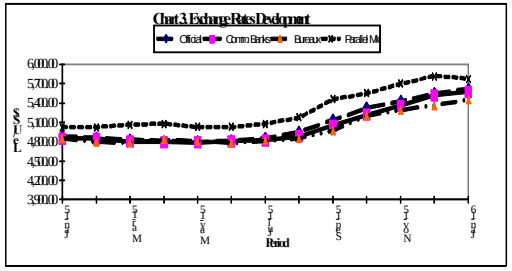
2.57 percent in January 2016. Yield on the 364-day securities increased from 9.91 percent in December 2016 to 13.41 percent in January 2016. Interest rate on 1-year bond remained unchanged at 5 percent whilst that on 2-year bond increased from 13.50 percent in December 2015 to 14.38 percent in January 2016. Monthly average interest rates on Savings, 1-month, 3-month, 6-month, 9-months and 12-months time deposits remained unchanged at 2.54 percent, 2.73 percent, 2.98 percent, 4.20 percent, 3.38 percent and 5.30 percent, respectively. The average lending rates of commercial banks remained unchanged within the ranges of 18.12-24.80 percent since November 2015.



Exchange Rates Developments

The Leone/US Dollar exchange rate depreciated in all market segments during the month of January 2016 except the parallel market which appreciated on the buying front. The depreciation was stronger compared to that in the month of December 2015. On the buying front, the bureaux market exchange rate of Le5,448.70/US$1 reflected a 1.77 percent depreciation, followed by the official market rate of Le5,616.17/US$1 which reflected a 1.14 percent depreciation while commercial banks rate of Le5,569.79/US$1 depreciated by 0.97 percent. On the selling front, the Bureaux market rate of Le5,533.20/US$1 also reflected a 1.51 percent depreciation, followed by the official market rate of Le5,729.63/US$1 (1.14%), commercial bank rate of Le5,747.25/US$1 (1.09%) and the auction market rate of Le5,692.24/US$1 (0.10%). The exchange rate spread between the official and the parallel market rates narrowed by 2.83 percent from Le257.38/US$1 in December 2015 to Le158.83/US$1 in January 2016.

International Reserves

The Gross International Reserves position of the BSL at end January, 2016 was recorded at US$554.71mn indicating a 4.40 percent decline relative to the US$580.26mn recorded in December, 2015. The decline in reserves was a result of total outflows of US$21.16mn outweighing total inflows of US$2.24mn in January 2016. The downward movement in reserves was driven mainly by lower receipts from both the mining and agriculture sectors coupled with outflows in respect of the wholesale foreign exchange auction to private sector to support importation of essential commodities such as petroleum products and rice. Inflows declined significantly from US$65.77mn in December, 2015 to US$2.24mn in the reporting month. Among the inflows were receipt of US$0.71mn being royalty from Koidu Holdings Mining Co.; US$0.26mn diamond exporters income tax; other Government receipts US$0.25mn; other receipts US$0.62mn, Diamond license fees of US$ 0.04mn; US$0.17mn from Maritime Administration; other mining receipts of US$ 0.02mn and IDA/World Bank (Forex Purchases) US$0.13mn. Outflows also decreased during the period from US$31.62mn in December 2015 to US$21.61mn in January 2016. Notably, outflows comprised US$20.62mn being payments for goods and services of which: US$1.23mn Embassy/Mission; US$0.55mn BSL/Bank charges and per diem paid to staff; US$0.29mn Government Travel; other Government of which: New Infrastructure projects (Roads) US$1.64mn; New Infrastructure projects (electricity, water, energy) US$0.67mn; Subscription to International Organizations US$ 0.44mn; US$9.00mn forex auction. Debt Services include: US$0.07mn World Bank; US$0.26mn other multilateral and bilateral (BADEA, IDB, ECOWAS, etc.) and OPEC/OFID US$0.21mn.

Table 9. External Trade

		Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Total Imports o/w		206201.90	178852.89	102622.99	154487.63	133742.06	289441.12	126737.54	141327.96	96287.34	129604.72	86963.97	152654.45	158139.10
Rice	000$	31270.79	-	10369.20	1855.07	14031.43	10306.16	8474.76	13034.43	6631.48	7194.61	1482.08	16722.14	11887.03
Petroleum Products	000$	34163.81	28774.57	23511.30	23085.60	24630.79	18556.60	11562.99	25749.35	25455.45	35249.49	19731.02	46733.91	22286.40
o/w Fuel	000$	25379.79	24112.56	18847.83	19567.43	20107.83	17688.97	10016.80	21402.69	23529.96	34935.70	19449.86	46135.46	21584.88
Others	000$	140767.30	150078.32	68742.49	129546.96	95079.83	260578.35	106699.79	102544.18	64200.41	87160.62	65750.86	89198.41	123965.66
Total Exports o/w	000$	29264.45	22008.22	27387.55	33867.66	26059.51	19186.30	46939.85	43420.51	42139.50	59578.65	37712.50	63809.42	53336.50
Diamonds	000$	16258.61	15082.84	13803.43	5431.11	8538.40	5430.45	14009.85	6659.26	7713.27	11605.92	11279.96	15770.06	16348.44
Bauxite	000$	5213.68	2993.81	3338.64	5566.26	3244.70	3041.29	2465.09	2328.21	2203.19	1179.80	1213.90	1606.92	1926.11
Rutile	000$	2437.65	-	5742.90	-	7076.02	-	6681.22	202.89	16152.78	17791.46	1229.57	32328.15	19755.98
Gold	000$	577.90	299.63	1358.21	581.96	198.27	666.39	700.42	696.43	154.33	668.11	333.77	1000.33	510.28
Ilmenite	000$	-	-	-	-	-	-	2900.57	-	-	-	-	-	-
Iron Ore	000$	-	-	-	-	1122.48	1840.87	12393.71	9652.32	11394.21	19375.73	19737.24	5065.11	11826.00
Cocoa	000$	60.60	425.41	181.80	2429.06	4459.28	4740.07	1271.00	5930.12	2742.48	3176.96	-	3181.62	3181.62
Coffee	000$	72.72	72.72	-	-	-	-	363.60	-	-	-	-	-	805.24
Others	000$	1495.01	834.56	1070.19	1763.26	498.40	2389.65	2848.00	5822.23	474.65	1818.86	3898.71	2773.49	838.66
Re-exports	000$	3148.29	2297.24	1872.37	11543.35	911.85	1077.58	3291.24	12118.92	1259.13	3339.03	19.35	1817.10	878.89
Trade Balance	000$	-176937.45	-156846.67	-75255.44	-120620.07	-107682.54	-270254.82	-79797.69	-97907.45	-54147.84	-70026.07	-49251.46	-88845.03	-104802.60
Vol. of Imports														
Rice	M tons	62535.48	-	19992.29	3929.79	33103.88	13578.99	5982.00	18327.37	8091.50	8545.48	2805.48	21769.80	27409.84
Petroleum Products (Fuel)	M tons	25804.96	24033.58	18164.54	19101.37	20410.38	17237.48	9831.49	20832.55	15846.29	31702.65	18054.01	46545.32	23761.72
Vol. of Exports														
Diamond	000carat	41.88	30.49	32.91	12.12	23.45	18.06	22.98	18.91	25.96	40.74	34.18	41.02	51.88
Coffee	M tons	2250.00	36.00	-	-	-	-	150.00	-	-	-	-	-	-
Cocoa	M tons	25.00	175.50	46.88	1200.84	1582.05	2136.53	1265.08	2712.69	1670.98	1534.01	-	3214.38	480.65
External Reserves	$Mn	344.59	341.26	350.66	353.11	352.48	350.57	376.79	374.25	374.69	389.15	388.07	392.13	382.74

Sources: Customs and Excise Department, Gold and Diamond Department, Bank of Sierra Leone

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

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Highlights

During the month of January 2016, Sierra Leone continued to experience challenges in economic management. The National annual inflation marginally increased from 8.85 percent in December 2015 to 8.86 percent in January 2016 while the fiscal balance widened to a deficit of Le25.47bn, from the deficit of Le11.08bn recorded in December 2015. Movements in monetary aggregates were mixed during the reporting month as Broad Money (M2) expanded by 0.21 percent while Reserve Money (RM) contracted by 0.93 percent. The monthly average exchange rate of the Leone to the United States Dollar depreciated in all the foreign exchange markets, with the exception of the parallel market rate which appreciated on the buying front. The Gross External Reserves position of the Central Bank deteriorated by 4.40 percent from US$580.26mn as at end December 2015 to US$554.71mn at end January 2016. On socioeconomic development during the reporting period, a visiting Belgian Mission collaborated with the Ministry of Trade and Industry, the Sierra Leone Investment Export Promotion Agency (SLIEPA) and Brussels Airlines, to support Post Ebola Recovery in the areas of investment and trade. The Sierra Leone Investment and Export Promotion Agency (SLIEPA) on 19th January, 2016 signed a Memorandum of Understanding (MOU) with the Chambers of Commerce, Industry and Agriculture of Belgium, Luxemburg, Africa, Caribbean and the Pacific. The objective of the MOU is to establish contacts between the institutions as a means of contributing towards the development of trade and economic relations between Sierra Leone and Belgium. On 28th January 2016, the Government of Sierra Leone signed a US$12 million loan agreement with Saudi Fund for Development to finance the rehabilitation of Fourah Bay College (FBC) and build new structures to cater for the growing number of students.

PRODUCTION

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Mineral												
Diamonds ('000 Carats)	42.72	45.34	59.75R	64.59	20.81	57.17	35.61	31.33	63.06	23.93	11.92	43.82
Industrial ('000 Carats)	4.12	5.49	44.44R	6.27	6.94	12.09	6.78	0.96	10.40	1.04	4.05	6.42
Gem ('000 Carats)	38.60	39.85	15.31R	58.31	13.86	45.08	28.83	30.37	52.66	22.89	7.87	37.80
Bauxite *('000 MT)*	38.60	39.85	15.31	58.31	143.94R	137.12R	149.85	102.20	190.02	**	**	**
Rutile ('000'MT)	101.74	93.41R	121.34	145.53	10.91R	10.02R	9.94	12.02	12.01	**	**	**
Ilmenite *('000 MT)*	7.31	8.01	8.03	9.01	4.52R	1.30R	3.09	3.62	3.53	**	**	**
Gold *(Ounces)*	377.87	559.96R	703.12	49.99R	59.20R	66.43R	127.45	3.58	98.01	338.85	353.69	74.05
Agriculture												
Coffee *(Metric Tons)*	323.60	278.46	**	**	**	**	**	**	**	**	**	**
Cocoa *(Metric Tons)*	512.12	170.00	80.00	**	**	**	**	**	**	**	**	**
Manufactured Goods												
Beer and Stout *('000 cms)*	18.90	42.20	62.09	49.99	59.20	66.43	70.88	80.10	74.05	75.80	78.65	83.00
Maltina *('000 Cartons)*	15.90	17.39	15.42	25.03	25.26	32.36	29.70	36.44	25.98	26.88	26.79	24.02
Soft drinks *('000 Crates)*	134.95R	100.24R	111.46R	96.20	108.90	156.00	167.54	178.09	87.21	81.14	78.97	104.04
Cement *('000 MT)*	24.78	24.90	38.01	31.27	22.38	25.78	26.78	27.32	21.35	23.44	26.00	32.10
Paint *('000 Gallons)*	24.03R	15.89R	35.59R	26.12	28.90	27.98	24.55	34.00	34.01	32.98	30.88	26.40
Acetylene *('000 Cu Ft)*	15.00	22.90	18.80	23.45	20.44	23.67	20.98	18.90	18.000	28.00	24.56	26.14
Oxygen *('000 Cu Ft)*	20.00	24.80	16.50	19.90	23.99	30.00R	41.10R	35.10R	39.00	44.50	32.46	30.27
Confectionery *('000 Lb)*	198.76R	185.67R	168.84	307.17R	312.20R	252.84	237.77R	232.70R	212.28	300.43	399.45	300.11
Common Soap *('000MT)*	70.89	66.90	95.56	42.13R	38.71R	68.54R	38.44R	58.08R	35.90	47.17	78.97	56.01
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

		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Monthly Inflation Rate	%	0.29	0.51	0.48	0.63	0.75	0.80	0.94	1.05	0.77	0.94	0.62	0.54	0.29
Annual Inflation Rate (Yr-on-Yr)	%	7.60	7.55	7.61	7.67	7.75	7.92	8.11	8.21	8.35	8.58	8.71	8.85	8.86
Consumer Price Index		239.05	240.27	241.90	243.43	245.25	247.21	249.54	252.17	254.11	256.50	258.08	259.47	260.64

Source: Statistics Sierra Leone

Real Sector

Production performance in the manufacturing sector declined during January 2016 as indicated by decreases in production of all items except acetylene. Production of beverage fell on account of limited availability of material inputs. Beer & stout declined by 6.04 percent to 77.99 thousand cartons, maltina by 0.17 percent to 23.98 thousand cartons and soft drinks by 1.86 percent to 105.98 thousand crates. Cement and paint production declined by 20.03 percent and 7.39 percent respectively. Confectionery and common soap dropped by 3.34

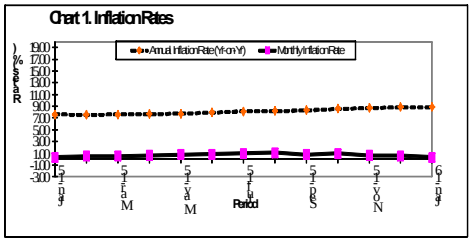


Table 3		Government Finances											
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-16
Total Revenue (Plus Grants)	Le Mn	178,592	165,638	268,998	217,082	334,161	171,772	173,288	167,253	161,242	163,848	196,344	424,563
Domestic Revenue	Le Mn	174,709	164,146	176,416	173,318	334,161	170,610	172,347	142,747	153,639	162,156	169,365	246,945
Customs & Excise	Le Mn	48,853	44,934	50,499	33,887	29,055	28,288	33,290	35,483	31,133	43,097	37,249	41,073
Income Tax Dept	Le Mn	75,076	55,210	66,692	44,974	80,443	58,866	55,845	39,072	60,556	38,202	56,738	132,279
Goods &Services	Le Mn	40,083	45,342	51,571	54,575	48,200	53,876	54,909	47,895	45,454	50,948	52,332	51,225
Miscellenous	Le Mn	10,697	18,660	7,654	39,882	176,464	29,580	20,303	20,298	16,496	29,909	23,046	22,368
Programmed Funds (Grants)	Le Mn	3,883	1,492	92,582	43,764	**	1,163	941	24,506	7,602	1,692	26,979	177,619
HIPC	Le Mn	978	1,492	**	1,414	**	1,163	941	**	1,521	1,692	**	265
*Others**	Le Mn	2,906	**	92,582	42,350	**	**	**	24,506	6,082	**	26,979	177,354
Total Expenditure	Le Mn	186,728	253,462	312,995	332,693	300,133	249,234	268,037	225,372	207,694	253,831	326,047	435,647
Pensions, Wages & Salaries	Le Mn	120,719	97,071	110,514	112,732	126,510	102,175	131,921	105,357	130,334	119,487	118,096	163,472
Other Expenditures	Le Mn	39,441	136,772	180,882	187,119	146,138	82,360	102,178	108,714	45,630	108,229	168,250	182,179
Debt Service Payment	Le Mn	26,568	19,319	21,600	32,843	27,485	64,698	33,938	11,301	31,730	26,115	39,700	89,996
Domestic	Le Mn	10,522	10,190	9,781	29,178	20,330	34,667	15,988	6,577	11,650	21,921	31,360	66,743
Foreign	Le Mn	16,046	9,129	11,819	3,664	7,155	30,031	17,950	4,724	20,079	4,194	8,340	23,252
Overall Deficit/Surplus	Le Mn	-8,136	-87,524	-43,997	-115,611	34,029	-77,461	-94,748	-58,119	-46,453	-89,983	-129,702	-11,084
Total Financing	Le Mn	8,136	87,524	43,997	115,611	-34,029	77,461	94,748	58,119	46,453	89,983	129,702	11,084
Bank Financing	Le Mn	-1,238	115855R	1874R	54774R	32,983	76568R	111438R	70,447	165,513	91,086	-27145	-131296
Bank of Sierra Leone	Le Mn	-51,810	77689R	18822R	43706R	-9,142	44,938	21978R	18,429	108,669	42,983	-11722	-162235
Commercial Banks	Le Mn	50,571	38165R	-16949R	11,068	42,124	31,629	89,460	52,019	56,844	48,103	-8319	-31788
Non-Bank Financing	Le Mn	7,216	294R	-8980R	1062R	7,775	-14,340	2,943	-1,309	2,518	137	21,433	10,970
Treasury Balance	Le Mn	2,158	-28625R	-126,055	59775R	-74,786	15,232	-19632R	-11,019	-121,578	-1,240	17,511	131,410
Foreign Finance	Le Mn	**	**	**	**	177,158	**	**	**	**	**	117,903	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

**** - chineese loan wrongly posted in Sept and reversed in October*

percent and 2.7 percent to 290.08 thousand pounds and 54.5 thousand metric tons, respectively.

The decline in performance of the above products was in part due to increased competition from imported brands and partly o limited supply of material inputs. However, acetylene production increased by 5.59 percent to 27.6 thousand cubic feet while oxygen dipped by 5.19 percent to 28.7 thousand cubic feet. In the mining sector, diamond production increased by 58.17 percent to 69.31 thousand carats as reported by the Precious Minerals Trading Office. Gold production also increased by 144.24 percent to 180.86 ounces. The significant growth in minerals production was a reflection of increased mining activities during the reporting month. The National Consumer Price Index (CPI) in January 2016 reflected a monthly inflation rate of 0.29 percent. Similarly, all four regions of the country recorded increases in monthly inflation rates of 0.16 percent in the Western Area, 0.65 percent in the Northern Region, 0.38 percent in the Southern Region and 0.37 percent in the Eastern Region. The year- on-year headline inflation rate grew by 1 basis point to 8.86 percent in January 2016. The main CPI components that contributed to the rise in headline inflation were food and non-alcoholic beverages, housing water, electricity, gas and other fuels, health, furnishing & household equipment, and clothing & footwear. On regional basis, year on year inflation rate for January 2016 rose in all the regions except the Western Area. In the Northern Region, inflation increased by 27 basis points to 10.67 percent, in the Southern Region inflation rose by 28 basis points to 8.42 percent while Eastern Region inflation increased by 32 basis points to 9.79 percent. However, in the Western Area, inflation dropped by 23 basis points to 8.49 percent.

Fiscal Operations

The overall fiscal balance in January 2016 was a deficit of Le25.47bn which more than doubled the deficit of Le11.08bn recorded in December 2015 and by 18.7 percent more than the projected deficit of Le21.46bn. Total revenue received including grants dropped by 39 percent to Le259.12bn but was 8.6 percent in excess of the projected amount

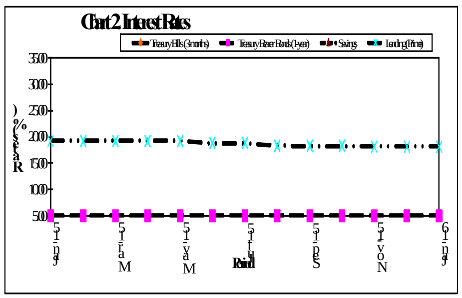


Table 4.		Monetary Aggregates												
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Reserve Money (RM)	Le Mn	1450690R	1440834R	1502179R	1,553,506	1,575,603	1,666,649	1,631,055	1,574,425	1,618,911	1,617,652	1,674,461	1,723,637	1,707,603
Broad Money (M2)	Le Mn	4879039R	4875822R	4945395R	5,008,791	4,990,113	5,038,376	5,064,474	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473
Narrow Money (M1)	Le Mn	2088678R	2074104R	2150603R	2,180,478	2,185,583	2,213,084	2,248,677	2,251,957	2,293,050	2,303,555	2,374,722	2,496,971	2,433,525
Currency in Circulation	Le Mn	986918R	1004850R	1,041,432	1,037,882	1,024,142	989,167	994,367	996,822	1,018,116	1,040,457	1,068,350	1,176,286	1,099,748
Demand Deposits	Le Mn	1101760R	1069254R	1,109,170	1,142,595	1,161,441	1,223,917	1,254,310	1,255,136	1,274,934	1,263,099	1,306,373	1,320,685	1,333,778
Budget Financing (Banking Sector)	Le Mn	1947869R	2032713R	2081501R	12181891R	2,139,567	2,256,345	2,368,761	2,437,872	2,599,905	2,685,991	2,777,026	2,589,701	2,671,517
Bank of Sierra Leone (BSL^)	Le Mn	222067R	270732R	341227R	4130710R	345,566	431,495	453,473	471,902	580,570	618,553	724,735	562,500	648,346
Commercial Banks (DMB)	Le Mn	**1725802R**	1761981R	**1740274R**	1,751,180	1,794,001	1,824,850	1,915,288	1,965,970	2,019,335	2,067,438	2,052,291	2,027,200	2,023,171
Claims on Private Sector	Le Mn	1055721R	1033925R	1056790R	1,071,944	1,076,884	1,064,369	1,083,040	1,122,564	1,120,230	1,120,708	1,132,861	1,090,849	1,125,219
*Of Which: Commercial Banks***	Le Mn	1,038,474	1,016,989	1,036,527	1,051,982	1,038,735	1,027,378	1,046,648	1,085,357	1,088,184	1,088,728	1,101,636	1,060,823	1,088,545
Claims on Non-Banking Inst.	Le Mn	39964R	44308R	42498R	48,346	47,170	47,620	50,612	50,602	54,410	50,745	55,874	39,845	48,006
Other Items (Net)	Le Mn	-2041038R	-2016359R	-2103812R	-2,166,770	-1,982,389	-2,009,285	-2,022,283	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2,128,760	-2,184,754

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5.		Interest Rates										
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
Treasury Bills (3-months)	%	2.2	2.46	2.7	2.67	3	2.74	1.86	1.26	1.55	1.67	1.48
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	5.00
Deposits												
Savings	%	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.62	2.54	2.54	2.54
1 - 3 month	%	3.48	3.48	3.48	3.48	3.48	3.48	3.48	2.89	2.73	2.73	2.73
3 - 6 month	%	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.27	4.12	4.12	4.22
6 - 9 month	%	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38
9 - 12 month	%	5.76	5.76	5.76	5.76	5.76	5.76	5.76	5.35	5.22	5.22	5.35
Lending (Prime)	%	19.23-25.14	9.23-25.14	9.23-25.14	9.23-25.14	9.23-25.14	8.77-25.14	8.77-25.14	8.37-25.00	18.23-24.95	8.23-24.95	18.12-24.80

Source: Bank of Sierra Leone

of Le238.66bn. The decline in revenue performance relative to the previous month was on account of the 99.4 percent drop in external grants. Nonetheless, domestic revenue increased by 4.5 percent to Le258.04bn which was 26.60 percent in excess of the projected amount of Le203.82bn. The increase in domestic revenue was derived mainly from non-tax receipts which increased by more than three-fold (353.95%) to counter balance the decline in tax revenue. Receipts from income tax dropped by 50.4 percent and that from customs and excise by 2.8 percent while goods and services tax declined by 0.6 percent. Total government expenditures declined by 34.7 percent to Le284.59bn but was 9.4 percent higher than the ceiling of Le260.12bn. The decrease in overall expenditure was reflected in all the categories. Expenditure on pensions, wages & salaries fell by 35.6 percent, that on goods and services by 6.67 percent while debt services payment contracted by 89.7 percent. The overall deficit of Le25.47bn was financed domestically.

Monetary Developments

Trends in monetary aggregates in January 2016 were mixed. Broad Money (M2) expanded by 0.21 percent compared to the 1.73 percent increase in December 2015. The expansion in M2 was a result of the 3.09 percent (Le70.44bn) increase in Net Domestic Assets (NDA) of the banking system. The increase in NDA was mainly on account of the Le73.19bn utilization of ways and means advances of which Le30.90bn was in respect of areas for 2015, the increase in

securities holdings of Le6.64bn for treasury bond and Le1.57bn for treasury bills coupled with the increase in private sector credit of Le27.72bn. Net Foreign Assets (NFA) position of the banking system however deteriorated by 1.83 percent (Le58.84bn) on account of funds utilized in the wholesale foreign exchange auction, supply of surgical instruments and medical equipments, rehabilitation of roads, salaries, wages and allowances for embassies and debt service payments. Reserve Money declined by 0.93 percent (Le16.03bn) in January 2016 compared to the Le2.94 percent (Le49.18bn) increase in December 2015. The decline was mainly due to a 9.24 percent contraction in currency issued (Le125.38bn), in the aftermath of Christmas festivities. Credit to Private Sector by commercial banks expanded by 2.61 percent (Le27.72bn) during the review month compared to the 3.70 percent (Le40.81bn) decline in December 2015. Yield on 91-day T-bill increased from 1.08 percent in December 2015 to 1.21 percent in January 2016 while that on the 182-day declined from 3.11 percent in December 2015 to

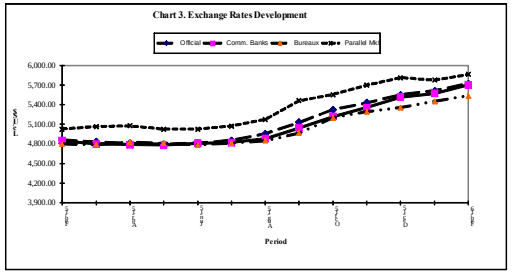
Table 6.		EXCHANGE RATES (Average Monthly Buying)											
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Leone to Dollar													
Official	Le/$	4,881.54	4,857.91	4,830.47	4,807.22	4,796.94	4,813.24	4,850.39	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62
Comm Banks	Le/$	4,843.25	4,847.09	4,796.31	4,790.08	4,783.14	4,808.78	4,820.71	4,880.93	5,045.82	5,218.68	5,356.58	5,516.44
Bureaux	Le/$	4,846.53	4,795.64	4,789.12	4,828.23	4,808.76	4,779.70	4,813.82	4,847.85	4,967.04	5,199.78	5,292.78	5,354.12
Parallel Market	Le/$	5,018.75	5,024.21	5,063.10	5,075.00	5,025.00	5,025.00	5,072.73	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00
Leone to PoundR	Le/£	7,440.38	7,442.97	7,236.77	7,178.33	7,417.74	7,488.64	7,547.09	7,723.62	7,879.87	8,162.14	8,256.00	8,335.43

Source: Bank of Sierra Leone

Table 7.		EXCHANGE RATES (Average Monthly Selling)											
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Leone to Dollar													
Auction	Le/$	4,861.92	4,829.45	4,886.25	4,777.06	4,812.06	4,854.32	4,933.02	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79
Official[R]	Le/$	4,980.15	4,956.05	4,928.05	4,904.35	4,893.88	4,955.93	4,948.38	5,052.84	5,235.76	5,431.08	5,539.74	5,664.80
Comm Banks	Le/$	5,002.45	4,963.46	4,945.05	4,919.34	4,900.94	4,903.27	4,953.36	5,080.31	5,287.17	5,487.97	5,580.51	5,685.04
Bureaux	Le/$	4,902.33	4,885.42	4,865.06	4,888.71	4,873.67	4,865.22	4,881.07	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89
Parallel Mkt.	Le/$	5,086.25	5,090.37	5,116.90	5,125.00	5,125.00	5,104.32	5,144.77	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50
Leone to Pound[R]	Le/£	7,592.99	7,595.63	7,385.01	7,325.55	7,569.62	7,642.22	7,701.68	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78

Source; Bank of Sierra Leone

for the rehabilitation of road infrasturcture. Reserve Money (RM) expanded by 0.35 percent (Le6.00bn) in February 2016 compared to a contraction of 0.93 percent (Le16.03bn) in January 2016. The growth in RM was mainly reflected in Currency Issued of Le6.08bn. Bank financing of the government deficit expanded during the review period although it was lesser than that in the preceding month. Net Claims on Government by the banking system increased by 2.38 percent (Le63.69bn), mainly on account of the Le83.06bn increase in treasury security holdings. Private Sector credit by commercial banks increased by 0.43 percent (Le4.68bn) which is lower than the 2.61 percent (Le27.72bn) increase recorded in January 2016. Interest rates on Savings and Time Deposits remained unchanged while that on Government Securities increased across the various maturity structure of the yield curve. The 91-days, 182-days and 364-days Treasury Bills rate increased by 230, 156 and 271 basis point from 1.21 percent, 2.57 percent 13.41 percent in January 2016 to 3.51 percent, 4.12 percent and 16.12 percent respectively, in February 2016. Interest rate on 1-year and 2-year Treasury Bond remained unchanged at 5.00 percent and 14.38 percent, respectively. The interest rates on Savings and Time Deposits remained unchanged. The average rate on Savings, 1-month, 3-month, 6-month, 9-months and 12-months Time deposits remained unchanged at 2.54 percent, 2.73 percent, 2.98 percent, 4.20 percent, 3.38 percent and 5.30 percent, respectively. The average Lending rates of Banks remained the same in the ranges of 18.12-24.80 since November 2015.



Exchange Rates Developments

The monthly average rate of the Leone to the United States dollar depreciated in all the market channels on the buying front while developments were mixed on the selling front during the month of February 2016. On the buying front, the exchange rate movements in the commercial banks recorded the highest depreciation of 2.32 percent to Le5,699.07/US$1; while the Official, Bureaux and Parallel markets depreciated by 1.86 percent to Le5,720.56/US$1; 1.56 percent to Le5,533.89/US$1 and 1.52 percent to Le5,862.50/US$1, respectively. On the Selling front, indications are that the Official rate depreciated by 1.86 percent to Le5,836.33/US$1, followed by the Auction and Parallel segments by 0.90 percent to Le5,743.40/US$1 and 0.77 percent to Le5,920.00/US$1. However, the Leone appreciated in both the Bureaux and Commercial Banks by 3.38 percent to Le5,346.07/US$1 and 3.07 percent to Le5,570.61/US$1, respectively. The premium between the Official and Parallel rates narrowed by 2.48 percent from Le158.83/US$1 in the preceding month to Le141.94/US$1 in the review period.

International Reserves

The Gross Foreign Reserves position of the Bank at end February 2016 was recorded at US$544.30mn, indicating a 1.88 percent decline relative to US$554.71mn reported in the preceding month. The deterioration in the reserves position was mainly on account of the cumulative outflows (US$6.89mn) outweighing inflows (US$3.05mn) during the review period. Major inflows during the period comprised US$1.11mn being receipts from exports of which: Rutile US$0.41, diamonds US$0.24, other government receipts US$0.52mn; Privatization US$.50mn; Diamond exporter's income tax US$0.21mn. Aid Disbursement/BOP support of US$0.63mn of which: US$0.50mn World Bank Loan for Pay reform and IDA/ World Bank (Forex Purchases) US$ 0.13mn. Other revenues recorded include: Maritime Administration US$0.19mn; Fishing Royalty/license US$0.10mn, Diamond License fees US$ 0.11mn and others US$0.10mn. Major outflows included US$6.04mn being payment for goods and services of which; Wholesale Interbank Market intervention recorded at US$2.00mn, Embassy/mission US$ 1.34mn; Currency Printing cost US$ 1.22mn; New Infrastructure Projects (Roads) US$1.00mn; Government Travel US$0.19mn; Other government expenditure US$0.18mn; Stabilization and Corporation Fund US$0.10mn. Debt service US$0.85mn of which: World Bank US$0.35mn, AfDB US$0.22mn and other multilateral & Bilateral (BADEA, ECOWAS, etc) US$0.28mn.

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

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Highlights

Sierra Leone's macroeconomic performance during the month of February 2016 was mixed. The National annual inflation rate declined from 8.86 percent in January 2016 to 8.73 percent in February 2016. The fiscal balance further widened to record a deficit of Le60.08bn, compared to the deficit of Le25.47bn recorded in January 2016. Movements in monetary aggregates were expansionary during the review month, with Broad Money (M2) and Reserve Money (RM) expanding by 1.03 percent and 0.35 percent respectively. The monthly average exchange rate of the Leone to the United States Dollar depreciated on the buying front in all the foreign exchange markets while performance on the selling front was mixed. The Gross External Reserves position of the Central Bank deteriorated by 1.88 percent from US$554.71mn at end January 2016 to US$544.30mn at end February 2016. Significant socio-economic developments also transpired during the month of February 2016. On 10th February 2016, the World Bank Country Director announced the disbursement of US$4million to Sierra Leone's fishing sector, aimed at boosting the economy as well as raising value addition to services provided in the fishery's sector. On Thursday 11th February 2016, the Vice President, on behalf of the Government of Sierra Leone signed the Bandajuma ï Liberia Border Road and Bridges projects implemented by the Senegalese Company, CSE.

