

BANK OF SIERRA LEONE



Monthly Economic Review

November 2025

MER/11/2025

The Monthly Economic Review (MER) is prepared by the Research and Statistics Department, Bank of Sierra Leone. The Department takes responsibility for opinions expressed in this review. Please forward any comments to res@bsl.gov.sl.

About the Monthly Economic Review (MER): The report analyses Sierra Leone's monthly macroeconomic developments, covering the four macroeconomic sectors—real, fiscal, monetary, and external sectors. This edition analyses economic performance in November 2025.

Executive Summary

Economic activity in November 2025 showed signs of recovery in some sectors, although performance remained uneven. Agricultural output improved significantly, driven by a sharp rebound in cocoa production. The mining sector recorded broad-based growth across key minerals, while manufacturing activity was mixed, with gains in selected products such as paint, oxygen, and confectionery offset by declines in beverages.

Inflationary pressures increased slightly during the period, with year-on-year headline inflation rising to 4.57 percent from 4.44 percent in October 2025. This was largely driven by higher non-food inflation, despite a moderation in food inflation. On a monthly basis, inflation recorded an uptick, indicating renewed price pressures. Regional inflation remained uneven, with notable increases in the Northern and North-West regions, while other regions experienced moderation.

Fiscal performance weakened further, as the overall deficit widened due to a substantial increase in government expenditure, which outpaced growth in domestic revenue. Although revenue exceeded its target, the expansion was largely driven by non-tax revenue, while key tax components declined. Expenditure pressures were mainly driven by increases in debt servicing and other recurrent spending. Nonetheless, the primary balance improved slightly, reflecting stronger revenue relative to non-interest expenditure.

Monetary developments indicated expansionary liquidity conditions, with broad money growth driven by increases in both net domestic and net foreign assets. Credit to the private sector accelerated, suggesting improved financial intermediation. The monetary policy stance remained accommodative, with stable lending rates and interest rate spreads, while yields on government securities declined.

In the external sector, exchange rate movements were mixed, with slight depreciation in official market segments but some appreciation in the parallel market, resulting in a narrowing of the exchange rate premium. However, external buffers weakened, as gross foreign exchange reserves declined, leading to a reduction in import cover.

Overall, the macroeconomic environment in November 2025 was characterized by moderate inflationary pressures, expanding liquidity, and improved real sector activity in some areas, but continued fiscal and external sector vulnerabilities pose risks to sustained macroeconomic stability.

1. Real Sector Development

Production

Cocoa production increased significantly in November 2025, rising by 220.84 percent to 482.84 metric tons, while data on coffee production for the month was not available. In the mining sector, output of bauxite, rutile, ilmenite, zircon, and iron ore recorded increases, whereas production of other minerals declined. Data on diamond output for November 2025 was unavailable. In the manufacturing sector, output performance improved for paint, oxygen, confectionery, and common soap, while production of beer and stout, and maltina, among others, declined. The output of cement remained unchanged compared to its level in October 2025.

(i) Price Development

Year-on-year headline inflation rose slightly to 4.57 percent in November 2025 from 4.44 percent in October 2025. Food inflation moderated to 2.70 percent in November 2025 from 2.80 percent in October 2025 and non-food inflation increased to 6.08 percent in November 2025 from 5.77 percent in October 2025. Table 1 presents the year-on-year headline inflation rate and the key contributing components, highlighting food and non-alcoholic beverages, clothing and footwear, health, housing, restaurants and hotels, and miscellaneous goods and services as components driving the inflation rate down.

Monthly headline inflation increased to 0.40 percent in November 2025 from -0.53 percent in October 2025. Figure 1 shows the inflation rates for November 2025 and the 12 months preceding it.

On a regional basis, inflation in the Northern region remained elevated, rising to 13.17 percent in November 2025 from 10.36 percent in October 2025 while it rose to 2.54 percent in the North-West region from 0.36 percent in October 2025. Inflation declined in all other regions with the Eastern region recording the lowest rate at -1.82 percent in November 2025, down from 0.27 percent in

