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LIBERIA

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A clear path for sustained economic development

Emerging from the aftereffects of civil war and the Ebola virus outbreak, Liberia is determined to diversify its economy and develop its untapped potential

Today, on July 26, Africa's oldest republic celebrates 170 years of independence. And yet, over the past three decades, Liberia has undoubtedly experienced one of the most difficult periods in its history. The country is still coming to terms with the 1989-2003 civil war, which wiped out almost 90 percent of its economy and left its infrastructure in ruins.

However, Liberia has enjoyed an extended period of peace and stability since Ellen Johnson Sirleaf, Africa's first democratically elected female head of state, won the presidential election in October 2005.

She has become an iconic female leader on the international stage, known for her passionate commitment to integrity and good governance. Her key values are hard work, humility and honesty — and she has provided her country with a strong example of moral leadership. She has done much to secure democracy, the rule of law and an open and free society, while also focusing her efforts on rebuilding infrastructure and basic social services such as education and health care.

Furthermore, she has succeeded in negotiating forgiveness on nearly \$5 billion of the country's external debt and lured hundreds of millions of dollars in fresh donor aid.

In 2011, Sirleaf was re-elected for a second term. In the same year, she received the Nobel Peace Prize for her contributions to securing peace, promoting economic and social development, and strengthening the position of Liberian women.

Sirleaf has certainly put Liberia back on the map. By late 2011, her government had restored basic order, opened the country to foreign investors and reactivated the country's small economy.

Rebuilding the country

From the onset, Sirleaf's administration has shown a strong determination to rebuild the nation's institutions and rehabilitate its infrastructure. It has been seeking the right mix of policies, focusing on sectors most in need of development, including agriculture, energy, transport, education and health.

In recent years, a number of flagship projects have been launched. One such project is the extensive reconstruction of the 88-megawatt Mount Coffee hydroelectric power plant, following its destruction during the civil war. The opening of its first turbine-generator unit was celebrated in December. Energy supply is a major priority in the country's growth strategy, as it is a prerequisite for improving living conditions and kick-starting the economy.

Another priority is the development of a brand new passenger terminal building and the construction of a new runway at the Roberts International Airport. This significant project will put Liberia's international airport on par with other countries in Africa, ensuring a warm welcome for both visitors and potential investors.

But the path toward sustainable development and growth has not been smooth. In 2014, the country was hit by twin shocks — a sharp fall in commodity prices, coupled with the Ebola virus

— which lead to business closures, job losses and reduced fiscal revenues. "The impact was huge. In 2012, our economy had a 9 percent growth rate; it plummeted to 0 percent in the last few years," explained Sirleaf.

Boima S. Kamara, minister of finance and development planning, added: "From 2006 to 2013, the country was experiencing an average GDP growth of 7 percent in real terms. The key drivers were the mining and agriculture sectors — rubber and iron ore exports being the main revenue earners. The Ebola crisis of 2014 significantly affected economic growth — real GDP went down to 0 percent."

Furthermore, around the same time, the United Nations Mission in Liberia (UNMIL) began withdrawing its peacekeeping forces, reducing its military and police personnel from 17,000 to 2,000. This affected micro and medium-sized enterprises, and reduced the inflow of U.S. dollars into the economy.

A resilient nation

Despite these hard-hitting setbacks, the government has shown resilience and determination to continue rebuilding the country.

In 2016, Sirleaf predicted it would take two years to recover from the Ebola epidemic, which killed more than 4,800 people. She said: "We are now on an upward trajectory and expect growth to reach 2.5 percent in 2017."

"A peaceful election should cement democratic gains and encourage foreign investment. The winner needs to consolidate peace and turn investment into jobs."

Ellen Johnson Sirleaf, President of Liberia

The government has a clear goal in mind: "The prime objective of our national development strategy, Vision 2030, is to become a middle-income country in the near future," Kamara added: "To achieve the aims of Vision 2030, our economy's growth rate has to be at a stable eight percent. To get there, we need international support to get our agriculture, energy and transport agendas right."

Attracting capital

A great part of Liberia's facilities were destroyed during the civil war, leaving a need for redevelopment in most sectors. As a small country, with a population of around 4.5 million, Liberia relies heavily on assistance from donors and foreign investment.

Rich in many natural resources, the country has the potential to become self-sufficient in terms of food. However, the absence of developed infrastructure significantly reduces the ability to reach this goal. Sirleaf said: "Liberia has an abundance of resources, and yet, it has nei-

ther the capital nor the capacity to exploit them."

Since the start of her administration, she has taken active steps to reduce corruption and build support from international donors, encouraging investors to see Liberia as an emerging economy with diverse investment opportunities in both the public and private sectors.

She stressed: "Our focus is on improving our infrastructure. We have to attract more private capital and foreign investment. Once our infrastructure is developed, we will have more opportunity to grow and reach the same level as we had before the Ebola crisis."

Resilience building

The government has set building the resilience of the economy as a priority, to ensure that in the future it is less vulnerable to external shocks such as fluctuations in commodity prices. As part of this, it is putting a large emphasis on diversification, to add value to the goods and services it produces, and to strengthen the local market.

Kamara stressed: "This way, we will be able to navigate away from future shocks, build a more resilient economy and increase the inflow of foreign investment. At present, the economy is highly import driven. Seventy to 80 percent of what we consume as a country is imported. We cannot continue to lose foreign exchange earnings by being import dependent."

With diversification in mind, the government's Agriculture Transformation Agenda, highlights how the country plans to move forward into value addition in cocoa, coffee, rubber, domestic rice production and aquaculture. "As a country, we cannot continue to rely on the export of natural resources. If we do not add value, the sustainability of job creation will be difficult to achieve," Kamara added.

He also pointed out the potential of Liberia's blue economy. "We want to make the most out of the use of the Atlantic Ocean. If developed, fishing could become a significant source of revenue for the domestic economy, and reposition us for export."

Investment opportunities

There are many reasons to invest in Liberia. The country provides access to regional markets — over 335 million consumers through the Economic Community of West African States. Additionally, it has low labor costs, a young population, a dual currency system (the country uses both local Liberian dollars as well as U.S. dollars) and a minimum restriction on the repatriation of profits.

There is a profusion of opportunities in many industry sectors and the government is focused on providing incentives to foreign investors, particularly in construction and agriculture. "We need to get the right foreign direct investment, which we will be able to receive if we improve the business climate. Liberia should be seen as a friendly investment destination," said Kamara.

In terms of infrastructure, ample opportunities exist for the development of key transport networks, power plants, communication, electricity and water networks. Furthermore, Liberia's four ports require reconstruction and upgrade, particularly as the Liberian economy is based largely on trade.

As mentioned, the government is also committed to encouraging the rapid growth of its agricultural industry, as the revival of this sector



President Ellen Johnson Sirleaf and Japanese Prime Minister Shinzo Abe.

would be instrumental in providing jobs, food security, and in turning Liberia from a net food importer to an exporter.

Japan: A prime role model

During 55 years of strong diplomatic ties, Japan and Liberia have developed friendly relations and close cooperation. This has been strengthened significantly during Sirleaf's administration, through frequent high-level visits and dialogues at various diplomatic meetings.

"We have always had a stable relationship. Japan is a very reliable partner. We would like to see increased investment from Japanese companies and investors, since they are skilled and have technological knowledge that can bring new resources to the country, build capacity, and help inspire young people," she said.

The sixth Tokyo International Conference on African Development (TICAD VI), the first ever TICAD summit held in Africa, at the Kenyatta International Convention Centre in Nairobi, further strengthened the possibilities for Japan-Liberia cooperation. During the conference, Prime Minister Shinzo Abe committed to a \$30 billion investment in Africa over a period of three years, including a \$10-billion investment in infrastructure development and \$20 billion in public-private partnerships with Japan's private sector.

