



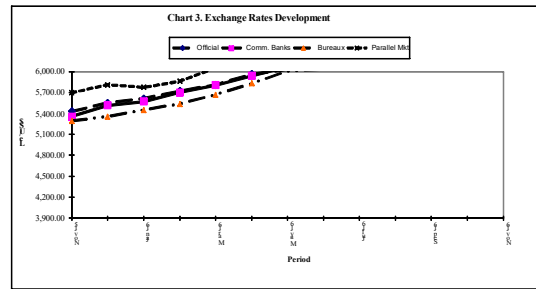
net credit to Government by the Banking System grew driven mainly by the 4.55 per cent (Le49.82bn) increase in BSL credit to Government, but was moderated by the 1.92 per cent (Le44.39bn) decline of commercial banks' lending to the Government. The growth in Money Supply was reflected in its components. Narrow Money comprising Currency in Circulation and Demand Deposits expanded by 4.90 per cent (Le126.61bn) and Quasi Money increased by 2.27 per cent (Le76.48bn). Reserve Money (RM) grew by 13.55 per cent (Le227.08bn) and this growth was due to the increase in Bankers' Deposits of 47.92 per cent (Le173.57bn) and Currency Issued of 4.36 per cent (Le54.88bn). Credit to the Private Sector expanded marginally by 0.87 per cent (Le10.92bn) in November 2016 from 2.55 per cent (Le31.17bn) growth recorded in October 2016. Yields on Government Securities showed an increasing trend as a result of expansion in Government financing. Annual yields on 91-days, 182-days and 364-days Treasury bills increased from 9.50 per cent, 14.69 per cent and 26.47 per cent in October 2016 to 9.59 per cent, 15.52 per cent and 31.38 per cent respectively, in November 2016. No treasury bond was issued during the review month and as such, interest rates on 12-months and 24-months treasury bonds remained unchanged at 5 per cent and 14.38 per cent, respectively. Interest rates on Savings and 6-months Time Deposits increased from 2.27 per cent and 4.04 per cent to 2.38 per cent and 4.07 per cent, respectively. However, interest rate on 1-month, 3-months, 9-months and 12-months time deposits remained unchanged at 2.57 per cent, 2.87 percent, 3.38 per cent and 5.84 per cent, respectively. The lending rate in the review period was at the range 17.92-24.77 per cent.

Exchange Rates Developments

In November 2016, the Leone depreciated against the US Dollars in all segments of the foreign exchange market with the Bureaux market exhibiting the highest depreciation. This development was due to excess demand for foreign exchange relative to the supply. On the buying front, the exchange rate in the Bureaux market, depreciated by 11.04 per cent Le7,301.76/US\$1 while the Official, the Commercial Bank and the Parallel markets depreciated by 9.92 per cent to Le7,409.66/US\$1, 8.35 per cent to Le7,430.66/US\$1 and 8.15 per cent to Le7,928.57/US\$1, respectively. Similarly, the selling front revealed the same trend, with the Bureaux market depreciating the highest by 11.95 per cent to 7,452.78/US\$1, followed by the Official, Parallel, Commercial Banks and the Auction market which depreciated by 9.92 per cent to Le7, 559.35/US\$1, 8.48 per



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

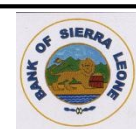


cent to Le8,007.14/US\$1, 8.28 per cent to Le7,629.06/US\$1 and 5.68 percent to Le7,343.95/US\$1, respectively. The premium between the Official and the Parallel rates narrowed by 7.00 percent from Le589.89/US\$1 in the preceding month to Le518.91/US\$1, in the review period.

