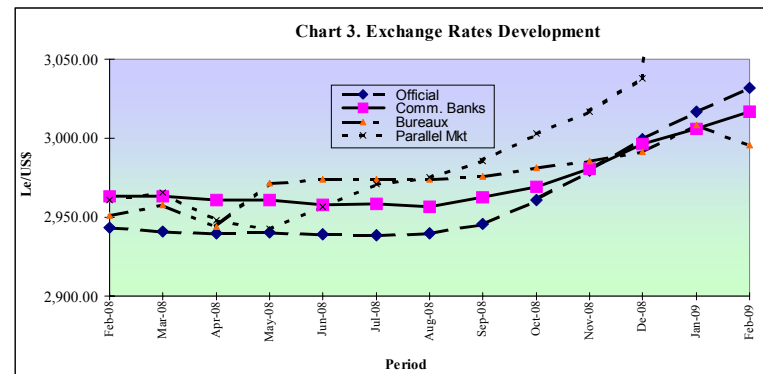




Central Bank's holdings of 3-months and 1-year Treasury Bills and 1-year Treasury Bonds increased by Le4.09bn, Le554mn and Le879mn respectively, which together with the reduction of Le31.45bn in Government Deposits, accounted for the rise in Net Claims on Government by the Bank of Sierra Leone. Net Claims on Government by the commercial banks expanded by Le4.60bn, due to increases in their holdings of the 1-year (Le24.79bn) and 6-months Treasury Bills (Le5.02bn) and 1-year Treasury Bonds (Le653mn). There was however a reduction in the banks' holdings of the 3-months Treasury Bills (Le29.30bn) and Government Deposits at the banks (Le3.72bn). Credit to the private sector by the commercial banks rose by 5.16 percent to Le22.64bn in the period under review. Interest rates pattern in the market in general reflected a downward trend. The Savings, 6 months, 9 months and 12 months Time Deposits declined by 21, 41, 77 and 114 basis points to 6.37 percent, 10.04 percent, 9.33 percent, and 10.72 percent, respectively. The average annual yield on the 182-day and 364-day treasury bills and average interest on the 1 year Treasury Bonds also dropped by 61, 20 and 100 basis points to 11.00 percent, 12.26 percent and 7.00 percent, respectively. The average annual yield on the 91-day Treasury Bills however rose by 4 basis points to 9.39 percent. The interest rate on the 3-months Time Deposit and the lending rate on "overdrafts" however remained unchanged at 9.51 percent and of a range of 23-30 percent, respectively.

Exchange Rates Development

During the reporting period, the monthly average exchange rate of the Leone to the United States Dollars continued to depreciate in all the foreign exchange markets, with the exception of the average buying rate for the bureaux which appreciated by 0.43 percent to Le2,995.70/US\$1. The continued depreciation of the rate remained driven by the demand pressures for foreign currency against the backdrop of limited supply. On the buying front, the parallel rate depreciated the most by 0.99 percent at Le3,089.70/US\$1, followed by the official rate (0.48%) at Le3,031.72/US\$1 and the commercial banks rate (0.36%) at Le3,016.76/US\$1. On the selling front,



the auction market registered the highest depreciation (0.96%) at Le3,106.51/US\$1. The rate for the foreign exchange bureaux depreciated the least (0.17%) at Le3,072.99/US\$1. In between, the parallel market rate depreciated by 0.89 percent at Le3,105.22/US\$1, the commercial banks' rate by 0.59 percent at Le3,104.86/US\$1 and the official market rate by 0.48 percent at Le3,092.97/US\$1, respectively. The premium between the parallel and official buying rates widened further to Le57.98/US\$1 from Le42.14/US\$1 in January 2009.

International Reserves

Gross external reserves of the Bank of Sierra Leone stood at LeUS\$203.40mn as at end-February 2009, indicating depletion by US\$11.40mn (5.31%) relative to its end-January 2009 position. The contraction reflected cumulative outflows of US\$12.28mn markedly outweighing total inflows of US\$0.88mn. Significant inflows during the month comprised US\$0.30mn, being interest earned on Bank of Sierra Leone investments and US\$0.29mn as diamond license fees and exporters' income tax. Major outflows were in respect of US\$5.22mn, being fuel bill payment for electricity support, US\$4.80mn, being the total amount utilized under the Bank of Sierra Leone's weekly foreign exchange auction, US\$1.49mn as embassies/foreign missions payments and US\$0.37mn, being total debt service payments, the bulk of which was in favour of "other multilateral and bilateral organizations" (US\$0.31mn).

