

IOA | 2019 | ACBR

AFRICA COUNTRY BENCHMARK REPORT



Liberia Profile



An impoverished informal settlement, traditional fishing vessels and a booming sea port are in close proximity in the Liberian capital Monrovia, which is filled with commercial and social contrasts.





Image courtesy of Brittany Danisch



LIBERIA

#28

LIBERIA

OVERVIEW ANALYSIS

Liberia is a poor country, successfully emerging from Africa's bloodiest civil war of the 21st century and the 2014-16 Ebola outbreak that attacked the country hardest of the three impacted West African nations. Preceded by a quarter million Liberian deaths during the civil war, 11,000 Liberians died during the Ebola epidemic. In 2018, successful elections installed President George Weah in the country's first peaceful transition of power. This has laid the foundation of stability for national development, where growth can rise from very low economic and social bases. Exporting minerals, rubber and timber, Liberia has the natural resources and rich agricultural land to facilitate an economic revival. Rising from 29th in ACBR 2017, Liberia climbed by one position to 28th place in ACBR 2019.

KEY OPPORTUNITIES

- With safety returned to the country, the Weah administration is actively seeking investors
- Fertile farm lands can be exploited for agricultural exports, including timber
- Communications and transportation infrastructures need expansion

KEY CONCERNS

- Education levels remain low, negatively affecting worker productivity
- The Ebola crisis exposed the country's vulnerability to epidemics
- Infrastructure is in dire need of rehabilitation after decades of financial neglect

COUNTRY HIGHLIGHTS

PREDOMINANT
RELIGION

Christianity

PREDOMINANT
LANGUAGE

English

POPULATION
WITHOUT
ELECTRICITY80.2%
(#45) ▲⁶LITERACY
RATE47.6%
(#44) ▼¹PRIMARY
ELECTRICITY
SOURCE

Oil

IMPORT/
EXPORT

Ships/Ships

EXTERNAL
DEBTUS\$ 1.049
billion
(#45) ▲⁵ACTIVE
CONFLICT

No

LAND
SIZE111,369 km²
(#39)INTERNET
PENETRATION7.3%
(#45) ▼³

36.1%



AGRICULTURE

10.5%



INDUSTRY

53.4%



SERVICES

43.8%



0-14

19.6%



15-24

30.3%



22-54

6.3%



55+



Term:
22/01/2018 - present
6 years (2 term limit)



Political Party:
Coalition for Democratic Change



Recent Electoral Information:
26/12/2017
732,185 Votes
61.5%
Voter turnout: 75.2%



