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**Trade Policy Review Body**

**TRADE POLICY REVIEW**

REPORT BY THE SECRETARIAT

LIBERIA

*Revision*

This report, prepared for the first Trade Policy Review of Liberia, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Liberia on its trade policies and practices.

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Document WT/TPR/G/441 contains the policy statement submitted by Liberia.

## CONTENTS

<b>SUMMARY .....</b>	<b>6</b>
<b>1 ECONOMIC ENVIRONMENT .....</b>	<b>10</b>
1.1 Main features of the economy .....	10
1.2 Recent economic developments .....	11
1.3 Developments in trade and foreign direct investment.....	16
1.3.1 Merchandise trade .....	16
1.3.2 Trade in services .....	18
1.3.3 Trends and patterns in FDI.....	19
<b>2 TRADE AND INVESTMENT REGIMES.....</b>	<b>20</b>
2.1 General framework .....	20
2.2 Trade policy formulation and objectives .....	21
2.3 Trade agreements and arrangements .....	23
2.3.1 World Trade Organization.....	23
2.3.2 Regional and preferential agreements and arrangements.....	25
2.3.2.1 ECOWAS.....	25
2.3.2.2 African Union.....	26
2.3.2.3 Preferential trade arrangements (non-reciprocal).....	26
2.3.2.4 Other agreements .....	27
2.4 Investment regime .....	27
2.4.1 Legislation and institution .....	27
2.4.2 Foreign investment restrictions .....	27
2.4.3 Investment agreements.....	29
<b>3 TRADE POLICIES AND PRACTICES BY MEASURE.....</b>	<b>31</b>
3.1 Measures directly affecting imports .....	31
3.1.1 Customs procedures, valuation, and requirements.....	31
3.1.2 Rules of origin .....	33
3.1.3 Tariffs .....	33
3.1.3.1 Applied MFN tariffs .....	33
3.1.3.2 WTO bindings .....	38
3.1.3.3 Tariff exemptions .....	39
3.1.3.4 Tariff preferences.....	41
3.1.4 Other duties, charges, and taxes.....	41
3.1.5 Import prohibitions, restrictions, and licensing .....	43
3.1.5.1 Import prohibitions .....	43
3.1.5.2 Import restrictions and licensing .....	44
3.1.6 Anti-dumping, countervailing, and safeguard measures .....	45
3.2 Measures directly affecting exports .....	45
3.2.1 Customs procedures and requirements .....	45
3.2.2 Taxes, charges, and levies .....	46

3.2.3	Export prohibitions, restrictions, and licensing.....	46
3.2.3.1	Export prohibitions .....	46
3.2.3.2	Export restrictions and licensing requirements.....	46
3.2.4	Export support .....	46
3.3	Measures affecting production and trade.....	47
3.3.1	Incentives .....	47
3.3.2	Standards and other technical requirements .....	49
3.3.3	Sanitary and phytosanitary requirements .....	51
3.3.4	Competition policy and price controls.....	53
3.3.4.1	Competition policy .....	53
3.3.4.2	Price control .....	53
3.3.5	State trading, state-owned enterprises, and privatization.....	54
3.3.5.1	State trading .....	54
3.3.5.2	State-owned enterprises and privatization .....	54
3.3.6	Government procurement .....	55
3.3.7	Intellectual property rights .....	57
3.3.7.1	Overview .....	57
3.3.7.2	Copyright and related rights .....	58
3.3.7.3	Trademarks.....	59
3.3.7.4	Geographical indications .....	59
3.3.7.5	Industrial designs.....	60
3.3.7.6	Patents and utility models .....	60
3.3.7.7	Layout-designs of integrated circuits.....	60
3.3.7.8	Plant varieties .....	60
3.3.7.9	Enforcement.....	60
<b>4</b>	<b>TRADE POLICIES BY SECTOR.....</b>	<b>63</b>
4.1	Agriculture, forestry, and fisheries .....	63
4.1.1	Agriculture.....	63
4.1.1.1	Overview .....	63
4.1.1.2	Agricultural policy .....	63
4.1.1.3	Market access.....	66
4.1.1.4	Export measures.....	66
4.1.1.5	Rice .....	66
4.1.2	Forestry .....	67
4.1.3	Fisheries.....	69
4.2	Mining .....	72
4.2.1	Mineral policy .....	73
4.2.2	Gold and diamonds .....	74
4.3	Energy.....	74
4.3.1	Overview .....	74

4.3.2 Electricity .....	75
4.3.3 Petroleum products .....	76
4.4 Manufacturing .....	78
4.5 Services .....	79
4.5.1 Overview .....	79
4.5.2 Financial services .....	79
4.5.2.1 Banking services .....	80
4.5.2.2 Insurance services .....	81
4.5.2.3 Capital market .....	82
4.5.3 Transport services .....	82
4.5.3.1 Maritime transport .....	82
4.5.3.2 Air transport .....	84
4.5.4 Telecommunication and postal services .....	86
4.5.4.1 Tourism .....	88
<b>5 APPENDIX TABLES .....</b>	<b>90</b>

## CHARTS

Chart 1.1 World market prices of iron ore and gold, 2006-21 .....	11
Chart 1.2 Product composition of merchandise trade, 2016 and 2021 .....	17
Chart 1.3 Direction of merchandise trade, 2016 and 2021 .....	18
Chart 3.1 Distribution of MFN applied tariff rates – 2017, 2023, and ECOWAS CET .....	37
Chart 3.2 Average tariff rates, by WTO product group, 2017 and 2023 .....	38
Chart 3.3 Distribution of bound tariffs .....	39

## TABLES

Table 1.1 Selected macroeconomic indicators – GDP structure, 2016-21 .....	10
Table 1.2 Selected macroeconomic indicators, 2016-21 .....	13
Table 1.3 Balance of payments, 2016-21 .....	15
Table 1.4 Trade in services, 2016-21 .....	19
Table 2.1 WTO notifications by Liberia, from July 2016 to March 2023 .....	24
Table 3.1 Liberia's migration to the ECOWAS CET .....	34
Table 3.2 Structure of MFN tariffs, 2017, 2023, and ECOWAS CET .....	35
Table 3.3 Changes in Liberia's tariff structure .....	36
Table 3.4 Exemption from customs duties through EOs, as of February 2023 .....	40
Table 3.5 Main schemes for tariff exemptions and reductions .....	40
Table 3.6 Excise duties, 2023 .....	42
Table 3.7 Non-exhaustive list of products subject to export restrictions, 2023 .....	46
Table 3.8 State-owned enterprises, 2023 .....	54
Table 3.9 Annual spending on public procurement and its share in GDP, 2018-21 .....	56

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Table 3.10 Public procurement by various methods – FY2018-21 .....	57
Table 3.11 Membership in WIPO-administered and ARIPO treaties, 2022.....	57
Table 3.12 Application and registration of IPRs, 2016-22 .....	59
Table 4.1 Production and trade in agricultural products, 2019-21 .....	63
Table 4.2 Agricultural concessions, 2019/20 .....	64
Table 4.3 Timber production, 2019-21 .....	68
Table 4.4 Mineral production and exports of Liberia, 2019-21 .....	73
Table 4.5 Main manufacturing products, 2019-21 .....	78
Table 4.6 National fleet, 2015 and 2020.....	83
Table 4.7 Vessel throughput at Liberia's ports, 2016-21.....	84
Table 4.8 Liberia's bilateral air service agreements .....	84
Table 4.9 Passenger arrivals by air transport, 2016-21 .....	85
Table 4.10 Selected telecoms indicators, 2018-21 .....	87
Table 4.11 Tourism indicators, 2016-19 .....	89

### BOXES

Box 3.1 Procedures to import goods into Liberia .....	32
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### APPENDIX TABLES

Table A1.1 Merchandise trade by group of products, 2016-21.....	90
Table A1.2 Merchandise exports by destination, 2016-21.....	91
Table A1.3 Merchandise imports by origin, 2016-21 .....	92
Table A3.1 Liberia's applied MFN tariff summary, 2017, 2023, and ECOWAS CET.....	93
Table A3.2 Tariff lines where the applied rate exceeds the binding, 2023 .....	95

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## SUMMARY

1. Liberia is a natural resource-based economy exporting mainly iron ore, gold, and natural rubber (together accounting for about 80% of merchandise exports), as well as palm oil, timber, and diamonds. It has the second-largest shipping registry in the world after Panama. However, the per capita income of Liberia's 5.2 million people was approximately USD 673 in 2021, which is less than USD 2 a day, and about half of the population remains in poverty. Net remittances (about 7% of GDP in 2020) and foreign aid (about 19% of GDP) are important to the economy. Key factors holding back Liberia's economic development include poor infrastructure, inadequate investment in human capital, and corruption.

2. With the end of the 14-year civil war in 2003, the economy expanded rapidly by about 7% annually over 2004-14. In the following years, economic performance deteriorated with GDP growth averaging about 0.3% per year during 2016-21. This resulted from several factors, including major exogenous shocks, notably Ebola (2013-14), the withdrawal of the United Nations peace-keeping mission in 2018 with a substantial decline in financial transfers, and the COVID-19 pandemic.

3. The budgetary situation has been under control with Liberia even having recorded fiscal surpluses in recent years. Although the public debt has grown significantly (50% of GDP in 2021), it is deemed sustainable by the IMF. The international reserves were equivalent to 4.5 months of imports at end-December 2021 (up from 2.5 months at end-2020). Both the Liberian dollar and the US dollar are legal tender in the country, which makes monetary and exchange rate management challenging. Inflation declined from two-digit levels to 5.5% at end-2021, reflecting tight monetary and prudent fiscal policies.

4. Trade plays an important role in the economy. Trade in goods and services was equivalent to about 72% of GDP in 2021, and trade taxes collected at the border contributed over 40% of tax revenues. The Government's Pro-Poor Agenda for Prosperity and Development 2018-2023 aims to promote exports to other ECOWAS countries, which currently are marginal. Liberia lacks reliable and up-to-date trade data. Based on available information, most of its exports are destined for the European Union, followed by Switzerland and the United States. Imports come mainly from India, followed by ECOWAS countries, China, and the United States. Liberia is a net importer of food and relies entirely on imported petroleum products.

5. Liberia has a generally open foreign investment regime. Some activities are reserved for Liberians (e.g. travel agencies), and some are subject to foreign investment caps (e.g. insurance services) or require a minimum foreign capital investment (e.g. poultry production). All large concession agreements are subject to local content and local employment requirements. In 2019, Liberia extended the duration of residency visas and work permits from one to five years, to help improve its business environment.

6. Liberia participates in ECOWAS but is yet to ratify the AfCFTA treaty and the EPA with the European Union. Liberia currently grants tariff preferences only under the ECOWAS Trade Liberalization Scheme. Liberia acceded to the WTO on 14 July 2016 and this report is prepared for its first Trade Policy Review.

7. The Ministry of Commerce and Industry (MoCI) is responsible for formulating and implementing policies on trade. Liberia has submitted a number of notifications to the WTO, but has several outstanding notifications in areas such as agriculture, import licensing procedures, pre-shipment inspection, and customs valuation. The ratification process for the WTO Agreement on Fisheries Subsidies is yet to start. Many of Liberia's trade- and investment-related laws were promulgated at the time of Liberia's accession to the WTO. However, in general, implementing regulations remain pending.

8. Liberia accepted the WTO Agreement on Trade Facilitation (TFA) in April 2021. It has implemented about 68.5% of its TFA commitments, which are expected to be fully implemented by February 2025. Liberia uses ASYCUDA World for its customs procedures. Its Customs Code, last amended in 2019, is fully aligned with the harmonized ECOWAS regulations, according to the authorities. Pre-shipment inspection was abolished and replaced by destination inspection by Liberian customs.

9. Liberia began implementation of the plan to migrate from its national customs tariff to the five-band ECOWAS CET (zero, 5%, 10%, 20%, and 35%) on 1 January 2017, two years later than originally planned due to the Ebola outbreak. Owing to the economic impact of the COVID-19 pandemic, ECOWAS members decided to postpone their transition towards the full implementation of the CET (without exceptions) to 1 January 2028. Liberia is in the process of developing a new migration plan consistent with ECOWAS' new transition period.

10. Like other ECOWAS members, Liberia applies the ECOWAS CET *with* national exceptions. Its 2023 customs tariff, which is based on HS22, has nine tariff bands (instead of ECOWAS' five). The exceptions cover 1,443 tariff lines at the HS six-digit level in 2023 (22.4% of all tariff lines). The applied MFN tariff rates average 10.3% in 2023, down from 11.8% in 2017. Liberia has bound 100% of its tariff lines within a range of zero to 50%. Although most applied MFN rates are considerably lower than the bound rates, the applied rates exceed their bindings in 73 tariff lines.

11. In Liberia's case, migration to the ECOWAS CET by 2028 would lead to an increase in the overall level of tariff protection. In fact, with the full implementation of the ECOWAS CET without exceptions, Liberia's average MFN tariff would increase to 12.1% (up from 10.3% in 2023). About 30.3% of all tariff lines would have their rates increased. Significant tariff adjustments are ahead, especially for agricultural products.

12. On imports, Liberia also collects the ECOWAS Levy (0.5%) and internal taxes such as the Goods and Services Tax (GST) (at the standard rate of 10%) and excise duties. For a number of imported products, the excise duty rates are higher than those on domestically produced goods. Liberia does not have national legislation on trade contingency measures and has not implemented any anti-dumping, countervailing, or safeguard measures, according to the authorities.

13. Import prohibitions, restrictions, and permit requirements are applied on various grounds, such as safety, security, and environmental protection, and for SPS reasons. Liberia has moved to an automatic import licensing regime; all imports now require an Import Notification Form for statistical purposes.

14. All exports require a licence (Export Permit Declaration) from the MoCI and, in addition, several regulatory agencies have special export permit requirements.

15. Liberia has somewhat streamlined its incentives regime. A Special Investment Certificate, which provides for partial tax holidays and reductions of import tariffs and GST, is granted for 3 years (previously 5 years) to 15 eligible sectors/activities. Manufacturing incentives are conditional on local content or export performance.

16. While Liberia has made some progress in modernizing its TBT and SPS regimes, it is however facing capacity constraints in implementing them. The Liberia National Standards Act establishing the Liberia Standards Authority entered into force in 2022 but is not yet operational. Liberia has provided five TBT notifications and one SPS notification, with no specific trade concern being raised in the WTO TBT and SPS Committees. All Liberia Standards and SPS measures are based on regional or international standards, according to the authorities. Liberia adopted a new Food Law in 2017, which provides for, *inter alia*, the establishment of an independent Food Safety Authority (not yet established). The legal framework for phytosanitary and veterinary measures is obsolete but work on new draft legislation is under way, according to the authorities.

17. Liberia adopted a new Competition Law in 2016. The MoCI is responsible for its implementation and enforcement. Commodities considered as "critical essential" are subject to price controls by the MoCI. The Bureau of State Enterprises is responsible for the oversight of SOEs. According to the authorities, Liberia has 18 SOEs, some of which have commercial objectives. It appears that, in practice, they have not been exercising exclusive rights or privileges. The public procurement system is decentralized. National open bidding is the recommended procurement method. Liberia aims to reserve 25% of public procurement to MSMEs with 5% reserved to women-owned MSMEs. In practice, this has not been achieved.

18. Liberia is a member of the World Intellectual Property Organization (WIPO) and the African Regional Intellectual Property Organization (ARIPO). It is also a contracting party to international conventions and treaties on the protection of intellectual property rights. Liberia

adopted an Intellectual Property Act in 2016, which covers copyrights, trademarks, industrial designs, patents and utility models, and layout-designs of integrated circuits, as well as geographical indications. Also in 2016, Liberia established the Liberia Intellectual Property Office. The country is however faced with a low level of intellectual property awareness and generation, and weak enforcement.

19. Agriculture, forestry, and fisheries are the backbone of the Liberian economy (accounting for about 38% of GDP). Liberian agriculture consists of a large smallholder sector, which is primarily farming for subsistence, and a commercial farming sector, which includes several large, export-oriented rubber and palm oil plantations. Rice is the nation's staple and a "critical essential" commodity for social stability. Most rice is imported. The statutory CET rate (35%) has been suspended to reduce the price of imports. In addition, Liberia has subsidized the consumer price of rice with adverse consequences such as smuggling to other countries and distortions to agricultural incentives. Liberia's domestic support to the agriculture sector is limited; the country relies mainly on external funding to support its farmers.

20. Liberia is richly endowed with forestry resources, which cover over half of the country. With the end of the civil war, significant reforms of the Liberian forestry regime were launched in terms of transparency and accountability, leading to the lifting of the UN sanctions on Liberian timber exports in 2006. The reforms involved the establishment of a traceability system to guard against illegal logging and track logging operations from stump to the point of export. The EU-Liberia Voluntary Partnership Agreement (not yet operational) aims to enable Liberia to meet EU requirements for the control, verification, and licensing of timber exports. Timber and wood products are subject to export taxes.

21. Despite its vast fisheries resources, Liberia remains a net importer of fish and fish products. The most valuable activities are tuna and shrimp fisheries, but official exports are negligible. The country has taken steps to reform its fisheries management regime, with the fight against IUU fishing being a stated priority.

22. The mining sector contributes about 16% to GDP, mainly coming from iron ore and gold mining. Large industrial mining projects are open to foreign investment, subject to the conclusion of a Mineral Development Agreement. Liberia has taken steps to improve transparency and accountability in the mining sector. The UN Security Council embargo on Liberian exports of rough diamonds was thus lifted in 2007, when Liberia joined the Kimberley Process Certification Scheme. In 2009, Liberia became a participant in the Extractive Industries Transparency Initiative. However, unlicensed and illegal mining in the artisanal mining sector remains a challenge.

23. Liberia's electricity infrastructure was largely destroyed during the civil war. Despite rehabilitation works, the supply of and access to electricity from the main grid remain very limited and blackouts are frequent. Power generation is based almost entirely on hydropower and fuel. A new electricity transmission line that connects to the regional ECOWAS power grid somewhat alleviates the power shortages. Liberia has established independent regulators for electricity and petroleum. Exploration by international petroleum companies is under way, but Liberia is yet to discover crude oil or natural gas in commercial quantities. The state-owned Liberia Petroleum Refining Corporation's exclusive rights for imports of petroleum and petroleum products are not exercised; its activities are currently limited to storage, supply, and distribution.

24. The manufacturing sector contributes about 6% to GDP and produces mainly for the domestic market. While there are a few large cement and beverage producers, most local companies are MSMEs. The Monrovia Industrial Park (MIP) was established in 1965 with the aim to encourage domestic and foreign investment in manufacturing. Currently, five enterprises operate in the MIP.

25. Services contribute about 41% to Liberia's GDP. The country is a net importer of services by a large margin, in particular in subsectors such as transport services. Liberia has made substantial commitments under the GATS. It has scheduled open and non-discriminatory regimes for a range of service subsectors (i.e. "full" commitments without limitations on market access or national treatment, except mode 4), including business services, education, environment, health, and telecoms.



26. According to the IMF, the Liberian bank subsector has been relatively stable and resilient in the face of the economic impact of the COVID-19 pandemic. Liberia is making progress in strengthening its Anti-Money Laundering/Combating the Financing of Terrorism framework. Its financial services regime allows the establishment of foreign financial institutions in the form of subsidiaries and branches. The insurance subsector is currently supervised by the Central Bank, which is to transfer its regulatory powers to an independent Insurance Commission within a few years.

27. As a founding member of the International Maritime Organization, Liberia is a member of all major maritime treaties, including the Port State Control system. In 2022, Liberia acceded to the International Convention for the Facilitation of Maritime Trade. International flight connections are ensured by foreign airlines, as Liberia does not have a national flag carrier. According to the authorities, Liberia favours the coverage of the 5<sup>th</sup> air freedom rights by its international agreements on air transport.

28. At present, Liberia has two dominant mobile operators. The regulator introduced a tariff floor in 2019 for mobile voice and mobile data services in order to restore market stability and create a level playing field for competitors. Internet services are still underdeveloped, with Internet penetration estimated at 49%.

29. Tourism in Liberia is in the early stages of development with weak regulation by the Ministry of Information, Cultural Affairs & Tourism, while the Liberia National Tourism Authority is not yet operational. The Liberian National Export Strategy on Tourism sees the greatest potential in the areas of surfing, wildlife, ecotourism, and cultural and heritage tourism.

## 1 ECONOMIC ENVIRONMENT

### 1.1 Main features of the economy

1.1. The Republic of Liberia is a country on the west African coast, bordering Côte d'Ivoire, Guinea, and Sierra Leone. It has a population of around 5.2 million and covers a land area of 111,369 km<sup>2</sup>. Its coastal location, mineral wealth, and fertile land indicate its strong economic potential. Nonetheless, Liberia remains a least developed country (LDC) with a per capita GDP of USD 673 per year in 2021 (Table 1.2). It remains in the low human development category, being ranked 178<sup>th</sup> out of 191 countries and territories in the world in 2021 on the UNDP's Human Development Index.<sup>1</sup> According to the UNDP, in 2022, Liberia had a poverty rate of 50.9%. Although data on unemployment are not available, a World Bank study indicates that, in 2020, 81% of working-age men and 61% of women were employed.<sup>2</sup> Both remittances (net remittances were equivalent to about 7% of GDP (Table 1.1)) and foreign aid (official development assistance (ODA) was around 19% of GDP in 2020)<sup>3</sup> play important roles in the economy.

1.2. The key factors that have delayed Liberia's development include civil war (1989-2003), infrastructure bottlenecks, limited access to financial services, and shortcomings in the business climate, notably high levels of perceived corruption.<sup>4</sup> According to the IMF, in 2021 only 7% of roads in Liberia were paved, and 27% of the population had access to electricity.<sup>5</sup> Limited human capital accumulation is another bottleneck to development.<sup>6</sup> Children attend school only 4.2 years on average.<sup>7</sup> The economy has also been facing many external shocks (Section 1.2), and is highly vulnerable to climate change through, *inter alia*, coastal effects of sea level rise.

1.3. The majority of Liberians rely on agriculture for their livelihood. In 2021, the agriculture, forestry, and fisheries sector was the main contributor to GDP (40%), followed by services (37%), mining and quarrying (17%), and manufacturing (6%) (Table 1.1). Trade plays an important role in the economy: trade in goods and services was equivalent to 72% of GDP in 2021, and taxes collected at the border account for more than 40% of total tax revenue (Sections 1.2 and 1.3).

**Table 1.1 Selected macroeconomic indicators – GDP structure, 2016-21**

	2016	2017	2018	2019	2020	2021
GDP (current USD million)	3,398.4	3,390.7	3,422.8	3,319.6	3,040.0	3,486.7
GDP per capita (USD)	740.9	721.1	710.3	672.3	601.1	673.1
GDP growth (annual %) <sup>a</sup>	-1.6	2.5	1.2	-2.5	-3.0	5.0
Population (1,000)	4,586.8	4,702.2	4,819.0	4,937.4	5,057.7	5,180.2
<b>GDP by economic activity (% of GDP at 2018 constant prices)</b>						
Agriculture, forestry, and fisheries	..	..	36.1	36.9	40.3	39.9
Mining and quarrying	..	..	12.3	14.3	15.0	16.9
Manufacturing	..	..	6.4	5.8	6.0	6.1
Services	..	..	45.3	42.9	38.6	37.1

<sup>1</sup> UNDP, *Multiple Global Crises Reverse Human Development Gains Worldwide, UNDP Report Finds*. Viewed at: <https://www.undp.org/liberia/press-releases/multiple-global-crises-reverse-human-development-gains-worldwide-undp-report-finds>.

<sup>2</sup> World Bank (2022), *Republic of Liberia Economic Update Third Edition – Investing in Human Capital for Inclusive and Sustainable Growth*. Viewed at: <https://documents1.worldbank.org/curated/en/099455109192219278/pdf/P177994009187f0f60ba8d0fe0eeb8b19ec.pdf>.

<sup>3</sup> World Bank, *Net Official Development Assistance Received – Liberia*. Viewed at: <https://data.worldbank.org/indicator/DI.ODA.ODAT.CD?locations=LR>.

<sup>4</sup> IMF (2022), *Liberia: Staff Report for the Article IV Consultation*, IMF Country Report No. 22/296. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2022/09/14/Liberia-2022-Article-IV-Consultation-and-Fourth-Review-of-the-Extended-Credit-Facility-523369>.

<sup>5</sup> IMF (2022), IMF Country Report No. 22/296.

<sup>6</sup> IMF (2019), *Liberia: Staff Report for the Article IV Consultation*, IMF Country Report No. 19/169. Viewed at: <https://www.imf.org/en/Publications/CR/Issues/2019/06/19/Liberia-2019-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-47002>.

<sup>7</sup> IMF (2022), IMF Country Report No. 22/296.

	2016	2017	2018	2019	2020	2021
<b>Real growth rate based on 2018 constant prices (percentage change)</b>						
Agriculture, forestry, and fisheries	..	..	..	-0.2	5.9	3.1
Mining and quarrying	..	..	..	13.2	2.0	17.6
Manufacturing	..	..	..	-10.5	0.0	4.7
Services	..	..	..	-7.5	-12.7	0.1

.. Not available.

a Estimates after 2016.

Source: Central Bank of Liberia, *Annual Report*, various editions 2016-21; World Bank Databank. Viewed at: <https://databank.worldbank.org/home>; and IMF data. Viewed at: <https://data.imf.org/>.

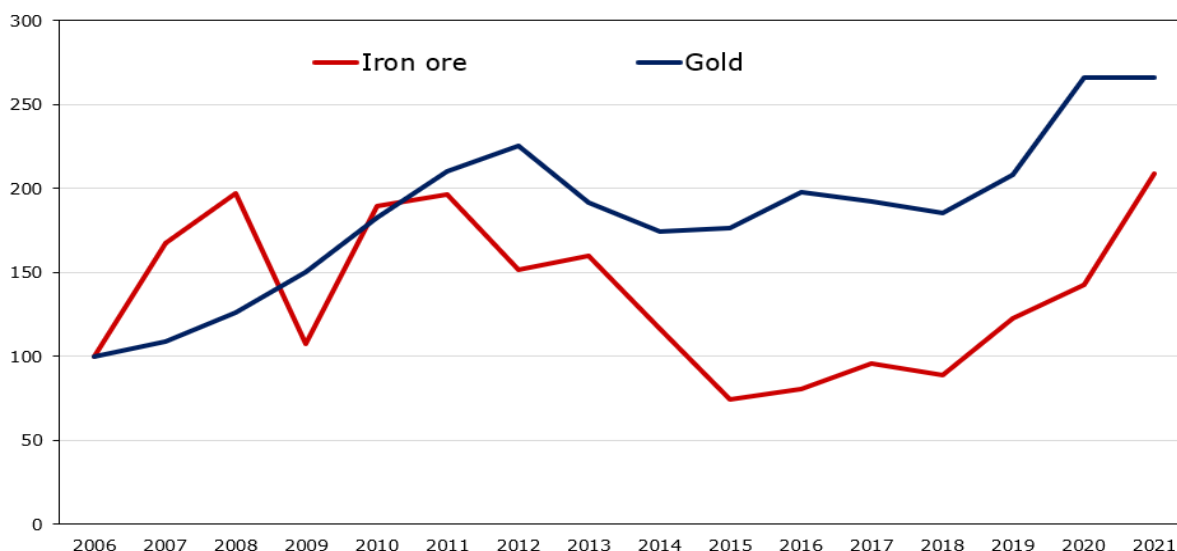
## 1.2 Recent economic developments

1.4. Over the review period, the economy faced major external shocks including the outbreak of an Ebola epidemic, which stopped the fast growth trend from 2004 to 2014<sup>8</sup> and led to the contraction of the economy in 2016; the withdrawal of the United Nations Mission in Liberia in 2018, which slowed the economy due to the decline in net transfers<sup>9</sup>; and the COVID-19 pandemic, which contributed to a GDP contraction again in 2020. Volatility in commodity prices also plays a part, as economic growth in Liberia is often pushed by export earnings from minerals.

1.5. In 2021, Liberia's economy achieved robust growth: the mining and quarrying sector registered a growth rate of 17.6%, mainly on account of increases in commercial gold production.<sup>10</sup> In 2021, gold and diamond volumes grew by 79% and 15%, respectively, while iron ore grew by 3%.<sup>11</sup> This might have been encouraged by the rise in international prices of these commodities<sup>12</sup> (Chart 1.1).

**Chart 1.1 World market prices of iron ore and gold, 2006-21**

(Index 2006 = 100)



Source: World Bank, *Commodity Markets*. Viewed at: <https://www.worldbank.org/en/research/commodity-markets>.

<sup>8</sup> Since the end of the civil war in 2003, the economy expanded rapidly, with an average annual GDP growth of 6.9% from 2004 to 2014. World Bank, *GDP Growth (Annual %) - Liberia*. Viewed at: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2021&locations=LR&start=2004&view=chart>.

<sup>9</sup> IMF (2019), IMF Country Report No. 19/169.

<sup>10</sup> Central Bank of Liberia (2022), *Annual Report 2021*. Viewed at: <https://www.cbl.org.lr/sites/default/files/documents/2021annualreport.pdf>.

<sup>11</sup> Central Bank of Liberia (2022), *Annual Report 2021*.

<sup>12</sup> The unit price of diamonds went up from USD 86.12/cts in 2020 to USD 116.53/cts in 2021. Kimberley Process, *Public Statistics Area*. Viewed at: [https://kimberleyprocessstatistics.org/public\\_statistics](https://kimberleyprocessstatistics.org/public_statistics).

1.6. The agriculture, forestry, and fisheries sector saw its growth rate slow to 3.1% in 2021 (from 5.9% in 2020), reflecting a decrease in domestic rice and cassava production, as well as decreases in log and timber, and charcoal and wood production.<sup>13</sup> The authorities indicate that reasons for the fall in output levels included the pandemic, plagues of insects, and climate change. The manufacturing sector grew by 4.7% on account of increased cement and beverages output. The services sector stopped its contraction and registered minor growth in 2021 (0.1%). According to the Central Bank of Liberia (CBL), this reflected increased activities in the transportation and communications, trade and hotels, and construction subsectors.<sup>14</sup>

1.7. To address the challenges posed by external shocks and internal weaknesses, in 2018, the Government issued its Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023, a five-year national development plan under the Liberian Vision 2030 Framework. According to the PAPD, Liberia is rich in human and natural resources, but is deprived of development largely because its human capital lacks the knowledge to transform natural resources into wealth.<sup>15</sup>

1.8. The PAPD is geared towards building more capable and trusted state institutions, and creating more jobs by promoting the private sector as the driver of growth. It aims to reduce poverty by 23% in 2023 from the 2018 level, in five of Liberia's six regions, through sustained and inclusive economic growth driven by scaled-up investments in agriculture, infrastructure, human resource development, and social protection.<sup>16</sup>

1.9. According to the PAPD, to limit macroeconomic shocks and their impacts on the economy (and in particular on the poor), the CBL is to implement an appropriate regime to ensure stability in the foreign exchange market, while the Government needs to pursue an export promotion policy and sustain fiscal prudence and discipline.<sup>17</sup> However, the National Export Strategy 2014-18 does not contain specific policy tools to promote exports from Liberia (Section 2.2).

