

Third- Quarter Overseas Trade Report

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MINISTRY OF COMMERCE & INDUSTRY

REPUBLIC OF LIBERIA



MoCI Third-Quarter Overseas Trade Statistics Report

1 Jan 2013 – 01 Oct 2013

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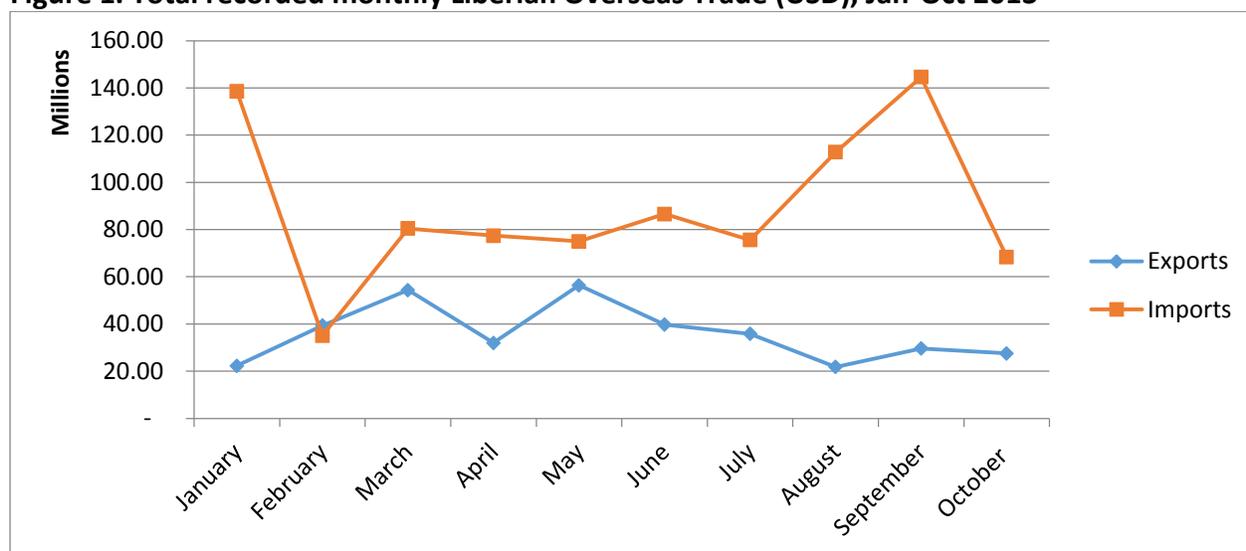
The Third-Quarter Overseas Trade Statistics Report is a product of the Division of Trade of the Ministry of Commerce and Industry using trade statistics collected from Import and export permits, BIVAC'S IRF forms as well as cross Border trade declarations. The report is published bi-annually and is intended to inform policy makers, businesses, the general public and consumers. Trade Data from IPDs/EPDs, BIVAC'S IRF forms and cross border trade only cover the subset of goods for which these declarations were made. the data should therefore be used as a guide to the basket of goods collected and not as an accurate depiction of total trade entering or leaving the Liberian economy. For questions on methodological issues please visit www.moci.gov.lr or contact via email members of the Division of Trade Staff

Summary

- *Liberian imports and exports measured by the Ministry of Commerce and Industry have remained on a flat trend over the last eighteen months.*
- *An expansions in imports of food and transportation goods drove-up total imports for the first half of 2013 to US\$ 332 million, a large increase in imports compared to this time last year.*
- *Exports in Q3 of 2013 are 11 percent higher than in the previous year due to a substantial increased iron ore production*
- *As a result of an expansion in iron ore exports China has become Liberia's largest export trading partner, followed by France and Poland. Among imports, the USA followed by China and the UAE are the most important partners.*

Import and Export Time Series

Figure 1. Total recorded monthly Liberian Overseas Trade (USD), Jan-Oct 2013



Source: MoCI Division of Trade, 2013

Liberian imports and exports measured by the Ministry of Commerce and Industry have remained on a flat trend over the last 10 months. The mean monthly CIF value of imports measured was US\$34.5 million over the period up to October 2013 while the mean monthly FOB value of exports was US\$89 million. These figures should be interpreted as underestimates as coverage of overseas trade is limited to the goods requiring import and export permits, BIVAC'S IRF as well as cross border trade dataⁱ.

