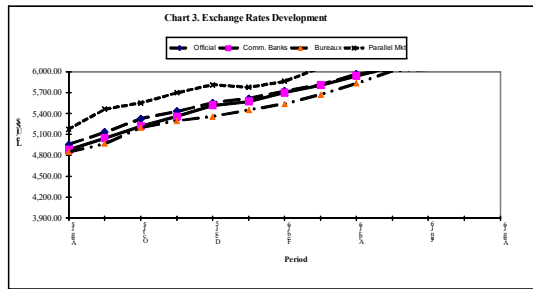




Advances and the Le68.05bn increase in holdings of Government Treasury Bills by commercial banks. Consequently, Budget Financing by the Banking System increased by 2.15 percent (Le67.34bn) but was however lower than the 3.05 percent (Le92.58bn) growth recorded in July 2016. Credit to the Private Sector by Deposit Money Banks remained sluggish with a marginal growth of 0.15 percent relative to the 0.97 percent growth in July 2016. Reserve Money also contracted 4.69 percent contrary to the 2.64 percent growth recorded in July 2016. The contraction in RM could be partly attributed to Sterilization by Bank of Sierra Leone (BSL) in respect of the wholesale Foreign Exchange Auction. The interest rates on Banks' deposits and lending rates generally remained unchanged. The monthly average interest rates on Savings 1-month, 3-months, 6-months, 9-months and 12-months' time deposits stayed at 2.54 percent, 2.80 percent, 3.02 percent, 4.28 percent, 3.38 percent and 5.80 percent, respectively. The average lending rates of commercial banks stayed at the range of 18.23 percent to 24.95 percent. Yields on short tenure of Government securities increased, while those on the long tenure slightly declined. Annual yields on 3-months and 6-months treasury bills increased from 5.73 and 8.94 percent in July, 2016 to 6.36 and 10.19 percent in August, 2016 respectively, while that on 12-months slightly contracted from 17.89 percent to 17.29 percent. Interest rates on 12-months and 24-months treasury bonds remained at 5 percent and 14.38 percent, respectively.



market, Commercial Banks and the Bureaux market which depreciated by 1.84 percent to Le6,278.35/US\$1, 1.66 percent to Le6,652.51/US\$1 and 1.04 percent to Le6,210.24/US\$1, respectively. The auction rate however appreciated marginally by 0.21 percent to Le6,026.29/US\$1 during the period under review. The premium between the Official and the Parallel rates widened by 19.05 percent from Le679.54/US\$1 in the preceding month to Le809.02/US\$1 in the review period.

International Reserves

Gross External Reserves of the Bank of Sierra Leone decreased to US\$529.20mn (4.41%), from US\$553.62mn recorded in the previous month. This development was on account of increased outflows of US\$31.34mn which outweighed inflows of US\$7.78mn, indicating a net outflow of US\$23.56mn. Foreign exchange inflows amounted to US\$7.78mn during the month compared to the US\$71.05mn recorded in July 2016. The inflows largely constituted export receipts amounting to US\$5.64mn, of which US\$3.16mn was royalty payments from Sierra Rutile. Other foreign exchange inflows during the month amounted to US\$1.71mn. Foreign exchange outflows amounted to US\$31.34mn during the month. The major outflows included Bank of Sierra Leone's sales of foreign exchange in the interbank market amounting to US\$16.40mn, other government expenditure (US\$8.48mn), printing of domestic currency (US\$1.53mn), Embassies/Missions payments (US\$1.32mn) and Debt Service payment to various creditors amounting to US\$0.93mn.

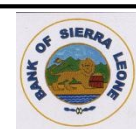
Exchange Rates Developments

The Leone continued to depreciate against all major currencies in August 2016. It depreciated against the US Dollar in all segments of the foreign exchange market with the exception of the auction rate, which continued to exhibit marginal appreciation. This development was explained by excess demand for foreign exchange against the backdrop of low supply. On the buying front, the exchange rate in the Parallel market, depreciated the highest by 3.58 percent to Le6,963.04/US\$1; while the Commercial Banks, Official markets and the Bureaux depreciated by 3.28 percent to Le6,322.69/US\$1; 1.8 percent to Le6,154.03/US\$1 and 0.98 percent to Le6,136.83/US\$1, respectively. Similarly, on the selling front, the Parallel market depreciated the highest by 3.07 percent to Le7,036.96/US\$1, followed by the Official



Notes: n.a - Not Available
 ** - Nil
 N/A - Not Applicable
 R - Revised
 + - Provisional

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Highlights

Macroeconomic performance was weak during the month of August 2016. Inflationary pressures continued during the review period, recording 10.84 percent in August 2016, from 10.53 percent recorded in July 2016. Notwithstanding the significant decline in total expenditure, overall fiscal deficit deteriorated further from Le159.93bn in July 2016 to Le203.13bn in August 2016, attributable to a marked decline in domestic revenue mobilization, coupled with a significant decline in external grants received during the reporting month. The monthly average exchange rate of the Leone to the United

States Dollar continued to depreciate in all the exchange rate markets, except in the auction market which appreciated marginally. Outturns in monetary aggregates contracted during the review month, with Broad Money (M2) and Reserve Money (RM) contracting by 0.99 percent and 4.69 percent, respectively. Gross external reserves position of the Central Bank decreased by 4.41 percent from US\$553.62mn at end July 2016 to US\$529.20mn at end August 2016, due to total outflows of US\$31.34mn far outweighing total inflows of US\$7.78mn. Major socio-economic events witnessed during the month of August 2016 were: Bank of Sierra Leone observed its 52 years of successful central banking services on 4th August 2016. To further strengthen the country's energy sector, the Government of Sierra Leone signed a US\$78.0 million loan agreement with the Export and Import (EXIM) Bank of India on 11th August 2016,