President
George Weah

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

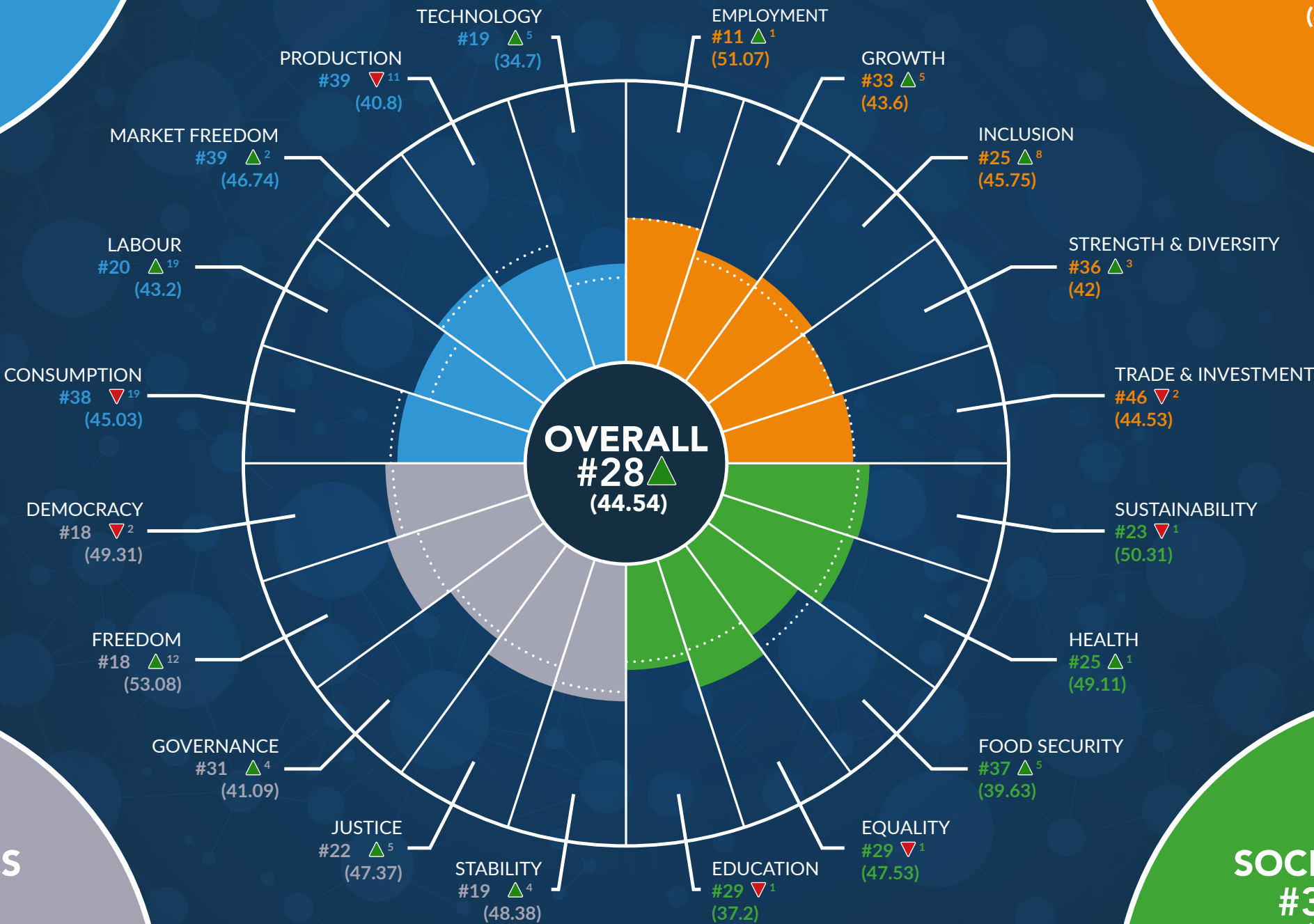
BUSINESS

#33
(42.09)

LIBERIA PERFORMANCE OVERVIEW

ECONOMICS

#32
(43.74)



POLITICS

#20
(47.85)

SOCIETY

#30
(44.48)

LIBERIA BUSINESS ANALYSIS

#33

BUSINESS OVERVIEW

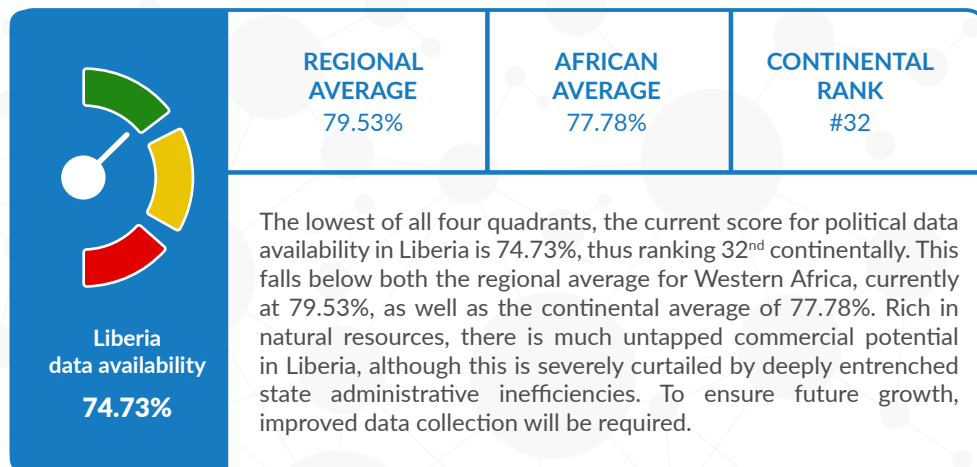
Liberia's business community is building a prosperous economy, founded on a wealth of natural resources and cultivatable lands. These assets are already attracting the interest of investors. In his first year in office, President Weah made attracting investors to the economy a top priority. To promote investment, Liberia has made the process of opening a business as easy as possible, from connecting to utilities to accessing credit. The interest rate on loans is higher than the business community would like, and inflation is a problem as the economy heats up.