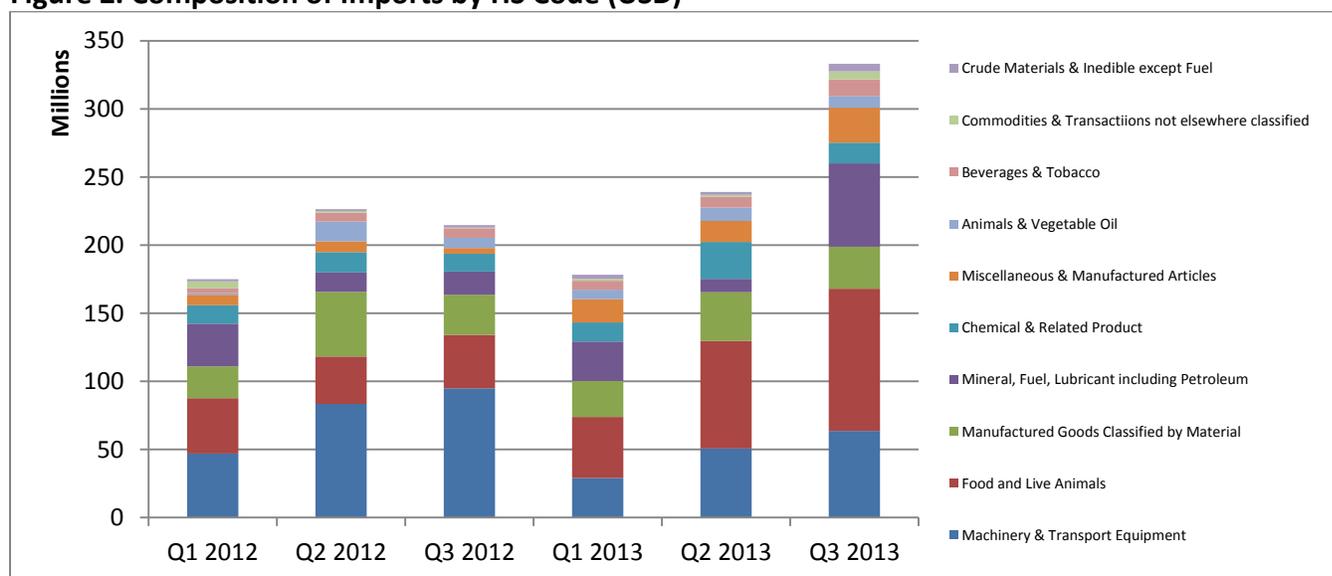
The balance of trade measured was negative over the entire period, and has experienced some volatility. This trend is common for Liberia and can largely be accrued to the presence of large concession firms bringing in capital equipment. There has been some depreciation in the LD:USD exchange rate which could be accrued partly to this trade deficit. Liberia can address this by encouraging domestic private-sector development.

Imports have been more volatile than exports due to the Liberian market's seasonal events and large one-off capital imports from firms. The cause of the import spike in January 2013 is explained by an increase in imports of machinery and transport and stockpiling of food and fuel. The increase in imports towards the end of the year is likely due to increasing demand for the Christmas period.

Rubber exports dropped sharply but was largely offset by increases in iron ore, together they made up 94 percent of total exports. Logs, palm oil, cocoa beans, coffee and other wood products make up the remainder of exports.

Imports

Figure 2. Composition of Imports by HS Code (USD)



Product	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Rice	25,144,214	31,319,118	815,620	19,220,622	47,893,325	31,807,556
Wheat Flour	475,563	1,062,578	1,265,092	183,099	1,367,604	1,925,905
Cement	11,796,202	2,630,198	5,260,834	n/a	3,032,658	4,803,908
Petroleum	41,438,389	27,496,031	30,068,252	28,965,300	71,105,981	66,625,658

Source: MoCI Division of Trade, 2012

Liberia's imports have increased by 25 percent in the first three quarters of the year, from US\$626 million in the first three quarters of 2012 to US\$826 million in 2013. The increase was driven by an expansion in imports of food and manufactured goods explained by an increased number of frozen food importers and a bad domestic harvest.