International Reserves

Gross External Reserves of the Central Bank increased by 2.65 per cent to US\$491.73mn from US\$479.03mn recorded in October, 2016. This development was on account of increased inflows of US\$53.13mn which outweighed outflows of US\$42.42mn, indicating a net inflow of US\$10.71mn, from a net outflow of US\$17.53mn in October 2016. Significant inflows during the month included Aid Disbursements/BOP support amounting to US\$47.75mn of which, US\$23.84mn was EU(Poverty Reduction Budget Support); EU (Sierra Rutile) loan repayment to GoSL amounted to US\$21.20mn and WB loan For Pay reform US\$2.50mn. Other payments from export receipts amounting to US\$4.99mn which comprised US\$2.54mn as Royalty payment by Sierra Rutile Mining Company; Fishing Royalty/license amounted to US\$1.10mn. Other royalty/tax receipts included: Shandong Iron & Steel Group Co. Ltd. US\$0.55mn; other mining US\$0.36mn and Bauxite (Vimetco) US\$ 0.35mn. Foreign exchange outflows amounted to US\$42.42mn during the month. The major outflows included Bank of Sierra Leone's Sales of foreign exchange in the interbank market amounting to US\$14.30mn; Other government expenditure (US\$17.86mn); Embassy/mission payment (US\$3.48mn); payment for Infrastructure projects amounting to US\$4.33mn, and BSL per diem to staff US\$0.72mn. Debt service payment to various creditors amounted to US\$1.23mn of which US\$0.61mn to Other Multilaterals & Bilaterals (BADEA, IDB, Ecowas etc.) and OPEC/OFID of US\$0.49mn.

Research Department
 Published January 2017



Highlights

Sierra Leone's macroeconomic performance was mixed during the month of November 2016. Despite the government's increase in expenditure, the overall fiscal balance (including grants) registered a surplus of Le19.74bn from a deficit of Le158.49bn in October 2016, on account of considerable increase in domestic revenue mobilization and a marked increase in external grants received. Inflationary pressures persisted during the reporting month. The national year-on-year inflation rate increased from 12.56 per cent at end October 2016 to 15.26 per

of November 2016. Her Majesty's Principal Secretary of State for International Development, the Right Honourable Priti Sushil Patel, visited Sierra Leone from 8th – 10th November 2016, to get first-hand information on progress made in the implementation of the country's Recovery Priorities. She was amazed at the developments and noted that this will encourage more support from the donor committee. In another development, the Minister of Finance and Economic Development, Honourable Momodu L. Kargbo on 11th November 2016, delivered the Government Budget and Statement of Economic and Financial Policies for the Financial

	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
PRODUCTION												
Mineral												
Diamonds ('000 Carats)	11.92	43.82	57.29R	54.81	66.04	4.75	84.69	79.49	19.49	59.43	21.08	**
Industrial ('000 Carats)	4.05	6.42	1.21	7.81	10.41	1.96	11.75	9.96	6.51	19.49	8.26	**
Gem ('000 Carats)	7.87	37.80	56.07	46.99	55.63	2.79	73.45	69.53	12.98	39.94	12.82	**
Bauxite ('000 MT)	**	**	116.64	101.00	111.07	129.74	123.42	126.72	130.40	125.97	92.12	**
Rutile ('000MT)	**	**	7.69	8.58	10.51	10.42	10.75	13.46	14.40	14.02	14.66	**
Ilmenite ('000 MT)	**	**	1.73	1.56	**	1.54	0.75	2.73	3.90	3.25	**	**
Gold (Ounces)	353.69	74.05	180.86	127.98	222.06	715.77	372.35	1055.31	645.26	**	11.24	1121.80
Agriculture												
Coffee (Metric Tons)	**	**	**	464.26	413.34	556.09	364.94	185.00	**	**	**	**
Cocoa (Metric Tons)	**	**	710.76	260.09	38.09	181.24	124.25	**	**	**	**	**
Manufactured Goods												
Beer and Stout ('000 cins)	78.65	83.00	77.99	88.54	79.45	80.90R	85.92	31.33	57.90	69.90	71.87	76.89
Maltina ('000 Cartons)	26.79	24.02	23.98	21.87	15.60	19.80R	21.00	20.70	23.90	24.56	23.46	23.54
Soft drinks ('000 Crates)	78.97	104.04	105.98	101.35	100.08	105.90R	81.69	69.97	78.66	76.66	77.97	78.86
Cement ('000 MT)	26.00	32.10	25.67	24.32	27.57R	30.90R	28.40	25.60R	26.65R	23.46	25.10	26.43
Paint ('000 Gallons)	30.88	26.40	24.45	25.98	20.87	16.00	19.80	16.90	14.65	15.90	17.67	16.87
Acetylene ('000 Cu Ft)	24.56	26.14	18.00R	14.00R	12.00	11.50	13.99	17.60	12.430	20.90	21.34	23.67
Oxygen ('000 Cu Ft)	32.46	30.27	41.00R	36.00R	12.00	41.50	41.90	45.87	27.50	30.80	27.97	28.55
Confectionery ('000 Lb)	399.45	300.11	290.08	293.54	293.30	289.72	285.09	277.90	287.98	279.09	193.84R	196.78
Common Soap('000MT)	78.97	56.01	54.50	8.21	8.21	7.23	48.90	54.76	50.80	47.66	44.13R	12.33
Flour ('000 Metric tons)	na	na	na	na	na	na	na	na	na	na	na	na

