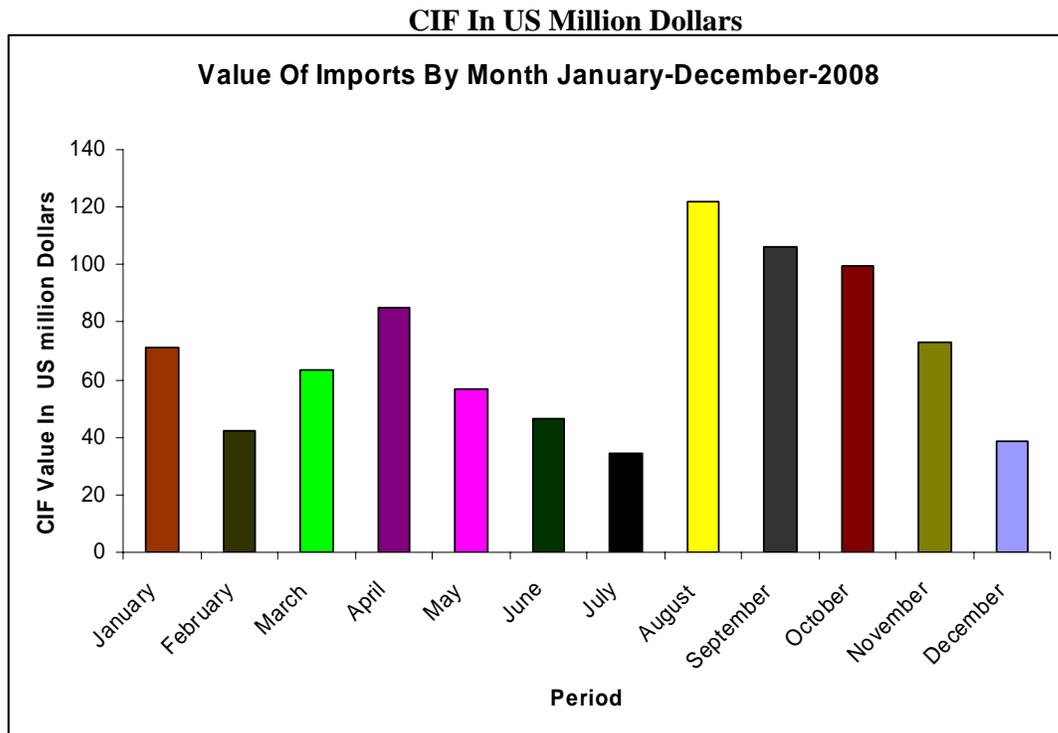
Way Forward

In light of the aforementioned challenges, this office with the ascent of the Minister strongly urges the Administration to take advantage of the funding now being made available through the Millennium Challenge Corporation and the willingness of the US Government to assist in this commercial law reform endeavor (particularly that of the US Department of Commerce and its Commercial Law Development Program CLDP)). Furthermore, it is necessary for the government to make some budgetary allotments for the office of legal counsel at the Ministry of Commerce and Industry, in order to advance the efforts of said office (especially those related to the law reform initiative) and as a show of good faith for the potential international partners/donors, upon whose assistance we would heavily rely to help accomplish this all-important endeavor.

**Value of Imports by month January-December-2008
CIF In US Million Dollars**

Month	Imports in CIF (US Million Dollars)
January	71.50
February	42.40
March	63.10
April	85.00
May	56.60
June	46.50
July	34.30
August	121.90
September	106.00
October	99.70
November	73.20
December	38.70
Total	838.90