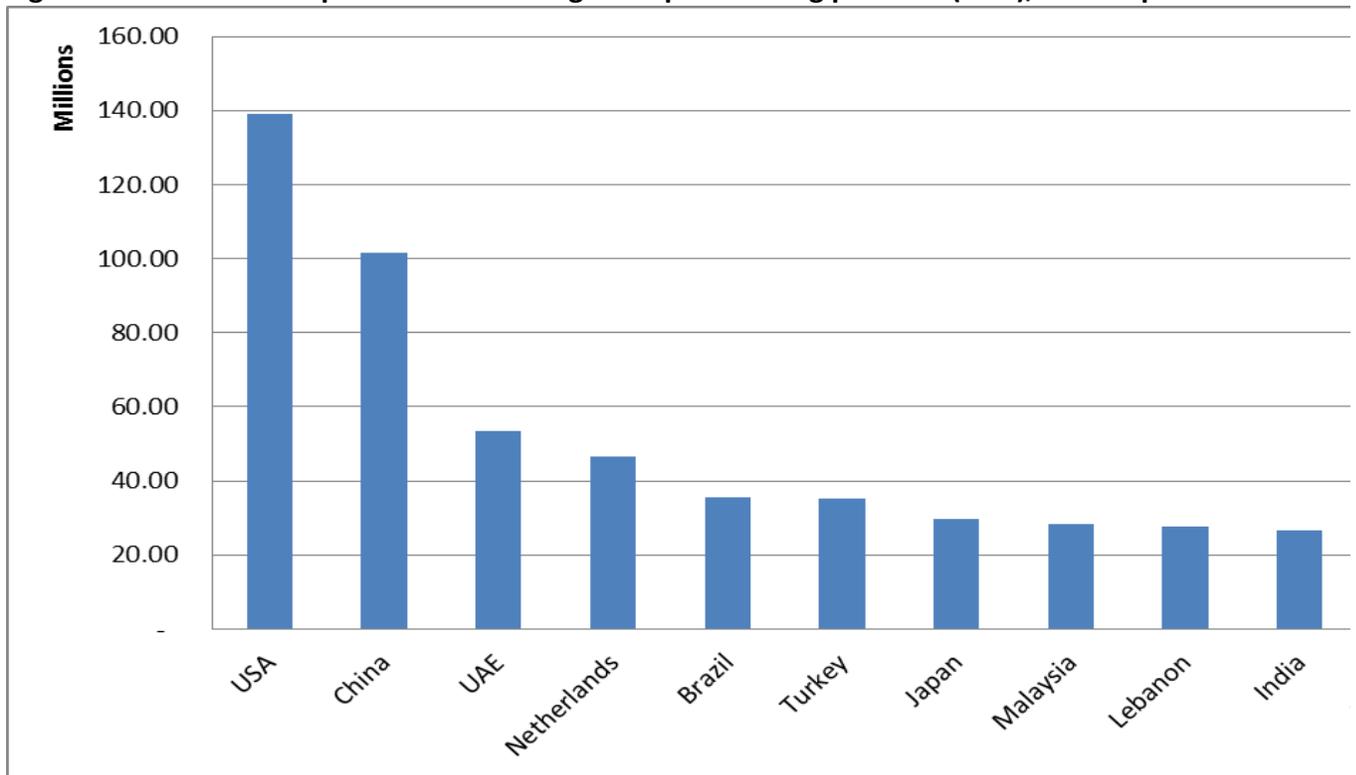
Imports of rice have increased when compared to the first half of 2012. MoCI analysts' expect this is due to a bad rice harvest year in 2013 as rice production is estimated to have declined by 20 percent from 237,752 MT to 297,190 MT according to the FAO-WFP-MoA joint crop assessment.

Imports of wheat flour have declined by 39 percent compared to 2012. Meanwhile the import of wheat grain for domestic milling has risen by 5.3 percent compared to the previous year.

Petroleum imports have increased substantially towards the end of 2013. MoCI analysts attribute this to increasing the stock before the holiday season.

Cement import data was not available from the MoCI for 2013 due to procedural changes. Cement imports have remained constant. The largest importer was Fouta who imported 700,000 bags in April.

Figure 3. CIF value of imports for the 10 largest import trading partners (USD), Jan - Sep 2013



