



more than the increase in Currency Issued (Le10.34bn) and Private Sector Deposits (Le1.42bn) combined. Over the one year period, M1, M2 and RM increased by Le36.10bn (6.83%), Le150.52bn (15.41%) and Le45.42bn (12.47%), respectively. Net Claims to Government by the banking sector declined by Le13.46bn (7.72%) to Le160.89bn in the review period. This was due to the contraction in Net Claims on Government by the commercial banks (Le21.63bn), which was however moderated by the expansion in Net Claims on Government by the Central Bank (Le8.17bn). The drop in Government Deposits (Le15.13bn) was largely responsible for the rise in Net Claims on Government by the Bank of Sierra Leone, which was nonetheless moderated by decreases in its holdings of Treasury Bills (Le5.52bn) and Treasury Bearer Bonds (Le1.44bn). The decline in Net Claims on Government by the commercial banks was mainly as a result of the drop in their holdings of Treasury Bills (Le15.43bn), coupled with the increase in Government Deposits (Le7.70bn) at the banks. Commercial banks' credit to the private sector during the month rose by Le19.55bn (6.71%) to Le310.69bn. During the review period, the average interest rate structure at the commercial banks was mixed. The Savings, 3 months, 6 months, 9 months and 12 months Time Deposits remained stable at 7.06 percent, 9.70 percent, 10.55 percent, 10.25 and 12.00 percent, respectively. The average annual yield on 3-months Treasury Bills went down by 132 basis points to 18.18 percent, while the yield on the 1-year Treasury Bills went up by 310 basis points to 7.59 percent. The average interest rate on Treasury Bearer Bonds dropped by 300 basis points to 15.00 percent. The lending rate on Overdraft was constant at the range of 25 – 31 percent.

parallel market appreciated the most (0.60%) at Le2, 947.95/US\$1, while the rate for the official market appreciated the least (0.05%) at Le2, 939.65/US\$1. In between, the rates for the bureaux and commercial banks appreciated respectively by 0.46 percent to Le2, 943.94/US\$1 and Le2, 961.14/US\$1. A similar trend was observed on the selling front with the exception of the average monthly rate for the auction market which depreciated marginally by 0.08 percent to Le2, 960.55/US\$1, followed by the rates for the bureaux, official and commercial banks by 0.45 percent to Le2, 981.02/US\$1, 0.05 percent to Le2, 999.03/US\$1 and 0.04 percent to Le2, 978.80/US\$1, respectively. The appreciation of the Leone against the United State Dollar can be attributed to the global lull in economic activity. The premium between the official and parallel buying rates narrowed considerably from Le24.58/US\$1 in March 2008 to Le8.30/US\$1 in April 2008.



International Reserves

Gross external reserves of the Central Bank decreased by 1.50 percent to US\$200.17mn as at end April 2008, as a result of total outflows of US\$6.68mn outweighing total inflows of US\$3.58mn. Significant inflows during the month comprised US\$0.63mn, being European Development Fund replenishment of Account, US\$0.35mn in respect of diamond license fee and exporters' income tax, US\$0.95mn as other government receipts including communication license fees and other tax receipts from the National Revenue Authority and US\$0.43mn as HIPC flow relief. Major outflows were in respect of US\$3.30mn, being amount utilized under the Bank of Sierra Leone's weekly foreign exchange auction, US\$2.32mn as other government expenditure of which US\$2.20mn was in respect of the cost of fuel to supply electricity to Freetown and US\$0.74 as total debt service payment.

Exchange Rates

During the month of April 2008 the monthly average exchange rate of the Leone to the United States Dollar exhibited an almost all-round appreciation in all the exchange markets. On the buying front the rate for the

Highlights

Developments in the Sierra Leonean economy during April 2008 were geared towards improving overall economic performance. Parliament, on 8th April 2008, ratified a US\$87mn grant agreement with the International Fund for Agricultural Development (IFAD), as support towards poverty alleviation and food security in four districts (Koinadugu, Kenema, Port Loko and Pujehun) in the country. In a bid to improve educational standards in the country, the Choithrams Foundation, on the 11th April 2008, presented cheques totaling Le36 million to 433 pupils in primary and secondary schools across the country. In a related development, the United Nations Children's Fund (UNICEF), on 22nd April 2008 through the Ministry of Education, handed over fifty (50) newly built schools with proper water and sanitation facilities to the Government. The project was funded by the Republic of Iceland and Cause Canada. On 23rd April the Standard Chartered Bank opened its fifth Western

carton respectively, as a result of increased demand.