1.10. Liberia recorded significant increases in its total government revenue in recent years. Total government revenue went up by 51% in 2020 and declined slightly in 2021, while tax revenue increased by 10% in 2020 and 23% in 2021 (Table 1.2), reflecting the Government's efforts to mobilize revenue.<sup>18</sup> In particular, taxes collected at the border by Customs went up by 28%, and accounted for 43% of total tax revenue in 2021, equivalent to 6% of GDP. This fast increase in tax collected at the border may reflect an increase in import values, as the total merchandise import value went up by 34% from the 2020 level (Section 1.3.1).

1.11. The increases in public revenue have contributed to overall fiscal balance surpluses in recent years. In 2021, although total expenditure went up by 15%, the surplus still reached 0.2% of GDP (Table 1.2). Increases in public expenditure were on, *inter alia*, agriculture and infrastructure, in particular road construction and maintenance of bridges, expanding electricity grids, and addressing effects of the COVID-19 pandemic. According to the Ministry of Finance and Development Planning (MFDP), the expenditures targeted programmes with potential to diversify economic growth and stimulate economic recovery.<sup>19</sup>

1.12. Liberia's public debt stock grew rapidly over the review period, with its share of GDP rising from 25.9% in 2017 to 49.7% in 2021. According to the IMF, public debt is still sustainable.<sup>20</sup> The majority of external debt (89% in 2021) is on highly concessional terms (i.e. substantially more generous than market loans) and held by multilateral lenders, while most domestic debt (75%) is

<sup>13</sup> Central Bank of Liberia (2022), *Annual Report 2021*.

<sup>14</sup> Central Bank of Liberia (2022), *Annual Report 2021*.

<sup>15</sup> Government of Liberia, *Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023*.

Viewed at: [https://emansion.gov.lr/doc/Pro-Poor%20Agenda%20For%20Prosperity%20And%20Development%20book%20for%20Email%20sending%20\(1\).pdf%20-%20Compressed.pdf](https://emansion.gov.lr/doc/Pro-Poor%20Agenda%20For%20Prosperity%20And%20Development%20book%20for%20Email%20sending%20(1).pdf%20-%20Compressed.pdf).

<sup>16</sup> Government of Liberia, *Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023*.

<sup>17</sup> Government of Liberia, *Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023*.

<sup>18</sup> Central Bank of Liberia (2022), *Annual Report 2021*.

<sup>19</sup> MFDP (2022), *Fiscal Outturn Report, Fiscal Year 2022, January 1-June 30, 2022*. Viewed at: <https://www.mfdp.gov.lr/index.php/policy-training-manual/fiscal-outturn-report-fy2022-january-1-june-30-2022>.

<sup>20</sup> IMF (2022), IMF Country Report No. 22/296.

owned by the CBL at favourable terms. The IMF also suggested that the authorities maintain their prudent fiscal policy with a view to containing debt distress vulnerabilities.<sup>21</sup>

**Table 1.2 Selected macroeconomic indicators, 2016-21**

	2016	2017	2018	2019	2020	2021
<b>Public finance (% of GDP)</b>						
<b>Total government revenue</b>	16.6	14.4	14.4	13.1	21.6	18.5
Tax revenue, of which:	11.2	11.4	11.7	10.8	13.0	13.9
Taxes on income and profits	4.5	4.2	4.8	4.2	5.8	6.0
Taxes on international trade (customs)	..	..	5.3	4.8	5.4	6.0
Non-tax revenue	1.8	1.8	1.6	2.3	3.0	2.6
Other revenues (including grants, borrowings, and other)	3.5	1.1	1.1	0.0	5.7	2.0
<b>Total expenditure</b>	..	..	14.1	13.0	18.2	18.3
Current expenditure	..	..	12.2	11.3	16.6	15.0
Capital expenditure	..	..	0.4	0.4	0.0	0.1
Payments on loan, interest, and other charges	..	..	1.5	1.3	1.6	3.2
<b>Overall balance</b>	..	..	<b>0.3</b>	<b>0.1</b>	<b>3.4</b>	<b>0.2</b>
<b>Public debt (% of GDP)</b>						
Total debt stock	..	25.9	30.4	38.3	52.5	49.7
External	..	18.0	22.6	25.6	31.3	29.4
Multilateral	..	15.9	19.0	22.2	27.6	26.2
Bilateral	..	2.2	3.6	3.4	3.7	3.2
Domestic	..	7.8	7.7	12.6	21.2	20.2
Financial Institutions	..	7.8	7.7	11.1	19.3	18.2
CBL	..	..	7.4	9.1	16.0	15.1
Commercial banks	..	..	0.3	2.0	3.2	3.1
Other debts	..	0.0	0.0	1.6	1.9	2.0
<b>Money and interest rates</b>						
Broad Money (M2) (annual percentage change)		14.9	31.7	19.8	5.2	-1.5
Average commercial banks' interest rates						
Average lending rate	13.6	13.8	12.8	12.4	12.4	12.4
Average personal loan rate	14.5	12.9	13.2	12.8	12.8	12.8
Average time deposit rate	4.7	3.6	3.6	3.5	3.5	3.5
Inflation (CPI average) <sup>a</sup>	8.8	12.4	23.5	27.0	17.0	7.8
Inflation (CPI end-period) <sup>a</sup>	12.5	13.9	28.5	20.3	13.1	5.5
<b>Exchange rates</b>						
LRD per USD (period average)	94.4	112.7	144.1	186.4	191.5	..
Nominal effective exchange rate <sup>b</sup> (percentage change)	-5.9	-17.0	-22.9	-18.5	-2.1	13.3
Real effective exchange rate <sup>b</sup> (percentage change)	0.7	-9.0	-7.2	0.6	12.8	17.9
<b>Remittances – net (USD million)</b>	245.1	102.3	131.9	119.5	212.0	257.8
Inflow (USD million)	549.7	571.0	436.8	323.4	316.2	344.5
Outflow (USD million)	304.6	468.7	304.8	203.9	104.2	86.7

<sup>21</sup> IMF (2022), IMF Country Report No. 22/296.

	2016	2017	2018	2019	2020	2021
<b>FDI inflow in Liberia (USD million)</b>	453.2	247.8	129.1	86.7	87.0	45.7
% of GDP	13.3	7.3	3.8	2.6	2.9	1.3
FDI outflow from Liberia (USD million)	168	54	84	102	80	91
FDI stock in Liberia (USD million)	8,332.9	8,580.7	8,709.9	8,796.5	8,883.5	8,929.2

.. Not available.

a Estimates for 2021.

b The minus sign indicates depreciation.

Source: Central Bank of Liberia, *Annual Report*, various editions 2016-21; World Bank, Databank. Viewed at: <https://databank.worldbank.org/home>. African Development Bank (2021), *African Statistical Yearbook*; UNCTAD Stat. Viewed at: <https://unctadstat.unctad.org/EN/>; IMF data. Viewed at: <https://data.imf.org/>; and information provided by the authorities.

1.13. Both the Liberian dollar and the US dollar are legal tender in Liberia. This dual currency regime makes monetary and exchange rate management particularly difficult.<sup>22</sup> The principal mandate of the CBL is to achieve and maintain price stability (currently defined as average annual inflation rates below 10%) in the economy. In 2021, the CBL tightened its monetary policy by, *inter alia*, selling its bills through the open market, at an annual interest rate above the inflation rate. This CBL-bill interest rate is used as the CBL's monetary policy rate (MPR).<sup>23</sup> In consequence, at the end of 2021, the stock of broad money supply (M2) slightly contracted by 1.5% (Table 1.2).

1.14. The CBL maintained its MPR at 25% until August 2021, when it decided to lower it to 20%.<sup>24</sup> Excessive US dollarization meant the share of money under the direct control of the CBL is limited. Consequently, the CBL's ability to contain inflation by tightening monetary conditions is constrained. The authorities have to turn to a very high policy rate to ensure that monetary policy remains geared towards price stability.<sup>25</sup> The commercial banks' average interest rates remained the same in 2021 as in 2020 and 2019 (Table 1.2).

1.15. Inflation came down to 5.5% at end-2021, from a two-digit level in the years before, reflecting tight monetary and prudent fiscal policies, and a shortage of "fit for purpose" (i.e. acceptable to the public) Liberian dollar banknotes.<sup>26</sup> According to the CBL, the quality of existing Liberian dollar banknotes has deteriorated over the years. At the end of December 2021, at least an estimated 35% of banknotes were considered no longer acceptable to the public.<sup>27</sup> The CBL was authorized by the National Legislature to print and mint new banknotes and coins in 2021, 2022, and 2024, to replace the old ones.

1.16. Liberia has a *de jure* managed floating exchange rate scheme, with a *de facto* stabilized exchange rate arrangement from 17 March 2021.<sup>28</sup> The CBL allows the exchange rate to be determined in the foreign exchange market, while FX interventions are limited to smoothing excessive exchange rate volatility.<sup>29</sup> In 2021, the Liberian dollar appreciated against the US dollar, driven largely by the tight monetary policy, the shortage of Liberian dollar banknotes, and an increase in net remittances. Net remittance inflows expanded in 2021 by 21.6% from the 2020 level, when inward remittances grew by 9% and outward remittances shrank by 16.8%.

1.17. Liberia's current account was in deficit throughout the review period, at about 17% of GDP in 2021 (Table 1.3). Compared to the beginning of this review period (i.e. 2016), a significant change to Liberia's balance of payments is in the secondary income account. Net inflows from this account declined from USD 950 million in 2016 to USD 223 million in 2017 and reached USD 243 million in 2021, mainly on account of decreases in current transfers related to foreign aid flows to the Government.

<sup>22</sup> Government of Liberia, *Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023*.

<sup>23</sup> IMF (2022), IMF Country Report No. 22/296.

<sup>24</sup> Central Bank of Liberia (2022), *Annual Report 2021*.

<sup>25</sup> IMF (2022), IMF Country Report No. 22/296.

<sup>26</sup> IMF (2022), IMF Country Report No. 22/296.

<sup>27</sup> Central Bank of Liberia (2022), *Annual Report 2021*.

<sup>28</sup> Since March 2021, the exchange rate has stabilized within a 2% band against the US dollar. IMF (2022), IMF Country Report No. 22/296.

<sup>29</sup> IMF (2022), IMF Country Report No. 22/296.

1.18. The traditional surplus of Liberia's capital account fell from USD 390.5 million in 2020 to USD 215.6 million in 2021. According to the CBL, this resulted from declines in capital transfers from development partners.<sup>30</sup> In the financial account, net borrowing more than doubled in 2021 from its 2020 level, due to increased direct and other investment inflows. The reserve assets grew from USD 82.5 million in 2020 to USD 400.8 million in 2021, mainly because of the allocations of Special Drawing Rights (SDR) by the IMF in the second half of 2021. For the same reason, Liberia's international reserves rose significantly, and covered 4.5 months of imports at end-December 2021 (up from 2.5 months of import coverage in 2020).

**Table 1.3 Balance of payments, 2016-21**

(USD million)

	2016	2017	2018	2019	2020	2021
<b>Current account (CA)</b>	-270.1	-741.5	-787.1	-680.8	-545.1	-607.1
Credit	1,693.5	1,271.6	1,069.1	916.9	1,007.7	1,253.3
Debit	1,963.6	2,013.1	1,856.2	1,597.7	1,552.8	1,860.4
Goods and services	-1,051.5	-820.7	-812.8	-689.8	-693.3	-745.0
Credit	372.7	390.2	558.8	554.0	619.4	883.4
Debit	1,424.2	1,211.0	1,371.7	1,243.8	1,312.7	1,628.4
Goods	-921.7	-639.6	-492.7	-390.9	-390.3	-459.3
Exports	279.4	358.3	548.5	542.9	607.7	878.5
Imports (f.o.b. basis)	1,201.1	997.9	1,041.1	933.8	998.0	1,337.7
Services (net)	-129.8	-181.1	-320.1	-298.9	-303.1	-285.7
Credit	93.3	32.0	10.4	11.1	11.7	4.9
Debit	223.1	213.1	330.5	310.0	314.7	290.6
Primary income (net)	-169.1	-144.2	-125.9	-112.4	-99.5	-105.5
Credit	30.5	39.5	23.2	23.8	21.0	21.8
Debit	199.6	183.7	149.1	136.2	120.4	127.3
Secondary income (net)	950.5	223.4	151.7	121.4	247.8	243.4
Credit	1,290.3	841.9	487.1	339.1	367.4	348.1
Debit	339.8	618.5	335.4	217.7	119.6	104.7
<b>Capital account</b>	62.9	68.8	316.4	229.6	390.5	215.6
<b>Financial account</b>						
Net lending (+) / net borrowing (-)	-629.6	-584.4	-259.8	-218.2	-207.8	-430.1
Direct investment (net)	-311.7	-242.6	-129.1	-86.8	-66.1	-95.0
Other investment (net)	-317.9	-341.8	-130.7	-131.4	-141.7	-335.1
Reserve assets, of which:	18.7	82.8	-63.8	-30.9	82.5	400.8
Special Drawing Rights (SDR)	-45.1	0.3	0.7	-13.7	-7.5	351.1
Net errors and omissions	-403.7	171.1	147.2	202.1	29.3	362.2
Overall balance	-18.7	-82.8	63.8	30.9	-82.5	-400.8
<b>Memorandum items</b>						
Current account (% of GDP)	-7.9	-21.9	-23.0	-20.5	-17.9	-17.4
Gross external reserves	394.1	335.5	287.2	252.4	294.4	661.4
Months of import cover	3.1	3.1	2.4	2.3	2.5	4.5

Source: Central Bank of Liberia, *Annual Report*, various editions 2016-21.

1.19. According to the authorities, GDP growth slowed in 2022, due to, *inter alia*, the international rise in energy and food prices, and tighter monetary conditions globally in response to the rise in inflation. Higher import prices, combined with Liberia's significant reliance on food and energy imports, would result in the widening of the current account deficit, as well as the increase in inflation.

<sup>30</sup> Central Bank of Liberia (2022), *Annual Report 2021*.



### 1.3 Developments in trade and foreign direct investment

1.20. Liberia relies on commodity exports to narrow the current account deficit.<sup>31</sup> The PAPD aims at promoting regional integration to increase market for its products; this is likely to increase revenue derived by the Government from trade.<sup>32</sup> Liberia's National Trade Policy states that structural bottlenecks continue to hold back the economy's competitiveness in engaging in international trade. Weaknesses include the high cost of doing business, limited capacity for businesses to effectively participate in global markets, and weak institutional arrangements. The informal trade sector remains large. Exports are highly concentrated on very few primary products and few destination markets, making Liberia vulnerable to economic shocks.<sup>33</sup>

#### 1.3.1 Merchandise trade

1.21. As identified in Liberia's National Trade Policy, there is a lack of reliable and timely trade data in the country.<sup>34</sup> The United Nations Comtrade database has no data on Liberia's trade flows, while trade values calculated from mirror data (i.e. partners' data) are around 10 times the values recorded by the Liberia Institute of Statistics and Geoinformation Services.<sup>35</sup> Trade data captured in the ASYCUDA system does not contain export values of mineral products, while mineral exports such as iron ore are a very important source of export revenue. Of these data sources, the CBL seems to be the best compromise.

1.22. Trade in goods and services accounts for 72% of GDP in 2021, up from 53% in 2016. Total merchandise exports reached approximately USD 878 million in 2021, up by 45% from the year before (Table A1.1). This increase was pushed by the increase in the export values of gold (up by 75%), natural rubber (up by 34%), and iron ore (up by 20%), reflecting higher prices and higher output (Chart 1.1). The export value of diamonds also went up by 25%, although the share is small. Liberia's export basket is concentrated: exports of iron ore and concentrates, gold, and natural rubber together accounted for over 90% of its total merchandise exports in 2021.

1.23. In 2021, merchandise imports increased by 34% from the 2020 level, and reached USD 1,337 million (Table A1.1). In particular, import values of machinery and transport equipment, and that of rice, went up by more than 50%. Major import items are food and live animals (of which half is rice), machinery and transport equipment, and minerals, fuel, and lubricants (Chart 1.2). "Other" goods also accounted for 30% of total imports.

1.24. According to CBL data, a large share (44% in 2021) of Liberia's exports goes to the eurozone (i.e. the euro area, which comprises 19 countries of the European Union)<sup>36</sup> (Chart 1.3 and Table A1.2), followed by Switzerland (38%) and the United States (8%). Over the review period, the trade share with African partners declined, and exports to other Economic Community of West African States (ECOWAS) countries accounted for 1.4% of Liberia's exports in 2021.

1.25. In 2021, India was Liberia's main supplier of merchandise (20.8%) (Chart 1.3 and Table A1.3), followed by ECOWAS (15.2%), China (14.4%), and the United States (4.8%). One third of Liberia's imports comes from "Other" countries.

<sup>31</sup> IMF (2022), IMF Country Report No. 22/296.

<sup>32</sup> Government of Liberia, *Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023*.

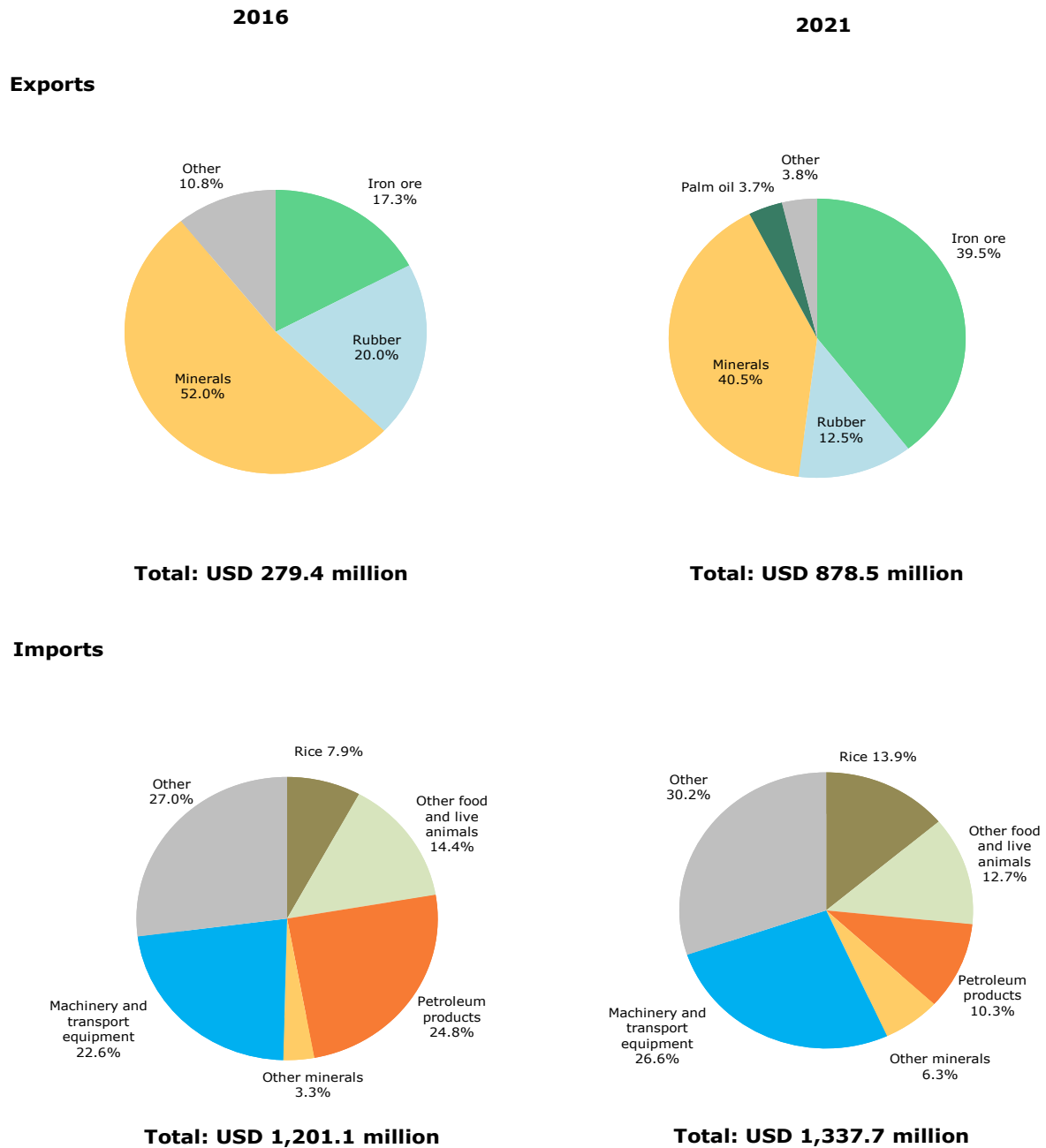
<sup>33</sup> Ministry of Commerce and Industry (2014), *Liberia National Trade Policy 2014-2019: Promoting Inclusive Growth through Trade Competitiveness*. Viewed at: [https://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed\(2\).pdf](https://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed(2).pdf).

<sup>34</sup> Ministry of Commerce and Industry (2014), *Liberia National Trade Policy 2014-2019: Promoting Inclusive Growth through Trade Competitiveness*.

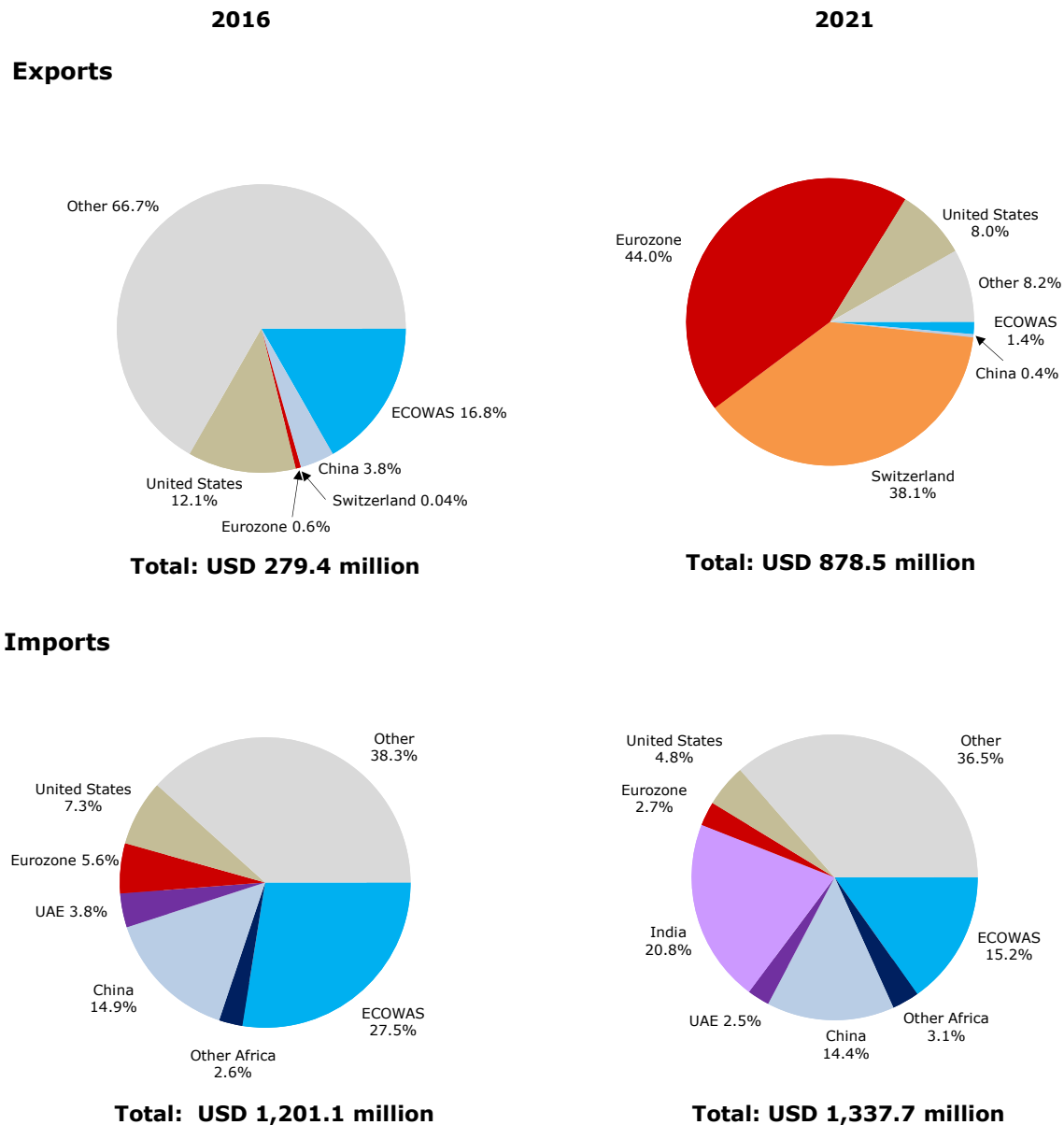
<sup>35</sup> Liberia Institute of Statistics and Geoinformation Services (LISGIS) (2022), *External Trade Annual Report 2021*. Viewed at: [https://www.lisgis.gov.lr/admin\\_area/data\\_pdf/20220510846742021report.pdf](https://www.lisgis.gov.lr/admin_area/data_pdf/20220510846742021report.pdf).

<sup>36</sup> Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovak Republic, Slovenia, and Spain.



**Chart 1.2 Product composition of merchandise trade, 2016 and 2021**

Source: WTO Secretariat estimates, based on Central Bank of Liberia, *Annual Report*, various editions 2018-21.

**Chart 1.3 Direction of merchandise trade, 2016 and 2021**

Source: WTO Secretariat estimates, based on Central Bank of Liberia, *Annual Report*, various editions 2018-21.

### 1.3.2 Trade in services

1.26. According to CBL data, exports of services declined from 2020 to 2021. Compared to the beginning of the review period (2016), this value shrank, from USD 93 million to USD 4.4 million (Table 1.4). In 2019, the largest components of services trade were insurance services and travel.

1.27. Liberia's imports of services have in general increased, although they declined from USD 319.8 million in 2020 to USD 288.4 million in 2021. Major components were transport services (particularly maritime transport) and government goods and services.

**Table 1.4 Trade in services, 2016-21**

(USD million)

	2016	2017	2018	2019	2020	2021
<b>Total services exports</b>	<b>93.3</b>	<b>72.9</b>	<b>10.4</b>	<b>11.1</b>	<b>10.9</b>	<b>4.4</b>
Manufacturing services on physical inputs owned by others	..	..	..	0.0	..	..
Maintenance and repair services, n.i.e.	..	..	..	0.0	..	..
Transport	0.0	0.0	..	0.0	..	..
Travel	6.1	11.1	..	1.9	..	..
Construction	..	..	..	0.0	..	..
Insurance and pension services	23.9	10.1	..	8.7	9.7	3.4
Direct insurance	17.6	6.3	9.3	6.9	..	..
Reinsurance	4.9	3.0	..	..	..	..
Auxiliary insurance services	1.4	0.8	0.7	1.8	..	..
Financial services	..	..	..	0.0	..	..
Charges for the use of intellectual property, n.i.e.	..	..	..	0.0	..	..
Telecommunications, computer, and information services	..	..	..	0.0	..	..
Other business services	0.0	0.0	..	0.0	..	..
Personal, cultural, and recreational services	..	..	..	0.0	..	..
Government goods and services, n.i.e.	63.2	51.6	0.4	0.5	0.4	0.2
<b>Total services imports</b>	<b>222.7</b>	<b>234.3</b>	<b>204.3</b>	<b>310.0</b>	<b>319.8</b>	<b>288.4</b>
Maintenance and repair services, n.i.e.	28.7	38.8	23.0	33.5	34.5	31.1
Transport	80.4	84.6	87.9	92.5	97.3	87.6
Sea transport	73.7	77.6	86.9	90.9	95.6	86.1
Air transport	6.7	7.0	1.1	1.6	1.7	1.5
Travel	3.5	6.0	7.7	5.7	..	..
Insurance and pension services	35.0	35.8	65.8	36.4	38.3	34.4
Direct insurance	22.3	20.5	29.2	23.2	..	..
Reinsurance	9.2	14.8	22.5	6.2	..	..
Auxiliary insurance services	3.5	0.6	14.1	6.9	..	..
Other business services	48.4	51.6	15.8	49.4	52.0	46.8
Professional and management consulting services	0.3	0.7	0.3	..	..	..
Technical, trade-related, and other business services	48.1	50.9	15.5	49.4	52.0	46.8
Government goods and services, n.i.e.	26.7	17.5	4.2	92.5	95.4	86.1

.. Not available.

Note: Due to different data source information, total imports and exports are not exactly the same as data in Table 1.3.

Source: WTO Stats portal. Viewed at: <https://stats.wto.org/>.

### 1.3.3 Trends and patterns in FDI

1.28. FDI inflows decreased by half from 2020 to 2021 (Table 1.2). The decline is more obvious when compared with the level at the beginning of the review period: USD 45.7 million FDI flowed into Liberia, accounting for only 10% of the level in 2016 (USD 453.2 million) (Table 1.2). There were net outflows of FDI in 2019 and in 2021. For this reason, FDI stock did not change significantly over the review period. Data on sectoral distribution and sources of investment are not available to the Secretariat.

## 2 TRADE AND INVESTMENT REGIMES

### 2.1 General framework

2.1. Under the 1986 Constitution, Liberia is a unitary sovereign state divided into counties for administrative purposes. The form of government is Republican with three separate coordinate branches: legislative, executive, and judiciary.<sup>1</sup>

2.2. The executive branch is headed by the President, who is elected for a term of six years and cannot serve for more than two terms. The executive branch is composed of ministries and agencies. The President has the authority to conduct foreign affairs, and in that connection, is empowered to conclude treaties, conventions, and similar international agreements with the concurrence of a majority of each House of the Legislature. Under the Constitution, the President nominates and appoints the heads of regulatory bodies and of state-owned enterprises (SOEs). The heads of the following regulatory bodies must be appointed by the President: the Liberia Telecommunication Authority, the Liberia Civil Aviation Authority, the Liberia Maritime Authority, the Liberia Rubber Development Authority, the National Port Authority, and the National Oil Company of Liberia (NOCAL).<sup>2</sup>

2.3. Liberia has a bicameral Legislature: a Senate of 30 senators and a House of Representatives of 73 representatives. The term of office for a senator is in general nine years, while that for a representative is six years, both are eligible for re-election. Under the Constitution, the Legislature has the power to ratify treaties, conventions, and other international agreements negotiated or signed by the executive branch on behalf of Liberia, and to regulate trade and commerce between Liberia and other nations. It also has the power to levy taxes, and constitute courts inferior to the Supreme Court.

2.4. The Legislature is also in charge of making and enacting laws. Proposals for making a law are made in the form of a bill by members of the Legislature or the executive. Policies (including trade policies) are introduced or amended through bills, which may come from citizens, communities, civil society organizations, or government institutions. They are introduced to the Legislature (either Chamber) by members. The bills must be passed by a majority vote (2/3) in both Chambers (successively) before being signed by the President and published into law. If a bill, passed by the two Chambers, is vetoed by the President, it should be returned to the House in which it originated. This veto may be overridden by the repassage of such bill, in which case it is published into law (Article 35).