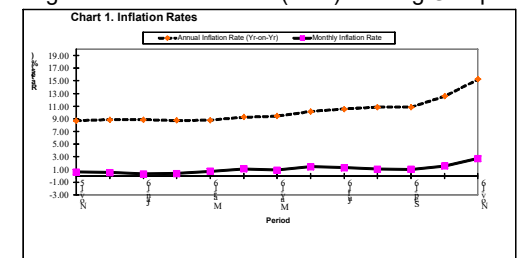
Sources: Manufacturing Industries, Gold and Diamond Department

	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	
Inflation Rates - National														
Monthly Inflation Rate	%	0.62	0.54	0.29	0.39	0.72	1.10	0.90	1.45	1.28	1.05	1.01	1.58 ^R	2.73
Annual Inflation Rate (Yr-on-Yr)	%	8.71	8.85	8.86	8.73	8.77	9.28	9.45	10.16	10.53	10.84	11.31R	12.56	15.26
Consumer Price Index		258.08	259.47	260.64	261.24	263.12	266.01	268.44	272.34	275.82	279.15	175.13R	177.89	182.74

Source: Statistics Sierra Leone

cent at end November 2016 due to the continuous depreciation of the Leone against major foreign currencies, coupled with the upward revision in the pump prices of petroleum products. The monthly average exchange rate of the Leone to the United States Dollar continued to depreciate in all segments of the foreign exchange market. Outturns in monetary aggregates were expansionary as Broad Money (M2) and Reserve Money (RM) expanded by 3.41 per cent and 13.55 per cent, respectively. Gross external reserves position of the Central Bank increased by 2.65 per cent from US\$479.03mn at end October 2016 to US\$491.73mn at end November 2016, on account of total inflows of US\$53.13mn which outweighed total outflows of US\$42.42mn, resulting to a net inflow of US\$10.71mn from a net outflow of US\$17.53mn recorded at end October 2016. The following socio-economic developments took place during the month

Year 2017 to Parliament, on the theme: **“Recovery through Economic Diversification and Fostering Entrepreneurship”**. A key feature of the statement was the removal of fuel subsidy which translated to an increase in pump prices of petroleum products from Le3,750 to Le6,000 per litre. On 29th November 2016, the Bank of Sierra Leone in collaboration with other stakeholders formed the Digital Financial Services (DFS) working Group to