Real Sector

aimed at financing the construction of a transmission line from Bumbuna Hydro Dam II to Freetown and to build sub-stations to deliver electricity to various towns and communities along the line. Output from the manufacturing sector posted mixed trends during the month under review. Production levels increased for Beer & Stout, Acetylene, Paint and Oxygen while Cement and Soft Drinks recorded declines in their levels as a result of the slow pace in economic activities in Sierra Leone. Production of Acetylene and Beer & Stout grew by 68.14 percent

	PRODUCTION												
	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	
Mineral													
Diamonds ('000 Carats)	31.33	63.06	23.93	11.92	43.82	57.29R	54.81	66.04	4.75	84.69	79.49	19.49	
Industrial ('000 Carats)	0.96	10.40	1.04	4.05	6.42	1.21	7.81	10.41	1.96	11.75	9.96	6.51	
Gem ('000 Carats)	30.37	52.66	22.89	7.67	37.80	56.07	46.99	55.63	2.79	73.45	69.53	12.98	
Bauxite ('000 MT)	102.20	190.02	**	**	**	116.64	101.00	111.07	129.74	123.42	128.72	130.40	
Rutile ('000 MT)	12.02	12.01	**	**	**	7.69	8.58	10.51	10.42	10.75	13.46	14.40	
Ilmenite ('000 MT)	3.62	3.53	**	**	**	1.73	1.56	**	1.54	0.75	2.73	2.90	
Gold (Ounces)	3.58	98.01	338.85	353.69	74.05	180.86	127.98	222.06	715.77	372.35	1055.31	645.26	
Agriculture													
Coffee (Metric Tons)	**	**	**	**	**	**	464.26	413.34	556.09	364.94	185.00	**	
Cocoa (Metric Tons)	**	**	**	**	**	710.76	260.09	38.09	161.24	124.25	**	**	
Manufactured Goods													
Beer and Stout ('000 cins)	80.10	74.05	75.80	78.65	83.00	77.99	88.54	79.45	80.90R	85.92	31.33	57.90	
Maltina ('000 Cartons)	36.44	25.98	26.88	26.79	24.02	23.98	21.87	15.60	19.80R	21.00	20.70	23.90	
Soft drinks ('000 Crates)	178.09	87.21	81.14	78.97	104.04	105.98	101.35	100.08	105.90R	81.69	69.97	78.66	
Cement ('000 MT)	27.32	21.35	23.44	26.00	32.10	25.67	24.32	27.57R	30.90R	28.40	29.80	25.60	
Paint ('000 Gallons)	34.00	34.01	32.98	30.88	26.40	24.45	25.98	20.87	16.00	19.80	16.90	14.65	
Acetylene ('000 Cu Ft)	19.90	18.00	26.00	24.56	26.14	16.00R	14.00R	12.00	11.500	13.69	17.60	12.45	
Oxygen ('000 Cu Ft)	35.10R	39.00	44.50	32.46	30.27	41.00R	36.00R	48.00	41.50	41.90	45.87	27.50	
Confectionery ('000 Lb)	232.70R	212.28	300.43	399.45	300.11	290.08	293.54	293.30	289.72	285.09	277.90	267.98	
Common Soap ('000MT)	58.06R	35.90	47.17	78.97	56.01	54.50	8.21	8.21	7.23	48.90	54.76	50.80	
Flour ('000 Metric tons)	na	na	na	na	na	na	na	na	na	na	na	na	

Sources: Manufacturing Industries, Gold and Diamond Department
 Table 2

	Inflation Rates - National													
	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
Annual Inflation Rate	%	1.05	0.77	0.94	0.62	0.54	0.29	0.39	0.72	1.10	0.90	1.45	1.28	1.05
Monthly Inflation Rate (Yr-on-Yr)	%	8.21	8.35	8.58	8.71	8.85	8.86	8.73	8.77	9.28	9.45	10.16	10.53	10.84
Consumer Price Index		252.17	254.11	256.50	258.08	259.47	260.64	261.24	263.12	266.01	268.44	272.34	275.82	279.15

Source: Statistics Sierra Leone

States Dollar continued to depreciate in all the exchange rate markets, except in the auction market which appreciated marginally. Outturns in monetary aggregates contracted during the review month, with Broad Money (M2) and Reserve Money (RM) contracting by 0.99 percent and 4.69 percent, respectively. Gross external reserves position of the Central Bank decreased by 4.41 percent from US\$553.62mn at end July 2016 to US\$529.20mn at end August 2016, due to total outflows of US\$31.34mn far outweighing total inflows of US\$7.78mn. Major socio-economic events witnessed during the month of August 2016 were: Bank of Sierra Leone observed its 52 years of successful central banking services on 4th August 2016. To further strengthen the country's energy sector, the Government of Sierra Leone signed a US\$78.0 million loan agreement with the Export and Import (EXIM) Bank of India on 11th August 2016,

to 20.90 thousand cubic feet and 20.73 percent to 69.90 thousand cartons respectively. There was also an increase in the production of Oxygen, Paint and Maltina by 12.00 percent to 30.80 thousand cubic feet, 8.53 percent to 15.90 thousand gallons and 2.76 percent to 24.56 thousand cartons, respectively. On the other hand, production of cement and Soft Drinks decreased by 8.40 percent to 23.45 thousand metric tons and by 2.54 percent to 76.66 thousand crates