"In terms of development cooperation, TICAD has a strong impact — it is what we need in Africa. TICAD has helped our cause immensely. It is an excellent way to bring partners together. We have accomplished many achievements, thanks to Japanese support," said Sirleaf.

The Japanese government has played a part in Liberia's reconstruction and development agenda, through the provision of support to urban and rural infrastructure and food security projects.

The Japanese government supported a Paddy and Seed Rice Project, with a \$4 million grant, as an extension of donating 8,612 metric tons of assorted rice to help food security projects in Liberia.

Japan was also one of the first countries to come back to Liberia in the aftermath of the Ebola virus outbreak, to help rebuild the country, and the Japan International Cooperation Agency has played an important role in contributing to the improvement of socioeconomic conditions in Liberia.

Overall, between 2012 and 2016, the Japanese government invested over \$100 million in Liberia's development projects, including plans such as the Master Plan Study on Urban Facilities Rehabilitation and Improvement in Monrovia, the Somalia Drive Reconstruction Project, the Bushrod Island Heavy Fuel Oil-fired

Power Plant, the Public Administration Training Program and the Montserrado County Health Management Project.

A new democratic era

A major political and economic transformation has certainly been underway in Liberia, when comparing where the country stands today to where it was a decade ago.

With the upcoming national elections on Oct. 10, Sirleaf will be stepping down, in line with the country's two-term presidential limit. She is optimistic that there will be a smooth transition, "The election will be a true test for the people and a huge step for national recovery," she said. Her hope is that the next administration will: "Follow the program we have put in place, so that we have continuity. Even though every new administration wants to implement new things, we really hope they still follow the prosperity path we have put in place, as it has not been set by the cabinet, but by the people of this country."

The election will be an indicator of whether Liberia can secure its transition from war to peace and stability. Sirleaf concluded by saying, "A peaceful election should cement democratic gains and encourage foreign investment. The winner needs to consolidate peace and turn investment into jobs."

Liberia is making impressive socioeconomic progress by promoting inclusive long-term and sustainable growth

A powerful driving force for change across Liberia, the Ministry of Finance and Development Planning is spearheading the government's comprehensive strategy of building a better future through integrated infrastructure development. Flagship development projects include the state-of-the-art Mount Coffee hydroelectric power plant, numerous newly build and rehabilitated roads, a new ministerial complex and a modern airport terminal and runway.

Mount Coffee Hydro Project

Somalia Drive Road Construction

Ganta Redlight Road

Ministerial Complex

Proposed RIA Terminal

Ministry of Finance & Development Planning
Monrovia, Liberia
www.mfdp.gov.lr

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LIBERIA

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Advancing the banking and insurance sectors

The banking and insurance industries are increasingly expanding their services, while the government strives to promote financial inclusion and strengthen the sector through prudent policies

The Liberian financial sector is fairly diversified, consisting of nine banks, 20 insurance companies and 20 microfinance organizations, as well as nine rural community finance institutions and 400 credit unions.

In recent years, the government has taken key steps to strengthen and balance its financial policies. Boima S. Kamara, the minister of finance and development planning, said: “Our emphasis has been on ensuring that the expansion of money supply is contained. Therefore, money-supply growth will be restrained to be consistent with real GDP growth.

“We have to balance the monetary and fiscal policies, which will allow us to increase government spending in critical sectors. The economy needs more domestic investment to turn the wheel of recovery, but our money market is not fully developed, it is still in its infancy.”

A dollarized economy

The country’s domestic currency is the Liberian dollar, but the economy is highly U.S.-dollarized — all of the major transactions in the banking system are made in U.S. dollars, which account for almost 90 percent of all deposits. Although the U.S.-dollarization limits the ability of Liberia’s monetary authorities to control money supply and interest rates, this dual currency system has effectively steadied price levels and supported the country’s economic recovery efforts in the postwar period. According to Kamara: “The existing dual currency regime has certainly helped with the stabilization of the economy, amid all of the challenges. The stability of the U.S. dollar provides protection for deposits, and can serve as a support base for economic activities and the easier transaction of goods.”

Kamara said that, in the medium-term, the government aims to generate a wider use of the local currency, strengthen the financial market and build a more efficient money market.

Modernizing the sector

The Central Bank of Liberia (CBL) has been working to maintain financial stability, strengthen the sector and increase public confidence. Milton A. Weeks, the executive governor of CBL, highlights the progress made: “Over recent years, the banking sector has been modernized and many regulations have been introduced to maintain positive growth and a healthy banking sector. At the central bank, our mandate is primarily to maintain a low inflation rate and a stable exchange rate.”

The percentage of people using banking services in the country remains low. “At the moment, the access to financial services lies at 10 percent of the adult population,” said Weeks.

In addition, for those who are signed up to these services, there is limited physical access to commercial banks.

Therefore, particularly in rural areas, non-bank financial institutions have increased in importance. Mobile money, a relatively new financial service channel, has been on the rise in Liberia. Such services started in 2011 after CBL issued mobile money guidelines.

“We will be expanding mobile money options and creating other digital forms of access to financial services. We aim to reach the majority of the population, through credit unions and financial institutions. We have to focus on building these institutions to be able to deliver services,” Weeks commented. In 2009, the Liberian government introduced a National Strategy for



Boima S. Kamara
Minister of Finance and Development Planning

Financial Inclusion, as access to finance is a critical barrier for many Liberians. The strategy lays out a set of interventions in the aim of increasing the financial services and resources available across the country.

In this context, non-bank financial institutions have begun to play a significant role. For example, microfinance institutions complement commercial banks by offering financial services to individuals and mirco, small and medium-

“We have to balance the monetary and fiscal policies, which will allow us to increase government spending in critical sectors.”

Boima S. Kamara
Minister of Finance and Development Planning

size enterprises.

In 2014, the central bank also developed regulatory and supervisory frameworks to promote the establishment, operation and efficient management of rural community finance institutions. Owned by members of the community, these institutions offer a number of banking services.

LBDI: Liberia's second-largest bank

The Liberian Bank for Development and Investment (LBDI) started in 1961 as a public-private partnership. It is one of the oldest banks in Liberia and, following significant transformation, it became a commercial bank in 1988.

LBDI has since grown from 51 to 407 employees, and from one branch to 88, and it is the only bank in the country to offer a 10-year mortgage loan product. The bank’s current portfolio is \$82 million, with construction being one of its largest sectors.

It is Liberia’s second-largest bank in terms of asset size and customer numbers, and also second in terms of capital.

John B. S. Davies, III, President and CEO of LBDI, said: “2017 will be crucial for Liberia due to the elections and LBDI has an optimistic action strategy.”

Davies added, “Liberia has introduced a Financial Sector Implementation Plan with specific actions to open up the economy and promote its growth through the interbank market and deposit insurance plan. This will allow



Milton A. Weeks
Executive Governor of the Central Bank of Liberia

banks to operate through information and communications technology platforms that will connect local banks as well as those throughout the continent.”

Ecobank: Increasing banking access

Ecobank, which started operations in 1999, is highly committed to contributing to the economic development and financial integration of Africa. The bank’s CEO, George Mensah-Asante, said: “We do not have an African strategy, Africa is our strategy.” As the leading bank in Liberia, its portfolio is \$1.8 billion, focused primarily on the construction sector.

Through November 2016, Ecobank controlled 31 percent of the banking market. With only about 400,000 Liberians currently having access to banking, its mission is to improve financial inclusion and to increase access, especially in more remote areas, through mobile banking and digital services.