		Government Finances											
		Nov-15	Dec-15	Jan-16	Feb-16	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Total Revenue (Plus Grants)	Le Mn	196,344	424,563	259,121	187,691	271,549	207,722	231,276	224,389	363,528	198,735	186,972	166,928
Domestic Revenue	Le Mn	169,365	246,947	258,036	187,691	209,785	205,833	231,276	224,135	362,364	195,696	183,810	166,276
Customs & Excise	Le Mn	37,249	41,073	39,909	39,209	44,029	38,962	40,862	37,102	32,952	26,399	27,894	26,016
Income Tax Dept	Le Mn	56,738	132,279	65,649	52,414	63,920	70,668	77,978	88,108	251,465	78,065	66,144	53,930
Goods & Services	Le Mn	52,332	51,225	50,939	63,825	53,004	53,004	72,679	54,904	48,770	52,308	44,183	45,642
Miscellaneous	Le Mn	23,048	23,068	101,539	42,247	48,652	42,999	40,609	44,822	29,177	42,954	25,888	20,898
Program med Funds (Grants)	Le Mn	26,979	177,619	1,086	**	61,783	2,089	**	254	1,165	49	22,861	20,652
HIPC	Le Mn	**	265	1,086	**	1,763	2,089	**	254	1,165	49	1,996	**
Others*	Le Mn	26,979	177,354	**	**	60,000	**	**	**	**	20,865	20,652	**
Total Expenditure	Le Mn	326,047	435,847	284,058	247,779	266,785	200,339	289,678	354,641	523,462	401,865	232,105	325,421
Pensions, Wages & Salaries	Le Mn	118,095	163,472	105,283	152,403	130,244	88,024	142,371	172,897	114,710	139,212	122,976	162,120
Other Expenditures	Le Mn	168,250	182,179	170,024	82,402	112,892	81,898	129,905	105,603	397,097	250,516	78,759	145,539
Debt Service Payment	Le Mn	39,700	89,996	9,280	13,326	23,660	30,417	17,403	76,141	11,665	12,136	30,370	17,762
Domestic	Le Mn	31,360	67,143	5,990	8,393	7,244	14,287	8,884	23,644	8,261	6,326	7,831	10,899
Foreign	Le Mn	8,340	23,252	4,190	4,944	16,415	16,130	8,519	52,496	3,394	5,810	22,539	7,164
Overall Deficit/Surplus	Le Mn	-129,702	-11,084	-25,466	-60,080	4,754	7,383	-577,499	-130,252	-159,934	-203,130	-45,434	-158,493
Total Financing	Le Mn	129,702	11,084	25,466	**	**	**	**	**	**	**	**	**
Bank Financing	Le Mn	-271,45	-131,996	321,08	**	**	**	**	**	**	**	**	**
Bank of Sierra Leone	Le Mn	-117,22	-162,235	43,576	**	**	**	**	**	**	**	**	**
Commercial Banks	Le Mn	-83,19	-317,88	30,898	**	**	**	**	**	**	**	**	**
Non-Bank Financing	Le Mn	21,433	10,970	14,248	**	**	**	**	**	**	**	**	**
Treasury Balance	Le Mn	17,511	131,410	-2,990	**	**	**	**	**	**	**	**	**
Foreign Finance	Le Mn	117,903	**	**	**	**	**	**	**	**	**	**	120,000

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone
 ** - Chinese loan wrongly posted in Sept and reversed in October

deliver the digital financial services framework aimed at lowering financial exclusion in Sierra Leone.

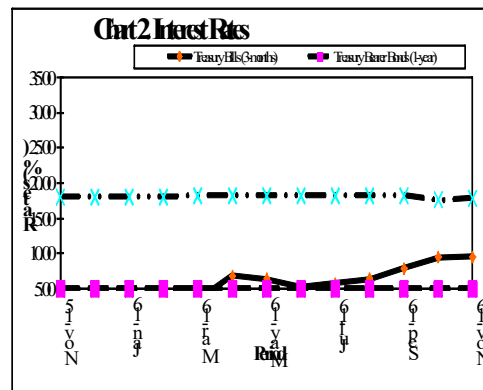
Real Sector

The manufacturing sector in November 2016 registered a recovery as most items recorded increases in production levels, on account of increased consumer demand. All beverages recorded increases in production levels during the month. Beer & stout production increased by 16.60 per cent to 89.65 thousand cartons, maltina by 4.72 per cent to 24.65 thousand cartons and soft drinks by 0.29 per cent to 79.09 thousand crates. Similarly, paint production increased by 11.26 per cent to 18.77 thousand gallons, acetylene by 0.97 per cent to 23.9 thousand cubic feet, confectionery by 1.08 per cent to 198.90 thousand pounds and common soap by 190.92 per cent decrease to 35.87 thousand metric tons. However, there were decreases in production levels of cement and oxygen. Cement production dropped by 7.08 per cent to 24.56 thousand metric tons while oxygen slowed by 7.91 per cent to 24.45 thousand cubic feet. The national headline inflation (year-on-year) increased to 15.26 per cent in November 2016 from 12.56 per cent in October 2016 while the monthly inflation rate in November was 2.73 per cent compared to 1.58 per cent in October 2016. This reflects depreciation of the exchange rate and the upward adjustment in fuel prices by 60 per cent

from Le3,750 to Le6,000 per litre. Year-on-year inflation increased in all the regional centres. It increased in the Western region, from 12.3 per cent in October to 14.2 per cent in November 2016, the Northern region from 13.14 per cent to 16.4 per cent, the Southern region from 12.94 per cent to 15.91 per cent and Eastern region from 11.85 per cent to 15.77 per cent.

