

Ministry of Commerce & Industry

2015 Annual Trade Bulletin



Good policy for trade
Revitalizing the economy
Opening up the private sector
Work opportunities for the future



MoCI Annual Trade Bulletin

**1 Jan 2015 – 31 Dec
2015**

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Ministry of Commerce and Industry

The Trade Bulletin is a product of the Ministry of Commerce and Industry using economic statistics collected from the Government of Liberia, Private Sector and International Institutions. The Bulletin is published annually and is intended to inform policy makers, businesses, the general public and consumers. For questions on methodological issues please visit www.moci.gov.lr or contact via email members of the Division of Trade Staff.

Highlights

- Real GDP Growth in 2015 is 0.3 percent, down from 0.7 percent in 2014.
- The current account deficit has widened in 2015, mostly due to a significant fall in exports, but also due to a slight increase in imports.
- Prices of essential commodities in USD have remained stable. However, the increase in the exchange rate from LD82.61 per 1USD in December 2014 to LD88.50 per 1USD in Dec 2015 hurts consumers who earn in LD.
- The supply of rice, cement and petroleum has been closely monitored by the Ministry and was sufficient to supply the market.
- The Ministry is promoting greater export diversification and import substitution.

Foreword



The 2015 Annual Trade Bulletin is a combination of narratives, figures, and economic data that, we believe, provides an informative trade perspective of the Liberian economy. Data used are gathered from various national and international sources, as well as internal data from the Ministry of Commerce and Industry.

In 2014, the Ebola Virus Disease Outbreak led to a sharp decline in economic growth and the Ministry of Commerce and Industry was forced to make several key interventions to ensure price stability and enough stock of essential commodities.

While 2015 could have marked an economic recovery, the decline in mining activity due to a drastic fall in commodity prices led to a stagnation of output. The commodity price slump also fundamentally challenged Liberia's economic growth model of relying on key commodity exports. As export revenues fell and imports increased, Liberia's current account deficit widened.

To counteract this trend, the Ministry of Commerce and Industry took specific action that will diversify the economy away from its historic dependency on commodity exports. Through the steps taken so far and future actions, I am convinced that we can successfully transition towards more inclusive economic growth fuelled by a dynamic private sector and a focus on agro-processing.

I am particularly proud that Liberia has joined the WTO as its 163rd member in December 2015. Our membership in the international trade community will help the very businesses who are driving our economic transformation bring their products to international markets.

As we look ahead, we remain committed to our transformation agenda. We will continue our efforts to further improve the business climate, making it easier for our businesses to export and do everything we can to spur inclusive economic growth.

Honorable Axel M. Addy
MINISTER
Ministry of Commerce and Industry

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ACRONYMS

| | |
|---------|---|
| ASYCUDA | Automated System for Customs Data |
| CIF | Cost Insurance and Freight |
| CBL | Central Bank of Liberia |
| CET | Common External Tariff |
| ECOWAS | Economic Community of West African States |
| EVD | Ebola Virus Disease |
| FAO | Food and Agriculture Organization |
| FDI | Foreign Direct Investment |
| GDP | Gross Domestic Product |
| IMF | International Monetary Fund |
| LD | Liberian Dollar |
| LFS | Labor Force Survey |
| MFDP | Ministry of Finance and Development Planning |
| MoCI | Ministry of Commerce and Industry |
| MSMEs | Micro, Small, and Medium Enterprises |
| NIC | National Investment Commission |
| USA | United States of America |
| USD | United States Dollar |
| UNDP | United Nations Development Program |
| UNCTAD | United Nations Conference for Trade and Development |
| WFP | World Food Program |

1.0 Summary Statistics

| Summary Statistics | 2014 | 2015 |
|-----------------------------------|--|--|
| Real GDP Growth | 0.7% | 0.3% |
| Nominal GDP, millions USD | 2,012 | 2,034 |
| Inflation, end of period | 9.9% (IMF) | 7.8% (IMF) |
| Exchange rate at end of year | USD 1: 82.50 LRD | USD 1: 88.5 LRD |
| Exports, FOB (million USD) | 587.1 | 312.5 |
| Imports, FOB (million USD) | 2,100.3 | 2,237 |
| Imports, FOB (% of GDP) | 104% | 110% |
| Exports, FOB (% of GDP) | 29% | 15% |
| Trade Balance (Million USD) | -1,513.20 | -1924.50 |
| Trade Balance (% of GDP) | -75% | -95% |
| Current Account, excl. grants | -1800.74 | -1777.72 |
| Current Account (% of GDP) | -89.5% | -87.4% |
| Largest trading partner (Imports) | USA | Japan |
| Largest trading partner (Exports) | China | China |
| Main agricultural products | Rubber, Coffee, Cocoa, Rice, Cassava, Palm oil | Rubber, Coffee, Cocoa, Rice, Cassava, Palm oil |
| Main manufactured goods | Furniture, cement, flour, candles, basic chemicals, biscuits, metallic products, plastic products, sanitary tissue | Furniture, cement, flour, candles, basic chemicals, biscuits, metallic products, plastic products, sanitary tissue |
| Main exports | Iron ore, Rubber, Logs, Diamonds, Cocoa Beans, Sawn Timber, Cam wood, Rubber wood | Iron ore, Rubber, Logs, Diamonds, Cocoa Beans, Sawn Timber, Cam wood, Rubber wood |
| Main imports | Fuels, rice, other foodstuffs, machinery, electronics, transport equipment | Fuels, rice, other foodstuffs, machinery, electronics, transport equipment |
| Human Development Index | 0.430 (177th in the world) | Not available |

Table 1.0: Summary Statistics

Sources: Central Bank of Liberia; DoT, MoCI (2015), IMF, UNDP HDI 2015

2.0 Ranking in International Reports

Liberia remains in the lowest quarter in all key international reports. No significant changes noted in comparison to the previous year.

| Report | Liberia's Rank | Best in Mano River Union (Rank) | Best Internationally |
|---|----------------|---------------------------------|----------------------|
| The Global Information Technology Report (2016) | 130 | Côte d'Ivoire (72) | Singapore |
| Doing Business Report (2016) | 174 | Côte D'Ivoire (142) | Singapore |
| Human Development Index (2014) | 177 | Côte D'Ivoire (172) | Norway |
| World Happiness Report (2016) | 150 | Sierra Leone (111) | Denmark |
| Legatum Prosperity Index (2016) | 133 | Côte D'Ivoire (123) | New Zealand |
| The Global Enabling Trade Report (2014) | 137 | Côte D'Ivoire (126) | Singapore |
| The Global Competitiveness Report (2015-2016) | 129 | Côte D'Ivoire (91) | Switzerland |