Real Sector

During the month of February 2016, activities in the manufacturing industry resulted in output declines in most of the product lines. Nonetheless, production of beer and stout, paint and confectioneries increased during the review period. Maltina and Soft drinks production declined by 8.80 percent and 4.37 percent to 21.87 thousand cartons and 101.35 thousand crates respectively. Cement and Acetylene production decreased by 5.26 percent and 3.04 percent to 24.32 thousand metric tonnes and 26.76 thousand cubic feet respectively. Oxygen and Common Soap production also dropped by 6.72 percent and 5.83 percent to 26.77 thousand cubic feet and 51.32 thousand metric tonnes respectively. On the other hand, Beer and Stout production increased by 13.53 percent to 88.54 thousand cartons. Similarly, the production of paint and

PRODUCTION

	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Mineral												
Diamonds ('000 Carats)	45.34	59.75R	64.59	20.81	57.17	35.61	31.33	63.06	23.93	11.92	43.82	69.31
Industrial ('000 Carats)	5.49	44.44R	6.27	6.94	12.09	6.78	0.96	10.40	1.04	4.05	6.42	**
Gem ('000 Carats)	39.85	15.31R	58.31	13.86	45.08	28.83	30.37	52.66	22.89	7.87	37.80	**
Bauxite *('000 MT)*	39.85	15.31	58.31	143.94R	137.12R	149.85	102.20	190.02	**	**	**	**
Rutile ('000'MT)	93.41R	121.34	145.53	10.91R	10.02R	9.94	12.02	12.01	**	**	**	**
Ilmenite *('000 MT)*	8.01	8.03	9.01	4.52R	1.30R	3.09	3.62	3.53	**	**	**	**
Gold *(Ounces)*	559.96R	703.12	49.99R	59.20R	66.43R	127.45	3.58	98.01	338.85	353.69	74.05	180.86
Agriculture												
Coffee *(Metric Tons)*	278.46	**	**	**	**	**	**	**	**	**	**	**
Cocoa *(Metric Tons)*	170.00	80.00	**	**	**	**	**	**	**	**	**	**
Manufactured Goods												
Beer and Stout *('000 cns)*	42.20	62.09	49.99	59.20	66.43	70.88	80.10	74.05	75.80	78.65	83.00	77.99
Maltina *('000 Cartons)*	17.39	15.42	25.03	25.26	32.36	29.70	36.44	25.98	26.88	26.79	24.02	23.98
Soft drinks *('000 Crates)*	100.24R	111.46R	96.20	108.90	156.00	167.54	178.09	87.21	81.14	78.97	104.04	105.98
Cement *('000 MT)*	24.90	38.01	31.27	22.38	25.78	26.78	27.32	21.35	23.44	26.00	32.10	25.67
Paint *('000 Gallons)*	15.89R	35.59R	26.12	28.90	27.98	24.55	34.00	34.01	32.98	30.88	26.40	24.45
Acetylene *('000 Cu Ft)*	22.90	18.80	23.45	20.44	23.67	20.98	18.90	18.00	28.000	24.56	26.14	27.60
Oxygen *('000 Cu Ft)*	24.80	16.50	19.90	23.99	30.00R	41.10R	35.10R	39.00	44.50	32.46	30.27	28.70
Confectionery *('000 Lb)*	185.67R	168.84	307.17R	312.20R	252.84	237.77R	232.70R	212.28	300.43	399.45	300.11	290.08
Common Soap *('000MT)*	66.90	95.56	42.13R	38.71R	68.54R	38.44R	58.08R	35.90	47.17	78.97	56.01	54.50
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

		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Monthly Inflation Rate	%	0.51	0.48	0.63	0.75	0.80	0.94	1.05	0.77	0.94	0.62	0.54	0.29	0.39
Annual Inflation Rate (Yr-on-Yr)	%	7.55	7.61	7.67	7.75	7.92	8.11	8.21	8.35	8.58	8.71	8.85	8.86	8.73
Consumer Price Index		240.27	241.90	243.43	245.25	247.21	249.54	252.17	254.11	256.50	258.08	259.47	260.64	261.24

Source: Statistics Sierra Leone

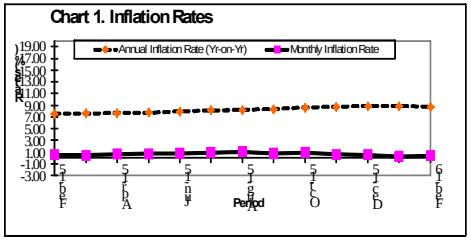


Table 3 — Government Finances

		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Total Revenue (Plus Grants)	Le Mn	165,638	268,998	217,082	334,161	171,772	173,288	167,253	161,242	163,848	196,344	424,563	259,121
Domestic Revenue	Le Mn	164,146	176,416	173,318	334,161	170,610	172,347	142,747	153,639	162,156	169,365	246,945	258,035
Customs & Excise	Le Mn	44,934	50,499	33,887	29,055	28,288	33,290	35,483	31,133	43,097	37,249	41,073	39,908
Income Tax Dept	Le Mn	55,210	66,692	44,974	80,443	58,866	55,845	39,072	60,556	38,202	56,738	132,279	65,649
Goods &Services	Le Mn	45,342	51,571	54,575	48,200	53,876	54,909	47,895	45,454	50,948	52,332	51,225	50,939
Miscellenous	Le Mn	18,660	7,654	39,882	176,464	29,580	20,303	20,298	16,496	29,909	23,046	22,368	101,539
Programmed Funds (Grants)	Le Mn	1,492	92,582	43,764	**	1,163	941	24,506	7,602	1,692	26,979	177,619	1,086
HIPC	Le Mn	1,492	**	1,414	**	1,163	941	**	1,521	1,692	**	265	1,086
*Others**	Le Mn	**	92,582	42,350	**	**	**	24,506	6,082	**	26,979	177,354	**
Total Expenditure	Le Mn	253,462	312,995	332,693	300,133	249,234	268,037	225,372	207,694	253,831	326,047	435,647	284,587
Pensions, Wages & Salaries	Le Mn	97,071	110,514	112,732	126,510	102,175	131,921	105,357	130,334	119,487	118,096	163,472	105,283
Other Expenditures	Le Mn	136,772	180,882	187,119	146,138	82,360	102,178	108,714	45,630	108,229	168,250	182,179	170,024
Debt Service Payment	Le Mn	19,319	21,600	32,843	27,485	64,698	33,938	11,301	31,730	26,115	39,700	89,996	9,280
Domestic	Le Mn	10,190	9,781	29,178	20,330	34,667	15,988	6,577	11,650	21,921	31,360	66,743	5,090
Foreign	Le Mn	9,129	11,819	3,664	7,155	30,031	17,950	4,724	20,079	4,194	8,340	23,252	4,190
Overall Deficit/Surplus	Le Mn	-87,524	-43,997	-115,611	34,029	-77,461	-94,748	-58,119	-46,453	-89,983	-129,702	-11,084	-25,466
Total Financing	Le Mn	87,524	43,997	115,611	-34,029	77,461	94,748	58,119	46,453	89,983	129,702	11,084	25,466
Bank Financing	Le Mn	115855R	1874R	54774R	32,983	76568R	111438R	70,447	165,513	91,086	-27145	-131296	32,108
Bank of Sierra Leone	Le Mn	77689R	18822R	43706R	-9,142	44,938	21978R	18,429	108,669	42,983	-11722	-162235	43,576
Commercial Banks	Le Mn	38165R	-16949R	11,068	42,124	31,629	89,460	52,019	56,844	48,103	-8319	-31788	30,898
Non-Bank Financing	Le Mn	294R	-8980R	1062R	7,775	-14,340	2,943	-1,309	2,518	137	21,433	10,970	14,248
Treasury Balance	Le Mn	-28625R	-126,055	59775R	-74,786	15,232	-19632R	-11,019	-121,578	-1,240	17,511	131,410	-20890
Foreign Finance	Le Mn	**	**	**	177,158	**	**	**	**	**	117,903	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

*** – Chinese loan wrongly posted in Sept and reversed in October*

confectioneries improved by 6.26 percent and 1.19 percent; to 25.98 thousand gallons and 293.54 thousand poundsrespectively.Diamond production fell by 20.92 percent to 54.81 thousand carats in February 2016. Gold production decrlined by 29.24 percent, from 180.86 ounces in January 2016 to 127.98 ounces in February 2016. Monthly inflation rate rose steadily from 0.29 percent in January 2016 to 0.39 percent in February 2016. This was driven by the pass through effect of currency depreciation. On regional basis, monthly inflation rates increased across all the regions. Western Area was 0.62 percent, Northern Region 0.52 percent, Southern Region 0.51 percent and Eastern Region 0.51 percent. On year on year basis, headline inflation declined from 8.86 percent in January 2016 to 8.73 percent in February 2016. The decrease in annual headline inflation was reflective of declines in the prices of furnitures, household equipments and maintenance by 0.83 percent. Meanwhile, there were increases in prices across all other components of the CPI basket. This included food and non-alcoholic beverages, housing, water, electricity, gas and other fuels, communication and health. On regional basis, annual headline inflation increased in the Western Area from 8.49 percent in January 2016 to 8.52 percent in February 2016 while in the Northern Region, inflation increased from 10.67 percent to 10.69 percent. However, annual headline inflation fell in the Southern Region from 8.42 percent in January 2016 to 8.18 percent in February 2016 and in the Eastern Region from 9.79 percent to 9.78 percent.

Fiscal Operations

Government budgetary operations in February 2016 resulted in an overall deficit of Le60.08bn which exceeded the target of Le21.46bn and the deficit of Le25.47bn recorded in January 2016. Total revenue collection declined by 27.57 percent to Le187.69bn which was 21.36 percent lower than the target of Le234.66bn for February 2016. The decline in overall receipts

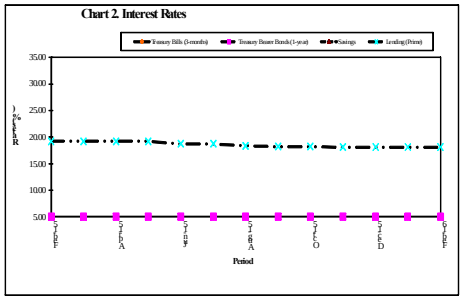


Table 4. — Monetary Aggregates

		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Reserve Money (RM)	Le Mn	1440834R	1502179R	1,553,506	1,575,603	1,666,649	1,631,055	1,574,425	1,618,911	1,617,652	1,674,461	1,723,637	1,707,603	1,713,607
Broad Money (M2)	Le Mn	4875822R	4945395R	5,008,791	4,990,113	5,038,376	5,064,474	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382
Narrow Money (M1)	Le Mn	2074104R	2150603R	2,180,478	2,185,583	2,213,084	2,248,677	2,251,957	2,293,050	2,303,555	2,374,722	2,496,971	2,433,525	2,468,675
Currency in Circulation	Le Mn	1004850R	1,041,432	1,037,882	1,024,142	989,167	994,367	996,822	1,018,116	1,040,457	1,068,350	1,176,286	1,099,748	1,076,542
Demand Deposits	Le Mn	1069254R	1,109,170	1,142,595	1,161,441	1,223,917	1,254,310	1,255,136	1,274,934	1,263,099	1,306,373	1,320,685	1,333,778	1,392,133
Budget Financing (Banking Sector)	Le Mn	2032201R	2080989R	2181379R	2139055R	2255833R	2368249R	2437360R	2599394R	2685479R	2776515R	2589189R	2671006R	2,734,699
Bank of Sierra Leone (BSL^)	Le Mn	270732R	341227R	4130710R	345,566	431,495	453,473	471,902	580,570	618,553	724,735	562,500	648,346	684,501
Commercial Banks (DMB)	Le Mn	**1761981R**	1740274R	**1,751,180**	1,794,001	1,824,850	1,915,288	1,965,970	2,019,335	2,067,438	2,052,291	2,027,200	2,023,171	2,050,198
Claims on Private Sector	Le Mn	1033925R	1056790R	1,071,944	1,076,884	1,064,369	1,083,040	1,122,564	1,120,230	1,120,708	1,132,861	1,090,849	1,125,219	1,129,184
*Of Which: Commercial Banks***	Le Mn	1,016,989	1,036,527	1,051,982	1,038,735	1,027,378	1,046,648	1,085,357	1,088,184	1,088,728	1,101,636	1,060,823	1,088,545	1,093,225
Claims on Non-Banking Inst.	Le Mn	44308R	42498R	48,346	47,170	47,620	50,612	50,602	54,410	50,745	55,874	39,845	48,006	55,071
Other Items (Net)	Le Mn	-2016359R	-2103812R	-2,166,770	-1,982,389	-2,009,285	-2,022,283	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2,128,760	-2,184,754	-2,205,542

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Treasury Bills (3-months)	%	2.46	2.7	2.67	3.00	2.74	1.86	1.26	1.55	1.67	1.48	1.08
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	5.00
Deposits												
Savings	%	2.85	2.85	2.85	2.85	2.85	2.85	2.62	2.54	2.54	2.54	2.54
1 - 3 month	%	3.48	3.48	3.48	3.48	3.48	3.48	2.89	2.73	2.73	2.73	2.73
3 - 6 month	%	4.7	4.7	4.7	4.7	4.7	4.7	4.27	4.12	4.12	4.22	4.20
6 - 9 month	%	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38
9 - 12 month	%	5.76	5.76	5.76	5.76	5.76	5.76	5.35	5.22	5.22	5.35	5.30
Lending (Prime)	%	19.23-25.14	9.23-25.14	9.23-25.14	9.23-25.14	8.77-25.14	8.77-25.14	8.37-25.00	8.23-24.95	8.23-24.95	8.12-24.80	8.12-24.80

Source: Bank of Sierra Leone

was a result of the slowdown in domestic revenue collection. Domestic revenue (comprising tax and non-tax collection) dipped by 27.26 percent to Le187.69bn and was 7.91 percent below the budgeted target of Le203.82bn. Tax revenue consists of: customs and excise, income tax receipts and goods and services tax. Customs and excise receipts declined marginally by 1.76 percent to Le39.21bn which fell 32.26 percent below the target of Le57.88bn. Revenue from income tax declined by 20.16 percent to Le52.41bn and was 31.67 percent lower than the anticipated receipt of Le76.71bn. However, goods and services tax increased by 5.67 percent to Le53.83bn which was 1.72 percent higher than the target of Le52.92bn. Non-tax receipts plummeted from Le101.54bn in January 2016 to Le42.25bn in February 2016, reflecting a 58.39 percent declined. However, this amount was158.96 percent in excess of the programmed limit of Le16.31bn. Total government spending contracted by 12.94 percent to Le247.77bn which was within the target limit of Le260.12bn. The decline in government spending resulted from the reduction in Treasury expenses on goods and services of 62.5 percent to Le60.14bn during the month. Spending on pensions, wages and salaries increased by 44.76 percent to Le152.40bn which was 10.79 percent in excess of the ceiling requirement of Le137.56bn. Total debt services payment increased by 43.61 percent to Le13.33bn but was within the targeted ceiling of Le24.97bn. Of this amount, domestic debt services amounted to Le8.38bn while foreign debt services amounted to Le4.94bn. The overall budget deficit of Le60.08bn was entirely financed from domestic resources.

Monetary Developments

Developments in monetary aggregates in February 2016 were expansionary. Broad Money supply (M2) expanded by 1.03 percent (Le56.91bn) in February 2016 compared to the 0.21 percent (Le11.60bn) increase in January 2016. The growth in M2 was driven by increase in Net Domestic Assets (NDA) which expanded by 2.54 percent (Le59.67bn) and contributed 1.08 percent to growth in M2. Net Foreign Assets (NFA) declined by 0.09 percent (Le2.76bn) compared to a 1.83 percent (Le58.84bn) decline in the preceding month which dampened growth in M2 by 0.05 percent. The decline in NFA was due in part to payment to De La Rue for the printing of Bank notes, Foreign Exchange Auction and part-payment

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Leone to Dollar													
Official	Le/$	4,857.91	4,830.47	4,807.22	4,796.94	4,813.24	4,850.39	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17
Comm. Banks	Le/$	4,847.09	4,796.31	4,790.08	4,783.14	4,808.78	4,820.71	4,880.93	5,045.82	5,218.68	5,356.58	5,516.44	5,569.79
Bureaux	Le/$	4,795.64	4,789.12	4,828.23	4,808.76	4,779.70	4,813.82	4,847.85	4,967.04	5,199.78	5,292.78	5,354.12	5,448.70
Parallel Market	Le/$	5,024.21	5,063.10	5,075.00	5,025.00	5,025.00	5,072.73	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00
Leone to Pound^R	Le/£	7,442.97	7,236.77	7,178.33	7,417.74	7,488.64	7,547.09	7,723.62	7,879.87	8,162.14	8,256.00	8,335.43	8,094.27

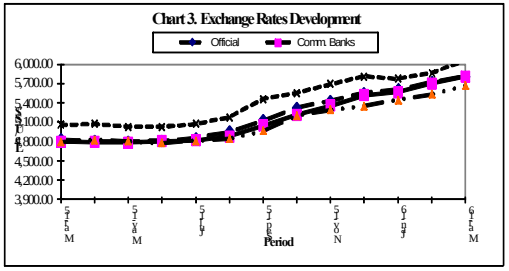
Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Leone to Dollar													
Auction	Le/$	4,829.45	4,886.25	4,777.06	4,812.06	4,854.32	4,933.02	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24
Official^R	Le/$	4,956.05	4,928.05	4,904.35	4,893.88	4,955.93	4,948.38	5,052.84	5,235.76	5,431.08	5,539.74	5,664.80	5,729.63
Comm. Banks	Le/$	4,963.46	4,945.05	4,919.34	4,900.94	4,903.27	4,953.36	5,080.31	5,287.17	5,487.97	5,580.51	5,685.04	5,747.25
Bureaux	Le/$	4,885.42	4,865.06	4,888.71	4,873.67	4,865.22	4,881.07	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20
Parallel Mkt.	Le/$	5,090.37	5,116.90	5,125.00	5,125.00	5,104.32	5,144.77	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50	5,875.00
Leone to Pound^R	Le/£	7,595.63	7,385.01	7,325.55	7,569.62	7,642.22	7,701.68	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99

Source; Bank of Sierra Leone

deposits held in the nostro accounts of commercial banks. NDA contracted by 0.45 percent compared to the 2.54 percent increase in the preceding period. The decrease in NDA was on account of the Le96.33bn decline in Other Items Net which more than offset the Le85.48bn increase in Domestic Credit. Reserve Money contracted by 1.17 percent (Le20.06bn) compared to the Le0.35 percent (Le6.00bn) increase in February 2016. The decrease in Reserve Money was mainly due to a 17.71 percent (Le76.84bn) drop in BankersôDeposits which more than offset the increase in Currency Issued (Le62.78bn). Credit to the Private Sector by commercial banks increased by 2.87 percent (Le31.43bn) during the review month compared to an increase of 0.43 percent (Le4.68bn) in the preceding month. Net Claims on Government by the banking system increased by 2.03 percent (Le55.52bn) compared to an increase of 2.38 percent (Le63.69bn) in February 2016. This phenomenon was a result of the Le65.24bn increase in Net Claims on Government by commercial banks mainly in the form of treasury bills holdings. Net Claims on Government by Bank of Sierra Leone contracted by Le9.72bn, reflecting the Le49.06bn repayment of Ways and Means Advances coupled with the Le22.23bn decrease in the Bankôs holdings of Government Securities. Yield on 91-day T-bill remained unchanged at 3.51 percent in March 2016 while that on 182-day and 364-day increased from 4.12 percent and 16.12 percent in February 2016 to 9.21 percent and 18.96 percent in March 2016, respectively. The interest rate on 1-year and 2-year treasury bonds remained unchanged at 5 percent and 14.38 percent respectively, in March 2016. The monthly average interest rates on Savings and 9-monthsô time deposits remained unchanged at 2.54 percent and 3.38 percent, respectively, while that on 1-month, 3-months, 6-months and 12-months increased from 2.73 percent, 2.98 percent, 4.20 percent and 5.30 percent in February 2016 to 2.80 percent, 3.02 percent, 4.28 percent and 5.80 percent respectively, in March 2016. The average lending rates of commercial banks moved from the ranges of 18.12-24.80 percent to 18.23-24.95.



Exchange Rates Developments

The monthly average exchange rate of the Leone to the United States Dollar depreciated in all the channels on both the buying and selling fronts during the month of March 2016. On the buying front, the exchange rate in the Parallel market, depreciated the highest by 3.33 percent to Le6,057.50/US$1; while the Bureaux, Commercial Banks and the Official markets depreciated by 2.44 percent to Le5,668.95/US$1; 1.89 percent to Le5,806.93/US$1 and 1.59 percent to Le5811.63/US$1, respectively. On the Selling front, the Bureaux market similarly depreciated the highest by 7.58 percent to Le5,751.50/US$1, followed by the Commercial Banks, Parallel market and the Official segments in the other of 6.68 percent to Le5,942.77/US$1, 3.17 percent to Le6,107.50/US$1 and 1.59 percent to Le5,929.04/US$1 respectively. However, there was no Auction held during the period under review. The premium between the Official and the Parallel rates widened by 4.23 percent from Le141.94/US$1 in the preceding month to Le245.87/US$1 in the review period.

International Reserves

The Gross International Reserves of the Bank of Sierra Leone as at end March 2016 was recorded at US$545.33mn, reflecting a marginal increase of 0.19 percent relative to the US$544.30mn recorded in the preceding month. The increase in reserves was driven mainly by the one off payment from Maritime Administration and other government revenue collection institutions. However, total outflows still outweighed total inflows for the review period due to the declining trends in export receipts. Inflows declined from US$3.04mn in February 2016 to US$2.69mn in March 2016. Significant inflows include receipts from exports US$0.66mn of which: US$0.83mn was Marine time Administration; other government expenditure US$0.42mn; Cluff Gold Mining Company US$0.31mn, Privatization US$0.20mn; Diamond exporters income tax US$0.24mn; Diamond license fees US$0.02mn; Other Mining Receipts US$0.06mn, Fishing Royalty/license US$0.02mn, Aid Disbursement/BOP Support US$0.26mn (IDA/World Bank Forex purchases) and others inflows US$0.33mn. Outflows increased from US$6.89mn in February 2016 to US$9.58mn in March 2016. Notable outflows included US$7.08mn being payment for goods and Services comprising: Embassy and Missions US$1.42mn; BSL travel US$0.51mn; Currency Printing Cost US$1.56mn; Government Travel US$0.42mn; Other Government expenditures US$2.18mn; Electricity support (fuel, etc.) US$1.00mn. Debt Service payment of US$2.50mn of which: US$0.71mn to World Bank, AfDB US$0.11mn, IFAD US$0.21mn and Other Multilateral & Bilateral (BEDEA, Saudi Fund) US$1.08mn.

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

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Highlights

There was improvement in fiscal performance during the reporting month, with the monthly fiscal deficit narrowing from Le60.08bn at end February 2016 to Le55.25bn at end March 2016. This is reflective of a significant increase in domestic revenue collections coupled with a marked increase in foreign grants received during the month of March 2016. In contrast, the National annual inflation rate increased marginally from 8.73 percent in February 2016 to 8.77 percent in March 2016 as movements in monetary aggregates remained mixed during the review month. Broad Money (M2) expanded by 0.65 percent while Reserve Money (RM) contracted by 1.17 percent. The monthly average exchange rate of the Leone to the United States Dollar continued to depreciate in all the foreign exchange markets on both the buying and selling fronts. The Gross External Reserves position of the Central Bank improved marginally by 0.19 percent from US$544.30mn at end February 2016 to US$545.33mn at end March 2016. The review period was also characterized by significant developments. An International Monetary Fund (IMF) mission led by John Wakeman-Linn visited Freetown between March 15ï 29, 2016 to conduct the fifth review of the countryôs performance under the Extended Credit Facility (ECF) as well as the 2016 Article IV consultations. On 15th March 2016, members of the Sierra Leone Parliament ratified the remaining US$12.00mn loan agreement between Saudi Fund for Development and the Government of Sierra Leone, for the rehabilitation and expansion of the Fourah Bay College (FBC), University of Sierra Leone. On 23rd March 2016, Sierra Leone received US$30,000 in grant from the Climate Investment Funds (CIF) to prepare a far-reaching national Investment Plan (IP) to transform its renewable energy sector. The Monetary Policy Committee (MPC) met on March 24, 2016 and agreed to leave the Monetary Policy Rate (MPR) unchanged at 9.5 percent, the Standing Facility Rate at 10.5 percent and Reverse Repo rate at 10 percent, effective March 30, 2016. In a bid to support smallholder commercialization and agribusiness development in Sierra Leone, the World Bank Board and the UKôs Department for International Development (DfID) provided for the Government of Sierra Leone through the Ministry Agriculture, Forestry and Food Self Sufficiency, the sum of US$55 million, to help smallholder farmersôaccess to markets and improved incomes.

PRODUCTION

	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Mineral												
Diamonds ('000 Carats)	59.75R	64.59	20.81	57.17	35.61	31.33	63.06	23.93	11.92	43.82	57.29R	54.81
Industrial ('000 Carats)	44.44R	6.27	6.94	12.09	6.78	0.96	10.40	1.04	4.05	6.42	1.21	7.81
Gem ('000 Carats)	15.31R	58.31	13.86	45.08	28.83	30.37	52.66	22.89	7.87	37.80	56.07	46.99
Bauxite *('000 MT)*	15.31	58.31	143.94R	137.12R	149.85	102.20	190.02	**	**	**	116.64	101.00
Rutile ('000'MT)	121.34	145.53	10.91R	10.02R	9.94	12.02	12.01	**	**	**	7.69	8.58
Ilmenite *('000 MT)*	8.03	9.01	4.52R	1.30R	3.09	3.62	3.53	**	**	**	**	**
Gold *(Ounces)*	703.12	49.99R	59.20R	66.43R	127.45	3.58	98.01	338.85	353.69	74.05	180.86	127.98
Agriculture												
Coffee *(Metric Tons)*	**	**	**	**	**	**	**	**	**	**	**	**
Cocoa *(Metric Tons)*	80.00	**	**	**	**	**	**	**	**	**	**	**
Manufactured Goods												
Beer and Stout *('000 cns)*	62.09	49.99	59.20	66.43	70.88	80.10	74.05	75.80	78.65	83.00	77.99	88.54
Maltina *('000 Cartons)*	15.42	25.03	25.26	32.36	29.70	36.44	25.98	26.88	26.79	24.02	23.98	21.87
Softdrinks *('000 Crates)*	111.46R	96.20	108.90	156.00	167.54	178.09	87.21	81.14	78.97	104.04	105.98	101.35
Cement *('000 MT)*	38.01	31.27	22.38	25.78	26.78	27.32	21.35	23.44	26.00	32.10	25.67	24.32
Paint *('000 Gallons)*	35.59R	26.12	28.90	27.98	24.55	34.00	34.01	32.98	30.88	26.40	24.45	25.98
Acetylene *('000 Cu Ft)*	18.80	23.45	20.44	23.67	20.98	18.90	18.00	28.00	24.560	26.14	16.00R	14.00R
Oxygen *('000 Cu Ft)*	16.50	19.90	23.99	30.00R	41.10R	35.10R	39.00	44.50	32.46	30.27	41.00R	36.00R
Confectionery *('000 Lb)*	168.84	307.17R	312.20R	252.84	237.77R	232.70R	212.28	300.43	399.45	300.11	290.08	293.54
Common Soap *('000MT)*	95.56	42.13R	38.71R	68.54R	38.44R	58.08R	35.90	47.17	78.97	56.01	54.50	51.32R
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

		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Monthly Inflation Rate	%	0.48	0.63	0.75	0.80	0.94	1.05	0.77	0.94	0.62	0.54	0.29	0.39	0.72
Annual Inflation Rate (Yr-on-Yr)	%	7.61	7.67	7.75	7.92	8.11	8.21	8.35	8.58	8.71	8.85	8.86	8.73	8.77
Consumer Price Index		241.90	243.43	245.25	247.21	249.54	252.17	254.11	256.50	258.08	259.47	260.64	261.24	263.12

Source: Statistics Sierra Leone

Real Sector

Output from the manufacturing sector generally declined in March 2016. This development was explained among others, by the limited supply of input materials coupled with weak demand and supply

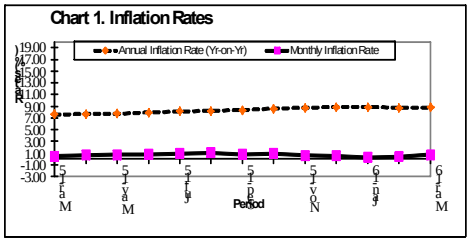


Table 3 — Government Finances

		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-15	Feb-15
Total Revenue (Plus Grants)	Le Mn	268,998	217,082	334,161	171,772	173,288	167,253	161,242	163,848	196,344	424,563	259,121	187,691
Domestic Revenue	Le Mn	176,416	173,318	334,161	170,610	172,347	142,747	153,639	162,156	169,365	246,945	258,035	187,691
Customs & Excise	Le Mn	50,499	33,887	29,055	28,288	33,290	35,483	31,133	43,097	37,249	41,073	39,908	39,206
Income Tax Dept	Le Mn	66,692	44,974	80,443	58,866	55,845	39,072	60,556	38,202	56,738	132,279	65,649	52,414
Goods &Services	Le Mn	51,571	54,575	48,200	53,876	54,909	47,895	45,454	50,948	52,332	51,225	50,939	53,825
Miscellenous	Le Mn	7,654	39,882	176,464	29,580	20,303	20,298	16,496	29,909	23,046	22,368	101,539	42,247
Programmed Funds (Grants)	Le Mn	92,582	43,764	**	1,163	941	24,506	7,602	1,692	26,979	177,619	1,086	**
HIPC	Le Mn	**	1,414	**	1,163	941	**	1,521	1,692	**	265	1,086	**
*Others**	Le Mn	92,582	42,350	**	**	**	24,506	6,082	**	26,979	177,354	**	**
Total Expenditure	Le Mn	312,995	332,693	300,133	249,234	268,037	225,372	207,694	253,831	326,047	435,647	284,587	247,772
Pensions, Wages & Salaries	Le Mn	110,514	112,732	126,510	102,175	131,921	105,357	130,334	119,487	118,096	163,472	105,283	152,403
Other Expenditures	Le Mn	180,882	187,119	146,138	82,360	102,178	108,714	45,630	108,229	168,250	182,179	170,024	82,042
Debt Service Payment	Le Mn	21,600	32,843	27,485	64,698	33,938	11,301	31,730	26,115	39,700	89,996	9,280	13,326
Domestic	Le Mn	9,781	29,178	20,330	34,667	15,988	6,577	11,650	21,921	31,360	66,743	5,090	8,383
Foreign	Le Mn	11,819	3,664	7,155	30,031	17,950	4,724	20,079	4,194	8,340	23,252	4,190	4,944
Overall Deficit/Surplus	Le Mn	-43,997	-115,611	34,029	-77,461	-94,748	-58,119	-46,453	-89,983	-129,702	-11,084	-25,466	-60,080
Total Financing	Le Mn	43,997	115,611	-34,029	77,461	94,748	58,119	46,453	89,983	129,702	11,084	25,466	**
Bank Financing	Le Mn	1874R	54774R	32,983	76568R	111438R	70,447	165,513	91,086	-27145	-131296	32,108	**
Bank of Sierra Leone	Le Mn	18822R	43706R	-9,142	44,938	21978R	18,429	108,669	42,983	-11722	-162235	43,576	**
Commercial Banks	Le Mn	-16949R	11,068	42,124	31,629	89,460	52,019	56,844	48,103	-8319	-31788	30,898	**
Non-Bank Financing	Le Mn	-8980R	1062R	7,775	-14,340	2,943	-1,309	2,518	137	21,433	10,970	14,248	**
Treasury Balance	Le Mn	-126,055	59775R	-74,786	15,232	-19632R	-11,019	-121,578	-1,240	17,511	131,410	-20890	**
Foreign Finance	Le Mn	**	**	177,158	**	**	**	**	**	117,903	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