| | Sep-07 | Oct-07 | Nov-07 | Dec-07 | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 |
|---------------------------|-----------------|-----------|----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|
| Total Imports o/w | 42161.44 | 30852.13 | 42488.70 | 39922.79 | 45195.12 | 36327.76 | 29368.40 | 45792.68 | 57703.93 | 62253.63 | 54629.25 | 51357.30 | 57117.57 |
| Rice | 000\$ 1881.35 | ** | 3675.00 | ** | 1242.09 | ** | 3611.62 | 12163.92 | 16245.45 | 7607.19 | ** | 1042.72 | 6837.32 |
| Petroleum Products | 000\$ 18054.71 | 6561.83 | 19137.87 | 12879.06 | 14259.42 | 13739.30 | 20165.90 | 24042.74 | 15649.44 | 26719.65 | 18484.10 | 18768.61 | 16387.20 |
| o/w Fuel | 000\$ 15417.79 | 3128.45 | 17499.16 | 10759.24 | 12535.43 | 12681.53 | 19746.76 | 23770.43 | 11063.75 | 20165.52 | 16045.26 | 14327.53 | 13220.05 |
| Others | 000\$ 22225.38 | 24290.30 | 19675.83 | 27043.73 | 29693.61 | 22588.46 | 5590.88 | 9586.02 | 25809.04 | 27926.79 | 36145.15 | 31545.97 | 33893.05 |
| Total Exports o/w | 000\$ 19298.75 | 16837.34 | 13626.43 | 15980.34 | 21069.27 | 23273.43 | 14969.58 | 23474.46 | 20843.46 | 20834.48 | 24621.98 | 12717.05 | 16373.68 |
| Diamonds | 000\$ 9307.74 | 10390.32 | 6597.50 | 6063.26 | 8333.26 | 12407.80 | 7348.27 | 12672.90 | 11361.38 | 13842.99 | 12812.90 | 5413.74 | 6027.95 |
| Bauxite | 000\$ 2862.03 | 2473.48 | 2716.78 | 2962.84 | 2623.11 | 2636.93 | 2658.82 | 1424.39 | 2738.78 | ** | 2866.10 | 1560.24 | 2973.03 |
| Rutile | 000\$ 4883.58 | 2968.39 | 3027.74 | 4531.57 | 2597.75 | 5161.30 | 2626.59 | 5173.53 | 2591.99 | 3626.88 | 2872.50 | 3848.69 | 1950.00 |
| Gold | 000\$ 136.79 | 74.96 | 149.93 | 220.95 | 520.38 | 232.10 | 499.71 | 445.70 | 554.54 | 253.43 | 437.08 | 238.34 | 209.12 |
| Ilmenite | 000\$ ** | ** | ** | ** | ** | ** | ** | 1460.78 | ** | ** | ** | ** | ** |
| Cocoa | 000\$ 754.38 | ** | ** | 222.85 | 1029.50 | 880.80 | 136.44 | 74.38 | 395.68 | ** | ** | 493.84 | 1877.06 |
| Coffee | 000\$ ** | ** | ** | ** | 179.15 | 74.71 | 36.27 | 86.40 | 618.40 | 248.06 | 90.00 | 140.10 | 14.40 |
| Others | 000\$ 820.83 | 894.48 | 893.49 | 882.18 | 740.21 | 1688.87 | 1322.78 | 755.47 | 1766.95 | 736.12 | 1192.00 | 691.16 | 2231.47 |
| Re-exports | 000\$ 533.40 | 35.71 | 18.14 | 18.05 | 2819.16 | 190.93 | 340.70 | 1380.91 | 815.74 | 1955.44 | 4351.40 | 330.94 | 1090.65 |
| Trade Balance | 000\$ -22862.69 | -14014.79 | 28862.27 | -23942.45 | -24125.85 | -13054.33 | -14398.82 | -22318.22 | 36860.47 | -41419.15 | -30007.27 | -38640.25 | -40743.89 |
| Vol. of Imports | | | | | | | | | | | | | |
| Rice | M tons 7679.00 | ** | 15000.00 | ** | 5000.00 | ** | 9500.00 | 32000.00 | 42740.00 | 20000.00 | ** | 2750.00 | 17952.50 |
| Petroleum Products (Fuel) | M tons 20230.19 | 3907.37 | 19666.89 | 12109.96 | 14481.99 | 14457.34 | 19130.87 | 22705.62 | 10141.76 | 15573.69 | 11986.77 | 12394.64 | 13023.67 |
| Vol. of Exports | | | | | | | | | | | | | |
| Diamond | 000carat 31.38 | 45.00 | 25.90 | 24.67 | 45.03 | 53.99 | 28.75 | 37.56 | 38.43 | 40.40 | 48.95 | 18.20 | 21.06 |