2.5. In accordance with Liberian Codes of Laws Revised and subject to approval by the President, heads of ministries or independent agencies under the executive branch may issue regulations within their respective mandates. These regulations may implement legislation already enacted, or may extend to issues not directly addressed by existing legislation. The President may issue Executive Orders in the public interest to address emergencies "which cannot await lengthy Legislative processes".<sup>3</sup> This is an important instrument used in Liberian trade policy (Section 3.1.3).

2.6. The judiciary structure reflects Liberia's dual legal system, which comprises statutory law based on common law, and customary law based on customary practices. It is headed by the Supreme Court. All courts (including Supreme and subordinate courts) are required to apply both statutory and customary laws. Liberia has 15 counties: apart from Montserrado County, each of the other 14 counties has one Circuit Court, and several subordinate courts (Magistrates' courts). Montserrado County has six Circuit Courts, and five specialized courts - the Debt Court, the Labour Court, the Juvenile Court, the Tax Court, and the Commercial Court. In addition, traditional or lay courts in

<sup>1</sup> The 1986 Constitution of the Republic of Liberia. Viewed at: <http://judiciary.gov.lr/wp-content/uploads/2017/11/CONSTITUTION-OF-THE-REPUBLIC-OF-LIBERIA.pdf>. There has not been any change to the Constitution since Liberia's accession to the WTO.

<sup>2</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

<sup>3</sup> The Executive Mansion, *Executive Orders*. Viewed at: <https://www.emansion.gov.lr/2content.php?sub=49&related=19&third=49&pg=sp>; and Executive Order No. 103. Viewed at: [https://www.emansion.gov.lr/doc/Executive%20Order%20\\_103%20Revised.pdf](https://www.emansion.gov.lr/doc/Executive%20Order%20_103%20Revised.pdf).

rural areas handle issues such as ownership of movable properties (chattel).<sup>4</sup> The judicial system remains hampered by severe shortages of qualified judges and judicial officers.<sup>5</sup>

2.7. The hierarchy of law consists of the Constitution; acts of the Legislature; subsidiary legislation including regulations, by-laws, ordinances, orders; and customary or traditional law. Treaties and international agreements, including WTO agreements and the Economic Community of West African States (ECOWAS) acts, must be domesticated through internal ratification by the Legislature. If the laws of Liberia are found to contradict treaties or international agreements, provisions of the treaties or agreements prevail.

2.8. All Liberian laws including trade-related ones are posted on the website of the Liberia Legal Information Institute ([www.liberlii.org](http://www.liberlii.org)). Liberia notified to the WTO that generally its national laws, regulations, and other legal provisions are published in the Official Gazette.<sup>6</sup>

## 2.2 Trade policy formulation and objectives

2.9. The Ministry of Commerce and Industry (MoCI) is in charge of formulating and implementing policies on trade, including those on import/export prohibitions and restrictions. It is also responsible for, *inter alia*, establishing and regulating commodity and trade-related standards (Section 3.3.2); collecting, evaluating, and publishing data on commerce and industry; developing plans for the movement of goods and people to and from Liberia; and managing business registration. The MoCI, in consultation with the Ministry of Foreign Affairs, is in charge of negotiating treaties and international agreements on trade. The Modernized Customs Code of 2018 authorizes the Liberia Revenue Authority (LRA) to amend the customs tariff on any national exceptions under the ECOWAS CET (Common External Tariff).

2.10. The Ministry of Finance and Development Planning (MFDP), together with the LRA, is in charge of administering customs procedures and collecting duties and taxes on imports. The Ministry of Agriculture (MOA) and the Ministry of Health (MOH) are responsible for sanitary and phytosanitary (SPS) inspections at ports of entry, while the Environmental Protection Agency is responsible for SPS inspections for imports and exports of chemicals and controlled substances (Section 3.3.3).<sup>7</sup>

2.11. The Liberia Chamber of Commerce (LCC) represents the interests of the private sector. It is involved on an *ad hoc* basis in the formulation of trade policies. According to the authorities, a Technical Working Group involved in the development of trade policy comprises representatives from the private sector headed by the LCC.

2.12. In 2018, the Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023, a five-year national development plan under the Liberian Vision 2030 Framework, was issued. One of the goals of the PAPD is to provide greater income security and reduce absolute poverty through sustained and inclusive economic growth driven by scaled-up investments in agriculture, infrastructure, human resource development, and social protection (Section 1.2).<sup>8</sup>

2.13. The Liberian National Trade Policy (LNTTP) 2014-2019 aims at playing an important role in achieving targets of the PAPD. According to the LNTTP, Liberia's main trade policy objectives are to promote international trade and a competitive domestic private sector by supporting the agricultural, industrial, and services sectors to trade at the local and international levels, thus contributing to the generation of more jobs, the improvement of people's livelihood, and the reduction of poverty.<sup>9</sup> The authorities state that the LNTTP aims to promote a balanced relationship between trade integration and sustainable development, while the latter promotes a more transparent and predictable business environment, and protects both domestic businesses and the disadvantaged population including

<sup>4</sup> Herbert Smith Freehills (2016), *A Multi-Jurisdictional Review – Dispute Resolution in Africa*.

<sup>5</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

<sup>6</sup> WTO document G/TRIMS/N/2/Rev.27/Add.1, 13 June 2018.

<sup>7</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

<sup>8</sup> Pro-Poor Agenda for Prosperity and Development (PAPD) 2018-2023. Viewed at: [https://emansion.gov.lr/doc/Pro-Poor%20Agenda%20For%20Prosperity%20And%20Development%20book%20for%20Email%20sending%20\(1\).pdf%20-%20Compressed.pdf](https://emansion.gov.lr/doc/Pro-Poor%20Agenda%20For%20Prosperity%20And%20Development%20book%20for%20Email%20sending%20(1).pdf%20-%20Compressed.pdf).

<sup>9</sup> MoCI, *Liberian National Trade Policy 2014-2019, Promoting Inclusive Growth through Trade Competitiveness*. Viewed at: [https://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed\(2\).pdf](https://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed(2).pdf).

women; youth; poor, rural residents; and those suffering from the adverse effects of market opening.

2.14. The National Export Strategy 2014-18, issued in 2014, specified support to key sectors that the Government considers as having the best opportunity to diversify its export basket. These sectoral strategies include the Cocoa Export Strategy, the Oil Palm Export Strategy, the Cassava Sector Strategy, the Fish and Crustaceans Export Strategy, the Rubberwood Furniture Export Strategy, and the Export Strategy on Tourism.<sup>10</sup> However, it seems that there is a lack of details of their support contents.

2.15. The MoCI, in its Transition Report 2017 (its most recent annual report), stated that it focuses on industrializing the economy, promoting private sector development, and expanding trade opportunities both through regional integration efforts, and alignment with international norms through the accession to the WTO.<sup>11</sup>

2.16. To achieve the trade objectives, a number of institutions were created under the MoCI: the Small Business Administration, to facilitate the access to finance, markets, and trainings of MSMEs; the Business Reform Committee, to address constraints faced by the private sector and to create a less cumbersome legal and regulatory framework for businesses; the Liberian Intellectual Property Office (LIPO), to set up a one-stop shop for all matters relating to copyrights and industrial properties; and the National Standards Laboratory as Liberia's national testing facility (Section 3.3.2). The Government also reformed the Import- and Export-Permit Declaration Procedures, and took over the development of the Monrovia Industrial Park.<sup>12</sup>

2.17. Liberia's main trade- and investment-related laws were promulgated before or around 2016, when the country was acceding to the WTO. The implementation regulations of many laws, however, remain pending. Its main commercial laws are published online on the websites of the LRA and the MoCI.<sup>13</sup> The Foreign Trade Law, adopted in June 2016, provides the framework to create a more efficient free market system in line with the obligations under the WTO rules. The Customs Code (Part V of the Liberia Revenue Code) was amended and enacted in 2019 (Section 3.1.1). Other main trade- and investment-related laws include:

- the Small Business Empowerment Act of 2014;
- the Competition Law of 2016;
- the Intellectual Property Law of 2016;
- the Insolvency Law of 2016;
- the Special Economic Zones Act of 2017;
- the Revenue Code of 2000 as amended in 2011; and,
- the Investment Act of 2010.

2.18. The Government has also adopted measures, many of which commenced before 2016, to improve transparency. For example, in 2010, the Public Procurement and Concessions Commission (PPCC) Act was amended to include new regulations on improving the transparency of public procurements and concessions, with provisions on threshold for competitive bidding, limits on sole sourcing, conflict of interest regulations, and blacklisting, among others. Also in 2010, the Freedom of Information Act was enacted, followed by the establishment of the Independent Information Commission, with provisions on clear and concise procedures for obtaining information from the

<sup>10</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*. Viewed at: [https://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final\\_small\\_1.pdf](https://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final_small_1.pdf).

<sup>11</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

<sup>12</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

<sup>13</sup> LRA, *Laws & Regulations*. Viewed at: <https://revenue.lra.gov.lr/laws-issuances/>; and MoCI, *Laws*. Viewed at: <https://www.moci.gov.lr/2content.php?sub=164&related=16&third=164&pg=sp>.

Government. In 2013, an Open Budget Initiative was launched, with a view to enhancing budget transparency.

2.19. Liberia signed the United Nations Convention against Corruption in 2005 and ratified it in 2007.<sup>14</sup> The Liberia Anti-Corruption Commission (LACC) was established in 2008 to investigate and prosecute acts of corruption. Other relevant agencies include the Independent Information Commission, the Internal Audit Agency, the Financial Intelligence Unit, the General Auditing Commission, and the Liberia Extractive Industries Transparency Initiative. According to a report prepared by the Centre for Security Studies and Development, all Liberian anti-corruption-related laws are easily accessible online; nonetheless, there is a mismatch between the sophisticated legal framework and the poor implementation of the laws.<sup>15</sup> According to Transparency International, Liberia ranked 136<sup>th</sup> among the 180 countries in the Corruption Perception Index in 2021.<sup>16</sup>

2.20. In 2019, the Government identified the risk associated with money laundering as "high", and terrorism financing as "low".<sup>17</sup> Money laundering is difficult to detect in Liberia because of its cash-based and dual-currency economy, and due to its lack of financial transparency and record-keeping, as well as political interference, corruption, and weak capacity within law enforcement, among others.<sup>18</sup> Liberia is a member of the Inter Governmental Action Group against Money Laundering in West Africa (GIABA), an institution of the ECOWAS responsible for facilitating the adoption and implementation of anti-money laundering and counter-terrorism financing initiatives in the region. The latest mutual evaluation report under the GIABA was conducted in May 2015.<sup>19</sup>

## 2.3 Trade agreements and arrangements

### 2.3.1 World Trade Organization

2.21. On 14 July 2016, Liberia became the 163<sup>rd</sup> Member of the WTO. It extends at least MFN treatment to all of its trading partners. Liberia has not been involved in any WTO disputes as a complainant, a respondent, or a third party.<sup>20</sup>

2.22. Liberia ratified the Agreement on Trade Facilitation (TFA) in 2019 and deposited the document in April 2021 (Section 3.1.1). In December 2021, Liberia, together with another 111 WTO Members, co-sponsored the Joint Statement on Investment Facilitation for Development. The authorities indicate that Liberia appreciates the Agreement on Fisheries Subsidies. However, its internal ratification process is yet to start. MoCI, with technical support from the National Fisheries and Aquaculture Authority (NaFAA), is in charge of the internal ratification process. All notifications related to the Agreement are to be submitted to the WTO by MoCI. The authorities indicate that the runup to the 2023 presidential election is likely to further delay the ratification process.

2.23. In the WTO, Liberia is a member of the ACP (African, Caribbean and Pacific) and the African Groups. The authorities indicate that Liberia is also a co-coordinator of the Trade for Peace Initiative, in support of fragile and conflict-affected states.

2.24. Since its accession to the WTO (up to 28 February 2023), Liberia has made multiple notifications to the WTO (Table 2.1). It has outstanding notifications in the areas of agricultural

<sup>14</sup> Center for Security Studies and Development (2022), *Civil Society Report on the Implementation of Chapter II (Prevention) & Chapter V (Asset Recovery) of the United Nations Convention Against Corruption in Liberia*. Viewed at: [https://uncaccoalition.org/wp-content/uploads/Civil-society-report-UNCAC-Liberia-CENSSAD-UNCAC-Coalition\\_FINAL-10.03.2022-1.pdf](https://uncaccoalition.org/wp-content/uploads/Civil-society-report-UNCAC-Liberia-CENSSAD-UNCAC-Coalition_FINAL-10.03.2022-1.pdf).

<sup>15</sup> Center for Security Studies and Development (2022), *Civil Society Report on the Implementation of Chapter II (Prevention) & Chapter V (Asset Recovery) of the United Nations Convention Against Corruption in Liberia*.

<sup>16</sup> Transparency International, *Liberia*. Viewed at: <https://www.transparency.org/en/countries/liberia>.

<sup>17</sup> Financial Intelligence Unit (2019), *National Risk Assessment on Money Laundering and Terrorist Financing*. Viewed at: <https://www.fiuliberia.gov.lr/wp-content/uploads/2021/09/Liberia-NRA-Report-Final.pdf>.

<sup>18</sup> Financial Intelligence Unit (2019), *National Risk Assessment on Money Laundering and Terrorist Financing*.

<sup>19</sup> GIABA, *Mutual Evaluation & Follow-up Reports*. Viewed at: <https://www.giaba.org/reports/mutual-evaluation/Liberia.html>.

<sup>20</sup> WTO, *Liberia and the WTO*. Viewed at: [https://www.wto.org/english/thewto\\_e/countries\\_e/liberia\\_e.htm](https://www.wto.org/english/thewto_e/countries_e/liberia_e.htm).



domestic support and export subsidies, import licensing procedures and quantitative restrictions, pre-shipment inspection, customs valuation, subsidies and countervailing measures, state trading enterprises, anti-dumping actions for 2021 and 2022, and GATS. The authorities indicate that they are working on these notifications for submission.

**Table 2.1 WTO notifications by Liberia, from July 2016 to March 2023**

Symbol	Title	Document date
<b>Agreement on Trade Facilitation</b>		
G/TFA/N/LBR/1	Notification of category commitments under the TFA	23 July 2019
G/TFA/N/LBR/1/Add.1	Notification of category commitments under the TFA – addendum	19 August 2022
G/TFA/N/LBR/2	Notification under Article 22.3 of the TFA	23 February 2021
G/TFA/N/LBR/3	Notification under Articles 1.4, 10.4.3, and 10.6.2 of the TFA	2 March 2021
G/TFA/N/LBR/4	Notification of arrangements and progress in the provision of technical assistance and capacity-building support of Category C designations	22 August 2022
<b>Agreement on Technical Barriers to Trade</b>		
G/TBT/N/LBR/1	Coffee and cocoa	14 February 2018
G/TBT/N/LBR/2	Pumps for dispensing fuel or lubricants	26 July 2018
G/TBT/N/LBR/3	Containers for compressed or liquefied gas, of iron or steel	26 July 2018
G/TBT/2/Add.125	Implementation and administration of the TBT Agreement	6 September 2017
G/TBT/2/Add.125/Rev.1	Implementation and administration of the TBT Agreement – revision	25 September 2017
<b>Agreement on Subsidies and Countervailing Measures</b>		
G/SCM/N/1/LBR/1	Notification under Article 32.6 of the relevant Agreement	1 December 2017
G/SCM/N/1/LBR/1/Corr.1	Notification under Article 32.6 of the relevant Agreement – corrigendum	26 March 2018
<b>Agreement on Safeguards</b>		
G/SG/N/1/LBR/1	Notification under Article 12.6 of the relevant Agreement	1 December 2017
G/SG/N/1/LBR/1/Corr.1	Notification under Article 12.6 of the relevant Agreement – corrigendum	26 March 2018
<b>Agreement on the Application of Sanitary and Phytosanitary Measures</b>		
G/SPS/N/LBR/1	Packaged drinking water	13 June 2018
<b>Regional Trade Agreements</b>		
WT/REG399/N/1	RTA – Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo	6 May 2019
<b>Agreement on Implementation of Article VI of the GATT 1994 (Anti-dumping)</b>		
G/ADP/N/1/LBR/1	Notification of laws and regulations under Article 18.5 of the relevant agreements – Regulation relative to defence measures to be imposed on imports, which are dumped from non-member states of ECOWAS	1 December 2017
<b>Rules of Origin</b>		
G/RO/N/173	Non-preferential and preferential rules of origin	5 July 2018
<b>Agreement on Trade-Related Investment Measures</b>		
G/TRIMS/N/2/Rev.27/Add.1	Notification under Article 6.2 of the relevant Agreement	13 June 2018
<b>Agreement on Trade-Related Aspects of Intellectual Property Rights</b>		
IP/N/3/LBR/1	Notified under Article 69 of the TRIPS Agreement – contact point	14 September 2017

Source: Compiled by the WTO Secretariat, based on notification documents.



## 2.3.2 Regional and preferential agreements and arrangements

### 2.3.2.1 ECOWAS

2.25. Liberia is a founding member of ECOWAS<sup>21</sup>, which aims at promoting regional economic integration, leading to the establishment of an economic union in West Africa.<sup>22</sup> One step to achieve this goal is to set up a customs union with trade liberalization among members, and a CET applicable to goods originating from countries outside the Community.<sup>23</sup> ECOWAS members agreed on the implementation of the CET from 2015. Liberia has implemented the ECOWAS CET (with exceptions) from 2017. In November 2022, ECOWAS members decided to extend the CET migration plan to 1 January 2028, in consideration of the impact of COVID-19 on the region's economies.

2.26. Liberia promotes regional trade through the ECOWAS Trade Liberalization Scheme (ETLS), under which products produced locally are traded within ECOWAS duty-free. Companies need to apply to the National Origin Recognition Committee to be accepted for ETLS and to have their products approved. However, according to MoCI's Transition Report, for Liberia to fully benefit from the regional export potentials, the National Standards Laboratory (NSL) must be improved. Without an accredited standards laboratory, obtaining the qualifications required for exports is extremely difficult for Liberian producers. Even though an MOU between the NSL and the Ghanaian Standards Authority was signed, further progress is required.<sup>24</sup> According to information from the Central Bank of Liberia (CBL), Liberia's imports from ECOWAS countries were around 15% of its total imports in 2021, while its exports to ECOWAS countries represent about 1.4% of its total exports.<sup>25</sup>

2.27. Liberia adopted the common ECOWAS passport, and waived visa and residency permit requirements for all ECOWAS citizens for 90-day stays. It is also fully implementing Article 5 of the ECOWAS Protocol on the Free Movement of Persons, Residence and Establishment.

2.28. A joint border post (JBP) is under construction between Liberia and Sierra Leone.<sup>26</sup>

2.29. One of the targets of the ECOWAS is the creation of a single monetary zone, comprising both the eight members of the West African Economic and Monetary Union (WAEMU)<sup>27</sup>, and another six members of the West African Monetary Zone (WAMZ)<sup>28</sup> including Liberia. The adoption of a single currency is to be preceded by a convergence phase focused on the strengthening of member States' economies and currencies.<sup>29</sup> The CBL states that Liberia is in compliance with three of four primary macroeconomic convergence criteria (budget deficit, gross external reserve in months of import cover, and central bank financing of national budget deficit), as well as one of the two secondary criteria (public debt to GDP). It did not reach the inflation target (5%) or the exchange rate criteria. Liberia regularly participates in the WAMZ Trade Ministers' Forum, which serves as a discussion ground for expanding regional trade opportunities through further economic and monetary integration.<sup>30</sup>

<sup>21</sup> ECOWAS members are Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

<sup>22</sup> ECOWAS. Viewed at: <https://www.ecowas.int/>.

<sup>23</sup> The Members of ECOWAS re-notified the Agreement under Article XXIV of the GATT in 2019; the previous notification under the Enabling Clause was superseded (WTO document WT/REG399/N/1, 6 May 2019).

<sup>24</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

<sup>25</sup> Central Bank Liberia (2021), *Annual Report 2021*. Viewed at: <https://www.cbl.org.lr/sites/default/files/documents/2021annualreport.pdf>.

<sup>26</sup> JBPs are built with a view to facilitating cross-border trade and the free movement of persons and goods within the region.

<sup>27</sup> The eight members of the WAEMU are Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.

<sup>28</sup> The six members of WAMZ are The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone.

<sup>29</sup> ECOWAS (2021), *59<sup>th</sup> Ordinary Session of the Authority of Heads of State and Government*, 19 June. Viewed at: [https://www.afdb.org/sites/default/files/documents/2021/06/20-uk\\_final\\_communique-english.pdf](https://www.afdb.org/sites/default/files/documents/2021/06/20-uk_final_communique-english.pdf).

<sup>30</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

### 2.3.2.2 African Union

2.30. Liberia is also a founding member of the African Union. One of the flagship projects of Agenda 2063 of the African Union is the establishment of the African Continental Free Trade Area (AfCFTA).<sup>31</sup> The AfCFTA was established in 2012, and entered into force on 30 May 2021, with a focus on creating a single market for goods and services and laying the foundation for the establishment of a single continental customs union. The AfCFTA has not yet been notified to the WTO, although reportedly seven countries have already started trading under the preferences negotiated under it. Liberia signed the AfCFTA Agreement on 21 March 2018 but has not ratified it yet.<sup>32</sup> The authorities indicate that Liberia, with support from the UN Economic Commission for Africa, is developing a National AfCFTA Strategy.

### 2.3.2.3 Preferential trade arrangements (non-reciprocal)

2.31. Liberia benefits from generalized system of preferences (GSP) from Armenia, Australia, Canada, the European Union, Iceland, Japan, Kazakhstan, New Zealand, Norway, the Russian Federation, Switzerland, Türkiye, the United Kingdom, and the United States.<sup>33</sup> It also benefits from LDC-specific duty-free or preferential treatment from Chile, China, India, the Republic of Korea, Montenegro, Morocco, Chinese Taipei, Tajikistan, and Thailand.

2.32. Liberia benefits from non-reciprocal trade preferences from the United States under the African Growth and Opportunity Act (AGOA). The AGOA Extension and Enhancement Act of 2015 extended to 30 September 2025 the duration of the preferential treatment.<sup>34</sup> The authorities state that main export items to the United States include cocoa, coffee, and fish. According to USITC data, in 2021, 93.6% of US imports from Liberia was non-coniferous wood in chips or particles (HS 44012200).

2.33. As an LDC, Liberia benefits from full duty-free and quota-free access to the EU market for all exports except arms under the Everything but Arms initiative, under which the rules of origin are the same as those under the GSP of the European Union.<sup>35</sup> In 2021, the main export items from Liberia to the EU market were minerals and transport equipment, which were also its main import items from the European Union.

2.34. In 2014, the European Union notified the WTO that it has initialled an EPA with 16 West African States, i.e. the 15 members of ECOWAS (including Liberia) and Mauritania, giving these countries duty-free access to the EU market.<sup>36</sup> According to a MoCI report, the EPA will gradually open 75% of the EU market to ECOWAS countries.<sup>37</sup> As at early 2023, Ghana and Côte d'Ivoire have signed the EPA while Liberia has signed but not ratified the EPA. According to the authorities, Liberia is developing a system to control and verify policies leading to the full implementation of the EPA.

2.35. A 2017 MoCI report stated that potential benefits from these preferential schemes and agreements are dampened by cumbersome rules of origin and other non-tariff barriers, and "Liberian businesses have hardly been able to export under preferential trade agreements".<sup>38</sup> The authorities state that efforts have been made to improve quality standards.

<sup>31</sup> African Union, *Flagship Projects of Agenda 2063*. Viewed at: <https://au.int/en/agenda2063/flagship-projects>.

<sup>32</sup> MoCI (2021), "Stakeholders Brainstorm on Liberia's AfCFTA Status", 9 February. Viewed at: [https://www.moci.gov.lr/2press.php?news\\_id=272&related=46](https://www.moci.gov.lr/2press.php?news_id=272&related=46).

<sup>33</sup> WTO PTA database. Viewed at: <http://ptadb.wto.org/Country.aspx?code=430>.

<sup>34</sup> AGOA, AGOA Extension and Enhancement Act of 2015. Viewed at: <https://agoa.info/images/documents/5660/bills-114hr1891ih.pdf>.

<sup>35</sup> European Commission, *Everything but Arms (EBA)*. Viewed at: <https://trade.ec.europa.eu/access-to-markets/en/content/everything-arms-eba>.

<sup>36</sup> WTO RTA database. Viewed at: <http://rtais.wto.org/UI/PublicSearchByMemberResult.aspx?membercode=430>.

<sup>37</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

<sup>38</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

### 2.3.2.4 Other agreements

2.36. In 2013, Liberia ratified the Voluntary Partnership Agreement with the European Union with a view to controlling illegal logging and improving forest governance. Currently, Liberia is developing a system to control, verify, and license trade in timber and timber products (Section 4.1.2).<sup>39</sup>

2.37. The Mano River Union (MRU) was established between Liberia and Sierra Leone in 1973. Guinea joined in 1980 and Côte d'Ivoire in 2008. The four MRU members are also members of ECOWAS. The MRU aims at, *inter alia*, reinforcing regional integration and development to integrate commerce and industry and to create employment.<sup>40</sup> The integration process was disrupted by episodes of political instability and armed conflicts within the region. The MRU resumed its activities in 2004. A number of infrastructure projects have been carried out under the MRU, such as the 47.1 km road linking north-eastern Liberia with Côte d'Ivoire, and a one-stop border post between the two countries. The authorities indicate that the MRU has performed better in the area of security than trade.

## 2.4 Investment regime

2.38. Liberia relies heavily on foreign direct investment (FDI) to fulfil its development goals and growth potential. However, investors face constraints due to infrastructure bottlenecks including power supply and roads, a lack of reliable Internet access especially in rural areas, corruption, and low human development indicators (Section 1).

### 2.4.1 Legislation and institution

2.39. In 2010, Liberia's Investment Act entered into force. It repealed the Investment Incentives Act of 1973 and the National Investment Commission Act of 1979. The Investment Act 2010 covers both direct and indirect investment, and portfolio investment; it applies to all enterprises in Liberia.<sup>41</sup> The Act requires all investors to incorporate and/or register a business organization in Liberia. The Liberia Business Registry (LBR) was created as a one-stop shop to register businesses. According to a 2017 MoCI report, the timeframe to register a business was reduced from 99 days to a maximum of 6 days.<sup>42</sup> The authorities indicate that currently it takes a maximum of five days to complete a business registration.

2.40. The National Investment Commission (NIC) regulates direct investment in Liberia. It develops investment strategies, policies, and programmes to attract foreign investment, and negotiates investment contracts or concessions. The Business Climate Working Group (BCWG) cooperates with both public- and private-sector stakeholders to explore opportunities for a business-friendly environment. In March 2019, based on recommendation from the BCWG, an Executive Order was issued to improve business environment by cancelling Import Permit Declaration requirements (Section 3.1.5), and by extending residency visas and work permits from one to five years. The NIC, the BCWG, and other private sector groups, such as the LCC, facilitate dialogues among investors and government officials on investment climate issues.

2.41. According to the NIC, local content requirements, in the areas of employment (Section 2.4.2), investment incentives (Section 3.3.1), and public procurement (Section 3.3.6), appear in all large concession agreements.

### 2.4.2 Foreign investment restrictions

2.42. Under the Investment Act 2010, foreign investors, with some exceptions, may own or control, totally or in partnership with Liberians, business organizations in any sector of the economy, based on, *inter alia*, national treatment in terms of licences or permits, accounting standards, insurance requirements, and taxation. Foreign investors have equal access as Liberians to the protection of

<sup>39</sup> EU Forest Law Enforcement, Governance and Trade (FLEGT). Viewed at: <https://www.euflegt.efi.int/liberia>.

<sup>40</sup> European Council on Foreign Relations, *Mano River Union*. Viewed at: <https://ecfr.eu/special/african-cooperation/mano-river-union/>.

<sup>41</sup> Liberia Investment Act of 2010. Viewed at: [https://www.moci.gov.lr/doc/TheInvestmentActof2010\(1\).pdf](https://www.moci.gov.lr/doc/TheInvestmentActof2010(1).pdf).

<sup>42</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

Liberian law, including right of appeal, the right to hold bank accounts, the right to dispose of proceeds subject to payment of taxes, and the right to repatriate capital, make payments abroad, and remit proceeds upon sale of the investment.<sup>43</sup>

2.43. The following activities are reserved for Liberians:

- supply of sand;
- block making;
- peddling;
- travel agencies;
- retail sale of rice and cement<sup>44</sup>;
- ice making and sale of ice;
- tire repair shops;
- auto repair shops with investments of less than USD 50,000;
- shoe repair shops;
- retail sale of timber and planks;
- operation of gas stations;
- video clubs;
- operation of taxis;
- importation or sale of second-hand or used clothing;
- distribution in Liberia of locally manufactured products; and
- importation and sale of used cars (except authorized dealerships, which may deal in certified used vehicles of their make).

2.44. In addition to the reserved activities, Liberia maintains FDI restrictions that are conditional on the investment amount. Foreign investors may invest in the following business activities if they meet certain minimum capital investment requirements. First, if an enterprise is owned exclusively by non-Liberians, its total capital investment must not be less than USD 500,000. Second, if an enterprise is owned by non-Liberians in partnership with Liberians and the aggregate shareholding of the Liberian is at least 25%, the total capital invested must not be less than USD 300,000. These requirements apply to the following business activities:

- production and supply of stone and granite;
- ice cream manufacturing;
- commercial printing;
- advertising agencies, graphics, and commercial artists;

<sup>43</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

<sup>44</sup> The ownership restriction on the retail sale of rice and cement does not apply to the wholesale of these two products. WTO document WT/ACC/LBR/23, 9 October 2015.

- cinemas;
- production of poultry and poultry products;
- operation of water purification or bottling plants (exclusively the production and sale of water in sachets);
- entertainment centres not connected with a hotel;
- sale of animal and poultry feed;
- operation of heavy-duty trucks;
- bakeries; and
- wholesale of pharmaceuticals.

2.45. The Decent Work Act gives preference to employing Liberians. Except for administrative, supervisory, or technical positions, work permits will not be granted to foreign employees unless the list of qualified Liberians is exhausted or there is no qualified person on the list capable of performing the job to be filled.

2.46. The Liberian Constitution restricts land ownership to citizens, but non-Liberians may hold long-term leases, which run for 25 to 50 years. The Liberian Land Authority (LLA) estimates that less than 20% of the country's total land is formally registered, and conflicting land ownership records are common. For this reason, investors sometimes experience costly and complex land dispute issues even after they conclude land-lease agreements with the Government. The Land Rights Act, enacted in 2018, is intended to help resolve historical land disputes that have caused conflict and communal strife in the past. Article 48(3) of the Land Rights Act requires that communities where concessions are located maintain a 5% undiluted free carried interest in the rights of the concession.

### 2.4.3 Investment agreements

2.47. The authorities indicate that Liberia signed bilateral investment treaties (BITs) with France and Germany, while the ones with Morocco and with United Arab Emirates are not ratified.

