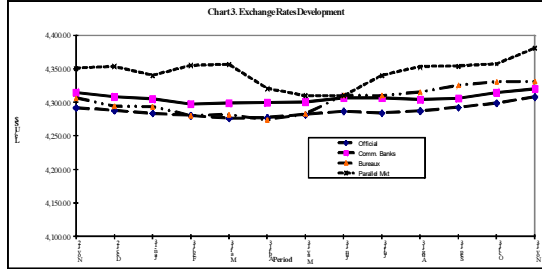




as a result of the increase in government's payments for goods and services as reflected in all of its components. Net Claims on Government by the Banking Sector increased by Le42.95bn (3.52%) from Le1,220.43bn as at end October 2013 to Le1,263.38bn in November 2013.



respectively. On the selling front, the parallel market exhibiting the highest depreciation in the order of 0.66 percent (Le4,427.62/US\$1), followed by the auction and commercial banks' rates at Le4,381.49/US\$1 (0.34%) and Le4,375.72/US\$1 (0.28%) respectively.

Gross International Reserves

The gross external reserves continue to remain at comfortable level recording US\$444.12mn as at end November 2013, which indicate a 0.04 percent decline relative to the US\$444.30 recorded at end October 2013.

Exchange Rate Developments

The average exchange rate of the Leone to the US Dollar for November 2013 depreciated in all market fronts, except the foreign exchange bureau, which appreciated on the selling front.

Table 9: External Trade. A detailed table showing trade data for various commodities like Rice, Petroleum Products, and Diamonds from June 2011 to June 2012.

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

Research Department
Published January 2014

Highlights

Economic activities across key sectors of the Sierra Leone economy have been broadly positive in the review period. The national year-on-year inflation rate, as measured by the composite consumer price index (CPI) further declined from 9.38 percent at end October 2013 to 8.96 percent at end November 2013.

for the project, the Islamic Development Bank contributed 68%, the Arab Bank for Economic Development in Africa 22% and the Government of Sierra Leone 10%.

Table 2: Inflation Rates - National. A table showing monthly and annual inflation rates for various categories from Nov-12 to Nov-13.

Sources: Manufacturing Industries, Gold and Diamond Department

Table 2

Table 2: Inflation Rates - National. A table showing monthly and annual inflation rates for various categories from Nov-12 to Nov-13.

Sources: Statistics Sierra Leone

bureaux, which registered an appreciation during the reporting month. The monthly fiscal deficit for the period under review was Le115.31bn compared to a deficit of Le84.20bn recorded in October, 2013.

government's plans to improve budget planning, accountability and oversight of government finances, consistent with the Sierra Leone's Public Financial Management Improvement and Consolidation (PFMIC) Project, designed to implement the core of the government's Public Financial Management (PFM) reform strategy.

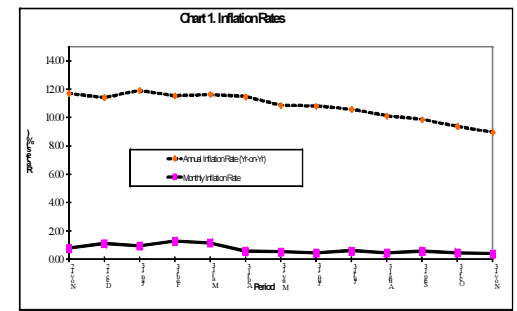




Table 3. Government Finances. Columns: Nov-12, Dec-12, Jan-13, Feb-13, Mar-13, Apr-13, May-13, Jun-13, Jul-13, Aug-13, Sep-13, Oct-13, Nov-13. Rows: Total Revenue (Plus Grants), Domestic Revenue, Customs & Excise, Income Tax Dept, Goods & Services, Miscellaneous, Programmed Funds (Grants), HIPC, ODA, Total Expenditure, Pensions, Wages & Salaries, Other Expenditures, Debt Service Payment, Domestic, Foreign, Overall Deficit/Surplus, Total Financing, Bank Financing, E&C of Sierra Leone, Commercial Banks, Non-Bank Financing, Treasury Balance, Foreign Finance.

Source: Customs and Excise Department; Income Tax Department; Bank of Sierra Leone. \*\* - figures less than 0.05% rounded in Sept and revised in Oct & table.