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

Research Department
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Highlights

During the month of February 2009, the country received assistance in the area of socio-economic development. On 6th February 2009, the Government of Sierra Leone and the contractors Compagnie Salelienne D'entreprises (CSE) signed a two-year contract at State House, to construct a modern motor highway linking Sierra Leone and Guinea, in the presence of a delegation from the European Commission (EC), which is the funding agency. On 11th February 2009, the Government of Japan and the United Nations International Children's Educational Fund (UNICEF), on behalf of the Government of Sierra Leone, signed a grant of US\$2.9 million, in support of effective strategies to reduce child and maternal mortality in Sierra Leone. In another development, the UNICEF country Representative, Geert Capalacre, on 12th February 2009, handed over three (3) vehicles to the Ministry of Health and Sanitation, to support the monitoring of its Reproductive Child

Real Sector

Real sector performance in the review period was mixed. In the manufacturing sub-sector, most Industries recorded decreases in their output levels. Output of soft drinks, acetylene, oxygen, confectionery, common soap and flour declined by 18.90 thousand crates (17.39%) to 89.80 thousand crates, 1.19 thousand cubic feet (7.94%) to 13.80 thousand cubic feet, 1.40 thousand cubic feet (6.83%) to 19.10 thousand cubic feet, 8.26 thousand pounds (2.78%) to 288.59 thousand pounds, 32.75 thousand metric tons (75.99%) to 10.35 thousand metric tons and 0.40 thousand metric tons (26.32%) to 1.12 thousand metric tons, respectively. The lower production level of soft drinks in the month was due to stocks being carried over from the preceding month, coupled with strong competition from the imported brands. Similarly, the volumes of acetylene and oxygen gases produced in the period under review fell relative to the preceding month, prompted by a drop in consumer demand, while the decrease in the output of confectionery and common soap was also in

Table 1

| | | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 |
|---------------------------|--------------|---------|--------|--------|--------|--------|--------|--------|---------|---------|--------|---------|--------|--------|
| PRODUCTION | | | | | | | | | | | | | | |
| Minerals | | | | | | | | | | | | | | |
| Diamonds | 000carats | 53.99 | 28.75 | 37.56 | 38.43 | 40.40 | 46.94 | 18.20 | 21.06 | 17.57 | 5.17 | 18.19 | 17.16 | 32.35 |
| Agriculture | | | | | | | | | | | | | | |
| Coffee | M tons | 103.00 | 50.00 | 108.00 | 773.00 | 342.00 | 0.00 | 575.70 | 18.00 | 0.00 | 0.00 | 0.00 | n.a. | n.a. |
| Cocoa | M tons | 1091.00 | 169.00 | 87.50 | 225.00 | 200.00 | 124.08 | 193.16 | 2346.32 | 5300.09 | 656.00 | 3205.00 | n.a. | n.a. |
| Manufactured Goods | | | | | | | | | | | | | | |
| Beer and Stout | 000' ctns | 70.82 | 58.62 | 48.67 | 75.56 | 48.83 | 65.39 | 38.14 | 67.96 | 82.93 | 56.87 | 38.39 | 50.91 | 84.46 |
| Maltina | 000' ctns | 16.02 | 10.57 | 11.84 | 20.01 | 10.86 | 14.76 | 7.06 | 16.31 | 14.06 | 13.98 | 22.01 | 9.99 | 24.50 |
| Softdrinks | 000' crates | 161.68 | n.a. | 167.84 | 130.89 | 129.26 | 148.09 | 100.94 | 80.19 | 111.43 | 79.31 | 127.34 | 108.70 | 89.80 |
| Cement | 000' M tons | 24.66 | 26.04 | 24.39 | 26.24 | 22.30 | 19.91 | 17.33 | 15.43 | 18.23 | 16.85 | 18.51 | 22.41 | 22.74 |
| Common Soap | 000' M tons | 53.30 | 63.30 | 50.07 | 85.01 | 127.19 | n.a. | n.a. | 36.32 | 126.96 | 0.00 | 70.51 | 43.10 | 10.35 |
| Paint | 000' gallons | 14.12 | 12.11 | 12.82 | 14.10 | n.a. | 14.66 | 20.96 | 11.03 | 16.17 | 11.75 | 21.75 | 12.56 | 12.69 |
| Acetylene | 000'Cu. Ft | 15.57 | 15.20 | 12.04 | 11.99 | 11.24 | 11.72 | 12.04 | 11.02 | 9.60 | 9.25 | 8.95 | 14.99 | 13.80 |
| Oxygen | 000'Cu. Ft | 33.05 | 29.94 | 24.63 | 25.08 | 24.47 | 25.54 | 24.22 | 23.13 | 20.65 | 20.15 | 19.50 | 20.50 | 19.10 |
| Confectionery | 000' lbs | 288.13 | 220.62 | 287.49 | 258.38 | 82.61 | 335.31 | 273.03 | 240.86 | 196.20 | 248.50 | 161.03 | 296.85 | 288.59 |