In contrast, the production levels of beer & stout, cement, paint, common soap, acetylene and oxygen contracted by 9.95 thousand cartons (16.97%) to 48.67 thousand cartons, 1.65 thousand metric tons (6.34%) to 24.39 thousand metric tons, 0.85 thousand gallons (6.01%) to 13.29 thousand gallons, 13.23 thousand metric tons (20.90%) to 50.07 thousand metric tons, 3.16 thousand cubic feet (20.79%) to 12.04 thousand cubic feet and 5.31 thousand cubic feet (17.74%) to 24.63 thousand cubic feet respectively, over the month. The drop in the output of beer & stout in the month was due to the temporary halt in production activities by the Sierra Leone Brewery Company, to allow for maintenance work on the machines. As a result, the company resorted to imported substitutes to meet market demand. The drop in the production of cement and paint



Table 1

Table with 14 columns (Apr-07 to Apr-08) and 14 rows (Minerals, Agriculture, Manufactured Goods) showing production data.

Table 2

Table with 14 columns (Apr-07 to Apr-08) and 3 rows (Monthly Inflation Rate, Inflation Rates (Yr-on-Yr), Consumer Price Index) showing inflation data.

Table 9. External Trade

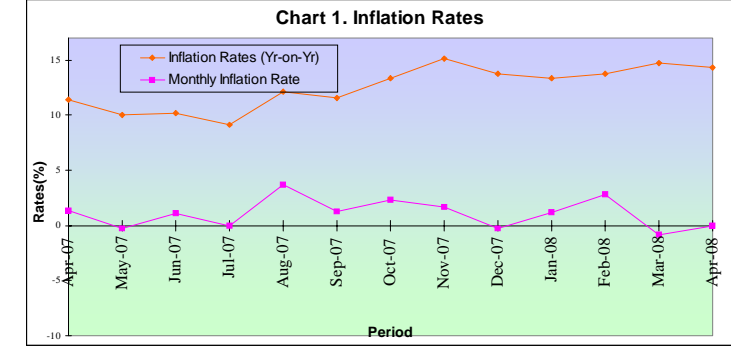
Table with 14 columns (Feb-07 to Feb-08) and 14 rows (Total Imports o/w, Total Exports o/w, Re-exports, Trade Balance, Vol. of Imports, Vol. of Exports) showing trade data.

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

Research Department Published June 2008

Union outlet at Krootown road, a growing business centre in the west end of Freetown, to enhance money transfer services to customers in the locality. The country also marked its 47th Independence Anniversary on 27th April 2007. Trends in monetary aggregates were mixed during the month with Narrow Money and Broad Money growing by 3.13 percent and 3.69 percent respectively, while Reserve Money contracted by 0.58 percent. The fiscal deficit also increased to Le12.13bn in the review month from Le7.51bn in March 2008. The monthly average exchange rate of the Leone to the United States dollar appreciated in all the exchange markets and gross external reserves of the Central Bank stood at US\$200.17 million at end April 2008. The national inflation rate (year-on-year) was 13.15 percent in April 2008.

was a reflection of the decline in construction activities, due to seasonal factors, while the drop in the output level of common soap, acetylene and oxygen was in response to an observed decrease in demand and carried-over stock from the preceding month. The volume of diamond shipments as recorded by the Gold and Diamond Department (GDD) increased by 8.81 thousand carats (30.64%) to 37.56 thousand carats, comprising 14.71 thousand carats of industrial diamond and 22.85 thousand carat of gem diamonds. The rise in shipment levels in the review period was due to increased mining



Real Sector

During the month of April 2008, output levels for confectionery and Maltina drink increased by 66.87 thousand pounds (30.31%) to 287.49 thousand pounds and 1.27 thousand cartons (12.02%) to 11.84 thousand