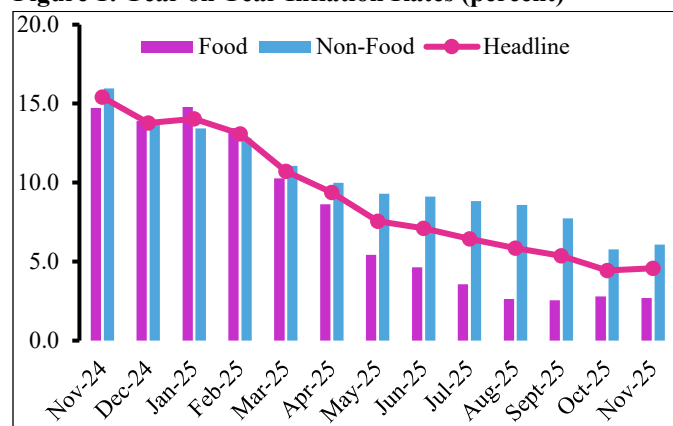
October 2025, followed by the Southern region at 1.04 percent, and the Western region at 6.03 percent. Figure 2 shows the inflation rates by region.

Table 1: Year-on-Year Inflation Rate by Component (%)

	Weight (%)	Oct. 25	Nov. 25	Change	Direction
Food	40.33	2.80	2.70	-0.10	Down
Non-Food	59.67	5.77	6.08	0.31	Up
Alcoholic Beverages & Tobacco	1.02	-3.18	-1.78	1.40	Up
Clothing	7.70	8.45	6.93	-1.52	Down
Housing	8.90	5.26	3.28	-1.98	Down
Furnishings	5.6	6.78	7.88	1.10	Up
Health	7.60	2.83	2.79	-0.04	Down
Transport	8.60	1.53	3.90	2.37	Up
Communication	4.70	2.70	2.76	0.06	Up
Recreation	2.60	5.91	6.18	0.27	Up
Education	3.10	-0.38	8.55	8.93	Up
Hotels	6.10	15.41	14.72	-0.69	Down
Miscellaneous	3.90	4.60	3.53	-1.07	Down
All items	100	4.44	4.57	0.13	Up

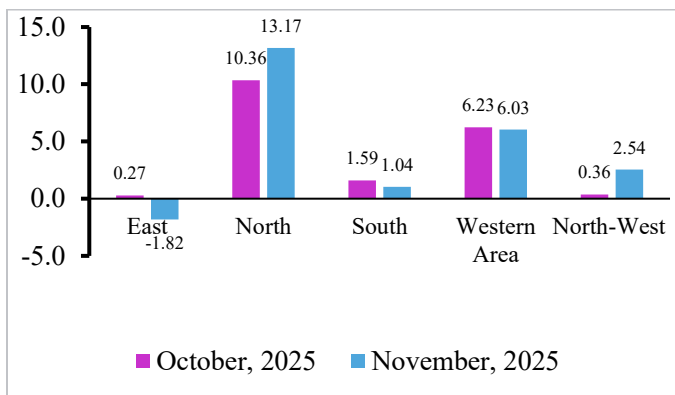
Source: Statistics Sierra Leone

Figure 1: Year on Year Inflation Rates (percent)



Source: Statistics Sierra Leone

Figure 2: Inflation Rates (percent) by region



Source: Statistics Sierra Leone

2. Fiscal Sector Development

Fiscal operations on a cash-flow basis recorded a widened deficit of NLe588.18 million in November 2025, from a deficit of NLe451.62 million in October 2025. The widening of the deficit was driven by sharp expansion in total expenditure which outpaced an increase in total revenue.

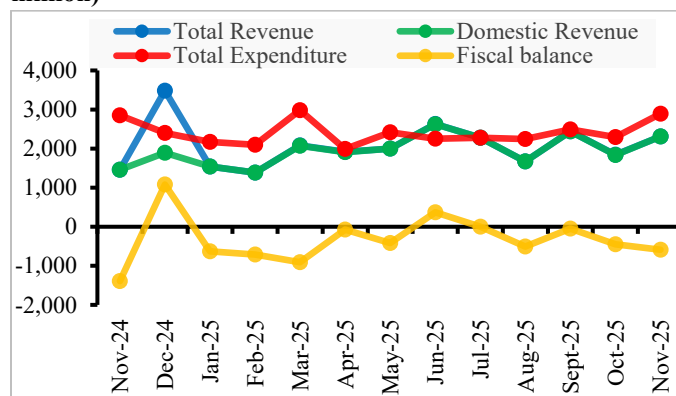
Domestic revenue increased by 25.59 percent to NLe2,306.79 million in November 2025, up from NLe1,836.79 million in October 2025, and it exceeded the target of NLe1,598.51 million by 44.31 percent. The increase in revenue was driven by increase in miscellaneous (non-tax) revenue which outweighed contractions in other revenue components. Miscellaneous (non-tax) revenue increased by 83.63 percent to NLe1,507.62 million. Income tax revenue declined by 22.31 percent to NLe408.80 million; customs and excise tax revenue decreased by 12.58 percent to NLe170.90 million while revenue from goods and services tax also contracted by 25.38 percent to NLe219.47 million. There were no grants in November 2025.