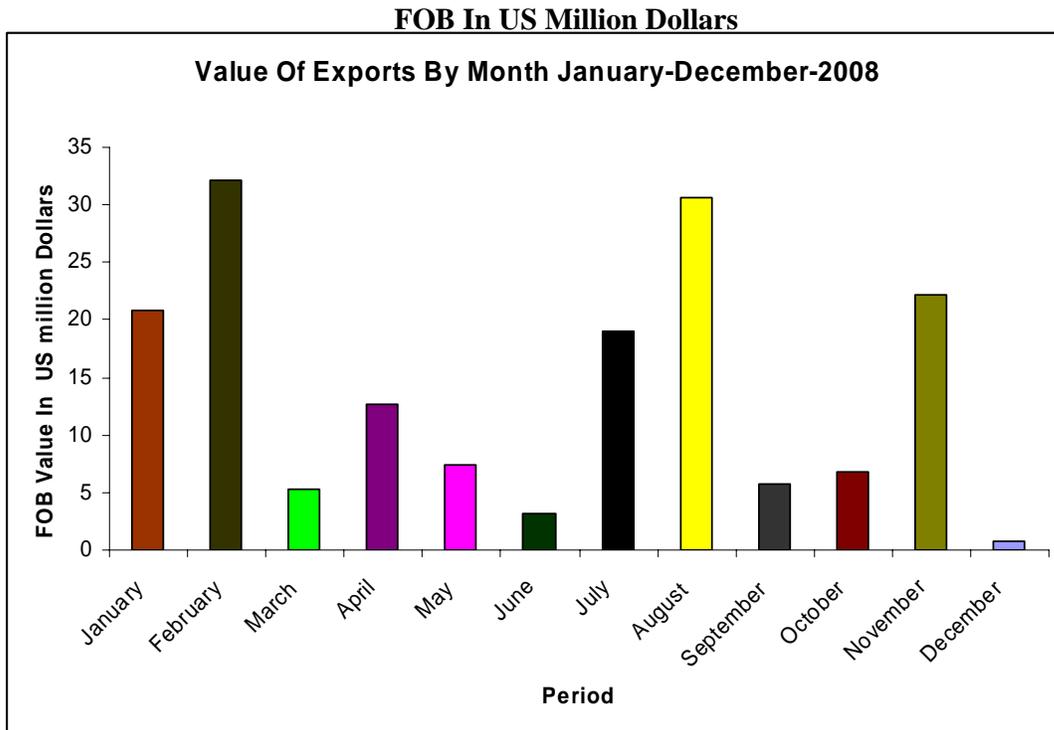
A graphical analysis in the trend of Imports by month January- December 2008 is indicated in this table.



**Value of Exports by month January-December-2008
FOB In US Million Dollars**

Month	Exports in FOB (US Million Dollars)
January	20.80
February	32.20
March	5.30
April	12.70
May	7.40
June	3.20
July	19.00
August	30.60
September	5.80
October	6.80
November	22.20
December	.80
Total	166.80

A graphical analysis in the trend of Exports by month January- December 2008 is indicated in this table.



A graphical analysis in the trend on the rice price in 2008 shown in Tables 2a, 2b, & 2c