Table 2.0 Ranking in International Reports; Sources: Various Reports

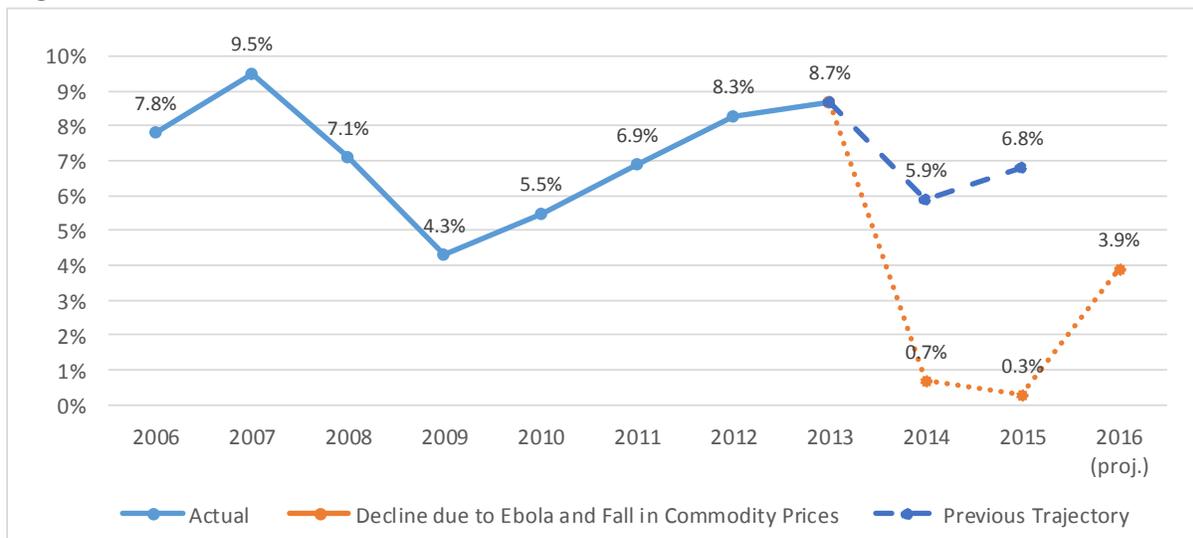
3.0 Commerce and Industry

3.1 GDP Growth

Liberian output stagnated in 2015 due to low commodity prices and the Ebola Virus Disease (EVD) outbreak. However, an improvement for 2016 is expected.

- The Real GDP growth rate for 2015 is estimated at 0.3 percent, down from 0.7 percent in 2014. This further decline is largely attributed to the EVD outbreak, which paralyzed the Liberian economy and the collapse in key commodity prices.
- The decline in growth is driven particularly by the decline in activity in the mining sector, which contracted from USD 131.1M to 102.2 in output. Most other sectors remained stable and the services sector even grew by 5 percent, as discussed in more detail in the following section.
- Growth in 2016 is projected at 3.9 percent and is expected to be driven by all the major sectors, as economic activity regains momentum after the Ebola crisis. However, the expected protracted slump in global iron ore and rubber prices is likely to contribute to a further decline in the mining sector throughout 2016.

Figure 3.1 Liberian Real GDP Growth Rate (2006 -2016)



Sources: Liberia: Post-Ebola Economic Recovery Plan, MFDP, CBL

3.2 Sectoral Decomposition of Output

Decline in GDP growth is particularly driven by mining sector. Forestry, manufacturing and service sectors grow in 2015.

- As can be seen from Table 3.1, the decline in growth is driven particularly by the decline of the mining sector. The mining sector contracted from USD 131.1M to 102.2 of output in 2015. Agriculture and Fisheries also slightly shrank in output in 2015. The remaining sectors, Forestry, Manufacturing and Services grew by 6, 5 and 5 percent respectively over the year of 2015.

| Sectoral Contribution to GDP | 2013 | 2014 | 2015 | 2016* |
|------------------------------|--------------|--------------|--------------|--------------|
| Total Real GDP | 891.7 | 894.7 | 898.9 | 934.3 |
| Agriculture & Fisheries | 225.1 | 218.6 | 214.4 | 217.5 |
| Forestry | 90.9 | 89.1 | 94.7 | 96.6 |
| Mining & panning | 119.4 | 119.4 | 102.2 | 101.2 |
| Manufacturing | 65.0 | 64.5 | 68.4 | 76.1 |
| Services | 391.4 | 403.1 | 419.2 | 442.9 |

Table 3.1 Sectoral Origin of GDP, at 1992 Constant Prices in Millions of USD

Source: Liberian Authority, CBL and IMF Staff Estimates and Projections (In Millions of USD);
*Projections

- Table 3.2 below represents the trends in the performance of key industrial sector development in Liberia over a period of five and years from 2011 to mid-2015 in more detail. The agriculture and manufacturing sectors produced major industrial outputs with mixed results between the period of 2011 and mid-2015. Total cement production was 729,837 metric tons with an annual average output of 145,967 metric tons from 2010 to 2014. Cement output grew by 265.1 per cent to 261,926 metric tons in 2014, from 71,733 metric tons recorded in 2010. The growth in cement production was on account of construction activities in the country. Flour production totaled 703,629 kilograms with an annual average of 175,907 kilograms from 2010 to 2014.
- Overall, table 3.2 also points out that not all sectors were equally affected by the outbreak of EVD. Whereas

Table 3.2 Key industrial outputs (2011-2015)