The infrastructure beyond the capital, Monrovia, was destroyed during the civil wars of the 1990s and 2000s and is being restored. While world commodity prices

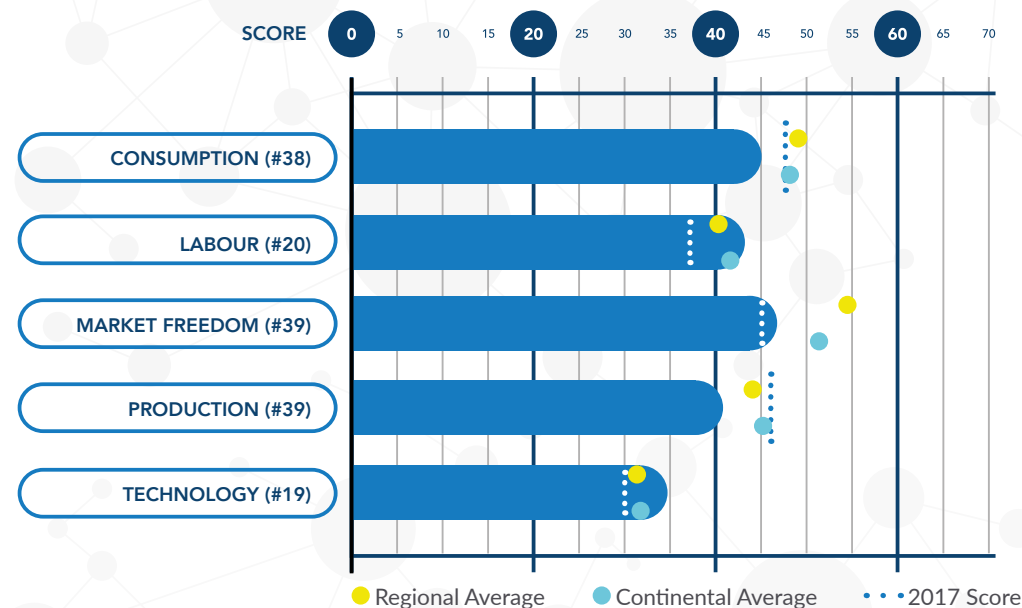
have declined since 2010, the mining sector, led by gold, is driving economic expansion. Iron ore exports increased after Arcelor Mittal opened new mines at Mount Gangla. While high electricity costs are a burden for businesses, tariffs are expected to decline with the finished rehabilitation of the Mount Coffee Hydropower Plant. The dam's output will allow for greater economic activity. Business activity has seen a gradual rise since the containment of an Ebola outbreak in 2015.

In the Business quadrant, Liberia experienced their only drop in quadrant ranking, decreased by four positions to 33rd place. Encumbrances to doing business in the country accounted for a lower score and positioning.