Table 2a

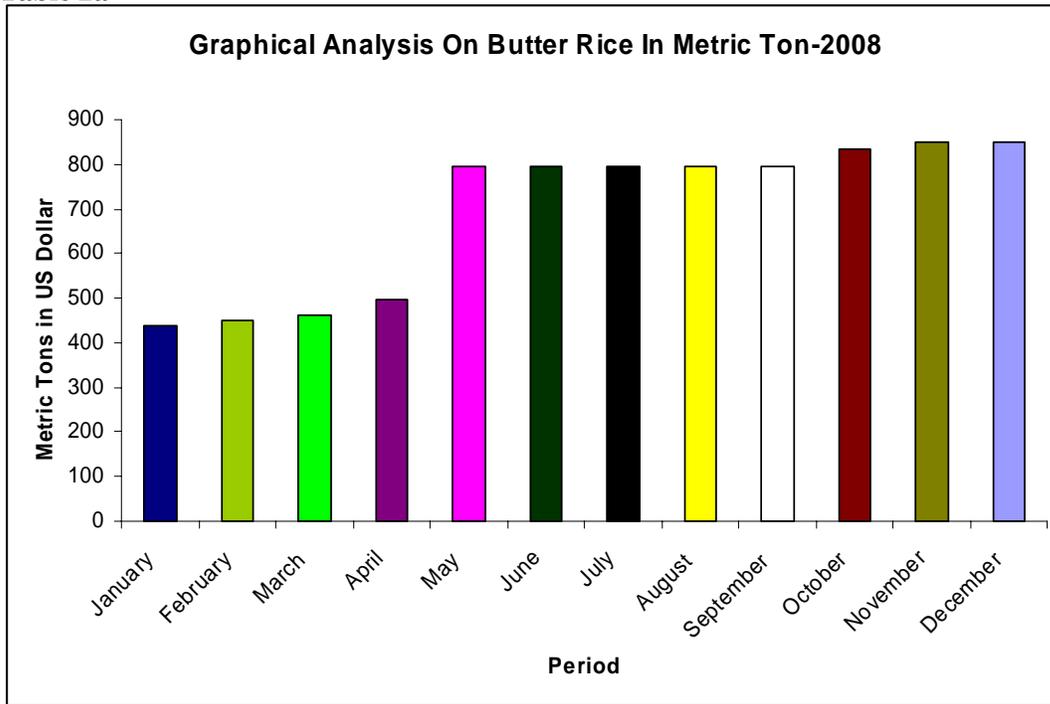


Table 2b

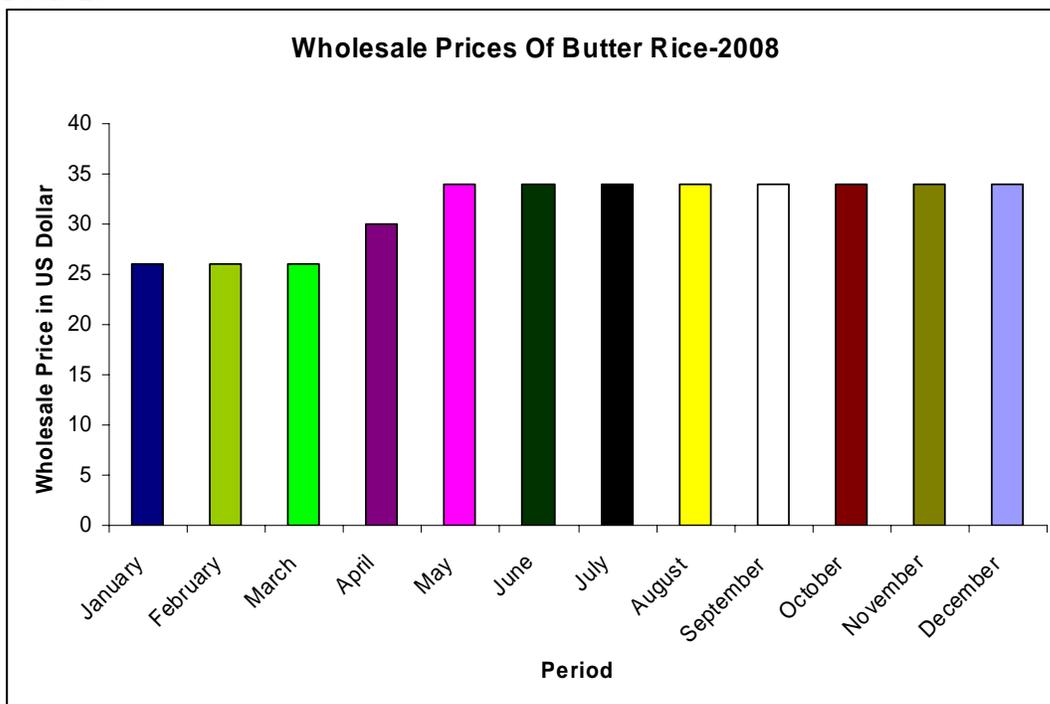
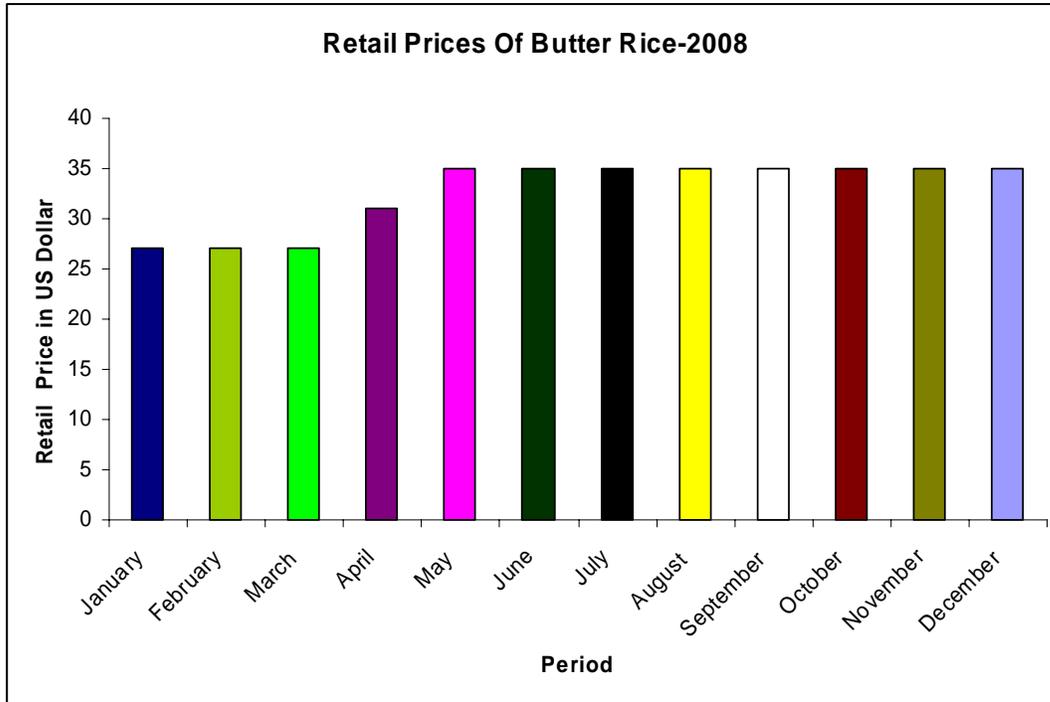