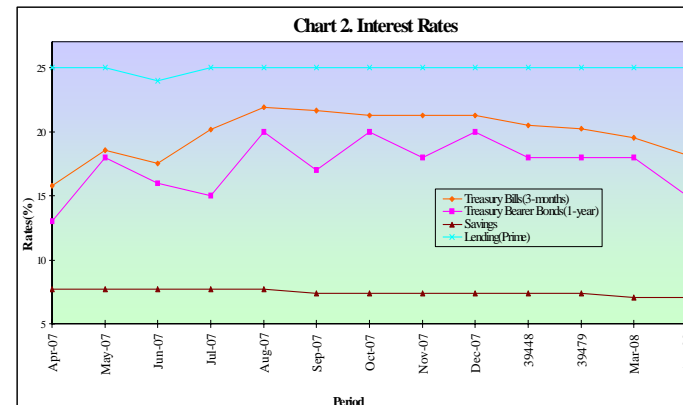


		Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Total Revenue (Plus Grants)	Le Mn	41928	50635	58056	47022	70266	38263	45240	57777	130902	43513	39599	52433	46856
Domestic Revenue	Le Mn	36231	50635	54052	45448	38404	38263	37856	37928	42280	43513	39599	51986	43791
Customs & Excise	Le Mn	22756	29429	29703	24200	23106	25993	25251	27183	28542	25955	27659	29627	
Income Tax Dept	Le Mn	6220.75	11059	18777	11097	8351	13236	9555	10550	13140	11345	10998	19233	11373
Miscellaneous	Le Mn	7254	10147	5572	5774	5853	1921	2308	2127	1957	3626	2646	5094	2791
Programmed Funds (Grants)	Le Mn	5697	**	4004	1574	31862	**	7384	19849	88622	**	**	447	3065
Fund of which														
HIPC	Le Mn	5400	**	4004	1574	**	**	7384	3	190	**	**	447	3065
Others*	Le Mn	297	**	**	**	31862	**	**	19846	88432	**	**	**	**
Total Expenditure	Le Mn	38231	43601	42610	67415	54392	48610	53331	60566	75392	60575	53330	59937	59162
Pensions, Wages & Salaries	Le Mn	18883	18660	19594	35413	22392	18484	30854	24732	30982	20903	26720	20477	28815
Other Expenditures	Le Mn	5570	8044	15227	23424	12137	22326	7119	20489	33068	29749	17229	32126	20902
Debt Service Payment	Le Mn	13778	16897	7789	8578	19863	7800	15358	15345	11342	9923	9381	7334	9445
Domestic	Le Mn	5638	15421	7178	6790	14327	7777	7067	13873	8518	9056	6577	5656	7224
Foreign	Le Mn	8140	1476	611	1788	5536	23	8291	1472	2824	867	2804	1678	2221
Overall Deficit/Surplus	Le Mn	3697	7034	15445	-20393	15874	-10347	-8091	-2789	55510	-17062	-13731	-7504	-12306
Total Financing	Le Mn	-3697	-7034	-15445	20393	-15874	10347	8091	2789	-55510	17062	13731	7504	12306
Bank Financing	Le Mn	18660	-11082	10899	9580	-8570	-1821R	-6144	-3417	-8739	-12710	-1376	12892	0
Bank of Sierra Leone	Le Mn	18660	-8413	8068	6599	-14049	-7448	23514	-17032	-8739	-35976	-8668	-1604	n.a.
Commercial Banks	Le Mn	**	-2669	2831	2981	5479	5627R	-29658	13615	**	23266	7292	14496	n.a.
Non-Bank Financing	Le Mn	**	4048	-10959	-6196	5186	1820R	12093	6206	**	12710	1376	-12892	n.a.
Treasury Balance	Le Mn	-22357	**	-15385	-17009	-12490	10348	2142	**	-46771	8062	13731	-12086	12306
Foreign Finance	Le Mn	**	**	**	**	**	**	**	**	**	9000	**	19590	n.a.

activities. Output of rutile and ilmenite increased by 1.34 thousand metric tons (22.33%) to 7.34 thousand metric tons and 0.38 thousand metric tons (25.68%) to 1.86 thousand metric tons respectively, in the month under review due to expansions in mining activities to newly discovered deposits. Output of bauxite however dropped by 18.21 thousand metric tons (21.60%) to 66.11 thousand metric tons in the review period as a result of dwindling deposits in areas mined. The national year-on-year inflation rate increased from 10.99 percent in March 2008 to 13.15 percent in April 2008. The increase resulted from similar increases in the price indices for all the main group items except the “recreation and culture” and “education” categories, which fell by 3.02 percent and 4.16 percent, respectively. Increases were recorded in the indices for “food and non-alcoholic beverages” by 16.76 percent, “alcoholic beverages, tobacco and narcotics” by 17.91 percent, “clothing and footwear” by 11.01 percent, “housing, water, electricity gas and other fuels” by 16.44 percent, “health” by 8.61 percent and “transport sector” by 9.42 percent. The monthly national inflation rate increased from -0.15 percent in March 2008 to 2.71 percent in April 2008. During the month increases were recorded in the indices for food products, including bread and cereals (21.17%), meat (7.34%), milk, cheese and eggs (2.91%), vegetables (7.30%) and fish and seafood (26.28%). The significant increase in the price of bread and cereals such as rice, maize, etc. in the CPI basket can be attributed to the global food crisis. The Freetown year-on-year inflation rate based on the old consumer price under (1992 = 110) decreased from 14.47 percent in March 2008 to 14.35 percent in April 2008.

