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## **IMF Staff Statement at the Conclusion of a PRGF Review Mission to Liberia**

An International Monetary Fund (IMF) mission headed by Mr. Christopher Lane visited Liberia February 12–25 to conduct discussions for the second review under the Poverty Reduction and Growth Facility (PRGF) approved in March 2008. The mission met with President Ellen Johnson-Sirleaf; Minister of Finance, Augustine Ngafuan; Central Bank of Liberia (CBL) Governor, Joseph Mills Jones; other senior officials of the government; members of the Liberian Legislature; and representatives of the commercial and banking sectors, civil society and donor agencies.

The mission issued the following statement in Monrovia on February 26:

“The effects of the global financial crisis are increasingly evident across sub-Saharan Africa as commodity prices and external demand decline, while investment flows weaken. Liberia is no exception; the export sector is particularly affected. With lower prices and demand for rubber, iron ore and timber, output and foreign investment in these sectors is likely to slow. As a result, real output growth is likely to moderate from 7 percent in 2008 to 5-6 percent in 2009, substantially lower than previous projections. The continued expansion of non-commercial agriculture and stable donor financing underpin continued growth. Inflation is slowing rapidly as the prices of essential imported commodities, such as rice and fuel, go down. The rate of growth of government revenue is also slowing after several years of performance above expectations. Gross reserves of the CBL continue to increase and the exchange rate remains broadly stable.

“Liberia’s performance under its Fund-supported program is good with all key fiscal and monetary objectives attained. Reforms continue to advance in the areas of public financial management, broader economic governance, and institutional strengthening at the Ministry of Finance and CBL, although many challenges remain. Continued support from the Legislature and the donor community will be essential going forward in implementing the government’s economic program under difficult external circumstances.

“The Liberian authorities and the mission reached understandings on: the impact of the global financial crisis upon Liberia; the likely revenues available for implementation of the 2009/10 budget which remain slightly above projections in Liberia’s Poverty Reduction Strategy; and actions that would strengthen the Liberia Anti-Corruption Commission. The

mission held preliminary discussions with the Liberian authorities regarding how highly concessional financing for infrastructure could be accommodated in the program going forward. The team worked in close consultation with parallel IMF technical assistance missions focused on tax and customs administration, public financial management and fiscal decentralization and discussed the need for continued intensive assistance in monetary policy and economic statistics.

“The IMF's Executive Board is tentatively scheduled to discuss the second review of Liberia's economic program under the PRGF/EFF in early May 2009 when the next disbursement of SDR 7 million (approximately US\$10.4 million) becomes available.

“The mission wishes to thank the Liberian authorities and other counterparts for the constructive and cooperative discussions that took place in Monrovia.”