Table 2c



* Other BRANDS of rice account for 25% of total national market consumption;
Wholesale and retail prices are not mentioned in the tables

STEEL ROD 2008

Commodities	Descriptions	Quantity	FOB in USD	Freight in USD	Insurance in USD	CIF in USD	Country of Origin	Wholesale Analyzed Price in USD	Retail Analyzed Price in USD
Steel Rod	Steel Rod 14mm	75.00nt	48,750.00	2,099.99	508.50	51,358.49	Ghana	18.89 per PC	22.67 per PC
Steel Rod	Steel Rod 5.5mm	25.00mt	16,250.00	699.99	169.50	17,119.49	Ghana	6.70 per PC	8.04 per PC
Steel Rod	Steel Rod 11mm	1,591.02mt	979,650.00	134,064.00	11,137.14	1,124,851.14	Turkey	11.25 per PC	13.50 per PC
STEEL ROD 2007									
Steel Rod	Steel Rod 11.5mm	650.00mt	162,250.00	91,250.00	5,070.00	258,570.00	The People Republic of China	5.29 per PC	6.35 per PC
Steel Rod	Steel Rod 8mm	52.00mt	13,240.00	7,300.00	410.80	20,950.80	The People Republic of China	3.79 per PC	4.55 per PC

ZINC 2008

Commodities	Descriptions	Quantity	FOB in USD	Freight in USD	Insurance in USD	CIF in USD	Country of Origin	Wholesale Analyzed Price in USD	Retail Analyzed Price in USD
Zinc	14 Gauge	98.59mt	126,197.76	15,000.00	1,411.98	142,609.74	India	93.54 per Bundle	114.49 per Bundle
Zinc	14 Gauge	99.52mt	120,424.04	16,000.00	1,364.24	137,788.29	India	85.92 per Bundle	103.11 per Bundle
Zinc	32 Gauge	87.51mt	83,454.79	22,400.00	1,058.54	106,913.33	The People Republic of China	93.08 per Bundle	113.93 per Bundle
Zinc	28 Gauge	50.04mt	63,600.75	8,000.00	950.00	72,550.75	The People Republic of China	133.76 per Bundle	160.51 per Bundle
ZINC 2007									
Zinc	32 Gauge	99.96mt	93,056.70	15,000.00	1,082.37	109,139.07	The People Republic of China	78.92 per Bundle	94.70 per Bundle
Zinc	28 Gauge	2.92mt	117,015.00	10,597.41	557.77	128,170.18	Japan	123.80 per Bundle	148.56 per Bundle
Zinc	14 Gauge	97.86mt	62,566.67	20,400.00	400.00	83,366.67	India	79.24 per Bundle	95.08 per Bundle