Given its size and importance in the region, Asante emphasized that Ecobank’s vision is “to contribute to the development of Africa, its financial integration and economic development.”

IBLL: A longstanding history in Liberia

The International Bank (Liberia) Ltd. (IBLL) has been providing quality banking services to the Liberian community for over 50 years. It provides services to corporate, small and medium enterprises (SME) and retail customers.

IBLL’s vision is to be No. 1 in the banking industry in Liberia. Since 2007, its assets have increased from \$25 million to \$1.3 billion. This achievement has been possible due to customer service delivery and the bank’s legacy, standing out as one of the two banks in Liberia that survived the civil war.

Henry F. Saamoi, IBLL’s CEO said: “The banking sector is further ahead than any other sector in the country and the new trend is mobile money. There are many opportunities and challenges. It is a growing market in which any investor can take advantage in untapped sectors such as agriculture and forestry.”

He added: “The right policies, especially in investment, are key to exploit the potential of the Liberian market. The international community has supported Liberia through its crisis and this is the moment in which Liberia needs investment and support.”

GTB: Launching new electronic products
Originating from outside Liberia, the Nigerian



Guaranty Trust Bank, Liberia.
www.gtbanklr.com

multinational financial institution, Guaranty Trust Bank (GTB), currently operates in 10 African countries. Ayodeji Bejide, the MD of GTB (Liberia) Ltd., is positive about what the future holds for the nation. He said: “I see a lot of opportunities. Given the political stability of the country, there is potential for investors to come and explore the vast business opportunities.

“The central bank has also performed very well in terms of promoting financial inclusion. They have implemented several initiatives providing digital financial services across the country.

“It was a very good idea for GTB to start doing business in Liberia. As a major investor, we have been here for eight successful years. The environment is quite stable and the country is recov-

“We will expand mobile money access and create other digital forms of access to financial services.”

Milton A. Weeks
Executive Governor of the Central Bank of Liberia

ering from the turbulence of the past.”

At present, retail is the most important sector for GTB (Liberia), representing 35 percent of its portfolio, with corporate making up 30 percent, the public sector 20 percent and agriculture 10 percent.”

Bejide described what lies ahead for GTB (Liberia), “We will be launching a new electronic banking product in the market, which will enable customers to make transactions on their phone.”

AFBL: Specialists in SMEs

Afriland First Bank Liberia (AFBL), the largest financial services group in Cameroon, has one of its six subsidiaries in Liberia. Its mission is to develop the country’s national economy and improve wealth generation.

Hamadou O. Bayo, AFBL’s CEO said: “In 2010, financing of the Liberian agriculture sector was less than 1 percent. AFBL has specialized in supporting agriculture and SME development — now this financing is around 7 percent.”

He added, “We are not only in commercial banking. We also promote microfinancing in



The facilitator for Liberia’s development.
www.lbdi.net

rural areas to be able to finance people who do not have access to financial services. We have eleven microbanks outside Monrovia in rural areas.” Bayo firmly believes in the potential of Liberia’s agriculture sector. “Agriculture is mostly dominated by rubber farms. We have financed 40 percent of the agriculture loans for rubber this year, 30 percent of cocoa and 20 percent of palm oil. Cocoa has evolved — we have organized a value chain from production to exportation,” he said.

GN Bank: ‘The people’s bank’

GN Group from Ghana, also active in Liberia, entered the country in 2016. With 8,000 employees, it has over 65 companies across the world.

Joseph K. Anim, MD of GN Bank, is convinced that “Liberia needs long-term rather than short-term funding for development. Banks plays a vital role here: if you want an economy to develop, then the bank should become a partner.” He emphasized: “At GN Bank, we see the future, while other people see the present, that is what makes us different. Our key focus is on people, so we call ourselves the people’s bank. We do not want to do what everyone else is already doing.”

GN Bank’s aim is to reach those that are currently not being reached — to empower people and ensure that they are part of the economy. One of the bank’s flagship projects is its Liberia Pay After Program, which supports young entrepreneurs.

To Japanese investors Anim said: “If you want to invest, this is the moment in Liberia. The country holds huge potential in many areas — this is the time to the a partner in its development.”

Regulating insurance

Due to a period of low regulation, the Liberian insurance market is currently overcrowded, with around 20 players. In order to strengthen the industry, in 2014, CBL has put in place the new Insurance Act, which increased the capital requirements for operators — general insurance is now set at \$1.5 million, life insurance at \$750,000 and reinsurance at \$3 million. This is likely to lead to a significant drop in the number of insurance companies.

Weeks said: “Reforms will lead to consolidation within the sector and the reduction of insur-

ance companies. Twenty is too many. We need to create fewer, but stronger, companies that can positively contribute to the country.”

Sam O. Mintah, CEO of the Insurance Company of Africa (ICA), supports this view. “Ideally, there should be a maximum of 10 players in Liberia, as the economy has not expanded.” ICA was established in 1969, but remained closed from 1980 until 2002 due to the civil war. It is the market leader, with a 30 percent share of the sector, and it insures the biggest companies and entities in Liberia.

Mintah noted: “Insurance penetration is very low — no more than 4 to 5 percent and the business is centered on Monrovia. In terms of life insurance, the government, ministries and concessions are the largest clients.”

He added: “There should be political will to introduce laws for vehicle and building insurance. The 2014 Insurance Act has been put in place to ensure that we follow established regulations.”

His message to investors is: “Since the end of the civil war, security has improved significantly, and the country’s economy is growing again. Liberia is a rich country with an intact rainforest, abundant minerals and extensive land. There are a lot of resources to be developed.”

Another key insurance player is Atlantic Life and General Insurance Company (ALGIC). Set up in 1992, the company is Liberian owned and operated. Its portfolio is composed of 75 percent general insurance and 25 percent life insurance.

Clemenceau B. Urey, Sr., CEO of ALGIC, said: “When insurance is managed well, it becomes a source of capital formation. People use it as a vehicle to get funds to invest. And this is the point where we want to get to. If insurance prospers in the country, then the economy will do well.

“We want insurance companies to be Liberian owned and operated, and to see the market reduced to five strong companies. The Central Bank of Liberia has to establish milestones and be vigilant that policies are applied correctly. It has already set capital requirements for the insurance companies that they will have to meet.” In terms of foreign investment, he said: “Despite the civil war and the crisis we have been through, we have hope in Liberia. The potential is here and the country is transforming. Come to Liberia and be part of the development process.”

Improved social security for Liberians

The biggest government investor is developing the country using contributions received from Liberian employers and employees

The National Social Security and Welfare Corporation (NASSCORP) was established with the aim of providing support and relief to employed people in times of need. It was initially set up in 1975 for workers’ compensation and in 1988 it launched a pension fund.

NASSCORP provides cash income to its members in the event of an interruption to their income. Its plans fall under three categories: employment injury, national pension and welfare.

The schemes are financed by both employers and employees through contributions. The employment injury plan provides benefits to injured or disabled employees, where the injury

be the first increase in 25 years, however, it still leaves Liberia with one of the lowest contributions to social security in Africa — the average being around 25 percent.

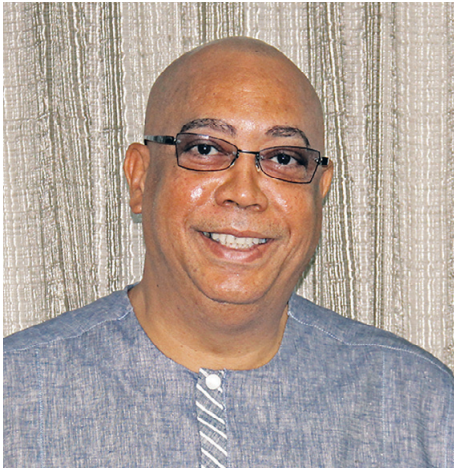
Director General of NASSCORP, Dewitt vonBallmoos, described his journey working with NASSCORP: “The past 10 years have been incredibly interesting. When you come back to a country that has been destroyed, you have to get involved. This is easily done when you have a leader that inspires you.”