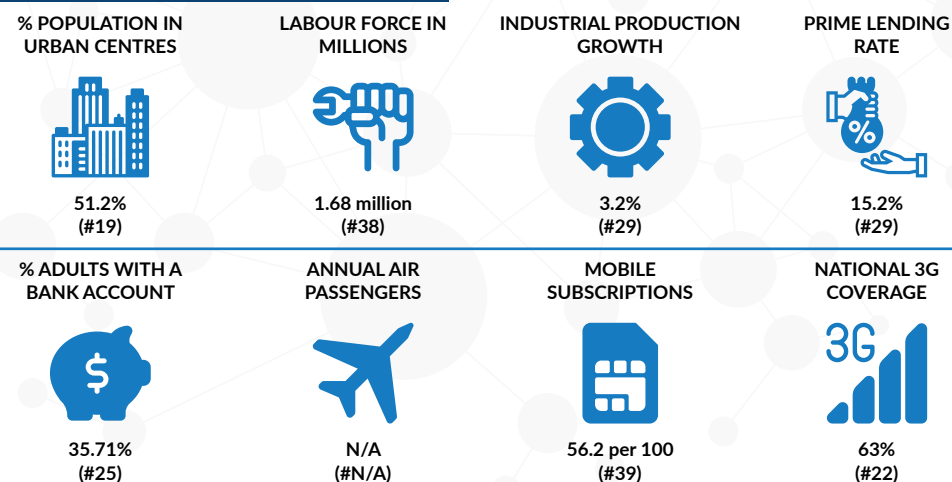
BUSINESS DATA COMMENTARY



BUSINESS SCORES & RANKINGS



BUSINESS STATISTICS



LIBERIA ECONOMIC ANALYSIS

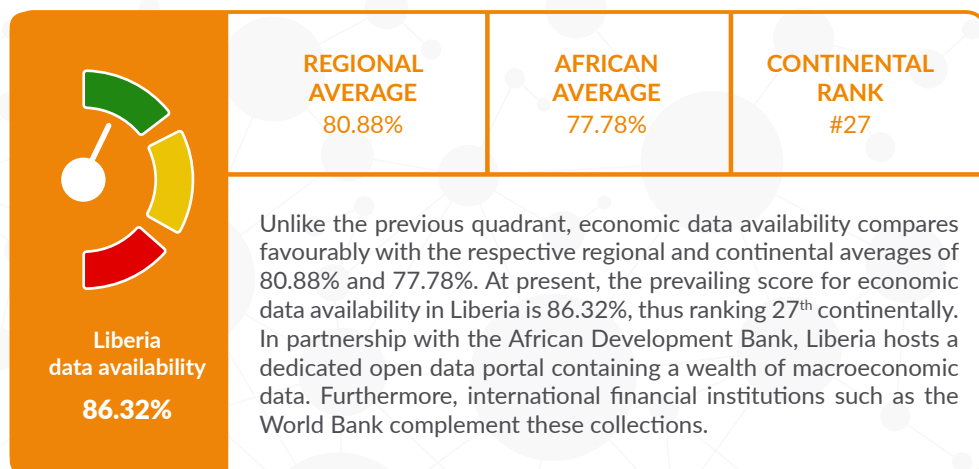


ECONOMIC OVERVIEW

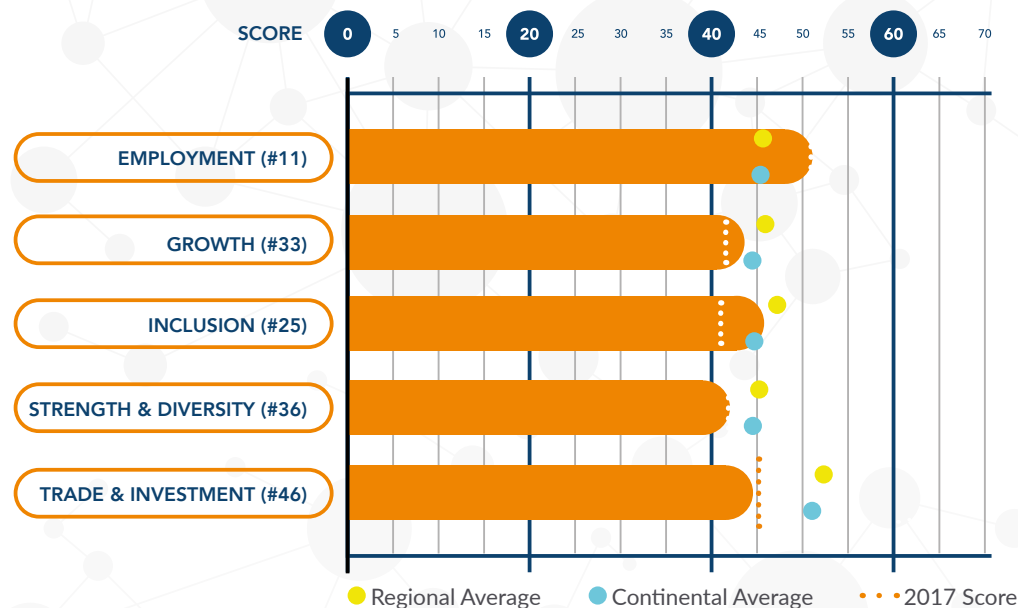
Liberia has their major trading partners in Europe, the Asian subcontinent and the Far East, who are purchasers of raw materials like timber and minerals. Rubber is historically a major product, and timber leads the agricultural sector, with cocoa and coffee following. The economy experienced 2.5% growth in 2017, following the disastrous impact of the Ebola outbreak that saw economic output decline by 1.6% in 2016. GDP growth in 2018 was 3%. Economic growth must be managed to contain inflation, which reached a historic high of 24% in June 2018. Assisting in economic recovery is the return of skilled Liberians who fled the country during the Ebola crisis and, prior to that, from the brutal civil war. Government is investing in vocation training for the youth.