Fiscal Operations

Developments in Government budgetary operations in November 2016 resulted in a surplus of



		Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Reserve Money (RM)	Le Mn	1,674,461	1,723,637	1,707,603	1,713,607	1,693,552	1,690,078	1,699,352	1,699,533	1,744,405	1,662,742	1,645,168	1,675,318	1,902,397
Broad Money (M2)	Le Mn	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,688,886	5,689,044	5,776,357	5,862,059	5,803,959	5,946,105	5,959,649	6,162,738
Narrow Money (M1)	Le Mn	2,374,722	2,496,971	2,433,525	2,468,675	2,486,000	2,560,101	2,550,154	2,585,434	2,594,033	4,519,612	4,580,757	4,592,801	4,721,583
Currency in Circulation	Le Mn	1,068,350	1,176,286	1,099,748	1,076,542	1,125,665	1,139,637	1,090,586	1,103,243	1,104,146	1,058,030	1,088,783	1,081,059	1,140,843
Demand Deposits	Le Mn	1,306,373	1,320,685	1,333,778	1,392,133	1,360,335	1,420,464	1,459,569	1,482,191	1,489,886	1,501,479	1,512,922	1,504,122	1,570,947
Budget Financing (Banking Sector)	Le Mn	2,776,515	2,589,189	2,671,006	2,734,699	2,790,220	2,838,848	2,925,836	3,039,095	3,131,675	3,199,019	3,267,732	3,408,694	3,414,116
Bank of Sierra Leone (BSL)*	Le Mn	724,735	662,500	648,346	684,501	674,780	696,507	754,419	824,048	860,425	859,723	936,235	1,095,025	1,144,841
Commercial Banks (DMB)	Le Mn	2,052,291	2,027,200	2,023,171	2,050,198	2,116,430	2,142,822	2,172,564	2,215,802	2,271,896	2,339,698	2,331,865	2,314,091	2,269,698
Claims on Private Sector	Le Mn	1,132,861	1,090,823	1,125,202	1,129,176	1,162,999	1,203,786	1,240,573	1,214,905	1,226,047	1,227,122	1,252,780	1,282,426	1,297,541
Of Which: Commercial Banks**	Le Mn	1,101,636	1,060,823	1,088,545	1,093,225	1,124,652	1,165,229	1,167,430	1,179,578	1,191,004	1,192,735	1,220,280	1,251,446	1,262,366
Claims on Non-Banking Inst.	Le Mn	55,874	398,399	480,000	550,659	500,729	483,199	426,368	55,729	46,325	33,955	32,204	38,579	36,186
Other Items (Net)	Le Mn	-2,279,502	-2,135,954	-2,191,949	-2,213,248	-2,308,880	-2,332,209	-2,413,075	-2,320,263	-2,408,521	-2,381,973	-2,400,926	-2,484,785	-2,563,430

* Excludes Government Securities issued on behalf of BSL and HFC Depositors
 ** Revised to reflect definition of Claims on Private Sector given in the Monetary Survey which includes only Private enterprises and Individuals
 Source: Returns from BSL & Commercial Bank

	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Treasury Bills (3-months)	%	1.48	1.08	1.21	3.51	3.51	6.82	6.41	5.73	6.36	7.96
Treasury Bearer Bonds (1-yr.)	%	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Deposits											
Savings	%	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54
1 - 3 month	%	2.73	2.73	2.73	2.73	2.73	2.80	2.80	2.80	2.80	2.80
3 - 6 month	%	4.22	4.2	4.2	4.2	4.2	4.28	4.28	4.28	4.28	4.28
6 - 9 month	%	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38
9 - 12 month	%	5.35	5.3	5.3	5.3	5.3	5.8	5.80	5.80	5.80	5.80
Lending (Prime)	%	18.12-24.80	8.12-24.80	8.12-24.80	8.12-24.80	8.12-24.80	8.23-24.95	8.23-24.95	8.23-24.95	8.23-24.95	8.23-24.95