2.48. Liberia also signed the Trade and Investment Framework Agreement (TIFA) with the United States in 2007; TIFA entered into force on the date of its signature.<sup>45</sup> Under TIFA, a United States-Liberia Trade and Investment Council was set up. The Council is to, *inter alia*, monitor bilateral trade and investment relations, identify opportunities for expanding bilateral trade and investment, and identify and work to remove impediments to bilateral trade and investment.

2.49. Liberia signed a double taxation avoidance agreement (DTAA) with Germany in 1970. It initiated negotiations of a DTAA with Qatar in 2017, but the process has not concluded.<sup>46</sup> It is also reviewing a DTAA proposed by China.

2.50. Liberia's arbitration law is contained in the Civil Procedure Law (chapter 64). There is no direct reference to the UNCITRAL Model Law. Liberia is a signatory to the Multilateral Investment Guarantee Agency (MIGA) Convention, the International Centre for Settlement of Investment Disputes (ICSID Convention), and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention), among others.<sup>47</sup> Its Commercial Code provides for enforcement of

<sup>45</sup> USTR. Viewed at: [https://ustr.gov/sites/default/files/uploads/agreements/tifa/asset\\_upload\\_file278\\_10544.pdf](https://ustr.gov/sites/default/files/uploads/agreements/tifa/asset_upload_file278_10544.pdf).

<sup>46</sup> Presentation made by the LRA in 2021, for "LRA Tax Practitioner Training Module VII – International Taxation".

<sup>47</sup> Others include the UN Code of Conduct on Transnational Corporations, the UN Guiding Principles on Business and Human Rights, ILO Tripartite Declarations on Multinational Enterprises, the World Bank Investment Guidelines, the New International Economic Order UN Resolution, the Voluntary Partnership Agreement with the European Union, the Economic Partnership Agreement with the European Union, the Charter of Economic Rights and Duties of States, and the Permanent Sovereignty UN Resolution.

awards under either the ICSID or the New York Convention.<sup>48</sup> The ECOWAS Treaty also contains investor-state dispute settlement provisions. According to the Investment Act 2010, although Liberian courts have jurisdiction over the resolution of business disputes, parties to investment disputes may specify any arbitration or other dispute resolution procedures they may agree. Once a foreign award meets the criteria set out under the enforcement of a foreign judgement, it will be enforced under Liberian law. There have not been amendments to the arbitration legislation.

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<sup>48</sup> Liberian Commercial Code of 2010, para. 7.56. Viewed at: <https://www.moci.gov.lr/doc/Commercial%20Code%20-%20Title%207%20-%20Liberian%20Code%20of%20Laws%20Revised.pdf>.

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1 Measures directly affecting imports

##### 3.1.1 Customs procedures, valuation, and requirements

3.1. Part V of the Liberia Revenue Code (LR Code), also referred to as the Modernized Customs Code of 2018, was most recently amended in 2019. It sets out the rules governing all customs procedures and formalities.<sup>1</sup> The amendment incorporates several provisions of the WTO Agreement on Trade Facilitation (TFA) including on advance cargo declaration, pre-arrival clearance, protest and appeal mechanism, notification, and simplified declarations. The authorities state that the amended Modernized Customs Code is fully aligned with the harmonized ECOWAS Customs Code and that the common regulations on customs procedures under the ECOWAS Customs Code are currently implemented by Liberia.

3.2. According to the Modernized Customs Code, customs procedures are administered by the Customs Department under the Liberia Revenue Authority (LRA). Under the Foreign Trade Law, any person, domestic or foreign, may import or export goods and services into and out of Liberia.<sup>2</sup> An individual may be licensed by the LRA to become a customs broker if the person is a Liberian citizen, and the LRA may grant a customs broker licence to any legal entity if at least one member of the corporation/association/partnership holds a valid non-transferable customs broker licence. The use of Customs broker is not mandatory.

3.3. On 14 December 2020, Liberia deposited the instrument of ratification of the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention).<sup>3</sup> Liberia ratified the TFA in 2019 and deposited documents in April 2021. The current rate of implementation of commitments stands at 68.5% (i.e. 35.7% of Category A, 31.9% of Category B, and 0.8% of Category C commitments), with a timeframe spanning from February 2018 to February 2025.<sup>4</sup> On 19 August 2022, Liberia notified that pre-arrival processing, previously a Category C commitment, was shifted to Category B commitment and was fully implemented without capacity-building support in February 2021.<sup>5</sup> Liberia also notified that it has completed its first Time Release Study with technical assistance from the WCO.<sup>6</sup>

3.4. Currently, four Category C commitments remain to be implemented, with definitive date for implementation being 22 February 2025. They are test procedures, trade facilitation measures for authorized operators, single window, and customs cooperation. According to Liberia's notification to the WTO, the World Bank provides funds for the operation of a national single window system for domestic and international trade, by connecting all government ministries, agencies, and commissions involved with trade facilitation.<sup>7</sup> The authorities indicate that a work plan to set up this national single window was drafted.

3.5. The LRA began implementing the ASYCUDA World system in 2009 to enhance the customs clearance process at the Freeport of Monrovia.<sup>8</sup> It set up a one-stop platform, which incorporates operations of a Customs Freeport Collectorate, a private bank, and the National Port Authority (NPA). The platform also has a mechanism to receive declarations, conduct compliance checks, issue assessment notices, receive payments, and release cargo by terminal operators, among others. From 2009, ASYCUDA World expanded to 12 of Liberia's 17 customs ports of entry, as well as to

<sup>1</sup> LRA (2021), *Liberia Revenue Code as Amended*. Viewed at: <https://revenue.lra.gov.lr/wp-content/uploads/2021/08/REVENUE-CODE-LIBERIA-REVENUE-CODE-AMENDEMENT-2020-min.pdf>.

<sup>2</sup> Ministry of Commerce and Industry (MoCI), Foreign Trade Law. Viewed at: <https://www.moci.gov.lr/doc/Foreign%20Trade%20Law.%201.pdf>.

<sup>3</sup> The Revised Kyoto Convention is a WCO legal instrument aimed at harmonizing customs practices and procedures around the world, by improving the effectiveness and efficiency of customs administrations through a series of legal provisions detailing the application of modern and efficient customs procedures.

<sup>4</sup> WTO TFA database. Viewed at: <https://tfadatabase.org/members/liberia>.

<sup>5</sup> WTO document G/TFA/N/LBR/1/Add.1, 19 August 2022.

<sup>6</sup> WTO document G/TFA/N/LBR/4, 22 August 2022; and LRA (2022), *Liberia Time Release Study Report*. Viewed at: <https://revenue.lra.gov.lr/wp-content/uploads/2022/08/TRS-REPORT-August-22-2022.pdf>.

<sup>7</sup> WTO document G/TFA/N/LBR/4, 22 August 2022.

<sup>8</sup> WTO document WT/ACC/LBR/23, 9 October 2015.



2 seaports, the petroleum port, the mineral port, the parcel post office, 2 airports (1 of which is not fully operational due to a lack of international flights), and 4 land border ports.

3.6. Liberia's customs procedures consist of 11 steps (Box 3.1). According to the authorities, more than 90% of declarations are done electronically. The most recent Time Release Study found that in 2020 the average time for a consignment to be cleared from the Freeport of Monrovia was 12 days, 22 hours, and 8 minutes.<sup>9</sup> The authorities indicate that the clearance time has been shortened since then.

### Box 3.1 Procedures to import goods into Liberia

Step 1 – Pre-arrival: shipping lines send to Customs electronically advance cargo information, which may be used for risk profiling and targeting. Relevant documents include the bill of lading, the invoice, and the packing list. The pre-shipment inspection (PSI) report was replaced by the destination inspection report.

Step 2 – Arrival of vessel and cargo offloaded in port: Shipping line submits electronic manifest in ASYCUDA World to Customs, which then validates the manifest.

Step 3 – Registration with Customs: importer/broker registers the declaration and all supporting documents with Customs.

Step 4 – Registration in ASYCUDA: documents received by Customs must be registered in ASYCUDA World.

Step 5 – Selectivity: all documents submitted to Customs need to be checked, and ASYCUDA World automatically routes the documents into four lanes: (i) green – goods are released with no further scrutiny; (ii) yellow – documentary check is required; (iii) red – physical examination is required; and (iv) blue – post-clearance is required.

Step 6 – Queries and amendment: when documents submitted to Customs have errors, the errors are communicated to the importer or the customs broker for subsequent amendment.

Step 7 – Payment: importers or brokers pay import duties.

Step 8 – Release: when all customs formalities are completed, goods are released. Customs also releases goods channelled to the green and blue lanes for post-clearance audit.

Step 9 – Post-clearance audit: after goods are released, the relevant import documents are verified and archived at the Customs. This also applies to some yellow lane and red lane imports.

Step 10 – National Port Authority (NPA) process: the NPA prepares a gate pass once it receives the delivery order from the shipping line, and proof of payment of port charges from importers or customs broker.

Step 11 – Exit: on completion of all processes related to Customs and other stakeholders, ASYCUDA World issues an exit note to allow the vehicles/cargo to exit the Customs premises.

Source: WTO document WT/ACC/LBR/23, 9 October 2015, updated by the authorities.

3.7. In 2019, the Business Climate Working Group (BCWG), under the Ministry of Commerce and Industry (MoCI), decided to replace the Import Permit Declaration (IPD) requirements by Importer Notification Forms; hence, IPDs were removed in 2020 and Liberia has been moving from non-automatic import licensing regime to an automatic one (Section 3.1.5.2). Nonetheless, destination inspection is being conducted by MedTech Scientific Limited, a company contracted by the Government.

3.8. Regarding the selection of lanes (Box 3.1, step 5), Liberia's risk assessment criteria are based on, *inter alia*, the type of commodity (e.g. products at high risk for revenue fraud or for health and security concerns); the compliance record of the importer, his/her agents or customs brokers; the country of origin; and information collected by Customs.<sup>10</sup> In addition, depending on the nature of the high risk, a special procedure involving the LRA and the National Standards Laboratory may apply (Section 3.3.2). The Time Release Study found that in 2020, 81% of the declarations were directed to the red lane, which involve, *inter alia*, documentary and physical inspections. According to this study, this is mainly due to importers' noncompliance with customs requirements and procedures (with regard to, *inter alia*, declared value, quantity, classification and origin, and the requirement to keep adequate records). In addition, the study also mentions time lapses between the issuance of an assessment notice by Customs, and the payment of customs duties and taxes by

<sup>9</sup> LRA (2022), *Liberia Time Release Study Report*.

<sup>10</sup> WTO document WT/ACC/LBR/23, 9 October 2015.



importers. The lapse may be attributed to, *inter alia*, groupage consignments or lack of available funding after the receipt of assessment notices.<sup>11</sup>

3.9. The Modernized Customs Code provides for the use of WTO Agreement on Customs Valuation. It states that the primary basis for the customs value is the transaction value as declared by importers or their brokers. When Customs does not accept a declared value, the Code recommends Customs to follow the sequence as provided for by the relevant WTO provisions. The authorities indicate that valuation fraud is their biggest problem. To address this issue, the Customs Code was amended. Unlike the old Customs Code, which imposed a fixed penalty of LRD 200,000 irrespective of the gravity or frequency of the offence, the Modernized Customs Code provides for both civil and administrative penalties and fines depending on the nature of the offence.

### 3.1.2 Rules of origin

3.10. In 2018, Liberia notified to the WTO that it did not have any non-preferential rules of origin.<sup>12</sup> However, the Modernized Customs Code contains provisions on both non-preferential and preferential rules of origin. On non-preferential rules of origin, under Section 1625 of the Code:

- goods wholly obtained in a single country or territory are considered as having their origin in that country/territory; or
- goods the production of which involves more than one country/territory are considered to originate in the country/territory where they underwent their last substantial transformation, i.e. change of tariff heading at the HS 6-digit level.

3.11. The authorities indicate that they are working on the submission of the relevant notification.

3.12. Regarding preferential rules of origin, Liberia implements the ECOWAS Rules of Origin, which enable all qualifying goods sourced from approved producers in other ECOWAS members to be imported into Liberia duty-free.<sup>13</sup> Goods are defined as originating from an ECOWAS member if they have been wholly produced or sufficiently transformed in that country. Sufficient transformation is either a change in tariff subheading at the HS 6-digit level, or at least 30% local content.

### 3.1.3 Tariffs

#### 3.1.3.1 Applied MFN tariffs

3.13. The LR Code of 2000, as amended by the Modernized Customs Code of 2018, provides the legal framework for the customs tariff.<sup>14</sup> Tariff rates are set and amended through proposals from the President in consultation with the Cabinet/Ministry of Finance and Development Planning (MFDP) and enacted by Parliament. Changes (amendments) to the customs tariff are initiated by the LRA through the Commissioner General (Modernized Customs Code, Sections 1603 and 1605). The business community is given an opportunity to comment on amendments before taking effect. The LRA maintains a public online database (Customs Online Tariff) on applied MFN tariffs and other charges.<sup>15</sup>

3.14. Liberia's implementation of the plan to migrate from its national (pre-ECOWAS) customs tariff to the five-band CET (zero, 5%, 10%, 20%, and 35%) started on 1 January 2017, two years later than originally planned due to the 2014-16 Ebola outbreak. The migration was scheduled to be completed by 2020, but the date was subsequently postponed to January 2022. In November 2022, ECOWAS Ministers of Finance and the heads of Customs delayed the CET migration plan by an additional five years, owing to the impact of the COVID-19 pandemic on the region's economies. The new date for all ECOWAS members to fully implement the CET *without* exceptions is

<sup>11</sup> LRA (2022), *Liberia Time Release Study Report*.

<sup>12</sup> WTO document G/RO/N/173, 5 July 2018.

<sup>13</sup> WTO document G/RO/N/173, 5 July 2018.

<sup>14</sup> Viewed at: <https://revenue.lra.gov.lr/08/REVENUE-CODE-MODERNIZED-CUSTOMS-CODE-2019-CUSTOMS.pdf>.

<sup>15</sup> LRA, *Customs Online Tariff*. Viewed at: <https://eservices.lra.gov.lr/etariff/>.

1 January 2028. Liberia is in the process of developing a new migration plan consistent with ECOWAS' new transition period.

3.15. According to the authorities, the 2023 customs tariff remains unchanged compared to the 2022 tariff. It is based on the HS22 version of the Harmonized Commodity Description and Coding System<sup>16</sup>, and comprises 6,440 tariff lines at the 10-digit tariff line level. All tariff lines carry *ad valorem* rates.

3.16. The migration towards the ECOWAS CET results in a simplification of Liberia's customs tariff (Table 3.1). From its national pre-ECOWAS customs tariff with 12 *ad valorem* rates and 24 specific duty rates<sup>17</sup>, Liberia transitioned to a 21-band structure in 2017 and to 9 bands in 2023.

3.17. Like other ECOWAS members, Liberia applies the ECOWAS CET *with* national exceptions (Table 3.1), which covered 1,443 tariff lines in 2023 (22.4% of all tariff lines). The 2023 tariff has four bands that do not exist in the CET: 7%, 7.5%, 15%, and 16.67%. Most of these exceptions are in the 15% band (1,411 tariff lines) and cover, *inter alia*, iron and steel products (HS 73), fish (HS 03), and electrical machinery and equipment (HS 85).

3.18. The applied MFN tariff rates average 10.3% in 2023, down from 11.8% in 2017 (Table 3.1). The migration from 2017 to 2023 means a tariff reduction for 28.8% of all tariff lines, and an increase for 8.3% (Table 3.2). The most frequent change involves a shift from the 20% band in 2017 to the 15% band in 2023 (Table 3.2 and Chart 3.1). Therefore, the national exceptions have generally been in favour of more tariff liberalization.

3.19. On agricultural products (WTO definition), the average applied MFN tariff rate is 11.2% in 2023, down from 14.3% in 2017 (Table 3.1). Most agricultural product groups saw a tariff reduction, especially animals and animal products such as meat and live animals (20.5% in 2017 vs 10.4% in 2023), followed by fruits and vegetables (15.9% in 2017 vs 11.1% in 2023) (Chart 3.2 and Table A3.1). The average tariffs on non-agricultural products decreased from 11.4% in 2017 to 10.2% in 2023.

3.20. In Liberia's case, migration to the ECOWAS CET by 2028 would lead to an increase in the overall level of tariff protection<sup>18</sup>: with the full implementation of the ECOWAS CET *without* exceptions, Liberia's average MFN tariff would increase to 12.1% (up from 10.3% in 2023). Significant tariff adjustments are ahead. About 30.3% of all tariff lines would carry higher rates. About 20% of all tariff lines in the 15% band in 2023 would carry rates of 20% or 35%. About 9% of all tariff lines with a rate of 10% would carry rates of 20% or 35% (Table 3.2 and Chart 3.1).

3.21. By 2028, the level of tariff protection would rise significantly for most product groups, especially for agricultural products, where the average CET rates would increase to 15.6% (up from 11.2% in 2023). The tariffs on live animals and animal products would be most affected with an increase of 13.7 percentage points (Chart 3.2 and Table A3.1). The average CET rate on non-agricultural products would increase to 11.5%, up from 10.2% in 2023. Fish and fishery products and textiles would face increases of more than 3 percentage points.

**Table 3.1 Liberia's migration to the ECOWAS CET**

Pre-ECOWAS national tariff	2017 CET with exceptions	2023 CET with exceptions	ECOWAS CET without exceptions
12 <i>ad valorem</i> rates and 24 specific duties	21 bands	9 bands	5 bands
<b>Zero</b> (2 TLs, 0.03%)	<b>Zero</b> (96 TLs, 1.5%)	<b>Zero</b> (91 TLs, 1.4%)	<b>Zero</b> (102 TLs, 1.6%)
1.5% (9 TLs, 0.2%)	3% (1 TLs, 0.02%)		
2.5% (473 TLs, 8.0%)			
<b>5%</b> (1930 TLs, 32.7%)	<b>5%</b> (2,092 TLs, 33.6%)	<b>5%</b> (1,992 TLs, 30.9%)	<b>5%</b> (2,368 TLs, 37.1%)
7.5% (870 TLs, 14.8%)	7% (70 TLs, 1.1%)		
	8% (111 TLs, 1.8%)	7% (1 TLs, 0.02%)	
		7.5% (16 TLs, 0.2%)	

<sup>16</sup> Liberia Official Gazette, No. 28, 22 April 2022.

<sup>17</sup> For the tariff applied prior to the introduction of the ECOWAS CET, see Annexes 10 and 11 of Liberia's Accession Working Party Report, WTO document WT/ACC/LBR/22, 23 September 2015.

<sup>18</sup> According to Liberia's Working Party Report, the weighted average tariff rate in 2007 was 11.32%.

Pre-ECOWAS national tariff	2017 CET with exceptions	2023 CET with exceptions	ECOWAS CET without exceptions
12 <i>ad valorem</i> rates and 24 specific duties	21 bands	9 bands	5 bands
<b>10%</b> (440 Tls, 7.5%)	<b>10%</b> (1,391 Tls, 22.3%)	<b>10%</b> (2,338 Tls, 36.3%)	<b>10%</b> (1,469 Tls, 23%)
11% (99 Tls, 1.7%)	12% (13 Tls, 0.2%)		
15% (989 Tls, 16.8%)	13% (43 Tls, 0.7%)	15% (1,411 Tls, 21.9%)	
	14% (43 Tls, 0.7%)	16.67% (15 Tls, 0.2%)	
	15% (231 Tls, 3.7%)		
	16% (254 Tls, 4.1%)		
	17% (120 Tls, 1.9%)		
<b>20%</b> (607 Tls, 10.3%)	<b>20%</b> (1490 Tls, 23.9%)	<b>20%</b> (566 Tls, 8.8%)	<b>20%</b> (2,311 Tls, 36.2%)
	22% (147 Tls, 2.4%)		
	24% (12 Tls, 0.2%)		
25% (311 Tls, 5.3%)	25% (2 Tls, 0.03%)		
	26% (22 Tls, 0.4%)		
	27% (30 Tls, 0.5%)		
	28% (9 Tls, 0.1%)		
	30% (2 Tls, 0.03%)		
	<b>35%</b> (54 Tls, 0.9%)	<b>35%</b> (10 Tls, 0.2%)	<b>35%</b> (131 Tls, 2.1%)
45% (1 Tls, 0.02%)			
45% (1 Tls, 0.02%)			
50% (57 Tls, 1%)			
50% (57 Tls, 1%)			
Specific duties (110 Tls, 1.9%)			
45% (1 Tls, 0.02%)			
Specific duties (110 Tls, 1.9%)			
45% (1 Tls, 0.02%)			

Note: Figures in parentheses indicate the number of tariff lines and percentages of total tariff lines for each period, respectively. Tariff bands in bold are in line with the ECOWAS CET (five bands).

Source: WTO Secretariat calculations, based on Liberia's Accession Working Party Report, WTO document WT/ACC/LBR/22, 23 September 2015, Annexes 10 and 11; LRA, Customs Tariffs. Viewed at: <https://revenue.lra.gov.lr/customs-laws-regulations/>; and WTO IDB.

**Table 3.2 Structure of MFN tariffs, 2017, 2023, and ECOWAS CET**

	MFN applied		ECOWAS CET	Final bound <sup>a</sup>
	2017	2023		
Bound tariff lines (% of all tariff lines)	n.a.	n.a.	n.a.	100.0
Simple average rate	11.8	10.3	12.1	26.7
WTO agricultural products	14.3	11.2	15.6	23.6
WTO non-agricultural products	11.4	10.2	11.5	27.2
Agriculture, hunting, forestry and fishing (ISIC 1)	11.2	9.7	11.9	23.0
Mining and quarrying (ISIC 2)	5.2	7.6	5.1	25.1
Manufacturing (ISIC 3)	12.0	10.4	12.3	27.0
Duty-free tariff lines (% of all tariff lines)	1.5	1.4	1.6	0.1
Simple average rate of dutiable lines only	12.0	10.5	12.3	26.7
Domestic tariff "peaks" (% of all tariff lines) <sup>b</sup>	0.0	0.2	0.0	0.0
International tariff "peaks" (% of all tariff lines) <sup>c</sup>	34.4	9.2	38.3	86.2

	MFN applied		ECOWAS CET	Final bound <sup>a</sup>
	2017	2023		
Coefficient of variation	0.6	0.5	0.6	0.4
Nuisance applied rates (% of all tariff lines) <sup>d</sup>	0	0	0	0
Total number of tariff lines	6,233	6,440	6,381	5,827
of which: duty-free rates	96	91	102	3

n.a. Not applicable.

a Final bound rates are based on the Consolidated Tariff Schedule (CTS) in HS17 nomenclature. Calculations are based on total tariff lines.

b Domestic tariff peaks are defined as those exceeding three times the overall simple average applied rate.

c International tariff peaks are defined as those exceeding 15%.

d Nuisance rates are those greater than zero, but less than or equal to 2%.

Note: The 2017 tariff is based on HS17 nomenclature at the 10-digit tariff line level. The 2023 tariff and the CET are based on HS22 nomenclature at the 10-digit tariff line level.

Source: WTO Secretariat calculations, based on data provided by the authorities; LRA, Customs Tariffs. Viewed at: <https://revenue.lra.gov.lr/customs-laws-regulations/>; and WTO CTS database.

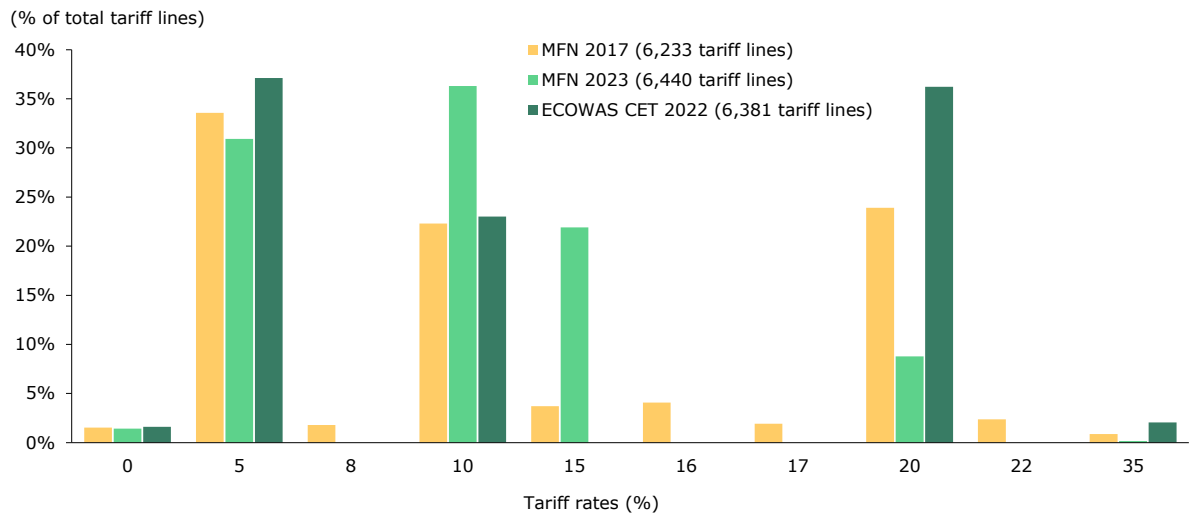
**Table 3.3 Changes in Liberia's tariff structure**

Tariff rates reduced	Tariff rates increased
<b>Changes from 2017 tariff to 2023 tariff</b>	
28.8% of total tariff lines have tariff rates reduced <sup>a</sup>	8.3% of total tariff lines have tariff rates increased <sup>a</sup>
<b>of which:</b> from 20% to 15% (11.8% of tariff lines) from 20% to 10% (3.7%) from 16% to 10% (2.4%) from 22% to 15% (2.3%) from 16% to 15% (1.5%)	<b>of which:</b> from 5% to 10% (3.4% of tariff lines) from 8% to 10% (1.6%)
<b>Changes from 2023 tariff to ECOWAS CET by 2028 (without exceptions)</b>	
7.8% of total tariff lines will have tariff rates reduced <sup>a</sup>	30.3% of total tariff lines will have tariff rates increased <sup>a</sup>
<b>of which:</b> from 10% to 5% (5.8% of tariff lines) from 15% to 10% (0.9%) from 15% to 5% (0.87%)	<b>of which:</b> from 15% to 20% (18.6% of tariff lines) from 10% to 20% (8.7%) from 15% to 35% (1.6%) from 10% to 35% (0.3%)

a Calculations of percentage of lines are based on the national tariff line level of the 2023 tariff schedule (total tariff lines: 6,440).

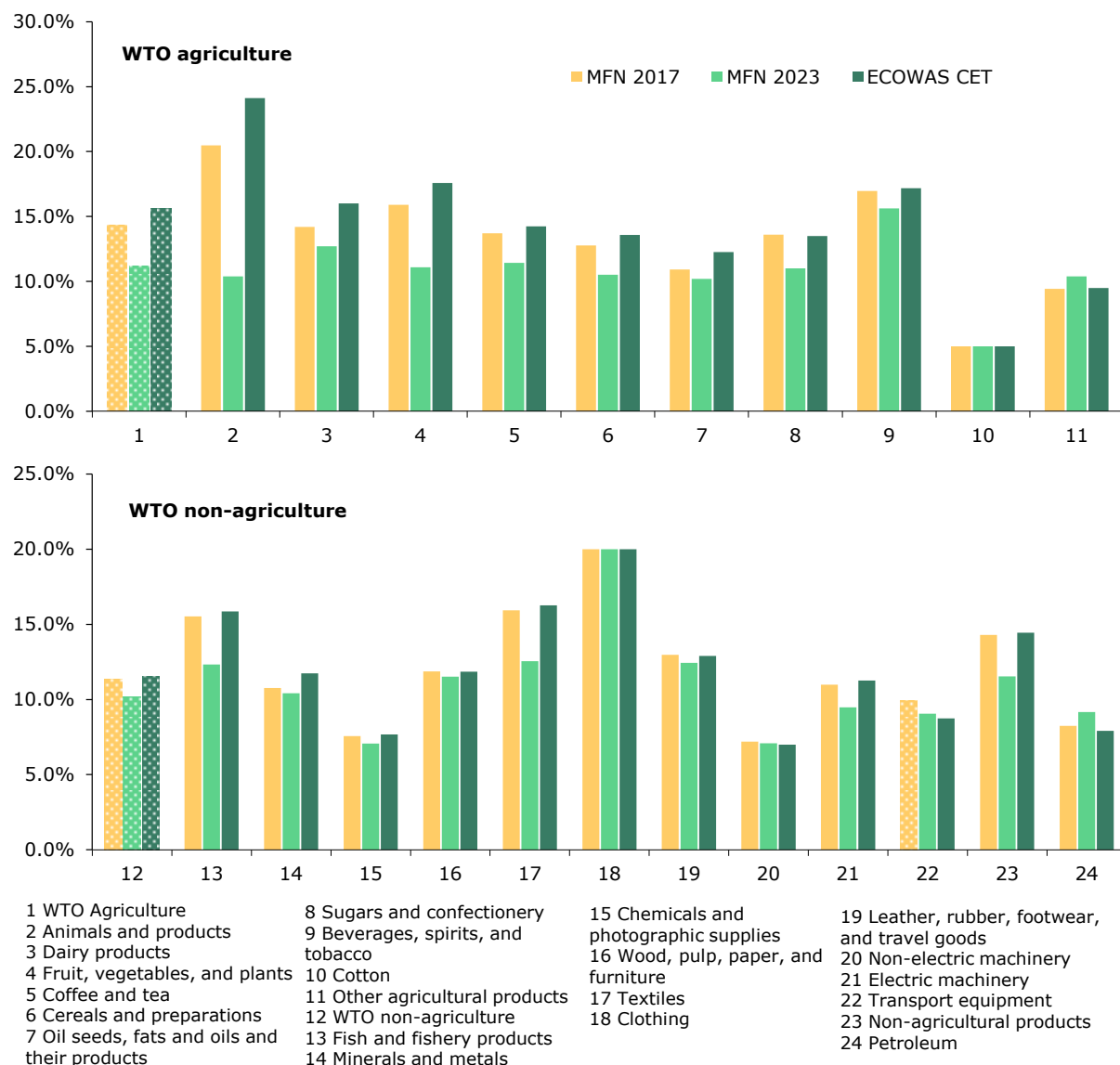
Note: For the purpose of analysing tariff changes from 2017 to 2023 and from 2023 to ECOWAS CET, the 2017 rates (HS17 version) and the ECOWAS CET (HS22 version) are aligned with the 2023 rates (HS22 version) at the 10-digit tariff line level. In the case of tariff changes from 2017 to 2023, due to HS nomenclature changes, WCO correlation tables were used for the tariff analysis, but approximately 0.2% of tariff lines could not be compared due to nomenclatures differences.

Source: WTO Secretariat calculations, based on data provided by the authorities; and LRA, Customs Tariffs. Viewed at: <https://revenue.lra.gov.lr/customs-laws-regulations/>.

**Chart 3.1 Distribution of MFN applied tariff rates – 2017, 2023, and ECOWAS CET**

**Note:** Some 5.9% of the 2017 tariff lines are not shown as they correspond to "sporadic" rates falling in between the main tariff rates (e.g. 3%, 7%, 12%-14%, and 24%, 25%, 26%, 27%, 28%, and 30%). In 2023, some 0.5% of tariff lines are carrying rates of 7%, 7.5%, and 16.67%; they do not appear on the chart given their negligible shares of the total.