VonBallmoos is clear what steps need to be taken. “We need to source help and be competent, bring back the brain drain and attract donors. Our strategy is to build confidence. There was no confidence left, therefore we needed to gain employers’ trust. This is why we decided to invest in infrastructure,” he said.

He highlighted how his organization is playing a part in the development of Liberia’s infrastructure: “The largest of our investments has been in real estate. We are creating value in the areas where we are investing. We have built around 300 low-cost houses with the National Housing Authority and are taking people ‘From Mat to Mattress.’

“We have been expanding and are now working on telecommunications infrastructure, such as fiber optics, and are the second largest shareholder in the Liberian Bank for Development and Investment. NASSCORP also has shares in Ecobank and Orange Liberia.”

One of NASSCORP’s latest projects is the building of a medical diagnostic center in Liberia. The corporation allocated a portion of its 2015—2016



Dewitt von Ballmoos
Director General, NASSCORP

fiscal budget for the center. The center will diagnose health problems and provide medical care for Liberians and other nationalities. Due for completion this year, the project has been managed through a partnership with the diagnostic center in Ghana.

NASSCORP’s slogan is: “Taking social security to the people.” In line with her overall aim of making a difference in the lives of the ordinary Liberians, President Ellen Johnson Sirleaf fully supports the corporation. VonBallmoos affirmed: “We are partners with the government and support them in the construction of roads and other areas.”

With regards to investing in the country, vonBallmoos said: “Anything you do here will make money, but let’s develop the country through investment. Liberia is a virgin land and everything is possible. We are literally rebuilding the nation.” He concluded: “It gives me immense pleasure to be part of Liberia’s development, working with a dynamic leader and team.”

Ensuring performance and compliance through effective monitoring and evaluation

Charged with the responsibility of monitoring Liberia’s concessions across industries to ensure that all parties meet their targets and goals.

National Bureau of Concessions (NBC)
Monrovia, Liberia | Tel: +231 88 655 0910 / 77 708 7916
www.nbcliberia.org
Link to public portals of concession maps: portals.flexicadastre.com/liberia



New terminal building at Roberts International Airport (RIA).



The National Port Authority of Liberia.

www.npaliberia.com

Rebuilding and extending Liberia’s transport system

Following the destruction from the civil war, an overhaul of the country’s transport infrastructure was vital. The government is taking active steps to connect communities and facilitate the movement of goods and people across Liberia

Liberia’s already limited infrastructure was severely damaged during the 14-year civil war, leaving most of it out of service. To date, the country still lies in the bottom quintile of an African Development Bank index that ranks all countries on the continent in terms of their infrastructure development.

President Ellen Johnson Sirleaf says: “When we came to office, there was an urgent need to restore and build basic infrastructure facilities, as it was one of our major constraints for growth. The government has been making significant strides in investing in roads, power, sea and airports.

“We haven’t yet reached the place where we feel we should be, but we are moving in the right direction. People’s lives are gradually being impacted by the improvements in our transport network.”

Roads: The number one priority

Liberia has a total area of 111,370 sq. km and a road system with a total length of 11,500 km. Highways are in poor conditions due to a long rainy season and a lack of maintenance.

The development of Liberia’s roads is seen as crucial in helping to create new economic opportunities for rural communities, as well as facilitating the decentralization of government services.

According to Samuel A. Wlue, minister of transport: “During the years of war our roads were severely damaged. We had zero connectivity. Significant developments have been made to improve these conditions.

“In the last 10 years, this government has built more roads than any government in our nation’s history. By the end of the current administration, around 1,100 km of highways and urban roads will have been built and rehabilitated.”

Without a doubt, much progress has been made since the end of the war. But there is still a way to go to increase coverage and provide quality services, especially in the southeastern part of the country, which is particularly isolated.

The World Bank and other development partners have taken part in the rehabilitation of major road corridors, something that will significantly reduce travel time and increase vehicular movement along key routes.

In addition, the Liberia Reconstruction Trust Fund (LRTF), a multidonor trust fund for infrastructure, was put in place to support the rehabilitation of the country’s road infrastructure. The LRTF is supported by contributions from the World Bank, the European Union, and the governments of Great Britain, Sweden, Ireland, Norway and Germany.

The World Bank and LRTF partners have committed to a total of around \$400 million to trans-



Samuel A. Wlue
Minister of Transport

port projects in Liberia. They have financed the rehabilitation of over 500 km of paved roads, representing around 60 percent of the total paved network of roads in Liberia.

Japan’s biggest grant-aid project in Liberia is in road infrastructure — the reconstruction of Somalia Drive aims to ease traffic congestion

“In the last 10 years, this government has built more roads than any government in our nation’s history.”

Samuel A. Wlue, Minister of Transport

in the capital.

The project includes the expansion of the current road from two to four lanes and the construction of a new bridge, due to be completed by next year. This high-quality construction being undertaken in this project is raising the overall standards in Liberia.

Upgrading airport facilities

Wil Bako Freeman is the managing director of the Liberia Airport Authority (LAA), which is responsible for the supervision and management of all airports in Liberia.

Freeman points out that Liberia’s main airport — Roberts International Airport (RIA) — suffered major damage during the civil war. Since then, the former KLM cargo terminal has been used for passenger arrivals and departures.

As a result, one of the flagship projects for the current government is the reconstruction of RIA.

In October 2016, the country signed a \$50 million loan pact with China’s Exim Bank for the construction of a new terminal building, due to

be completed by the end of 2018.

The state-of-the-art airport facility is anticipated to host at least 500,000 passengers and has the potential to become a key hub for air transport within West Africa.

The project includes the building of a new runway with updated navigational equipment and the construction of a cargo terminal to service West African airports.

In 2005, the Liberia Civil Aviation Authority (LCAA) became autonomous when the Civil Aviation Act was passed. This gave them strength to take the necessary measures to revitalize the industry and bring back commercial flights.

Richelieu A. Williams, director general of LCAA, highlights the dramatic effect the war had on civil aviation: “Up until 1990, there were 17 commercial airlines operating in Liberia. After the war, we had to restart from zero. By 2014, we managed to bring 11 carriers back.

“However, we were then hit by the Ebola virus. Only Air Maroc and SN Brussels kept operating during the crisis.

“Today we have seven commercial airlines, and our goal is to increase this number to around 20 by the end of this year.”

Williams believes in the sector’s potential: “At the moment, rising passenger traffic is the key objective. In 2013, we had 30,000 passengers, which went up to 100,000 in 2016. The goal for 2017 is to reach 150,000 passengers.

He highlights some of the progress made in the sector: “Bilateral agreements have allowed Liberia to gain confidence in civil aviation and our airports have been regulated to align them with International Civil Aviation Organization (ICAO) standards.”

“Liberia could certainly be transformed into an air hub. We have a strategic location and our strength is air cargo. We need to capitalize on our competitive advantages,” he concluded.

Reviving the nation’s ports

The country’s four seaports are found on its 580 km-long Atlantic coastline, which stretches from Sierra Leone to Côte d’Ivoire.

In recent years, coastal shipping has begun to revive. However, the country’s port facilities deteriorated heavily during the war and cargo-handling equipment is often either inadequate or unavailable. There are also navigational hazards, due to insufficient port infrastructure and the poor maintenance of facilities.