| Commodity (Unit) | 2011 | 2012 | 2013 | 2014 | 2015* | Total | 2010-2014 Average |
|-----------------------------|------------|------------|------------|------------|------------|-------------|-------------------|
| Cement (MT) | 80,594 | 121,592 | 193,992 | 261,926 | n/a | 729,837 | 121,640 |
| Flour (KG) | - | 207,714 | 260,122 | 205,344 | 30,449 | 703,629 | 117,272 |
| Rice (MT) | - | - | - | 82 | 224 | 306 | 153 |
| Eggs (Carton) | - | - | 1,266 | 4,451 | 2,069 | 7,786 | 2,595 |
| Fisheries (KG) | 10,960 | 23,140 | 46,360 | 10,940 | 12,460 | 107,680 | 17,947 |
| Vegetable Oil (Liter) | 7,692,260 | 10,064,300 | 14,412,660 | 11,994,990 | 7,224,650 | 65,514,080 | 10,919,013 |
| Snacks (Bag) | 18,450 | 65,283 | 88,050 | 75,318 | 49,597 | 296,698 | 49,450 |
| Bread (Bag) | 64,502 | 35,800 | 44,594 | 43,622 | 51,300 | 303,665 | 50,611 |
| Beverages (Liter) | 13,541,816 | 16,447,503 | 15,828,016 | 15,860,108 | 12,343,383 | 86,171,630 | 14,361,938 |
| Beverages (Carton) | 112,343 | 3,025,099 | 2,552,342 | 2,671,028 | 590,692 | 9,058,354 | 1,509,726 |
| Mineral Water (Liter) | 61,085,108 | 69,416,935 | 39,838,851 | 29,358,902 | 6,647,761 | 233,146,224 | 38,857,704 |
| Paints (Gallon) | 1,134,443 | 1,030,562 | 417,595 | 318,000 | 204,549 | 4,461,349 | 743,558 |
| Wood & Furniture (PCS) | 28,510 | 26,963 | 17,236 | 14,873 | n/a | 115,662 | 23,132 |
| Household Supplies (Carton) | 47,619 | 29,518 | 49,366 | 56,842 | 67,677 | 313,515 | 52,253 |
| Plastics (KG) | 244,112 | 311,440 | 1,520,488 | 482,766 | 79,914 | 2,638,720 | 527,744 |
| Tissues & Napkins (Carton) | 32,369 | 30,314 | 35,004 | 179,613 | 60,074 | 350,523 | 58,421 |
| Mattresses (PCS) | 142,000 | 132,005 | 139,225 | 122,078 | 88,864 | 746,201 | 124,367 |
| Roofing Sheets (PCS) | 7,457,608 | 4,456,466 | 5,293,168 | 290,181 | 190,667 | 23,858,503 | 3,976,417 |
| Buckets (PCS) | 191,200 | 214,812 | 414,100 | 19,256 | 4,584 | 1,062,452 | 177,075 |
| Oxygen Air (Bars) | 341 | 194 | 4,106 | 3,871 | 10 | 8,842 | 1,474 |

*Data for 2015 only up to mid-2015; Source: Bureau of Industry-MoCI

3.3 Agricultural Sector

In the agricultural sector, production of key crops recovered significantly following EVD related disruptions in 2014. A further recovery is expected for 2016.

- In 2014, the EVD outbreak had a serious impact on the agriculture and food sectors. Rice production in 2014 was estimated at about 266,000 tons, 4 percent below the average production throughout the previous 4 years.
- Agricultural production recovered in 2015. According to the, the 2015 aggregate rice (paddy) production was about 296 000 tons, 11 percent above the previous year's output and 6 percent above average.
- Cassava production is estimated to have increased by 9 percent in 2015, compared to the previous year. The recovery was supported by the intervention of GoL and international partners in supplying improved seeds, fertilizer and purchasing paddy rice from farmers.

Table 3.2 Liberian Rice Production in tons

| Crop | 2010-2014 Average | 2014 | 2015 | 2016 Forecast |
|--------------|-------------------|---------|---------|---------------|
| Rice (Paddy) | 284,000 | 266,000 | 286,000 | 290,000 |

Source: FAO/GIEWS Country Cereal Balance Sheets

3.4 Mining Sector

Iron Ore continues to be Liberia's most important export commodity but plummeted in 2015.

- Iron ore exports were valued at USD142.2 million in 2015, as compared with USD380.2 for 2014.
- Gold (ounce) production improved from 17,204 to 18,552,733.81 in 2015.
- Diamond (carat) production stood at 53,158 in September 2015, the most recent data available.

Table 3.2 Production of Key Commodities

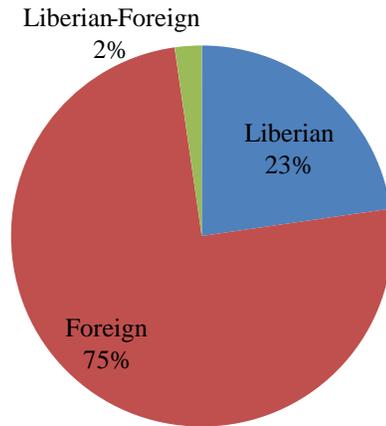
| Commodity | Unit | 2013 | 2014 | 2015 |
|-----------|--------------|--------|--------|---------|
| Iron Ore | USD Millions | 314.2 | 380.2 | 142.2 |
| Gold | Ounce | 18,869 | 19,938 | 9,205* |
| Diamonds | Carat | 47,819 | 74,882 | 53,158* |

Source: MoCI (Iron Ore), LEITI (Gold, Diamonds); * (Jan-Sept 2015)

3.5 Manufacturing Sector

The Manufacturing sector is dominated by foreign-owned businesses in terms of ownership and the sector with most firms is the beverages sector.

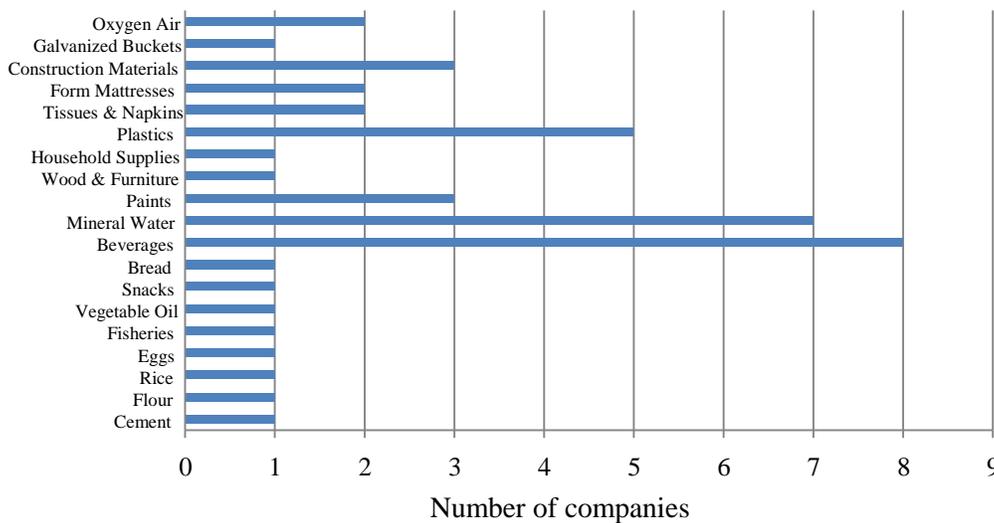
Figure 3.2 Business Ownership in Liberia by Nationality (2015);



Source: Bureau of Industry-MoCI

- A total number of 43 companies were assessed. As shown above, foreign national ownership accounted for most of the businesses assessed.

Figure 3.3 Distribution of Companies by Commodity Sector, Source: MoCI Bureau of Industry



- Companies involved in the sale and production of beverages account for the highest level in the economy followed by mineral water and plastics. There are also three companies in the construction materials and paints sectors, respectively. Oxygen air, foam mattresses, tissues and napkins continue to be produced in Liberia with a similar level of activity.

3.6 Investment

Investment is growing again, since many investors withdrew investment in 2014, due to the outbreak of Ebola.