**Source:** WTO Secretariat calculations, based on data provided by the authorities; LRA, Customs Tariffs. Viewed at: <https://revenue.lra.gov.lr/customs-laws-regulations/>; and WTO CTS database.

**Chart 3.2 Average tariff rates, by WTO product group, 2017 and 2023**

Note: The 2017 tariff is based on HS17 nomenclature (6,233 lines at the 10-digit tariff line level); and the 2023 tariff and CET tariff are based on HS22 nomenclature (6,440 and 6,381 lines at the 10-digit tariff line level, respectively).

Source: WTO Secretariat calculations, based on data provided by the authorities; LRA, Customs Tariffs. Viewed at: <https://revenue.lra.gov.lr/customs-laws-regulations/>; and WTO CTS database.

### 3.1.3.2 WTO bindings

3.22. With its accession to the WTO, Liberia bound 100% of its MFN tariff lines.<sup>19</sup> According to its latest certified Schedule of Concessions (HS17), all duties are bound at *ad valorem* rates, ranging from zero to 50%. Nearly one third of the lines are bound at 25%, and 21.5% of the lines are bound at 30% (Chart 3.3). Three tariff lines are bound at zero. High bound import duties are more frequent on non-agricultural products than agricultural products (WTO definition). For instance, bindings higher than 30% primarily concern non-agricultural products such as cotton, paper and paperboard, furniture, fish, electrical machinery and equipment, and articles of iron or steel (Chart 3.3).

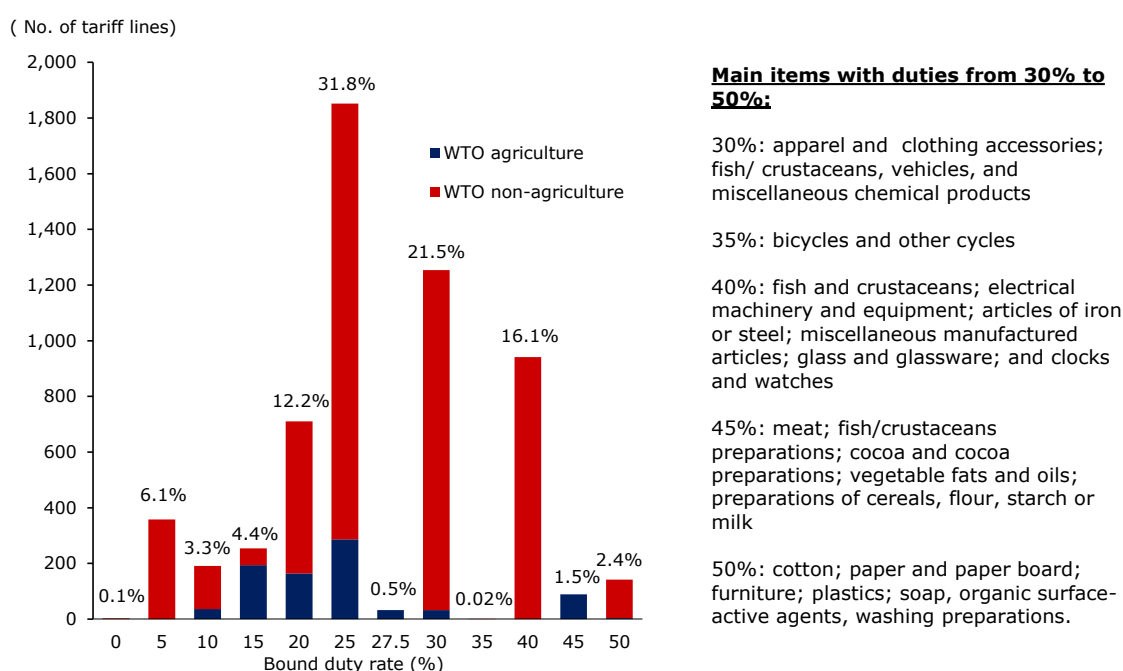
<sup>19</sup> WTO document WT/Let/1522, 17 February 2021. The tariff schedule under Liberia's Accession Protocol is in the HS12 nomenclature.

3.23. There is a large gap between the bound and applied rates. The simple average bound tariff is 26.7%, which is more than two times higher than the simple average applied MFN rate of 10.3% in 2023 (Table 3.1). A similar pattern can be seen at product level: the simple average bound tariff is 23.6% for agricultural products (against 11.2% for the average applied MFN tariff) and 27.2% for non-agricultural products (against 10.2% for the average applied MFN tariff).

3.24. Although most applied rates are considerably lower than the corresponding bindings, the applied MFN rates in 2023 exceed the bound rates in the case of 73 tariff lines, mainly machinery and mechanical appliances (HS 84) and electrical machinery and equipment and parts thereof (HS 85) (Table A3.2). However, upon the full implementation of the ECOWAS CET, the number of such cases would be reduced to six tariff lines.

3.25. In its Schedule of Concessions, Liberia has bound Other Duties and Charges (ODCs) at 0.5% on all products.

**Chart 3.3 Distribution of bound tariffs**



Note: Figures above the bars refer to the percentage of total lines. Main items are mainly based on product descriptions at the HS 2-digit level.

Source: WTO Secretariat calculations, based on WTO CTS database.

### 3.1.3.3 Tariff exemptions

3.26. Liberia resorts to exemptions from the statutory CET rates through Presidential Executive Orders (EO). The President may issue EOs in the public interest, to address emergencies "which cannot await lengthy Legislative processes".<sup>20</sup> To be eligible for duty exemptions, one of the following criteria must apply: concessions, investment incentives, diplomatic amenities, returning students or citizens with personal effects, government agencies, medical supplies, educational materials (textbooks), religious materials (books), and certain SOEs. Temporary tariff exemptions may thus be granted to SOEs that provide public utilities such as electricity, water, and sanitation. Tariff relief is granted for one year, renewable.

3.27. During the review period, Liberia granted tariff relief for products such as agricultural machinery, road construction equipment, products used for water treatment facilities, and rice (Table 3.3). According to the authorities, the tariff suspension on rice (currently EO No. 113) has

<sup>20</sup> EO No. 103. Viewed at: [https://www.emansion.gov.lr/doc/Executive%20Order%20\\_103%20Revised.pdf](https://www.emansion.gov.lr/doc/Executive%20Order%20_103%20Revised.pdf).

been renewed every year for the past 15 years.<sup>21</sup> Other tariff exemptions currently in force include agriculture products and equipment (EO No. 115 of 19 January 2023) and off-grid solar renewable energy products (EO No. 107 of 27 April 2022).

**Table 3.4 Exemption from customs duties through EOs, as of February 2023**

EO	Date	Items
107	27/04/2022	Off-grids solar lighting appliances, equipment and system components and other systems directly related to renewable energy development.
109	16/05/2022	Extension of EOs 78, 86, 95, and 100. EO exempts the Liberia Water and Sewer Corporation (LWSC) from customs duties on certain products for LWSC's water treatment plants and sewerage facilities.
111	11/10/2022	Extension of EOs 79, 90, 94, and 104. Exempting the Liberia Electricity Corporation from customs duty and Goods and Services Tax (GST) on petroleum products generation, transmission and distribution equipment, materials, and fuel.
113	04/01/2023	Extension of EOs 80, 87, 93, 98, and 105. Suspension of import tariff on rice under tariff numbers 1006.30.00, in packing of more than 5 kg or in the bulk; 1006.30.00, in packing of at least 5 kg; and 1006.40.00 (broken rice)
115	19/01/2023	Extension of EOs 81, 97, 102, and 106. Suspension of tariffs on agriculture products and equipment directly related to agriculture development.

Source: Compiled by WTO Secretariat, based on LRA, *Customs Laws & Regulations, Executive Orders*. Viewed at: <https://revenue.lra.gov.lr/customs-laws-regulations/>; and Republic of Liberia (Executive Mansion), *Executive Orders*. Viewed at: <https://www.emansion.gov.lr/2content.php?sub=49&related=19&third=49&pg=sp>.

3.28. The LR Code provides for various schemes on customs duty relief, including the temporary admission of goods/inward processing, customs warehouses, free zone, and transit/transshipment (Table 3.5).

**Table 3.5 Main schemes for tariff exemptions and reductions**

Scheme	Summary
Re-importation for home use (Sections 1540-1544)	Goods remain in the same state in which they were exported. Goods subjected to processing (repair or further manufacture) outside Liberia.
Temporary admission (Sections 1545-1554)	Under the temporary admission procedure, goods may be imported into Liberia conditionally relieved totally or partially from payment of import duties. Goods are not intended to undergo any change. The maximum period during which goods may remain under the temporary admission procedure shall be 12 months.
Customs Warehouse (Sections 1555-1564)	Goods can be temporarily stored without paying import duties. No goods shall remain in customs warehouse for longer than two years from the date first placed under the customs warehouse procedure; provided that the Customs Department may grant an extension of time but that any such extension shall not exceed four years from the date the goods are first placed under the Customs warehouse procedure.
Free zone (Sections 1565-1574)	Imported goods may be placed in an area designated under the laws of Liberia as a free zone without paying import duties.
Transit (Sections 1575-1579)	Any imported goods other than any prohibited imported goods may be moved from one port of entry or exit to another within Liberia by a bonded carrier without being subject to import duties.
Trans-shipment (Sections 1580-1583)	Any imported goods may be transferred from an importing vessel or aircraft to an exporting vessel or aircraft within the same port of entry or exit without being subject to import duties. A declaration to place goods under the trans-shipment procedure may be lodged prior to the arrival of the goods to Liberia.
Inward processing (Sections 1584-1594)	Goods under the inward processing procedure may be subject to full exemption from import duties when entering Liberia. The procedure can be applied to goods that are temporarily processed Liberia (other than repair of goods or destruction of goods). The LRA shall specify the period within which the inward processing procedure is to be discharged. The period shall run from the date on which the import goods are placed under the procedure and shall take account the time required to undergo the processing operations.

Source: Compiled by WTO Secretariat, based on LR Code, as amended.

<sup>21</sup> EO No. 11. Viewed at: [https://www.emansion.gov.lr/doc/EXECUTIVE%20ORDER%20\\_%2011%20-%20Suspension%20of%20Tariff%20on%20Rice.pdf](https://www.emansion.gov.lr/doc/EXECUTIVE%20ORDER%20_%2011%20-%20Suspension%20of%20Tariff%20on%20Rice.pdf).



### 3.1.3.4 Tariff preferences

3.29. At present, Liberia grants tariff preferences only under the ECOWAS Trade Liberalization Scheme (Section 2.3.2.1).

### 3.1.4 Other duties, charges, and taxes

3.30. In addition to customs tariffs, Liberia imposes additional duties (overage) on imported second-hand cars at the rates of 20% for those above 15 but not more than 25 years and 30% for those above 25 years.

3.31. Imports into Liberia from non-ECOWAS members are charged 0.5% of the c.i.f. value as the ECOWAS Levy. This charge is the statutory contribution by each member to the ECOWAS for running the community's operations.

3.32. For the destination inspection service provided at the Free Port of Monrovia, where more than 90% of international trade takes place in Liberia, MedTech Scientific Limited collects fees. These fees are specific: for example, for a 20 ft containerized shipment, the fee is USD 280 per container. For a 40 ft containerized shipment, the fee is USD 400 per container. Customs collects customs service fees for destination inspection services it provides at all other border entry points in Liberia. They are *ad valorem*: 1.2% of the c.i.f. value of imports.

3.33. Customs also collects the Goods and Services Tax (GST) and excise duties at the border. Liberia is in the process of migrating GST to a VAT regime. The authorities indicate that the legislation on the migration process was drafted, and full migration from GST to VAT is expected by 1 January 2024. At the same time, ECOWAS is trying to harmonize VAT in its member countries.

3.34. GST is 10% of the taxable amount, while zero-rate GST applies to goods and services for export. LRA collects the GST at the border on imports at 10% of the c.i.f. value plus tariff, customs service fee, ECOWAS Levy, and excise duties (if any).<sup>22</sup>

3.35. The items exempt from GST include:

- foodstuffs for human consumption for the general use of educational and philanthropic institutions;
- goods for the relief of distressed persons in the case of natural disasters or other humanitarian emergencies;
- pharmaceutical or medicinal preparation specified by regulation issued by the MoCI;
- medical aids or appliances specifically designed for persons with an illness or disability;
- textbooks or other instructional materials designed for use in schools or adult education programs; and,
- supplies made to a certain manufacturer, agriculture business, mining project producer or petroleum project producer, or the holder of a Forestry Resource Licence engaged in forestry.

3.36. GST is also applied in the form of a Port Service Tax: USD 25 (or its equivalent in Liberian dollars) is imposed on passengers leaving Liberia by luxury ocean liner, USD 10 on passengers leaving by other commercial sea transport, and USD 5 on passengers leaving by commercial land transport (LR Code, Section 1027).

3.37. Excise duties are levied on, *inter alia*, alcoholic and non-alcoholic beverages, tobacco and tobacco products, luxury goods, cosmetics, sugar, and gambling equipment. They are *ad valorem* or specific. For domestically produced goods, the taxation base is the ex-factory price. For imports, excise duties are levied on the c.i.f. value plus import tariffs, customs service fee, ECOWAS Levy,

<sup>22</sup> LR Code, Section 1004(d).

and any other duties except GST. However, for a number of imported products, the rates are higher than for those produced locally (Table 3.6).

**Table 3.6 Excise duties, 2023**

HS heading	Product description	Duty rate	
		Imported	Local
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	USD 0.45/litre	USD 0.05/litre
2201	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow	USD 0.45/litre	-
2202	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 2009	USD 0.30/litre	USD 0.02/litre
2203	Beer made from malt	USD 1.0/litre	USD 0.35/litre
2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09	USD 1.0/litre	USD 0.35/litre
2205	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances	USD 1.0/litre	USD 0.35/litre
2206	Other fermented beverages (for example, cider, Perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included	USD 1.0/litre	USD 0.35/litre
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.; spirits, liqueurs and other spirituous beverages	USD 3.0/litre	USD 2.0/litre
2401	Unmanufactured tobacco, tobacco refuse	USD 0.40/kilogram	
2402.20	Cigarettes, of tobacco or tobacco substitutes	USD 0.40/stick of 20 cigarettes	
2402.10	Cigars, cheroots, cigarillos	USD 0.40/stick of 20 cigarettes	
2402.90	Others	80%	
2403	Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences (i.e. shisha and shisha ingredients or hookah)	80%	
8543	E-cigarette	50%	
9614	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof (i.e. hookah utensils)	50%	
33	Cosmetics and cosmetic aids including perfumes, toilet preparation, hair products and nail products (soap, toothpaste, toilet tissues and disinfectants are not cosmetics or cosmetic aids)	20%	
1701.99.10.00	Cane or beet sugar and chemically pure sucrose, in solid form – in powder, crystal or granule form	5%	
1701.99.90.00	Cane or beet sugar and chemically pure sucrose, in solid form – other	5%	
8703	Luxury vehicles and vessels (including boats and yachts and other vessels for sports and pleasure) "Luxury Vehicles" means any automobile that is in the class of private passenger automobiles and that has a minimum of a CIF value of USD 60,000 for a new car or USD 30,000 for a used car	10%	

HS heading	Product description	Duty rate	
		Imported	Local
7113-7118	Jewellery, goldsmiths' and silversmiths' wares and other articles	10%	
9504	Video game consoles and machines, articles for funfair, table or parlour games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment	30%	

- Nil.

Source: Amended Customs Code 2019.

### 3.38. Some items are exempt from excise duties:

- denatured ethyl alcohol used for industrial/medical purposes and not fit for beverage/human consumption;
- goods purchased or imported for official use by foreign diplomatic missions and representative offices with equivalent status;
- imports by bona fide travellers, and returning residents and for articles to be re-exported;
- goods in transit and transshipment;
- alcoholic beverages produced by a physical person for self-consumption within the limit fixed by the Government, and import of one litre of alcoholic beverage and one carton of (200) cigarettes by a physical person for personal consumption;
- excisable goods, except alcohol, tobacco, and tobacco products, imported as humanitarian aid in cases of natural disasters;
- excisable products supplied by tax-free shops that are carried away in the personal luggage of travellers leaving the country by air or by sea;
- excisable products supplied on board an aircraft or a ship during international passenger service;
- cigarettes and/or alcoholic beverages marked by excise tax control stamps, which have been destroyed by their producer by permission or order of the competent authorities;
- all excisable goods meant for repairing, reconditioning, and re-engineering; and
- all excisable goods sent abroad as exhibits for exhibition in International Trade Fairs or for demonstration or carrying out tests or trials.

### 3.1.5 Import prohibitions, restrictions, and licensing

3.39. Since its accession, Liberia has not submitted any notification to the WTO under the Import Licensing Agreement. The authorities state that they intend to submit the relevant notification soon.

3.40. The Foreign Trade Law 2016 contains provisions on the import licensing regime.<sup>23</sup> The MoCI is responsible for the issuance of import licences.

#### 3.1.5.1 Import prohibitions

3.41. The amended LR Code (Section 1214) stipulates that the Customs Department may impose import prohibitions and restrictions on grounds of, *inter alia*, public morality; public policy or public

<sup>23</sup> MoCI, *Laws*. Viewed at:  
<https://www.moci.gov.lr/2content.php?sub=164&related=16&third=164&pg=sp>.

security; the protection of the health and life of humans, animals, or plants; and environment protection. In accordance with the LR Code, Liberia prohibits the imports of:

- goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in any foreign country by convict, forced, or indentured labour under penal sanctions (Section 1817);
- right-hand drive vehicles of any category (Section 2202); and
- used motor vehicles more than 15 years old designed for transport of both passenger and goods. However, these vehicles may still be imported if the "overage" duty is paid (Section 3.1.4). This import ban does not cover earth-moving machinery; heavy-duty trucks used in logging, and transportation of heavy equipment; industrial vehicles and tankers; special purpose motor vehicles; and other trucks above 10 tonnes (Section 2202).

3.42. The following chemicals are prohibited from importation: aldrin; chlordan; dioxins; endris; furans; heptachlor; dieldrin; mirex; toxaphene; polychlorinate; DDT; hexachlorobenzene; and methyl bromide.<sup>24</sup> The authorities state that ozone-depleting substances are also prohibited from importation.

3.43. The authorities state that the following products are also banned from importation into and exportation from Liberia: leopard skin; animal horn; wild cat skin; charcoal; bush meat; ivory and products thereof; python skin; shark fin; and turtles.

### **3.1.5.2 Import restrictions and licensing**

3.44. The following products require permits from relevant ministries or agencies before the MoCI issues an Import Notification Form:

- Soil from foreign land – banned from entering except for scientific reasons;
- All plants and plant products including processed;
- All live animals and animal products including processed;
- All human consumables: food (including rice and flour), alcohol, soft drinks, and tobacco/cigarettes;
- All agro-chemicals and veterinary drugs;
- All wildlife species (flora and fauna) including timber, log, plywood, and plant-packing materials;
- Chewing stick;
- Chain sawn wood;
- Bird feathers except for scientific reasons;
- All non-timber forest products;
- Hazardous substances and chemicals;
- Petroleum and petroleum products;

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<sup>24</sup> Liberia Tariff Schedule 2019. Viewed at: <https://revenue.lra.gov.lr/08/TARIFF-LIBERIA-CUSTOMS-ECOWAS-CET-HS-2019.pdf>.

- Cement;
- Medicines and pharmaceutical products and biological substances;
- Explosives;
- Fireworks and combustible liquid or gas preparations;
- Military tanks and weapons;
- Arms and ammunition; and
- Building materials (including lime, steel rods, plywood, PVC pipes, zinc, and ceramic flooring blocks).

3.45. In December 2020, Liberia decided through an EO to replace Import Permit Declarations (IPD) by Import Notification Forms (INFs). That is, importers do not need to submit any IPDs to the MoCI. Rather, they need to submit an INF as "an administrative document to collect trade statistical data and monitor the inflow and outflow of good and facilitate trade".<sup>25</sup> This reflects a move from a non-automatic to an automatic import licensing regime.

### **3.1.6 Anti-dumping, countervailing, and safeguard measures**

3.46. In 2017, Liberia notified to the WTO that it implements ECOWAS trade remedy legislation.<sup>26</sup>

3.47. Liberia does not have any national legislation on contingency measures, and the authorities state that Liberia has not implemented any anti-dumping, countervailing, or safeguard measures.

3.48. At the time of accession to the WTO, Liberia imposed a surtax of USD 0.10/kg on imported flour, "due to a sharp increase in the importation of flour that substantially affected local price thus creating injury and a potential threat of greater injury".<sup>27</sup> According to the Working Party report, the surtax was to make the local flour industry price competitive considering the high production cost of the good in Liberia.<sup>28</sup> The authorities confirmed that this surtax was eliminated in 2019.

## **3.2 Measures directly affecting exports**

### **3.2.1 Customs procedures and requirements**

3.49. According to guidelines issued by the MoCI, all natural persons or legal entities wishing to export from Liberia must first register with the MoCI to obtain Export Permit Declaration (EPD) forms. They need to submit proforma invoices and other documents such as quarantine certificates from relevant ministries/agencies before obtaining approval from the MoCI. In addition, all commercial exporters must pay a non-refundable processing fee of USD 150 (or its equivalent in Liberian dollars) for every 10 containers per EPD.<sup>29</sup>

3.50. According to Section 1622 of the Modernized Customs Code, the basis of customs valuation of exported goods is the market value of such goods at the time of export.

3.51. The Customs Department issues certificates of origin (COOs) for exports from Liberia. Liberian exports, if covered by a COO, may enter other ECOWAS countries duty-free under the ETLS (Section 3.1.2). However, if rules of origin are deemed too costly or complex to comply with, firms may instead forgo the preferences. According to an UNCTAD study, the underutilization rate reached

<sup>25</sup> EO No. 103. Viewed at: [https://www.emansion.gov.lr/doc/Executive%20Order%20\\_103%20Revised.pdf](https://www.emansion.gov.lr/doc/Executive%20Order%20_103%20Revised.pdf).

<sup>26</sup> WTO documents G/ADP/N/1/LBR/1, 1 December 2017; G/SG/N/1/LBR/1, 1 December 2017; and G/SCM/N/1/LBR/1, 1 December 2017.

<sup>27</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

<sup>28</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

<sup>29</sup> MoCI, *Standard Operating Procedure (SOP) for Exportation by MOCI*. Viewed at: <https://www.moci.gov.lr/doc/Export%20SOP.pdf>.

100% in Liberia, indicating that Liberia is unable to make use of preferential treatment for its exports to external partners.<sup>30</sup>

### 3.2.2 Taxes, charges, and levies

3.52. Exports of unprocessed goods used to be subject to export duties. According to the authorities, this was removed, and currently no export duty applies.

3.53. Logs and wood products are subject to export taxes (fees) (Section 4.1.2).

### 3.2.3 Export prohibitions, restrictions, and licensing

#### 3.2.3.1 Export prohibitions

3.54. Liberia banned the exportation of unprocessed natural rubber from 2008 to 2017, with a view to curbing the decline in the local rubber industry.

#### 3.2.3.2 Export restrictions and licensing requirements

3.55. According to a document called *Restricted Exports* issued in 2014 by the MoCI, a permit/certificate is required for the exportation of a number of products (Table 3.7). Then a licence is issued by MoCI upon presentation of permits/certificates.

**Table 3.7 Non-exhaustive list of products subject to export restrictions, 2023**

Description	Responsible entity	Rationale
Cocoa and coffee	Liberia Agriculture Commodity Regulatory Authority (LACRA)	Testing to determine quality
Fish and fish products	National Fisheries and Aquaculture Authority (NaFAA)	SPS
Other edible products	Ministries of Agriculture and Health	SPS
Logs and wood products	Forestry Development Authority (FDA) and Société Générale de Surveillance SA (SGS)	SGS certificates contain information on the value and the species, and useful for deciding royalty payments; FDA on forestry inspection
Camwood	FDA	FDA on forestry inspection
Iron ore	Ministry of Mines and Energy (MME) issues licences	
Scraps	Ministries of Justice and Land, MME	Ministry of Justice provides clearance for scrap metal exports on security grounds
Gold	Office of Precious Minerals (OPM) of the MME	
Diamonds	OPM of the MME, Kimberley Process Certificate Scheme	

Source: MoCI (2014), *Restricted Exports*. Viewed at: <https://www.moci.gov.lr/doc/MoCI.Conditional.Exports.040714.v2.pdf>; and information provided by the authorities.

### 3.2.4 Export support

3.56. The authorities state that currently there is no export promotion body with a mandate to develop and promote exports in Liberia.

3.57. Liberia has no duty-drawback mechanism. According to the Working Party report, all export duty-drawbacks and tax credits have been abolished since 2006.<sup>31</sup>

<sup>30</sup> UNCTAD (2019), *Economic Development in Africa (Report 2019) – Made in Africa: Rules of Origin for Enhanced Intra-Africa Trade*. Viewed at: [https://unctad.org/system/files/official-document/edar2019\\_en\\_ch2.pdf](https://unctad.org/system/files/official-document/edar2019_en_ch2.pdf).

<sup>31</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

3.58. Liberia does not have any officially supported export finance, export credit or guarantee, or export insurance programmes.

### 3.3 Measures affecting production and trade

#### 3.3.1 Incentives

3.59. The Investment Act 2010 seeks to "rationalize, standardize and ensure transparency in the award of investment incentives by consolidating fiscal incentives in the Liberia Revenue Code of 2000" (as amended in 2011) "and developing a coordinated institutional capacity involving all relevant government agencies for the administration of such incentives".<sup>32</sup> The National Investment Commission (NIC) is in charge of evaluating business plans of enterprises seeking government support. Based on the NIC's recommendations, the MFDP certifies eligible enterprises as recipients of various incentives.

3.60. On 5 July 2021, Section 16 of the LR Code on Special Investment Incentives was amended. The amendment is to expire on 30 June 2026 unless extended by an Act of the Legislature.<sup>33</sup> The amendment stipulates that investment incentives may be granted to enterprises, including foreign enterprises, for three years from the commencement of investment, if their investment exceeds USD 500,000, or, for those investing in the health and agriculture sectors, if their investment exceeds USD 50,000. Applications for incentives are submitted to the NIC for review, and once reviewed and recommended by the NIC, the MFDP issues a Special Investment Incentive Certificate within 15 working days. Holders of the Certificate are exempt from GST and import tariffs on the purchase of specific equipment, materials, supplies, and other critical items, for the direct use by the particular business activity for which the Certificate was issued. Eligible activities cover the following 15 areas:

- tourism;
- manufacturing of finished products with at least 30% local raw material content excluding water;
- energy;
- hospitals and medical clinics;
- housing for low- and medium-income households;
- air, sea, rail, and road transport infrastructure, including ports;
- high-impact information and communication technology;
- banking in the areas lacking financial services (non-bank areas in the south-eastern region) and in Zone 1<sup>34</sup> (i.e. economically deprived areas);
- agricultural food-crop cultivation and processing, including cocoa and coffee;
- poultry production;
- horticulture;
- small- and medium-scale rubber and oil palm cultivation and processing;
- exports of sea products;

<sup>32</sup> WTO document WT/ACC/LBR/23, 9 October 2015, para. 22.

<sup>33</sup> Act to Amend Section 16 of the Liberia Revenue Code as Amended, to be referred to as the Liberia Tax Amendment Act of 2021. Viewed at: <https://revenue.lra.gov.lr/wp-content/uploads/2022/01/Section-16-amendment-2021.pdf>.

<sup>34</sup> LR Code of 2000, as amended in 2011.



- manufacturing or assembly of finished products for export, provided that at least 70% of production is exported from Liberia within 12-month period; and
- waste management.

3.61. Eligible enterprises may qualify for incentives in the form of (i) 30% tax (GST and import tariffs) deduction on up to 100% of the cost of equipment and machinery used in the activity in the year the asset is placed in service; (ii) 30% tax deduction on up to 100% of construction cost of a new hotel or tourist resort; (iii) 10% tax deduction on the cost of the buildings and fixtures used in a manufacturing process that produces finished products (for domestic consumption or export) if they have a gradual-scale local raw material content.<sup>35</sup>

3.62. For investments exceeding USD 10 million, incentives may be allowed for a period of up to 15 years.<sup>36</sup>

3.63. From January 2020 to October 2022, the Government issued special investment incentive certificates to 25 enterprises, of which 18 engage in manufacturing, while others are in the areas of poultry, fishery, energy, hotel and tourism, transport infrastructure, and information and communication technology.

3.64. The LR Code contains provisions on free zones (Sections 1565-1574), and the Special Economic Zones Act (SEZ Act) went into effect in 2017. The SEZ Act does not determine the regulatory and administrative procedures or fiscal incentives to firms to be located in SEZs. However, the SEZ Act established the Liberia SEZ Authority and entrusts it with the task of implementing regulations on incentives available to SEZs and SEZ companies.<sup>37</sup>

3.65. In 2019, the Government established a Special Economic Zone (SEZ) Steering Committee "to create, drive, guide, enhance, coordinate, and manage single, multiple and mixed-use SEZs in Liberia".<sup>38</sup> The Government identified the port city of Buchanan as the site for the construction of Liberia's first SEZ.<sup>39</sup> The authorities state that the site in Buchanan is under construction, while the SEZ Authority has not been set up yet.

3.66. The Monrovia Industrial Park (MIP) was established in 1965 with a view to promoting and incentivizing domestic and foreign investments in manufacturing. In July 2016, the management of the MIP was officially transferred from the NIC to the MoCI. Enterprises operating in the MIP include TIBA Group Industries (biscuits and confectionery); NP Liberia (cooking gas packaging); Garson Steel (wire nails); West African Venture Fund (noodles and packaging); Sethi Brothers (steel); Premiere Milling (wheat flour); and Supreme Mattresses (mattresses).

3.67. The authorities indicate that an MIP regulation entered into force in 2017, and established an interagency board to administer the MIP. A detailed development plan is being prepared, aiming to serve as a roadmap to fully develop the MIP. According to the authorities, incentives provided to the MIP include easier access to financial leasing services, credits provided by the Liberian Enterprise Development Finance Company, GST deductions or exemptions, and capital financing provided by the West African Venture Fund.

3.68. In addition, incentives are also provided to MSMEs through the public procurement regime: the Small Business Empowerment Act sets aside 25% of all public procurement for MSMEs. Five percentage points of this 25% are reserved for women-owned MSMEs (Section 3.3.6). In

<sup>35</sup> Revenue Code of 2000 as amended in 2011.

<sup>36</sup> Revenue Code of 2000 as amended in 2011.

<sup>37</sup> MFDP (2020), *Feasibility Study for the Special Economic Zone and Port, Buchanan, Liberia*. Viewed at: <https://www.mfdp.gov.lr/index.php/component/edocman/publications/feasibility-study-for-the-special-economic-zone-and-port-buchanan-liberia?Itemid=1734>.