**** - Chinese loan wrongly posted in Sept and reversed in October*

fundamentals. There was a drop in the production of all beverages: beer & stout fell by 10.27 percent to 79.45 thousand cartons, maltina production fell by 28.67 percent to 15.6 thousand cartons while soft drinks output decreased by 1.25 percent to 100.08 thousand crates. In addition, paint and acetylene production declined respectively by 19.67 percent to 20.87 thousand gallons and 14.29 percent to 12 thousand cubic feet. Confectionery and common soap production also fell by 0.08 percent to 293.3 thousand pounds and by 84 percent to 8.21 thousand metric tons respectively. However, cement production rose by 8.59 percent to 26.41 thousand metric tons reflecting improvement in construction activities, while oxygen production grew by 33.33 percent to 48 thousand cubic feet. The mining sector recorded improved performance as production levels of most minerals increased during the period. Report from the Precious Minerals Trading Office indicated that diamond production increased by 20.49 percent to 66.04 thousand carats in the review month. This volume constitutes 10.41 thousand carats of industrial diamond and 55.63 thousand carats of gem diamonds. Gold production increased by 73.51 percent to 222.06 ounces while bauxite production grew by 9.97 percent to 111.07 thousand metric tons. Electricity generated during the reporting period totalled 26.66GWhr, representing an increase of 5.43 percent compared to the preceding month. Of the overall power generation, thermal plants generated 12.27GWhr while hydro power accounted for 14.39 GWhr. Of the total thermal plant

generated, 10.72GWhr was generated from the Freetown thermal plants while 1.55GWhr was from the provincial thermal plants. The total hydro power generation was made up of 14.18GWhr from Bumbuna and 0.21GWhr from Goma Hydro power. The National monthly inflation rate in March 2016 increased steadily to 0.72 percent from 0.39 percent in February 2016. Similarly, annual headline inflation rate (year-on-year) increased from 8.73 percent in February 2016 to 8.77 percent in March 2016. On regional basis, inflation rate (year-on-year) increased across all regions in the country. Western Area inflation rate rose marginally from 8.52 percent in February 2016 to 8.56 percent in March 2016, Eastern Region inflation rate rose from 9.78 percent to 9.96 percent, Northern Region inflation rate went up from 10.69

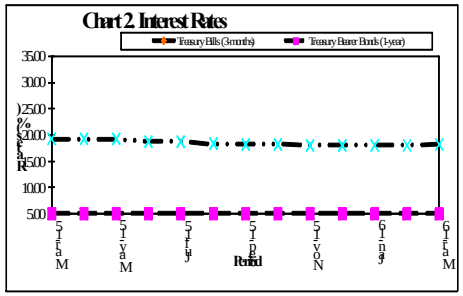


Table 4. — Monetary Aggregates

		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Reserve Money (RM)	Le Mn	1502179R	1,553,506	1,575,603	1,666,649	1,631,055	1,574,425	1,618,911	1,617,652	1,674,461	1,723,637	1,707,603	1,713,607	1,693,552
Broad Money (M2)	Le Mn	4945395R	5,008,791	4,990,113	5,038,376	5,064,474	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494
Narrow Money (M1)	Le Mn	2150603R	2,180,478	2,185,583	2,213,084	2,248,677	2,251,957	2,293,050	2,303,555	2,374,722	2,496,971	2,433,525	2,468,675	2,486,000
Currency in Circulation	Le Mn	1,041,432	1,037,882	1,024,142	989,167	994,367	996,822	1,018,116	1,040,457	1,068,350	1,176,286	1,099,748	1,076,542	1,125,665
Demand Deposits	Le Mn	1,109,170	1,142,595	1,161,441	1,223,917	1,254,310	1,255,136	1,274,934	1,263,099	1,306,373	1,320,685	1,333,778	1,392,133	1,360,335
Budget Financing (Banking Sector)	Le Mn	2,080,989	2,181,379	2,139,055	2,255,833	2,368,249	2,437,360	2,599,394	2,685,479	2,776,515	2589189R	2671006R	2,734,699	2,790,220
Bank of Sierra Leone (BSL)*	Le Mn	341227R	4130710R	345,566	431,495	453,473	471,902	580,570	618,553	724,735	562,500	648,346	684,501	674,780
Commercial Banks (DMB)	Le Mn	**1740274R**	1,751,180	**1,794,001**	1,824,850	1,915,288	1,965,970	2,019,335	2,067,438	2,052,291	2,027,200	2,023,171	2,050,198	2,116,430
Claims on Private Sector	Le Mn	1056790R	1,071,944	1,076,884	1,064,369	1,083,040	1,122,564	1,120,230	1,120,708	1,132,861	1,090,849	1,125,219	1,129,184	1,163,716
*Of Which: Commercial Banks***	Le Mn	1,036,527	1,051,982	1,038,735	1,027,378	1,046,648	1,085,357	1,088,184	1,088,728	1,101,636	1,060,823	1,088,545	1,093,225	1,124,652
Claims on Non-Banking Inst.	Le Mn	42498R	48,346	47,170	47,620	50,612	50,602	54,410	50,745	55,874	39,845	48,006	55,071	50,078
Other Items (Net)	Le Mn	-2103812R	-2,166,770	-1,982,389	-2,009,285	-2,022,283	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2,128,760	-2,184,754	-2,205,542	-2,301,873

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16
Treasury Bills (3-months)	%	2.7	2.67	3	2.74	1.86	1.26	1.55	1.67	1.48	1.08	1.21
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	5.00
Deposits												
Savings	%	2.85	2.85	2.85	2.85	2.85	2.62	2.54	2.54	2.54	2.54	2.54
1 - 3 month	%	3.48	3.48	3.48	3.48	3.48	2.89	2.73	2.73	2.73	2.73	2.73
3 - 6 month	%	4.7	4.7	4.7	4.7	4.7	4.27	4.12	4.12	4.22	4.20	4.20
6 - 9 month	%	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38
9 - 12 month	%	5.76	5.76	5.76	5.76	5.76	5.35	5.22	5.22	5.35	5.30	5.30
Lending (Prime)	%	19.23-25.14	9.23-25.14	9.23-25.14	8.77-25.14	8.77-25.14	8.37-25.00	8.23-24.95	8.23-24.95	8.12-24.80	8.12-24.80	8.12-24.80

Source: Bank of Sierra Leone

percent to 11.35 percent while the Southern Region inflation rate grew from 8.18 percent to 8.41 percent.

Fiscal Operations

Government's budgetary operations in March 2016 resulted in a deficit of Le55.25bn compared to a deficit of Le60.08bn in February 2016 and a target of Le21.46bn. The budgetary deficit was on account of increased expenditure over total revenue including external grants. Total revenue including grants increased by 12.71 percent to Le211.55bn but was 11.36 percent lower than the budgeted target of Le238.66bn. Domestic revenue, comprising tax revenue and non-tax revenue, increased by 11.77 percent to Le209.79bn and 2.93 percent in excess of the target of Le203.82bn. Tax revenue constitutes customs and excise duties, income tax and goods and services tax. Collections from customs and excise increased by 12.30 percent to Le44.03bn, but remained 23.93 percent lower than the budgeted target of Le57.88bn. Income Tax receipts increased by 21.95 percent to Le63.92bn, but fell 7.88 percent below the target requirement of Le76.71bn. On the other hand, receipts from Goods and Services Tax (GST) dropped by 1.19 percent to Le53.18bn, but remained 0.51 percent higher than the target requirement of Le52.92bn. Non-tax revenue improved by 15.16 percent to Le48.65bn, and exceeded the budgeted target of Le16.31bn by 198.23 percent. Foreign grants disbursed during the reporting month amounted to Le1.76bn, which was 94.94 percent below the target of Le34.84bn. Total expenditures expanded by 7.68 percent to Le266.80bn exceeding the ceiling requirement of Le260.12bn by 2.57 percent. The increase in total expenditure was due to the growth in Treasury expenses for goods and services and debt services payment. Payment of pensions, wages and salaries contracted during the review period but was not sufficient to counter balance the increase in overall expenditure. Debt services payments increased by 77.54 percent to Le23.66bn, but stayed within the program ceiling of Le 24.97bn. Pensions, wages and salaries decreased by 14.54 percent to Le130.24bn and yet remained within the ceiling requirement of Le137.56bn. The overall deficit was financed from the bridge loan in the sum of Le60.00bn from the Central Bank, part of which was also used to repay the Ways and Means Advances.

Monetary Developments

Trends in monetary aggregates for March 2016 were mixed. Broad Money (M2) expanded by 0.65 percent compared to the 1.03 percent in February 2016. The expansion in M2 was driven by the 1.49 percent (Le46.96bn) growth in Net Foreign Assets (NFA) of the banking system. The growth in Net Foreign Assets (NFA) was on account of increase in foreign currency

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Leone to Dollar													
Official	Le/$	4,830.47	4,807.22	4,796.94	4,813.24	4,850.39	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56
Comm. Banks	Le/$	4,796.31	4,790.03	4,783.14	4,808.78	4,820.71	4,880.93	5,045.82	5,218.63	5,356.58	5,516.44	5,569.79	5,699.07
Bureaux	Le/$	4,789.12	4,828.23	4,808.76	4,779.70	4,813.82	4,847.85	4,967.04	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89
Parallel Market	Le/$	5,063.10	5,075.00	5,025.00	5,025.00	5,072.73	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50
Leone to Pound[R]	Le/£	7,236.77	7,178.33	7,417.74	7,488.64	7,547.09	7,723.62	7,879.87	8,162.14	8,256.00	8,335.43	8,094.27	8,197.05

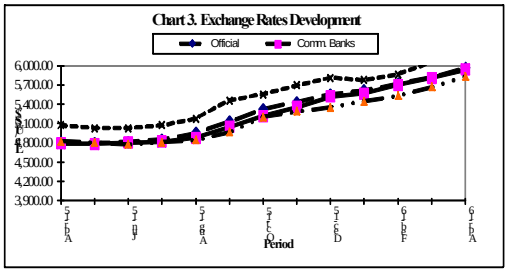
Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

		Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Leone to Dollar													
Auction	Le/$	4,886.25	4,777.06	4,812.06	4,854.32	4,933.02	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24	5,743.40
Official[R]	Le/$	4,928.05	4,904.35	4,893.88	4,955.93	4,948.38	5,052.84	5,235.76	5,431.08	5,539.74	5,664.80	5,729.63	5,836.33
Comm. Banks	Le/$	4,945.05	4,919.34	4,900.94	4,903.27	4,953.36	5,080.31	5,287.17	5,487.97	5,580.51	5,685.04	5,747.25	5,570.61
Bureaux	Le/$	4,865.06	4,888.71	4,873.67	4,865.22	4,881.07	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07
Parallel Mkt.	Le/$	5,116.90	5,125.00	5,125.00	5,104.32	5,144.77	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50	5,875.00	5,920.00
Leone to Pound[R]	Le/£	7,385.01	7,325.55	7,569.62	7,642.22	7,701.68	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99

Source; Bank of Sierra Leone

(Le3.47bn) compared to the 1.17percent (Le20.06bn) decline posted during the preceding month. The contraction resulted from a 1.18 percent (Le15.29bn) drop in Currency Issued which more than offset the increase in both Bankersô Deposits (Le9.30bn) and Private Sector Deposits (Le2.52bn). Credit to the Private Sector by commercial banks increased by 3.61 percent (Le40.58bn) during the review month compared to a 2.87 percent (Le31.43bn) increase in the preceding month suggesting a marginal growth in intermediation to support economic recovery. Net Claims on Government by the banking system increased by 1.74 percent (Le48.63bn) compared to 2.03 percent (Le55.52bn) in March 2016. The growth in net claims on government was attributable to the Bridge finance in the sum of Le60.00bn provided by Bank of Sierra Leone to government and the increase in the Bank securities holding in the sum of Le2.04bn. Utilization of Ways and Means advances however declined from Le60.14bn in March 2016 to Le18.35bn during the review period. Annual yields on 3-months, 6-months and 12-months treasury bills increased from 3.51 percent, 9.21 percent and 18.96 percent in March 2016 to 6.82 percent, 10.18 percent and 23.48 percent in April 2016, respectively. Interest rates on 12-months and 24-months treasury bonds remained unchanged at 5 percent and 14.38 percent respectively in April 2016. The monthly average interest rates on Savings 1-month, 3-months, 6-months, 9-months and 12-monthsôtime deposits remained unchanged at 2.54 percent, 2.80 percent, 3.02 percent, 4.28 percent, 3.38 percent and 5.580 percent, respectively. The average lending rates of commercial banks remained within the range of 18.23 percent to 24.95 percent.



Exchange Rates Developments

During the month of April 2016, the monthly average exchange rate of the Leone to the United States Dollar depreciated in all the channels on both the buying and selling fronts. On the buying front, the exchange rate in the forex Bureaux posted the highest depreciation of 2.87 percent, to record Le5,831.84/US$1; The exchange rate on the Official market, Commercial Banks and Parallel markets depreciated by 2.61 percent to Le5,963.24/US$1; 2.29 percent to Le5,940.09/US$1 and 2.19 percent to Le6,190.00/US$1, respectively. On the selling front, the Bureaux market recorded the highest depreciation of 3.14 percent, to register Le5,932.17/US$1, this is followed by the Commercial Banks, Official and Parallel market segments of 2.99 percent to Le6,120.19/US$1, 2.61 percent to Le6,083.71/US$1 and 1.76 percent to Le6,215.00/US$1, respectively. There was no forex auction held during the reporting month. The premium between the Official and the Parallel rates narrowed by 3.80 percent from Le245.87/US$1 in the preceding month to Le226.76/US$1 in the review period

International Reserves

The Gross International Reserves position of the Bank as at end April 2016 was recorded at US$545.33mn indicating a 0.19 percent improvement compared to US$544.30mn recorded in March 2016. The increase in reserves was due to increase in inflows in the sum of US$3.04mn (113.01%), from US$2.69mn in March 2016 to US$5.73mn in April 2016. The build-up in reserves over the review period was largely on account of a significant increase in inflows (113.01%). Meanwhile, outflows increased marginally by 12.42 percent. Significant inflows were from export receipts, totalling US$5.18mn. They include: US$3.14mn from Rutile; US$1.22mn from Koidu Holding Diamond Mining Co; US$0.50mn from Bauxite (Vinetco); US$ 0.40mn from other sources; US$ 0.19mn from Other Mining Receipts; US$0.10mn from Maritime Administration, Diamond exporters Income tax US$0.10mn and Diamond license fees US$0.02mn. During the review period, outflows increased from US$9.58mn in March 2016 to US$10.77mn in April, 2016 of which: Embassy/ mission expense amounted to US$2.69mn; BSL travel expenses US$0.95mn; Other Government expenditures US$2.17mn; New roads infrastructure Projects US$ 0.59mn; Subscription to International organizations US$0.79mn; Printing of currency US$0.35mn; and Government Travel US$0.31mn. Debt Service Payment of US$2.92mn of which: US$0.01mn to World Bank, US$0.063mn to AfDB, US$1.0mn to OPEC/OFID and US$1.28mn to Other Multilateral & Bilateral (BEDEA, Saudi Fund).

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

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Highlights

Outturn in economic performance was mixed in April 2016. Whereas the monthly fiscal balance registered a surplus of Le7.38bn in April 2016 from a deficit of Le55.22bn at end March 2016, National inflation rate increased from 0.72 percent in March 2016 to 1.10 percent in April 2016 and the official monthly average exchange rate depreciated further from 1.59 percent in March 2016 to 2.61 percent in April 2016. Broad Money (M2) expanded by 1.36 percent compared to 0.65 percent in the preceding period. Reserve Money (RM) contracted by 0.21 percent compared to 1.17 percent in March 2016. The Gross External Reserves position of the Central Bank increased by 0.19 percent from US$544.30mn at end March 2016 to US$545.33mn at end April 2016. The review period was also characterized by developments, geared towards improving the countryôs socio-economic performance. On Saturday 9th April 2016, His Excellency the President, Dr. Ernest Bai Koroma officially commissioned the largest palm oil production mill in the country, constructed by Socfin Agricultural Company in Pujehun District, Southern Sierra Leone. On 14th April 2016, it was reported that the National Revenue Authority (NRA) collected Le608 billion during the first quarter of 2016 (January ï March 2016) exceeding its projection of Le592 million by Le15.3 billion. This was on account of the short term revenue drive introduced in the fourth quarter of 2015. His Excellency the President, Dr. Ernest Bai Koroma, on Monday 25th April 2016, officially launched the Waterloo/ Masiaka road project estimated at US$154 million, to be constructed by the China Railway Seventh Group (CRSP). This will involve widening of the 70 kilometer road to four lanes, aimed at addressing traffic congestion, significantly minimize road accidents and facilitate trade and commerce in the country.

Real Sector

In the manufacturing sector, production levels of all commodities fell, except for soft drinks and cement which increased during the review period. Beer and stout production levels declined by 4.47 percent to 75.90 thousand cartons, maltina and paint production declined by 5.32 percent to 14.77 thousand cartons and by 23.33 percent to 16.00 thousand gallons respectively. Acetylene production dropped by 4.17 percent to 11.50 thousand cubic feet and oxygen production decreased by 13.54 percent to 41.50 thousand cubic feet. Confectionery and common soap production declined by 1.22 percent and 11.94 percent to 289.72 thousand pounds and to 7.23 thousand metric tons,

PRODUCTION

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Mineral												
Diamonds ('000 Carats)	64.59	20.81	57.17	35.61	31.33	63.06	23.93	11.92	43.82	57.29R	54.81	66.04
Industrial ('000 Carats)	6.27	6.94	12.09	6.78	0.96	10.40	1.04	4.05	6.42	1.21	7.81	10.41
Gem ('000 Carats)	58.31	13.86	45.08	28.83	30.37	52.66	22.89	7.87	37.80	56.07	46.99	55.63
Bauxite *('000 MT)*	58.31	143.94R	137.12R	149.85	102.20	190.02	**	**	**	116.64	101.00	111.07
Rutile ('000'MT)	145.53	10.91R	10.02R	9.94	12.02	12.01	**	**	**	7.69	8.58	**
Ilmenite *('000 MT)*	9.01	4.52R	1.30R	3.09	3.62	3.53	**	**	**	**	**	**
Gold *(Ounces)*	49.99R	59.20R	66.43R	127.45	3.58	98.01	338.85	353.69	74.05	180.86	127.98	222.06
Agriculture												
Coffee *(Metric Tons)*	**	**	**	**	**	**	**	**	**	**	**	**
Cocoa *(Metric Tons)*	**	**	**	**	**	**	**	**	**	**	**	**
Manufactured Goods												
Beer and Stout *('000 cms)*	49.99	59.20	66.43	70.88	80.10	74.05	75.80	78.65	83.00	77.99	88.54	79.45
Maltina *('000 Cartons)*	25.03	25.26	32.36	29.70	36.44	25.98	26.88	26.79	24.02	23.98	21.87	15.60
Soft drinks *('000 Crates)*	96.20	108.90	156.00	167.54	178.09	87.21	81.14	78.97	104.04	105.98	101.35	100.08
Cement *('000 MT)*	31.27	22.38	25.78	26.78	27.32	21.35	23.44	26.00	32.10	25.67	24.32	26.41
Paint *('000 Gallons)*	26.12	28.90	27.98	24.55	34.00	34.01	32.98	30.88	26.40	24.45	25.98	20.87
Acetylene *('000 Cu Ft)*	23.45	20.44	23.67	20.98	18.90	18.00	28.00	24.56	26.140	16.00R	14.00R	12.00
Oxygen *('000 Cu Ft)*	19.90	23.99	30.00R	41.10R	35.10R	39.00	44.50	32.46	30.27	41.00R	36.00R	48.00
Confectionery *('000 Lb)*	307.17R	312.20R	252.84	237.77R	232.70R	212.28	300.43	399.45	300.11	290.08	293.54	293.30
Common Soap *('000MT)*	42.13R	38.71R	68.54R	38.44R	58.08R	35.90	47.17	78.97	56.01	54.50	8.21	8.21
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

		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Monthly Inflation Rate	%	0.63	0.75	0.80	0.94	1.05	0.77	0.94	0.62	0.54	0.29	0.39	0.72	1.12
Annual Inflation Rate (Yr-on-Yr)	%	7.67	7.75	7.92	8.11	8.21	8.35	8.58	8.71	8.85	8.86	8.73	8.77	9.28
Consumer Price Index		243.43	245.25	247.21	249.54	252.17	254.11	256.50	258.08	259.47	260.64	261.24	263.12	266.10

Source: Statistics Sierra Leone

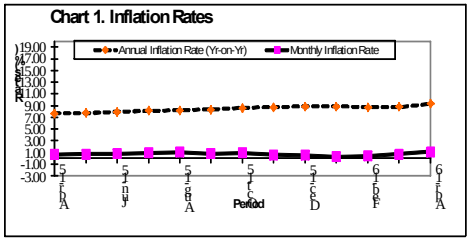


Table 3 — Government Finances

		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-16	Jan-15	Feb-15	Mar-15
Total Revenue (Plus Grants)	Le Mn	217,082	334,161	171,772	173,288	167,253	161,242	163,848	196,344	424,563	259,121	187,691	271,549
Domestic Revenue	Le Mn	173,318	334,161	170,610	172,347	142,747	153,639	162,156	169,365	246,945	258,035	187,691	209,785
Customs & Excise	Le Mn	33,887	29,055	28,288	33,290	35,483	31,133	43,097	37,249	41,073	39,908	39,206	44,029
Income Tax Dept	Le Mn	44,974	80,443	58,866	55,845	39,072	60,556	38,202	56,738	132,279	65,649	52,414	63,920
Goods &Services	Le Mn	54,575	48,200	53,876	54,909	47,895	45,454	50,948	52,332	51,225	50,939	53,825	53,184
Miscellenous	Le Mn	39,882	176,464	29,580	20,303	20,298	16,496	29,909	23,046	22,368	101,539	42,247	48,652
Programmed Funds (Grants)	Le Mn	43,764	**	1,163	941	24,506	7,602	1,692	26,979	177,619	1,086	**	61,783
HIPC	Le Mn	1,414	**	1,163	941	**	1,521	1,692	**	265	1,086	**	1,763
*Others**	Le Mn	42,350	**	**	**	24,506	6,082	**	26,979	177,354	**	**	60,000
Total Expenditure	Le Mn	332,693	300,133	249,234	268,037	225,372	207,694	253,831	326,047	435,647	284,587	247,772	266,795
Pensions, Wages & Salaries	Le Mn	112,732	126,510	102,175	131,921	105,357	130,334	119,487	118,096	163,472	105,283	152,403	130,244
Other Expenditures	Le Mn	187,119	146,138	82,360	102,178	108,714	45,630	108,229	168,250	182,179	170,024	82,042	112,892
Debt Service Payment	Le Mn	32,843	27,485	64,698	33,938	11,301	31,730	26,115	39,700	89,996	9,280	13,326	23,660
Domestic	Le Mn	29,178	20,330	34,667	15,988	6,577	11,650	21,921	31,360	66,743	5,090	8,383	7,245
Foreign	Le Mn	3,664	7,155	30,031	17,950	4,724	20,079	4,194	8,340	23,252	4,190	4,944	16,415
Overall Deficit/Surplus	Le Mn	-115,611	34,029	-77,461	-94,748	-58,119	-46,453	-89,983	-129,702	-11,084	-25,466	-60,080	4,754
Total Financing	Le Mn	115,611	-34,029	77,461	94,748	58,119	46,453	89,983	129,702	11,084	25,466	**	**
Bank Financing	Le Mn	54774R	32,983	76568R	111438R	70,447	165,513	91,086	-27145	-131296	32,108	**	**
Bank of Sierra Leone	Le Mn	43706R	-9,142	44,938	21978R	18,429	108,669	42,983	-11722	-162235	43,576	**	**
Commercial Banks	Le Mn	11,068	42,124	31,629	89,460	52,019	56,844	48,103	-8319	-31788	30,898	**	**
Non-Bank Financing	Le Mn	1062R	7,775	-14,340	2,943	-1,309	2,518	137	21,433	10,970	14,248	**	**
Treasury Balance	Le Mn	59775R	-74,786	15,232	-19632R	-11,019	-121,578	-1,240	17,511	131,410	-20890	**	**
Foreign Finance	Le Mn	**	177,158	**	**	**	**	**	117,903	**	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

***- chinese loan wrongly posted in Sept and reversed in October

respectively. However, soft drinks production increased by 6.46 percent to 106.55 thousand crates while cement production increased by 24.57 percent to 32.90 thousand metric tons. The mining sector experienced significant decline in diamond production in April 2016. Report from the Precious Minerals Trading Office indicated that diamond production was recorded at 4.75 thousand carats, representing a 92.81 percent decline from March 2016. Of total diamond produced, industrial diamond 1.96 thousand carats and gem diamond 2.79 thousand carats. However, Gold production increased by 493.71 ounces to 715.77 ounces. Total electricity generated during the review month amounted to 22.5GWhr reflecting a 15.6 percent decline. Of total electricity generation, thermal plants contributed 9.17GWhr while hydro power accounted for 13.32GWhr. Thermal generation comprised Freetown plants which generated 7.8GWhr and Provincial plants which accounted for 1.37GWhr. Hydro power generation included Bumbuna plant which generated 12.97GWhr and Goma plants which generated 0.35GWhr. Monthly inflation rate according to the consumer price index CPI (2007=100) was recorded at 1.10 percent in April 2016 compared to 0.72 percent in March 2016. Similarly, national headline inflation increased by 51 basis points from 8.77 percent in March 2016 to 9.28 percent in April 2016. Food inflation rose by 3 basis points to 5.86 percent while non-food inflation increased by 85 basis points to 11.74 percent. On regional basis, annual headline inflation rate (year-on-year) increased in all the four regions during April 2016. Western region from 8.56 percent in March 2016 to 8.92 percent in April 2016, Northern region from 11.35 percent to 11.61 percent, Southern region from 8.41 percent to 9.49 percent and Eastern region from 9.96 percent to 10.16 percent.

Fiscal Operations

Both revenues including grants collected as well as expenditures were lower in April 2016 compared to March 2016. Expenditures were reduced significantly during the period, resulting in a fiscal surplus. Government budgetary operations in April 2016 resulted in a surplus of Le7.38bn which was higher than the surplus of Le4.75bn recorded in the

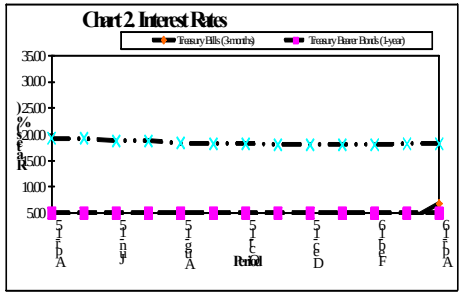


Table 4. — Monetary Aggregates

		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Reserve Money (RM)	Le Mn	1,553,506	1,575,603	1,666,649	1,631,055	1,574,425	1,618,911	1,617,652	1,674,461	1,723,637	1,707,603	1,713,607	1,693,552	1,690,078
Broad Money (M2)	Le Mn	5,008,791	4,990,113	5,038,376	5,064,474	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686
Narrow Money (M1)	Le Mn	2,180,478	2,185,583	2,213,084	2,248,677	2,251,957	2,293,050	2,303,555	2,374,722	2,496,971	2,433,525	2,468,675	2,486,000	2,560,101
Currency in Circulation	Le Mn	1,037,882	1,024,142	989,167	994,367	996,822	1,018,116	1,040,457	1,068,350	1,176,286	1,099,748	1,076,542	1,125,665	1,139,637
Demand Deposits	Le Mn	1,142,595	1,161,441	1,223,917	1,254,310	1,255,136	1,274,934	1,263,099	1,306,373	1,320,685	1,333,778	1,392,133	1,360,335	1,420,464
Budget Financing (Banking Sector)	Le Mn	2,181,379	2,139,055	2,255,833	2,368,249	2,437,360	2,599,394	2,685,479	2,776,515	2589189R	2671006R	2,734,699	2,790,220	2,838,848
Bank of Sierra Leone (BSL^)	Le Mn	4130710R	345,566	431,495	453,473	471,902	580,570	618,553	724,735	562,500	648,346	684,501	674,780	696,507
Commercial Banks (DMB)	Le Mn	**1,751,180**	1,794,001	**1,824,850**	1,915,288	1,965,970	2,019,335	2,067,438	2,052,291	2,027,200	2,023,171	2,050,198	2,116,430	2,142,822
Claims on Private Sector	Le Mn	1,071,944	1,076,884	1,064,369	1,083,040	1,122,564	1,120,230	1,120,708	1,132,861	1,090,849	1,125,219	1,129,184	1,163,716	1,203,803
*Of Which: Commercial Banks**	Le Mn	1,051,982	1,038,735	1,027,378	1,046,648	1,085,357	1,088,184	1,088,728	1,101,636	1,060,823	1,088,545	1,093,225	1,124,652	1,165,229
Claims on Non-Banking Inst.	Le Mn	48,346	47,170	47,620	50,612	50,602	54,410	50,745	55,874	39,845	48,006	55,071	50,078	48,325
Other Items (Net)	Le Mn	-2,166,770	-1,982,389	-2,009,285	-2,022,283	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2,128,760	-2,184,754	-2,205,542	-2,301,873	-2,325,502

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Treasury Bills (3-months)	%	2.67	3	2.74	1.86	1.26	1.55	1.67	1.48	1.08	1.21	3.51
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	5.00
Deposits												
Savings	%	2.85	2.85	2.85	2.85	2.62	2.54	2.54	2.54	2.54	2.54	2.54
1 - 3 month	%	3.48	3.48	3.48	3.48	2.89	2.73	2.73	2.73	2.73	2.73	2.73
3 - 6 month	%	4.7	4.7	4.7	4.7	4.27	4.12	4.12	4.22	4.20	4.20	4.20
6 - 9 month	%	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38
9 - 12 month	%	5.76	5.76	5.76	5.76	5.35	5.22	5.22	5.35	5.30	5.30	5.30
Lending (Prime)	%	19.23-25.14	9.23-25.14	8.77-25.14	8.77-25.14	8.37-25.00	8.23-24.95	8.23-24.95	8.12-24.80	18.12-24.80	8.12-24.80	18.12-24.80

Source: Bank of Sierra Leone

previous month. Total revenue including grants amounted to Le207.72bn representing a 23.5 percent drop which was 12.96 percent below the target of Le238.66bn. Domestic revenue declined by 1.98 percent to Le205.63bn. The decline in domestic receipts was on account of the drop in performance of customs and excise collections, goods and services tax and non-tax receipts. Relative to the previous month, customs and excise revenue amounted to Le38.96bn, indicating a 11.51 percent fall which was 32.69 percent below the target of Le57.88bn. Receipts from Goods and Services Tax marginally declined by 0.34 percent to Le53.00bn but were 0.17 percent in excess of the budgeted target of Le52.92bn. Non-tax revenue amounted to Le43.00bn reflecting a 11.62 percent drop, but exceeded the target of Le16.31bn by Le26.69bn. Even though revenue from Income Tax collections grew by 10.56 percent to Le70.67bn, it was 7.88 percent short of the target of Le76.71bn. Foreign grants received amounted to Le2.09bn, indicating a 96.6 percent drop and was 94.00 percent lower than the anticipated target of Le34.84bn. Recurrent expenditure declined by 24.91 percent to Le200.34bn and was 22.98 percent lower than the targeted ceiling of Le260.12bn. The drop in government expenditures was a result of the decline in pensions, wages and salaries and Treasury expenses on goods and services. Payments of pensions, wages and salaries fell by 32.42 percent and Treasury expenses for goods and services dropped by Le10.73bn to Le80.14bn. However, total debt service payments increased by 28.56 percent to Le30.42bn, which was 21.82 percent higher than the ceiling requirement of Le24.97bn. Of this amount, domestic debt service payments amounted to Le14.29bn while foreign debt service payments were Le16.13bn. The overall surplus was utilized to repay Ways and Means Advances.