Sources: Manufacturing Industries, Gold and Diamond Department

Table 2

| | | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 |
|-----------------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Inflation Rates - National | | | | | | | | | | | | | | |
| Monthly Inflation Rate | % | 2.12 | -0.15 | 2.16 | 2.70 | 0.06 | 1.47 | 1.17 | 1.16 | 0.58 | 0.71 | 0.48 | -1.45 | -0.38 |
| Annual Inflation Rate (Yr-on-Yr) | % | 9.73 | 10.99 | 13.15 | 15.28 | 15.04 | 16.05 | 14.81 | 15.75 | 14.97 | 13.15 | 13.21 | 9.64 | 7.04 |
| Consumer Price Index | | 173.20 | 172.94 | 178.39 | 183.21 | 183.32 | 186.02 | 188.23 | 190.42 | 189.32 | 187.97 | 188.88 | 186.15 | 185.44 |

Source: Statistics Sierra Leone

Health Programme in the country. Also, on the 26th February 2009, the Sierra Leonean Parliament ratified the Petroleum Agreement between the Government of Sierra Leone and REPSOL Exploration Company and WOODSIDE Energy PTY Limited, for the commencement of oil exploration in the country. Monetary aggregates expanded during the month with Narrow Money (M1), Broad Money (M2) and Reserve Money (RM) increasing by 3.06 percent, 3.52 percent and 3.80 percent, respectively. The monthly fiscal balance for February 2009 recorded a deficit of Le36.45bn from a surplus of Le43.66bn in January 2009, on account of a marked increase in expenditure against the backdrop of a reduction in revenue collections during the month. The monthly average exchange rate of the Leone to the United States Dollar for February 2009 depreciated further in all the foreign exchange channels and the gross external reserves of the Central Bank dropped to US\$203.40mn at end of the reporting period, from US\$214.80mn at end January 2009. The national year-on-year inflation rate recorded a lower single-digit position of 7.04 percent in February 2009 from 9.64 percent in January 2009.

response to stocks being carried over from the preceding month and scarcity of raw materials, respectively. The decline in the production level of flour was also in response to a contraction in customer demand. In contrast, increased production levels were recorded for beer & stout, Maltina drink, cement and paint, by 35.55 thousand cartons (65.90%) to 84.46 thousand cartons, 14.51 thousand cartons (145.25%) to 24.50 thousand cartons, 0.33 thousand metric tons (1.47%) to 22.74 thousand metric tons and 0.13 thousand gallons (1.04%) to 12.69 thousand gallons, respectively. The higher output levels for beer & stout and Maltina drink reflected