<sup>38</sup> Executive Mansion online news, 8 April 2019. Viewed at: [https://www.emansion.gov.lr/2press.php?news\\_id=4841&related=7&pg=sp](https://www.emansion.gov.lr/2press.php?news_id=4841&related=7&pg=sp).

<sup>39</sup> In September 2020, in response to the Government's request, USAID prepared a Feasibility Study that concluded that an SEZ at the Buchanan port represents the most economically feasible option for an SEZ in Liberia. MFDP (2020), *Feasibility Study for the Special Economic Zone and Port, Buchanan, Liberia*. Viewed at: <https://www.mfdp.gov.lr/index.php/component/edocman/publications/feasibility-study-for-the-special-economic-zone-and-port-buchanan-liberia?Itemid=1734>.



FY2016/17, the Central Bank of Liberia (CBL) lowered interest rates on loans to MSMEs to 8%<sup>40</sup>, while commercial banks were providing loans at 15%-18%. However, the MoCI's Annual Report noted that loans are difficult to obtain given requirements on collateral by all but two financial institutions.<sup>41</sup>

### 3.3.2 Standards and other technical requirements

3.69. The Division of Standards of the MoCI functions as Liberia's standardizing body, TBT enquiry point, and national notification authority.<sup>42</sup> Under the Executive Law (Chapter 29, Section 29 2(a)), the MoCI has the mandate to regulate commodities and trade standards. In addition, the MoCI is authorized to exercise its broad powers to ensure the achievement of national goals through the establishment and enforcement of standards.

3.70. Liberia has made some progress in reforming its TBT regime. The Liberia National Standards Act to establish the Liberia Standards Authority entered into force in July 2022. Liberia is, however, facing challenges in developing and implementing TBT (and SPS) measures. A national TBT/SPS Committee, established in 2017, has not been able to meet since 2018 due to lack of funding. Guidelines for implementing good regulatory practices were drafted and efforts have been made to improve regulatory cooperation and coordination among agencies, but progress has been slow due to overlapping responsibilities.

3.71. Liberia has provided five TBT notifications (see below). No specific trade concern concerning Liberia's TBT measures has been raised in the TBT Committee.

3.72. Liberia is a member of ISO and IEC. At the regional level, Liberia participates in ECOWAS activities in the areas of standardization, technical regulations, conformity assessment procedures, accreditation, quality management systems, and metrology. As a member of the African Organization for Standardization (ARSO), Liberia participates in activities concerning cocoa; animal health; food and agriculture; and water, sanitation, and hygiene (WASH).

3.73. According to the authorities, Liberian policy is to base national standards on regional or international standards to the maximum extent feasible. Indeed, all Liberia Standards are aligned with regional or international standards. As of February 2023, Liberia had adopted 119 standards, of which 33 were regional standards (ECOWAS or ARSO) and 86 were international standards (ISO/IEC or Codex Alimentarius). Copies are available at the National Standards Desk of the National Standards Laboratory (NSL); the standards have yet to be gazetted as Liberian Standards.

3.74. The development and adoption of standards follows established procedures, known as the Liberian Standards Harmonization Model Procedure (LISHAM procedure). LISHAM was developed by the NSL in collaboration with the Division of Standards and adopted in 2018. It is based on the ECOWAS Standards Harmonization Scheme (ECOSHAM) and the African Union Standards Harmonization Model (ASHAM). LISHAM establishes the principles of standardization and procedures for technical work with emphasis on harmonized regional and international standards for use as Liberian Standards.<sup>43</sup> According to the authorities, these procedures are based on ISO/IEC Directives Parts 1 and 2 and the TBT Agreement.

3.75. The standardization process has eight stages: preliminary; proposals; preparatory; committee; public enquiry<sup>44</sup>; ballot; approval; and publication. LISHAM procedures foresee up to 3.5 months for the adoption of harmonized standards as Liberian Standards and up to 9.5 months for the development of local standards. Participation in the LISHAM process is open, on a non-discriminatory basis, to all interested parties, through representation in technical committees, subcommittees, or working groups, and during the public enquiry process on draft standards.

3.76. The standard harmonization process is carried out by seven technical committees for food and agriculture, electro-technical products, buildings and construction, chemicals and cosmetics,

<sup>40</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

<sup>41</sup> MoCI (2018), *Transition Report 2017 – Rebranding Commerce*.

<sup>42</sup> Administrative regulation MCI/No. 009/2015.

<sup>43</sup> MoCI issued a Policy Guide (2017) entitled "Adoption procedure of international regional as national standards".

<sup>44</sup> MoCI issued a Notice (2017) entitled "Public enquiry on identical adoption of standards".

WASH, environment management, and animal health. The technical committees are managed by a steering committee (National Technical Management Committee), which has adopted a work programme.

3.77. Five ministries (MoCI, Ministry of Health (MOH), Ministry of Lands, Mines and Energy (MLM&E), Ministry of Agriculture (MOA), Ministry of Public Works (MPW)) and nine agencies (EPA; Liberia Electricity Corporation (LEC); Liberia Water and Sewer Corporation; Liberia Telecommunications Corporation; Liberia Petroleum Refining Company (LPRC); NaFAA; LACRA; National Public Health Institute of Liberia; and Liberia Water, Sanitation and Hygiene Commission) are involved in the standardization process. For each institution, two persons are designated as representatives/focal points in the technical committees. The TBT focal points meet quarterly to exchange draft technical regulations. A timeline is given before a final draft is prepared for final comment. The LISHAM procedure provides for a review to be undertaken within five years of the continued suitability of each Liberian Standard. According to the authorities, the adoption of standards at MoCI started in 2018; therefore the review of standards will not begin before 2023.

3.78. Technical regulations enter into force upon a declaration by the minister and are published in the National Gazette. Final technical regulations and conformity assessment procedures are published on the MoCI website ([www.moci.gov.lr](http://www.moci.gov.lr)). According to the authorities, the standard timeline for the submission of comments on draft technical regulations, standards, and conformity assessment procedures is 60 days (Administrative Regulation MCI/No. 001/09/2015).<sup>45</sup>

3.79. Liberia's technical regulations cover, *inter alia*:

- wheat flour fortification (Administrative notice MCI/No. 011/07/2017);
- Liberia Agriculture Commodity Regulatory Authority (LACRA) – mandate to ensure consumer protection of unsafe and substandard products (coffee and cocoa) with regard to imports and exports (Section 4.1.1);<sup>46</sup>
- gas stations (Administrative Notice MCI/No. 008/07);<sup>47</sup>
- liquefied petroleum gas (LPG);<sup>48</sup>
- equipment certification under the Telecommunications Act of 2007; and
- Monrovia Industrial Parks (Administrative Notice MCI/No. 009).

3.80. The NSL, established in 2010, is responsible for conformity assessment procedures (inspection, certification, and testing).<sup>49</sup> The procedure for the international accreditation of the laboratory has been launched. The NSL has chemical, microbiology, and metrology labs. It provides technical services among others to the MoCI (high-risk goods, see below); MOA (SPS measures); MOH (food safety); EPA (water quality and environmental control in the area of waste water and effluent analysis); and MME (water and mining activities).

3.81. In general, the NSL's conformity assessment procedures involve five steps: preliminary verification; preparation of tasks (sampling, lab analysis, factory audit, pre-shipment inspection); evaluation; verification of conformity (VOC); and surveillance. The VOC comes in the form of a letter indicating that the product meets the technical requirements; otherwise a non-conformity report may be issued leading to confiscation of the product. The surveillance is performed randomly in different ways: random inspection, arrival verification, surveillance of quality management, regular inspection, random product laboratory testing, and control of factory production. The frequency and extent of surveillance are defined jointly with the authorities, while the NSL is responsible for setting up the VOC programme.

<sup>45</sup> WTO document G/TBT/2/Add.125/Rev.1, 26 September 2017.

<sup>46</sup> WTO document G/TBT/N/LBR/1, 14 February 2018.

<sup>47</sup> WTO document G/TBT/N/LBR/2, 26 July 2018.

<sup>48</sup> WTO document G/TBT/N/LBR/3, 26 July 2018.

<sup>49</sup> MoCI, Overview of the National Standards Laboratory (NSL). Viewed at: <https://www.moci.gov.lr/2content.php?sub=117&related=36&third=22&pg=tp>.

3.82. Since 2010, the NSL has also been responsible for the testing of imported high-risk goods, which are goods that are deemed to have serious health, safety, and environmental effects and include pharmaceuticals, cosmetics, medical services, alcohol and alcoholic products, chemical and petroleum products, electrical cables, electronic products, building materials, African textile prints, used goods, pyrotechnic products, motor vehicle batteries, arms and ammunitions, and LPG cylinders. According to the authorities, technical regulations do not exist for these products, except LPG.

3.83. The procedure for clearing of high-risk goods at the ports of entry involves the following:

- High-risk goods are registered with the LRA.
- Importer purchases applicable Liberian Standard.
- INF is submitted to the MoCI, followed by a request for sampling by the NSL. The sample should be accompanied by a certificate of analysis (COA) or certificate of conformity (COC). The testing fees are set by the lab administrator and approved by the MoCI.
- Upon arrival and depending on the risk profile of the good, the product is subject to inspection by the NSL. If necessary, the NSL takes random samples for verification and review of the risk-rating of the brand, exporter, and importer.
- Goods are released, provided the COA/COC is authenticated, the label conforms to requirements of the standard, permits from other agencies are provided, and Customs completes a satisfactory inspection of documents.

3.84. The NSL applies both type approval as well as 100% testing (mainly food items). Furthermore, the Liberia Telecommunications Authority (LTA) monitors the market to ensure that radio and telecom equipment has been type-approved in accordance with LTA procedures. These certification procedures involve an application from the manufacturer, review of the manufacturer's documentation, approval of design or drawing, review of the test programme, witness of type test, review of the type test reports, and issuance of type approval certification.

3.85. Labelling requirements are under the authority of the MoCI. Liberia relies on the General Business Law, which includes provisions on "false labelling". Mandatory labelling of pre-packaged food requires a minimum shelf-life of 90 days with the label (in English) indicating the "best before" date. The Division of Inspectorate (under the MoCI) is authorized to ensure that expired products are removed from shelves. A new regulation on "Labelling and Packaging of Pre-packaged Food and Non-food Products" is in the process of adoption.<sup>50</sup>

### 3.3.3 Sanitary and phytosanitary requirements

3.86. In the context of its WTO accession, Liberia was granted a transition period, which is bridged by an SPS Action Plan, leading to the full implementation of the SPS Agreement from 1 August 2017.<sup>51</sup>

3.87. The MOH, the MOA, and the MoCI are primarily responsible for SPS measures. The Department of Technical Services of the MOA functions as National Enquiry Point (NEP) and National Notification Authority (NNA).<sup>52</sup> According to the authorities, the contact points of the NEP and NNA are currently not active and not sufficiently competent to handle the WTO TBT SPS ePingAlert tool for SPS notifications and enquires from Members. A national TBT/SPS Committee was established with a strategic workplan for 2021-23 (Section 3.3.2).

<sup>50</sup> The regulation does not apply to drugs or devices within the meaning of the Liberia Medicine and Health Product Regulatory Authority Act.

<sup>51</sup> WTO document WT/ACC/LBR/23, 9 October 2015.

<sup>52</sup> Basic office equipment is available, including desktop computers. Staff was given basic training on transparency notifications, and to operate and manage the contact points of the NNA and NEP. Four members of the national SPS Committee were sent to the WTO in 2017 and 2018 to improve their knowledge and understanding on the conduct of the SPS Committee meetings. Several awareness and training seminars were conducted for members of the national SPS Committee.

3.88. To date, Liberia has submitted one SPS notification concerning packaged drinking water.<sup>53</sup> No specific trade concerns regarding Liberia's SPS measures were raised in the SPS Committee.

3.89. Liberia is a member of the FAO/WHO Codex Alimentarius Commission, the World Organisation for Animal Health (WOAH), and the International Plant Protection Convention (IPPC). At the regional level, Liberia cooperates with other members of ECOWAS and the African Union to arrive at a common policy on SPS measures. According to the authorities, Liberia is implementing ECOWAS Regulation C/REG.21/11/10 related to the structural and operational rules for plant health, animal health, and food safety.

3.90. The MoCI is mandated to ensure quality standards of domestic and imported products and ensure conformity of imported products with the applicable SPS requirements, in accordance with Chapter 29.2(a) of Title 12 of the Liberian Codes of Laws Revised (Executive Law).

3.91. The MOH is responsible for food safety, operating under the authority of the Executive Law and Article 26 of the Public Health Law of 1976. The Ministry's oversight and inspection role for food hygiene covers meat and poultry products, hotels, public eating places, and drinking houses. Liberia adopted a new Food Law of Liberia on 17 September 2017.<sup>54</sup> The Law provides for the general principles, based on the SPS Agreement, of national measures in the area of food and feed safety, and for the establishment of an independent Food Safety Authority of Liberia (not yet established).

3.92. According to the authorities, Liberia's food safety measures are based on international and regional standards. To date, Liberia has adopted 53 regional and Codex standards. Liberia has not developed any national food safety standards.

3.93. The Plant and Animal Quarantine Services (PAQS), Department of Technical Services of the MOA, is responsible for phytosanitary and veterinary measures.<sup>55</sup> The PAQS operates under the authority of Title 3, Chapter 1 (Plant and Animal Quarantine) of the Liberian Codes of Laws Revised (Agriculture Law of 1950, as revised in 1972). The legal framework for phytosanitary and veterinary measures is obsolete. A new Draft Veterinary Law and a Draft SPS Law are pending.

3.94. In practice, according to the authorities, phytosanitary measures, including import permit procedures, are based on international (IPPC) standards, regional (e.g. African Union Inter-African Phytosanitary Council (AU-IAPSC), Manu River Union) and the national Plant Quarantine Law of 1950. The Ministry has the authority to prohibit imports of plants if the country of origin is suspected to have a pest or disease outbreak. Veterinary measures are based on international (WOAH) and regional standards (e.g. African Union Interafrican Bureau of Animal Resources (AU-IBAR)).

3.95. Import permits are required from the PAQS for (i) pathogenic microorganisms (including seed culture of and viruses) of animals and plants, insect pests, and other organisms; (ii) animals and plants, their products, and other quarantine objects from countries or regions with prevalent epidemic animal or plant diseases; (iii) animal carcasses that were infested and untreated; (iv) wood and wooden packaging materials not in compliance with ISPM No. 15; (v) processed food items; (vi) soil or soil on propagated materials; and (vii) banned and restricted agro-chemicals and veterinary drugs.

3.96. Import permit applications should normally be processed within 24 hours. Liberia does not yet have an electronic, web-based system for import permit procedures. The PAQS issues, *inter alia*, the following types of permits and certificates:

- Import and export permit (animal products): USD 100, valid 3 months;
- Import and export permit (other products): USD 100, valid 3 months;
- Phytosanitary certificate: USD 100 (commercial shipments) and USD 10 (personal use);

<sup>53</sup> WTO, ePing. Viewed at: <https://eping.wto.org/en/Search/Index?domainIds=2&countryIds=C430>.

<sup>54</sup> An Act to Amend the Executive Law of Liberia to Create a National Food and Feed Quality and Safety Act. Viewed at: <https://www.moa.gov.lr/sites/default/files/documents/NATIONAL%20FOOD%20ACT.pdf>.

<sup>55</sup> MOA, *National Quarantine and Environmental Services*. Viewed at: <https://www.moa.gov.lr/general/quarantine-and-environmental-services>.

- Zoo-sanitary certificate for exports of processed food: USD 100 (commercial shipments) and USD 10 (personal use);
- Veterinary certificate (exports): cattle – USD 2/head; small ruminants – USD 0.50/head; fowl – USD 0.50 per batch; and
- Standards certificate: annual certificate for exports of rubber and palm oil, based on IPPC standards.

3.97. Liberia operates three laboratories: the NSL (Section 3.3.2), the Drugs Testing Laboratory of the Liberia Medicines and Health Products Regulatory Authority, and the Central Veterinary Diagnostic Laboratory in Fendell (Ledlum Lab). The Ledlum Lab provides microbiological, virology, and parasitology testing to the field veterinary services and to enhance animal disease diagnosis and control. Its testing activities also cover bee health for honey production and bees' wax. The Lab is a member of the AU-IBAR network of veterinary labs and sends cases for confirmation to designate labs in the region.

3.98. According to the authorities, the Environmental Protection Unit of the EPA is responsible for issuing permits for imports and use of GMOs and genetically-modified products, after clearance from the MOH, the MOA, and the Central Agricultural Research Institute (CARI).

3.99. Liberia adopted a new Liberia Plant Pesticides Regulatory Services Bureau Act on 17 September 2019.<sup>56</sup> The planned Bureau is not yet operational. The new law applies to the authorization, marketing, use, safety and control of pesticides and bio-pesticides. It is intended to align Liberia's pesticides regime with the harmonized ECOWAS regulation C/REG.3/05/2008 governing pesticides registration.

### **3.3.4 Competition policy and price controls**

#### **3.3.4.1 Competition policy**

3.100. In 2016, Liberia's Competition Law went into force.<sup>57</sup> It addresses unlawful conduct including price fixing, market allocation, and bid-rigging; unfair trade practices including misrepresentation and price maintenance; and anti-competitive behaviour including abuse of dominant position and merger-related concerns. The Law applies to foreign, private, and state-owned companies and it contains provisions on monetary penalties and imprisonment for infringements of competition rules. The Minister of the MoCI is responsible for the administration and enforcement of the Law. So far, no implementing regulation has been issued, and no investigation on anti-competitive behaviour has been conducted.

3.101. Some sectors, such as telecommunications services, have their own sector-specific competition rules, and their own sectoral regulators (Section 4).

3.102. In May 2019, the ECOWAS Regional Competition Authority (ERCA) was set up as a competition regulator for ECOWAS countries.

#### **3.3.4.2 Price control**

3.103. The prices of the following "critical essential commodities" are monitored by the MoCI: cement, flour, petroleum products, pharmaceutical products, and rice. The MoCI may set prices for rice (Section 4.1), review prices monthly for petroleum products (Section 4.3.3), or set profit margins on pharmaceuticals and flour.

3.104. The full list of goods and services subject to price control is not available to the Secretariat.

<sup>56</sup> Ministry of Agriculture. Viewed at: <https://www.moa.gov.lr/sites/default/files/documents/PESTICIDES.pdf>.

<sup>57</sup> Competition Law. Viewed at: <https://www.moci.gov.lr/doc/Competition%20Law.compressed.pdf>, and <https://www.moci.gov.lr/doc/Competition%20Law%20continues.compressed.pdf>.

### 3.3.5 State trading, state-owned enterprises, and privatization

#### 3.3.5.1 State trading

3.105. Liberia has not made any notification to the WTO under Article XVII of the GATT 1994 on state trading arrangements.

#### 3.3.5.2 State-owned enterprises and privatization

3.106. The Bureau of State Enterprise (BSE), established in 1985, is a parastatal organization responsible for SOEs' financial and management oversight. It reports directly to the President's Office. At the time of Liberia's accession to the WTO, the BSE lacked the Government's budgetary support and thus was not effective.<sup>58</sup> According to the authorities, this problem was solved, and the BSE is currently operating effectively.

3.107. The main legislation on BSE is the Public Finance Management (PFM) Act of 2009, which was amended and restated in 2019. It reaffirms the mandate and functions of the BSE to exercise oversight of SOEs, and requires SOEs to submit their annual reports to the BSE. Under the PFM Act 2009, an SOE is a commercial enterprise or any other organization established by law in which the Government has controlling shares. Heads of SOEs must be appointed by the President as requested by the Constitution (Article 54). Other relevant legislations include the PFM Regulations (2009) and the BSE Decree (1985). The authorities state that, with a view to strengthening the corporate governance and oversight of SOEs, the BSE is preparing two other pieces of legislation: a Corporate Governance Code, and an SOE Act.

3.108. According to the BSE, Liberia has 18 SOEs, of which 8 are commercial. The NPA, the National Airport Authority, the Liberia Maritime Authority, and the Liberia Broadcasting System are all considered by the BSE as commercial SOEs, while the National Oil Company of Liberia is considered as a non-commercial SOE (Table 3.8). All SOEs are 100% owned by the Government.

**Table 3.8 State-owned enterprises, 2023**

Entity	Government ownership (%)	Sector	Commercial or non-commercial (C/NC)
Liberia Electricity Corporation (LEC)	100%	Energy	C
Liberia Petroleum Refining Company (LPRC)	100%	Energy	C
National Oil Company of Liberia (NOCAL)	100%	Energy	NC
Liberia Water and Sewer Corporation (LWSC)	100%	Utility/Infrastructure	C
National Housing Authority (NHA)	100%	Utility/Infrastructure	NC
National Transit Authority (NTA)	100%	Transportation	NC
National Port Authority (NPA)	100%	Transportation	C
National Airport Authority (LAA)	100%	Transportation	C
Liberia Maritime Authority (LiMA)	100%	Transportation	C
Liberia Telecommunication Corporation (LIBTELCO)	100%	Information & Communication	C
Liberia Broadcasting System (LBS)	100%	Information & Communication	C
Liberia Telecommunications Authority (LTA)	100%	Information & Communication	NC
Forestry Development Authority (FDA)	100%	Agriculture	NC
National Fisheries and Aquaculture Authority (NaFAA)	100%	Agriculture	NC
Liberia Agriculture Commodity Regulatory Authority (LACRA)	100%	Agriculture	NC

<sup>58</sup> WTO document WT/ACC/LBR/23, 9 October 2015.



Entity	Government ownership (%)	Sector	Commercial or non-commercial (C/NC)
National Social Security and Welfare Corporation (NASSCORP)	100%	Financial	NC
National Insurance Corporation of Liberia (NICOL)	100%	Financial	NC
National Lottery Authority (NLA)	100%	Leisure	NC

Source: Information provided by the authorities.

3.109. The most recent strategic and operational framework for SOEs is the PFM Strategy and Action Plan 2017-2020, which provides strategies to improve the efficiency and economic governance of SOEs.<sup>59</sup> According to the Action Plan, in FY2015/16, revenues from the largest 13 SOEs were estimated at over LRD 156 million. These SOEs received Government's subsidies of LRD 9.3 million, and paid dividends to the Consolidated Fund for LRD 20.1 million. A number of SOEs had poor financial performance.<sup>60</sup> Thus, the Action Plan proposed strategies covering credible budget, revenue mobilization, and comprehensive and transparent financial reporting.

3.110. In April 2022, the BSE launched a profiling of SOEs' operations, so as to "crackdown on financial improprieties, waste and other fraudulent acts within the public sector".<sup>61</sup> The BSE also intends to develop a management system to digitize and supervise SOEs' activities. The system is to help capture information on human resources, assets, financial transactions, and liabilities of SOEs in Liberia.<sup>62</sup> The authorities state that budget allocation has been made for FY2023 to develop a SOE Management Information System (SOEMIS) to digitize data collection from SOEs and to enhance their oversight and governance.

3.111. The authorities indicate that as the BSE was not operational for over a decade, it did not participate in any privatization process before and after 2016.

### 3.3.6 Government procurement

3.112. The authorities indicate that government procurement accounted for 8.6% of GDP in 2021, up from 4% of GDP in 2019. The value of government procurement in 2021 more than doubled that in 2019 (Table 3.9). According to the authorities, this is due to increased investment in infrastructure (building of roads, bridges, and energy plants). The participation of foreign suppliers varies significantly, from 66% in 2018 to 0.3% in 2021. The authorities indicate that possible reasons for this fluctuation include the influence of the COVID-19 pandemic and the restrictions affecting global trade.

3.113. The Public Procurement and Concessions Act (PPCA) 2005, as amended in 2010, applies to the procurement of goods, works, and services, financed in whole or in part from public funds. It also covers the procurement of public enterprises that are wholly owned by the State or in which the State has a "majority interest", and the procurement of any private sector entity with responsibility for the execution of activities using public funds. The Act does not cover international agreements concluded between the Government and other countries or international organizations for general or specific projects where these agreements provide for specified procurement rules and procedures; agreements executed by the CBL relating to the implementation of monetary policy or procurement related to the production of coins or currency; and procurement of military or national security equipment.

<sup>59</sup> MFDP (2017), *Public Financial Management Reform Strategy and Action Plan*. Viewed at: <https://www.mfdp.gov.lr/index.php/component/edocman/public-financial-management-reform-strategy-and-action-plan-2017-2020>.

<sup>60</sup> MFDP (2017), *Public Financial Management Reform Strategy and Action Plan*.

<sup>61</sup> *Front Page Africa* (2022), "Liberia: Bureau of State Enterprises Launches Profiling of State-owned Enterprises to Combat Fraud", 29 April. Viewed at: <https://frontpageafricaonline.com/news/liberia-bureau-of-state-enterprises-launches-profiling-of-state-owned-enterprises-to-combat-fraud%E2%82%AC%91%E2%82%AC%91>.

<sup>62</sup> *Front Page Africa* (2022), "Liberia: Bureau of State Enterprises Launches Profiling of State-owned Enterprises to Combat Fraud", 29 April 2022.

**Table 3.9 Annual spending on public procurement and its share in GDP, 2018-21**

Year	Total value of procurement (USD million)	Share of GDP (%)	Foreign suppliers (%)
2018	97.7	2.9	66.0
2019	91.7	4.0	10.0
2020	198.5	6.7	28.0
2021	210.5	8.6	0.3

Source: Data provided by the authorities.

3.114. The Public Procurement and Concessions Commission (PPCC) was established under the PPCA in 2006. It has oversight responsibility to regulate and monitor all forms of public procurement and concession practices in Liberia.<sup>63</sup> Its main objective is to promote the economic and efficient use of public funds in public procurement, and to ensure that the public procurement process is conducted in a fair, transparent, and non-discriminatory manner.

3.115. The public procurement procedure in Liberia is decentralized. Any entities to which this Act applies is a procuring entity, and each procuring entity establishes its own procurement unit. Procuring entities must report quarterly to the PPCC. They are required to set aside 25% of public procurement for those MSMEs with a minimum 51% Liberian ownership, and the primary signatories of their bank accounts must be Liberians. Within this 25%, 5 percentage points in value terms is reserved for women-owned MSMEs (Section 3.3.1). The authorities indicate that this has not been applied in practice.

3.116. According to the PPCA, procurement methods include<sup>64</sup>:

- international open competitive bidding: when the estimated contract price for the proposed procurement is higher than the ceiling threshold (USD 500,000 for goods, USD 200,000 for services, and USD 1 million for works) established by the PPCC for national open competitive bidding;
- national open competitive bidding: when the estimated contract price does not exceed this ceiling;
- restricted bidding: when the goods, works, or services are only available from a limited number of bidders or when the cost of considering a large number of bids is disproportionate to the estimated contract price of the procurement (i.e. USD 50,000 for goods, USD 20,000 for services, and USD 100,000 for works), subject to approval by the PPCC;
- request for proposal: for the procurement of consultant services;
- request for quotation: when the procurement is for readily available commercially standard goods, or the procurement is for small works or for services and the estimated contract price does not exceed the applicable threshold (i.e. USD 10,000 for goods, USD 10,000 for services, and USD 30,000 for works);
- sole sourcing: only when one supplier has the exclusive right to provide the goods, works, or services to be procured, or for additional deliveries of goods/works/services where a change of supplier would be difficult for economic or technical reasons, or for extreme urgency. Prior approval from PPCC is required; and
- Force account: where the participation of end-users or beneficiary communities may enhance the economy, quality, or sustainability of the service to be procured, or to create employment and involvement of the beneficiary community. Force account refers to situations where procurement is carried out with self-supervision, utilizing the procuring entity's own existing personnel and equipment or those of another government institution.

<sup>63</sup> PPCC, *Brief Background of CMC & PPCC*. Viewed at: <https://www.ppcc.gov.lr/2content.php?sub=104&related=1&third=104&pg=sp>.

<sup>64</sup> PPCA. Viewed at: <https://www.ppcc.gov.lr/doc/PPCA,%202010.pdf>.



3.117. National open competitive bidding is the most frequently used method, accounting for 41% of total procurement in FY2021 (Table 3.10).

**Table 3.10 Public procurement by various methods – FY2018-21**

	2018	2019	2020	2021
Total government procurement (USD million)	97.7	91.7	198.5	210.5
International open competitive bidding	69%	17%	1%	1%
National open competitive bidding	7%	41%	38%	41%
Restricted bidding	20%	36%	57%	24%
Request for proposal	0%	1%	1%	0%
Request for quotation	0%	2%	1%	1%
Sole sourcing	4%	3%	2%	33%
Force account	0%	0%	1%	1%

Source: Information provided by the authorities.

3.118. Liberia does not have an e-procurement system<sup>65</sup>, and the PPCC has been working to build one. The PPCC stated that it has been facing challenges in terms of inadequate budget and hence insufficient manpower and inadequate office space and equipment, as well as the unwillingness of some public procurement entities to comply with the processes and procedures of the PPCA.<sup>66</sup> The authorities state that several challenges are to be alleviated with the introduction of the e-procurement system.

### 3.3.7 Intellectual property rights

#### 3.3.7.1 Overview

3.119. In 2016, Liberia adopted its Intellectual Property Law, which merged the Industrial Property Act and the Copyright Act. The 2016 Law covers copyrights, trademarks, industrial designs, patents and utility models, and layout-designs of integrated circuits, as well as geographical indications.<sup>67</sup> The authorities state that parallel importation is not addressed in the 2016 Act, and is not allowed in Liberia.

3.120. Also in 2016, Liberia promulgated the Act for Establishing Liberia Intellectual Property Office (LIPO). Under the MoCI, LIPO operates as a semi-autonomous agency and is responsible for IPR protection.<sup>68</sup>

3.121. Liberia is a member of the World Intellectual Property Organization (WIPO) and the African Regional Intellectual Property Organization (ARIPO). It is also a contracting party to international conventions and treaties on the protection of intellectual property rights (Table 3.11).

**Table 3.11 Membership in WIPO-administered and ARIPO treaties, 2022**

Treaty	Entry into force
Berne Convention (for the Protection of Literary and Artistic Works)	8 March 1989
Madrid Agreement (concerning the International Registration of Marks)	25 December 1995
Madrid Protocol (Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks)	11 December 2009
Marrakesh VIP Treaty (to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled)	6 January 2017

<sup>65</sup> Center for Security Studies and Development (2022), *Civil Society Report on the Implementation of Chapter II (Prevention) & Chapter V (Asset Recovery) of the United Nations Convention Against Corruption in Liberia*. Viewed at: [https://uncaccoalition.org/wp-content/uploads/Civil-society-report-UNCAC-Liberia-CENSSAD-UNCAC-Coalition\\_FINAL-10.03.2022-1.pdf](https://uncaccoalition.org/wp-content/uploads/Civil-society-report-UNCAC-Liberia-CENSSAD-UNCAC-Coalition_FINAL-10.03.2022-1.pdf).

<sup>66</sup> PPCC (2020), *Annual Report for Calendar Year 2020*. Viewed at: <https://www.ppcc.gov.lr/doc/PPCC%20Annual%20Report%202020.pdf>.

<sup>67</sup> Intellectual Property Act. Viewed at: <https://www.moci.gov.lr/doc/Liberia%20IP%20Law%202016.compressed.pdf>.