Real Sector

Performance in most of the industries were generally favourable notwithstanding the decline in oxygen production. In the manufacturing sub-sector, beer & stout, maltina, soft drinks, cement, paint, acetylene, confectionery and common soap registered increases in production levels during the review period as follows: beer & stout by 12.28 percent to 65.30 thousand cartons, maltina by 26.24 percent to 15.30 thousand cartons, soft drinks by 3.96 percent to 160.30 thousand crates, cement by 5.09 percent to 22.30 thousand metric tons, paint by 6.27 percent to 27.95 thousand gallons, acetylene by 14.44 percent to 23.30 thousand cubic feet, confectionery by 1.89 percent to 305.30 thousand pounds and common soap by 5.04 percent to 56.30 thousand metric tons. The rise in the production of these items can be attributed to increased consumer demand and the availability of raw materials inputs. A decline in production was however recorded for oxygen in the order of 16.41 percent to 20.43 thousand cubic feet during the review period. This decline was due to limited supply of raw materials. In the mining sector, the boost in exports demand triggered by improved prospects in the global economy in recent months, has led to a growth in key mineral components in the domestic economy. Both industrial and gem diamond production improved and were recorded at 46.44 thousand carats and 26.17 thousand carats, which outstripped the preceding month's volume of 0.92 thousand carats and 3.06 thousand carats respectively. Nonetheless, the mining sector also experienced low production levels in bauxite, rutile, ilmenite and gold during the review period. Bauxite declined by 1.53 percent to 64.30 thousand metric tons, rutile by 8.12 percent to 8.60 thousand metric tons, ilmenite by 9.09 percent to 1.50 thousand metric tons and gold by 25.15 percent to 111.97 thousand ounces. Electricity generation increased by 12.41 percent to 16.30 million kilowatt hours (kWh). Industrial consumption of electricity also

increased by 1.30 percentage points to 2.33 million kilowatt hours. This increase was attributable to improvement in the performance of one of the thermal plants. During the review period, prudent monetary policy of the Central Bank combined with a stable exchange rate and productivity growth, particularly in agriculture and other key sectors of the economy, served as the key drivers of the trend in inflation performance. National headline inflation rate on a year-on-year basis declined steadily over the preceding six months. This trend continued during the month of November 2013 with annual inflation rate declining from 9.38 percent in October 2013 to 8.96 percent in November 2013; a trend which was reflected in inflation rate performance across all the region from October 2013 to November 2013. Western Area inflation rate declined from 10.29 percent to 9.57 percent, Northern Region from 10.41 percent to 9.56 percent, Southern Region from 9.23 percent to 9.14 percent and Eastern Region from 8.79 percent to 8.23 percent in the review period. The national monthly inflation rate also declined marginally from 0.47 percent in October 2013 to 0.40 percent in the review month. However, there were increases in the indices for the following groups: food and non-alcoholic beverages (0.49%), housing, water, electricity, gas & other fuels (0.31%), alcoholic beverage, tobacco and narcotics (0.82%), clothing and footwear (0.44%), furnishing, household equipment and household maintenance (0.54%), health (0.08%), restaurant and hotels (0.17%), transport (0.12%) and Miscellaneous goods and services (0.78%). In all the regions there were also marginal increases in monthly inflation rates; Western Area (0.36%), Northern Region (0.50%), Southern Region (0.27%) and Eastern Region (0.35%)

Table 4. Monetary Aggregates. Columns: Nov-12, Dec-12, Jan-13, Feb-13, Mar-13, Apr-13, May-13, Jun-13, Jul-13, Aug-13, Sep-13, Oct-13, Nov-13. Rows: Reserve Money (RM), Broad Money (M2), Narrow Money (M1), Currency in Circulation, Demand Deposits, Net Claims on Government, BSL, DMB, Claims on Private Sector, Of Which: Commercial Banks, Net Foreign Assets, Other Items (Net).

\*\* Excludes Government Securities issued on behalf of BSL and HPC 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.

\* Note: Monetary figures for August 2013 are Provisional



Table 5. Interest Rates. Columns: Nov-12, Dec-12, Jan-13, Feb-13, Mar-13, Apr-13, May-13, Jun-13, Jul-13, Aug-13, Sep-13, Oct-13, Nov-13. Rows: Treasury Bills (3-months), Treasury Bearer Bonds (1-yr.), Deposits, Savings, 1 - 3 month, 3 - 6 month, 6 - 9 month, 9 - 12 month, Lending (Prime).