Source: MoCI Division of Trade, 2012

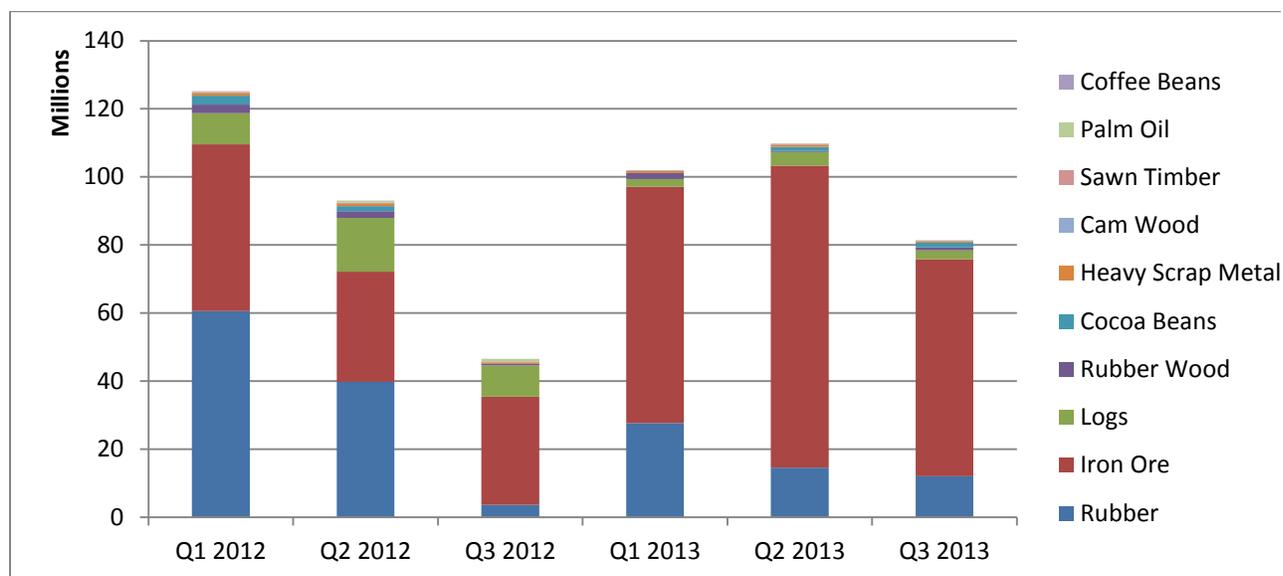
For three years running the United States continues to be Liberia's biggest trading partner. The United States has a total value of US\$139,220,075 constituting 16 percent of total imports. The United States primarily trades in second hand goods and machinery.

China is Liberia's second largest import trading partner. Liberia primarily imports pharmaceuticals, building materials, electrical appliances and kitchen utensils as well as children's toys.

The UAE is Liberia's third largest trading partner. Imports from the UAE are primarily in tobacco, beverages, mineral water, and other food stuffs.

Exports

Figure 4. Composition of imports, USD, f.o.b



	Q1 2013	Q2 2013	Q3 2013
Rubber	27,675,771	14,579,999	12,063,578
Iron Ore	69,481,420	88,730,621	63,762,109
Logs	14,059,854	2,243,261	4,021,297
Rubber Wood	1,737,938	285,515	807,037
Cocoa Beans	40,000	1,209,000	1,418,250
Heavy Scrap Metal	611,625	656,100	484,125
Cam Wood	5,625	13,586	39,256
Sawn Timber	0	227,000	0
Palm Oil	11,750	165,946	51,705
Coffee Beans	65,000	0	9,000

Source: MoCI Division of Trade, 2013

Exports in the first three quarters of 2013 are 11 percent higher than in the previous year due to an expansion in iron ore exports. Export FOB value for the first three quarters of 2013 was US\$293 million compared to US\$265 in 2012.