Monetary Developments

Developments in monetary aggregates in April 2016 were mixed. Broad Money (M2) expanded by 1.36 percent compared to a 0.65 percent increase in March 2016. The expansion in M2 was driven by increases in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA). Net Foreign Assets grew by 0.65 percent compared to a 1.49 growth in March 2016. This expansion was mainly on account of the increase in nostro balances held by commercial banks abroad due to receipts of funds from mining companies. NDA grew by 2.32 percent during the review period compared to 0.45 percent decrease in the preceding month. The increase in NDA was mainly attributable to the bridge finance to Government provided by Bank of Sierra Leone. Reserve Money contracted by 0.21 percent

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Leone to Dollar													
Official	Le/$	4,807.22	4,796.94	4,813.24	4,850.39	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63
Comm Banks	Le/$	4,790.08	4,783.14	4,808.78	4,820.71	4,880.93	5,045.82	5,218.68	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93
Bureaux	Le/$	4,828.23	4,808.76	4,779.70	4,813.82	4,847.85	4,967.04	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95
Parallel Market	Le/$	5,075.00	5,025.00	5,025.00	5,072.73	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50
Leone to PoundR	Le/£	7,178.33	7,417.74	7,488.64	7,547.09	7,723.62	7,879.87	8,162.14	8,256.00	8,335.43	8,094.27	8,197.05	8,264.10

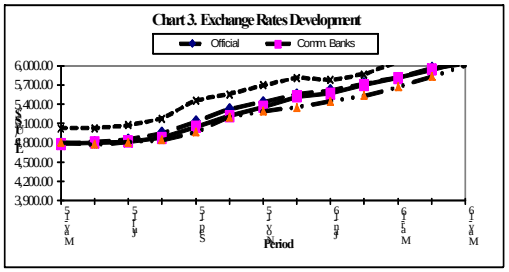
Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Leone to Dollar													
Auction	Le/$	4,777.06	4,812.06	4,854.32	4,933.02	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24	5,743.40	**
Official^R	Le/$	4,904.35	4,893.88	4,955.93	4,948.38	5,052.84	5,235.76	5,431.08	5,539.74	5,664.80	5,729.63	5,836.33	5,929.04
Comm Banks	Le/$	4,919.34	4,900.94	4,903.27	4,953.36	5,080.31	5,287.17	5,487.97	5,580.51	5,685.04	5,747.25	5,570.61	5,942.77
Bureaux	Le/$	4,888.71	4,873.67	4,865.22	4,881.07	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50
Parallel Mkt.	Le/$	5,125.00	5,125.00	5,104.32	5,144.77	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50	5,875.00	5,920.00	6,107.50
Leone to PoundR	Le/£	7,325.55	7,569.62	7,642.22	7,701.68	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87

Source: Bank of Sierra Leone

decline in Net Foreign Assets (NFA). NDA expanded by Le65.16bn compared to the Le55.56bn increase in April 2016. This was mainly due to the utilization of Ways and Means Advances of Le41.17bn coupled with the increase in holdings of government securities by the banking system of Le42.92bn. NFA declined by Le44.81bn compared to the Le20.63bn growth in April 2016. The decline was mainly attributed to valuation adjustments arising from exchange rate depreciation. Reserve Money increased by 0.55 percent (Le9.27bn) compared to the 0.21 percent (Le3.47bn) decline in the previous period. The increase was on account of growth in Bankersô Deposits (Le35.48bn) which was more than the Le26.32bn decline in Currency Issued. Credit to the Private Sector by commercial banks grew by 0.19 percent (Le2.20bn) in May 2016 compared to the 3.61 percent (Le40.58bn) increase in April 2016, suggesting a slowdown in intermediation in support of economic recovery. The yield on the T-bills for 182 days and 364 days increased from 10.18 percent, and 23.48 percent in April 2016 to 10.49 percent and 24.97 percent in May 2016 respectively, whilst that on 91 days declined from 6.82 percent to 6.41 percent. The interest rate on 12-months treasury bond and 24-months treasury bond remained unchanged at 5 percent and 14.38 percent, respectively. The monthly average interest rates on Savings 1-month, 3-months, 6-months, 9-months and 12-months time deposits remained unchanged at 2.54 percent, 2.80 percent, 3.02 percent, 4.28 percent, 3.38 percent and 5.580 percent, respectively. The average lending rates of commercial banks remained at the range of 18.23 percent to 24.95 percent.



Exchange Rates Developments

The monthly average exchange rate of the Leone to the United States Dollar depreciated in all markets on both the buying and selling fronts during the month of May 2016. From the buying front, the Leone depreciated by 3 percent to Le6,006.74/US$1 in the Bureaux market; 2.70 percent to Le6,357.14/US$1 in the parallel market; 2.21 percent to Le6,071.16/US$1 in the commercial banks and 1.16 percent to Le6,032.43/US$1 in the official rate. Similarly on the selling front, the Leone depreciated by 3.09 percent to Le6,407.14/US$1 in the parallel market; 2.28 percent to Le6,067.31/US$1 in the bureaux market; 1.88 percent to Le6,235.15/US$1 in the commercial banks and 1.16 percent to Le6,154.29/US$1 in the official rate. The premium between the official and parallel market rates widened by 5.38 percent from Le226.76/US$1 in April 2016 to Le 324.72/US$1 in the review period.

International Reserves

The Gross External Reserves for the month of May 2016 was estimated at US$540.01mn, relatively lower than US$544.66mn estimated in April 2016. The decrease in reserves was due to outflows (US$10.32mn) outweighing inflows (US$5.05mn). The drop in inflows was mainly from lower export receipts over the reporting month. Over the month, with respect to inflows, May 2016 recorded total inflows of US$5.05mn which was lower than the US$5.73mn received in April 2016. Major inflows include receipts from exports of US$4.28mn: of which US$1.24mn from Shandong Iron and Steel Group Company; Sierra Rutile Company Limited accounted for US$0.82mn; Maritime Administration US$0.05mn; Other Government expenditure US$0.37mn; Cluff Gold mining company accounted for US$0.18mn; Koidu Holdings Mining Company accounted for US$0.70mn; Diamond Exporters income tax accounted for US$0.14mn; Diamond license fees accounted for US$0.01mn; Other Mining Receipts accounted for US$ 0.66mn; Other inflows/receipts accounted for US$0.10mn; Fishing Royalty/License accounted for US$ 0.54mn, and Aid Disbursement/BOP support (IDA/World Bank Forex purchases) accounted for US$0.25mn. In terms of outflows, May 2016 recorded total outflows of US$10.32mn which was lower than the US$10.77mn recorded in April 2016. Significant outflows during the review period include the following: US$8.94mn being payment for goods and services of which; Embassies and Mission accounted for US$1.27mn, Government travel accounted for US$0.17mn, BSL Staff travelling expenses accounted for US$0.05mn; Interbank Market Operations accounted for US$3.80mn, New infrastructure projects (roads) accounted for US$2.82mn, Other Government expenditure accounted for US$0.81mn, Subscription to International Organizations accounted for US$0.03mn and Debt Service payment of US$1.38mn: of which Other Multilateral and Bilateral (BADEA, IDB, ECOWAS, Kuwait, and China) accounted for US$0.87mn, OPEC/OFID accounted for US$0.49mn and World Bank accounted for US$0.02mn.

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 May 2016 as the monthly fiscal balance registered a deficit of Le58.40bn from a surplus of Le7.38bn in April 2016 mainly attributable to a marked increase in governmentôs total expenditure coupled with non-receipt of external grants. The National year-on-year inflation increased from 9.28 percent in April 2016 to 9.45 percent in May 2016 while on a monthly basis, inflation slowed to 0.9 percent from 1.10 percent in April 2016 mainly on account of the depreciation of the domestic currency and high food prices. The official monthly average exchange rate depreciated by 1.16 percent from Le5,963.24/US$1 in April 2016 to Le6,032.43/US$1 in May 2016 due to excess demand over supply for forex. Monetary condition remained accommodative during the reporting month, with Broad Money (M2) and Reserve Money (RM) expanding by 0.36 percent and 0.55 percent, respectively mainly as a result of the increases in Net Domestic Assets (NDA) and Bankersô Deposits. The Gross External Reserves position of the Central Bank marginally decreased by 0.12 percent from US$545.33mn at end April 2016 to US$544.66mn at end May 2016 mainly attributable to excess outflows (US$10.32mn) over inflows (US$5.05mn). During the review month, the country embarked on a number of activities geared towards promoting socio-economic developments. The Government of Sierra Leone together with the European Union on Tuesday 24th May 2016, launched a Le720billion (105mn Euros) infrastructural project covering 103 kilometers of road between Bandajuma and Gendema in the Pujehun District, Southern Sierra Leone. The launching of this project was done by His Excellency the President, Dr. Ernest Bai Koroma. The President also commissioned the construction of a 32.8 kilometers road and four bridges (Magbele, Mabang, Gbangbama and Moyamba bridges) at Moyamba Junction on Wednesday 25th May, 2016. On the sidelines of the annual meetings of the African Development Bank held in Zambia, the Minister of Finance and Economic Development (MoFED) and the Deputy Director General of the Kuwait Fund for Arab Economic Development (KFAED) signed a loan agreement of KD6 million (USD 20 million) to fund phase two of the Hillside road project in Sierra Leone. This road when completed, will connect the east and west ends of the capital Freetown. The Sierra Leone Parliament on Tuesday 24th May, 2016 approved two related loan agreements in respect of Smallholders Commercialization and Agri-business Development project. The loans were signed between the Republic of Sierra Leone and

PRODUCTION

	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Mineral												
Diamonds ('000 Carats)	20.81	57.17	35.61	31.33	63.06	23.93	11.92	43.82	57.29R	54.81	66.04	4.75
Industrial ('000 Carats)	6.94	12.09	6.78	0.96	10.40	1.04	4.05	6.42	1.21	7.81	10.41	1.96
Gem ('000 Carats)	13.86	45.08	28.83	30.37	52.66	22.89	7.87	37.80	56.07	46.99	55.63	2.79
Bauxite *('000 MT)*	143.94R	137.12R	149.85	102.20	190.02	**	**	**	116.64	101.00	111.07	129.74
Rutile ('000'MT)	10.91R	10.02R	9.94	12.02	12.01	**	**	**	7.69	8.58	10.51	10.42
Ilmenite *('000 MT)*	4.52R	1.30R	3.09	3.62	3.53	**	**	**	1.73	1.56	**	1.54
Gold *(Ounces)*	59.20R	66.43R	127.45	3.58	98.01	338.85	353.69	74.05	180.86	127.98	222.06	715.77
Agriculture												
Coffee *(Metric Tons)*	**	**	**	**	**	**	**	**	**	464.26	413.34	556.09
Cocoa *(Metric Tons)*	**	**	**	**	**	**	**	**	710.76	260.09	38.09	161.24
Manufactured Goods												
Beer and Stout *('000 ctns)*	59.20	66.43	70.88	80.10	74.05	75.80	78.65	83.00	77.99	88.54	79.45	80.90R
Maltina *('000 Cartons)*	25.26	32.36	29.70	36.44	25.98	26.88	26.79	24.02	23.98	21.87	15.60	19.80R
Softdrinks *('000 Crates)*	108.90	156.00	167.54	178.09	87.21	81.14	78.97	104.04	105.98	101.35	100.08	105.90R
Cement *('000 MT)*	22.38	25.78	26.78	27.32	21.35	23.44	26.00	32.10	25.67	24.32	27.57R	30.90R
Paint *('000 Gallons)*	28.90	27.98	24.55	34.00	34.01	32.98	30.88	26.40	24.45	25.98	20.87	16.00
Acetylene *('000 Cu Ft)*	20.44	23.67	20.98	18.90	18.00	28.00	24.56	26.14	16.00R	14.00R	12.00	11.50
Oxygen *('000 Cu Ft)*	23.99	30.00R	41.10R	35.10R	39.00	44.50	32.46	30.27	41.00R	36.00R	48.00	41.50
Confectionery *('000 Lb)*	312.20R	252.84	237.77R	232.70R	212.28	300.43	399.45	300.11	290.08	293.54	293.30	289.72
Common Soap *('000MT)*	38.71R	68.54R	38.44R	58.08R	35.90	47.17	78.97	56.01	54.50	8.21	8.21	7.23
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

		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Monthly Inflation Rate	%	0.75	0.80	0.94	1.05	0.77	0.94	0.62	0.54	0.29	0.39	0.72	1.10	0.90
Annual Inflation Rate (Yr-on-Yr)	%	7.75	7.92	8.11	8.21	8.35	8.58	8.71	8.85	8.86	8.73	8.77	9.28	9.45
Consumer Price Index		245.25	247.21	249.54	252.17	254.11	256.50	258.08	259.47	260.64	261.24	263.12	266.01	268.44

Source: Statistics Sierra Leone

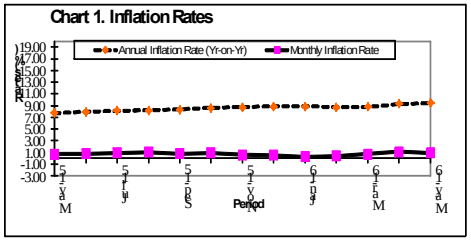


Table 3 — Government Finances

		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-16	Jan-15	Feb-15	Mar-15	Apr-15
Total Revenue (Plus Grants)	Le Mn	334,161	171,772	173,288	167,253	161,242	163,848	196,344	424,563	259,121	187,691	271,549	207,722
Domestic Revenue	Le Mn	334,161	170,610	172,347	142,747	153,639	162,156	169,365	246,945	258,035	187,691	209,785	205,633
Customs & Excise	Le Mn	29,055	28,288	33,290	35,483	31,133	43,097	37,249	41,073	39,908	39,206	44,029	38,962
Income Tax Dept	Le Mn	80,443	58,866	55,845	39,072	60,556	38,202	56,738	132,279	65,649	52,414	63,920	70,668
Goods &Services	Le Mn	48,200	53,876	54,909	47,895	45,454	50,948	52,332	51,225	50,939	53,825	53,184	53,004
Miscellenous	Le Mn	176,464	29,580	20,303	20,298	16,496	29,909	23,046	22,368	101,539	42,247	48,652	42,999
Programmed Funds (Grants)	Le Mn	**	1,163	941	24,506	7,602	1,692	26,979	177,619	1,086	**	61,783	2,089
HIPC	Le Mn	**	1,163	941	**	1,521	1,692	**	265	1,086	**	1,763	2,089
*Others**	Le Mn	**	**	**	24,506	6,082	**	26,979	177,354	**	**	60,000	**
Total Expenditure	Le Mn	300,133	249,234	268,037	225,372	207,694	253,831	326,047	435,647	284,587	247,772	266,795	200,339
Pensions, Wages & Salaries	Le Mn	126,510	102,175	131,921	105,357	130,334	119,487	118,096	163,472	105,283	152,403	130,244	88,024
Other Expenditures	Le Mn	146,138	82,360	102,178	108,714	45,630	108,229	168,250	182,179	170,024	82,042	112,892	81,898
Debt Service Payment	Le Mn	27,485	64,698	33,938	11,301	31,730	26,115	39,700	89,996	9,280	13,326	23,660	30,417
Domestic	Le Mn	20,330	34,667	15,988	6,577	11,650	21,921	31,360	66,743	5,090	8,383	7,245	14,287
Foreign	Le Mn	7,155	30,031	17,950	4,724	20,079	4,194	8,340	23,252	4,190	4,944	16,415	16,130
Overall Deficit/Surplus	Le Mn	34,029	-77,461	-94,748	-58,119	-46,453	-89,983	-129,702	-11,084	-25,466	-60,080	4,754	7,383
Total Financing	Le Mn	-34,029	77,461	94,748	58,119	46,453	89,983	129,702	11,084	25,466	**	**	**
Bank Financing	Le Mn	32,983	76568R	111438R	70,447	165,513	91,086	-27145	-131296	32,108	**	**	**
Bank of Sierra Leone	Le Mn	-9,142	44,938	21978R	18,429	108,669	42,983	-11722	-162235	43,576	**	**	**
Commercial Banks	Le Mn	42,124	31,629	89,460	52,019	56,844	48,103	-8319	-31788	30,898	**	**	**
Non-Bank Financing	Le Mn	7,775	-14,340	2,943	-1,309	2,518	137	21,433	10,970	14,248	**	**	**
Treasury Balance	Le Mn	-74,786	15,232	-19632R	-11,019	-121,578	-1,240	17,511	131,410	-20890	**	**	**
Foreign Finance	Le Mn	177,158	**	**	**	**	**	117,903	**	**	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

*** - chinese loan wrongly posted in Sept and reversed in October

the International Development Association; and between the International Development Association and Apex Bank Sierra Leone Limited, both dated 14th March, 2016.

Real Sector

In the manufacturing subsector, production of paint increased by 17.86 percent to 19.80 thousand gallons, while acetylene production increased by 20.78 percent to 13.89 thousand cubic feet. Similarly, oxygen and common soap production increased by 0.96 percent to 41.90 thousand cubic feet and by 576.35 percent to 48.90 thousand metric tonnes. However, confectionery production declined by 1.60 percent to 285.09 thousand pounds. The mining sub-sector experienced slight improvement with key minerals such as diamond, iron ore and rutile recording increased production levels. Diamond production increased from 4.75 thousand carats to 84.69 thousand carats, driven mainly by the surge in gem production. Gem production recorded 73.45 thousand carats in May 2016 compared to only 2.79 thousand carats in April 2016. Production of industrial diamonds amounted to 11.75 thousand carats compared to only 1.96 thousand carats in the preceding month. Iron ore production rose by 26.87 percent to 636.43 thousand metric tonnes while rutile production increased by 3.17 percent to 10.75 thousand metric tonnes. However, bauxite and ilmenite production dropped by 4.87 percent to 123.42 thousand metric tonnes and by 51.3 percent to 0.75 thousand metric tonnes respectively. Similarly, zircom and gold production declined by 48.15 percent to 70 thousand metric tons and by 47.98 percent to 372.35 ounces respectively. Developments in the cash crop sector was weak during the month of May 2016, as the production of coffee declined by 34.37 percent to 364.94 metric tonnes while cocoa production dropped by 22.94 percent to 124.25 metric tonnes. Annual national headline inflation (year-on-year) rose by 0.17 percentage points to 9.45 percent in May 2016 from 9.28 percent in April 2016. The rise in inflation emanated from the pass through effects of currency depreciation. Food inflation rose by 0.21 percentage points, from 5.86 percent in April 2016 to 6.07 percent in May 2016, while Non-food inflation increased by 15 basis

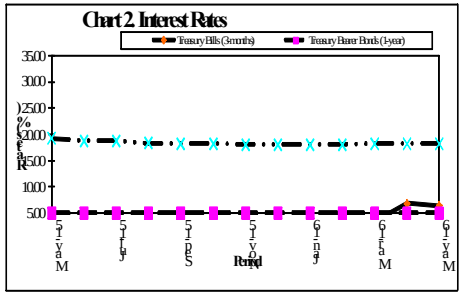


Table 4. Monetary Aggregates

		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Reserve Money (RM)	Le Mn	1,575,603	1,666,649	1,631,055	1,574,425	1,618,911	1,617,652	1,674,461	1,723,637	1,707,603	1,713,607	1,693,552	1,690,078	1,699,352
Broad Money (M2)	Le Mn	4,990,113	5,038,376	5,064,474	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686	5,689,044
Narrow Money (M1)	Le Mn	2,185,583	2,213,084	2,248,677	2,251,957	2,293,050	2,303,555	2,374,722	2,496,971	2,433,525	2,468,675	2,486,000	2,560,101	2,550,154
Currency in Circulation	Le Mn	1,024,142	989,167	994,367	996,822	1,018,116	1,040,457	1,068,350	1,176,286	1,099,748	1,076,542	1,125,665	1,139,637	1,090,586
Demand Deposits	Le Mn	1,161,441	1,223,917	1,254,310	1,255,136	1,274,934	1,263,099	1,306,373	1,320,685	1,333,778	1,392,133	1,360,335	1,420,464	1,459,569
Budget Financing (Banking Sector)	Le Mn	2,139,055	2,255,833	2,368,249	2,437,360	2,599,394	2,685,479	2,776,515	2589189R	2671006R	2,734,699	2,790,220	2,838,848	2,925,836
Bank of Sierra Leone (BSL^)	Le Mn	345,566	431,495	453,473	471,902	580,570	618,553	724,735	562,500	648,346	684,501	674,780	696,507	754,419
Commercial Banks (DMB)	Le Mn	**1,794,001**	1,824,850	**1,915,288**	1,965,970	2,019,335	2,067,438	2,052,291	2,027,200	2,023,171	2,050,198	2,116,430	2,142,822	2,172,564
Claims on Private Sector	Le Mn	1,076,884	1,064,369	1,083,040	1,122,564	1,120,230	1,120,708	1,132,861	1,090,849	1,125,219	1,129,184	1,163,716	1,203,803	1,204,590
*Of Which: Commercial Banks**	Le Mn	1,038,735	1,027,378	1,046,648	1,085,357	1,088,184	1,088,728	1,101,636	1,060,823	1,088,545	1,093,225	1,124,652	1,165,229	1,167,430
Claims on Non-Banking Inst.	Le Mn	47,170	47,620	50,612	50,602	54,410	50,745	55,874	39,845	48,006	55,071	50,078	48,325	42,642
Other Items (Net)	Le Mn	-1,982,389	-2,009,285	-2,022,283	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2,128,760	-2,184,754	-2,205,542	-2,301,873	-2,325,502	-2,342,437

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. Interest Rates

		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Treasury Bills (3-months)	%	3	2.74	1.86	1.26	1.55	1.67	1.48	1.08	1.21	3.51	3.51
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	5.00
Deposits												
Savings	%	2.85	2.85	2.85	2.62	2.54	2.54	2.54	2.54	2.54	2.54	2.54
1 - 3 month	%	3.48	3.48	3.48	2.89	2.73	2.73	2.73	2.73	2.73	2.73	2.80
3 - 6 month	%	4.7	4.7	4.7	4.27	4.12	4.12	4.22	4.2	4.20	4.20	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	3.38
9 - 12 month	%	5.76	5.76	5.76	5.35	5.22	5.22	5.35	5.30	5.30	5.30	5.80
Lending (Prime)	%	19.23-25.14	18.77-25.14	18.77-25.14	18.37-25.00	18.23-24.95	18.23-24.95	18.12-24.80	18.12-24.80	18.12-24.80	18.12-24.80	18.23-24.95

Source: Bank of Sierra Leone

points, from 11.74 percent in April 2016 to 11.89 percent in May 2016. On regional basis, year-on-year inflation increased across all the four regions in the country. Western Area inflation increased from 8.92 percent in April 2016 to 9.12 percent in May 2016, Northern region inflation rate rose from 11.61 percent to 11.84 percent, Southern region from 9.49 percent to 9.95 percent and Eastern region from 10.16 percent to 10.58 percent.

Fiscal Operations

Central Government budgetary operations during the month of May 2016 resulted into a deficit of Le58.40bn compared to a surplus of Le7.38bn in the previous month. This amount exceeded the targeted deficit of Le21.46bn. Total revenue collected rose by 11.34 percent to Le231.28bn which was relatively lower than the budgeted amount of Le238.66bn by 3.09 percent. Domestic revenue mobilization on the other hand amounted to Le231.28bn, reflecting a 12.47 percent increase and was higher than the budgeted amount of Le203.82bn by 13.47 percent. Tax and non-tax revenue increased by 12.47 percent. Revenue from customs and excise increased by 4.37 percent to Le40.66bn and was 29.75 percent below the projected target of Le57.88bn. Revenue from income tax department rose by 10.34 percent to Le77.98bn, and exceeded the budgeted target of Le76.71bn by 1.65 percent. Collections in respect of goods and services tax increased by 37.12 percent to Le72.68bn and was more than the budgeted amount of Le52.92bn by 37.35 percent. On the other hand, though non-tax receipts declined by 7.08 percent to Le39.96bn, it exceeded the budgeted amount of Le16.31bn. Total government expenditure increased by 44.59 percent over the month to Le289.68bn, exceeding the target of Le260.12bn by 11.36 percent. This was mainly driven by increased payment for wages and salaries and Treasury expenses for goods and services. Payments in respect of pensions, wages and salaries amounted to Le142.37bn, representing an increase of 61.74 percent increase. Treasury expenses grew by 73.33 percent to Le138.9bn. Debt services payment however declined by 42.79 percent to Le17.40bn of which, domestic debt services payment amounted to Le8.88bn and foreign debt services payment was Le8.52bn. The fiscal deficit of Le58.40bn was financed using domestically mobilized resources.

Monetary Developments

Outturn in monetary aggregates in May 2016 was expansionary. Broad Money (M2) increased by 0.36 percent compared to the 1.36 percent growth in April 2016. The growth in M2 was attributed to the increase in Net Domestic Assets (NDA) which was more than the

Table 6. EXCHANGE RATES (Average Monthly Buying)

		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Leone to Dollar													
Official	Le/$	4,796.94	4,813.24	4,850.39	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24
Comm Banks	Le/$	4,783.14	4,808.78	4,820.71	4,880.93	5,045.82	5,218.68	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09
Bureaux	Le/$	4,808.76	4,779.70	4,813.82	4,847.85	4,967.04	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84
Parallel Market	Le/$	5,025.00	5,025.00	5,072.73	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00
Leone to PoundR	Le/£	7,417.74	7,498.64	7,547.09	7,723.62	7,879.87	8,162.14	8,256.00	8,335.43	8,094.27	8,197.05	8,264.10	8,087.38

Source: Bank of Sierra Leone

Table 7. EXCHANGE RATES (Average Monthly Selling)

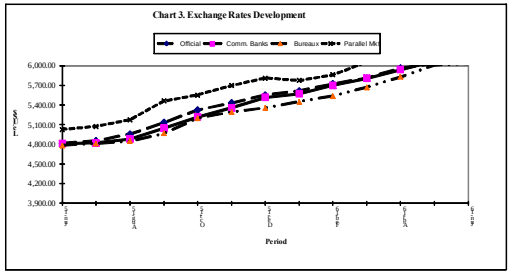
		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Leone to Dollar													
Auction	Le/$	4,812.06	4,854.32	4,933.02	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24	5,743.40	**	**
Official^R	Le/$	4,893.88	4,955.93	4,948.38	5,052.84	5,235.76	5,431.08	5,539.74	5,664.80	5,729.63	5,836.33	5,929.04	6,083.71
Comm Banks	Le/$	4,900.94	4,903.27	4,953.36	5,080.31	5,287.17	5,487.97	5,580.51	5,685.04	5,747.25	5,570.61	5,942.77	6,120.19
Bureaux	Le/$	4,873.67	4,865.22	4,881.07	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17
Parallel Mkt.	Le/$	5,125.00	5,104.32	5,144.77	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50	5,875.00	5,920.00	6,107.50	6,215.00
Leone to PoundR	Le/£	7,569.62	7,642.22	7,701.68	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83

Source: Bank of Sierra Leone

than offset the decline in Net Foreign Assets (NFA). NDA grew by 9.46 percent compared to the 0.09 percent increase in May 2016. The expansion in NDA was mainly due to the bridge financing provided to Government by Bank of Sierra Leone in anticipation of budgetary support and the increase in the holdings of government treasury bills by commercial banks. NFA decreased by 4.44 percent compared to the 0.56 percent growth in May 2016. The decline was mainly on account of embassy payments on salaries, wages and other allowances, debt service payments, wholesale foreign exchange auction to various commercial banks, etc. Reserve Money (RM) increased marginally by 0.01 percent (Le0.18bn) compared to the 0.55 percent (Le9.27bn) growth in the preceding period. The marginal increase in RM was on account of the growth in Bankersô Deposits (Le5.57bn) and Private Sector Deposits (Le6.41bn) which was slightly above the Le11.79bn decline in Currency Issued. The Banking System Claims on Private Sector increased by 1.04 percent (Le12.15bn) in the review month compared to the 0.19 percent (Le2.20bn) increase in the preceding month. Net Claims on Government by the banking system increased by 3.87 percent (Le113.26bn) in June 2016, compared to the 3.06 percent (Le86.99bn) in May 2016. The growth in Net Claims on Government was as a result of Le100.00bn World Bank bridge loan provided by the Bank of Sierra Leone to finance Government and the Le42.22bn increase in the holdings of government treasury bills by commercial banks. There was, however, part payment of Ways and Means Advances to the tune of Le6.87bn and a reduction in the holdings of government treasury bills of Le24.55bn by the Bank of Sierra Leone. Annual yields on 3-months, 6-months and 12-months treasury bills decreased from 6.41 percent, 10.49 percent and 24.97 percent in May 2016 to 5.34 percent, 9.68 percent and 17.51 percent in June 2016, respectively. Interest rates on 12-months and 24-months treasury bonds remained unchanged at 5 percent and 14.38 percent, respectively. The monthly average interest rates on Savings 1-month, 3-months, 6-months, 9-months and 12-months time deposits remained unchanged 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 remained at the range of 18.23 percent to 24.95 percent.

Exchange Rates Developments

Reflecting the continued excess demand over supply of foreign exchange in the economy, the Leone continued to depreciate against all major currencies ï the United States Dollar, British Pound and the Euro ï during the month of June 2016. This was reflected in all the foreign exchange market segments, but for the Bank of Sierra Leone foreign exchange auction market, that exhibited appreciation over the month.



On the buying front, the Leone relative to the US Dollar depreciated by 3.78 percent to Le6,597.73/US$1 in the parallel market, 0.73 percent to Le6,115.35/US$1 in the commercial banks, 0.39 percent to Le6,030.23/US$1 in the bureau market and 0.16 to Le6,042.18/US$1 in the official market. Similarly, on the selling front, the parallel market rate depreciated by 3.75 percent to Le6,647.73/US$1, commercial banksô rate depreciated by 2.72 percent to Le6,404.49/US$1, bureau market rate depreciated by 0.51 percent to Le6,098.29/US$1, and the official market rate depreciated by 0.16 percent to Le6,164.24/US$1 respectively, while the auction rate appreciated by 1.01 percent to Le6,084.52/US$1. The premium between the official and parallel market rate widened by 9.19 percent from Le324.72/US$1 in May 2016 to Le555.55/US$1 in June 2016.

International Reserves

The Gross External Reserves of the Bank of Sierra Leone were estimated at US$507.11mn in June 2016 compared to US$540.01mn in May 2016, indicating a 6.09 percent decrease in reserves in the review month. Inflows of foreign exchange increased to US$8.03mn in June 2016 from US$5.05mn in May 2016. The inflows largely constituted receipts from exports amounting to US$5.56mn, of which the bulk US$1.47mn and US$1.33mn were in respect of royalty payments from Sierra Rutile and Shandong Iron and Steel Group respectively; and US$0.90mn from Koidu Holdings. Other notable inflows were in respect of Aid disbursement from various donors to the tune of US$0.72mn. Outflows of foreign exchange amounted to US$22.79mn in June 2016, the bulk of which were in respect of sales through the Bank of Sierra Leoneôs weekly foreign exchange auction totaling US$8.75mn. Bank of Sierra Leone operation stood at US$1.06mn whereas government payments amounted to US$11.94mn. Government payments comprised transfers to embassies amounting to US$1.75mn, US$3.89mn in respect of other government outlays, US$1.43mn being subscription to International Organizations and Debt Service payments to other multilateral and bilateral creditors totaling US$4.87mn.