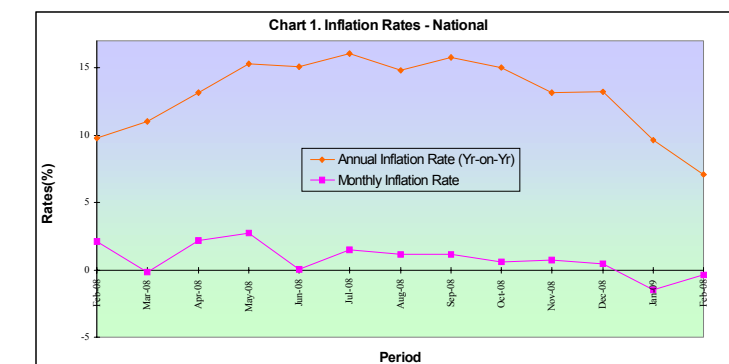


Table 3. Government Finances

| | | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 |
|------------------------------------|-------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Revenue (Plus Grants) | Le Mn | 39599 | 52433 | 46856 | 53400 | 55249 | 85183 | 109785 | 53312 | 52737 | 48336 | 89356 | 77642 | 40621 |
| Domestic Revenue | Le Mn | 39599 | 51986 | 43791 | 53400 | 55249 | 60654 | 46921 | 53312 | 46654 | 48336 | 59404 | 47233 | 40621 |
| Customs & Excise | Le Mn | 25955 | 27659 | 29627 | 31917 | 31073 | 35994 | 28745 | 27361 | 32009 | 31300 | 32284 | 29990 | 25375 |
| Income Tax Dept | Le Mn | 10998 | 19233 | 11373 | 17307 | 17904 | 13253 | 16157 | 19226 | 12440 | 13806 | 17610 | 14345 | 10506 |
| Miscellaneous | Le Mn | 2646 | 5094 | 2791 | 4176 | 6272 | 11407 | 2019 | 6725 | 2205 | 3230 | 9510 | 2898 | 4740 |
| Programmed Funds (Grants) | Le Mn | ** | 447 | 3065 | ** | ** | 24529 | 62864 | ** | 6083 | ** | 29952 | 30409 | ** |
| Fund of which | | | | | | | | | | | | | | |
| HIPC | Le Mn | ** | 447 | 3065 | ** | ** | 1949 | ** | ** | 6083 | ** | ** | 669 | ** |
| Others* | Le Mn | ** | ** | ** | ** | ** | 22580 | 62864 | ** | ** | ** | 29952 | 29740 | ** |
| Total Expenditure | Le Mn | 53330 | 59937 | 59162 | 71530 | 72638 | 70950 | 77920 | 71340 | 66002 | 66188 | 88916 | 33982 | 77070 |
| Pensions, Wages & Salaries | Le Mn | 26720 | 20477 | 28815 | 32392 | 15721 | 34391 | 34678 | 21120 | 29738 | 26381 | 29779 | 17944 | 35321 |
| Other Expenditures | Le Mn | 17229 | 32126 | 20902 | 25999 | 46348 | 26728 | 28925 | 44299 | 26328 | 30650 | 43270 | 8471 | 31457 |
| Debt Service Payment | Le Mn | 9381 | 7334 | 9445 | 13139 | 10569 | 9831 | 14317 | 5921 | 9936 | 9157 | 15867 | 7567 | 10292 |
| Domestic | Le Mn | 6577 | 5656 | 7224 | 12441 | 7534 | 8795 | 13404 | 4117 | 8693 | 8954 | 12087 | 6898 | 9170 |
| Foreign | Le Mn | 2804 | 1678 | 2221 | 689 | 3034.59 | 1036 | 913 | 1804 | 1243 | 203 | 3780 | 669 | 1122 |
| Overall Deficit/Surplus | Le Mn | -13731 | -7504 | -12306 | -18130 | -17389 | -14233 | 31865 | -18028 | -13265 | -17852 | 440 | 43660 | -36449 |
| Total Financing | Le Mn | 13731 | 7504 | 12306 | 18130 | 17389 | -14233 | -31865 | 18028 | 13265 | 17852 | -440 | -43660 | 36449 |
| Bank Financing | Le Mn | -1376 | 12892 | -22329 | -5179 | 27759R | -1039 | -1849 | 40872 | -5957 | 37181 | 1141 | -2417 | 6376 |
| Bank of Sierra Leone | Le Mn | -8668 | -1604 | -6962 | -10205 | 16790 | -24798 | -5858 | 1579 | -538 | 24549 | 4336 | -5286 | 5218 |
| Commercial Banks | Le Mn | 7292 | 14496 | -15367 | 5026 | 10969 | 23759 | 4009 | 39293 | -5419 | 12632 | -3195 | 2869 | 1158 |
| Non-Bank Financing | Le Mn | 1376 | -12892 | 22329 | 5179 | -16358R | -10362 | 1849 | -40872 | 5957 | -21089 | -2406 | 2417 | -6375 |
| Treasury Balance | Le Mn | 13731 | -12086 | 12306 | 16030 | 5988 | -2832 | -31865 | 17670 | 12907 | 1760 | 825 | -43660 | 36448 |
| Foreign Finance | Le Mn | ** | 19590 | ** | 2100 | ** | ** | 358*** | 358 | ** | ** | ** | ** | ** |

