



REPUBLIC OF LIBERIA
GOVERNANCE COMMISSION



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Press Release on the State of the Liberian Economy 12/18/17

The President of the Liberian Bankers Association and President of LBDI, John Davies says the Liberian economy is plagued with numerous challenges that need urgent interventions.

Mr. Davis noted that the Liberian economy relies heavily on the extractive industry with the agriculture sector playing very minimal role in the process. Liberia still relies on rubber, iron ore, gold and diaspora remittances to boost its economy. Diaspora remittances contribute significantly to foreign exchange generated in Liberia. A 2013 World Bank report states that Diaspora remittances accounted for one third of Liberia's GDP.

Mr. Davis commended government's efforts toward poverty reduction, naming the Poverty reduction strategy, the Agenda for Transformation (AFT) among others but said much still needs to do a rain-check as to what worked or did not work, and what needs to be tweaked to address persistent economic challenges to the Liberian economy.

Mr. Davis spoke recently at the Policy Dialogue organized by the **Governance Commission** on Friday December 15th, 2017 on the topic **"the State of the Liberian Economy as at January 22, 2018"**. The event was held at the Lutheran Conference Hall on 13th Street in Sinkor.

Elaborating on "the Banking sector and the Economy", Mr. Davis noted that Liberia continues to experience balance of payment deficit and fiscal deficit due to shortfall in revenue generation. He named other challenges as liquidity crunch, increase in non-performing loans and downgrade of financial instruments.

The LBDI President therefore wants the next government to prioritize a plan to boost the Liberian economy. Mr. Davis said such priority agenda should include a full analysis of the negative balance of payments deficits; reduce the fiscal deficit through innovation and management of expectations; deal with the liquidity crises through foreign exchange support and more aggressive collaboration with the Central Bank of Liberia, CBL. He said **"until Liberia puts in place mechanism to address these issues, our economy will continue to be under threat"**. He said Liberia needs to begin to export goods and manage our expectations.

Mr. Davis was one of several panelists at the GC Policy Dialogue discussing several aspects of the state of the Liberian economy. The Dialogue aimed to address numerous and bogus campaign promises despite the poor state of the Liberian economy.

The political parties participating in the Run-Off presidential elections - Unity Party and the Coalition for Democratic Change were both invited to the event so that they have a better grasp of the state of the Economy as they prepare for their campaign. The UO attended the event but the CDC was conspicuously absent.

Other economic experts, government related financial institutions, banks and relevant civil society organizations, national and international partners graced the event.

Sign: Janet Johnson