Source: Bank of Sierra Leone

Fiscal Operations

The central government's budgetary operations for November 2013 resulted in a deficit of Le115.31bn compared to a deficit of Le84.20bn recorded in October. Total revenue (including grants) during the review period in an amount of Le349.48bn exceeded the programme target of Le179.84bn by 94.33 percent. Domestic revenue amounted to Le304.51bn, which was 80.78 percent more than the target of Le168.45bn. The overall growth in domestic revenue could be attributed to improved performance of the main tax categories. Customs and Excise recorded an amount of Le84.27bn which tripled the previous month's collection was 75.33 percent in excess of the target amount of Le48.06bn. Income tax receipt, in the sum of Le109.53bn, was 101.28 percent more than the previous month's collection of Le54.42bn, and 82.70 percent that of the monthly target of Le59.95bn. Revenue from Goods & Services Tax rose by 159.33 percent to Le64.46bn and was 74.08 percent in excess of the targeted amount of Le37.03bn. Collections from miscellaneous sources amounting to Le46.26bn, was 97.63 percent above the target of Le23.41bn and 139.75 percent above the previous month's collection of Le19.29bn. Of the amount collected from miscellaneous, receipts from Mines department amounted to Le31.56bn, Immigration Le1.97bn, Marine Resources Le1.05bn and other sources Le11.67bn. The total amount of grants in the review month was Le44.97bn, which was mainly funded and was above its target of Le11.39bn. The various sources include HIPC Debt Relief Assistance (Le1.50bn), UK (Le24.11bn), World Bank (Le 10.78bn), African Development Bank (Le0.1bn) and others amounting to Le8.59bn. Total government expenditure was Le 464.97bn which was 104.62 percent in excess of the preceding month's total of Le227.14bn and 281.57 percent that of the projected target of Le192.06bn. The increase in government expenditure was on account of increases in all expenditure categories during the review period. On the expenditure side, pensions, wages and salaries amounted to Le169.07bn which was above the target ceiling of Le89.30bn; treasury expenses on goods and services amounted to Le208.58bn; debt services payments amounted to Le82.65bn which was above the projected ceiling of Le66.80bn. On debt service payments, domestic and foreign payments constituted Le71.90bn and Le10.75bn

respectively. Other payments include returned payments in the amount of Le3.54bn, treasury main expenses amounting to Le0.75bn and commission payments in the sum of Le0.21bn. The overall deficit of Le115.31bn was domestically financed through the sale of Treasury bills in the amount of Le33.53bn, utilization of Ways & Means Advances in the sum of Le38.44bn and drawdown on the Treasury balances in the amount of Le43.34bn.

Monetary Developments

Developments in monetary aggregates during the month of November 2013 were expansionary. Broad Money (M2) grew by Le66.55bn (1.94%) from Le3,437.66bn as at end October 2013 to Le3,504.21bn in November 2013. Reserve Money (RM) increased by Le32.71bn (3.02%) from Le1,082.31bn to Le1,115.02bn during the same period. The growth in M2 was driven by increases in Net Foreign Assets (NFA) and Net Domestic Assets (NDA). NFA increased by Le33.73bn from Le2,480.25bn as at end October, 2013 to Le2,513.98bn as at end November, 2013. NDA grew by Le32.82bn from Le957.41bn to Le990.24bn driven mainly by the Le38.32bn increase in Domestic Credit, which more than offset the Le5.50bn growth in Other Items Net. RM expanded mainly

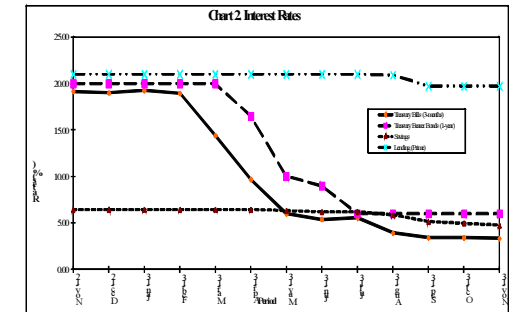


Table 6. EXCHANGE RATES (Average Monthly Buying). Columns: Nov-12, Dec-12, Jan-13, Feb-13, Mar-13, Apr-13, May-13, Jun-13, Jul-13, Aug-13, Sep-13, Oct-13, Nov-13. Rows: Leone to Dollar, Official, Comm. Banks, Bureaux, Parallel Market, Leone to PoundR.

Source: Bank of Sierra Leone

Table 7. EXCHANGE RATES (Average Monthly Selling). Columns: Nov-12, Dec-12, Jan-13, Feb-13, Mar-13, Apr-13, May-13, Jun-13, Jul-13, Aug-13, Sep-13, Oct-13, Nov-13. Rows: Leone to Dollar, Official, Comm. Banks, Bureaux, Parallel Mkt, Leone to PoundR.

Source: Bank of Sierra Leone