Liberia's 2018 per capita GDP of US\$ 1,300 is low and indicative of the country's impoverishment. Nonetheless, this per capita GDP represents a 50% increase made in one year, up from US\$ 900 in 2017. Government is instituting the International Monetary Fund's advice to promulgate business-friendly policies. Liberia has significant iron ore and diamond deposits. The economy requires value-added industries to process agricultural and mineral output into finished goods. To accomplish this, the industrial infrastructure of Monrovia is to be expanded. Liberia's position in the Economics quadrant climbed three positions to 32nd place. This mid-range placement reflects an improvement in economic fundamental, such as a GDP increase and training to expand workforce skills.

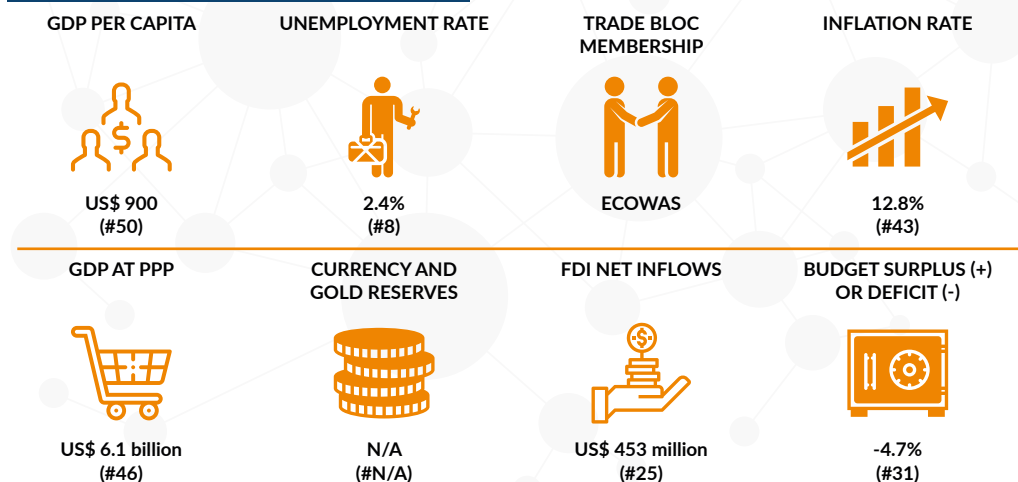
ECONOMIC DATA COMMENTARY



ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS



LIBERIA POLITICAL ANALYSIS

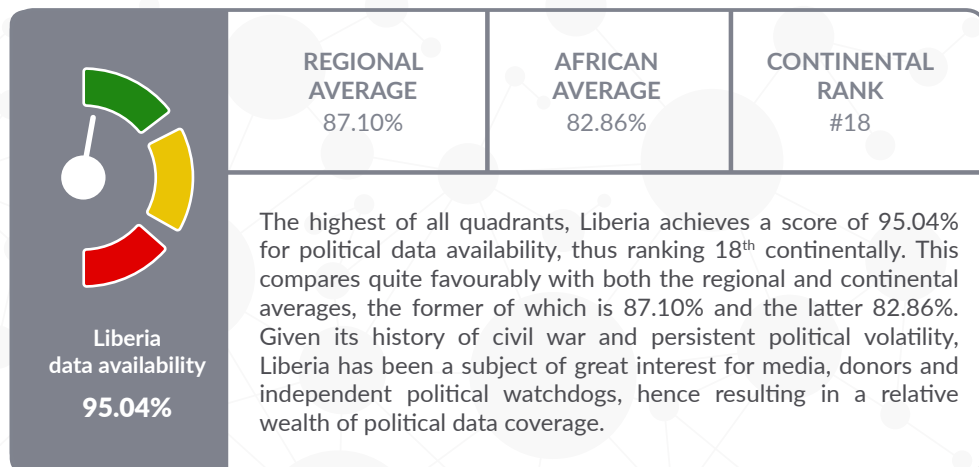


POLITICAL OVERVIEW

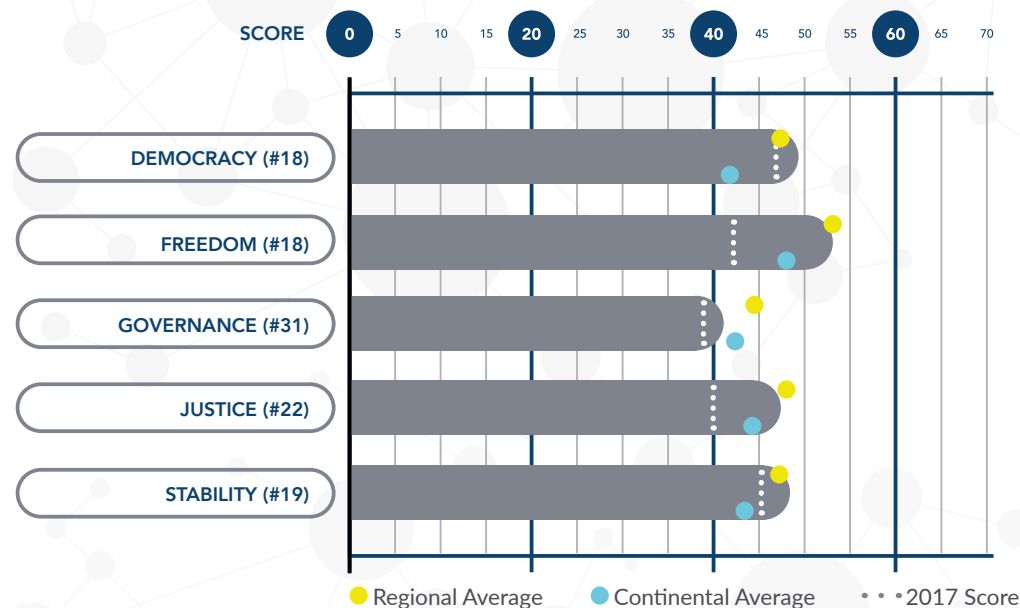
The peaceful transfer of power following the 2017 general elections was a milestone for the country and a relief to the West African region that had witnessed decades of gruesome political turmoil in Monrovia. The incumbent President Ellen Johnson Sirleaf, who was re-elected in 2011, was constitutionally held to only two terms in office. The election to choose her successor came in two phases: the first phase determined the two leading contenders, which was held in October 2017; and the run-off phase was held in December to select the victor. Run by the National Elections Commission, popular former football player George Weah of the Coalition for Democratic Change party emerged victorious. The 2017 voting was the first since the 2003 peace accord ended the country's civil war. Those

elections were overseen entirely by the government of Liberia, with security forces playing a positive role in keeping order. The elections were also vindication for the United Nations Security Council's (UNSC) 2016 decision to lift trade sanctions that were imposed on the country during the 14 years of civil war. The conflict resulted in 250,000 Liberian deaths. Also in 2016, the UNSC significantly scaled back their United Nations Mission in Liberia to a token force. Since his election to power, President Weah has actively been seeking foreign investment and cracking down on government corruption. Due to an extended period of peace that is showing signs of permanency, Liberia enjoyed its highest increase in a country position in the Politics quadrant, rising seven ranks to 20th place.