Table 3.3: Annual FDI inflow in Liberia, in millions of USD

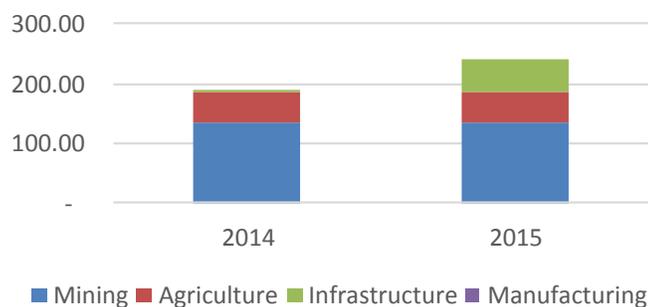
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------|-------|-------|-------|-------|--------|-------|--------|
| 283.8 | 217.8 | 450.0 | 508.0 | 984.6 | 1061.3 | 277.0 | 512.0* |

Source: UNCTAD World Investment Report 2016

* UNCTAD Estimate

- Data from the National Investment Commission shows that the increase in investment in 2015, relative to 2014 was mostly driven by infrastructure, particularly an investment by West Africa Exploration/ Sable Mining in Nimba/Bassa. However, NIC data are limited to investments which request investment incentives or those that require special considerations.

Figure 3.4 Investment by Sector in Millions



Source: NIC 2017

4.0 Prices, Exchange Rate and Inflation

Essential Commodities: Prices remained stable despite upward pressure

- The price of all major commodities denominated in US Dollars remained broadly stable over the period of 2015 due to strict government monitoring.
- The price of basic commodities recorded in Liberian Dollars rose over the year due to depreciation in the exchange rate against the US dollar; thus, impacting Liberian dollar income earners.
- Supply of rice on the Liberian market has been sufficient to meet demand due to interventions from the Ministry of Commerce and Industry to ensure importers store rice stocks for three months. However, the poor harvest hurt local production and disproportionately hurt those in rural areas, as road infrastructure still remains underdeveloped.
- Petroleum products importation increased in 2015 due to higher domestic demand.
- The IMF predicted an increase in gasoline prices. However, the market had responded by late 2015 with a stupendous fall in the price of crude oil.

Table 4.1: Prices of Essential Commodities (2015) in United States Dollars

| Month | Rice* | Cement | Eggs | | Petroleum Products | |
|-----------|-------|--------|-------|-------|--------------------|------|
| | | | White | Brown | AGO | PMS |
| January | 16.00 | 8.50 | 36.00 | 38.00 | 3.21 | 3.11 |
| February | 16.00 | 8.50 | 36.00 | 38.00 | 3.16 | 3.06 |
| March | 16.00 | 8.50 | 36.00 | 38.00 | 3.01 | 3.06 |
| April | 16.00 | 8.50 | 36.00 | 38.00 | 3.16 | 3.21 |
| May | 16.00 | 8.50 | 36.00 | 38.00 | 3.41 | 3.41 |
| June | 16.00 | 8.50 | 36.00 | 38.00 | 3.41 | 3.41 |
| July | 16.00 | 8.50 | 36.00 | 38.00 | 3.41 | 3.41 |
| August | 16.00 | 8.50 | 36.00 | 38.00 | 3.13 | 3.21 |
| September | 16.00 | 8.50 | 36.00 | 38.00 | 3.13 | 3.21 |
| October | 16.00 | 8.50 | 36.00 | 38.00 | 2.98 | 3.01 |
| November | 16.00 | 8.50 | 36.00 | 38.00 | 2.98 | 3.01 |
| December | 16.00 | 8.50 | 36.00 | 38.00 | 2.78 | 2.91 |

Source: Price Analysis & Marketing Division, MoCI, 2015;

* Rice is per bag of 25KG, 5% Broken

Exchange rate: Depreciation of the LD has decreased purchasing power for LD wages

- The USD buying rate at the end of 2015 is LD88.51: 1USD compared to LD82.6: 1USD at the end of December 2014 (CBL 2015 Annual Report). This has pushed up the cost of imported items for those earning and purchasing in LD. The depreciation has been occurring gradually and has accelerated in the last quarter of 2015.
- The cause of the depreciation is currently unclear but may be primarily due to excess liquidity of Liberian Dollars.
- Inflation was moderate despite the exchange rate pressure and low domestic food production. Annual inflation was recorded at 7.8 percent in 2015 compared to 9.9 percent in 2014.

CBL Monetary Policy: Interventions by CBL and MFDP aimed to address exchange rate depreciation

- The CBL has participated in open market operations to maintain a “managed float” within an exchange rate band. The Treasury bill program continued in 2015.
- The MFDP has increased the amount of tax collections which are payable in LD to reduce the pressure on the CBL to print new LD to finance the gap in expenditures and revenues.

Longer-term prospects for the exchange rate do not look promising, as the current account deficit deteriorates

- The current account deficit deteriorated to USD 1974.6 million (xx percent of GDP) in 2015, from \$ 1874.8 million (xx percent of GDP) in 2014.
- Trade balance deteriorated from a deficit of -75% of GDP to -95% of GDP in 2015, due to a sharp fall in price of iron ore and production and price of rubber (the country’s principal exports).
- The balances on net services and net income improved to deficits of USD852 (41.5 percent of GDP) and USD280 (13.6 percent of GDP) from deficits of USD1,003 (49.8 percent of GDP) and USD338 (16.9 percent of GDP), respectively in 2014. Balance on net current transfer reduced by 19.4 percent to 56.9 percent of GDP in 2015 from 72.1 percent in 2014.
- This fall was as a result of declines in the terms of trade and the net income of households.

- This situation will only be reversible if the government reduces bottlenecks faced by concessions, links concessions with the rest of the economy, provides opportunities for MSMEs to create more private sector jobs, makes trade easier through automated processes and invests in agriculture and agricultural processing, among others.

Basket of credit: Commercial Banks' Credits to the Economy

- Total credit to all sectors of the economy at end January 2016 stood at LD 30,931,620.17¹, reflecting a growth of 23.7 percent relative to the level recorded at end-December, 2014. With the exception of the Mining and Quarrying sector which declined by 8.9 percent relative to December, 2014, credits to all other sectors registered double digit growth rates.
- Credit to Manufacturing grew by 75.8 percent; Transportation, Storage & Communication by 42.2 percent; Agriculture by 21.8 percent; Construction by 13.2 percent; Trade, Hotel & Restaurant by 11.2 percent, and the “Others” Sector by 47.5 percent. The expansion in credit was mainly due to resumption in economic activities after the EVD crisis. In terms of share of total credit for the period, the private sector received the giant share of LD32,900.3 million (96.7 percent) while GoL and Public Corporations accounted for LD1,127.7 million (3.3 percent). The contribution of the private sector to credit growth reflects the growing activities in the sector which is necessary for a balanced and sustainable growth and development of the economy.