For this reason, effort is now being put into investing into Liberia’s ports, in order to rehabilitate, improve and modernize their infrastructure.

In 2008, Liberia embarked on a port reform program to improve productivity and service



Wil Bako Freeman
MD, Liberia Airport Authority

quality, and in turn increase international trade, and spur tourism and community development.

The country’s National Port Authority (NPA) was established in 1967 as a state-owned corporation to manage, plan and build all public ports in Liberia. David F. Williams, managing director at the NPA, said: “Rising traffic inbound and outbound is our key objective.”

Liberia’s largest and most important port is Monrovia, which currently handles almost all of the country’s seaborne trade and 99 percent of container operations.

NPA has installed navigation aids at this port, which have allowed it to extend its operation window to 24 hours. This has led to increased employment, improved turnaround time and reduced business costs.

David F. Williams emphasized: “Developing a port is highly capital intensive: this means we have to establish relationships through public-private partnerships.”

In 2010, the Port of Monrovia signed a concession agreement with APM Terminals for 25 years.

The first phase of this project involved an extensive refurbishment of the port to be able to restart operations and handle a larger number of vessels. The second phase of the project includes the development of the yard and the construction of a headquarters office building and a new in-and-out gate.

David F. Williams said: “These works will sharply increase the capacity of the terminal in terms of output and storage space — this will have a positive impact on the country’s economy.” APM Terminal’s investment in the port of Monrovia has been \$100 million to date.

The Port of Buchanan, on the other hand,



Richelieu A. Williams
DG, Liberia Civil Aviation Authority

serves two purposes — the commercial quay handles cargo, while the iron ore jetty is managed by ArcelorMittal. Areas targeted for development at this port include the extension of the commercial and fuel quay, and the establishment of a waste reception facility.

Greenville is Liberia’s third-largest port and is in need of complete rehabilitation. Primarily a logging port, it is currently looking for investment to help build a dedicated quay and pier for

“When we came to office, there was an urgent need to restore and build basic infrastructure facilities, as it was one of our major constraints for growth.”

Ellen Johnson Sirleaf, President of Liberia

the handling of crude palm oil.

Finally, work is being carried out to develop the country’s smallest port, Harper, which is in need of extension to serve the Maryland Oil Palm Plantation. At present, the government is interested in finding an investor to dredge the port and extend the quay.

Sailing under the Liberian flag

The Liberian Registry is the second-largest ship registry in the world. It includes over 4,000 ships — 12 percent of the world’s oceangoing fleet.

In 2010, the signing of the Liberia Maritime Authority Act led to the introduction of the new



David F. Williams
MD, National Port Authority of Liberia

and dynamic Liberia Maritime Authority (LiMA). Its role is to harness the full potential of Liberia’s maritime sector and ensure that the national economy is the ultimate beneficiary of its activities. In order to operate the maritime program effectively abroad, LiMA has contracted the services of the Liberian International Ship and Corporate Registry (LISCR). LISCR provides the day-to-day management for Liberia’s ship and corporate registry.

Re-establishing the railway

In the early 1960s, Liberia had three railway lines built, that were all damaged during the civil war and are no longer in operation. Wlue said: “We haven’t had the opportunity to rebuild the lines, which before the war were used primarily for the movement of iron ore from the mines to the ports.

“An important step for the transport sector right now would be to look at the railway and see if we can receive support in restarting our connectivity process. This will allow us ease the traffic load on our roads and at the same time reduce transportation costs.”

Looking ahead

With the elections coming up in only a few months, the government is working toward wrapping up a number of key transport initiatives.

Wlue confirmed: “There are some ongoing projects that need to be concluded. The transport sector has faced challenges, but we have made significant progress. Now the pressure is on and we must respond accordingly and deliver the best possible results.”

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LIBERIA

www.global-insight.net

Investing in Liberia’s sustainable growth

The nation is working with international partners to develop key infrastructure projects and realize its development goals

Liberia’s 2015–2017 Economic Stabilization and Recovery Plan lays out the actions needed for the country’s rapid social and economic recovery, and for building its resilience for the future. In order to implement these actions, the government is working with international partners to secure an additional \$812 million in funding.

Rebuilding Liberia’s infrastructure is one of the highest priorities. William Gyude Moore, the minister of public works, highlights why urgent investment in infrastructure is crucial for Liberia: “For almost two decades there has been no maintenance of infrastructure. Unless we address this issue, it will be impossible to rebuild our economy in a sustainable way.

“In 2006, the first national budget of the country was \$80 million. Now we are at \$600 million. Although we should be at around \$1 billion, this is still a huge increase in 10 years.

“We carried out an assessment of the main issues holding back the Liberian economy and found that the lack of affordable and reliable electricity and of functioning roads was key. Therefore, public sector investment needs to be focused on these areas.

“When we fix these, we will be able to develop at a much faster pace. We currently run our economy on one shift — when the sun goes down, the economy goes down.

“We are now building roads at a cost of over \$1 million per km. The government is intentionally investing extensively in infrastructure. We carried out an estimate of the price to connect all of our county capitals by just two-lane paved roads: it should cost around \$2.2 billion. That is our objective. Currently we have connected Monrovia to Buchanan and other main cities.”

Japan-Liberia collaboration

Japan has been actively involved in a number of projects to support the development of Liberia’s infrastructure. As President Ellen Johnson Sirleaf



William Gyude Moore
Minister of Public Works

emphasized: “Our relationship with Japan has traditionally been very good. Since this administration came to power, we have been actively strengthening our economic and political ties.”

Moore stressed the value of Japan’s support in recent infrastructure developments: “What is going to be needed for the next 20 years is investment in our ports, airports, roads, bridges and power. And that is exactly what Japan is doing.”

In 2008, the Japan International Cooperation Agency (JICA) returned to Liberia to help develop key infrastructure in the capital. In 2009, a Japanese consultant was hired to devise the Master Plan Study on Urban Facilities Restoration and Improvement in Monrovia. Moore said: “The report encompasses a future vision of Greater Monrovia. This is a comprehensive roadmap that we are using for all infrastructure projects in the capital. It is my bible.”

He goes on to describe the obstacles that Monrovia is currently facing: “There is a big issue with drainage, as the city was initially built for



Japan International Cooperation Agency (JICA) funded a 10MW Thermal Power Plant.

350,000 people — we now have 1.8 million. “Therefore, the infrastructure of Monrovia has been put under immense pressure. People are living in places that get flooded when it rains. These drainage issues are the next area we would like to address together with JICA.”

Easing Monrovia’s congestion

Japan’s biggest grant-aid project in Liberia, worth \$54.3 million is the reconstruction of Somalia Drive.

The work began in 2014, but was put on hold until October 2016, due to the Ebola outbreak. Its aim is to reduce traffic on one of the most congested roads in Monrovia and to promote economic and social activity. The Liberian people have high expectations for this project, as it will help to significantly reduce Monrovia’s traffic congestion.

The first phase of the project includes the

expansion of the current two-lane Somalia Drive to four lanes, the construction of a new Stockton Bridge, and the repair of the Double Bridge. In the next phase, two lanes of the current road will

“We are really happy with the quality standards that Japan has introduced here. We even have engineers going to Japan for training.”

William Gyude Moore, Minister of Public Works

be rehabilitated. Upon completion of the entire project, the Somalia Drive will have four new lanes from Freeport to Redlight.

Moore commented: “The road that is cur-



The reconstruction of Somalia Drive is the biggest Japanese grant-aid project in Liberia.

rently being built by JICA will be the best-constructed road in our entire history. And keep in mind that all of this is being paid for by the Japanese taxpayer.