Sources: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone
 *** - chinese loan wrongly posted in Sept and reversed in Oct tober

increased demand for the commodities, as it was for cement and paint, due to increased building, construction and renovation activities. The total units of electricity generated in the month under review dropped by 1.20 GW/hr (10.39%) to 10.35 GW/hr. The drop was attributed to a temporary halt in production activities as a result of maintenance work being carried on some of the transmission lines during the month. In the mining sub-sector, total shipment of diamonds as recorded by the Gold and Diamond Department (GDD), rose by 15.19 thousand carats (88.52%) to 32.35 thousand carats, comprising 10.33 thousand carats of industrial diamonds and 22.02 thousand carats of gem diamonds. The significant increase in shipment was attributed to increased diamond mining activities during the month. Output of ilmenite (a bye-product of rutile) also rose by 0.15 thousand metric tons (9.74%) to 1.69 thousand metric tons over the month, as a result of larger deposits of the mineral in the areas mined. The output of bauxite and rutile, on the other hand, decreased by 1.03 metric tons (1.02%) to 99.83 thousand metric tons and 6.17 thousand metric tons (51.89%) to 5.72 thousand metric tons, respectively. The national year-on-year Inflation rate declined by 2.6 percentage points from 9.64 percent in January 2009 to 7.04 percent in February 2009. Similarly, the monthly inflation rate declined to -0.38 percent in February 2009. The decline in the inflation rate in the reporting month was driven by decreases in the consumer price index for food (2%), reinforced by decreases in the prices of some non-food products such as tobacco (-8%), Narcotics (-1.5%), Household textiles (-1.8%), and telephone services (-12.1%). Single digit year-on-year rates of inflation were recorded in all centres during the month of February 2009. The Freetown year-on-year inflation rate (1992=100) also decreased from 11.18 percent in January 2009 to 9.75 percent in February 2008.

Fiscal Operations

Total fiscal receipts (including grants) collected in February 2009 amounted to Le40.62bn, indicating a decrease of Le37.02bn (47.68%) on the preceding month's total of Le77.64bn but exceeding the corresponding position in February 2008 of Le39.60bn by Le1.02bn (2.58%). The weak performance in total revenue (plus grants) relative to January 2009 was due to the non-receipt of expected foreign inflows, coupled with a drop in domestic revenue collections in the review period. Domestic receipts collected in February 2009 stood at Le40.62bn, Le1.02bn (2.58%) above the corresponding position of Le39.60bn in 2008 but Le6.61bn (14.00%) below the preceding month's total domestic receipts of Le47.23bn. Revenue from customs and excise duties totaled Le25.38bn for the review month, Le0.58bn (2.23%) and Le4.62bn (15.39%) lower than the corresponding 2008 and the preceding month's position, respectively. The decline in customs and excise receipts for February 2009 was