5.0 International Trade

5.1 Exports and Imports

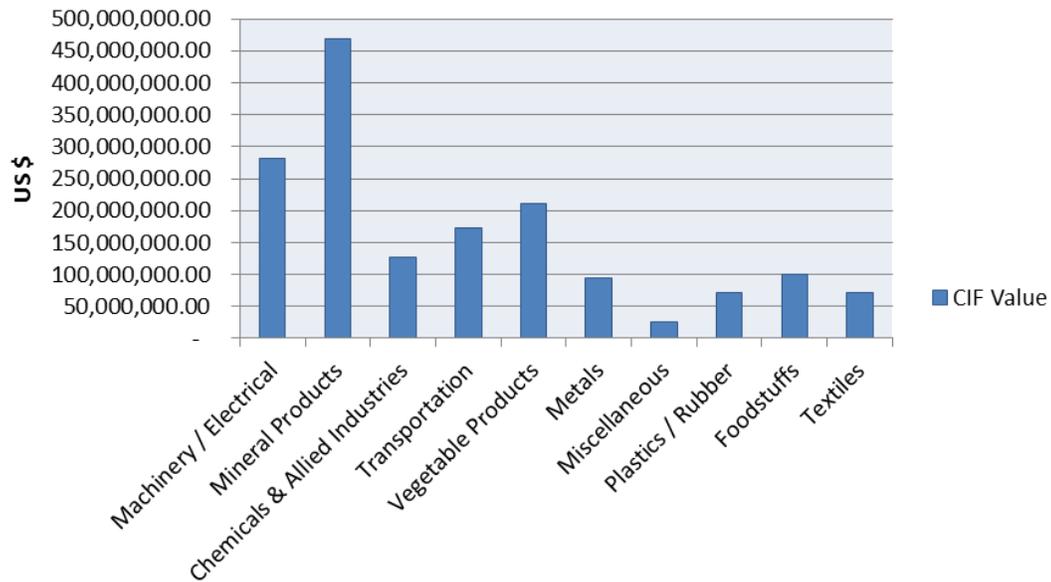
Imports increased significantly and exports decreased throughout 2015. Therefore, the substantial trade deficit widened.

- Sources for international trade data provided multiple figures for export and import.
- Using ASYCUDA and MoCI 2015 trade data, exports recorded showed a total FOB value of USD3,846,868,430.87 billion in 2015, with contributions from rubber (\$3 billion), iron ore (\$142 million), logs (\$51 million), diamonds (\$18 million), cocoa beans (\$10.6 million), etc.
- Export diversification slightly increased in 2015 with minimum contributions from coffee beans, sawn timber, palm oil, cam wood, etc. to the total export, relatively owing to the success gained in the fight against the EVD in the second half of 2014.

¹ Data for Dec-2015 not available

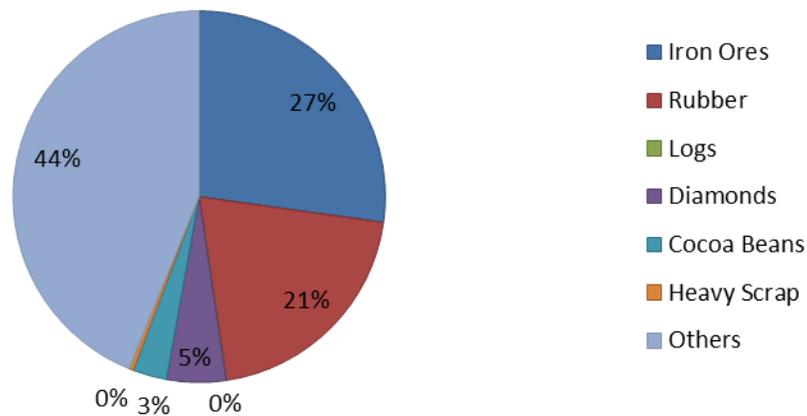
- According to ASYCUDA 2015 trade data, Liberia’s imports increased by 18 percent in 2015, from USD2,145,211,851 in 2014 to USD 3,092,885,556.26 in 2015. Note: ASYCUDA data include information on cost, insurance and freight.
- Machinery and Electricals constituted the highest import value, followed by Mineral products in 2015. This situation is due to the importation of heavy-duty equipment by mining and construction companies; as well as the demand for fuel.

Figure 5.1 Composition of Key Commodities Imported, Jan- Dec 2015



Source: ASYCUDA, LRA & DoT, MoCI 2015

Figure 5.2 Composition of Key Commodities Exported, Jan – Dec 2015



Source: ASYCUDA, LRA & DoT, MoCI 2015

5.2 Trade Infrastructure

Liberia has improved its trade infrastructure with four functional sea ports and two international airports.

- The Freeport of Monrovia is undergoing major renovation undertaken by APM terminals.
- Liberia now has two international airports and eight airstrips.

Table: 5.1 Liberia's Air and Sea Ports

| Location | Name | Type | Customs | Condition | Length |
|---------------------|----------------------|---------|---------|-----------|-----------|
| Maryland County | Port of Harper | Seaport | Yes | N/A | N/A |
| Monrovia | Freeport of Monrovia | Seaport | Yes | N/A | N/A |
| Grand Bassa | Port of Buchanan | Seaport | Yes | N/A | N/A |
| Sinoe County | Port of Greenville | Seaport | Yes | N/A | N/A |
| Bafu Bay | Bafu Bay | Airport | No | Unpaved | 2,900 ft |
| Bomi County | Bomi Hills | Airport | No | Unpaved | 3,600 ft |
| Buchanan | LAMCO | Airport | No | Unpaved | 2,700 ft |
| Buchanan | Buchanan | Airport | No | Unpaved | 3,400 ft |
| Grassfield, Nimba | Nimba-LAMCO | Airport | No | Unpaved | 6,000 ft |
| Greenville | Sinoe | Airport | No | Unpaved | 4,400 ft |
| Harper, Maryland | Cape Palmas | Airport | No | Unpaved | 3,200 ft |
| Margibi County | Roberts Intl | Airport | Yes | Paved | 11,000 ft |
| Monrovia | Spriggs Payne | Airport | Yes | Paved | 6,000 ft |
| Tchien, Grand Gedeh | Tchien | Airport | No | Unpaved | 6,000 ft |

5.3 Trading Partners

Trading partner: Japan (Imports) and USA (Exports) are Liberia's biggest trading partners.