Fiscal Operations

Total revenue receipts including grants, of Le46.86bn for April 2008, comprising Le3.07bn grants and Le43.79bn from domestic sources were Le5.58bn (10.64%) lower than the March 2008 position but Le4.93bn (11.76%) higher than total receipts for April 2007. The drop in collections from income tax and “Miscellaneous Items” revenue sources mainly accounted for the drop in total revenue (plus grants) over the month. Domestic collections during the month stood at Le43.79bn and were Le7.56bn (20.87%) higher than the corresponding position in April 2007. Income tax collections of Le11.37bn were Le7.86bn (40.87%) below the preceding month’s level but Le5.15bn (82.85%) above the corresponding month in 2007. The lower income tax receipts in April 2008 was because the March 2008 position included quarterly corporate tax payments. Non-tax revenue collections amounting to Le2.80bn was Le4.46bn and Le2.30bn below the



		Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Reserve Money (RM)	Le Mn	364306	342784	341759	368291	363995	344280	358129	359347	423758	396126	392141	412106	409722
Broad Money (M2)	Le Mn	976811	960079	965674	98414	983516	970364	979198	1010485	1078701	1060261	1068054R	1087240	1127328
Narrow Money (M1)	Le Mn	528539	512576	516783	517630	511912	506660	499623	519079	549581	551939	543649R	547526	564639
Currency in Circulation	Le Mn	280070	281029	277997	279611	279264	266801	276666	289944	309837	306930	302172R	299581	310367
Demand Deposits	Le Mn	248469	231547	238787	238017	232649	239859	222957	229134	239744	245009	241477R	247945	254272
Net Claims on Government	Le Mn	272465	255579	258119	281369	252139	265830	273028	263305	200650	187336	468056R	471685	478120
BSL^	Le Mn	85251	73613	67645	89649	65573	68709	94643	77266	37954	7609	18205R	174350	160890
DMB	Le Mn	187214	181966	190474	191720	186566	197121	178385	186039	162696	179727	164106R	171561	149929
Claims on Private Sector	Le Mn	213515	218375	223934	225480	233725	246868	267440	263750	278092	285745R	297335	317230	
Of Which: Commercial Banks**	Le Mn	206859	212528	218311	219983	228690	242505	252812	263881	260805	272405	279648R	291142	310687
Net Foreign Assets	Le Mn	691500	692660	696281	705565	720568	703946	720340	777304	882642	826002	810968R	824304	837738
Other Items (Net)	Le Mn	200669	206535	212660	228273	222916	246280	271117	297564	268341	231169	210970R	208749	188530

* 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

		Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
Treasury Bills (3-months)	%	15.76	18.54	17.54	20.17	21.90	21.63	21.26	21.24	21.29	20.48	20.20	19.50
Treasury Bearer Bonds (1-yr.)	%	13.00	18.00	16.00	15.000	20.00	17.00	20.00	18.00	20.00	18.00	18.00	18.00
Deposits													
Savings	%	7.72	7.69	7.69	7.69	7.72	7.39	7.39	7.39	7.39	7.39	7.39	7.06
1 - 3 month	%	10.13	10.19	10.13	10.13	10.11	9.78	9.78	9.78	9.70	9.70	9.70	9.70
3 - 6 month	%	10.81	10.94	10.81	10.81	10.94	10.61	10.61	10.61	10.55	10.55	10.55	10.55
6 - 9 month	%	10.75	10.50	10.92	10.92	10.92	10.25	10.25	10.25	10.25	10.25	10.25	10.25
9 - 12 month	%	12.17	12.17	12.17	12.17	12.43	12.13	12.13	12.13	12.00	12.00	12.00	12.00
Lending (Prime)	%	25-31	25-31	24-30	25-31	25-31	25-31	25-31	25-31	25-31	25-31	25-31	25-31