Government expenditure expanded by 26.22 percent to NLe2,894.96 million in November 2025, from NLe2,293.65 million in October 2025, and surpassed the ceiling of NLe2,082.98 million by 38.98 percent. The increase in total expenditure was driven by expansions in

debt services and other expenditure. Debt services increased by 33.34 percent to NLe757.13 million while other expenditure expanded by 35.43 percent to NLe1,674.68 million. Meanwhile, wages and salaries decreased by 5.34 percent to NLe463.16 million. Figure 3 shows the fiscal profile for November 2025 and the preceding twelve months.

The primary balance recorded a higher surplus of NLe168.95 million in November 2025, up from a surplus of NLe110.96 million in October 2025. The widening of the surplus in the primary balance was due to the increase in domestic revenue, which outpaced the increase in total expenditure (excluding debt services).

Figure 3: Government Revenue and Expenditure (in NLe million)



Source: Bank of Sierra Leone

3. Monetary Sector Development

(i) Monetary Aggregates

Broad money (M2) grew by 5.48 percent in November 2025, reflecting increases in both Net Domestic Assets (NDA) by 5.64 percent and Net Foreign Assets (NFA) by 3.87 percent and contributed 5.14 percentage points and 0.35 percentage points, respectively to the increase of M2. The growth in NDA was due mainly to the increase in the claims on the private sector and NFA's increase was as a result of growth in the net foreign assets of Other Depository Corporations (ODCs). Commercial banks'

credit to the private sector increased by 10.95 percent in November 2025, up from an increase of 6.23 percent in October 2025. Figure 4 shows the contributions of NDA and NFA to M2 growth.

Narrow Money (M1) expanded by 7.56 percent in November 2025, due to growth in both currency in circulation by 6.73 percent and transferable deposits by 8.34 percent. Similarly, quasi money increased by 3.65 percent, reflecting growth mainly in foreign currency, time and savings deposits from individuals in the commercial banks.

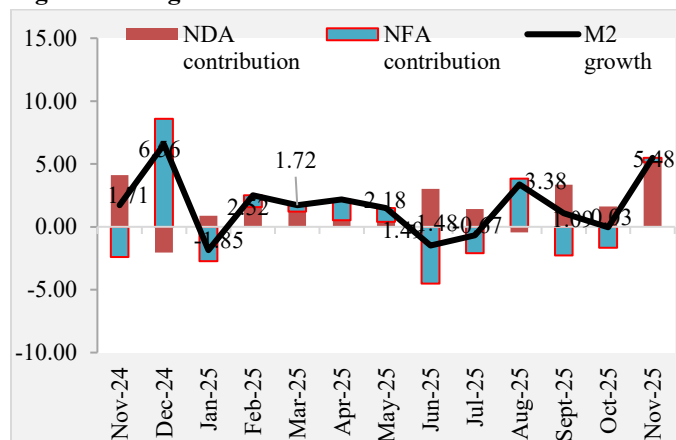
Reserve money increased by 3.57 percent in November 2025, driven by increase in NDA by 3.93 percent and contributed 6.40 percentage points to the growth in reserve money whilst NFA’s negative position deteriorated by 4.51 percent and contributed -2.84 percentage points to reserve money. On the liability side, the increase in reserve money was mainly due to growth in currency in circulation by 6.92 percent whilst deposits of commercial banks held at BSL declined by 15.41 percent. Figure 5 shows the contributions of NDA and NFA of the Bank of Sierra Leone to reserve money growth.