- According to ASYCUDA 2015 trade data, Liberia's biggest trading partner in terms of imports is Japan, which had a total import CIF (cost, insurance and freight) value of USD1,312,230,467.05, constituting 42.43 percent of Liberia's total imports. The second most important trading partner in terms of imports is Côte D'Ivoire. Liberia traded (imports) with Japan in New and Used Vehicles, Spare Parts, Pharmaceuticals, Machineries, etc. while trade with the Cote D'Ivoire was particularly in petroleum products.
- Liberia's most important trading partner as per exports are the United States of America with a total export FOB value of USD3,535,968,983.08. The United States is followed by

China. Liberia traded (export) with the United States in rubber, transport vehicles, vegetable products, while Liberia traded with China in Iron Ore, miscellaneous, logs, textiles, and pharmaceuticals.

5.4 Tariffs and regulation

Average tariffs in Liberia remain below ECOWAS and new regulations have made it easier to import and export.

- According to ASYCUDA, in 2015, Liberia's average trade weighted applied tariff rate is 5.3 percent. This is due to low (or zero) tariffs on important imports such as rice, cement and agricultural inputs. This is the lowest in the ECOWAS region.
- Liberia anticipated implementing the ECOWAS CET rates in 2015. The process of ratification delayed the implementation. However, Liberia still maintained a lower average trade weighted applied tariff rate below other ECOWAS member states.
- The proposed ECOWAS CET will increase Liberia's simple average tariff rate to 13.6%.

Table 5.2 Liberia's average tariff compared to ECOWAS CET

| Description | Average Statutory tariff | Average with waivers | Import share (2011) | Applied tariff (2011) | Proposed ECOWAS CET |
|------------------------------|--------------------------|----------------------|---------------------|-----------------------|---------------------|
| Animal and animal products | 7.8 | 7.6 | 5.0 | 5.9 | 19.1 |
| Vegetable products | 9.1 | 9.0 | 25.6 | 0.6 | 15.4 |
| Foodstuffs | 13.9 | 13.9 | 6.1 | 16.3 | 23.0 |
| Mineral | 8.6 | 8.2 | 2.4 | 8.4 | 7.1 |
| Mineral Fuels | 9.1 | 3.0 | 24.3 | 7.9 | 6.3 |
| Chemical & Allied Industries | 7.0 | 7.0 | 2.9 | 8.0 | 8.1 |
| Plastics/rubbers | 9.0 | 9.0 | 2.4 | 5.8 | 11.9 |
| Raw hides | 14.0 | 14.0 | 0.1 | 23.3 | 13.3 |
| Wood and wood products | 14.6 | 14.6 | 1.0 | 9.2 | 12.0 |
| Textiles | 14.0 | 14.0 | 1.8 | 9.4 | 18.8 |
| Footware/Headgear | 15.2 | 15.2 | 0.5 | 14.5 | 19.7 |
| Stone/glass | 12.4 | 12.4 | 0.8 | 5.9 | 15.1 |
| Metals | 6.2 | 6.2 | 4.5 | 3.6 | 14.5 |
| Machinery/electrical | 8.2 | 7.9 | 11.8 | 3.7 | 8.8 |
| Transportation | 8.8 | 7.8 | 9.7 | 5.0 | 10.0 |
| Misc. | 16.1 | 16.1 | 1.1 | 12.7 | 14.0 |
| Total average | 10.1 | 9.9 | | 5.3 | 13.6 |

Appendix 1 – Trading Partners

| Top Import Trading Partners by Region, CIF Value USD (Jan-Dec 2015) | |
|---|-------------------------|
| EU COUNTRIES | 229,632,371.93 |
| <i>United Kingdom</i> | 76,536,070.10 |
| <i>Turkey</i> | 57,937,799.49 |
| <i>Denmark</i> | 47,327,372.09 |
| <i>Netherlands</i> | 47,831,130.25 |
| NORTH AMERICA | 167,742,286.51 |
| <i>United States of America</i> | 167,742,286.51 |
| ASIA | 1,713,790,470.33 |
| <i>Japan</i> | 1,312,230,467.05 |
| <i>China</i> | 222,167,236.11 |
| <i>India</i> | 179,392,767.17 |
| MIDDLE EAST | 79,973,677.98 |
| <i>UAE</i> | 79,973,677.98 |
| ECOWAS | 410,562,515.90 |
| <i>Cote D'Ivoire</i> | 410,562,515.90 |
| OTHERS | 491,184,233.61 |

Table 6.1 Top Import Trading Partners

| Top Export Trading Partners by Region, FOB Value USD (Jan-Dec 2015) | |
|---|----------------------|
| EU COUNTRIES | 77,864,544.99 |
| <i>France</i> | 16,282,958.00 |
| <i>Poland</i> | 28,257,043.00 |
| <i>Spain</i> | 29,865,365.37 |
| <i>Netherlands</i> | 3,459,178.62 |
| NORTH AMERICA | 1,572,378.37 |
| <i>United States of America</i> | 1,572,378.37 |
| ASIA | 66,741,937.50 |
| <i>China</i> | 60,958,834.58 |
| <i>Malaysia</i> | 5,983,102.92 |
| MIDDLE EAST | 37,009,566.70 |
| <i>Pakistan</i> | 37,009,566.70 |
| ECOWAS | 57,776,916.24 |
| <i>Ghana</i> | 24,127,688.93 |
| <i>Sierra Leone</i> | 33,649,227.31 |
| OTHERS | 71,506,481.64 |

Table 6.2 Top Export Trading Partners

Note: According to 2015 ACYSUDA data, USD54,539,422.14 of exports without destination.

Figure 6.1. Liberia's Top Ten Export Trading Partners by FOB Value (USD), (Jan-Dec. 2015)