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

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Highlights

Domestic economic activity remained relatively subdued during the review month, amid signs of the softness in the iron ore mining sector. Reflecting the persistent depreciation of the Leone against the United States Dollar, the annual inflation rate hit double digits, registering 10.16 percent in June 2016 from 9.45 percent recorded in May 2016. In the fiscal sector, the overall deficit deteriorated further from Le58.40bn in May 2016 to Le130.25bn in June 2016. The monthly average exchange rate depreciated in all the foreign exchange markets, except the auction market which registered an appreciation in June 2016. The continued depreciation of the Leone during the reporting month could be attributable to the high demand for foreign exchange to support imports of essential commodities. Monetary aggregates continued to be expansionary during the review month, with Broad Money (M2) and Reserve Money (RM) expanding by 1.53 percent and 0.01 percent, respectively. The Monetary Policy Committee (MPC) of the Bank of Sierra Leone met on June 22, 2016 and agreed to hold the Monetary Policy Rate (MPR) unchanged at 9.5 percent and maintain the corridors for the repurchase and Standing Facility Rate at 50 and 100 basis points respectively. Gross external reserves position of the Bank of Sierra Leone declined by 6.09 percent from US$540.01mn at end May 2016 to US$507.11mn at end June 2016, on account of total outflows of US$22.79mn which outweighed total inflows of US$8.03mn. During the review month, significant socio-economic developments also took place: Sierra Leoneôs Ambassador to the Federal Republic of Germany, Ambassador Jongopie Siaka Stevens, on 14th June 2016, signed on behalf of the Government of Sierra Leone, a US$20 million Loan agreement with OPEC Fund for International Development (OFID). The money will be used to finance the rehabilitation of the Bo-Bandajuma segment of the road linking Sierra Leone to the Liberian border. The World Bank, on 20th June 2016, approved a US$15.5 million Health Service Delivery and System Support Project to support Sierra Leoneôs Health Sector, this will be co-financed through an International Development Association credit of US$10 million and a US$5.5 million grant from the Ebola Recovery and Reconstruction Trust Fund, which will be implemented over a three-year period. In a related development, the World Bank, on 29th June 2016, also approved a US$30 million credit to help strengthen health and disease surveillance systems in Sierra Leone. The US$30 million investment in Sierra Leone is part of an initial US$110 million regional investment under the Regional Disease Surveillance Systems Enhancement Program (REDISSE), which is aimed at addressing systemic weaknesses within the human and animal health sectors.

PRODUCTION

	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Mineral												
Diamonds ('000 Carats)	57.17	35.61	31.33	63.06	23.93	11.92	43.82	57.29R	54.81	66.04	4.75	84.69
Industrial ('000 Carats)	12.09	6.78	0.96	10.40	1.04	4.05	6.42	1.21	7.81	10.41	1.96	11.75
Gem ('000 Carats)	45.08	28.83	30.37	52.66	22.89	7.87	37.80	56.07	46.99	55.63	2.79	73.45
Bauxite *('000 MT)*	137.12R	149.85	102.20	190.02	**	**	**	116.64	101.00	111.07	129.74	123.42
Rutile ('000'MT)	10.02R	9.94	12.02	12.01	**	**	**	7.69	8.58	10.51	10.42	10.75
Ilmenite *('000 MT)*	1.30R	3.09	3.62	3.53	**	**	**	1.73	1.56	**	1.54	0.75
Gold *(Ounces)*	66.43R	127.45	3.58	98.01	338.85	353.69	74.05	180.86	127.98	222.06	715.77	372.35
Agriculture												
Coffee *(Metric Tons)*	**	**	**	**	**	**	**	**	464.26	413.34	556.09	364.94
Cocoa *(Metric Tons)*	**	**	**	**	**	**	**	710.76	260.09	38.09	161.24	124.25
Manufactured Goods												
Beer and Stout *('000 cns)*	66.43	70.88	80.10	74.05	75.80	78.65	83.00	77.99	88.54	79.45	80.90R	**
Maltina *('000 Cartons)*	32.36	29.70	36.44	25.98	26.88	26.79	24.02	23.98	21.87	15.60	19.80R	**
Soft drinks *('000 Crates)*	156.00	167.54	178.09	87.21	81.14	78.97	104.04	105.98	101.35	100.08	105.90R	**
Cement *('000 MT)*	25.78	26.78	27.32	21.35	23.44	26.00	32.10	25.67	24.32	27.57R	30.90R	28.40
Paint *('000 Gallons)*	27.98	24.55	34.00	34.01	32.98	30.88	26.40	24.45	25.98	20.87	16.00	19.80
Acetylene *('000 Cu Ft)*	23.67	20.98	18.90	18.00	28.00	24.56	26.14	16.00R	14.00R	12.00	11.50	13.89
Oxygen *('000 Cu Ft)*	30.00R	41.10R	35.10R	39.00	44.50	32.46	30.27	41.00R	36.00R	48.00	41.50	41.90
Confectionery *('000 Lb)*	252.84	237.77R	232.70R	212.28	300.43	399.45	300.11	290.08	293.54	293.30	289.72	285.09
Common Soap *('000MT)*	68.54R	38.44R	58.08R	35.90	47.17	78.97	56.01	54.50	8.21	8.21	7.23	48.90
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

		Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Monthly Inflation Rate	%	0.80	0.94	1.05	0.77	0.94	0.62	0.54	0.29	0.39	0.72	1.10	0.90	1.45
Annual Inflation Rate (Yr-on-Yr)	%	7.92	8.11	8.21	8.35	8.58	8.71	8.85	8.86	8.73	8.77	9.28	9.45	10.16
Consumer Price Index		247.21	249.54	252.17	254.11	256.50	258.08	259.47	260.64	261.24	263.12	266.01	268.44	272.34

Source: Statistics Sierra Leone

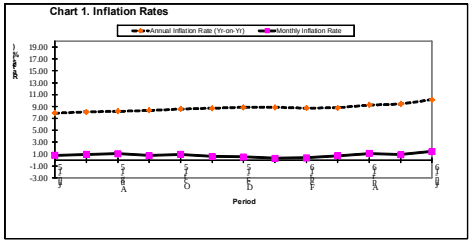


Table 3 — Government Finances

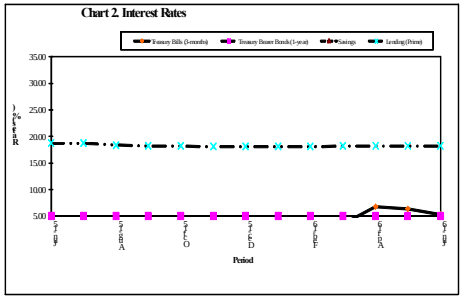
		Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-16	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Total Revenue (Plus Grants)	Le Mn	171,772	173,288	167,253	161,242	163,848	196,344	424,563	259,121	187,691	271,549	207,722	231,276
Domestic Revenue	Le Mn	170,610	172,347	142,747	153,639	162,156	169,365	246,945	258,035	187,691	209,785	205,633	231,276
Customs & Excise	Le Mn	28,288	33,290	35,483	31,133	43,097	37,249	41,073	39,908	39,206	44,029	38,962	40,662
Income Tax Dept	Le Mn	58,866	55,845	39,072	60,556	38,202	56,738	132,279	65,649	52,414	63,920	70,668	77,978
Goods &Services	Le Mn	53,876	54,909	47,895	45,454	50,948	52,332	51,225	50,939	53,825	53,184	53,004	72,679
Miscellenous	Le Mn	29,580	20,303	20,298	16,496	29,909	23,046	22,368	101,539	42,247	48,652	42,999	40609^
Programmed Funds (Grants)	Le Mn	1,163	941	24,506	7,602	1,692	26,979	177,619	1,086	**	61,783	2,089	**
HIPC	Le Mn	1,163	941	**	1,521	1,692	**	265	1,086	**	1,763	2,089	**
*Others**	Le Mn	**	**	24,506	6,082	**	26,979	177,354	**	**	60,000	**	**
Total Expenditure	Le Mn	249,234	268,037	225,372	207,694	253,831	326,047	435,647	284,587	247,772	266,795	200,339	289,678
Pensions, Wages & Salaries	Le Mn	102,175	131,921	105,357	130,334	119,487	118,096	163,472	105,283	152,403	130,244	88,024	142,371
Other Expenditures	Le Mn	82,360	102,178	108,714	45,630	108,229	168,250	182,179	170,024	82,042	112,892	81,898	129,905
Debt Service Payment	Le Mn	64,698	33,938	11,301	31,730	26,115	39,700	89,996	9,280	13,326	23,660	30,417	17,403
Domestic	Le Mn	34,667	15,988	6,577	11,650	21,921	31,360	66,743	5,090	8,383	7,245	14,287	8,884
Foreign	Le Mn	30,031	17,950	4,724	20,079	4,194	8,340	23,252	4,190	4,944	16,415	16,130	8,519
Overall Deficit/Surplus	Le Mn	-77,461	-94,748	-58,119	-46,453	-89,983	-129,702	-11,084	-25,466	-60,080	4,754	7,383	-57749^
Total Financing	Le Mn	77,461	94,748	58,119	46,453	89,983	129,702	11,084	25,466	**	**	**	**
Bank Financing	Le Mn	76568R	111438R	70,447	165,513	91,086	-27145	-131296	32,108	**	**	**	**
Bank of Sierra Leone	Le Mn	44,938	21978R	18,429	108,669	42,983	-11722	-162235	43,576	**	**	**	**
Commercial Banks	Le Mn	31,629	89,460	52,019	56,844	48,103	-8319	-31788	30,898	**	**	**	**
Non-Bank Financing	Le Mn	-14,340	2,943	-1,309	2,518	137	21,433	10,970	14,248	**	**	**	**
Treasury Balance	Le Mn	15,232	-19632R	-11,019	-121,578	-1,240	17,511	131,410	-20890	**	**	**	**
Foreign Finance	Le Mn	**	**	**	**	**	117,903	**	**	**	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

*** - chinese loan wrongly posted in Sept and reversed in October

Real Sector

Real sector activities moderated during the month of June 2016. The manufacturing sector experienced a mixed trend compared to May 2016. Cement, acetylene, oxygen and common soap production levels recorded increases, while paint and confectionery production registered declines in the reporting month. Cement and acetylene production grew by 4.93 percent to 29.80 thousand metric tonnes and 26.71 percent to 17.60 thousand cubic feet respectively. Production of oxygen and common soap increased by 9.47 percent to 45.87 thousand cubic feet, and 11.98 percent to 54.76 thousand metric tonnes respectively. However, the production of paint and confectionery declined by 14.65 percent to 16.90 thousand gallons and 2.52 percent to 277.90 thousand pounds, respectively. Developments in the mining sector remained subdued in the reporting month. Diamond production declined by 6.14 percent to 79.49 thousand carats. This was reflected in both gem and industrial diamonds registering a decline of 5.34 percent and 15.23 percent to 69.53 thousand carats and 9.96 thousand carats respectively. Production of zircom and iron ore also declined by 99.73 percent to 0.19 thousand metric tonnes, and 50.68 percent to 313.88 thousand metric tonnes respectively. On the other hand, bauxite, rutile, ilmenite and gold recorded increased production levels. Bauxite and rutile production grew by 2.67 percent to 126.72 thousand metric tonnes and 25.21 percent to 13.46 thousand metric tonnes respectively. Similarly, ilmenite and gold production levels improved by 264.00 percent to 2.73 thousand metric tonnes and 183.42 percent to 1,055.31 thousand ounces, respectively. In the agricultural sector, the production of coffee declined from 364.94 metric tonnes in May 2016 to 185.0 metric tonnes in June 2016, representing a drop of 49.31 percent. There was no production of cocoa during the reporting month. Pressure on domestic prices remained elevated during the month of June 2016 as headline inflation accelerated by 0.71 percentage points to 10.16 percent from 9.45 percent in the preceding month. The strain on prices emanated from both food and non-food prices as food inflation increased by 0.42 percentage point to 6.49 percent whereas non-food inflation increased by 0.93 percentage points to 12.82 percent in June 2016, reflecting the pass-through



effect of the depreciation of the Leone. Similar trend was observed in the monthly inflation, which increased to 1.45 percent in June 2016 from 0.90 percent in the previous month. On regional basis, the year-on-year rates of inflation increased across all the four regions in the country. Western region inflation rose from 9.16 percent in May 2016 to 10.16 percent in June 2016; Northern region from 11.84 percent to 12.66 percent; Southern region from 9.95 percent to 11.0 percent; and Eastern region from 10.58 percent to 11.29 percent.

Table 4. — Monetary Aggregates

		Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Reserve Money (RM)	Le Mn	1,666,649	1,631,055	1,574,425	1,618,911	1,617,652	1,674,461	1,723,637	1,707,603	1,713,607	1,693,552	1,690,078	1,699,352	1,699,533
Broad Money (M2)	Le Mn	5,038,376	5,064,474	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686	5,689,044	5,776,357
Narrow Money (M1)	Le Mn	2,213,084	2,248,677	2,251,957	2,293,050	2,303,555	2,374,722	2,496,971	2,433,525	2,468,675	2,486,000	2,560,101	2,550,154	2,585,434
Currency in Circulation	Le Mn	989,167	994,367	996,822	1,018,116	1,040,457	1,068,350	1,176,286	1,099,748	1,076,542	1,125,665	1,139,637	1,090,586	1,103,243
Demand Deposits	Le Mn	1,223,917	1,254,310	1,255,136	1,274,934	1,263,099	1,306,373	1,320,685	1,333,778	1,392,133	1,360,335	1,420,464	1,459,569	1,482,191
Budget Financing (Banking Sector)	Le Mn	2,255,833	2,368,249	2,437,360	2,599,394	2,685,479	2,776,515	2589189R	2671006R	2,734,699	2,790,220	2,838,848	2,925,836	3,039,095
Bank of Sierra Leone (BSL^)	Le Mn	431,495	453,473	471,902	580,570	618,553	724,735	562,500	648,346	684,501	674,780	696,507	754,419	824,048
Commercial Banks (DMB)	Le Mn	1,824,850	1,915,288	1,965,970	2,019,335	2,067,438	2,052,291	2,027,200	2,023,171	2,050,198	2,116,430	2,142,822	2,172,564	2,215,802
Claims on Private Sector	Le Mn	1,064,369	1,083,040	1,122,564	1,120,230	1,120,708	1,132,861	1090832R	1125202R	1129167R	1162999R	1203786R	1204573R	1,214,905
*Of Which: Commercial Banks**	Le Mn	1,027,378	1,046,648	1,085,357	1,088,184	1,088,728	1,101,636	1,060,823	1,088,545	1,093,225	1,124,652	1,165,229	1,167,430	1,179,578
Claims on Non-Banking Inst.	Le Mn	47,620	50,612	50,602	54,410	50,745	55,874	39839R	48000R	55065R	50072R	48319R	42636R	55,729
Other Items (Net)	Le Mn	-2,009,285	-2,022,283	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2135954R	-2191949R	-2213248R	-2308880R	-2333209R	-2413075R	-2,320,263

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Treasury Bills (3-months)	%	2.74	1.86	1.26	1.55	1.67	1.48	1.08	1.21	3.51	3.51	6.82
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	5.00
Deposits												
Savings	%	2.85	2.85	2.62	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54
1 - 3 month	%	3.48	3.48	2.89	2.73	2.73	2.73	2.73	2.73	2.73	2.80	2.80
3 - 6 month	%	4.7	4.7	4.27	4.12	4.12	4.22	4.2	4.2	4.20	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	3.38
9 - 12 month	%	5.76	5.76	5.35	5.22	5.22	5.35	5.30	5.30	5.30	5.80	5.80
Lending (Prime)	%	18.77-25.14	8.77-25.14	8.37-25.00	8.23-24.95	8.23-24.95	8.12-24.80	8.12-24.80	8.12-24.80	18.12-24.80	8.23-24.95	18.23-24.95

Source: Bank of Sierra Leone

Fiscal Operations

During the month of June 2016, government budgetary operations culminated in a deficit of Le 130.25bn following a deficit of Le57.75bn recorded in the previous month. The outturn was mainly on account of a total expenditure of Le354.64bn which outweighed total revenues of Le224.39bn. Total revenue including grants, declined by 5.98 percent to Le224.39bn which was lower than the budgeted target of Le238.66bn by 3.25 percent. The decline in revenue performance compared to the preceding month was mainly attributable to developments in domestic revenues. Domestic revenue fell by 3.36 percent to Le224.14bn but was Le20.32bn above the budgeted amount of Le203.82bn. The fall in domestic revenue was mainly on account of the poor performance in collections from customs and excise. Collections from customs and excise fell by 8.76 percent to Le37.10bn compared to the budgeted target of Le57.88bn, indicating a revenue loss of Le20.78bn. Receipts from goods and services tax (GST) dropped by 24.46 percent to Le54.90bn but were however in excess of the budgeted amount of Le52.92bn by 3.76 percent. On the other hand, proceeds from income tax department grew by 12.99 percent to Le88.11bn which exceeded the programmed target of Le76.71bn by 14.86 percent. Non-tax revenue increased by 8.40 percent to Le44.02bn, which was in excess of the budgeted amount of Le16.31bn. External grant disbursed during the month of June 2016 amounted to Le0.25bn. Total government recurrent expenditure increased by 22.43 percent to Le354.64bn which was in breach of the ceiling requirement of Le260.12bn by 36.34 percent. The increases in expenditures were noted in wages and salaries and Debt Service payments which increased by Le30.53bn and Le58.74bn, respectively. The increases were somewhat offset by decline of Le24.30bn in other government expenditures. The overall deficit of Le130.25bn was financed mainly from domestically mobilized resources.

Monetary Developments

Monetary aggregates in June 2016 were expansionary. Broad Money (M2) grew by 1.53 percent in June 2016, compared to the 0.36 percent increase in May 2016. M2 grew as a result of increase in Net Domestic Assets (NDA) which more

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Leone to Dollar													
Official	Le/$	4,813.24	4,850.39	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24	6,082.43
Comm Banks	Le/$	4,808.78	4,820.71	4,880.93	5,045.82	5,218.68	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09	6,071.16
Bureaux	Le/$	4,779.70	4,813.82	4,847.85	4,957.04	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84	6,006.74
Parallel Market	Le/$	5,025.00	5,072.73	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14
Leone to PoundR	Le/£	7,488.64	7,547.09	7,723.62	7,879.87	8,162.14	8,256.00	8,335.43	8,094.27	8,197.05	8,264.10	8,087.38	8,763.99

Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

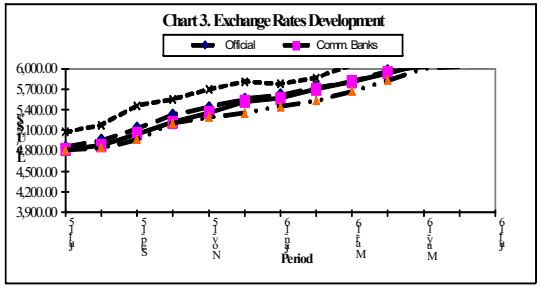
		Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Leone to Dollar													
Auction	Le/$	4,854.32	4,933.02	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24	5,743.40	**	**	6,146.73
Official^R	Le/$	4,955.93	4,948.38	5,052.84	5,235.76	5,431.08	5,539.74	5,664.80	5,729.63	5,836.33	5,929.04	6,083.71	6,154.29
Comm Banks	Le/$	4,903.27	4,953.36	5,080.31	5,287.17	5,487.97	5,580.51	5,685.04	5,747.25	5,570.61	5,942.77	6,120.19	6,235.15
Bureaux	Le/$	4,865.22	4,881.07	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17	6,057.31
Parallel Mkt.	Le/$	5,104.32	5,144.77	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50	5,875.00	5,920.00	6,107.50	6,215.00	6,407.14
Leone to PoundR	Le/£	7,642.22	7,701.68	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83	8,943.76

Source: Bank of Sierra Leone

2016. The growth in RM was driven by foreign inflows coupled with increased Claims on the government by the Bank of Sierra Leone. NDA grew by 0.23 percent (Le6.26bn) which was below the 9.46 percent (Le231.29bn) increase in June 2016. The increase in NDA was due to the 1.89 percent (Le94.51bn) increase in Domestic Credit which more than offset the 3.80 percent (Le88.26bn) decrease in Other Items Net (OIN). Domestic Credit increased on account of the utilization of Ways and Means Advances, GOSL/IMF Budget Financing and increase in holdings of Government Treasury Bills by commercial banks. Net Claims on Government by the Banking System expanded by 3.05 percent (Le92.58bn) compared to the 3.87 percent (Le113.26bn) growth in June 2016. The increase in Net Claims on Government by the Banking Sector was on account of the 4.41 percent growth in Net Claims on Government by Bank of Sierra Leone and 2.54 percent in Net Claims on Government by commercial banks. Net Claims on Government by Bank of Sierra Leone grew as a result of utilization of Ways and Means Advances (Le17.86bn) and GOSL/IMF Budget Financing (Le131.84bn). The increase in Net Claims on Government by commercial banks was mainly attributed to the Le55.49bn growth in their holdings of Government Treasury Bills. Credit to the Private Sector by commercial banks remained subdued with marginal increase of 0.97 percent (Le11.43bn) which was less than the 1.04 percent (Le12.15bn) growth in June, 2016. The monthly average interest rates on Savings 1-month, 3-months, 6-months, 9-months and 12-months time deposits remained unchanged at 2.54 percent, 2.80 percent, 3.02 percent, 4.28 percent, 3.38 percent and 5.80 percent, respectively. Annual yields on 3-months and 12-months treasury bills increased from 5.34 and 17.51 percent in June 2016 to 5.73 percent and 17.89 percent in July 2016 respectively, while that on 6-months contracted from 9.68 percent to 8.94 percent. Interest rates on 12-months and 24-months treasury bonds remained unchanged at 5 percent and 14.38 percent, respectively. The average lending rates of commercial banks remained at the range of 18.23 percent to 24.95 percent.

Exchange Rates Developments

On account of the continued increase in demand for over the supply of foreign exchange, the Leone depreciated against all major currencies in July 2016. This was reflected in the depreciation of the monthly average exchange rate of the Leone to the United States Dollar in all the market segments, with the exception of the auction market where the rate appreciated marginally by 0.75 percent. On the buying front, the exchange rate in the Parallel market, depreciated the highest by 1.89 percent to Le6,722.50/US$1; while the Bureaux, Commercial



Banks and the Official markets depreciated by 0.78 percent to Le6,077.05/US$1; 0.10 percent to Le6,121.68/US$1 and 0.01 percent to Le6,042.96/US$1, respectively. Similarly, on the selling front, the Parallel market depreciated the highest by 2.70 percent to Le6,827.50/US$1, followed by the Commercial Banks, Bereaux market and the Official segments in the order of 2.18 percent to Le6,543.90/US$1, 0.79 percent to Le6,146.24/US$1 and 0.01 percent to Le6,165.04/US$1 respectively, while the auction rate appreciated by 0.75 percent to Le6,039.00/US$1 during the period under review. The premium between the Official and the Parallel rates widened by 11.25 percent from Le555.55/US$1 in the preceding month to Le679.54/US$1 in the review period.

International Reserves

Gross External Reserves of the Bank of Sierra Leone increased to US$553.62mn in July 2016 from US$507.11mn in June 2016. The accumulation of reserves during the month of July 2016 was attributed largely to increased inflows of US$71.05mn which outpaced outflows of US$20.81mn, resulting in a net inflow of US$50.24mn. Inflows of foreign exchange of US$71.05mn during the review period were significantly higher than US$7.03mn recorded in June 2016. Significant inflows included US$34.54mn, being IMF disbursement for both Balance of Payments and Budgetary Supports under the External Credit Facility (ECF). Other notable sources of foreign exchange included US$30.52mn, being capital gains tax realized from the sale of Airtel to Orange. Royalty payments from Sierra Rutile to the tune of US$3.85mn also enhanced the foreign exchange reserves position. Foreign exchange outflows totaled US$20.81mn in July 2016, down from US$22.79mn recorded in the preceding month. The bulk of the outflows comprised sales of foreign exchange in the interbank market amounting to US$11.75mn, US$3.20mn being government foreign payments, remittances to embassies and missions to the tune of US$1.58mn, US$1.91mn being subscriptions to international organizations and Debt Service payments amounting to US$0.36mn.

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

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Highlights

During the review month, macroeconomic performance was mixed. Inflationary pressure continued to accelerate, recording 10.53 percent in July 2016 from 10.16 percent recorded in June 2016. Notwithstanding the improvement in total revenue collections, the overall deficit continued to deteriorate from Le130.25bn in June 2016 to Le159.93bn in July 2016, on account of substantial increase in total expenditure during the reporting month. The monthly average exchange rate of the Leone to the United States Dollar depreciated in all the exchange rate markets, except in the auction market where rates continued to register an appreciation. Outturns in monetary aggregates continued to expand during the review month, with Broad Money (M2) and Reserve Money (RM) expanding by 1.48 percent and 2.64 percent, respectively. Gross external reserves position of the Central Bank increased by 8.99 percent from US$507.97mn at end June 2016 to US$553.62mn at end July 2016, on account of total inflows of US$71.15mn outweighing total outflows of US$20.91mn. The Executive Board of the International Monetary Fund (IMF), on 1st July 2016, completed the fifth review of Sierra Leone's performance under the program supported by an Extended Credit Facility (ECF) arrangement, which enabled the disbursement of SDR24.44 million, about US$34.12 million, bringing total disbursements under the arrangement to SDR162.22 million (about US$226.45 million). In a related development, the Executive Board also approved the authorities' request for an extension of the ECF arrangement by about two months until end-December 2016. In a similar development, the World Bank Group on 14th July 2016 approved a US$138.0 million project to support the development of a 57MW heavy fuel oil green-field thermal power plant in Sierra Leone to boost electricity generation and supply in Freetown and its environs.

Real Sector

Output from the manufacturing sector posted mixed trends during the reporting month. Production levels increased for beer and stout, maltina, soft drinks and confectionery while cement, paint, acetylene, oxygen and common soap recorded declines in production due to limited availability of raw material inputs. Production of beer and stout and maltina grew by 84.81 percent to 57.90 thousand cartons and 15.46 percent to 23.90 thousand cartons respectively. Soft drinks and confectionery production also increased by 12.42 percent to 78.66 thousand crates and 3.63 percent to 287.98 thousand pounds. On the other hand, production of cement and paint decreased by 14.09 percent to

PRODUCTION

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Mineral												
Diamonds ('000 Carats)	35.61	31.33	63.06	23.93	11.92	43.82	57.29R	54.81	66.04	4.75	84.69	79.49
Industrial ('000 Carats)	6.78	0.96	10.40	1.04	4.05	6.42	1.21	7.81	10.41	1.96	11.75	9.96
Gem ('000 Carats)	28.83	30.37	52.66	22.89	7.87	37.80	56.07	46.99	55.63	2.79	73.45	69.53
Bauxite *('000 MT)*	149.85	102.20	190.02	**	**	**	116.64	101.00	111.07	129.74	123.42	126.72
Rutile ('000MT)	9.94	12.02	12.01	**	**	**	7.69	8.58	10.51	10.42	10.75	13.46
Ilmenite *('000 MT)*	3.09	3.62	3.53	**	**	**	1.73	1.56	**	1.54	0.75	2.73
Gold *(Ounces)*	127.45	3.58	98.01	338.85	353.69	74.05	180.86	127.98	222.06	715.77	372.35	1055.31
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 ctns)*	70.88	80.10	74.05	75.80	78.65	83.00	77.99	88.54	79.45	80.90R	85.92	31.33
Maltina *('000 Cartons)*	29.70	36.44	25.98	26.88	26.79	24.02	23.98	21.87	15.60	19.80R	21.00	20.70
Soft drinks *('000 Crates)*	167.54	178.09	87.21	81.14	78.97	104.04	105.98	101.35	100.08	105.90R	81.69	69.97
Cement *('000 MT)*	26.78	27.32	21.35	23.44	26.00	32.10	25.67	24.32	27.57R	30.90R	28.40	29.80
Paint *('000 Gallons)*	24.55	34.00	34.01	32.98	30.88	26.40	24.45	25.98	20.87	16.00	19.80	16.90
Acetylene *('000 Cu Ft)*	20.98	18.90	18.00	28.00	24.56	26.14	16.00R	14.00R	12.000	11.50	13.89	17.60
Oxygen *('000 Cu Ft)*	41.10R	35.10R	39.00	44.50	32.46	30.27	41.00R	36.00R	48.00	41.50	41.90	45.87
Confectionery *('000 Lb)*	237.77R	232.70R	212.28	300.43	399.45	300.11	290.08	293.54	293.30	289.72	285.09	277.90
Common Soap*('000MT)*	38.44R	58.08R	35.90	47.17	78.97	56.01	54.50	8.21	8.21	7.23	48.90	54.76
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

		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Monthly Inflation Rate	%	0.94	1.05	0.77	0.94	0.62	0.54	0.29	0.39	0.72	1.10	0.90	1.45	1.28
Annual Inflation Rate (Yr-on-Yr)	%	8.11	8.21	8.35	8.58	8.71	8.85	8.86	8.73	8.77	9.28	9.45	10.16	10.53
Consumer Price Index		249.54	252.17	254.11	256.50	258.08	259.47	260.64	261.24	263.12	266.01	268.44	272.34	275.82

Source: Statistics Sierra Leone

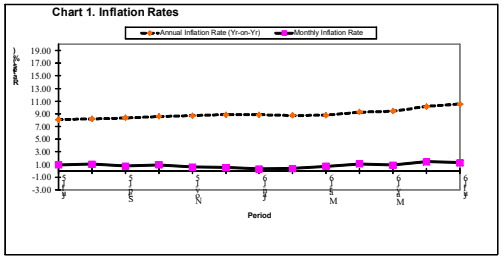


Table 3 — Government Finances

		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-16	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Total Revenue (Plus Grants)	Le Mn	173,288	167,253	161,242	163,848	196,344	424,563	259,121	187,691	271,549	207,722	231,276	224,389
Domestic Revenue	Le Mn	172,347	142,747	153,639	162,156	169,365	246,945	258,035	187,691	209,785	205,633	231,276	224,135
Customs & Excise	Le Mn	33,290	35,483	31,133	43,097	37,249	41,073	39,908	39,206	44,029	38,962	40,662	37,102
Income Tax Dept	Le Mn	55,845	39,072	60,556	38,202	56,738	132,279	65,649	52,414	63,920	70,668	77,978	88,108
Goods &Services	Le Mn	54,909	47,895	45,454	50,948	52,332	51,225	50,939	53,825	53,184	53,004	72,679	54,904
Miscellenous	Le Mn	20,303	20,298	16,496	29,909	23,046	22,368	101,539	42,247	48,652	42,999	40609R	44,022
Programmed Funds (Grants)	Le Mn	941	24,506	7,602	1,692	26,979	177,619	1,086	**	61,783	2,089	**	254
HIPC	Le Mn	941	**	1,521	1,692	**	265	1,086	**	1,763	2,089	**	254
*Others**	Le Mn	**	24,506	6,082	**	26,979	177,354	**	**	60,000	**	**	**
Total Expenditure	Le Mn	268,037	225,372	207,694	253,831	326,047	435,647	284,587	247,772	266,795	200,339	289,678	354,641
Pensions, Wages & Salaries	Le Mn	131,921	105,357	130,334	119,487	118,096	163,472	105,283	152,403	130,244	88,024	142,371	172,897
Other Expenditures	Le Mn	102,178	108,714	45,630	108,229	168,250	182,179	170,024	82,042	112,892	81,898	129,905	105,603
Debt Service Payment	Le Mn	33,938	11,301	31,730	26,115	39,700	89,996	9,280	13,326	23,660	30,417	17,403	76,141
Domestic	Le Mn	15,988	6,577	11,650	21,921	31,360	66,743	5,090	8,383	7,245	14,287	8,884	23,644
Foreign	Le Mn	17,950	4,724	20,079	4,194	8,340	23,252	4,190	4,944	16,415	16,130	8,519	52,496
Overall Deficit/Surplus	Le Mn	-94,748	-58,119	-46,453	-89,983	-129,702	-11,084	-25,466	-60,080	4,754	7,383	-57749R	-130,252
Total Financing	Le Mn	94,748	58,119	46,453	89,983	129,702	11,084	25,466	**	**	**	**	**
Bank Financing	Le Mn	11143R	70,447	165,513	91,086	-27145	-131296	32,108	**	**	**	**	**
Bank of Sierra Leone	Le Mn	21978R	18,429	108,669	42,983	-11722	-162235	43,576	**	**	**	**	**
Commercial Banks	Le Mn	89,460	52,019	56,844	48,103	-8319	-31788	30,898	**	**	**	**	**
Non-Bank Financing	Le Mn	2,943	-1,309	2,518	137	21,433	10,970	14,248	**	**	**	**	**
Treasury Balance	Le Mn	-19632R	-11,019	-121,578	-1,240	17,511	131,410	-20890	**	**	**	**	**
Foreign Finance	Le Mn	**	**	**	**	117,903	**	**	**	**	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

*** - chinese loan wrongly posted in Sept and reversed in October*

25.60 thousand metric tons and by 13.31 percent to 14.65 thousand gallons respectively. Acetylene and oxygen production also fell by 29.38 percent to 12.43 thousand cubic feet and 40.05 percent to 27.50 thousand cubic feet respectively, while common soap production decreased by 7.23 percent to 50.80 thousand metric tons. The mining sector also experienced mixed performance during the period, as production levels of bauxite, rutile, ilmenite, and iron ore grew while that for diamond, zircom and gold declined. Bauxite and rutile production increased by 2.98 percent to 130.49 thousand metric tons, and 6.98 percent to 14.40 thousand metric tons respectively. Similarly, ilmenite and iron ore production posted increases by 6.23 percent to 2.90 thousand metric tons and by 0.90 percent to 316.71 thousand metric tons respectively. However, total diamond production plummeted by 75.48 percent to 19.49 thousand carats of which, industrial diamonds amounted to 6.51 thousand carats while gem diamonds amounted to 12.98 carats. Zircom production reduced by 15.34 percent to 0.16 thousand metric tons, while gold production plunged from 1,055.31 ounces last month to 645.26 ounces.