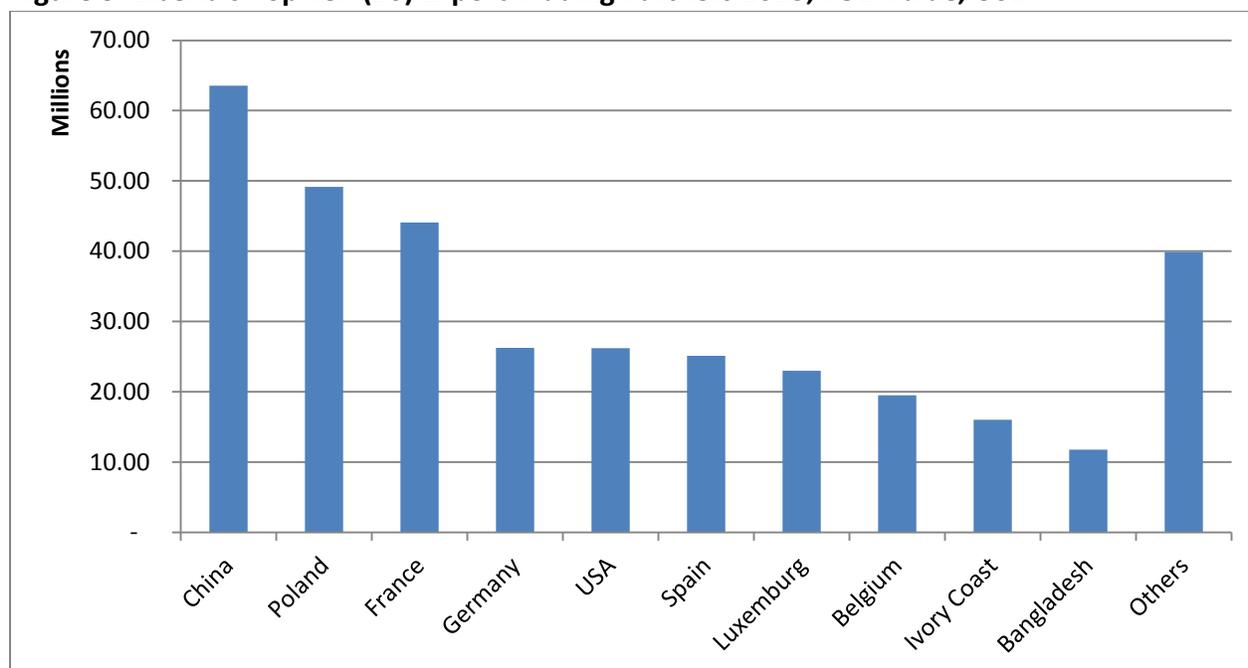
Rubber declined substantially compared to the previous year as a result of replanting of aging trees in Liberia's largest rubber concession. Rubber exports peaked in Q1 2012 at US\$60.5 million compared to a low of US\$3.6 million in Q3 2012. Reports from Firestone Tire and Rubber company indicate that this is due to aging rubber trees needing replacing and a lower international market price for rubber.

The expansion in iron ore extraction has offset the decline in rubber to become Liberia's most important export commodity. The gradual increase in exports by ArcelorMittal has almost entirely offset the fall in rubber and log exports. Total exports have risen from US\$49 million in Q1 2012 to US\$88.7 million in Q2 2013.

Exports of logs are down as a result of the moratorium on log exports forested under Private Use Permits (PUPs). Total log exports for the first three quarters of 2013 were US\$8.9 million compared to US\$34 million in 2012.

Rubber wood exports decreased by 43 percent compared to 2012. The closure of the Buchanan renewables rubber chip factory leaves Firestone as the only remaining exporter.

Figure 5. Liberia's Top Ten (10) Export Trading Partners 2013, FOB Value, USD



Source: MoCI Division of Trade, 2013

For the last two years China has been Liberia's largest export trading partner. Liberia's total exports to China is US\$63,557,775 which makes up 18 percent of the total export. Liberia's major exports to China are iron ore, cam wood, and logs.

Poland and France are now Liberia's second and third largest export partners. Poland similarly imports iron ore, cam wood and logs. Whereas France imports logs, iron ore and rubber.

The USA is now fifth as a destination for Liberian exports, reflecting the declining production of rubber. The USA remains an important export destination

ⁱ The following goods are covered by Ministry of Commerce Import Permit Declarations and therefore feature in MoCI trade data: Fresh or frozen meat and meat products, including poultry, Fresh and frozen fish and crustaceans, Fresh and frozen vegetables and tubers (excluding canned, preserved, or dried), Fresh fruits and nuts (excluding canned, preserved, or dried), Dairy produce, including milk, cream, butter, cheese and eggs, Bottle water and alcoholic beverages, Products of the milling industry, including rice, flour and starches, Live animals, all types, Prescription medicines/pharmaceuticals and biological substances, Specialized medical, dental, or veterinary apparatus and equipment, Inorganic and organic products of the chemical industry, chemical elements, acids, and chemicals, Fertilizers containing nitrates, Petroleum products, including crude and refined oil and petroleum gases, Explosives, pyrotechnics, fireworks, and combustible liquid or gas preparations, Military tanks and weapons, arms and ammunition; Hazardous waste; Building materials (including lime, cement, steel rods, plywood, PVC pipes, sheets of zinc, and ceramic flooring blocks).

The following goods are covered by Ministry of Commerce Export Permit Declarations and therefore feature in MoCI trade data: Rice, Petroleum Products, Pharmaceutical products; Cement.