(ii) Interest Rates

The Monetary Policy Committee (MPC) held a meeting in September 2025. The MPC reduced the Monetary Policy Rate (MPR) by 3 percentage points to 18.75 percent and adjusted the Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) rates downward by 2 percentage points, with the Standing Lending Facility being 21.75 percent and Standing Deposit Facility being 12.25 percent. The interbank rate increased to 18.77 percent but stayed within the policy corridor, whilst the average deposit rate remained steady at 1.83 percent. The commercial banks’ average lending rate also remained steady at 20.29 percent in November 2025. As a result, the spread between the average lending and savings rates remained steady at 18.46 percent in November 2025 as in October 2025. Figure 6 shows various interest rates for November 2025 and the 12 months preceding it. The yields on 182-day T-bills decreased to 14.35 percent

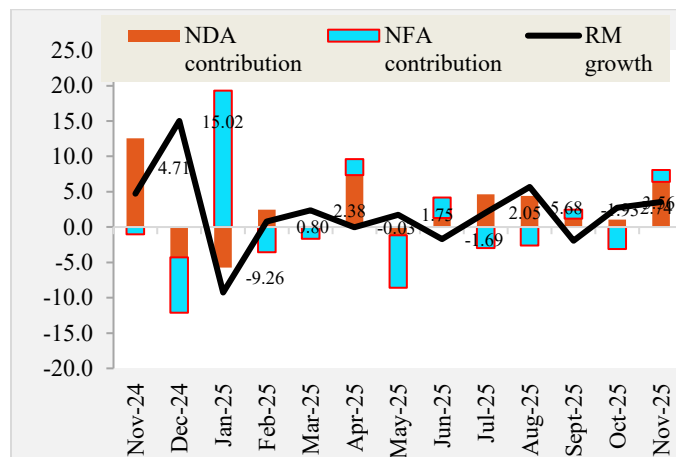
whilst the yields on 364-day T-bills decreased to 16.69 percent in November 2025. There was no subscription for the 91-day T-bills during the review period.

Figure 4: M2 growth and contributions of NFA and NDA



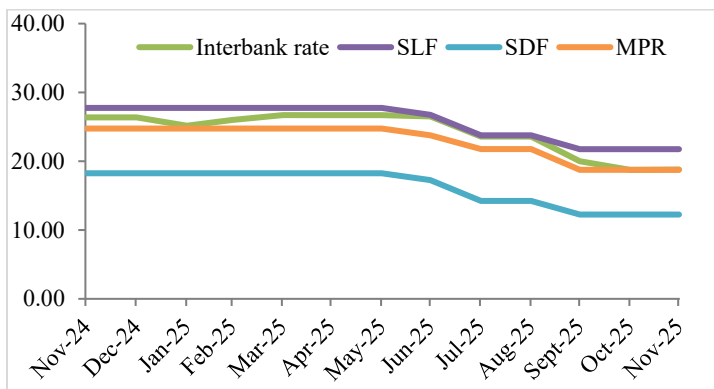
Source: Bank of Sierra Leone

Figure 5: Reserve money growth and contributions of NFA and NDA



Source: Bank of Sierra Leone

Figure 6: Central Bank Interest Rates and the Interbank Rate (percent)



Source: Bank of Sierra Leone

4. External Sector Development

(i) Exchange Rate Development

On a month-on-month basis, the buying rate of the Leone depreciated in the commercial banks, and bureaux market segments by 0.35 percent to NLe22.64/US\$ and 0.26 percent to NLe22.41/US\$ respectively, while it appreciated in the parallel market by 1.77 percent to NLe23.38.US\$.

On the selling side, the Leone appreciated in the commercial banks and parallel market segments by 0.71 percent to NLe22.83/US and 1.51 percent to NLe23.54/US, respectively, while it depreciated in the bureaux market by 0.05 percent to NLe22.48/US\$.

On a year-on-year basis, the reference market rate depreciated by 0.44 percent in November 2025, from a 1.64 percent depreciation in October 2024. On a month-on-month basis, the rate continued to depreciate by 0.31 percent in November 2025, following a 0.18 percent depreciation in October 2025. Figure 7 illustrates the trend in the Leone’s rates using the reference market rate.