Inflationary pressures continued to build up during the review period as headline inflation increased by 36 basis points from 10.17 percent recorded in June 2016 to 10.53 percent in July 2016. The increase was attributed to both food and non-food inflation. Food inflation increased by 0.45 percentage points to 6.94 percent in July 2016 from 6.49 percent in June 2016. The rise in food prices was attributed to a seasonal decline in food supplies across the country. Non-Food inflation also increased to 13.12 percent in July 2016 from 12.82 percent in the preceding month. This was largely due to the weakening local currency during the month. The consumer price index on a month-on-month basis increased to 275.82. This development was reflected in all the regions which registered increases in their monthly inflation rates. Western Area increased from 9.73 percent to 10.43 percent, Northern Region inflation rate rose from 12.64 percent to 13.00 percent, Southern Region inflation rate rose from 11.00 percent to 11.03 percent and Eastern Region from 11.29 percent to 11.43 percent.

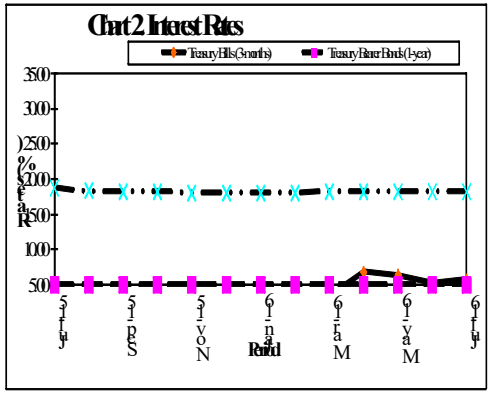


Table 4. — Monetary Aggregates

		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Reserve Money (RM)	Le Mn	1,631,055	1,574,425	1,618,911	1,617,652	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
Broad Money (M2)	Le Mn	5,064,474	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686	5,689,044	5,776,357	5,862,059
Narrow Money (M1)	Le Mn	2,248,677	2,251,957	2,293,050	2,303,555	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
Currency in Circulation	Le Mn	994,367	996,822	1,018,116	1,040,457	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
Demand Deposits	Le Mn	1,254,310	1,255,136	1,274,934	1,263,099	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
Budget Financing (Banking Sector)	Le Mn	2,368,249	2,437,360	2,599,394	2,685,479	2,776,515	2589189R	2671006R	2,734,699	2,790,220	2,838,848	2,925,836	3,039,095	3,131,675
Bank of Sierra Leone (BSL^)	Le Mn	453,473	471,902	580,570	618,553	724,735	562,500	648,346	684,501	674,780	696,507	754,419	824,048	860,425
Commercial Banks (DMB)	Le Mn	1,915,288	1,965,970	2,019,335	2,067,438	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
Claims on Private Sector	Le Mn	1,083,040	1,122,564	1,120,230	1,120,708	1,132,861	1090832R	1125202R	1129167R	1162999R	1203786R	1204573R	1,214,905	1,226,047
*Of Which: Commercial Banks***	Le Mn	1,046,648	1,085,357	1,088,184	1,088,728	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
Claims on Non-Banking Inst.	Le Mn	50,612	50,602	54,410	50,745	55,874	39839R	48000R	55065R	50072R	48319R	42636R	55,729	46,325
Other Items (Net)	Le Mn	-2,022,283	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2135954R	-2191949R	-2213248R	-2308880R	-2333209R	-2413075R	-2,320,263	-2,408,521

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Treasury Bills (3-months)	%	1.86	1.26	1.55	1.67	1.48	1.08	1.21	3.51	3.51	6.82	6.41
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	5.00
Deposits												
Savings	%	2.85	2.62	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54
1 - 3 month	%	3.48	2.89	2.73	2.73	2.73	2.73	2.73	2.73	2.80	2.80	2.80
3 - 6 month	%	4.7	4.27	4.12	4.12	4.22	4.2	4.2	4.2	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	3.38
9 - 12 month	%	5.76	5.35	5.22	5.22	5.35	5.3	5.30	5.30	5.80	5.80	5.80
Lending (Prime)	%	18.77-25.14	8.37-25.00	8.23-24.95	8.23-24.95	8.12-24.80	8.12-24.80	8.12-24.80	8.12-24.80	18.23-24.95	8.23-24.95	18.23-24.95

Source: Bank of Sierra Leone

Fiscal Operations

During the month of July 2016, government budgetary operations yielded a deficit of Le159.93bn following a deficit of Le130.25bn in the preceding month. The outturn was mainly ascribed to expenditures which increased by 47.60 percent to Le523.46bn, as revenue increased by 62.01 percent to Le363.53bn. Total revenue (including grants) collected increased by 62.01 percent to Le363.53bn, over-hitting the budgeted amount of Le239.98bn by 51.48 percent. The over performance in total revenue resulted from the expansion in both domestic revenue and foreign grants. Domestic revenue grew by 61.67 percent to Le362.36bn and exceeded its target by 51.0 percent. The growth in domestic revenue was mainly the result of improved collection from the income tax department. Income tax receipts increased by Le163.36bn to Le251.47bn and exceeded the budgeted target of Le96.50bn by 160.59 percent. Proceeds from customs and excise fell by 11.18 percent to Le32.95bn and was lower than the projected target of Le53.39bn by 38.28 percent. Revenue from goods and services tax dropped by 11.17 percent to Le48.77bn and was 16.02 percent below the budgeted target of Le58.07bn. Non-tax revenue fell by 33.72 percent to Le29.18bn and was 8.89 percent lower than the budgeted amount of Le32.02bn. Total government expenditures increased by 47.60 percent to Le523.46bn and breached the budgeted ceiling of Le257.34bn by 103.41 percent. Payment for pensions, wages and salaries fell by 33.65 percent to Le114.71bn and was within the ceiling of Le146.67bn by 21.79 percent. Debt services payment fell by 84.69 percent to Le11.66bn and comprised Le8.26bn domestic debt and Le3.39bn foreign debt. However, other expenditure increased by 276.03 percent to Le397.10bn and consequently breached the targeted ceiling of Le82.34bn by 382.24 percent. The overall deficit of Le159.93bn was financed exclusively from domestic sources.

Monetary Developments

Monetary aggregates in the review month were expansionary. Broad Money (M2) expanded by 1.48 percent compared to 1.53 percent growth in the preceding month. The growth in M2 was reflected in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of the Banking system. NFA expanded by 2.56 percent (Le79.45bn) compared to the 4.44 percent (Le143.98bn) decline in June, 2016. The growth in NFA was mainly on account of the receipt of funds for both Balance of Payments and Budgetary Supports from the IMF under the Extended Credit Facility and capital gains tax realized from the sale of AIRTEL to ORANGE. Reserve Money (RM) increased by 2.64 percent (Le44.87bn) in July 2016 compared to the 0.01 percent (Le0.18bn) growth registered in the month of June

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Leone to Dollar													
Official	Le/$	4,850.39	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24	6,032.43	6,042.18
Comm Banks	Le/$	4,820.71	4,880.93	5,045.82	5,218.68	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09	6,071.16	6,115.35
Bureaux	Le/$	4,813.82	4,847.85	4,967.04	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84	6,006.74	6,030.23
Parallel Market	Le/$	5,072.73	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14	6,597.73
Leone to PoundR	Le/£	7,547.09	7,723.62	7,879.87	8,162.14	8,256.00	8,335.43	8,094.27	8,197.05	8,264.10	8,087.38	8,763.99	8,583.75

Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

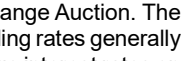
		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Leone to Dollar													
Auction	Le/$	4,933.02	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24	5,743.40	**	**	6,146.73	6,084.52
Official^R	Le/$	4,948.38	5,052.84	5,235.76	5,431.08	5,539.74	5,664.80	5,729.63	5,836.33	5,929.04	6,083.71	6,154.29	6,164.24
Comm Banks	Le/$	4,953.36	5,080.31	5,287.17	5,487.97	5,580.51	5,685.04	5,747.25	5,570.61	5,942.77	6,120.19	6,235.15	6,404.49
Bureaux	Le/$	4,881.07	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17	6,067.31	6,098.29
Parallel Mkt.	Le/$	5,144.77	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50	5,875.00	5,920.00	6,107.50	6,215.00	6,407.14	6,647.73
Leone to PoundR	Le/£	7,701.68	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83	8,943.76	8,760.17

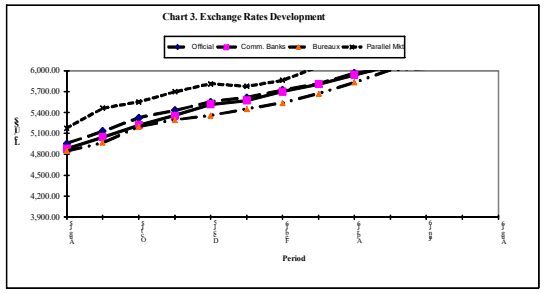
Source; Bank of Sierra Leone

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.

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





market, Commercial Banks and the Bereaux 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.

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

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	7.87	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	126.72	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 ctns)*	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)*	18.90	18.00	28.00	24.56	26.14	16.00R	14.00R	12.00	11.500	13.89	17.60	12.43
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	287.98
Common Soap*('000MT)*	58.08R	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
Monthly 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
Annual 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, 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.

Real Sector

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 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

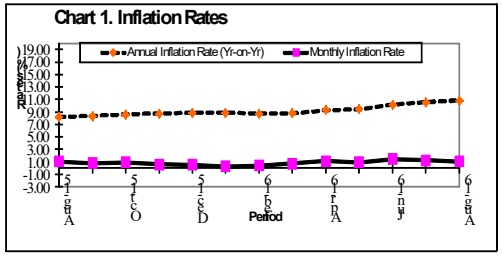


Table 3 — Government Finances

		Aug-15	Sep-15	Oct-15	Nov-15	Dec-16	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Total Revenue (Plus Grants)	Le Mn	167,253	161,242	163,848	196,344	424,563	259,121	187,691	271,549	207,722	231,276	224,389	363,528
Domestic Revenue	Le Mn	142,747	153,639	162,156	169,365	246,945	258,035	187,691	209,785	205,633	231,276	224,135	362,364
Customs & Excise	Le Mn	35,483	31,133	43,097	37,249	41,073	39,908	39,206	44,029	38,962	40,662	37,102	32,952
Income Tax Dept	Le Mn	39,072	60,556	38,202	56,738	132,279	65,649	52,414	63,920	70,668	77,978	88,108	251,465
Goods &Services	Le Mn	47,895	45,454	50,948	52,332	51,225	50,939	53,825	53,184	53,004	72,679	54,904	48,770
Miscellenous	Le Mn	20,298	16,496	29,909	23,046	22,368	101,539	42,247	48,652	42,999	40609R	44,022	29,177
Programmed Funds (Grants)	Le Mn	24,506	7,602	1,692	26,979	177,619	1,086	**	61,783	2,089	**	254	1,165
HIPC	Le Mn	**	1,521	1,692	**	265	1,086	**	1,763	2,089	**	254	1,165
*Others**	Le Mn	24,506	6,082	**	26,979	177,354	**	**	60,000	**	**	**	**
Total Expenditure	Le Mn	225,372	207,694	253,831	326,047	435,647	284,587	247,772	266,795	200,339	289,678	354,641	523,462
Pensions, Wages & Salaries	Le Mn	105,357	130,334	119,487	118,096	163,472	105,283	152,403	130,244	88,024	142,371	172,897	114,710
Other Expenditures	Le Mn	108,714	45,630	108,229	168,250	182,179	170,024	82,042	112,892	81,898	129,905	105,603	397,097
Debt Service Payment	Le Mn	11,301	31,730	26,115	39,700	89,996	9,280	13,326	23,660	30,417	17,403	76,141	11,665
Domestic	Le Mn	6,577	11,650	21,921	31,360	66,743	5,090	8,383	7,245	14,287	8,884	23,644	8,261
Foreign	Le Mn	4,724	20,079	4,194	8,340	23,252	4,190	4,944	16,415	16,130	8,519	52,496	3,394
Overall Deficit/Surplus	Le Mn	-58,119	-46,453	-89,983	-129,702	-11,084	-25,466	-60,080	4,754	7,383	-57749R	-130,252	-159,934
Total Financing	Le Mn	58,119	46,453	89,983	129,702	11,084	25,466	**	**	**	**	**	**
Bank Financing	Le Mn	70,447	165,513	91,086	-27,145	-133,296	32,108	**	**	**	**	**	**
Bank of Sierra Leone	Le Mn	18,429	108,669	42,983	-11722	-162235	43,576	**	**	**	**	**	**
Commercial Banks	Le Mn	52,019	56,844	48,103	-8319	-31788	30,898	**	**	**	**	**	**
Non-Bank Financing	Le Mn	-1,309	2,518	137	21,433	10,970	14,248	**	**	**	**	**	**
Treasury Balance	Le Mn	-11,019	-121,578	-1,240	17,511	131,410	-20890	**	**	**	**	**	**
Foreign Finance	Le Mn	**	**	**	117,903	**	**	**	**	**	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

*** - chinese loan wrongly posted in Sept and reversed in October*

respectively. The mining sector also recorded mixed performance during the reporting period, as production of diamonds increased significantly from 19.49 thousand carats in July 2016 to 59.43 thousand carats in August 2016. Gem and Industrial diamonds increased by 207.70 percent to 39.94 thousand carats and 199.39 percent to 19.49 thousand carats respectively.

Pressures on domestic prices remained elevated during the month of August 2016, as headline inflation increased by 0.31 percentage points to 10.84 percent in August 2016 from 10.53 percent recorded in July, 2016. The strain on prices emanated from both food and non-food inflation. Food inflation increased to 7.29 percent in the review month from 6.94 percent in the preceding month. Similarly, non-food inflation increased to 13.40 percent in August 2016 from 13.12 percent in July 2016. The domestic price development during the month was mainly attributable to the continued depreciation of the Leone. These price developments were also reflected in all the regions which recorded the following increases: Western Area from 10.34 percent in July, 2016 to 10.49 percent in August, 2016, Northern Region from 13.00 percent to 13.49 percent, and Southern Region from 11.03 percent to 11.51 percent, while the Eastern Region recorded a marginal decrease from 11.43 percent in July, 2016 to 11.42 percent in August, 2016. The Consumer Price Index (CPI) on a month-on-month basis increased from 275.82 percent in July, 2016 to 279.15 percent in August 2016, resulting in a 1.21 percentage increase in inflation rate for the month of August, 2016.

Fiscal Operations

During the month of August 2016, government budgetary operations resulted in a deficit of Le203.13bn following another deficit of Le159.93bn registered in the previous month. This trend is attributable to a 45.33 percent decline in revenue. Meanwhile, expenditures also recorded a decrease of 23.23 percent. Total revenue (including grants) amounted to Le198.74bn, which was a decline of 45.33 percent compared to Le363.55bn in the previous month and was 17.19 percent short of the

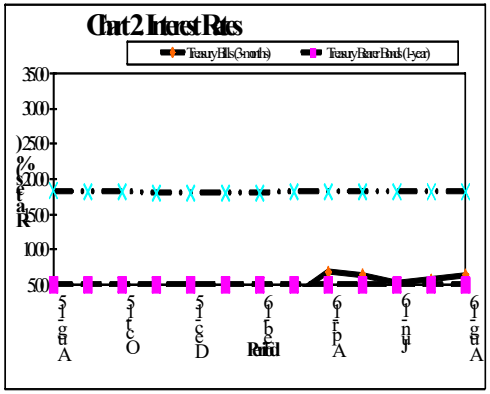


Table 4. — Monetary Aggregates

		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
Reserve Money (RM)	Le Mn	1,574,425	1,618,911	1,617,652	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	1,662,658
Broad Money (M2)	Le Mn	5,094,990	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686	5,689,044	5,776,357	5,862,059	5,803,959
Narrow Money (M1)	Le Mn	2,251,957	2,293,050	2,303,555	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
Currency in Circulation	Le Mn	996,822	1,018,116	1,040,457	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
Demand Deposits	Le Mn	1,255,136	1,274,934	1,263,099	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
Budget Financing (Banking Sector)	Le Mn	2,437,360	2,599,394	2,685,479	2,776,515	2589189R	2671006R	2,734,699	2,790,220	2,838,848	2,925,836	3,039,095	3,131,675	3,199,019
Bank of Sierra Leone (BSL^)	Le Mn	471,902	580,570	618,553	724,735	562,500	648,346	684,501	674,780	696,507	754,419	824,048	860,425	859,723
Commercial Banks (DMB)	Le Mn	1,965,970	2,019,335	2,067,438	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
Claims on Private Sector	Le Mn	1,122,564	1,120,230	1,120,708	1,132,861	1090832R	1125202R	1129167R	1162999R	1203786R	1204573R	1,214,905	1,226,047	1,227,122
*Of Which: Commercial Banks***	Le Mn	1,085,357	1,088,184	1,088,728	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
Claims on Non-Banking Inst.	Le Mn	50,602	54,410	50,745	55,874	39839R	48000R	55065R	50072R	48319R	42636R	55,729	46,325	33,955
Other Items (Net)	Le Mn	-2,060,655	-2,126,049	-2,209,157	-2,279,502	-2135954R	-2191949R	-2213248R	-2308880R	-2333209R	-2413075R	-2,320,263	-2,408,521	-2,381,973

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Treasury Bills (3-months)	%	1.26	1.55	1.67	1.48	1.08	1.21	3.51	3.51	6.82	6.41	5.34
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	5.00
Deposits												
Savings	%	2.62	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54
1 - 3 month	%	2.89	2.73	2.73	2.73	2.73	2.73	2.73	2.80	2.80	2.80	2.80
3 - 6 month	%	4.27	4.12	4.12	4.22	4.2	4.2	4.2	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	3.38
9 - 12 month	%	5.35	5.22	5.22	5.35	5.3	5.3	5.30	5.80	5.80	5.80	5.80
Lending (Prime)	%	18.37-25.00	8.23-24.95	8.23-24.95	8.12-24.80	8.12-24.80	8.12-24.80	8.12-24.80	8.23-24.95	18.23-24.95	8.23-24.95	18.23-24.95

Source: Bank of Sierra Leone

budgeted amount of Le239.98bn. Domestic revenue collected was Le198.69bn, which was17.21 percent below its target of Le239.98bn. The underperformance in domestic revenue was reflected in all the tax categories with the exception of Goods and Services Tax (GST) and non-tax revenue. Income tax receipts decreased by Le173.40bn to Le78.07bn in August 2016 from Le251.47bn in July 2016, and were 19.10 percent below the budgeted target of Le96.50bn. Proceeds from customs and excise fell by 23.04 percent to Le25.36bn and was lower than the projected target of Le53.39bn by 52.50 percent. Revenue from goods and services tax improved by 7.25 percent to Le52.31bn but was 9.92 percent below the budgeted target of Le58.07bn. Non-tax revenue marginally increased by 47.22 percent to Le42.95bn and was 34.13 percent higher than the budgeted amount of Le32.02bn. On the expenditure side, total government expenditures decreased by 23.23 percent to Le401.87bn and were in breach of the budgeted ceiling of Le257.34bn. This outturn mainly arose from 21.36 percent increase in payments for pensions, wages and salaries to Le139.21bn, and 4.13 percent increase in debt services payment to Le12.14bn. However, other expenditure declined by 36.91 percent to Le250.52bn. The overall deficit of Le203.13bn was financed exclusively from domestic resources.

Monetary Developments

Monetary aggregates in August 2016 were contractionary, as both Broad Money (M2) and Reserve Money (RM) exhibited downward trends. Broad Money (M2) contracted by 0.99 percent compared to the 1.48 percent growth in July 2016. The contraction in M2 was attributed to the decline in Net Foreign Assets (NFA) of the Banking System which was more than the increase in Net Domestic Assets (NDA) of the Banking System. NFA decreased by 4.19 percent (Le133.21bn) compared to the 2.56 percent (Le79.45bn) increase in the preceding period. The contraction in NFA was as a result of outflows relating to drawdown of Foreign Reserves for Wholesale Foreign Exchange Auction and payments for ongoing Government projects including the rehabilitation of Matotoka - Sefadu Road Project and the Immigration Control System. The contraction in NFA was further reinforced by decrease in claims on overseas Banks by commercial banks. NDA on the other hand, increased by 2.80 percent (Le75.11bn) which was more than the 0.23 percent (Le6.26bn) growth in the preceding month. The growth in NDA was on account of the increase in both Domestic Credit (Le48.56bn) and Other Items Net (Le26.55bn). Domestic Credit grew as a result of the Le25.41bn utilization of Ways and Means

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Leone to Dollar													
Official	Le/$	4,952.78	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24	6,032.43	6,042.18	6,042.96
Comm Banks	Le/$	4,880.93	5,045.82	5,218.68	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09	6,071.16	6,115.35	6,121.68
Bureaux	Le/$	4,847.85	4,967.04	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84	6,006.74	6,030.23	6,077.05
Parallel Market	Le/$	5,174.52	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14	6,597.73	6,722.50
Leone to PoundR	Le/£	7,723.62	7,879.87	8,162.14	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

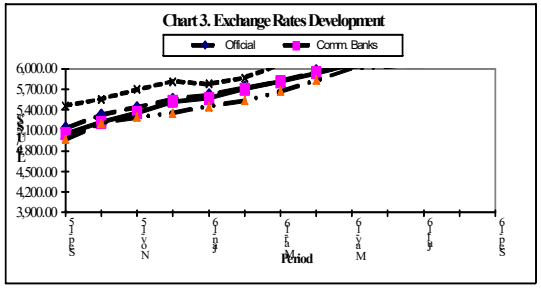
Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

		Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Leone to Dollar													
Auction	Le/$	5,126.40	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24	5,743.40	**	**	6,146.73	6,084.52	6,039.00
Official^R	Le/$	5,052.84	5,235.76	5,431.08	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
Comm Banks	Le/$	5,080.31	5,287.17	5,487.97	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
Bureaux	Le/$	4,903.13	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17	6,067.31	6,098.29	6,146.24
Parallel Mkt.	Le/$	5,274.52	5,611.90	5,641.36	5,790.71	5,867.50	5,875.00	5,920.00	6,107.50	6,215.00	6,407.14	6,647.73	6,827.50
Leone to PoundR	Le/£	7,881.93	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83	8,943.76	8,760.17	8,118.84

Source: Bank of Sierra Leone

(Le133.21bn) decrease in August 2016. The growth in NFA was attributed to the depreciation of the Leone which led to the growth in value of SDR holdings, disbursement of funds from DfID and increase on the claims on overseas banks by commercial banks. Reserve Money (RM) contracted by 1.06 percent (Le17.57bn) compared to the 4.68 percent (Le81.66bn) decrease in August 2016. The drop in RM was due to the tight monetary policy stance. NDA expanded by 2.76 percent (Le76.03bn) compared to the 2.80 percent (Le75.11bn) growth in the preceding month. The growth in NDA was on account of the increase Domestic Credit (Le94.98bn) which was more than the 0.80 percent decrease in Other Items Net (Le18.95bn). The growth in Domestic Credit was due to the Le11.99bn utilization of Ways and Means Advances and the Le64.99bn increase in holdings of Government Treasury Bills by Bank of Sierra Leone. Budget financing by the Banking System grew by 2.15 percent (Le68.71bn) compared to the 2.15 percent (Le67.34bn) increase in August, 2016. The growth in Net Claims on Government by the Banking System expanded as result of the 8.90 percent growth in Net Claims on Government by Bank of Sierra Leone. Net Claims on Government by Bank of Sierra Leone grew mainly as a result of the Le64.99bn increase in their holdings of Government Treasury Bills and the Le11.99bn utilization of Ways and Means Advances. Net Claims on Government by commercial banks declined by 0.33 percent relative to the 3.00 percent increase in August, 2016. The drop in Net Claims on Government by commercial banks was on account of Le8.21bn decline in their holdings of Treasury Bills. Credit to the Private Sector by Deposit Money Banks increased by 2.31 percent, which was more than the 0.15 percent growth recorded in August, 2016. The monthly average interest rates on Savings, 1-month, 3-months, 6-months, 9-months and 12-months' time deposits remained unchanged at 2.54 percent, 2.80 percent, 3.02 percent, 4.28 percent, 3.38 percent and 5.80 percent, respectively. Annual yields on 3-months, 6-months and 12-months treasury bills increased from 6.36 percent, 10.19 percent and 17.29 percent in August, 2016 to 7.96 percent, 12.03 percent and 19.34 percent in September 2016, respectively. Interest rates on 12-months and 24-months treasury bonds remained unchanged at 5.0 percent and 14.38 percent, respectively. The average lending rates of commercial banks slightly increased to the ranges of 18.23 percent to 24.96 percent.



Exchange Rates Developments

The exchange rate developments in the month of September, 2016 exhibited depreciating trend in all segments of the foreign exchange market, with the commercial banks exhibiting the highest depreciation. The depreciation of the Leone to the US dollar could largely be explained by excess demand for foreign exchange over its supply. On the buying front, the exchange rate in the commercial banks depreciated the highest by 5.16 percent to Le6,648.66/US$1; while the parallel market, the official market, and the bureaux market rates depreciated by 3.57 percent to Le7,211.90/US$1; 3.35 percent to Le6,360.47/US$1 and 2.72 percent to Le6,303.90/US$1, respectively. On the Selling front, the official market rate depreciated the highest by 3.35 percent to Le6,488.97/US$1; followed by the parallel market, bureaux, commercial banks and the Auction market rates which depreciated by 3.20 percent to Le7,261.90/US$1; 2.86 percent to Le6,388.10/US$1; 1.89 percent to Le6,778.41/US$1 and 0.02 percent to Le6,027.51/US$1, respectively. The premium between the official and the parallel exchange rates widened by 5.24 percent from Le809.02/US$1 in the preceding month to Le851.43/US$1 in the review month.

International Reserves

Gross External Reserves of the Bank of Sierra Leone decreased to US$510.63mn (3.51%) at end September 2016, from US$529.20mn recorded at end August 2016. This development was on account of increased outflows of US$23.22mn which outweighed inflows of US$6.35mn, indicating a net outflow of US$16.87mn. Foreign exchange inflows amounted to US$6.35mn during the reporting month compared to the US$7.78mn recorded in the preceding month. The inflows largely constituted Aid Disbursement/BOP support of US$3.94mn of which, US$3.27mn was in respect of Poverty Reduction Budget Support from UK/ DfID and US$0.47mn from IDA/World Bank (forex purchases) respectively, while US$0.87mn was from Koidu Holdings Mining Company and Maritime Administration (US$0.46mn). Foreign exchange outflows amounted to US$23.22mn during the review month. The major outflows included Bank of Sierra Leone's Sales of foreign exchange in the interbank market amounting to US$16.40mn; Debt service payment to various creditors amounting to US$3.15mn, Other Government expenditure to the tune of US$2.10mn; and Embassies/Missions payment totalling US$1.39mn.

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

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September 2016
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Highlights

During the month of September 2016, the Sierra Leone economy continued to face macroeconomic challenges. The monthly average exchange rate of the Leone to the United States Dollar continued to depreciate in all segments of the foreign exchange market. Inflationary pressures continued during the reporting month, recording a marginal increase of 0.27 percentage points, from 10.84 percent recorded in August 2016 to 11.11 percent in September 2016. Notwithstanding the considerable decline in domestic revenue mobilization, overall fiscal deficit narrowed significantly from Le203.13bn in August 2016 to Le45.43bn in September 2016, attributable to a marked decrease in government's total expenditure, backed by a significant increase in external grants received during the review month. Developments in monetary aggregates were mixed during the reporting month with Broad Money (M2) expanding by 2.45 percent while Reserve Money (RM) contracted by 1.06 percent. Gross external reserves position of the Central Bank decreased further by 3.51 percent from US$529.20mn at end August 2016 to US$510.63mn at end September 2016, on account of total outflows of US$23.22mn far outweighing total inflows of US$6.35mn. The Monetary Policy Committee of the Bank of Sierra Leone met on 28th September 2016 and agreed to increase the Monetary Policy Rate (MPR) by 100 basis points, from 9.5 percent to 10.5 percent. The corridor around the MPR will remain at 550 basis points below the MPR and 100 basis points above the MPR. Consequently, the Standing Deposit Facility and the Standing Lending Facility Rates were 5.0 percent and 11.5 percent respectively. Significant developments also took place during the month of September 2016, amongst which were: An International Monetary Fund (IMF) mission visited Freetown, Sierra Leone, from September 14 – 27, 2016 to conduct the sixth and final review under the Extended Credit Facility (ECF), during which, the mission met and held discussions with authorities including major Stakeholders and Government Ministries, Departments and Agencies in the country. On 19th September 2016, the Minister of Finance and Economic Development, the Minister of Agriculture, Forestry and Food Security, and the European Union Ambassador signed a Financing Agreement for "Boosting Agriculture and Food Security (BAFS)" amounting to EUR 35 million (equivalent to Le210 billion), financed under the 11th European Development Fund, with a view to strengthening the agricultural sector in Sierra Leone.