“We are really happy with the quality standards that Japan has introduced in our country. We even have engineers going to Japan for training and knowledge transfer. My mission is to sustain this beneficial relationship with Japan.”

Rebuilding the power supply

The repercussions of the almost entire loss of power supply facilities following the 14-year civil war were felt across the nation. Rebuilding these facilities has since been of utmost importance for the government.

Sirleaf stressed: “Over the past decade, Liberians were paying the highest electricity rates in the world, at 54 cents per kilowatt. This has now come down to 49 cents, thanks to our

hydropower and should decrease even further.”

Japan has played a significant role in improving Liberia’s power potential. In 2013, JICA began the construction a 10 MW heavy fuel oil-fired (HFO) Bushrod Island Power Plant, undertaken with a grant of approximately \$22 million. The desired outcome was to ensure the continuous and stable supply of electric power for the majority of Monrovia.

Sirleaf highlighted Japan’s contribution to Liberia’s power system: “Until recently we have depended on a total of 38 MW from three HFO plants.

One of these was provided by Japan, which we are very grateful for. These plants are still operating, but thanks to one of our flagship projects, the reconstruction of Mount Coffee Hydropower Plant, commissioned in January 2017, we now also have 88 MW of hydropower to complement them.”

Substantial advancement in telecommunications

Regulation of the Liberian telecommunication sector has allowed for the controlled expansion of networks, increasing connectivity for the population. The national broadband rollout forms an integral part of this

Over the past decade, Liberia’s telecommunication infrastructure has continually been developed and modernized. The country has two active mobile telephone service providers and one fixed wireless telephone operator. Efforts are now being directed towards ensuring that fiber optics are installed across the country.

The sole national operator that provides wireless fixed line and landline services is the Liberia Telecommunications Corporation (LIBTELCO), established in 1973.

LIBTELCO originally acted as a provider, operator, and regulator of the sector. However, during the civil war it became increasingly dysfunctional.

This gave an opportunity for private operators to fill the gap. In 2000 Lonestar Cell MTN acquired a license and started operating, despite the fact that the formalization of the sector was yet to take place. In 2004, Cellcom emerged as a competitor.

Regulating telecommunication services
These developments led to a growing need for the sector to be regulated and standardized.

In 2007, the new Telecommunication Act helped redirect the sector by establishing the Liberia Telecommunications Authority (LTA). This body is in charge of supporting efforts to provide accessible and affordable telecommu-

nications services in the country. Angelique Weeks, chairperson for the LTA, stipulated: “We are the competition authority in the sector. It is our responsibility to ensure there is a level playing field for all stakeholders and to promote fair play. Through this, we are fostering a conducive environment for investment. “We have put regulations in place and intervened where necessary to address and counter unfair market practices that have the potential to impact the growth of the sector in an adverse way.” These regulations have also helped to improve customer services and to bring prices down. Indeed, Liberia now has some of the lowest call

costs in Africa. The two private Global System for Mobile Communications (GSM) mobile operators currently competing for customers are Lonestar Cell MTN and Orange Liberia (previously Cellcom). Orange Liberia is 100 percent owned by the French telecom giant, while Lonestar Cell MTN is 60 percent South African and 40 percent Liberian. Thanks to the continued expansion of the mobile telecommunications network in the country in recent years, penetration has reached a par with other markets in the region. Currently, over 70 percent of Liberia’s population has access to mobile telephone services. In addition, the market now has high growth prospects, especially as the mobile telecommunication networks continue to expand, connecting many rural parts of the country. Weeks said there is still room for development: “Even though the penetration rate is high, there is a lot of room for growth in the sector. The prospects look promising.”

Liberia’s leading telecom giant

With 17 years of experience in the country, Lonestar Cell MTN now has 1.6 million subscribers: “We place ourselves as No. 1 in the market, although there is tough competition.

“We have over 230 base stations with a presence in all counties, we were the first to launch GSM, the second to launch 3G and we are about to launch LTE,” said Babatunde Osho, the CEO of Lonestar Cell MTN.

“Increasing the coverage in Monrovia is one of our priorities. Then we are planning to connect all of our 3G and LTE sites with fiber optics. We want to increase our coverage in isolated counties as there are still many villages that we do not reach.”

“Increasing the coverage in Monrovia is one of our top priorities. Then we are planning to connect all our 3G and LTE sites with fiber optics.”

Babatunde Osho, CEO, Lonestar Cell MTN

In 2016, Lonestar Cell MTN acquired the mobile operator Novafone, which was forced to sell due to high competition in the market. Osho continues: “We have faced challenges, but at the same time, this market is full of opportunities for us to grow. We are also very pleased to be able to contribute as an engine for growth in Liberia — statistics show that telecommunications represent two to three percent of the GDP and there is room for this to develop further.” “In addition, with our mobile money platform, we are the top contributor to the financial inclusion program of the Liberian Central Bank. This is making it easier for small local companies



Angelique Weeks
Chairperson, LTA

to do business,” said Osho. Liberia has one of the lowest banking penetrations in the world. Lonestar Cell MTN Mobile Money offers a safe and secure way for Liberians to transfer their money, make payments and complete a number of transactions.

Osho elaborated on the company’s achievements, “We are the largest employer providing employment directly and indirectly, as well as the largest tax payer.” This year the company won the Liberia Revenue Authority’s prestigious Golden Award for being the highest tax paying entity in the country.

Bringing broadband to Liberia

According to LTA, 4.6 percent of the Liberian population currently has access to the internet.

Internet and broadband networks are available through nine commercial wireless service providers, and the two GSM mobile networks using GPRS, EDGE, HSPA and WiMAX technologies.

Most service providers remain expensive and below standard broadband speed due to the high costs and limited bandwidth of satellite connections.

LIBTELCO continues to invest in building the fiber ring around Monrovia to increase broadband penetration in the country. To extend this coverage, the government signed an agreement with the World Bank for the concession of a loan of \$25 million to bring the broadband cable to Liberia.

Weeks said: “The cable, which went live in January 2013, has made high-speed international broadband connectivity available. However, we are unable to use the capacities created by the cable as we do not have the infrastructures to take the broadband to the rest of the country. This is why we need to build the national back bone as soon as possible.”

The Liberia telecommunication sector still requires huge investment to speed up its modernization process. Public-private partnerships will be an important way to achieve the ambitious objectives set and to attract the right partners.

Weeks said: “We are currently looking for local, as well as foreign investors, to come and work with us on the development of our national backbone. This is of strategic importance to us,



Babatunde Osho
CEO, Lonestar Cell MTN

and will benefit all of our sectors from transport to commerce.” The roll-out of Liberia’s national broadband backbone is expected to expedite development.

Weeks concluded: “The mobile and telecom market have a bright future, and it will be even brighter with the national backbone, as it will open up new markets.”

A new national post address system

The entire telecommunications sector was initially under the jurisdiction of the Ministry of Posts and Telecommunications. It served as the policy maker, regulator and the authority in charge of implementing networks, infrastructures, policies and legislation.

“We are currently looking for local, as well as foreign investors, to come and work with us on the development of our national backbone.”

Angelique Weeks, Chairperson, LTA

It is now one of the three government arms in the telecommunications sector, and under the leadership of Frederick B. Norkeh, the minister of posts and telecommunications, it is charged with handling the postal services of the nation and providing oversight for the information and communications technology sector. In particular, it develops policies, oversees the Liberian e-government program, and operates and manages the country’s postal system.

One of the ministry’s key projects that is currently underway is the establishment of the country’s National Postal Address System (NAPAS).

In the pilot phase of the project, a total of 2,266 housing units in Monrovia were numbered in the Congo Town area. The ministry has also been working with a contractor to install street signs to distinguish community blocks. The next step will be to supply addresses for the entire Congo Town under Pilot Phase II.