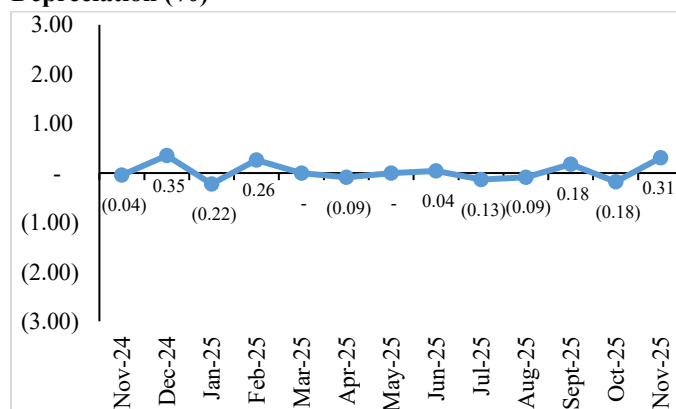
The premium between the reference market rate and the parallel rate narrowed to 3.45 percent (NLe0.78 per US dollar) in November 2025.

(ii) Gross Foreign Exchange Reserves

The gross foreign exchange reserves of the Bank of Sierra Leone decreased by 5.26 percent to US\$294.94 million in November 2025 from US\$311.43 million in October 2025.

Gross International Reserves, measured in months of import cover, declined to 1.59 months at the end of November 2025, from 1.68 months at the end of October 2025, and 1.78 months at the end of November 2024. The decline in the months of imports is primarily attributed to a decline in the gross reserves which outpaced the decline in average imports. Figure 8 shows the gross international reserves measured in months of imports for November 2025 and the 12 months preceding it.

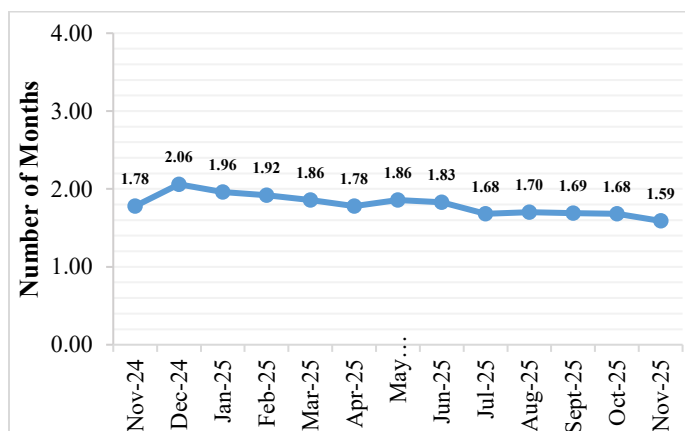
Figure 7: Monthly Reference Rate Appreciation and Depreciation (%)



Source: Bank of Sierra Leone

*Note: positive values denote depreciation while negative values denote appreciation

Figure 8: Gross International Reserves (in Months of Imports)



Source: Bank of Sierra Leone

5. Conclusion

Macroeconomic developments in November 2025 reflected some improvement, albeit within a still vulnerable economic environment. Real sector activity has strengthened, particularly in agriculture and mining. The broad-based increase in mining output and recovery in cocoa production are encouraging, but mixed performance in the manufacturing sector suggests that industrial growth remains fragile.

Inflationary pressures edged up slightly, driven by rising non-food inflation, although overall price levels remain relatively contained. The moderation in food inflation alongside continued disinflationary drivers—such as exchange rate stability, prudent monetary policy, and improved supply chains—indicates that inflation remains manageable. However, strong regional disparities, especially elevated inflation in the Northern region, highlight persistent structural imbalances that require targeted policy attention.

Fiscal operations weakened, with the widening deficit reflecting strong expenditure growth, particularly in debt servicing and recurrent spending, which outpaced robust domestic revenue gains. Although the improvement in the primary surplus signals some underlying fiscal strength, the composition of revenue—heavily driven by non-tax sources—and continued expenditure overruns raise concerns about fiscal sustainability and the need for stronger revenue diversification and expenditure controls.

Monetary conditions remained expansionary, with broad money growth driven by increases in both domestic and foreign assets, alongside a notable increase in private sector credit. Despite the accommodative monetary stance, the persistently high lending rates and wide interest rate spreads continue to constrain effective financial intermediation.

In the external sector, exchange rate movements were mixed but relatively stable overall, with a narrowing premium between official and parallel market rates indicating some improvement in foreign exchange market conditions. Nonetheless, the decline in gross foreign exchange reserves and import cover signals weakening external buffers, increasing the economy’s vulnerability to external shocks.

Overall, sustaining macroeconomic stability will require a balanced policy approach focused on strengthening fiscal discipline, rebuilding external reserves, addressing structural inflation drivers, and enhancing credit transmission mechanisms to support inclusive and resilient economic growth.