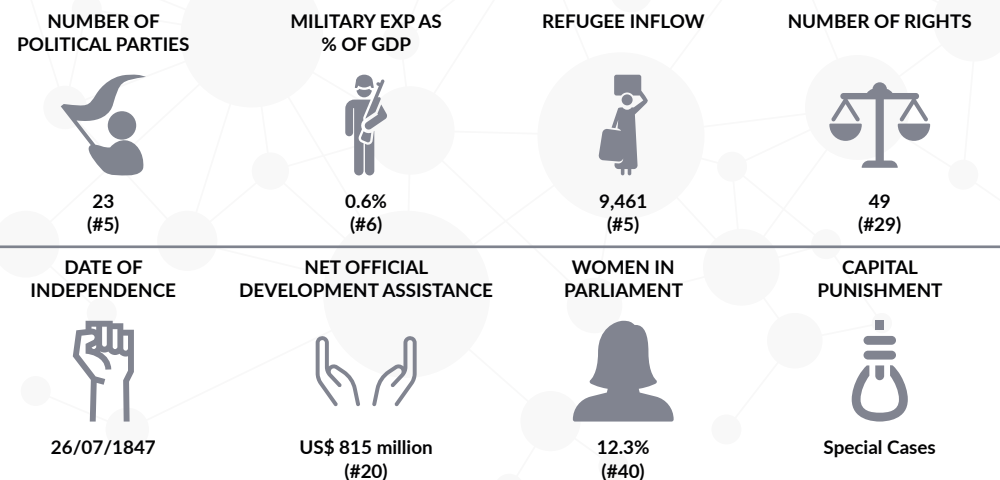
POLITICAL DATA COMMENTARY



POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS



LIBERIA SOCIETAL ANALYSIS



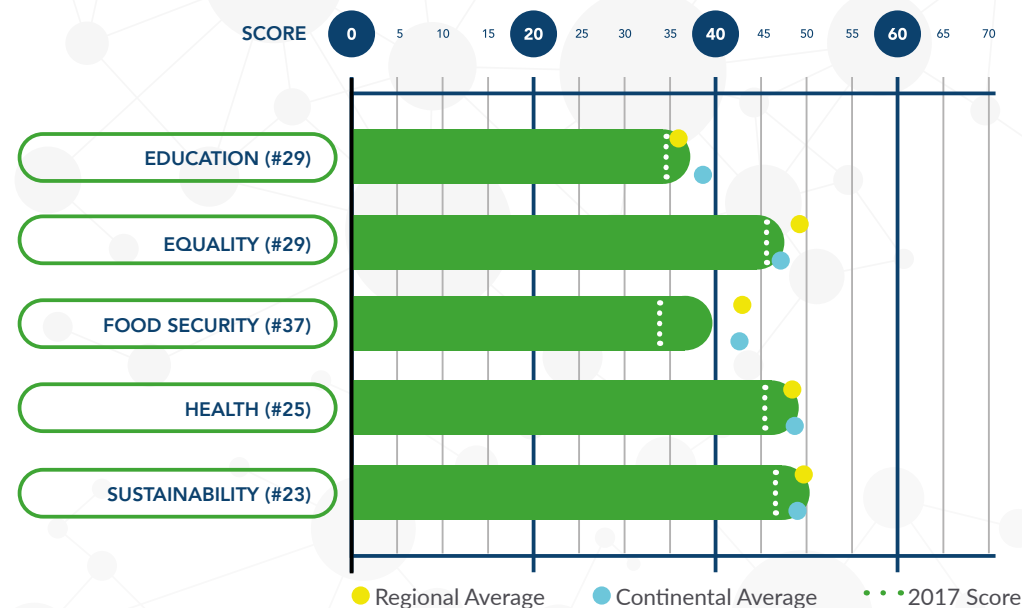
SOCIETAL OVERVIEW

Healthcare spending is relatively good, supported by international aid in response to the Ebola epidemic. However, spending on education must be boosted to increase literacy and bridge the literacy-gender gap that sees twice as many men (62%) able to read as women (33%). Improved healthcare that is the positive legacy of Ebola has already resulted in an extension of Liberia's low life expectancy of 59 years in 2016 to 64 years in 2018. The country's high fertility rate – the average Liberian woman gives birth to five children – is a concern not only for an encumbrance to poverty alleviation efforts but contributes to the maternal death rate, which is the 7th-highest in the world. Poverty is responsible for 15.3% of children being underweight.