PRODUCTION

	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Mineral												
Diamonds ('000 Carats)	63.06	23.93	11.92	43.82	57.29R	54.81	66.04	4.75	84.69	79.49	19.49	59.43
Industrial ('000 Carats)	10.40	1.04	4.05	6.42	1.21	7.81	10.41	1.96	11.75	9.96	6.51	19.49
Gem ('000 Carats)	52.66	22.89	7.87	37.80	56.07	46.99	55.63	2.79	73.45	69.53	12.98	39.94
Bauxite *('000 MT)*	190.02	**	**	**	116.64	101.00	111.07	129.74	123.42	126.72	130.40	125.97
Rutile ('000'MT)	12.01	**	**	**	7.69	8.58	10.51	10.42	10.75	13.46	14.40	14.02
Ilmenite *('000 MT)*	3.53	**	**	**	1.73	1.56	**	1.54	0.75	2.73	3.90	3.25
Gold *(Ounces)*	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 ctns)*	74.05	75.80	78.65	83.00	77.99	88.54	79.45	80.90R	85.92	31.33	57.90	69.90
Maltina *('000 Cartons)*	25.98	26.88	26.79	24.02	23.98	21.87	15.60	19.80R	21.00	20.70	23.90	24.56
Soft drinks *('000 Crates)*	87.21	81.14	78.97	104.04	105.98	101.35	100.08	105.90R	81.69	69.97	78.66	76.66
Cement *('000 MT)*	21.35	23.44	26.00	32.10	25.67	24.32	27.57R	30.90R	28.40	29.80	25.60	23.45
Paint *('000 Gallons)*	34.01	32.98	30.88	26.40	24.45	25.98	20.87	16.00	19.80	16.90	14.65	15.90
Acetylene *('000 Cu Ft)*	18.00	28.00	24.56	26.14	16.00R	14.00R	12.00	11.50	13.890	17.60	12.43	20.90
Oxygen *('000 Cu Ft)*	39.00	44.50	32.46	30.27	41.00R	36.00R	48.00	41.50	41.90	45.87	27.50	30.80
Confectionery *('000 Lb)*	212.28	300.43	399.45	300.11	290.08	293.54	293.30	289.72	285.09	277.90	287.98	279.09
Common Soap*('000MT)*	35.90	47.17	78.97	56.01	54.50	8.21	8.21	7.23	48.90	54.76	50.80	47.66
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

		Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Monthly Inflation Rate	%	0.77	0.94	0.62	0.54	0.29	0.39	0.72	1.10	0.90	1.45	1.28	1.05	1.01
Annual Inflation Rate (Yr-on-Yr)	%	8.35	8.58	8.71	8.85	8.86	8.73	8.77	9.28	9.45	10.16	10.53	10.84	10.85
Consumer Price Index		254.11	256.50	258.08	259.47	260.64	261.24	263.12	266.01	268.44	272.34	275.82	279.15	174.15

Source: Statistics Sierra Leone

Real Sector

Output in most of the manufacturing industries recorded increases except for maltina and oxygen which declined in the review period. Production of beer and stout increased by 2.82 percent to 71.87 thousand cartons,

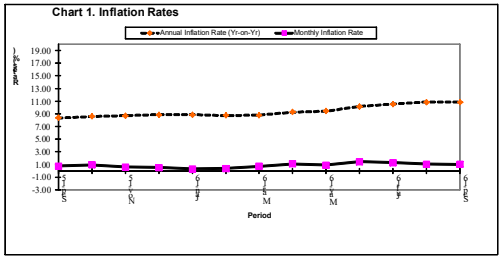


Table 3 — Government Finances

		Sep-15	Oct-15	Nov-15	Dec-16	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
Total Revenue (Plus Grants)	Le Mn	161,242	163,848	196,344	424,563	259,121	187,691	271,549	207,722	231,276	224,389	363,528	198,735
Domestic Revenue	Le Mn	153,639	162,156	169,365	246,945	258,035	187,691	209,785	205,633	231,276	224,135	362,364	198,686
Customs & Excise	Le Mn	31,133	43,097	37,249	41,073	39,908	39,206	44,029	38,962	40,662	37,102	32,952	25,359
Income Tax Dept	Le Mn	60,556	38,202	56,738	132,279	65,649	52,414	63,920	70,668	77,978	88,108	251,465	78,065
Goods &Services	Le Mn	45,454	50,948	52,332	51,225	50,939	53,825	53,184	53,004	72,679	54,904	48,770	52,308
Miscellenous	Le Mn	16,496	29,909	23,046	22,368	101,539	42,247	48,652	42,999	40609R	44,022	29,177	42,954
Programmed Funds (Grants)	Le Mn	7,602	1,692	26,979	177,619	1,086	**	61,783	2,089	**	254	1,165	49
HIPC	Le Mn	1,521	1,692	**	265	1,086	**	1,763	2,089	**	254	1,165	49
*Others**	Le Mn	6,082	**	26,979	177,354	**	**	60,000	**	**	**	**	**
Total Expenditure	Le Mn	207,694	253,831	326,047	435,647	284,587	247,772	266,795	200,339	289,678	354,641	523,462	401,865
Pensions, Wages & Salaries	Le Mn	130,334	119,487	118,096	163,472	105,283	152,403	130,244	88,024	142,371	172,897	114,710	139,212
Other Expenditures	Le Mn	45,630	108,229	168,250	182,179	170,024	82,042	112,892	81,898	129,905	105,603	397,097	250,516
Debt Service Payment	Le Mn	31,730	26,115	39,700	89,996	9,280	13,326	23,660	30,417	17,403	76,141	11,665	12,136
Domestic	Le Mn	11,650	21,921	31,360	66,743	5,090	8,383	7,245	14,287	8,884	23,644	8,261	6,326
Foreign	Le Mn	20,079	4,194	8,340	23,252	4,190	4,944	16,415	16,130	8,519	52,496	3,394	5,810
Overall Deficit/Surplus	Le Mn	-46,453	-89,983	-129,702	-11,084	-25,466	-60,080	4,754	7,383	-57749R	-130,252	-159,934	-203,130
Total Financing	Le Mn	46,453	89,983	129,702	11,084	25,466	**	**	**	**	**	**	**
Bank Financing	Le Mn	165,513	91,086	-27145	-131296	32,108	**	**	**	**	**	**	**
Bank of Sierra Leone	Le Mn	108,669	42,983	-11722	-162235	43,576	**	**	**	**	**	**	**
Commercial Banks	Le Mn	56,844	48,103	-8319	-31788	30,898	**	**	**	**	**	**	**
Non-Bank Financing	Le Mn	2,518	137	21,433	10,970	14,248	**	**	**	**	**	**	**
Treasury Balance	Le Mn	-121,578	-1,240	17,511	131,410	-20890	**	**	**	**	**	**	**
Foreign Finance	Le Mn	**	**	117,903	**	**	**	**	**	**	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

*** - chinese loan wrongly posted in Sept and reversed in October*

while soft drinks production rose by 1.71 percent to 77.97 thousand crates in the reporting month. Paint and acetylene production went up by 11.13 percent to 17.67 thousand gallons and 2.11 percent to 21.34 thousand cubic feet, respectively. Confectionery and common soap production grew by 7.16 percent to 299.08 thousand pounds and 2.54 percent to 48.87 thousand metric tons respectively, in the reporting month. However, the production of maltina and oxygen declined by 4.48 percent to 23.46 thousand cartons and 9.19 percent to 27.97 thousand cubic feet in the review month. In the mining sector, total diamond production declined by 64.53 percent to 21.08 thousand carats in the month of September 2016. Of which industrial diamond production fell by 57.62 percent, while gem diamond production declined from 39.94 thousand carats in August 2016 to 12.82 thousand carats in September 2016, reflecting a 67.90 percent fall. Bauxite and Zircom production declined by 26.87 percent to 92.12 thousand metric tons and 27.27 percent to 0.08 thousand metric tons respectively. On the other hand, Rutile and Iron ore increased by 4.56 percent to14.66 thousand metric tons and 169.78 percent to 469.23 thousand metric tons in the review period. Gold production amounted to 11,238.46 thousand ounces in the reporting month. Inflationary pressures continued to mount as headline inflation rose by a 0.27 percentage point to 11.11 percent in September 2016 from 10.84 percent in August 2016. Food inflation increased to 7.94 percent in the month under review from 7.29 percent in the preceding month. However non-food inflation slowdown marginally to 13.39 percent from 13.40 percent in August, 2016. National annual inflation rate for the month of September 2016 increased in all the regions. Northern Region's year-on-year inflation rate increased from 10.83 percent in August 2016 to 11.06 percent in September 2016, Eastern Region from 8.85 percent to 9.96 percent, Southern Region from 8.84 percent to 10.4 percent and Western Area from 10.25 percent in August 2016 to 11.18 percent in September 2016. The consumer price index on a month-on-month basis increased from 279.51 percent in August 2016 to 282.34 percent in September 2016 resulting in a 1.01 percent increase in the monthly inflation.

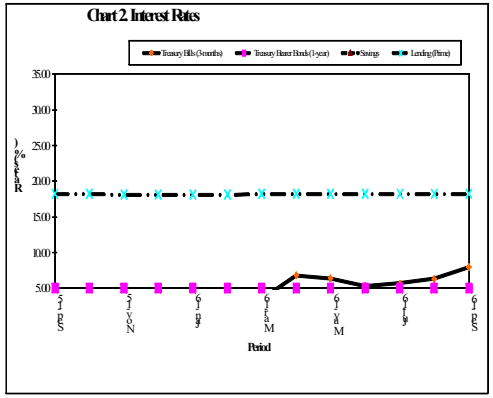


Table 4. — Monetary Aggregates

		Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Reserve Money (RM)	Le Mn	1,618,911	1,617,652	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	1662742R	1,645,168
Broad Money (M2)	Le Mn	5,296,792	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686	5,689,044	5,776,357	5,862,059	5,803,959	5,946,105
Narrow Money (M1)	Le Mn	2,293,050	2,303,555	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
Currency in Circulation	Le Mn	1,018,116	1,040,457	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
Demand Deposits	Le Mn	1,274,934	1,263,099	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
Budget Financing (Banking Sector)	Le Mn	2,599,394	2,685,479	2,776,515	2589189R	2671006R	2,734,699	2,790,220	2,838,848	2,925,836	3,039,095	3,131,675	3,199,019	3,267,732
Bank of Sierra Leone (BSL^)	Le Mn	580,570	618,553	724,735	562,500	648,346	684,501	674,780	696,507	754,419	824,048	860,425	859,723	936,235
Commercial Banks (DMB)	Le Mn	2,019,335	2,067,438	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
Claims on Private Sector	Le Mn	1,120,230	1,120,708	1,132,861	1090832R	1125202R	1129167R	1162999R	1203786R	1204573R	1,214,905	1,226,047	1,227,122	1,252,780
*Of Which: Commercial Banks***	Le Mn	1,088,184	1,088,728	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
Claims on Non-Banking Inst.	Le Mn	54,410	50,745	55,874	39839R	48000R	55065R	50072R	48319R	42636R	55,729	46,325	33,955	32,204
Other Items (Net)	Le Mn	-2,126,049	-2,209,157	-2,279,502	-2135954R	-2191949R	-2213248R	-2308880R	-2333209R	-2413075R	-2,320,263	-2,408,521	-2,381,973	-2,400,926

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Treasury Bills (3-months)	%	1.55	1.67	1.48	1.08	1.21	3.51	3.51	6.82	6.41	5.34	5.73
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	5.00
Deposits												
Savings	%	2.54	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	2.73	2.80	2.80	2.80	2.80	2.80
3 - 6 month	%	4.12	4.12	4.22	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	3.38
9 - 12 month	%	5.22	5.22	5.35	5.3	5.3	5.3	5.80	5.80	5.80	5.80	5.80
Lending (Prime)	%	18.23-24.95	8.23-24.95	8.12-24.80	8.12-24.80	8.12-24.80	8.12-24.80	8.23-24.95	8.23-24.95	18.23-24.95	8.23-24.95	18.23-24.95

Source: Bank of Sierra Leone

Fiscal Operations

In September 2016, government resources (revenue and grants) amounted to Le186.67bn, of which 87.8 percent was domestic revenue and the balance was from grants. Meanwhile, government expenditure was Le232.11bn. As a result, government budgetary operations registered an overall deficit of Le45.43bn. Total revenue and grants amounted to Le186.67bn against Le198.74bn recorded during the previous month, representing a monthly decrease of Le12.06bn. The decrease was driven mainly by a 17.55 percent decline in revenue mobilisation. Programme grants however increased significantly during the month. The decline in domestic revenue was reflected in all the tax components with the exception of customs and excise tax which registered an increase in the reporting month. Receipt of Le27.59bn from Customs and Excise duties was higher than the preceding month by 8.81 percent but was below the programme target of Le53.39bn by 48.31 percent. However, revenues from Income Tax at Le66.14bn was less than the August 2016 amount of Le78.07bn by 15.27 percent but lower than the budgeted amount of Le96.50bn by 31.45 percent. Revenue collected in respect of goods and services tax amounted to Le44.18bn depicting a fall of 15.53 percent which was below the budgeted limit of Le58.07bn by 23.91 percent in the review month. Revenue from miscellaneous sources fell by 39.73 percent to Le25.89bn and was below the targeted amount of Le32.02bn by 19.16 percent. Total grants disbursed amounted to Le22.86bn, which was higher than the previous month's figure of Le0.49bn. This amount constituted grant obtained from United Kingdom (Le20.86bn) and HIPC Debt Relief Assistance amounted to Le2.0bn during the review period. Total expenditure of Le232.11bn in the review period represented a 42.24 percent decline when compared with the budgeted target of Le257.34bn. This outturn could be attributed to a decline in the other expenditure category from Le250.52bnbn in August 2016 to Le78.76bn in September 2016. Expenditure on Pensions, wages & salaries fell by 11.66 percent to Le122.98bn, which was below the budgeted target of Le146.67bn by 16.15 percent. Debt service payments increased significantly and overshoot the ceiling of Le28.33bn by 7.19 percent. Domestic debt services payment amounted to Le7.83bn while foreign debt services payment amounted to Le22.54bn in the review period. The overall deficit of Le45.43bn was entirely financed from domestic sources.

Monetary Developments

Developments in Monetary aggregates in September, 2016 were mixed. Broad Money (M2) expanded by 2.45 percent (Le142.15bn) relative to the 0.99 percent (Le58.10bn) decline in August 2016. M2 increased on account of the expansion in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of the Banking System. NFA expanded by 2.17 percent (Le66.12bn) compared to the 4.19 percent

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Leone to Dollar													
Official	Le/$	5,132.09	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24	6,032.43	6,042.18	6,042.96	6,154.03
Comm Banks	Le/$	5,045.82	5,218.68	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09	6,071.16	6,115.35	6,121.68	6,322.69
Bureaux	Le/$	4,967.04	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84	6,006.74	6,030.23	6,077.05	6,136.83
Parallel Market	Le/$	5,459.52	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14	6,597.73	6,722.50	6,963.04
Leone to PoundR	Le/£	7,879.87	8,162.14	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	8,057.56

Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

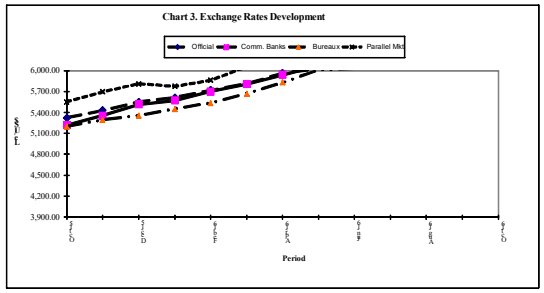
		Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Leone to Dollar													
Auction	Le/$	5,417.30	5,560.40	5,616.40	5,686.79	5,692.24	5,743.40	**	**	6,146.73	6,084.52	6,039.00	6,026.29
Official^R	Le/$	5,235.76	5,431.08	5,539.74	5,664.80	5,729.63	5,836.33	5,929.04	6,083.71	6,154.29	6,164.24	6,165.04	6,278.35
Comm Banks	Le/$	5,287.17	5,487.97	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
Bureaux	Le/$	5,027.91	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17	6,057.31	6,098.29	6,146.24	6,210.24
Parallel Mkt.	Le/$	5,611.90	5,641.36	5,790.71	5,857.50	5,875.00	5,920.00	6,107.50	6,215.00	6,407.14	6,647.73	6,827.50	7,036.96
Leone to PoundR	Le/£	8,040.71	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83	8,943.76	8,760.17	8,118.84	8,233.21

Source; Bank of Sierra Leone

Currency In Circulation and Demand Deposits contracted by 0.64 per cent (Le16.52bn) in October 2016 partly because of tight liquidity conditions in the market and contractionary monetary policy stance by the Central Bank. Growth in Private Sector credit further increased to 2.55 per cent (Le31.17bn) in October 2016 from 2.31 per cent (Le27.55bn) recorded in September 2016. The expansion was as a result of gradual growth recovery in real sector activities. Reserve Money (RM) remained subdued with a marginal growth of 1.83 per cent (Le30.15bn) and this growth was manifested by increase in Currency Issued to the tune of 2.02 per cent (Le24.94bn). The growth in Currency Issued could be partly attributed to the additional BSL bridge loan to government. However, Bankers' Reserve declined by 0.54 per cent (Le1.97bn) partly reflecting tight liquidity condition in the banking industry. Yields on Government Securities continued to increase as a result of strong appetite for Government borrowing and tight liquidity conditions in the Market. The average annual yield on 91-days, 182-days and 364-days expanded from 7.96 per cent, 12.03 per cent and 19.34 per cent in September 2016 to 9.50 per cent, 14.69 per cent and 24.47 per cent, respectively. However, interest rates on Banks' Deposits declined across all tenure. The monthly average interest rate on Savings, 1-month, 3-months, 6-months and 12-months Time Deposits decreased from 2.54 per cent, 2.80 per cent 3.02 percent4.28 per cent and 5.80 per cent in September 2016 to 1.94 per cent, 2.37 per cent, 2.44 per cent, 3.62 per cent and 5.47 per cent respectively in October 2016. The average lending rate remained sticky downward at the range of 18.23 – 24.95 per cent partly reflecting high operational costs and risk premium as well as conscious lending behaviour of Banks. The wide spread between Lending and Deposit rates indicates that there are still structural challenges in the Banking sector.

Exchange Rates Developments

Exchange rate development during the month of October 2016, showed similar trend as reported in September 2016. This development is explained by increased demand for foreign exchange over and above the supply. On the buying front, the Official rate depreciated by 5.98 percent to Le6,741.06/US$1; while the Bureaux market rate, the Commercial Bank, and the Parallel market rates depreciated by 4.31 per cent to Le6,575.58/US$1; 3.15 per cent to Le6,858.22/US$1 and 1.65 per cent to Le7,330.95/US$1, respectively. On the Selling front, the Auction rate depreciated the highest. The Auction rate depreciated by 15.29 percent to Le6, 949.33/US$1;



followed by the Official market, Bureaux, Commercial banks and the Parallel market rates which depreciated by 5.98 percent to Le6,877.24/US$1; 4.21 per cent to Le6,6,657.33/US$1; 3.94 per cent to Le7,045.82/US$1 and 1.64 per cent to Le7, 380.95/US$1, respectively. The premium between the Official and the Parallel rates narrowed by 8.75 per cent from Le851.43/US$1 in the preceding month to Le589.89/US$1 in the review month.

International Reserves

Gross external reserves of the Bank of Sierra Leone decreased to US$479.03mn (6.19%), from US$510.66mn recorded in September, 2016. This development was on account of increased outflows of US$23.46mn, which outweighed inflows of US$5.93mn, indicating a net outflow of US$17.53mn. Foreign exchange inflows amounted to US$5.93mn during the review month compared to the US$6.35mn recorded in September 2016. The inflows largely constituted export receipts amounting to US$1.65mn of which, US$0.23mn was royalty payment from Shandong Iron and Steel Group Co. Ltd; Fishing Royalty/license during the month amounted to US$0.49mn, Other mining receipts (US$0.32mn), Diamond Exporter's income tax (US$0.29mn) and Other Government receipts (US$ 0.46mn). Aid Disbursement/BOP support amounted to US$3.62mn with payments from UK/DfID (Poverty Reduction Budget Support) accounting for US$3.06mn while US$0.56mn was in respect of ongoing Islamic Development Bank (IDB) projects. Foreign exchange outflows amounted to US$23.46mn during the reporting month. The major outflows included Bank of Sierra Leone's Sales of foreign exchange in the interbank market operations amounting to US$12.0mn; Other government expenditures (US$4.25mn); Embassies/missions payment (US$1.45mn); New Infrastructure projects comprising roads, electricity, water and energy amounting to US$1.91mn, and debt service payments to various creditors amounting to US$1.57mn.

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

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Highlights

Sierra Leone's macroeconomic performance was weak during the month of October 2016, as inflationary pressures persisted during the review month. The national year-on-year inflation rate rose from 11.31 per cent at end September 2016 to 12.56 per cent at end October 2016, while the overall fiscal deficit widened significantly from Le45.43bn in September 2016 to Le158.49bn in October 2016, on account of significant decline in domestic revenue mobilization, marked increase in government's total expenditure and a drop in external grants received during the reporting month. The monthly average exchange rate of the Leone to the United States Dollar depreciated in all segments of the foreign exchange market. Movements in monetary aggregates slightly expanded during the review month, with Broad Money (M2) and Reserve Money (RM) expanding by 0.26 percent and 1.83 per cent, respectively. Gross external reserves position of the Central Bank dropped by 6.19 percent from US$510.66mn at end September 2016 to US$479.03mn at end October 2016, on account of total outflows of US$23.46mn which outweighed total inflows of US$5.93mn, resulting to a net outflow of US$17.53mn. On 13th October 2016, the Parliament of Sierra Leone ratified four (4) loan and grant agreements signed between the Government of Sierra Leone and the International Financial Institutions amounting to over US$120 million, aimed at improving electricity supply and health care delivery in the country.

Real Sector

Production from the manufacturing sector continued to post mixed trends during the month of October 2016. Production levels increased for beer and stout, maltina, soft drinks, cement, acetylene and confectionery on account of increased demand, while paint, oxygen and common soap recorded declines in production due to limited availability of raw material inputs. Beer and stout, maltina and soft drinks grew by 6.98 per cent to 76.89 thousand cartons, 0.34 per cent to 23.54 thousand cartons and by 1.14 per cent to 78.86 thousand crates, respectively. Cement, acetylene and confectionery production increased by 5.3 per cent to 26.43 thousand metric tons, 10.92 per cent to 23.67 thousand cubic feet and by 1.52 per cent to 196.78 thousand pounds respectively. In contrast, production declines were recorded for paint, oxygen and common soap. Paint production dropped by 4.53 per cent to

PRODUCTION

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Mineral												
Diamonds ('000 Carats)	23.93	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)	1.04	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)	22.89	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 ('000'MT)	**	**	**	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)*	338.85	353.69	74.05	180.86	127.98	222.06	715.77	372.35	1055.31	645.26	**	11.24
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 ctns)*	75.80	78.65	83.00	77.99	88.54	79.45	80.90R	85.92	31.33	57.90	69.90	71.87
Maltina *('000 Cartons)*	26.88	26.79	24.02	23.98	21.87	15.60	19.80R	21.00	20.70	23.90	24.56	23.46
Soft drinks *('000 Crates)*	81.14	78.97	104.04	105.98	101.35	100.08	105.90R	81.69	69.97	78.66	76.66	77.97
Cement *('000 MT)*	23.44	26.00	32.10	25.67	24.32	27.57R	30.90R	28.40	25.60R	26.65R	23.46	25.10
Paint *('000 Gallons)*	32.98	30.88	26.40	24.45	25.98	20.87	16.00	19.80	16.90	14.65	15.90	17.67
Acetylene *('000 Cu Ft)*	28.00	24.56	26.14	16.00R	14.00R	12.00	11.50	13.89	17.600	12.43	20.90	21.34
Oxygen *('000 Cu Ft)*	44.50	32.46	30.27	41.00R	36.00R	48.00	41.50	41.90	45.87	27.50	30.80	27.97
Confectionery *('000 Lb)*	300.43	399.45	300.11	290.08	293.54	293.30	289.72	285.09	277.90	287.98	279.09	193.84R
Common Soap*('000MT)*	47.17	78.97	56.01	54.50	8.21	8.21	7.23	48.90	54.76	50.80	47.66	44.13R
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

		Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Monthly Inflation Rate	%	0.94	0.62	0.54	0.29	0.39	0.72	1.10	0.90	1.45	1.28	1.05	1.01	1.58
Annual Inflation Rate (Yr-on-Yr)	%	8.58	8.71	8.85	8.86	8.73	8.77	9.28	9.45	10.16	10.53	10.84	11.31R	12.56
Consumer Price Index		256.50	258.08	259.47	260.64	261.24	263.12	266.01	268.44	272.34	275.82	279.15	175.13R	177.89

Source: Statistics Sierra Leone

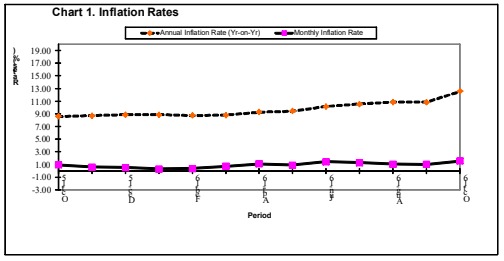


Table 3 — Government Finances

		Oct-15	Nov-15	Dec-16	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
Total Revenue (Plus Grants)	Le Mn	163,848	196,344	424,563	259,121	187,691	271,549	207,722	231,276	224,389	363,528	198,735	186,672
Domestic Revenue	Le Mn	162,156	169,365	246,945	258,035	187,691	209,785	205,633	231,276	224,135	362,364	198,686	163,810
Customs & Excise	Le Mn	43,097	37,249	41,073	39,908	39,206	44,029	38,962	40,662	37,102	32,952	25,359	27,594
Income Tax Dept	Le Mn	38,202	56,738	132,279	65,649	52,414	63,920	70,668	77,978	88,108	251,465	78,065	66,144
Goods &Services	Le Mn	50,948	52,332	51,225	50,939	53,825	53,184	53,004	72,679	54,904	48,770	52,308	44,183
Miscellenous	Le Mn	29,909	23,046	22,368	101,539	42,247	48,652	42,999	40609R	44,022	29,177	42,954	25,888
Programmed Funds (Grants)	Le Mn	1,692	26,979	177,619	1,086	**	61,783	2,089	**	254	1,165	49	22,861
HIPC	Le Mn	1,692	**	265	1,086	**	1,763	2,089	**	254	1,165	49	1,996
*Others**	Le Mn	**	26,979	177,354	**	**	60,000	**	**	**	**	**	20,865
Total Expenditure	Le Mn	253,831	326,047	435,647	284,587	247,772	266,795	200,339	289,678	354,641	523,462	401,865	232,105
Pensions, Wages & Salaries	Le Mn	119,487	118,096	163,472	105,283	152,403	130,244	88,024	142,371	172,897	114,710	139,212	122,976
Other Expenditures	Le Mn	108,229	168,250	182,179	170,024	82,042	112,892	81,898	129,905	105,603	397,097	250,516	78,759
Debt Service Payment	Le Mn	26,115	39,700	89,996	9,280	13,326	23,660	30,417	17,403	76,141	11,665	12,136	30,370
Domestic	Le Mn	21,921	31,360	66,743	5,090	8,383	7,245	14,287	8,884	23,644	8,261	6,326	7,831
Foreign	Le Mn	4,194	8,340	23,252	4,190	4,944	16,415	16,130	8,519	52,496	3,394	5,810	22,539
Overall Deficit/Surplus	Le Mn	-89,983	-129,702	-11,084	-25,466	-60,080	4,754	7,383	-57749R	-130,252	-159,934	-203,130	-45,434
Total Financing	Le Mn	89,983	129,702	11,084	25,466	**	**	**	**	**	**	**	**
Bank Financing	Le Mn	91,086	-27145	-131299	32,108	**	**	**	**	**	**	**	**
Bank of Sierra Leone	Le Mn	42,983	-11722	-162235	43,576	**	**	**	**	**	**	**	**
Commercial Banks	Le Mn	48,103	-8319	-31788	30,898	**	**	**	**	**	**	**	**
Non-Bank Financing	Le Mn	137	21,433	10,970	14,248	**	**	**	**	**	**	**	**
Treasury Balance	Le Mn	-1,240	17,511	131,410	-20890	**	**	**	**	**	**	**	**
Foreign Finance	Le Mn	**	117,903	**	**	**	**	**	**	**	**	**	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

*** - chinese loan wrongly posted in Sept and reversed in October.*

16.87 thousand gallons, oxygen fell by 5.08 per cent to 26.55 thousand cubic feet, while common soap declined significantly by 72.06 per cent to 12.33 thousand metric. Annual headline inflation continued its upward trend hitting 12.56 per cent in October from 11.31 per cent in September 2016. Monthly inflation was 1.58 per cent resulting from the increase in consumer price index (CPI) from 175.13 in September 2016 to 177.89 in October 2016. The elevated trend in inflation was on account of the continuous depreciation of the Leone against major foreign currencies, especially the US dollar. On regional basis, year-on-year inflation rates increased in all the regions between September and October 2016. Western Area inflation rate increased from 11.15 per cent to 12.30 per cent, Northern Region from 11.87 per cent to 13.14 per cent, Southern Region from 11.89 per cent to 12.94 per cent and Eastern Region from 10.04 per cent to 11.85 per cent.

Fiscal Operations

Government budgetary operations during the month of October 2016 resulted in a deficit of Le158.49bn compared to a deficit of Le45.43bn recorded in September 2016. The deficit widened due to the combined effects of a 10.58 per cent decline in revenue and grants, and a 40.20 per cent increase in expenditure. Total revenue and grants dropped by 10.58 per cent to Le166.93bn and was less than the budgeted target of Le305.73bn by 45.40 per cent. The decline in total revenue was reflected in both domestic revenue and foreign grants. Domestic revenue fell by 10.7 per cent to Le146.28bn and was 26.62 per cent short of the target of Le199.35bn. The decrease in domestic revenue was mainly the result of slowed collection from Customs & Excise, income tax and non-tax revenue. Customs & Excise collection dropped by 5.72 per cent to Le26.02bn and missed the target of Le43.77bn by 40.56 per cent, Income Tax receipts decreased by 18.47 per cent to Le53.93bn and fell short of the Le77.66bn target by 30.56 per cent while non-tax revenue fell by

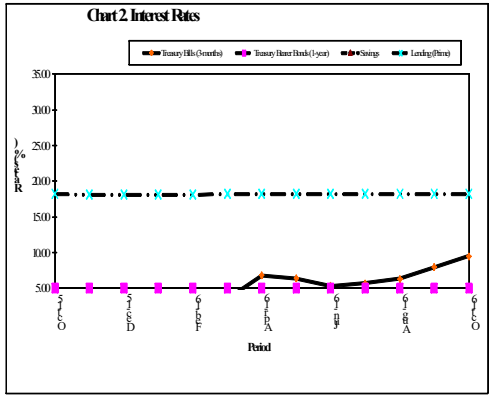


Table 4. — Monetary Aggregates

		Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Reserve Money (RM)	Le Mn	1,617,652	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	1662742R	1,645,168	1,675,318
Broad Money (M2)	Le Mn	5,324,606	5,394,339	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686	5,689,044	5,776,357	5,862,059	5,803,959	5,946,105	5,959,649
Narrow Money (M1)	Le Mn	2,303,555	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
Currency in Circulation	Le Mn	1,040,457	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
Demand Deposits	Le Mn	1,263,099	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
Budget Financing (Banking Sector)	Le Mn	2,685,479	2,776,515	2589189R	2671006R	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
Bank of Sierra Leone (BSL^)	Le Mn	618,553	724,735	562,500	648,346	684,501	674,780	696,507	754,419	824,048	860,425	859,723	936,235	1,095,025
Commercial Banks (DMB)	Le Mn	2,067,438	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
Claims on Private Sector	Le Mn	1,120,708	1,132,861	1090832R	1125202R	1129167R	1162999R	1203786R	1204573R	1,214,905	1,226,047	1,227,122	1,252,780	1,282,426
*Of Which: Commercial Banks***	Le Mn	1,088,728	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
Claims on Non-Banking Inst.	Le Mn	50,745	55,874	39839R	48000R	55065R	50072R	48319R	42636R	55,729	46,325	33,955	32,204	38,579
Other Items (Net)	Le Mn	-2,209,157	-2,279,502	-2135954R	-2191949R	-2213248R	-2308880R	-2333209R	-2413075R	-2,320,263	-2,408,521	-2,381,973	-2,400,926	-2,484,785

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
Treasury Bills (3-months)	%	1.67	1.48	1.08	1.21	3.51	3.51	6.82	6.41	5.34	5.73	6.36
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	5.00
Deposits												
Savings	%	2.54	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	2.8	2.80	2.80	2.80	2.80	2.80
3 - 6 month	%	4.12	4.22	4.2	4.2	4.2	4.28	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	3.38
9 - 12 month	%	5.22	5.35	5.3	5.3	5.3	5.8	5.80	5.80	5.80	5.80	5.80
Lending (Prime)	%	18.23-24.95	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	18.23-24.95	8.23-24.95	18.23-24.95

Source: Bank of Sierra Leone

20.09 per cent to Le20.69bn and was 4.7 per cent below the Le21.71bn target. Revenue from Goods and Services Tax however grew by 3.3 per cent to Le45.64bn but was 18.8 per cent below the budgeted target of Le56.21bn. External grants received declined by 9.66 per cent to Le20.65bn and was 80.59 percent less than the anticipated target of Le106.38bn. Total government spending increased by 40.20 per cent to Le325.42bn, and breached the ceiling of Le255.43bn by 27.40 per cent. This increase in spending was mainly driven by expansion in pensions, wages & salaries and treasury expenses for goods and services. Payment for pensions, wages and salaries increased by 31.83 per cent to Le162.12bn and overshot the ceiling of Le153.36bn by 5.71 per cent. Treasury expenses rose by 76.90 per cent to Le137.93bn. Debt services payment fell by 41.51 per cent to Le17.76bn and was made up of Le10.60bn domestic debt and Le7.16bn foreign debt. This fall was mainly the result of decline in foreign debt. The overall debt service payment was 39.76 per cent below the ceiling of Le29.48bn. The overall deficit of Le158.49bn was financed exclusively from domestic sources.