Source: Bank of Sierra Leone

Le19.74bn compared to a deficit of Le158.49bn in October and the budgeted surplus of Le50.3bn. This performance was the result of improved receipts from revenue and grants. Total revenue including grants amounted to Le535bn, representing a significant growth from Le166.93bn recorded in the previous month and exceeded the target of Le305.73bn by 74.99 per cent. Domestic revenue more than doubled to Le363.23bn from Le146.28bn in October 2016 and overshot the target of Le199.35bn by 82.21 per cent. The expansion of domestic revenue collection was reflected in the increase in receipts of all main tax categories. Customs & Excise collection grew by 23.87 per cent to Le32.23bn though was 26.38 per cent less than the target of Le43.77bn; Income Tax receipts rose by 36.15 per cent to Le73.42bn but fell short of the Le77.66bn target by 5.45 per cent; Goods & Services Tax increased by 29.23 per cent to Le58.98bn and exceeded the Le56.21bn target by 4.94 per cent. Similarly, non-tax revenue jumped to Le198.60bn from Le20.69bn, mainly explained by receipt of Le151.4bn from Sierra Rutile Mining Company, being a loan repayment to government. External grants received increased by 731.71 per cent to Le171.76bn and surpassed the target of Le106.38bn by 61.46 per cent. This amount was exclusively a budget support disbursement from the European Union. Total government spending was recorded at Le151.26bn, representing a growth rate of 58.34 per cent, and was

in excess of the limit of Le255.43bn. The growth in expenditure was mostly related to increase in Treasury expenses for goods and services from Le137.93bn in October 2016 to Le353.57bn in November 2016. Debt services payment also increased by 66.4 per cent to Le29.56bn and was mainly explained by the increase in foreign debt services payments falling due in November 2016. Expenditures on pension, wages & salaries declined by 19.41 per cent to Le130.65bn and was below the ceiling of Le153.36bn by 14.81 per cent.

Monetary Developments

Money Supply expanded by 3.41 percent (Le203.09bn) in November 2016, from a growth of 0.23 percent (Le13.54bn) in October 2016. The growth in Money Supply was a result of a surge in Net Foreign Assets (NFA) of the Banking system in November 2016. NFA expanded by 8.68 per cent (Le263.45bn) due to the disbursement from the European Union and payment of debt to the Government by Sierra Rutile Limited. NDA declined by 2.06 per cent (Le60.36bn). The contraction in NDA was as a result of a surge in Other Items Net arising from revaluation gain of the exchange rate depreciation. However,



	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Leone to Dollar												
Official	Le/\$	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24	6,042.18	6,042.96	6,154.03	6,380.47	6,741.06
Comm Banks	Le/\$	5,356.58	5,516.44	5,559.79	5,669.07	5,806.93	5,940.09	6,071.16	6,115.35	6,121.68	6,322.69	6,468.66
Bureau	Le/\$	5,292.78	5,354.12	5,448.70	5,533.89	5,688.95	5,831.84	6,006.74	6,030.23	6,077.05	6,136.83	6,303.90
Parallel Market	Le/\$	5,686.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14	6,597.73	6,722.50	6,933.04	7,211.90
Leone to Pound	Le/£	8,256.00	8,335.43	8,094.27	8,197.05	8,264.10	8,087.38	8,763.99	8,583.75	7,955.20	8,067.56	8,369.73

Source: Bank of Sierra Leone

	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Leone to Dollar												
Auction	Le/\$	5,616.40	5,686.79	5,692.24	5,743.40	**	**	6,146.73	6,084.52	6,039.00	6,026.29	6,027.51
Official^R	Le/\$	5,539.74	5,664.80	5,729.63	5,836.33	5,929.04	6,083.71	6,154.29	6,164.24	6,165.04	6,278.35	6,488.97
Comm Banks	Le/\$	5,580.51	5,685.04	5,747.25	5,570.61	5,942.77	6,120.19	6,235.15	6,404.49	6,453.90	6,552.51	6,778.41
Bureau	Le/\$	5,419.86	5,45									