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A boost to the agriculture and commerce sectors

Liberia is strategically moving away from its dependency on extractive industries to focus on developing priority value chains in agriculture and enhancing commerce

Agriculture is the mainstay of the Liberian livelihood and a strategic engine for economic recovery, growth and sustainable development. “Making up 38.8 percent of GDP and employing around 70 percent of the country’s workforce, it is the backbone of the national economy,” said Moses M. Zinnah, minister of agriculture.

The Liberian government’s Agenda for Transformation stipulates that, as an agrarian nation, the promotion of agriculture must be the No. 1 priority to achieve change. With this in mind, the government introduced the Liberia Agriculture Transformation Agenda (LATA), the plan for developing an agriculture-based economy and moving the country from subsistence to commercial agriculture operations. Above all, LATA’s aim is to help revive and accelerate local production of essential goods and reduce imports.

Zinnah said: “Agriculture is two to three times more likely to bring self-sufficiency and reduce poverty than any other sector. We depend on it and the majority of our people belong to this sector.” Understandably, as a country endowed with natural resources, including minerals, rich seas, lush forests and fertile lands, Liberia is keen to increase its possibilities for competing in the global market. Economic diversification is the prime aim — with a move away from raw commodities to manufacturing and developing priority value chains. This is a key area of focus for President Ellen Johnson Sirleaf, who said the country has been diversifying into palm oil, cocoa, and coffee.

As the sector undoubtedly provides valuable export opportunities, efforts are being made to further its development. Progress is already underway: “SMEs are now growing exponentially and are starting to process commodities for export,” said Sirleaf.

Rice: A strategic crop

Although rice is Liberia’s staple food, the country still imports around 90 percent of what it consumes. Zinnah said: “This is where Japan has supported us by providing value-chain capacity building in the rice sector and positioning it as a strategic crop for Liberia.”

The Joint-Japan Liberia Food Aid Project is funded through proceeds generated from the monetization of donated rice by the Japanese government. Seed rice is bought from certified seed growers and subsequently distributed to farmers, in support of increased rice production for food security.

The rice is milled and sold on the local Liberian market with the intention of reducing large quantities being imported into the country. The project has also provided agricultural machinery, technology and warehouses to increase rice production and ease post-harvest



Moses M. Zinnah
Minister of Agriculture

handling difficulties. The first three-year phase started in 2010, and in 2014, the Japanese government approved and provided additional funding to commence the implementation of the second phase over a two-year period (from 2014 to 2016).

Sirleaf expressed her support for this project: “We spend a lot on rice importation and Japan has been very helpful in the cultivation process. We need to ensure that we have sufficient rice for planting.” Cassava is Liberia’s second most important food crop — making up 23 percent of the country’s agricultural GDP. It is grown throughout the country and the crop needs less inputs and investments, and gives more yield and economic return than rice.

Cocoa has been targeted as the next priority crop for investment. The country has just the right climate to grow cocoa beans and, before the civil war, the crop contributed to around 10 percent of the country’s GDP.

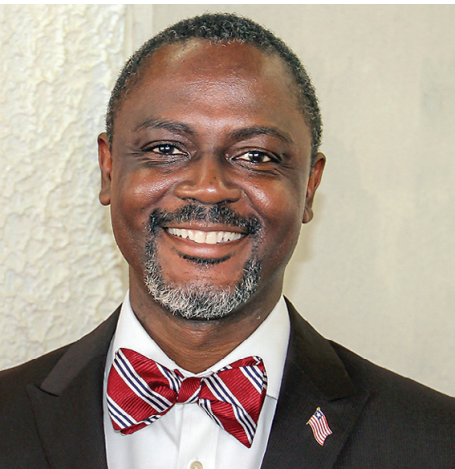
This industry is projected to grow again, particularly with the progress being made in transport infrastructure. There are also projects underway to improve the conditions of small-holder cocoa farmers.

Rubber production recovery

Rubber used to be one of the key foreign exchange earners for Liberia, alongside iron ore. Yet, following many years of neglect during the civil war and the Ebola outbreak, there remains a long recovery period ahead. Rubber trees need rehabilitation and replanting to allow production to return to its full potential. Nevertheless, progress is underway, and the subsector is already gradually recovering and stabilizing.

A rise in palm oil production

Liberia’s palm oil has increased in popularity in recent years. As the most efficient source of veg-



Axel M. Addy
Minister of Commerce and Industry

etable oil, its high yield makes it cheap to produce. Zinnah said: “Our plantations are recent and they are just about to start to harvest. The focus is on developing the industry in a sustainable way, since this is a strategic crop with huge potential for development.” The industry has already attracted some large international investors such as Equatorial Palm Oil, Sime Darby, Golden Veroleum Liberia and Maryland Oil Palm Plantation.

“Making up 38.8 percent of GDP and employing around 70 percent of the country’s workforce, it is the backbone for the Liberian economy.”

Moses M. Zinnah, Minister of Agriculture

Agriculture transformation

Now the focus is on the introduction of machinery and new technology that will enable agro-processing for export. The recent increase in the production of basic staples and the development of the agro-industrial sector have led to a greater need for larger-scale agriculture operations, with investment from the private sector. For example, the increase in the domestic production of rice, alongside other local food crops, has led to a demand for rice mills, storage facilities, processing plants and better transportation systems.

Zinnah stressed the need for attracting increased funds: “The next challenge is finance. We are working with the African Development Bank to see how we can gain access to growth enhancement support. Agriculture is a long-term investment and we need long-term financ-



Liberia’s key products in agriculture are rice, rubber, palm oil and cassava.

ing to institute and promote investment in the sector. “We have set up an agriculture task force to promote the sector. It is a complex enterprise that needs the support from other key sectors. The ministers of finance, commerce and public works have been engaged in bringing resources together and collaborating to promote the added-value chain of the agriculture sector.”

Expanding commerce opportunities

Liberia’s Ministry of Commerce facilitates private sector growth and innovation. Axel M. Addy, the minister of commerce and industry, said: “We are in charge of creating sound policies and standards. “We support existing and new businesses, and our goal is to help move the informal into the formal economy. We are developing strategies for tourism, palm oil, cocoa, fish, rubber and others.” He says the ministry is determined to implement “the right framework for revitalizing the Liberian economy for private sector expansion, while providing employment opportunities for Liberians.”

Priorities for the ministry include setting up an industrial park in Monrovia, as well as a special economic zone for manufacturing. The ministry is also working to raise the quality of products, especially in agriculture, and to increase the potential for exports, leveraging on the multilateral agreements the country has with the EU, U.S. and China.

Addy affirms that: “Japan has assisted Liberia, not only by building infrastructure, but by setting up the Japanese Monetization Program, where Japan has provided aid in terms of food and commodities. Since 2008, the rice monetization program has generated profits to invest in infrastructure and support a local rice production program, which has become critical for our food security agenda.”

SWAT: Liberia’s leading rice dealer

Every year, 240,000 metric tons of rice are consumed in Liberia. Supplying West Africa Trader

Incorporated (SWAT) is one of Liberia’s leading and most reliable rice dealers. The company imports and distributes high quality products and represents well-known brands such as Maman, Olinda, Uncle Sam and Pavani.

The CEO of SWAT, George N. Nehme, has a chain of businesses in Liberia, including the Harbel Supermarket Corporation, Liberia’s biggest shopping mall. “Agriculture is the key sector for progress. As a small country, we have to ensure food security and to provide jobs,” says Nehme. SWAT is looking to diversify its business even further: “Our plan is to set up a palm oil refinery. But we have to wait until the reduction of electricity tariffs are implemented,” he says.