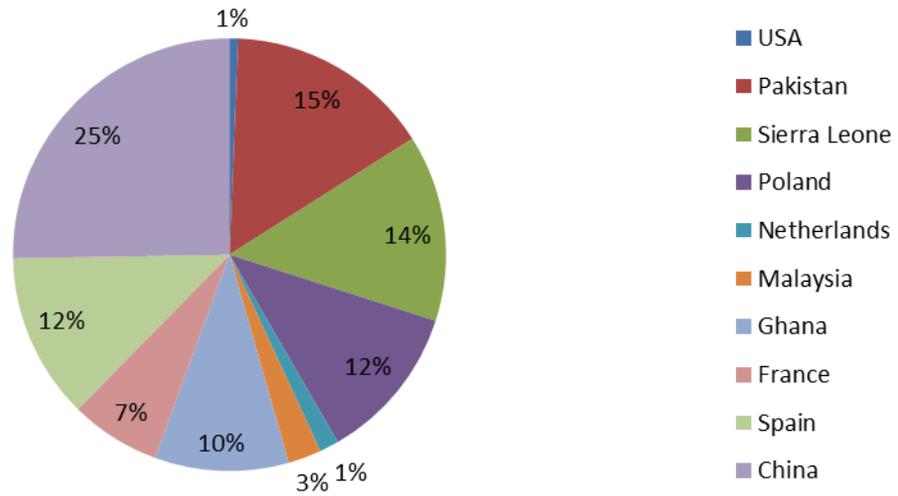
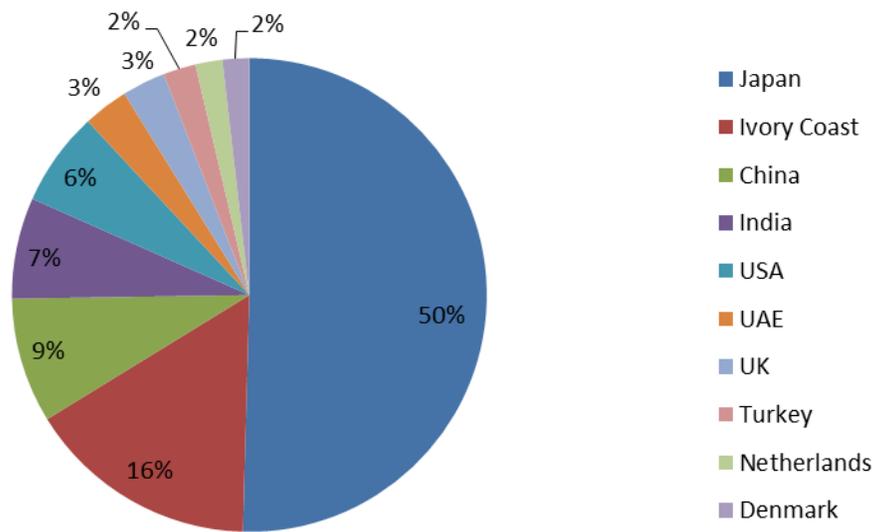


Figure 6.2 Liberia's Top Ten Import Trading Partners by CIF value (USD) (Jan – Dec. 2015)



Appendix 2 – Top 10 Major Importer (Businesses)

| Top Ten (10) Major Importers | | CIF Value (USD) |
|------------------------------|---|-----------------|
| 1 | TOTAL LIBERIA INC. CORPORATION U.N. DRIVE MONROVIA, LIBERIA | 120,342,499.60 |
| 2 | SUPPLYING WEST AFRICA TRADERS INC (SWAT) SAYON TOWN, BUSHROD ISLAND MONROVIA, LIBERIA | 70,720,798.39 |
| 3 | AMINATA & SONS, INC. AMINATA HOUSE MECHILIN & ASHMUN STREETS MONROVIA, LIBERIA | 53,038,857.23 |
| 4 | MONROVIA OIL TRADING CORP (MOTC) PST BUSHROD ISLAND MONROVIA, LIBERIA | 44,880,776.63 |
| 5 | WEST OIL INVESTMENT LPRC COMPOUND BUSHROD ISLAND, LIBERIA | 41,266,605.75 |
| 6 | UNITED COMMODITIES INC. (UCI) FREEPORT, BUSHROD ISLAND MONROVIA, LIBERIA | 32,031,370.98 |
| 7 | FOUANI BROTHERS CORP. CORPORATION VAI TOWN P.O. BOX 1299 MONRVIA, LIBERIA | 30,861,747.31 |
| 8 | BEA MOUNTAIN MINING CORPORATION CONGO TOWN MONROVIA, LIBERIA | 30,482,338.54 |
| 9 | ARCELORMITTAL LIBERIA 15 TH STREET, SINKOR MONROVIA, LIBERIA | 28,377,284.16 |
| 10 | NP (LIBERIA) LTD. S & G BLDG. CAREY ST. MONROVIA, LIBERIA | 20,368,492.94 |

Table 6.3 Top 10 Importers

Source: ASYCUDA, LRA 2015

Appendix 3 – Top 10 Traded Commodities

Table 6.4 Top 10 Commodities Imported, Jan – Dec 2015

| Import Description | HS Code | Value (USD), 2015 |
|---------------------------------|---|-------------------|
| Mineral Products | 27.10 | 469,681,059.20 |
| Machinery/Electrical | 85.35, 85.02, 84.79, 85.36, 84.60, etc. | 281,670,333.66 |
| Vegetable Products | 15.11, 12.07, 09.01, 12.09, 07.08, etc. | 210,015,776.54 |
| Transportation | 89.01, 87.12, 87.08, 87.14, 89.07, etc. | 171,983,886.40 |
| Chemicals and Allied Industries | 31.05, 38.08, 34.03, 38.24, 32.14, etc. | 126,100,832.58 |
| Foodstuffs | 21.06, 18.06, 19.05, 20.09, 19.01, etc. | 100,970,961.04 |
| Metals | 76.06, 76.04, 76.06, 76.16, 83.01, etc. | 95,157,194.60 |
| Textiles | 61.06, 55.15, 62.11, 63.09, 63.05, etc. | 71,815,899.48 |
| Plastics/Rubbers | 40.16, 39.23, 40.11, 39.25, 39.17, etc. | 71,467,669.97 |
| Miscellaneous | 94.01, 94.06, 90.13, 94.03, 92.09, etc. | 24,624,135.02 |