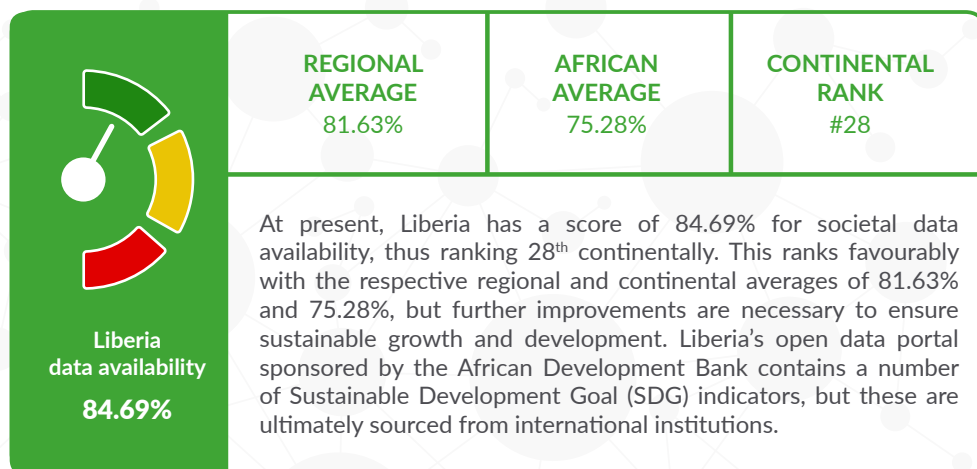
Decades of civil war that made rural areas dangerous led to an internal immigration that has resulted in half the population now living in urban areas, whose housing and infrastructure are incapable of meeting their needs.

Only 28% of urban dwellers have access to improved sanitation, and only 6% of rural residents have these. Dengue fever, malaria and yellow fever are diseases that also put Liberians at risk. With the return of peace and political stability, Liberia's societal fundamentals have improved, and the country recorded a one position rise in the Society quadrant, to 30th place.

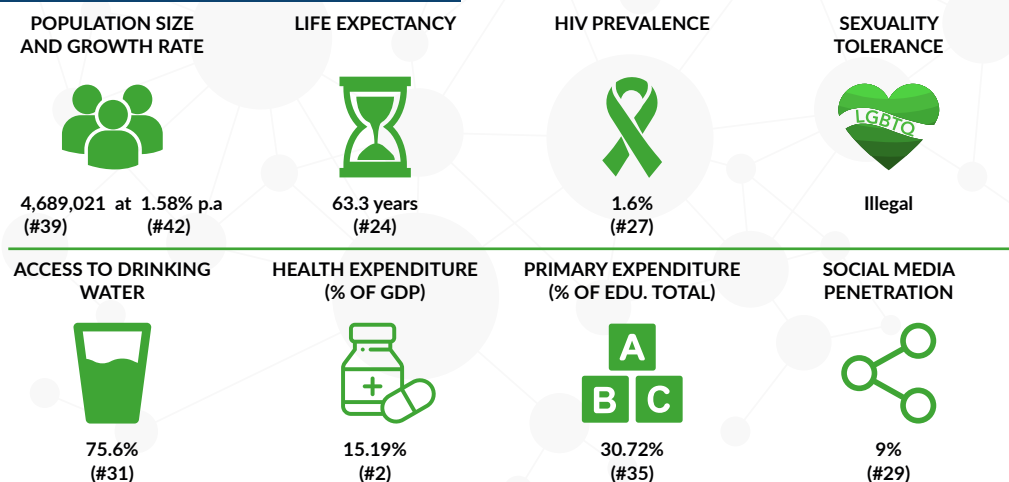
SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY



SOCIETAL STATISTICS



CONTACT

IN ON AFRICA

PHONE: + (27) 11 027 4027

EMAIL: info@inonafrica.com

WEB: www.inonafrica.com

ADDRESS: 146 Beyers Naude Drive, Franklin Roosevelt Park, Johannesburg, 2195



@inonafrica



In On Africa



In On Africa

This IOA publication is released to the public with the understanding that it is not intended to provide implicit legal, accounting, investment or other professional advice. The information, research and opinions provided are collated and formulated by In On Africa (IOA) from its associates' understanding and knowledge of issues dealt with, as well as from a variety of open sources. Whilst IOA believes that the information and opinions contained herein are reliable, it does not make any warranties, express or implied, and assumes no liability for reliance on or use of the information or opinions contained herein. Furthermore, IOA indemnifies itself from unforeseen errors due to certain sources being gathered from third parties.

© IN ON AFRICA (PTY) LTD 2019