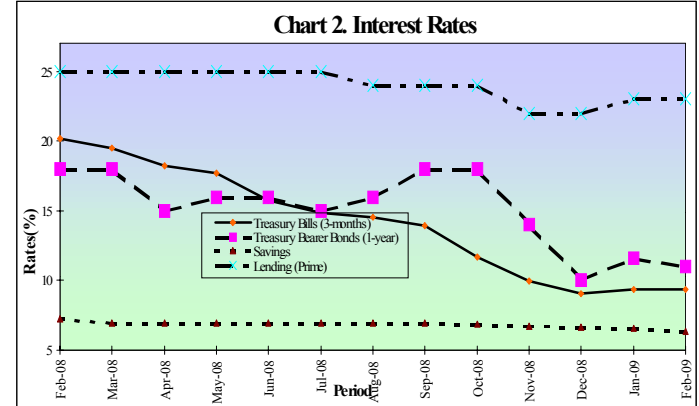


Table 4. Monetary Aggregates

| | | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 |
|---------------------------------|-------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Reserve Money (RM) | Le Mn | 392141 | 412106 | 409722 | 409316 | 431172 | 433446 | 468769 | 464217 | 449698 | 445292 | 466801 | 437454 | 454076 |
| Broad Money (M2) | Le Mn | 1068054R | 1087240 | 1127328 | 1125104 | 1154095 | 1138973 | 1195584 | 1223169 | 1258270 | 1290894 | 1321241 | 1326183 | 1372842 |
| Narrow Money (M1) | Le Mn | 543649R | 547526 | 564639 | 584906 | 591059 | 597976 | 622451 | 626751 | 612506 | 633449 | 666668 | 675031 | 695656 |
| Currency in Circulation | Le Mn | 302172R | 299581 | 310367 | 311649 | 310531 | 304931 | 319654 | 321519 | 312712 | 320679 | 340355 | 336816 | 337449 |
| Demand Deposits | Le Mn | 241477R | 247945 | 254272 | 273258 | 280528 | 274845 | 302797 | 305232 | 299794 | 312770 | 326313 | 338215 | 358207 |
| Net Claims on Government | Le Mn | 182311R | 174350R | 160890R | 167612R | 192341R | 168040R | 118076R | 199226R | 197716R | 226495R | 246544R | 193997R | 235241 |
| BSL ^A | Le Mn | 18205R | 2789R | 10961R | 10216R | 34619R | 9156R | -29060R | -8167R | 5500R | 24294R | 39430R | -10925R | 25721 |
| DMB | Le Mn | 164106R | 171561 | 149929 | 157396 | 157722 | 158884 | 147136 | 207393 | 192216 | 202201 | 207114 | 204922 | 209520 |
| Claims on Private Sector | Le Mn | 285745R | 297335 | 317230 | 310129 | 316960 | 329082 | 351252 | 371600 | 385265 | 413439 | 446984 | 469811 | |
| Of Which: Commercial Banks** | Le Mn | 279648R | 291142 | 310687 | 304230 | 311520 | 323912 | 346504 | 365873 | 379961 | 413771 | 406427 | 438763 | 461405 |
| Net Foreign Assets | Le Mn | 810968R | 824304 | 837738 | 819979 | 821426 | 791551 | 833357 | 801809 | 832512 | 809132 | 832240 | 831467 | 792727 |
| Other Items (Net) | Le Mn | 210970R | 208749 | 188530 | 172616 | 176632R | 149700 | 107101R | 149466 | 157223 | 163198R | 170982 | 146265 | 124937 |

^AExcludes Government Securities issued on behalf of BSL and HPC Deposits
^BRevised 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-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 |
|--------------------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Treasury Bills (3-months) | % | 20.2 | 19.5 | 18.18 | 17.72 | 15.73 | 14.82 | 14.5 | 13.97 | 11.66 | 9.95 | 9.06 | 9.35 | 9.39 |
| Treasury Bearer Bonds (1-yr.) | % | 18.00 | 18.00 | 15.00 | 16.00 | 10.49 | 19.92 | 18.97 | 19.10 | 16.12 | 14.23 | 13.02 | 12.46 | 12.26 |
| Deposits | | | | | | | | | | | | | | |
| Savings | % | 7.25 | 6.95 | 6.95 | 6.95 | 6.95 | 6.95 | 6.95 | 6.95 | 6.88 | 6.71 | 6.65 | 6.58 | 6.37 |
| 1 - 3 month | % | 9.7 | 9.7 | 9.7 | 9.7 | 9.7 | 9.7 | 9.8 | 9.81 | 9.79 | 9.14 | 9.67 | 9.51 | 9.51 |
| 3 - 6 month | % | 10.55 | 10.55 | 10.55 | 10.55 | 10.55 | 10.55 | 10.65 | 10.68 | 10.73 | 10.62 | 10.58 | 10.45 | 10.04 |
| 6 - 9 month | % | 10.25 | 10.25 | 10.25 | 10.25 | 10.25 | 10.25 | 10.25 | 10.38 | 10.25 | 10.38 | 10.42 | 10.10 | 9.33 |
| 9 - 12 month | % | 12 | 12 | 12 | 12 | 12 | 12 | 12.01 | 12.01 | 12.08 | 12.02 | 12.00 | 11.86 | 10.72 |
| Lending (Prime) | % | 25-31 | 25-31 | 25-31 | 25-31 | 25-31 | 25-31 | 24-31 | 24-32 | 24-30 | 22-30 | 22-30 | 23-30 | 23-30 |