corresponding and preceding periods, respectively. However, proceeds from the Customs & Excise department at Le29.63bn were Le6.87bn and Le1.97bn higher than both the corresponding and preceding levels, respectively. This development was as a result of enhanced collections by the revenue authorities in the reporting month. Grants received for the review month recorded Le3.07bn and were entirely in respect of the Highly Indebted Poor Countries (HIPC) debt relief assistance. Aggregate outlay for the review month registered Le59.16bn, 1.29 percent lower than the preceding month’s but 54.75 percent higher than the corresponding month’s position in 2007. The slight drop in total expenditure compared to the preceding month was mainly due to the government’s constrained budget stance during the review period. Total payments on personnel emoluments was 52.60 percent and 40.72 percent more than its corresponding 2007 position and the preceding month’s levels respectively, due to the inclusion of outstanding payments that were due in the preceding month but effected in the review period. Debt service payments of Le9.45bn were 28.78 percent above the March 2008 level but 31.45 percent below the April 2007 level. Other expenditure comprising largely treasury expenses was constraint at Le20.90bn in April 2008,

respective holdings of Treasury Bills and Treasury Bearer Bonds by Le15.13bn and Le0.24bn. The non-bank public increased its holdings of Treasury Bills and Treasury Bearer Bonds by Le21.96bn and Le0.37bn, respectively.

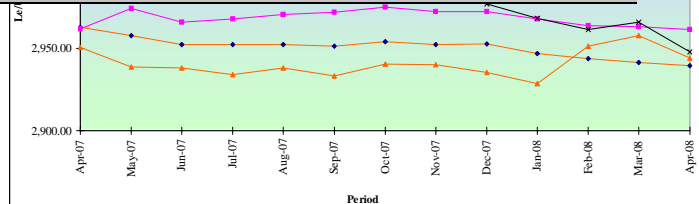
Monetary Developments

Narrow Money (M1) and Broad Money (M2) expanded by Le17.11bn (3.13%) and Le40.09bn (3.69%) to Le564.64bn and Le1, 127.33bn respectively, in April 2008, while Reserve Money contracted by Le2.38bn (0.58%) to Le409.72bn. The rise in M1 resulted from the increases in Currency in Circulation (Le10.79bn) and Demand Deposits (Le6.33bn). The growth in M2 was on account of the respective increases in commercial banks’ Foreign Currency (Le9.72bn), Time (Le9.35bn) and Savings (Le2.10bn) Deposits and the rise in M1. The reduction in RM was due to the drop in the commercial banks’ deposits at the Central Bank (Le14.15bn), which was



		3/5/2008	3/12/2008	Monthly Average	4/2/2008	4/9/2008	4/16/2008	4/23/2008	4/30/2008	Monthly Average
Auction Rates/Weighted Avg.	Le/\$	2958.51	2958.15	2958.33	2961.14	2959.17	2961.23	2960.00	2961.20	2960.55
Clearing Rate	Le/\$	0.00	0.00	0.00	2955.00	0.00	2955.00	2955.00	0.00	2955.00

construction, fees, subsidies, grants and subventions to academic institutions. The overall fiscal operations in April 2008 resulted in a deficit of Le12.31bn, which was financed entirely from the treasury balance. The Bank of Sierra Leone’s holdings of Treasury Bills and Treasury Bearer Bonds decreased by Le5.52bn and Le1.44bn respectively, in the review month. Deposit Money Banks reduced their



		Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Leone to Dollar														
Official	Le/\$	2962.81	2957.87	2951.96R	2952.44	2952.27	2951.58	2954.26	2952.22	2952.56	2946.87	2943.62	2941.25	2939.65
Comm. Banks	Le/\$	2962.02	2974.14	2965.99	2967.61	2970.37	2971.81	2974.97	2972.50	2972.39	2967.79	2963.55	2963.37	2961.14
Bureaux	Le/\$	2950.44	2938.51	2938.20	2934.04	2938.01	2933.00	2940.41	2940.01	2935.40	2928.43	2951.42	2957.65	2943.94
Parallel Market	Le/\$	3005.16	3003.94	3003.69	2993.45	2990.91	2987.00	2986.09	2987.19	2976.89	2968.11	2961.14	2965.83	2947.95
Leone to Pound	Le/£	5894.33	5871.60	5858.94	6001.44	5941.71	5955.83	6035.76	6115.56	6104.04	5832.20	5780.00	5889.28	5824.70

		Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Leone to Dollar														
Auction	Le/\$	2977.06	2968.446	2968.31	2977.57	2973.72	2963.53	2968.33	2964.21	2963.12	2962.68	2961.37	2958.33	2960.55
Official ^R	Le/\$	3022.67	3017.63	3011.59R	3012.09									