Monetary Developments

Money Supply grew by 0.26 per cent (Le12.04bn) in October in 2016 up from a growth of 1.35 per cent (Le61.15bn) in September 2016. The growth in Money Supply reflects picked- up in Net Domestic Assets (NDA) of the Banking system, whereas Net Foreign Assets (NFA) of Banking System contracted. NDA grew by 3.19 per cent (Le90.31bn) and contributed 1.52 per cent to the 0.23 per cent growth in M2. NDA increased because of increased budget financing by the Banking System. Government borrowing from the Central Bank increased by 16.96 per cent (Le158.79bn) in October 2016, from 8.9 per cent (Le76.51bn) in September 2016. However, Government borrowing from commercial banks contracted by 0.76 per cent (Le17.83bn) in October 2016, from a contraction of 0.33 per cent (Le7.80bn) in September 2016. NFA contracted by 2.47 per cent (Le76.79bn) and drew down M2 growth by 1.29 per cent. NFA decline mainly because of valuation changes to outstanding credit to the Fund arising from exchange rate depreciation. Growth in Money Supply translated into increased Quasi Money, while Narrow Money declined. Quasi Money which comprised Time Savings and Foreign Currency Deposits, increased by 0.90 per cent (Le30.07bn). This was due to enforcement of the Local Liquid Assets Ratio Act (LLAR) coupled with revaluation effects on the foreign currency deposits. Narrow Money which comprise of

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Leone to Dollar													
Official	Le/$	5,323.53	5,430.04	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24	6,032.43	6,042.18	6,042.96	6,154.03	6,360.47
Comm Banks	Le/$	5,218.68	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09	6,071.16	6,115.35	6,121.68	6,322.69	6,468.66
Bureaux	Le/$	5,199.78	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84	6,006.74	6,030.23	6,077.05	6,136.83	6,303.90
Parallel Market	Le/$	5,552.27	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14	6,597.73	6,722.50	6,963.04	7,211.90
Leone to PoundR	Le/£	8,162.14	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

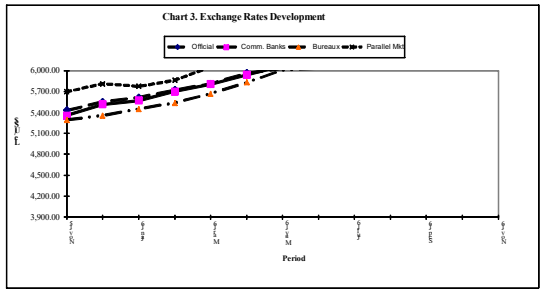
Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

		Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
Leone to Dollar													
Auction	Le/$	5,560.40	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/$	5,431.08	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/$	5,487.97	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
Bureaux	Le/$	5,277.40	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17	6,067.31	6,098.29	6,146.24	6,210.24	6,388.10
Parallel Mkt.	Le/$	5,641.36	5,790.71	5,867.50	5,875.00	5,920.00	6,107.50	6,215.00	6,407.14	6,647.73	6,827.50	7,036.96	7,261.90
Leone to PoundR	Le/£	8,329.30	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83	8,943.76	8,760.17	8,118.84	8,233.21	8,541.60

Source; Bank of Sierra Leone

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. 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 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.

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

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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 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 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 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

PRODUCTION	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
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 ('000'MT)	**	**	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	161.24	124.25	**	**	**	**	**
Manufactured Goods												
Beer and Stout *('000 ctns)*	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	16.00R	14.00R	12.00	11.50	13.89	17.60	12.430	20.90	21.34	23.67
Oxygen *('000 Cu Ft)*	32.46	30.27	41.00R	36.00R	48.00	41.50	41.90	45.87	27.50	30.80	27.97	26.55
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

Table 2.

Inflation Rates - National		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
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	1.58R	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

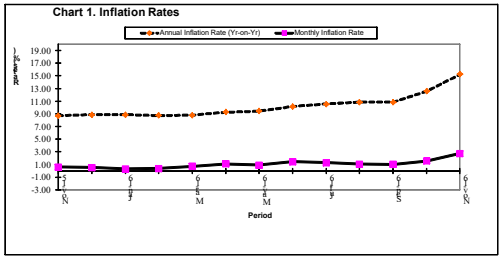


Table 3 — Government Finances

		Nov-15	Dec-16	Jan-15	Feb-15	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	186,672	166,928
Domestic Revenue	Le Mn	169,365	246,945	258,035	187,691	209,785	205,633	231,276	224,135	362,364	198,686	163,810	146,276
Customs & Excise	Le Mn	37,249	41,073	39,908	39,206	44,029	38,962	40,662	37,102	32,952	25,359	27,594	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	53,825	53,184	53,004	72,679	54,904	48,770	52,308	44,183	45,642
Miscellenous	Le Mn	23,046	22,368	101,539	42,247	48,652	42,999	40609R	44,022	29,177	42,954	25,888	20,688
Programmed 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	435,647	284,587	247,772	266,795	200,339	289,678	354,641	523,462	401,865	232,105	325,421
Pensions, Wages & Salaries	Le Mn	118,096	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	82,042	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	66,743	5,090	8,383	7,245	14,287	8,884	23,644	8,261	6,326	7,831	10,599
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	-57749R	-130,252	-159,934	-203,130	-45,434	-158,493
Total Financing	Le Mn	129,702	11,084	25,466	**	**	**	**	**	**	**	**	**
Bank Financing	Le Mn	-27145	-131296	32,108	**	**	**	**	**	**	**	**	**
Bank of Sierra Leone	Le Mn	-11722	-162235	43,576	**	**	**	**	**	**	**	**	**
Commercial Banks	Le Mn	-8319	-31788	30,898	**	**	**	**	**	**	**	**	**
Non-Bank Financing	Le Mn	21,433	10,970	14,248	**	**	**	**	**	**	**	**	**
Treasury Balance	Le Mn	17,511	131,410	-20890	**	**	**	**	**	**	**	**	**
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

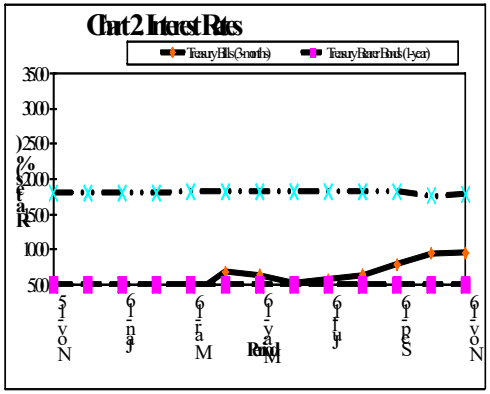


Table 4. — Monetary Aggregates

		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	1662742R	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	5,668,686	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	2589189R	2671006R	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	562,500	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	1090832R	1125202R	1129167R	1162999R	1203786R	1204573R	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	39839R	48000R	55065R	50072R	48319R	42636R	55,729	46,325	33,955	32,204	38,579	36,186
Other Items (Net)	Le Mn	-2,279,502	-2135954R	-2191949R	-2213248R	-2308880R	-2333209R	-2413075R	-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 HIPC Deposits

** 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

Table 5. — Interest Rates

		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	5.34	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	5.00
Deposits												
Savings	%	2.54	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	2.80	2.8	2.80	2.80	2.80	2.80	2.80
3 - 6 month	%	4.22	4.2	4.2	4.2	4.28	4.28	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	3.38
9 - 12 month	%	5.35	5.3	5.3	5.3	5.8	5.8	5.80	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	8.23-24.95	8.23-24.95	8.23-24.95	8.23-24.95	18.23-24.95	8.23-24.95	18.23-24.96

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 Le515.26bn, 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 by14.81 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,

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		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	6,032.43	6,042.18	6,042.96	6,154.03	6,360.47	6,741.06
Comm Banks	Le/$	5,356.58	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09	6,071.16	6,115.35	6,121.68	6,322.69	6,468.66	6,858.22
Bureaux	Le/$	5,292.78	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84	6,006.74	6,080.23	6,077.05	6,136.83	6,303.90	6,575.58
Parallel Market	Le/$	5,696.43	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14	6,597.73	6,722.50	6,963.04	7,211.90	7,330.95
Leone to PoundR	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	8,317.28

Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

		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	6,949.33
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	6,877.24
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	7,045.82
Bureaux	Le/$	5,419.86	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17	6,067.31	6,098.29	6,146.24	6,210.24	6,388.10	6,657.33
Parallel Mkt.	Le/$	5,790.71	5,867.50	5,875.00	5,920.00	6,107.50	6,215.00	6,407.14	6,647.73	6,827.50	7,036.96	7,261.90	7,380.95
Leone to PoundR	Le/£	8,424.85	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83	8,943.76	8,760.17	8,118.84	8,233.21	8,541.60	8,487.77

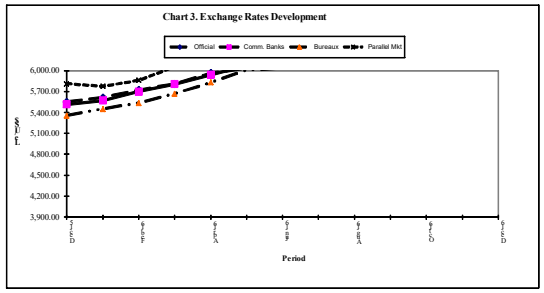
Source; Bank of Sierra Leone

Monetary Developments

Broad Money (M2) expanded by 3.74 per cent to Le230.25bn in December, 2016 slightly higher than the growth of 3.41 per cent (Le203.09bn) in November 2016. The growth in M2 was on account of increase in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of the banking system. NFA increased by 3.24 percent (Le106.97bn). The growth in NFA was a reflection of the US$33.87mn IMF disbursement for budgetary and Balance of Payment support. NDA expanded by 4.30 per cent (Le123.28bn). NDA increased as a result of the Le119.79bn increase in domestic credit to the Government by the Banking System. Government borrowing from the Bank of Sierra Leone grew by 8.04 per cent (Le92.10bn) in December 2016 from 4.55 per cent (Le49.82bn) recorded in November 2016. Government borrowing from commercial banks expanded by 3.37 per cent (Le76.40bn) in December 2016 from 1.92 percent (Le44.39bn) contraction in November 2016. Reserve Money (RM) growth slowed to 12.80 per cent (Le243.59bn) in December 2016 from 13.55 per cent (Le227.08bn) in November 2016. This growth slowdown was as a result of significant inflows during the review period. However, Currency Issued and Bankers' Deposits increased by Le153.59bn and Le89.29bn in December 2016, respectively. Credit to the Private Sector contracted by 1.74 per cent (Le21.96bn) in December 2016 from 0.87 per cent (Le10.92bn) growth in November 2016. Yields on Government Securities exhibited mixed trend while that on savings and Time Deposits remained unchanged during the review period. Annual yields on 91-days and 364-days Treasury Bills (TBs) decreased from 9.59 per cent and 31.38 per cent in November 2016 to 9.38 per cent and 30.22 per cent in December 2016 respectively, while that on 182 days TBs increased from 15.52 per cent to 16.17 per cent in the same period. Interest rates on 12-months and 24-months Treasury Bonds remained unchanged at 5 per cent and 14.38 per cent, respectively.

Exchange Rates Developments

Exchange rate movement showed remarkable improvements during the month of December 2016. Monthly average exchange rate of the Leone to US Dollar for December 2016 reflected an appreciation in all foreign exchange markets on both the buying and selling fronts. On the buying front, the Leone appreciated by 5.57 per cent to Le7,486.84/US$1; 3.28 per cent to Le7,166.81/US$1; 2.56 per cent to Le7,240.41/US$1 and 1.91 per cent to Le7,162.55/US$1 in the parallel market, official, commercial banks and bureau markets, respectively. Similarly, on the selling front, the parallel market, official, commercial banks, bureaux and auction rates appreciated by 5.54 per cent to Le7,563.16/US$1; 3.28 per cent to Le7,311.59/US$1; 2.46 per cent to Le7,441.57/US$1, 1.53 per cent to Le7,338.56/US$1 and 1.16 per cent to Le7258.80/US$1, respectively. The premium between the official and the parallel market rates narrowed by 4.47 per cent from Le518.91/US$1 in November 2016 to Le320.04/US$1 in the review period, reflecting the relative stability of the Leone.



International Reserves

Gross International Reserves position of the Bank of Sierra Leone stood at US$503.79mn as at end December 2016, indicating an increase of 2.39 per cent when compared to US$491.73mn recorded in November 2016. This development was on account of total inflows of US$53.05mn which outweighed total outflows of US$37.37mn indicating a net inflow of US$15.68mn. Notable inflows during the period comprised US$38.87mn being Aid disbursement of which, US$33.01mn was in respect of balance of payment (BOP) and budgetary support under the ECF programme and US$5.85mn being budgetary support from ECOWAS and Kuwait. Other inflows included; US$2.48mn being grant for electricity supply from ECOWAS and US$8.00mn being capital gains from the takeover of ILUKA resources by Sierra Rutile; and US$3.32mn being export receipts. Significant outflows comprised US$30.77mn, being payments for goods and services of which; US$11.80mn being sale of foreign exchange in the Bank of Sierra Leone's weekly foreign exchange auction, US$9.73mn being government travel and other government expenditures, US$6.83mn being payments for infrastructure projects and US$1.30 being Embassies/Missions' payments. Other outflows included debt service payments to other multilaterals and bilateral creditors (US$3.44mn), OPEC/OFID (US$1.36mn), IMF (US$1.08mn) and World Bank (US$0.72mn).

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

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Highlights

Sierra Leone's macroeconomic performance continued to be mixed during the month of December 2016. Performance in the real sector, particularly the manufacturing sub-sector recorded low production levels in December 2016, mainly on account of limited material inputs. The national year-on-year inflation rate increased from 15.26 per cent at end November 2016 to 17.41 per cent at end December 2016 reflecting the lag effects of the fuel price adjustments. The overall fiscal balance registered a deficit of Le103.93bn in December 2016 from a surplus of Le19.74bn recorded in November 2016. The monthly average exchange rate of the Leone to the United States Dollar appreciated in all segments of the foreign exchange market, after a continuous depreciation since January 2016 through November 2016. Movements in monetary aggregates expanded during the reporting month, with Broad Money (M2) and Reserve Money (RM) expanding by 3.74 per cent and 12.80 per cent, respectively. Gross external reserves position of the Bank of Sierra Leone increased by 2.45 per cent from US$491.73mn as at end November 2016 to US$503.79mn as at end December 2016. The Monetary Policy Committee (MPC) of the Bank of Sierra Leone met on 15th December 2016 and agreed to increase the Monetary Policy Rate (MPR) by 50 basis points, from 10.50 per cent to 11.00 per cent. As a consequence, the Standing Deposit Facility and the Standing Lending Facility Rates moved from 5.00 per cent and 11.50 per cent to 5.50 per cent and 12.00 per cent, respectively. During the month of December 2016, the following socio-economic developments took place: The Executive Board of the International Monetary Fund (IMF) on 7th December 2016 completed the sixth review of Sierra Leone's performance under the Extended Credit Facility (ECF) arrangement, leading to a disbursement of SDR24.44million, about US$33.23million. This brings the total disbursements under the arrangement to SDR186.66million (about US$253.81 million). On the 15th December 2016, the Governor of the Bank of Sierra Leone, Dr. Kaifala Marah and the Statistician-General of Statistics Sierra Leone Mr. Mohamed King Koroma, signed a Memorandum of Understanding aimed at facilitating data sharing between their two institutions. The Bank of Sierra Leone, on the 16th December 2016, officially launched the National Strategy for Financial Inclusion for Sierra Leone.

PRODUCTION

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Mineral												
Diamonds ('000 Carats)	43.82	57.29R	54.81	66.04	4.75	84.69	79.49	19.49	59.43	21.08	19.00	64.80
Industrial ('000 Carats)	6.42	1.21	7.81	10.41	1.96	11.75	9.96	6.51	19.49	8.26	7.58	31.01
Gem ('000 Carats)	37.80	56.07	46.99	55.63	2.79	73.45	69.53	12.98	39.94	12.82	11.43	33.79
Bauxite *('000 MT)*	**	116.64	101.00	111.07	129.74	123.42	126.72	130.40	125.97	92.12	119.58	125.98
Rutile ('000'MT)	**	7.69	8.58	10.51	10.42	10.75	13.46	14.40	14.02	14.66	16.59	15.77
Ilmenite *('000 MT)*	**	1.73	1.56	**	1.54	0.75	2.73	3.90	3.25	**	3.48	4.91
Gold *(Ounces)*	74.05	180.86	127.98	222.06	715.77	372.35	1055.31	645.26	**	**	1.12	8.09
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 ctns)*	83.00	77.99	88.54	79.45	80.90R	85.92	31.33	57.90	69.90	71.87	76.89	89.65
Maltina *('000 Cartons)*	24.02	23.98	21.87	15.60	19.80R	21.00	20.70	23.90	24.56	23.46	23.54	24.65
Soft drinks *('000 Crates)*	104.04	105.98	101.35	100.08	105.90R	81.69	69.97	78.66	76.66	77.97	78.86	79.09
Cement *('000 MT)*	32.10	25.67	24.32	27.57R	30.90R	28.40	25.60R	26.65R	23.46	25.10	26.43	24.56
Paint *('000 Gallons)*	26.40	24.45	25.98	20.87	16.00	19.80	16.90	14.65	15.90	17.67	16.87	18.77
Acetylene *('000 Cu Ft)*	26.14	16.00R	14.00R	12.00	11.50	13.89	17.60	12.43	20.900	21.34	23.67	23.90
Oxygen *('000 Cu Ft)*	30.27	41.00R	36.00R	48.00	41.50	41.90	45.87	27.50	30.80	27.97	26.55	24.45
Confectionery *('000 Lb)*	300.11	290.08	293.54	293.30	289.72	285.09	277.90	287.98	279.09	193.84R	196.78	198.90
Common Soap*('000MT)*	56.01	54.50	8.21	8.21	7.23	48.90	54.76	50.80	47.66	44.13R	12.33	35.87
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

		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Monthly Inflation Rate	%	0.54	0.29	0.39	0.72	1.10	0.90	1.45	1.28	1.05	1.01	1.94R	2.73	2.54
Annual Inflation Rate (Yr-on-Yr)	%	8.85	8.86	8.73	8.77	9.28	9.45	10.16	10.53	10.84	11.31R	12.56	15.26	17.41
Consumer Price Index		259.47	260.64	261.24	263.12	266.01	268.44	272.34	275.82	279.15	175.13R	177.89	182.74	187.39

Source: Statistics Sierra Leone

Real Sector

The manufacturing sector recorded low production levels in December 2016, mainly on account of

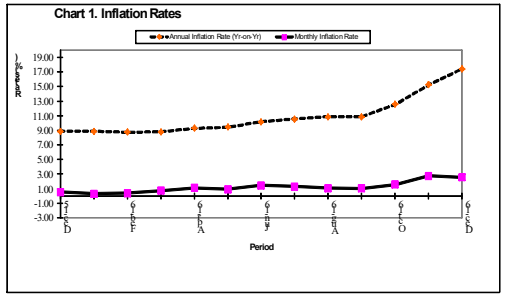

Table 3 — Government Finances

		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Total Revenue (Plus Grants)	Le Mn	424,563	259,121	187,691	271,549	207,722	231,276	224,389	363,528	198,735	186,672	166,928	534,997
Domestic Revenue	Le Mn	246,945	258,035	187,691	209,785	205,633	231,276	224,135	362,364	198,686	163,810	146,276	363,234
Customs & Excise	Le Mn	41,073	39,908	39,206	44,029	38,962	40,662	37,102	32,952	25,359	27,594	26,016	32,225
Income Tax Dept	Le Mn	132,279	65,649	52,414	63,920	70,668	77,978	88,108	251,465	78,065	66,144	53,930	73,424
Goods &Services	Le Mn	51,225	50,939	53,825	53,184	53,004	72,679	54,904	48,770	52,308	44,183	45,642	58,982
Miscellenous	Le Mn	22,368	101,539	42,247	48,652	42,999	40609R	44,022	29,177	42,954	25,888	20,688	198,603
Programmed Funds (Grants)	Le Mn	177,619	1,086	**	61,783	2,089	**	254	1,165	49	22,861	20,652	171,763
HIPC	Le Mn	265	1,086	**	1,763	2,089	**	254	1,165	49	1,996	**	**
*Others**	Le Mn	177,354	**	**	60,000	**	**	**	**	**	20,865	20,652	171,763
Total Expenditure	Le Mn	435,647	284,587	247,772	266,795	200,339	289,678	354,641	523,462	401,865	232,105	325,421	515,261
Pensions, Wages & Salaries	Le Mn	163,472	105,283	152,403	130,244	88,024	142,371	172,897	114,710	139,212	122,976	162,120	130,649
Other Expenditures	Le Mn	182,179	170,024	82,042	112,892	81,898	129,905	105,603	397,097	250,516	78,759	145,539	355,056
Debt Service Payment	Le Mn	89,996	9,280	13,326	23,660	30,417	17,403	76,141	11,665	12,136	30,370	17,762	29,556
Domestic	Le Mn	66,743	5,090	8,383	7,245	14,287	8,884	23,644	8,261	6,326	7,831	10,599	9,522
Foreign	Le Mn	23,252	4,190	4,944	16,415	16,130	8,519	52,496	3,394	5,810	22,539	7,164	20,034
Overall Deficit/Surplus	Le Mn	-11,084	-25,466	-60,080	4,754	7,383	-57749R	-130,252	-159,934	-203,130	-45,434	-158,493	19,736
Total Financing	Le Mn	11,084	25,466	**	**	**	**	**	**	**	**	**	**
Bank Financing	Le Mn	-131296	32,108	**	**	**	**	**	**	**	**	**	**
Bank of Sierra Leone	Le Mn	-162235	43,576	**	**	**	**	**	**	**	**	**	**
Commercial Banks	Le Mn	-31788	30,898	**	**	**	**	**	**	**	**	**	**
Non-Bank Financing	Le Mn	10,970	14,248	**	**	**	**	**	**	**	**	**	**
Treasury Balance	Le Mn	131,410	-20890	**	**	**	**	**	**	**	**	**	**
Foreign Finance	Le Mn	**	**	**	**	**	**	**	**	**	**	120,000	**

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone

**** - chinese loan wrongly posted in Sept and reversed in October.*

limited raw material inputs. Declines in production levels were recorded for beer and stout, soft drinks, cement and confectionery. Production levels of beer & stout dropped by 69.49 per cent to 27.35 thousand cartons, soft drinks declined by 67.99 per cent to 25.32 thousand crates, while cement and confectionery decreased by 23.0 per cent and 80.22 per cent to 18.91 thousand metric tons and 39.35 thousand pounds, respectively. However, paint production grew by 9.54 per cent to 20.56 thousand gallons, while acetylene and oxygen increased by 6.03 per cent and 3.64 per cent to 25.34 thousand cubic feet and 25.34 thousand cubic feet, respectively. Outturn in the mining sector were mixed during the period, as all minerals but bauxite, gold and iron ore experienced decline in output. Diamond production dropped significantly by 90.42 per cent to 6.21 thousand carats and was made up of 2.54 thousand carats of industrial and 3.67 thousand carats of gem. Rutile and ilmenite production fell by 25.88 per cent and 13.65 per cent to 11.69 thousand metric tons and 4.24 thousand metric tons, respectively. Zircon production also slowed by 20.0 per cent to 0.09 thousand metric tons. On the contrary, iron ore production expanded by 21.44 per cent, bauxite production increased by 0.71 per cent to 126.87 thousand metric tons while gold grew from 0.09 thousand ounces in November 2016 to 1.05 thousand metric tons in December 2016. Electricity generation contracted by 17.90 per cent to 22.61 million Kwhr/hr, reflecting low generation by both thermal plants and hydro power. Total thermal plant generation accounted for 7.7 per cent of the overall generation in the review month while total hydro power contributed 92.3 per cent. Headline inflation rate increased to 17.41 per cent in December 2016 from 15.26 per cent in November 2016 due to the upward adjustment in fuel prices. This price development was reflected in both food and non-food inflation. Food inflation increased to 18.63 per cent in December 2016 from 16.21 per cent in November 2016 while non-food inflation increased to 16.54 percent in December 2016. The monthly inflation however fell slightly to 2.54 per cent in December 2016 from 2.73 per cent in November 2016. On

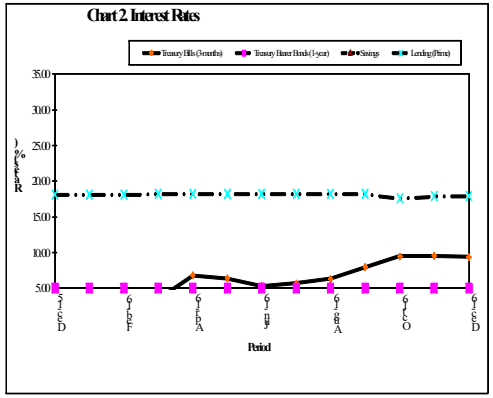

Table 4. — Monetary Aggregates

		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Reserve Money (RM)	Le Mn	1,723,637	1,707,603	1,713,607	1,693,552	1,690,078	1,699,352	1,699,533	1,744,405	1662742R	1,645,168	1,675,318	1,902,397	2,145,982
Broad Money (M2)	Le Mn	5,487,870	5,499,473	5,556,382	5,592,494	5,668,686	5,689,044	5,776,357	5,862,059	5,803,959	5,946,105	5,959,649	6,162,738	6,392,992
Narrow Money (M1)	Le Mn	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	4,671,967
Currency in Circulation	Le Mn	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	1,265,304
Demand Deposits	Le Mn	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	1,408,090
Budget Financing (Banking Sector)	Le Mn	2589189R	2671006R	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	3,719,599
Bank of Sierra Leone (BSL^)	Le Mn	562,500	648,346	684,501	674,780	696,507	754,419	824,048	860,425	859,723	936,235	1,095,025	1,144,841	1,236,940
Commercial Banks (DMB)	Le Mn	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	2,346,146
Claims on Private Sector	Le Mn	1090832R	1125202R	1129167R	1162999R	1203786R	1204573R	1,214,905	1,226,047	1,227,122	1,252,780	1,282,426	1,297,541	1,274,233
*Of Which: Commercial Banks***	Le Mn	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	1,240,407
Claims on Non-Banking Inst.	Le Mn	39839R	48000R	55065R	50072R	48319R	42636R	55,729	46,325	33,955	32,204	38,579	36,186	32,470
Other Items (Net)	Le Mn	-2135954R	-2191949R	-2213248R	-2308880R	-2333209R	-2413075R	-2,320,263	-2,408,521	-2,381,973	-2,400,926	-2,484,785	-2,563,430	-2,559,942

* Excludes Government Securities issued on behalf of BSL and HIPC Deposits

** 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

Table 5. — Interest Rates

		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Treasury Bills (3-months)	%	1.08	1.21	3.51	3.51	6.82	6.41	5.34	5.73	6.36	7.96	9.50
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	5.00
Deposits												
Savings	%	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.54	2.27
1 - 3 month	%	2.73	2.73	2.73	2.80	2.80	2.8	2.80	2.80	2.80	2.80	2.57
3 - 6 month	%	4.2	4.2	4.2	4.28	4.28	4.28	4.28	4.28	4.28	4.28	4.04
6 - 9 month	%	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38
9 - 12 month	%	5.3	5.3	5.3	5.8	5.8	5.8	5.80	5.80	5.80	5.80	5.84
Lending (Prime)	%	18.12-24.80	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	18.23-24.95	8.23-24.96	17.23-24.13

Source: Bank of Sierra Leone

regional basis, inflation rate (year-on-year) increased across all regions in the country except the Southern Region. Western Area inflation rose from 14.20 per cent in November 2016 to 16.91 per cent in December 2016; Eastern Region inflation increased from 15.77 per cent to 18.24 per cent; Northern Region inflation rose from 16.40 per cent to 19.08 per cent while the Southern Region inflation fell from 15.91 per cent to 15.69 per cent.

Fiscal Operations

Fiscal operations in December 2016 resulted in an overall deficit of Le103.93bn compared to a surplus of Le19.74bn in November 2016 and the projected surplus of Le50.30bn. This was account of substantial decline in grants received. Domestic revenue however improved compared to the preceding month. Overall, total revenue plus grants amounted to Le396.37bn reflecting a decline of 25.91 per cent from November level, but was 29.65 per cent higher than the budgeted amount of Le305.73bn. Domestic revenue grew by 9.03 per cent to Le369.05bn, which exceeded the budgeted amount of Le199.35bn by 98.67 per cent. The growth in domestic revenue was the result of increased collections from all main revenue categories during the reporting period. Customs and Excise receipts rose by 37.5 per cent to Le44.31bn. Meanwhile, collections from the Income Tax Department increased by Le104.82bn to Le178.24bn, while revenue generated from the Goods and Services Tax grew by 15.47 per cent to Le68.10bn. Non-tax revenue however, declined by 46.93 per cent to Le105.40bn. All the main tax categories but non-tax, exceeded their targets for the month. External grants disbursed during the month of December 2016 amounted to Le0.31bn, depicting a shortfall of Le171.45bn compared to Le171.76bn disbursed in November 2016. This amount was however, lower than the anticipated budgetary support of Le106.38bn by 99.71 per cent. Total expenditure fell by 2.90 per cent to Le500.30bn mainly due to the decline in other expenditure from Le355.42bn in November 2016 to Le255.94bn in December 2016. Meanwhile, spending on pensions, wages and salaries increased from Le130.65bn in November 2016 to Le179.20bn in December 2016. Similarly, debt services payments rose from Le29.56bn in November 2016 to Le65.16bn in December 2016, of which domestic debt services payments amounted to Le24.38bn while foreign debt services payments amounted to Le40.78bn. Consequently, all total expenditure components exceeded their budgeted ceiling except domestic debt services payment which was within the budgeted limit in the review period. The overall deficit of Le103.93bn was financed from both domestic and foreign sources.

Table 6. — EXCHANGE RATES (Average Monthly Buying)

		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Leone to Dollar													
Official	Le/$	5,552.62	5,616.17	5,720.56	5,811.63	5,963.24	6,032.43	6,042.18	6,042.96	6,154.03	6,360.47	6,741.06	7,409.66
Comm Banks	Le/$	5,516.44	5,569.79	5,699.07	5,806.93	5,940.09	6,071.16	6,115.35	6,121.68	6,322.69	6,468.66	6,858.22	7,430.66
Bureaux	Le/$	5,354.12	5,448.70	5,533.89	5,668.95	5,831.84	6,006.74	6,030.23	6,077.05	6,136.83	6,303.90	6,575.58	7,301.76
Parallel Market	Le/$	5,810.00	5,775.00	5,862.50	6,057.50	6,190.00	6,357.14	6,597.73	6,722.50	6,963.04	7,211.90	7,330.95	7,928.57
Leone to PoundR	Le/£	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	8,317.28	9,204.32

Source: Bank of Sierra Leone

Table 7. — EXCHANGE RATES (Average Monthly Selling)

		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16
Leone to Dollar													
Auction	Le/$	5,686.79	5,692.24	5,743.40	**	**	6,146.73	6,084.52	6,039.00	6,026.29	6,027.51	6,949.33	7,343.95
Official^R	Le/$	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	6,877.24	7,559.35
Comm Banks	Le/$	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	7,045.82	7,629.06
Bureaux	Le/$	5,450.89	5,533.20	5,346.07	5,751.50	5,932.17	6,057.31	6,098.29	6,146.24	6,210.24	6,388.10	6,657.33	7,452.78
Parallel Mkt.	Le/$	5,867.50	5,875.00	5,920.00	6,107.50	6,215.00	6,407.14	6,647.73	6,827.50	7,036.96	7,261.90	7,380.95	8,007.14
Leone to PoundR	Le/£	8,505.78	8,259.99	8,364.99	8,383.87	8,252.83	8,943.76	8,760.17	8,118.84	8,233.21	8,541.60	8,487.77	9,392.42

Source; Bank of Sierra Leone