<sup>68</sup> WTO document IP/N/3/LBR/1, 14 September 2017.

Treaty	Entry into force
Paris Convention (for the Protection of Industrial Property)	27 August 1994
Patent Cooperation Treaty (PCT)	27 August 1994
Patent Law Treaty	4 January 2017
Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms (Phonograms Convention)	16 December 2005
Rome Convention (for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations)	16 December 2005
WIPO Convention (establishing the World Intellectual Property Organization)	8 March 1989
Washington Treaty (on Intellectual Property in Respect of Integrated Circuits)	Not entered into force. Liberia signed in 1989.
Lusaka Agreement on the Creation of the African Regional Intellectual Property Organization (ARIPO)	24 December 2009
Banjul Protocol on Marks within the Framework of the African Regional Industrial Property Organization (ARIPO)	24 March 2010
Harare Protocol on Patents and Industrial Designs within the Framework of the African Regional Intellectual Property Organization	24 March 2010
Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore within the Framework of the African Regional Intellectual Property Organization (ARIPO)	25 October 2016

Source: WIPO, *Liberia*. Viewed at: <https://wipolex.wipo.int/en/members/profile/LR>; and WIPO, *WIPO-Administered Treaties*. Viewed at: <https://wipolex.wipo.int/en/treaties/ShowResults?code=LR>.

### 3.3.7.2 Copyright and related rights

3.122. Under the IPR Law, copyright extends to literary and artistic works, as well as derivative works and collections. The economic and moral rights apply to the author's life plus 50 years. Performers, producers of sound recordings, and broadcasting organizations' related rights are protected.

3.123. An important new feature of the 2016 IPR Law is on the payment of royalties for the commercial exploitation of these exclusive economic rights to right holders (Sections 9.36 and 9.6). To implement these provisions, a Collective Management Organization (CMO) was established in 2019.<sup>69</sup> Following that, the Administrative Regulation for the Sale, Rental, Reproduction, Transmission Stamping, and Distribution of Copyright Works was promulgated in September 2020. Another two administrative regulations, one for copyright licence tariff for the use of music and movies in sound recordings, and another for copyright licence tariff on private copying, were promulgated in December 2021.

3.124. These administrative regulations saw the establishment of Copyright Society of Liberia (COSOL), which is the only CMO in Liberia to collect royalties. COSOL is collaborating with the MoCI and LIPO to develop legal frameworks to guide the collection and distribution of royalties. So far (by early 2023), royalty collection has not started.

3.125. Copyright needs to be registered at the Registrar of the Copyright Department under LIPO, which then issues a certificate of registration (Article 9.24). The protection is provided equally to domestic and foreign right holders.

3.126. The authorities state that infringement on the Internet is still a challenge. The CMO labels online platforms without operational licence and involving the commercial use of creative contents as "pirates", thus in violation of right holders' exclusive economic rights (Section 9.6 of the 2016 Intellectual Property Act). In February 2021, LIPO and COSOL rolled out nationwide public awareness and inspection campaigns to remove pirated copyright materials and illegal content from the Liberian market.

<sup>69</sup> Administrative Regulation on Establishment of a Collective Management Organization (CMO) was promulgated in November 2019.

### 3.3.7.3 Trademarks

3.127. Protection for registered trademarks, collective marks, certification marks, trade names, and services marks is granted for 10 years and may be renewed for further periods of 10 years each, without limits. Table 3.12 presents annual data on the applications for trademarks and their registrations at the national level, from 2016 to 2022.

**Table 3.12 Application and registration of IPRs, 2016-22**

	2016	2017	2018	2019	2020	2021	2022 <sup>a</sup>
<b>Applications received</b>							
Trademarks	177	166	106	139	153	176	213
Industrial designs	20	32	0	0	3	2	10
Renewal <sup>b</sup>	20	0	10	36	201	21	201
Patent	0	0	0	0	0	0	0
Utility model	0	0	0	0	0	0	0
Copyright	0	0	3	12	15	111	68
Subtotal	217	198	119	187	372	310	492
<b>Applications processed/registered</b>							
Trademarks	177	166	106	125	145	173	204
Industrial designs	0	32	0	0	1	1	6
Renewal <sup>b</sup>	20	0	10	30	197	20	194
Patent	0	0	0	0	0	0	0
Utility model	0	0	0	0	0	0	0
Copyright	0	0	3	8	15	111	68
Subtotal	197	198	119	163	358	305	472

a Up to 23 November 2022.

b It is not clear to the Secretariat that "renewal" refers to the renewal of which type of IP rights.

Source: Information provided by the authorities.

3.128. The Law also contains provisions on the protection of well-known signs and well-known marks. A well-known mark is infringed by the use of a sign identical with or confusingly similar to it without the agreement of its owner, if the use of the sign in relation to goods or services would indicate a connection between these goods or services and the owner, or that the reputation of the well-known mark or of the owner, is likely to be damaged by such use.

3.129. The authorities indicate that there has not been any change to the processes and procedures for filing a trademark since 2016. Trademarks are usually registered within three months. The procedure involves first an official filing of applications, through a legal representative or lawyer of the applicant, to LIPO. LIPO then conducts research to assess if the mark is identical to or like an existing mark previously applied for by another applicant. The research result is then provided to the Office of the Registrar General, which issues a notice of acceptance to the applicant to proceed with the publication of the mark (usually in a local daily newspaper), if the application is approved. Following this, the trademark is registered.

3.130. If the application is rejected, the Registrar General issues a notice of denial or refusal alerting the applicant of the existence of an identical or similar mark. After publication (or even after registration) of a trademark, an existing trademark right holder is still eligible to file an objection (within five years) to the applicant.

### 3.3.7.4 Geographical indications

3.131. Geographical indications (GIs) are protected for 10 years and renewed for 10-year periods. Liberia is also considering the *sui generis* system for the registration of GIs under the ARIPO/AfrIPI<sup>70</sup> project.

3.132. The authorities state that there has been no record of GI registration in Liberia.

<sup>70</sup> African Intellectual Property Rights and Innovation Project (AfrIPI).

### 3.3.7.5 Industrial designs

3.133. An industrial design is granted legal protection if it is new and original. The registration of an industrial design is valid for 10 years from the filing date of the application for registration. The registration may be extended for an additional 10 years.

3.134. According to statistics provided by the authorities, the number of industrial designs registered increased from zero in 2016 to 32 in 2017, then fell to 0 in 2018-19, and reached 6 in 2022 (Table 3.12). The authorities state that there is a lack of awareness of the difference between industrial designs and trademarks, and a lack of capacity for companies to create designs.

### 3.3.7.6 Patents and utility models

3.135. Under the Law, an invention is patentable if it is industrially applicable, is new, and involves an inventive step. A patent for an invention is granted following examination of the substance of the application and is valid for 20 years.

3.136. An invention qualifies for a utility model certificate if it is new and industrially applicable. A utility model certificate expires at the end of the 10<sup>th</sup> year after the date of the grant of the utility model, and is not renewable. Patent applications may be converted into utility model applications, and vice-versa.

3.137. The authorities state that LIPO does not have patent examiners, thus the average time for a patent to be granted depends on ARIPO procedures. The number of national patent applications and approvals remained at zero during the review period.

3.138. The Law allows for compulsory licences. The authorities state that there have not been any such licences issued to date.

### 3.3.7.7 Layout-designs of integrated circuits

3.139. Layout-designs of integrated circuits are protected if registered according to the IPR Law. Protection of a layout-design terminates at the end of whichever of the following periods expires earliest:

- 10 years from the filing date of the application for registration of the layout-design in Liberia, if the layout-design has not been previously exploited commercially anywhere in the world;
- 10 years from the date of the first commercial exploitation of the layout-design anywhere in the world, by or with the consent of the right holder; or
- 15 years from the date of creation of the layout-design.

3.140. So far, Liberia has no registration of layout-designs of integrated circuits.

### 3.3.7.8 Plant varieties

3.141. The IPR Law has no provision on the protection of new plant varieties, and Liberia is not a signatory to the International Union for the Protection of New Varieties of Plants (UPOV). However, Liberia is a member of ARIPO, which is a member of the UPOV. Liberia thus subscribes to the ARIPO's legal framework, including those on the protection of new varieties of plants. LIPO shares documents with the Ministry of Agriculture on plant varieties but until now (early 2023) no new plant varieties have been registered.

### 3.3.7.9 Enforcement

3.142. While LIPO is responsible for IPR protection within the country, the Customs Department is in charge of IPR protection at the border, and the police are in charge of IPR enforcement in the domestic market.

3.143. The IPR Law provides for civil and criminal remedies in case of the infringement of owners' rights by third parties. The IPR Law (Section 18) stipulates that the IP right holders with valid grounds for suspecting that the importation of counterfeits may take place may file applications to LIPO so that LIPO may order the customs authority to suspend customs clearance of those goods. Customs also has *ex officio* power to conduct IPR investigations at the border. Customs may detain any imported or exported goods suspected of IPR infringement at the border and inform LIPO of said infringement thereafter. LIPO has the authority to do preliminary investigation of all IPR infringement cases and forward to the courts if necessary.

3.144. LIPO has no data on the importation and confiscation of infringed or counterfeit goods. According to LIPO, it recorded 12 IPR infringement cases so far, and judgements have been made through administrative procedures, with one case being taken to appeal to the court.

3.145. In 2017, the Government, together with WIPO, issued an Intellectual Property Development Plan (IPDP).<sup>71</sup> It identified the following constraints in the IP system: weak IP legal and administrative framework; low level of IP awareness among citizens; inadequate human resource capacity on IP; low level of generation and protection of IP by locals; inadequate utilization of IP for economic growth; weak IP enforcement mechanisms; underdevelopment of creative industry; low level of commercialization/technology transfer of research findings; and inadequate infrastructure to support the use of IP for economic development.

3.146. According to a report prepared by the Financial Intelligence Unit, "the huge possibility or alarming rate at which artist and innovators' works as well as public health products are being pirated in Liberia is a growing concern that needs to be reduced", suggesting a need to enhance IP awareness among the general public.<sup>72</sup> The authorities also recognize that main challenges faced by LIPO are its lack of both technical and financial capacity to address IPR infringements, and the lack of national awareness and consciousness of IP protection. The Government, through the MoCI and LIPO, is trying to address these challenges.

3.147. Against this background, the IPDP set three national strategic objectives: (i) develop Liberia as an IP powerhouse; (ii) build an IP-conscious nation; and (iii) build a business-friendly IP enforcement system. It set up a vision to build a knowledge-based economy driven by intellectual property for sustainable socio-economic development for the benefit of all Liberians. To realize this vision, the IPDP intends to, *inter alia*, strengthen a public-private sector and civil society partnership focusing on sustained, competitive export trade, and maintain a conducive and free economic environment.

3.148. In particular, the IPDP identified seven key sectors for the effective utilization of IP in Liberia to enhance export growth potential, enhance job creation, increase access to knowledge in all sectors, contribute to poverty reduction through job creation, and enhance exploitation of locally available resources. These seven sectors are:

- i. manufacturing and business – technology acquisition, adaptation, and transfer;
- ii. creative/copyright industries – growing and promoting creative industries such as musicians, broadcasting, telecommunications, entertainment, education, publishing, and software;
- iii. education, training, and research – building human resource capacity for innovation;
- iv. health – access to affordable medicine and utilization of existing TRIPS flexibilities;
- v. agriculture – value-addition to agricultural products and use of IP to increase agricultural productivity;

<sup>71</sup> Government of Liberia and WIPO, *Intellectual Property Development Plan (IPDP)*. Viewed at: <https://www.aripo.org/wp-content/uploads/2020/04/FINAL-IPDP-2017-FOR-LIBERIA-REVISED.pdf>.

<sup>72</sup> Financial Intelligence Unit (2019), *National Risk Assessment on Money Laundering & Terrorist Financing*. Viewed at: <https://www.fiuliberia.gov.lr/wp-content/uploads/2021/09/Liberia-NRA-Report-Final.pdf>.

- vi. environment – ways of mitigating climate change and incorporation of green economy; and
- vii. information and communication technologies (ICT) – utilization of ICT in all sectors of the economy.

3.149. The authorities indicate that until now, there has been little or no effective utilization of IP in these seven sectors due to a lack of financial support to LIPO.

## 4 TRADE POLICIES BY SECTOR

### 4.1 Agriculture, forestry, and fisheries

#### 4.1.1 Agriculture

##### 4.1.1.1 Overview

4.1. Agriculture, forestry, and fisheries contributed about 40% to GDP in 2021 (Table 1.1). Liberian agriculture consists, on the one hand, of a large smallholder sector that is primarily farming for subsistence and, on the other hand, a commercial farming sector that includes a number of large, export-oriented plantations.

4.2. Rice and cassava are the main staples. Rice has been designated as one of the "critical essential" commodities (Section 4.1.1.5). Productivity in smallholder farming is generally low, often due to a challenging topography. Liberia is a net food importer, including of rice (Table 4.1). According to the World Food Programme (WFP), food insecurity worsened significantly during the pandemic.<sup>1</sup>

4.3. Rubber is Liberia's most important agricultural export commodity (ranking third in the economy after iron ore and gold), accounting for 12.5% of total export receipts in 2021. The rubber plantations are the main provider of formal employment and income in agriculture. Employment is estimated at 20,000 on commercial rubber farms and 35,000 for smallholder rubber farmers.<sup>2</sup> The Firestone Natural Rubber Company in Liberia is the largest natural rubber operation and the main private-sector employer.<sup>3</sup> Other agricultural exports include palm oil, cocoa, and coffee (Table 4.1).

**Table 4.1 Production and trade in agricultural products, 2019-21**

	Production (metric tonnes)			Exports/imports (USD million)		
	2019	2020	2021 <sup>a</sup>	2019	2020	2021 <sup>a</sup>
Rubber	68,285	63,734	87,777	85.6	82.2	110.0
Crude palm oil	22,465	22,286	25,041	11.3	3.9	32.5
Cocoa beans	9,997	5,916	5,511	..	..	..
Rice	..	..	..	(133.3)	(122.1)	(222.0)
<b>Total imports</b> (food & live animals)				(264.3)	(254.7)	(356.0)

.. Not available.

a Estimate.

Source: Central Bank of Liberia, *Annual Report 2021*. Viewed at: <https://www.cbl.org.lr/sites/default/files/documents/2021annualreport.pdf>.

##### 4.1.1.2 Agricultural policy

4.4. Agricultural policy is under the responsibility of the Ministry of Agriculture (MOA).<sup>4</sup> The Agriculture Law, 1956 (revised in 1972)<sup>5</sup> establishes the legal framework that governs both agricultural policy and SPS measures. The Law authorizes the Minister of the MOA, *inter alia*, to implement agriculture support programmes; regulate imports of agricultural commodities; provide agricultural credit; and encourage foreign investment in agriculture and forestry.

<sup>1</sup> WFP, *Liberia: Annual Country Report 2021 – Country Strategic Plan 2019-2023*. Viewed at: [https://docs.wfp.org/api/documents/WFP-0000137968/download/?\\_ga=2.24431228.792592784.1663598262-1905765157.1663598262](https://docs.wfp.org/api/documents/WFP-0000137968/download/?_ga=2.24431228.792592784.1663598262-1905765157.1663598262).

<sup>2</sup> U.S. International Trade Administration, *Liberia – Country Commercial Guide – Agricultural Sectors* (Last published date: 3 August 2022). Viewed at: <https://www.trade.gov/country-commercial-guides/liberia-agricultural-sectors>.

<sup>3</sup> Firestone Natural Rubber, *About Us*. Viewed at: <https://www.firestonenaturalrubber.com/about-us/>.

<sup>4</sup> MOA. Viewed at: <https://www.moa.gov.lr/>.

<sup>5</sup> MoCI, *Agriculture Law*. Viewed at: [https://www.MoCI.gov.lr/doc/LR\\_Law\\_Agriculture\\_B\(1\).pdf](https://www.MoCI.gov.lr/doc/LR_Law_Agriculture_B(1).pdf).



4.5. Agricultural policy is aimed primarily at increasing productivity and ensuring food security. Agricultural policy is guided, *inter alia*, by the Liberia Agriculture Sector Investment Programme 2010<sup>6</sup>, and the Liberia Agriculture Transformation Agenda 2016, which focuses on the development of value chains, particularly for rubber, oil palms, cocoa, rice, and cassava.<sup>7</sup>

4.6. Liberia adopted a new Land Rights Act in 2018, administered by the Land Authority (Section 2.4.2). It handles land issues of customary, private, and public land. Article 48 provides for a minimum 5% share in all concessions on customary land to be held by local communities.

4.7. Liberia's rubber and palm oil plantations under concession are in private ownership (Table 4.2). The state-owned plantations before the civil war have been abandoned or encroached (oil palms, coffee, and cocoa). Under the Act establishing the Liberia Extractive Industries and Transparency Initiative (LEITI) of 2009, all agricultural concessions must be published.<sup>8</sup> Agricultural concessions are subject to the provisions of the Public Procurement and Concessions Act (PPCA), 2005.

**Table 4.2 Agricultural concessions, 2019/20**

Commodity	Concession	Country of origin	Hectares
Rubber	Firestone Liberia	United States	48,000
	Salala Rubber		8,800
	Liberia Agriculture Company	Luxembourg	
	Cavalla Rubber Corporation	France	
	LIBCO (Cocopa) Rubber		
Oil palms	Golden Veroleum	Malaysia	36,600
	LIBINCO		14,000
	Maryland Oil Palm Plantation	Côte d'Ivoire	
	LFPI		

Source: Liberia National Concession Map Portal. Viewed at: <https://portals.landfolio.com/Liberia/>; and LEITI (2022), *13<sup>th</sup> Report 2019-2020*. Viewed at: <https://eiti.org/sites/default/files/2022-07/Liberia%20EITI%2013th%20Report%20-%20FY%202019%20-%202020.pdf>.

4.8. There are a number of state-owned agencies involved in agricultural policy. The Liberia Agriculture Commodity Regulatory Authority (LACRA) was established in 2016 to replace the Liberian Produce Marketing Corporation (LPMC). The LPMC held a statutory monopoly for marketing and export of agricultural produce, particularly cocoa and coffee. The LACRA does not have exclusive state trading privileges for imports or exports, according to authorities.

4.9. LACRA began operations in 2018, but little progress has since been made in establishing a regulatory framework (there is no LACRA website yet). LACRA is mandated to regulate agricultural commodities, primarily cocoa, coffee, and oil palm products, and to promote their production, storage, processing, marketing, and exports.<sup>9</sup> Its responsibilities also include fixing reference prices for locally produced products based on world market prices and ensuring that farmers receive a fair and remunerative share. The reference prices for cocoa are based on a price formula, currently USD 1.65 per kg (grade 1 cocoa). LACRA is facing challenges in monitoring compliance, notably in the border regions.

4.10. The Central Agricultural Research Institute (CARI) is mainly active in agricultural research and setting up demonstration sites, according to the authorities.<sup>10</sup>

<sup>6</sup> MOA (2010), *Liberia Agriculture Sector Investment Program (LASIP) Report*. Viewed at: <https://moa.gov.lr/sites/default/files/documents/LASIPJune1st.pdf>.

<sup>7</sup> FAO (2016), *Country Programming Framework for the Republic of Liberia, 2016-2019*. Viewed at: <https://www.fao.org/3/br862e/br862e.pdf>.

<sup>8</sup> Liberia National Concession Map Portal. Viewed at: <http://portals.landfolio.com/Liberia/>.

<sup>9</sup> Act to Establish the Liberia Agriculture Commodity Regulatory Authority Republic of Liberia. Viewed at: <https://www.leiti.org.lr/sites/default/files/documents/AN%20ACT%20TO%20ESTABLISH%20THE%20%20LIBERIA%20AGRICULTURE%20COMMODITY%20REGULATORY%20AUTHORITY%20REPUBLIC%20OF%20LIBERIA%20.pdf>.

<sup>10</sup> CARI. Viewed at: [www.cari.gov.lr](http://www.cari.gov.lr).



4.11. The Cooperative Development Agency has the mandate to organize, regulate, supervise, monitor, and administer the activities of registered cooperatives. It provides technical assistance such as training and research, and settles disputes among cooperatives and their members.

4.12. The Rubber Development Fund Incorporated was established in 2017 to encourage the development and modernization of the rubber industry and rubber value chain.<sup>11</sup> Membership in the non-profit agency is open to producers, exporters, processors, and manufacturers. Its main function is to implement the Liberia Rubber Development Master Plan of 2009.

4.13. The National Food Assistance Agency (NFAA) is responsible for implementing domestic food aid programmes, such as school feeding, and food purchases and storage for emergencies.<sup>12</sup>

4.14. The Liberia Seed Development and Certification Agency was established by Parliament to help align the national seed regime with the harmonized Economic Community of West African States (ECOWAS) seed regime.<sup>13</sup> A focal point has been appointed but the Agency is not yet operational.

4.15. Liberia has yet to make a notification on domestic support and export subsidies since its WTO accession in 2016. At that time, domestic support was provided by the MOA, CARI, and LPMC, mainly in the form of Green Box general services and input subsidies (under Article 6.2 of the Agreement on Agriculture).<sup>14</sup>

4.16. Limited support is provided by the MOA through its regular budget. Most support to farmers has been donor-funded (grants or loans) and includes the following programmes<sup>15</sup>:

- Liberia Agriculture Commercialization Fund – The donor-funded scheme implemented by the MOA provides grants and is targeting 98,000 smallholders, of which 30% should be women.<sup>16</sup> The eligible commodities are rice, oil palms, horticulture, cassava, rubber, poultry and pigs. Total project cost: USD 22.38 million over 3.5 years. The project is ongoing.
- Smallholder Agriculture Transformation and Agriculture Revitalization Project (STAR-P) – The donor-financed project implemented by the MOA provides grants to eligible small farmers and groups of small farmers up to USD 2,000 and USD 5,000, respectively.<sup>17</sup> The project is ongoing.
- Smallholder Agricultural Productivity Enhancement and Commercialization Project (SAPEC) – The project provided farming support to increase agricultural productivity.<sup>18</sup> The project is closed.

<sup>11</sup> MOA, *An Act to Establish the Rubber Development Fund Incorporated of 2014*. Viewed at: <https://www.moa.gov.lr/sites/default/files/documents/RDFI%20ACTI-2.pdf>. The Liberia Rubber Development Authority (LRDA) was closed down.

<sup>12</sup> EO No. 101 of 2020. Viewed at: [https://www.emansion.gov.lr/doc/Executive%20Order%20No.%20101%20-%20Repositioning%20the%20National%20Food%20Assistance%20Agency%20\(NFAA\).pdf](https://www.emansion.gov.lr/doc/Executive%20Order%20No.%20101%20-%20Repositioning%20the%20National%20Food%20Assistance%20Agency%20(NFAA).pdf).

<sup>13</sup> MOA, *The Liberia Seed Development and Certification Agency Act*. Viewed at: <https://www.moa.gov.lr/sites/default/files/documents/2019%20Signed%20Act%20for%20Establishing%20Liberia%20Seed%20Development%20And%20Certification%20Agency%20%281%29.pdf>.

<sup>14</sup> WTO document WT/ACC/SPEC/LBR/1/Rev.1, 24 March 2015.

<sup>15</sup> MOA, *Projects*. Viewed at: <https://www.moa.gov.lr/general/projects>.

<sup>16</sup> MOA. Viewed at: <https://www.moa.gov.lr/index.php/general/apply-grant>.

<sup>17</sup> MOA. Viewed at: <https://www.moa.gov.lr/sites/default/files/documents/Financial%20Support%20to%20Farmers%20Groups%20And%20Individual%20Farmers.pdf>.

<sup>18</sup> Global Agriculture & Food Security Program, *Smallholder Agricultural Productivity Enhancement and Commercialization Project (SAPEC)*. Viewed at: <https://www.gafspfund.org/projects/smallholder-agricultural-productivity-enhancement-and-commercialization-project-sapec>.

- COVID-19 support – This provided donor-financed support to farmers to mitigate the impact of the pandemic, including the provision of inputs and farm equipment.<sup>19</sup>
- Tree Crop Extension Project – The project is designed for the rehabilitation of abandoned plantations for the benefit of smallholder cocoa farmers.<sup>20</sup>

4.17. Access to finance is one of the main constraints for farmers. Only about 5% of all commercial bank loans went to agriculture in 2021.<sup>21</sup> Liberia has no agricultural development bank. The Agricultural and Cooperative Development Bank ceased operations.

#### 4.1.1.3 Market access

4.18. Liberia applies the ECOWAS CET (*with* exceptions) on imports of all agricultural products (Section 3.1.3.1). The average applied MFN tariff on agricultural products is 11.2% in 2023, lower than the ECOWAS CET of 15.6%. Furthermore, Liberia has resorted, on various grounds, to executive orders suspending the statutory CET rates.<sup>22</sup> In particular, the import duties on rice have been suspended over the past 15 years (Section 3.1.3.3). During the COVID-19 pandemic, the statutory customs duties were suspended on certain agricultural inputs and breeding stock (EO No. 102, 2020).<sup>23</sup>

4.19. Imports of all agricultural products require an SPS import permit from the MOA and an Import Notification Form (INF) from the MoCI (Sections 3.1.5.2 and 3.3.3).

#### 4.1.1.4 Export measures

4.20. All agricultural products require an export permit from the MOA, as well as the relevant SPS certificates (Section 3.3.3).<sup>24</sup> For cocoa and coffee exports, a permit is also required from the LACRA (valid for one year). Furthermore, like other products, exports of agricultural products are subject to export licensing in the form of an Export Permit Declaration (EPD) from the MoCI (Section 3.2.1).

4.21. The export prohibition on unprocessed natural rubber was lifted in 2017 (Section 3.2.3.1).

#### 4.1.1.5 Rice

4.22. Rice is the nation's staple and "critical essential commodity" for social stability. This is against the background of the "rice riots" that Liberia experienced in 1979 over the price of rice. Paddy rice is cultivated in the coastal areas, while upland (rainfed) rice is grown under shifting cultivation in the northern region. However, local production has not been able to meet demand and Liberia has been importing most of its rice requirements.<sup>25</sup> Annual rice imports average approximately 300,000 tonnes; rice consumption is about 400,000 to 450,000 tonnes.

4.23. According to the ECOWAS CET, rice is classified as a "sensitive product" that is attributed to the fifth band with a 35% tariff. However, Liberia has always suspended the statutory CET tariff by

<sup>19</sup> MOA (2020), *COVID-19 Food Security Response: Year-End Situation Report #10*. Viewed at: <https://www.moa.gov.lr/sites/default/files/documents/MOA%20COVID%2019%20FOOD%20SECURITY%20SITUATION%20REPORT%20-%202010.pdf>.

<sup>20</sup> International Fund for Agricultural Development (IFAD), *Tree Crops Extension Project*. Viewed at: <https://www.ifad.org/en/web/operations/-/project/1100001761>.

<sup>21</sup> Central Bank of Liberia (CBL), *Annual Report 2021*, p. 43. Viewed at: <https://www.cbl.org.lr/sites/default/files/documents/2021annualreport.pdf>.

<sup>22</sup> Executive Mansion, *Executive Orders*. Viewed at: <https://www.emansion.gov.lr/2content.php?sub=49&related=19&third=49&pg=sp>.

<sup>23</sup> EO No. 102. Viewed at: [https://www.emansion.gov.lr/doc/Executive%20Order%20\\_102%20-%20Ext.%20of%20EO%20\\_97%20-%20Suspending%20of%20Tariff%20on%20Agriculture%20Products.pdf](https://www.emansion.gov.lr/doc/Executive%20Order%20_102%20-%20Ext.%20of%20EO%20_97%20-%20Suspending%20of%20Tariff%20on%20Agriculture%20Products.pdf).

<sup>24</sup> MoCI, *Restricted Exports and Standard Operating Procedure (SOP) for Exportation by MOCI*. Viewed at: <https://www.MoCI.gov.lr/doc/MoCI.Conditional.Exports.040714.v2.pdf> and <https://www.MoCI.gov.lr/doc/Export%20SOP.pdf>.

<sup>25</sup> See also recent project to increase rice production in Liberia. European Investment Bank (2022), "Liberia: EIB to Support Increased Rice Production", 8 June. Viewed at: <https://www.eib.org/en/press/all/2022-264-eib-to-support-increased-rice-production-in-liberia>.

means of Executive Orders, to reduce the price of imports (EO No. 98 of 2020 and EO No. 105) (Table 3.3).

4.24. The wholesale and retail prices of rice are regulated through price ceilings and enforced by the MoCI. The maximum prices apply to bags of 25 kg/50 kg of parboiled rice (5% broken rice), due to the fact that this type of rice is consumed by the majority of the population. Annual imports of parboiled rice in bulk are estimated at 255,000 metric tonnes. There are no price controls for premium rice sold in supermarkets.

4.25. According to the authorities, the Government does not engage in imports of rice, but imports are strictly regulated by the MoCI. The authorities aim to maintain buffer stocks of three to six months of consumption. There are currently five licensed rice importers for bulk consignments. Companies importing rice are privately owned and are required to meet specific requirements, including providing a warehouse capacity of not less than 10,000 metric tonnes; submitting a list of distributors/sellers of rice; establishing a distribution chain of at least five of the leeward counties of Liberia; and submitting a sample of rice prior to importation with the minimum grade standard of 5% to 25% broken rice.

4.26. Rice imports require an INF issued by the MoCI. The procedure is as follows:

- i. Importer submits a letter to the Minister of Commerce and Industry requesting permission to import rice, with details regarding quantity and quality/type of bulk rice to be imported, exporting country, and a pro forma invoice.
- ii. MoCI reviews request, taking into consideration the rice stock, demand and supply conditions, INF already granted for rice importation; and makes a comparative assessment against other applications.
- iii. The Ministry's Division of Price Analysis and Marketing (PAMD) considers the application and analyses the cost variables from the pro forma invoice to establish the suggested price.
- iv. Importer is notified by letter from the MoCI regarding approval or refusal of the application, and any conditions attached to the approval.

4.27. Regarding the price caps, in order to enable the authorities to make an informed decision, the import documents of the licensed bulk importers are analysed by MoCI on a quarterly basis. The findings are communicated to the Minister of Commerce and Industry for a final decision by a ministerial committee. The price ceilings are then published in the local newspapers. On 6 December 2022, the price ceilings were raised to USD 17.0 (wholesale) and USD 17.5 (retail) per 25 kg bag – up from USD 13.0 (wholesale) and USD 13.5 (retail) in effect since November 2018.

4.28. The consumer prices of rice are subsidized (USD 5.5 million in 2021 and USD 11 million in 2022). There are adverse consequences of this policy, including smuggling across borders and the distortion of the price incentives to grow rice and substitute food crops locally. Ultimately, the rice subsidies come at the expense of Liberia's farmers.

#### 4.1.2 Forestry

4.29. The forestry sector contributed about 8.9% to GDP in 2021 (Table 1.1).<sup>26</sup> Liberia is richly endowed with forestry resources (Table 4.3). According to the National Forest Inventory of 2018-19, the forest cover was about 6.6 million hectares or almost 60% of the landmass (11.1 million hectares).<sup>27</sup> Liberia's forests have been under threat from shifting cultivation and mining, as well as uncontrolled and illegal logging.<sup>28</sup>

<sup>26</sup> CBL, *Annual Report 2021*.