Source: ASYCUDA, LRA 2015

Figure 6.3 Top 10 Commodities Imported (Shares), 2015

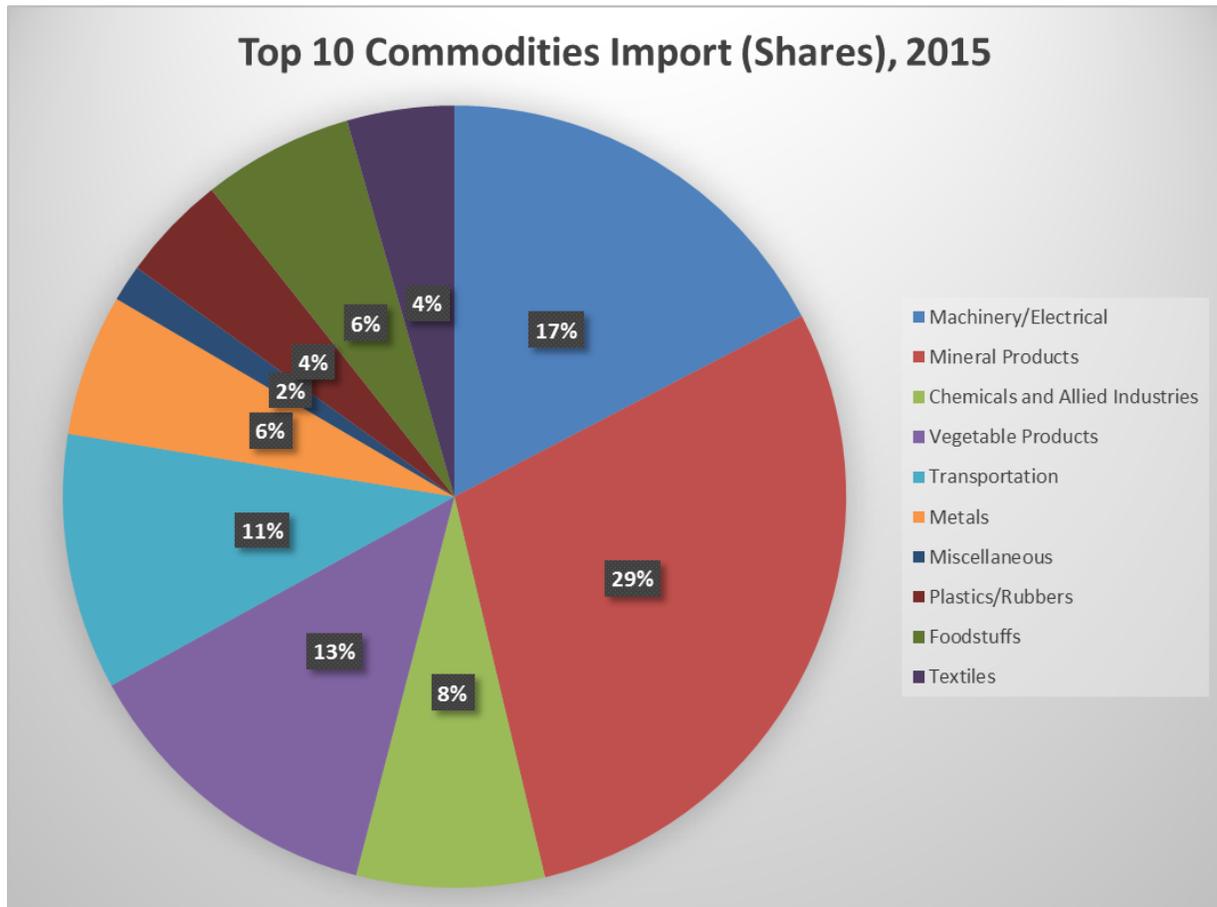
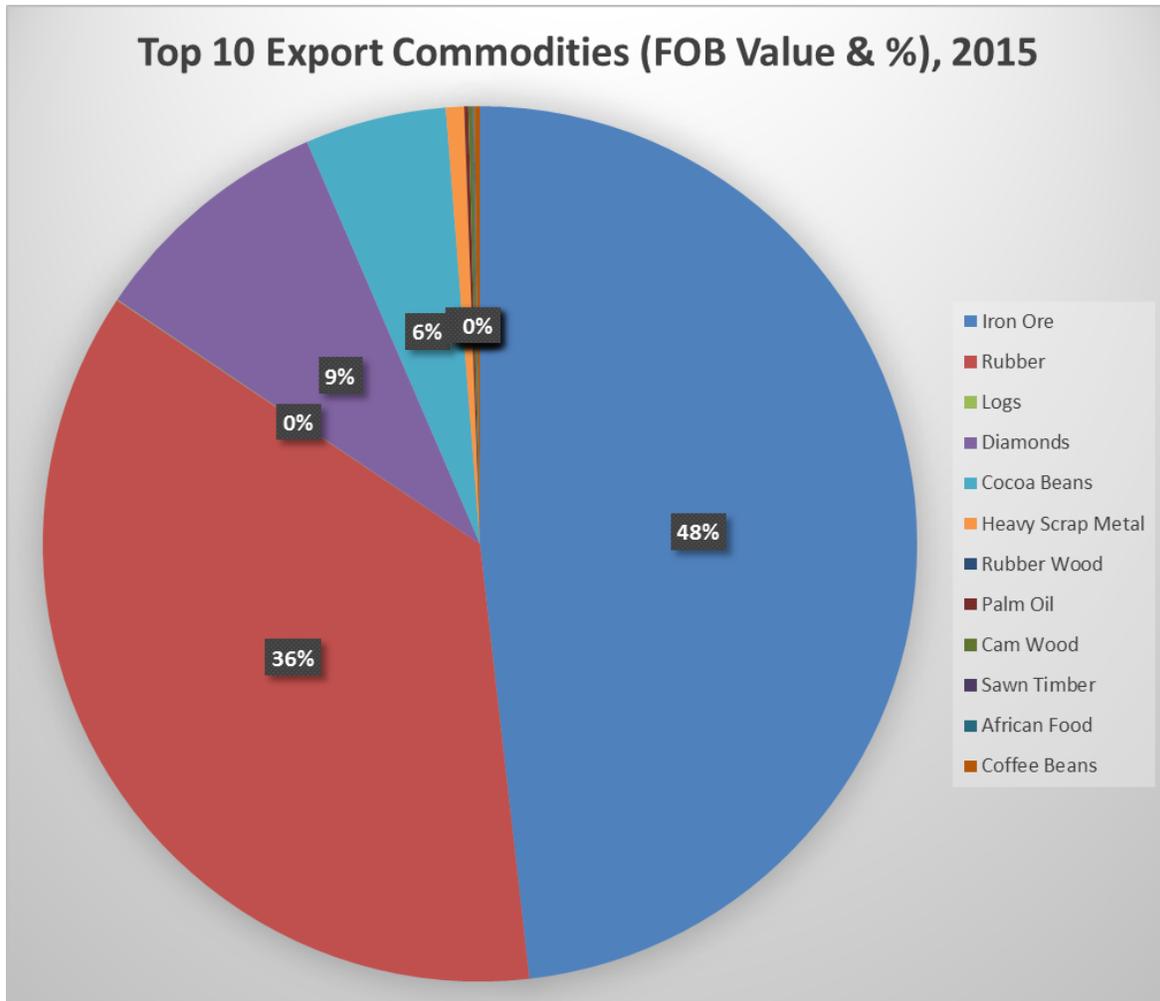


Table 6.5 Top 10 Commodities Exported, Jan – Dec 2015

| Description | HS Code | FOB Value (USD) |
|-------------------|----------------------------------|-----------------|
| Iron Ore | 26.01 | 98,298,909.50 |
| Rubber | 40.01, 40.02 | 73,856,779.76 |
| Diamonds | 71.02 | 18,552,733.81 |
| Cocoa Beans | 18.01 | 10,638,600.00 |
| Heavy Scrap Metal | 73.03 | 1,369,875.00 |
| Coffee Beans | 18.01, 09.01 | 419,600.00 |
| Cam Wood | 44.01, 44.07, 12.11 | 316,864.50 |
| Palm Oil | 15.13 | 301,581.00 |
| African Food | 20.08, 16.04, 17.02, 08.02, etc. | 83,644.97 |
| Sawn Timber | 44.01 | 57,143.32 |
| Logs | 44.01 | 51,326.52 |
| Rubber Wood | | - |

Source: Division of Trade, MoCI & ASYCUDA, LRA 2015

Figure 6.3 Top 10 Commodities Exported (Shares), 2015



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