WHEEL BARROW 2008

Commodities	Descriptions	Quantity	FOB in USD	Freight in USD	Insurance in USD	CIF in USD	Country of Origin	Wholesale Analyzed Price in USD	Retail Analyzed Price in USD
Wheel Barrow		2,100PCS	22,050.00	7,500.00	591.00	30,141.00	The People Republic of China	13.24 per PC	15.89 per PC
WHEEL BARROW 2007									
Wheel Barrow		2,300PCS	27,972.60	7,000.00	131.27	35,103.87	The People Republic of China	22.10 per PC	27.04 per PC

NAILS 2007

Commodities	Descriptions	Quantity	FOB in USD	Freight in USD	Insurance in USD	CIF in USD	Country of Origin	Wholesale Analyzed Price in USD	Retail Analyzed Price in USD
Roofing Nails 2 ½"		480CTNS	15,957.60	3,400.00	387.15	19,744.75	The People Republic of China	60.95 per CTN	73.14 per CTN
Common Nails		4,400CTNS	21,760.00	15,200.00	739.20	37,699.20	The People Republic of China	14.44 per CTN	17.32 per CTN
Umbrella Nails		1,148CTNS	13,200.00	3,300.00	225.00	16,725.00	The People Republic of China	22.48 per CTN	26.98 per CTN
Common Nails 4", 3", 2.5"		886CTNS	8,636.16	3,800.00	22.00	12,458.16	The People Republic of China	28.18 per CTN	33.82 per CTN
NAILS 2008									
Wire Nails		2,200CTNS	10,811.88	4,000.00	149.62	14,961.50	The People Republic of China	11.98 per CTN	14.37 per CTN
Nails	Roofing Nails & Umbrella Nails 1", 2" & ½"	1,000CTNS	13,340.00	3,200.00	165.40	16,705.40	The People Republic of China	25.37 per CTN	30.45 per CTN

SHOVEL 2007

Commodities	Descriptions	Quantity	FOB in USD	Freight in USD	Insurance in USD	CIF in USD	Country of Origin	Wholesale Analyzed Price in USD	Retail Analyzed Price in USD
Shovel		11,160PCS	7,245.00	2,500.00	195.00	9,949.00	Netherlands	2.24 per PC	3.89 per PC
Shovel	Round Point	4,998PCS	11,495.40	2,850.00	286.91	14,632.31	The People Republic of China	4.11 per PC	4.93 per PC
Garden Shovel		947Dozens	35,550.00	6,100.00	150.00	36,572.10	United Arab Emirates	5.38 per PC	6.45 per PC
Shovel	Round Point	5,400PCS	12,582.00	3,250.00	158.32	15,990.00	United Arab Emirates	4.21 per PC	5.05 per PC
SHOVEL 2008									
Shovel	Round Point	4,998PCS	11,495.40	2,850.00	143.45	14,488.85	The People Republic of China	4.04 per PC	4.85 per PC

PAINT 2008

Commodities	Descriptions	Quantity	FOB in USD	Freight in USD	Insurance in USD	CIF in USD	Country of Origin	Wholesale Analyzed Price in USD	Retail Analyzed Price in USD
Water Paint		132.00mt	10,225.00	12,250.00	224.75	22,669.75	United Arab Emirates	6.96 per Gallon	7.28 per Gallon
Oil Paint		78.4mt	61,575.36	8,396.64	699.72	70,671.72	United Arab Emirates	14.51 per Gallon	15.17 per Gallon