Fouta: A key importer and distributor

As the largest Liberian-owned importer and distributor of consumer products, Fouta Corporation distributes rice, building materials (cement and steel roads) and a number of other trading items.

Fouta was initially established in 1997. In 2006, Cherif M. Abdallah, chairman and CEO of Conex Group, bought the company and restructured its operations. It has very large warehousing and logistics operations in the Freeport of Monrovia and in other locations and is one of country’s leading importers of rice and cement for the Liberian market.

Premier Milling: Flour market suppliers

As the only flour miller in Liberia, Premier Milling Corporation is currently expanding its operation with the installation of a new production mill. The company processes high-quality wheat flour for bread and other products.

Elie E. Saleeby, CEO of Premier Milling, said the second mill will be finished and operational this year. The first one produces 140 tons per day, which covers 90 percent of Liberia’s domestic demand, and the second will add another 200 tons a day, allowing for exports to

Ghana and Sierra Leone.

“Our vision is to become an agro-industrial company and to send out a message that Premier Milling is here to stay. We are strong enough to supply the entire market,” said Saleeby. He added, “the dual currency in Liberia is a big asset. It gives us competitive advantage — foreign direct investment into Liberia is, therefore, a more attractive prospect.”

Basma: Facilitating Liberian commerce

Basma Group began in 1930 in Sierra Leone, as a textile company. Since then, it has diversified and established sister companies, such as: West Oil, African Motors and Gepco. With West Oil, it imports around 70,000 to 75,000 metric tons per year of gasoline for distribution.

As one of the most reputable groups in Liberia, Basma has expanded to become the

“Japan has assisted Liberia, not only by building infrastructure, but by setting up the Japanese Monetization Program.”

Axel M. Addy, Minister of Commerce and Industry

authorized MAN trucks dealer in the country. Its truck service center meets international standards and has the full support of the MAN trucks headquarters in Germany. The group sees vast opportunities in the Liberian transportation sector.

Ghassan A. H. Basma, chairman of the group said: “MAN trucks stand out as being some of the leading commercial trucks in the world. The company is supporting the development of Liberia, a country with tremendous opportunities. If you have capital and want to invest, this is the place and the moment is now.”

Overseeing the nation’s concession agreement process

The National Bureau of Concessions facilitates successful collaborations between the Liberian government and concessionaries in agriculture, mining and forestry

Liberia’s natural resources have been explored and exploited through concession agreements since the mid-1920s. The revenue generated from the export of unprocessed resources has served as a key stimulus for national growth and development.

Although revenue generated from extractives contributed in excess of 60 percent to the annual GDP in the past, the inefficient management of these resources did little to support the development of adequate national infrastructure.

In fact, inadequate oversight and monitoring led various concessions to fail to bring about the desired level of social and economic development.

Following the civil war, it became clear that there was a need for an autonomous agency that would be responsible for monitoring and evaluating concession agreements and for enforcing their terms and conditions.

In 2011, the National Bureau of Concessions (NBC) was established to fulfill these tasks as well as ensure for compliance with obligations contained in concession agreements.

Ciata A. Bishop, the bureau’s director general, said: “NBC works with every entity that has been granted a concession under law to ensure that everything agreed upon in the concession agreement is in fact taking place.”

NBC’s vision is to be the center of excellence in concession management, by effectively participating in the processes with technical input, while also formulating concise policy guidelines.

23 active concession agreements

There are currently 23 concession agreements across a number of sectors. The NBC website provides concession information on active agreements. The largest concessions are in agriculture, mining, forestry and energy.

ArcelorMittal was the first in iron ore min-



Ciata A. Bishop
Director General, National Bureau of Concessions

ing, and now MNG Gold is investing heavily in the country’s gold mine potential. Concessions in the agriculture sector include international companies, such as Firestone, Cavalla Rubber, Equatorial Palm Oil, Golden Veroleum, Sime Darby and Maryland Oil Palm and others.

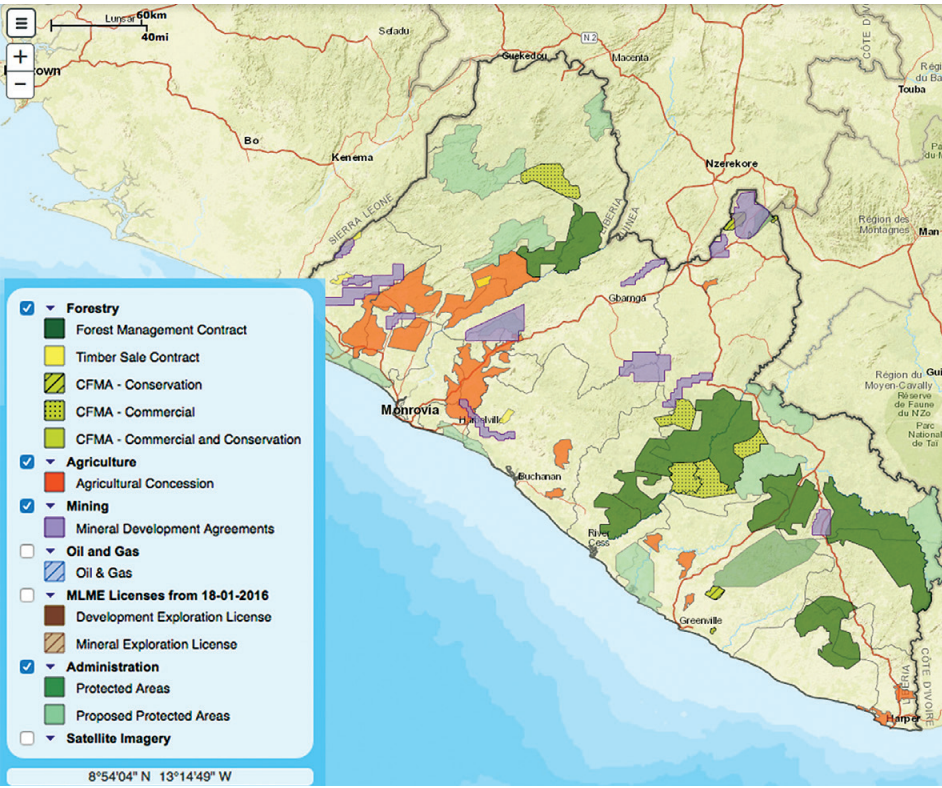
Bishop fully supports the government’s economic diversification effort: “All of the new

concession agreements have value-added provisions — this is the way forward.

“We need to diversify, expand and grow our economy.” She said, “diversification is extremely important, not only in Liberia, but also from a global perspective. We need to make our economy more resilient and become less dependent on raw materials.”

With the aim of moving away from the old model of concession agreements, which often left out local communities, NBC holds a series of village meetings, giving residents the opportunity to be involved in concession discussions. It also provides them with a local representative. The desired outcome is for investments to be in the hands of the government and the Liberian people.

“Liberia is a peaceful country and we have tremendous opportunities,” said Bishop. She is convinced that they are heading in the right direction. In her view, the positive relations with Japan are definitely beneficial, especially in raising standards in Liberia through learning from the Japanese. She said: “We need technological expertise and knowledge transfer. As we strengthen our friendship and partnership with Japan, we can benefit mutually from their technology and our resources.”



Map of Liberia showing the specific concessions in mining, agriculture and forestry.



SWAT — Satisfying the region’s growing appetite for staple foods

As the leading Liberian importer and distributor of a wide variety of food products, including rice, pasta, and flour, SWAT is at the heart of efforts to improve food security.

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Sayonton, Bushrod Island
Monrovia, Liberia



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