Source: Bank of Sierra Leone

due to lower volume of dutiable imports for the month. Income tax receipts of Le10.51bn were also Le0.49bn (4.47%) and Le3.84bn (26.76%) lower than the February 2008 and January 2009 positions, respectively. Revenue from the "miscellaneous items" sub-category recorded at Le4.74bn was Le2.09bn (79.14%) and Le1.84bn (63.56%) higher than the corresponding 2008 and preceding month's positions, respectively. Aggregate expenditure for February 2009 recorded Le77.07bn, Le23.74bn (44.52%) and Le43.09bn (126.80%) higher than total expenditure for February 2008 and January 2009, respectively. Expenditure on pensions and wages and salaries recorded Le35.32bn for the period, and was Le8.60bn (32.19%) and Le17.38bn (96.84%) more than similar expenditures in February 2008 and January 2009, respectively. The category of "other expenditures" recorded a total of Le31.46bn, Le14.23bn (82.57%) and Le22.99bn (271.35%) in excess of total outlays for the corresponding month in 2008 and the preceding month, respectively. In the same vein, spending on debt servicing for the period recorded at Le10.29bn was 9.72 percent and 36.01 percent higher than total debt servicing in February 2008 and January 2009, respectively. "Other expenditures", which principally comprised goods and services, constituted cost of drugs and medical equipments to the Ministry of Health and Sanitation, Defence expenditure, quarterly allocation to the the Sierra Leone Police, payment to the Ministry of Education, Science and Technology, payment to Salini Construction Company (Salcost) for the construction of roads, and payments to the National Petroleum Company and other oil companies for the supply of fuel and lubricants to various government departments. Fiscal operations for the review month resulted in an overall deficit of Le36.45bn compared with a surplus of Le43.66bn for the preceding month. The deficit was financed entirely from the treasury balance. The Bank of Sierra Leone increased its holdings of treasury bills and treasury bearer

bonds by Le4.34bn and Le0.88bn, respectively. Similarly, the commercial banks increased their holdings of treasury bills and treasury bearer bonds by Le0.51bn and Le0.65bn respectively, while the non-bank public reduced it's holdings of treasury bills and treasury bearer bonds by Le1.35bn and Le5.02bn, respectively.

Monetary Developments

Narrow Money (M1), Broad Money (M2) and Reserve Money (RM) grew by Le20.63bn (3.06%), Le46.66bn (3.52%) and Le16.62bn (3.80%) to Le695.66bn, Le1,372.84bn and Le454.08bn respectively, in February 2009. The growth in M1 resulted from the increases in Demand Deposits (Le19.99bn) and Currency in Circulation (Le633mn), while the expansion in Money Supply (M2) continued to be driven by domestic sources. Net Domestic Assets (NDA) expanded by Le85.40 over the month, more than twofold the reduction of Le 38.74bn in Net Foreign Assets. Domestic Credit also grew by Le64.07bn (10.00%) over the period. Commercial banks' Time, Foreign Currency and Savings Deposits also increased by Le21.14bn (22.76%), Le3.41bn (1.13%) and Le3.31bn (3.13%) respectively, during the review period. Growth in Reserve Money was accounted for by the increases in Bankers' Deposits (Le 12.35bn), Private Sector Deposits (Le2.67bn) and Currency Issued (Le1.90bn). Over the one-year period to February 2009, M1, M2, and RM expanded by Le152.01bn (27.96%), Le304.79bn (28.54%) and Le61.94bn (15.79%), respectively. Net Claims on Government by the banking system grew by Le41.24bn (21.26%) on account of increases in Net Claims on Government by both the Bank of Sierra Leone (Le36.65bn) and commercial banks (Le4.60bn). The



Table 6. EXCHANGE RATES (Average Monthly Buying)

| | | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | Jan-09 | Feb-09 |
|------------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Leone to Dollar | | | | | | | | | | | | | | |
| Official | Le/\$ | 2943.62 | 2941.25 | 2939.65 | 2940.63 | 2939.27 | 2938.57 | 2939.70 | 2946.08 | 2960.72 | 2979.46 | 2999.63 | 3017.15 | 3031.72 |
| Comm. Banks | Le/\$ | 2963.55 | 2963.37 | 2961.14 | 2960.85 | 2957.90 | 2958.40 | 2956.48 | 2962.44 | 2969.39 | 2980.70 | 2996.16 | 3005.91 | 3016.76 |
| Bureaux | Le/\$ | 2951.42 | 2957.65 | 2943.94 | 2971.77 | 2973.89 | 2974.07 | 2973.95 | 2976.03 | 2981.44 | 2985.34 | 2991.48 | 3008.57 | 2995.70 |
| Parallel Market | Le/\$ | 2961.14 | 2965.83 | 2947.95 | 2942.55 | 2956.81 | 2971.17 | 2975.55 | 2985.66 | 3002.77 | 3016.83 | 3037.90 | 3059.29 | 3089.70 |
| Leone to Pound | Le/£ | 5780.00 | 5889.28 | 5824.70 | 5786.36 | 5783.88 | 5842.28 | 5569.15 | | | | | | |