<sup>27</sup> Forest Carbon Partnership, *Liberia: National Forest Inventory 2018/2019*. Viewed at: <https://www.forestcarbonpartnership.org/system/files/documents/Liberia%20National%20Forest%20Inventory.pdf>.

<sup>28</sup> Forest Carbon Partnership, *Liberia: National Forest Inventory 2018/2019*.

4.30. From 2003, the UN imposed sanctions on timber exports from Liberia.<sup>29</sup> With the end of the civil war, reforms of the Liberian forestry regime were launched (EO No. 1 of 2 February 2006) and a new National Forestry Reform Law was adopted in 2006<sup>30</sup>, leading to the lifting of the UN sanctions in the same year.

4.31. Forestry exports are estimated at USD 6.94 million in 2020. According to the International Tropical Timber Organization, China was the main export destination, followed by the European Union.<sup>31</sup>

**Table 4.3 Timber production, 2019-21**

	2019	2020	2021 <sup>a</sup>
Round logs (m <sup>3</sup> )	698,657	655,404	668,512
Sawn timber (pieces)	409,655	169,097	179,243

a Estimate.

Source: Central Bank of Liberia, *Annual Report 2021*.

4.32. The Forest Development Authority (FDA) is responsible for managing Liberia's forestry resources.<sup>32</sup> The legal framework comprises the FDA Ten Core Regulations 101-07 to 110-07 (2007) that implement the National Forestry Reform Law.<sup>33</sup> Other laws and regulations include the Regulation on Forest Products Processing and Marketing (FDA Regulation No. 112-08); Guidelines for Forest Management Planning in Liberia (2009); the Community Rights Law (2009); Code of Forest Harvesting Practices (amended in 2017); Community Rights Regulations (amended in 2017); Abandoned Logs, Timber and Timber Products Regulations (2017); Third Party Access to Forest Resource License Areas (2017); Confiscated Logs, Timber and Timber Products Regulations (2017); and Sustainable Wood-based Biomass Energy Production and Marketing in Liberia Regulations (2017).<sup>34</sup>

4.33. Under EO No. 1 of 2 February 2006, "based on the findings of the Concession Review Committee and the mandate of the United Nations Security Council", all existing logging concessions were cancelled.<sup>35</sup> New concessions were subsequently awarded. However, following an arrangement with Norway aimed at slowing deforestation in Liberia, from 2014, all logging concessions were reviewed or cancelled, and no new concessions have since been awarded.<sup>36</sup> A number of Community Forest Management Agreements were subsequently signed with authorized communities.

4.34. The following are the main types of concessions/agreements for logging operations<sup>37</sup>:

- Forest Management Contracts (FMC) are long term (25 years) for 50,000 to 400,000 hectares. There are no FDI restrictions for large FMCs. Smaller FMCs (up to 100,000 hectares) are reserved for majority-owned (51%) Liberian companies. FMCs must be signed by the President and are subject to ratification. Currently, there are seven FMCs

<sup>29</sup> UN (2003), "Extending Sanctions against Liberia, Security Council Adds Ban on Timber Exports", 6 May. Viewed at: <https://news.un.org/en/story/2003/05/66992-extending-sanctions-against-liberia-security-council-adds-ban-timber-exports>.

<sup>30</sup> Viewed at: <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC067626/#:~:text=The%20Act%20defines%20the%20principles,Act%20and%20other%20applicable%20laws>.

<sup>31</sup> International Tropical Timber Organization, *Biennial Review and Assessment of the World Timber Situation, 2019-2020*. Viewed at: [https://www.itto.int/direct/topics/topics\\_pdf\\_download/topics\\_id=6783&no=1](https://www.itto.int/direct/topics/topics_pdf_download/topics_id=6783&no=1).

<sup>32</sup> FDA. Viewed at: <https://www.fda.gov.lr/>.

<sup>33</sup> ClientEarth, *FDA: Ten Core Regulations*. Viewed at: <https://www.clientearth.org/media/d0qjcdxbx/forestry-development-authority-ten-core-regulations-ext-en.pdf>.

<sup>34</sup> Timber Trade Portal. Viewed at: <https://www.timbertradeportal.com/en>.

<sup>35</sup> EO No. 1. Viewed at: <http://extwprlegs1.fao.org/docs/pdf/lbr67267.pdf>.

<sup>36</sup> BBC (2014), "Liberia Signs 'Transformational' Deal to Stem Deforestation", 23 September. Viewed at: <https://www.bbc.com/news/science-environment-29321143>.

<sup>37</sup> There is also a Forest Use Permit and Private Use Permit.

covering 1.08 million hectares in total, according to the authorities. FMCs of more than 100,000 hectares are subject to international competitive bidding under the PPCA.<sup>38</sup>

- Timber Sale Contracts (TSC) are for up to 5,000 hectares for three years, renewable. Reserved for Liberian companies. All TSCs have expired.
- Community Forest Management Agreements (CFMAs) are from 5.0 hectares to 49.999 hectares; CFMAs exceeding 50.0 hectares are subject to competitive bidding. CFMAs are to be sustainably managed (selective logging) and concluded for 15 years, renewable. According to LEITI, about 75% of the Liberia's round log production comes from CFMAs.<sup>39</sup>

4.35. The forestry resource tax regime under FDA Core Regulation 107-7 includes:

- Stumpage fees: Log stumpage fees are 10%, 5%, and 2.5% of the Monrovia f.o.b. price, depending on the category (A-C) of the tree species (Section 22 of the regulation);
- Land rental fees: Taxes and administrative fees for the use of forest land (area fees) are collected by LRA – USD 2.50 per hectare under FCM and USD 1.25 per hectare under TSC and CFMA; and
- Export taxes: Logs are subject to export taxes (fees) (Section 44-45), which are 2.5%, 5%, or 10% of the f.o.b. price, depending on the category of the tree species. The rates for processed wood products range from 1.5% to 5%.

4.36. The forest sector reform under EO No. 1 of 2006 called for the establishment of a chain of custody system that tracks logging operations from stump to the point of export. The Société Générale de Surveillance (SGS) was mandated to develop and administer a computerized chain of custody system, called LiberFor.

4.37. Exports of logs (timber) and wood products require a licence for every export permit (USD 100 per consignment) issued by the FDA (FDA Regulation 107-7, Section 42(c)). The FDA together with the SGS issues export permits for timber upon confirmation that the shipment originates from a registered harvesting area and all relevant forest payments have been made to the Central Bank of Liberia (CBL).

4.38. A Voluntary Partnership Agreement with the European Union entered into force on 1 December 2013. However, Liberia is still in the process of developing the mechanisms to meet EU requirements for the control, verification, and licensing of exports of timber and wood products. The objective is to implement a FLEGT (Forest Law Enforcement, Governance and Trade) licensing scheme, comprising the establishment within the FDA of a Timber Legality Verification Department and a Liberia Licensing Department (set up in 2021) for issuing FLEGT Licences.<sup>40</sup>

#### 4.1.3 Fisheries

4.39. Liberia has a coastline of 579 km from the borders of Sierra Leone to Côte d'Ivoire, and an EEZ of 246,152 km<sup>2</sup>.<sup>41</sup> The country is a net importer of fish and fish products. Imports and exports in 2021 are estimated at about 36,000 tonnes and 200 tonnes, respectively.

4.40. The Liberian fisheries sector has significant development potential but is facing numerous challenges in the areas of infrastructure, input supply, export capacity, and fisheries management,

<sup>38</sup> FDA Core Regulation 104-07, Part Four, Section 42(b).

<sup>39</sup> LEITI (2022), *13<sup>th</sup> Report, 2019-2020*. Viewed at: <https://eiti.org/sites/default/files/2022-07/Liberia%20EITI%2013th%20Report%20-%20FY%202019%20-%202020.pdf>.

<sup>40</sup> LiberTrace. Viewed at: <https://libertrace.sgs.com>.

<sup>41</sup> MOFA (2018), "After Nearly Ten Years of Work, Liberia Deposits Submission for Extension of Continental Shelf at United Nations", 26 October. Viewed at: [https://www.mofa.gov.lr/public2/2press.php?news\\_id=3255&related=7&pg=sp](https://www.mofa.gov.lr/public2/2press.php?news_id=3255&related=7&pg=sp).

including Illegal, Unreported and Unregulated (IUU) fishing.<sup>42</sup> The Fisheries and Aquaculture Management and Development Law, 2019 emphasizes the need to combat IUU fishing in Liberian waters.<sup>43</sup> The Fisheries Committee of the West Central Gulf of Guinea notes that "the annual catch within the EEZ of Liberia is much higher as poaching is rampant due to the complete lack of Monitor, Control and Surveillance (MCS)".<sup>44</sup>

4.41. According to the Fisheries and Aquaculture Management and Development Law, Liberia's artisanal fisheries play a major role in securing livelihoods and have the potential to make a greater contribution to food security, poverty alleviation, and sustainable development, while the industrial and semi-industrial fisheries have significant economic potential in terms of the generating licensing and other fees for fishing and related activities, export earnings, and creating added value through processing.<sup>45</sup>

4.42. The Liberian fisheries are mainly artisanal. The artisanal fishers use wooden dug-out canoes with or without an outboard motor. There are about 700 artisanal motorized canoes and 3,500 paddle canoes with a total crew of about 15,000 fishers. The total annual catch is estimated at 21,000 tonnes for local consumption. There are about 27,000 fishmongers, mainly women. Artisanal aquaculture is mainly for tilapia and catfish, with a harvest estimated at 250 tonnes in 2021.

4.43. In the industrial fisheries, there are currently six licensed trawlers operated by foreign companies (China) for the Liberian domestic market. Their annual catch is estimated at 5,000 tonnes. The most valuable industrial fisheries in the Liberian EEZ are tuna and marine shrimp fisheries.<sup>46</sup> At present, there are no licensed shrimpers operating in the Liberian waters until a comprehensive stock assessment has been conducted to determine the maximum sustainable yield. Liberia has currently 40 foreign-flagged (EU and Senegal) tuna vessels operating in its waters.

4.44. Liberia is a member of the Fisheries Committee for the West Central Gulf of Guinea (FCWC)<sup>47</sup> and the International Commission for the Conservation of Atlantic Tunas (ICCAT). Furthermore, Liberia is a cooperating, non-contracting party to five regional fisheries management organizations (RFMOs): Indian Ocean Tuna Commission (IOTC); North-East Atlantic Fisheries Commission (NEAFC); Western Central Pacific Fisheries Commission (WCPFC); Southern Pacific Regional Fisheries Management Organization (SPRFMO); and Inter-American Tropical Tuna Commission (IATTC). The country's status in these RFMOs "requires Liberia to cooperate on the management of tuna and tuna-like species, be assigned quota for certain species and imbed the RFMOs recommendations into national legal frameworks and management decisions".<sup>48</sup> Furthermore, "in order to ensure effective control over its distant-water fishing fleets, Liberia requires strict compliance with the terms of fishing licence, transshipment authorization, transshipment notice, fishing permit, marine notice and by implementing and enforcing conservation and management measures through effective monitoring, control and surveillance (MCS); mechanism including observer coverage, electronic monitoring and satellite-based vessel monitoring systems (VMS) in order to provide information on the location of fishing vessels engaged in distant-water fishing, port inspection and pre-licensing inspection".<sup>49</sup>

4.45. Liberia has taken steps to reform its fisheries management regime, including:

<sup>42</sup> ITC, *National Export Strategy: Fish and Crustaceans Export Strategy, 2014-2018*. Viewed at: [https://www.MoCI.gov.lr/doc/Liberia%20Fish\\_Crustaceans\\_web-FINAL.pdf](https://www.MoCI.gov.lr/doc/Liberia%20Fish_Crustaceans_web-FINAL.pdf). Preamble to the Fisheries and Aquaculture Management and Development Law. Viewed at: <http://extwprlegs1.fao.org/docs/pdf/lbr192628.pdf>.

<sup>43</sup> See preamble to the Fisheries and Aquaculture Management and Development Law. Viewed at: <http://extwprlegs1.fao.org/docs/pdf/lbr192628.pdf>.

<sup>44</sup> Fisheries Committee for the West Central Gulf of Guinea, *Liberia*. Viewed at: <https://fcwc-fish.org/about-us/member-states/liberia>.

<sup>45</sup> See preamble to the Fisheries and Aquaculture Management and Development Law. Viewed at: <http://extwprlegs1.fao.org/docs/pdf/lbr192628.pdf>.

<sup>46</sup> According to ITC, in 1970s and 1980s Liberia was one Africa's main exporters of fish and crustaceans, exporting mainly shrimp. ITC, *National Export Strategy: Fish and Crustaceans Export Strategy, 2014-2018*, p. 8.

<sup>47</sup> Together with Benin, Côte d'Ivoire, Ghana, Nigeria, and Togo.

<sup>48</sup> Viewed at: <https://faolex.fao.org/docs/pdf/lbr195830.pdf>.

<sup>49</sup> Viewed at: <https://www.un.org/Depts/los/bfw/Liberia%20Bottom%20Fishing%20Contribution.pdf>.



- 2010 - Establishment of a six-mile Inshore Exclusive Zone (IEZ) reserved exclusively for artisanal and semi-industrial fishing vessels (Fishery Regulations 2010);
- 2011 - Declaration of a ban on demersal fishing by foreign-owned vessels. These two measures (in 2010-11) appear to have led to a recovery in fish stocks<sup>50</sup>;
- 2017 - Establishment by an act of Parliament of the National Fisheries and Aquaculture Authority (NaFAA) in October 2017 as an autonomous agency, replacing the Bureau of National Fisheries of the Ministry of Agriculture<sup>51</sup>; reduction of the IEZ from six to three nautical miles;
- 2018 - Adoption of a national plan of action to combat IUU fishing, in accordance with the international plan of action (IPOA-IUU) and the regional IUU plan of action by the FCWC.<sup>52</sup> Losses from IUU fishing in Liberian waters were estimated at USD 12 million. From 2011 to 2018, Liberia imposed fines for IUU fishing totalling USD 6.7 million;
- 2019 - In line with the national IUU plan of action, Liberia acceded to the FAO Port State Measures Agreement, aimed at preventing vessels engaged in IUU fishing from using ports and landing their catches<sup>53</sup>;
- 2019 - Adoption of the Fisheries and Aquaculture Management and Development Law, 2019<sup>54</sup>, which governs the management, conservation, development, and sustainable use of fisheries and aquaculture;
- 2020 - Adoption of the Fisheries Regulation 2020; and
- 2021 - Adoption of the Revised Fisheries and Aquaculture Policy and Strategy of 2021.

4.46. The NaFAA grants licences for industrial and semi-industrial fishing vessels, which involves *inter alia* a vessel call to port for a pre-licence inspection. A register of industrial vessels is maintained by NaFAA. Licence fees for industrial vessels depend on the fishing plan and the ex-vessel value of their primary target species. Licence fees for artisanal vessels range from USD 200 to USD 1,250 annually for local vessels and USD 1,500 for migrant canoes.<sup>55</sup>

4.47. Liberia has concluded bilateral market access agreements with the European Union and Senegal.

- EU-Liberia Sustainable Fisheries Partnership Agreement (SFPA), 2015<sup>56</sup> - The agreement and its five-year protocol, which expired on 8 December 2020, provided the European Union with fishing opportunities of 6,500 metric tonnes of tuna and other highly migratory species for 28 tuna purse seiners and 6 longline vessels, to be monitored with VMS. The European Union's financial compensation was EUR 3.25 million over five years, of which 50% was allocated for the access to the Liberian fisheries and 50% for the implementation of Liberia's fisheries policy. There has been no new protocol since the last one expired in 2020.
- Senegal-Liberia fisheries and aquaculture cooperation agreement, 2019<sup>57</sup> - Although it has never been utilized, the agreement provides access for Senegalese artisanal,

<sup>50</sup> Viewed at: <https://faolex.fao.org/docs/pdf/lbr195830.pdf>.

<sup>51</sup> NaFAA. Viewed at: <https://nafaa.gov.lr/>.

<sup>52</sup> Viewed at: <https://faolex.fao.org/docs/pdf/lbr195830.pdf>.

<sup>53</sup> FAO (2019), "Liberia accedes to the Agreement on Port State Measures", 21 June. Viewed at: <https://www.fao.org/iuu-fishing/news-events/detail/en/c/1199021/>.

<sup>54</sup> Viewed at: <http://extwprlegs1.fao.org/docs/pdf/lbr192628.pdf>.

<sup>55</sup> Viewed at: <https://nafaa.gov.lr/index.php/medias/press-release/announcement-1>.

<sup>56</sup> Sustainable Fisheries Partnership Agreement between the European Union and the Republic of Liberia. Viewed at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22015A1212\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22015A1212(01)&from=EN).

<sup>57</sup> The Agreement on Fisheries and Aquaculture Cooperation between the Government of the Republic of Senegal and the Government of the Republic of Liberia. Viewed at: [https://static1.squarespace.com/static/5d402069d36563000151fa5b/t/6177c0068a783861e199b814/1635237897930/\\_Accord+de+pe%CC%82che+entre+le+SN+et+le+Libe%CC%81ria+Signe%CC%81%2C+le+22+Janvier+2019+version+Englaise.pdf](https://static1.squarespace.com/static/5d402069d36563000151fa5b/t/6177c0068a783861e199b814/1635237897930/_Accord+de+pe%CC%82che+entre+le+SN+et+le+Libe%CC%81ria+Signe%CC%81%2C+le+22+Janvier+2019+version+Englaise.pdf).

semi-industrial, and industrial vessels to Liberian waters. For industrial vessels, this includes access of 2,000 tonnes to the shrimp fisheries and 2,000 tonnes for coastal pelagic fishing.<sup>58</sup> Liberia has also granted (separate from the 2019 agreement) experimental fishing licences for shrimp for research purposes to two Senegalese-flagged vessels.<sup>59</sup>

4.48. The Mesurado pier at Monrovia is the only port for industrial vessels to land their catch, but without a cold store. In 2021, Liberia launched a project with the support of the World Bank for the modernization of the Mesurado pier and the construction of storage and processing facilities. Once completed, it would allow industrial fishing vessels to land the catch at the Port of Monrovia and help reduce revenue losses due to a lack of an industrial fishing port.

4.49. Imports and exports of fish and fish products require a permit from the NaFAA. Liberia traditionally exported fish to the European Union, but currently does not have the required health certification due to the lack of an adequate laboratory for testing and certification (lack of a national control system). To this end, Liberia established the Liberia Standards Authority in 2022 (Section 3.3.2).

## 4.2 Mining

4.50. The mining and panning sector contributed about 17% to GDP.<sup>60</sup> Iron ore and gold are Liberia's main mineral resources, followed by diamonds (Table 4.4).<sup>61</sup> During the civil war, all major mines were closed. Since 2010, exploration and development of mines has resumed. Iron ore production reached about 5 million metric tonnes in 2021, up from 4.4 million tonnes in 2019. Exports of iron ore accounted for almost 40% of total exports in 2021.<sup>62</sup> ArcelorMittal is the main producer and exporter of iron ore.

4.51. Liberia also registered a significant recovery in gold production and exports (Table 4.4) due to favourable market conditions. Gold exports (about 39% of total exports in 2021 – Table A1.1) are mainly destined for Switzerland. The UN Security Council lifted its embargo on Liberian exports of rough diamonds in 2007, when the country joined the Kimberley Process Certification Scheme. In 2009, Liberia became a participant in the Extractive Industries Transparency Initiative.<sup>63</sup>

<sup>58</sup> Protocol on the Implementation of the Agreement on Fisheries and Aquaculture Cooperation between the Government of the Republic of Senegal and the Government of the Republic of Liberia. Viewed at: <https://static1.squarespace.com/static/5d402069d36563000151fa5b/t/6012a84972f3b96436d582dc/1611835471970/Protocole++entre+le+SN+et+le+Libe%CC%81ria+Signe%CC%81%2C+le+22+Janvier+2019+version+Anglais.pdf>.

<sup>59</sup> Coalition for Fair Fisheries Arrangements (2021), "Experimental Fishing or Experimental Pillaging in Liberia?", 26 October. Viewed at: <https://www.cffacape.org/publications-blog/experimental-fishing-or-experimental-pillaging-in-liberia>.

<sup>60</sup> CBL, *Annual Report 2021*.

<sup>61</sup> The country is also endowed with minerals such as traces of platinum, uranium, and niobium; base metals such as nickel, cobalt, tin, lead, and manganese; and industrial rocks and minerals such as sulphur, phosphates, clays (kyanite), granite, silica sand, heavy mineral sands (rutile & ilmenite), and diabase/dolorite.

<sup>62</sup> U.S. International Trade Administration, *Mining and Minerals* (Last published date: 3 August 2022). Viewed at: <https://www.trade.gov/country-commercial-guides/liberia-mining-and-minerals>.

<sup>63</sup> LEITI (2022), *13<sup>th</sup> Report, 2019-2020*. Viewed at: <https://eiti.org/sites/default/files/2022-07/Liberia%20EITI%2013th%20Report%20-%20FY%202019%20-%202020.pdf>.



**Table 4.4 Mineral production and exports of Liberia, 2019-21**

	2019	2020	2021
<b>Iron ore</b>			
Production (MT)	4,428,645	4,874,409	5,000,000
Exports (MT)	234.6	289.0	346.9
World market price (USD/MT)	94	109	162
<b>Gold</b>			
Production (TOZ)	162,936	141,342	252,708
Exports (USD million)	164.3	194.4	340.3
World market price (USD/TOZ)	1,392	1,770	1,800
<b>Diamonds</b>			
Production (carat)	55,936	54,599	63,027
Exports (USD million)	16.1	12.1	15.2

Source: Central Bank of Liberia, *Annual Report 2021*.

#### 4.2.1 Mineral policy

4.52. The Ministry of Mines and Energy (MME) oversees the sector. According to the Mineral Policy of Liberia (2010), "the Government is committed to attracting and enabling private sector investments for the development of mineral deposits, particularly iron ore mines, and to promote new investments in exploration and development of gold, diamonds, base metals and other mineral deposits. Geological information and mineral data will be made readily and widely accessible to both small and large-scale prospective investors".<sup>64</sup>

4.53. The legal framework comprises, *inter alia*:

- The Mineral and Mining Law, 2000, according to which mineral resources are vested in the Republic: "Minerals on the surface of the ground or in the soil or subsoil, rivers, streams, watercourse, territorial waters and continental shelf are the property of the Republic of Liberia and anything pertaining to their Exploration, Development, Mining, and Export shall be governed by this Law" (Section 2.1 of the Law). The Law is currently under review, as it no longer aligned with Liberia's Mineral Policy (2010);
- The 2005 PPCA provides that mining concessions fall in principle within the scope of the PPCA (Section 75), although certain grandfathered and future mineral licences and Mineral Development Agreements "shall be deemed not to constitute the grant of Concessions subject to this Act"; and
- The Environmental Protection and Management Law, 2002 provides for the legal framework for the sustainable use and conservation of natural resources. According to the authorities, mining projects require an Environmental Impact Assessment (except for Class C licence operations).

4.54. Mineral licences are issued by the MME's Department of Mineral Exploration and Environmental Research (D'MER) for reconnaissance, prospecting, and exploration activities.

4.55. Mining licences are issued by the Minister, and the MME publishes all active licences, including detailed information, through an online register<sup>65</sup>:

- Class C mining licences are reserved for Liberian citizens under artisanal and small-scale operations (up to 25 acres). A maximum of four licences per person. The licence term is one year, renewable. The licence fee is USD 150 (Section 4.2 of the Law).
- Class B mining licences are for industrial operations of up to 100 acres for precious and semi-precious minerals such as diamonds and gold (50 acres for quarry licence blocks). Each entity may hold a maximum of four Class B licences. Class B licences are open to foreign investment, subject to a (statutory) minimum stake of 60% held by Liberian citizens. According to the authorities, in practice a minimum stake of not less than 15% is

<sup>64</sup> MME, *Laws and Regulations*. Viewed at: <https://mme.gov.lr/laws-and-regulations/>.

<sup>65</sup> MME, *Liberia – Online Repository*. Viewed at: <https://portal.mme.gov.lr/dashboard>.

enforced at present, due to a lack of capacity on the Liberian side. The annual licence fee is USD 10,000. The licence term is five years, renewable.

- Class A mining licences are for industrial operations, subject to conclusion and ratification of a Mineral Development Agreement with the Government. Licence fees are USD 50,000 for iron ore and USD 35,000 for gold or diamonds. The licence term is 15 to 25 years (renewable), depending on the size of the ore deposit and the feasibility study report.

4.56. The fiscal regime for mining operations is set out in the Revenue Code of Liberia (2000), as amended in 2011 (Sections 700 to 739 thereof).<sup>66</sup> The corporate tax rate for mining operations is 30%. The royalty rates are currently 4.5% for iron ore, 3% for gold, and 5% for commercial diamonds.

4.57. Iron ore mining companies are issued annual licences by the MME. Export shipments of iron ore require an EPD issued by the MoCI. Bureau Veritas conducts the inspection to verify the information provided by the exporter for statistical and revenue purposes.

#### 4.2.2 Gold and diamonds

4.58. Mining of gold and diamonds is carried out mainly by artisanal and small-scale miners. There are estimates of over 100,000 artisanal miners in Liberia. For gold, there are also industrial mining operations; the largest is the New Liberty Gold Mine.<sup>67</sup>

4.59. The Office of Precious Minerals (OPM) of the MME regulates the marketing of precious minerals. It serves as the official channel for exports of gold and diamonds and conducts valuations of precious minerals to determine export values and royalties payable. The Chief Valuator issues the Kimberley Process Certificate for diamonds.

4.60. For licensing and control purposes of gold or diamond operations, three categories of licences are issued by the MME (mines, broker, and dealer). For mines, there are types A-C licences. A broker licence is required for purchases of gold/diamonds from licensed miners and sale to licensed dealers. Broker licences are reserved for Liberians. The licence fee is USD 1,500. A dealership licence is required to purchase gold/diamonds for export from licensed holders. Dealerships are open to Liberians and/or foreign nationals with mandatory Liberian participation. The licence fees are USD 5,000 for gold and USD 25,000 for diamonds.

4.61. Unlicensed and illegal mining in the artisanal mining sector remains a challenge.<sup>68</sup> According to the authorities, Liberia has a chain management trusteeship procedure for the control of diamond and gold production in the artisanal and small-scale sector. Class C or Class B licence holders must have a serialized vendor form to record the minerals sold to a diamond or gold licence broker, which can be verified. Furthermore, the MME has developed a roadmap to regulate artisanal and small-scale miners and encourage them to organize cooperatives. The Liberia Geological Survey is to map out areas that will be set aside for artisanal and small-scale miners' operations. The Ministry has subdivided the country into regions with six regional offices (yet to be established) staffed with a mining engineer and geologist in each office to regulate the activities.

### 4.3 Energy

#### 4.3.1 Overview

4.62. Liberia's electricity infrastructure was damaged or destroyed during the civil war. Efforts have been underway since 2006 to rehabilitate the electricity system of Greater Monrovia and to expand the mini-grid and stand-alone power systems in the interior of the country. However, access to electricity from the national grid remains very limited (about 15% of the population in 2022) and

<sup>66</sup> Liberia Revenue Code as Amended 2011. Viewed at: <https://mimeliberia.files.wordpress.com/2018/10/revenue-code.pdf>.

<sup>67</sup> Avesoro Resources, *New Liberty Gold Mine*. Viewed at: <https://avesoro.com/operations/liberia/new-liberty-gold-mine/>.

<sup>68</sup> See also U.S. International Trade Administration, *Mining and Minerals* (Last published date: 3 August 2022). Viewed at: <https://www.trade.gov/country-commercial-guides/liberia-mining-and-minerals>.

blackouts are frequent. A new electricity transmission line connecting to the regional ECOWAS power grid somewhat alleviates the shortages.

4.63. All of the country's requirements of petroleum products are imported. Liberia's import bill for mineral fuels and lubricants was USD 222 million in 2021 (up from USD 189.2 million in 2020), accounting for about 17% of total imports.<sup>69</sup> Liberia is yet to discover crude oil in commercial quantities. However, offshore exploration activities following several international licence bidding rounds are under way.

4.64. Liberia has made some reforms in the energy sector since its WTO accession in 2016. Independent regulators were established for electricity (Liberia Electricity Regulatory Commission) and for petroleum (Liberia Petroleum Regulatory Authority), and both agencies have commenced operations.

### 4.3.2 Electricity

4.65. The MME oversees policy in the electricity sector. Electricity policy is to be guided by a revised National Energy Policy with the objective of building a resilient energy sector by 2030 (yet to be submitted to Parliament for adoption).

4.66. Liberia passed the new Electricity Law, 2015, which establishes the regulatory framework. Under the Law, the Liberia Electricity Regulatory Commission (LERC) is responsible for, *inter alia*, the setting of electricity tariffs and licensing of operators. LERC issues licences for generation; transmission facilities and transmission services; trading; and distribution for grid and off-grid electrification. There is also a micro-utility permit for operators generating less than 10 MW.<sup>70</sup> LERC began full operations in 2018.

4.67. Liberia welcomes private sector investment in the sector and is committed to ensuring international best practices for the investment process, according to the authorities. There are plans to partition the country into electricity distribution areas to attract investment (draft policy on Electricity Distribution Areas). The Government does not provide any local bank guarantees for investments in the sector. According to the authorities, incentives in the electricity sector are reflected in the tariff methodology.

4.68. The state-owned Liberia Electricity Corporation (LEC) is the national power generation company and grid operator<sup>71</sup> and holds a monopoly in transmission system operation. The Electricity Law allows the private sector to develop and operate electricity-generation facilities.

4.69. Liberia's electricity generation is based almost entirely on hydropower and fuel. The main power system is the Greater Monrovia system, which serves the capital and its surrounding areas and counties with a total installed generation capacity of 126 MW, consisting of the Mount Coffee hydroelectric plant (88 MW) and three thermal plants installed at the Bushrod Power Enclave (38 MW).

4.70. Electrification in rural areas beyond the main grid is a priority, according to Liberia's mini-grid policy. The off-grid systems include privately owned generating systems for self-use or sale to other consumers. The Totota Electricity Cooperative is a licensed private institution providing electricity in Totota, Bong County.<sup>72</sup> The Electricity Law allows small power plants to sell electricity directly to end-users, including retail consumers.

4.71. The Liberia Rural and Renewable Energy Agency (established under EO No. 38 of 6 January 2012) has the mandate to facilitate renewable energy projects in rural areas. It serves as a gateway for donor-funded projects, based on a Master Plan.

<sup>69</sup> CBL, *Annual Report 2021*.

<sup>70</sup> Micro-utility Licensing Regulations, 2020.

<sup>71</sup> The LEC also subcontracts private operators for distribution.

<sup>72</sup> National Rural Electric Cooperative Association (2020), "Liberian Co-op Begun by NRECA International Has Become Self-Sufficient", 16 January. Viewed at: <https://www.electric.coop/liberia-co-op-begun-by-nreca-international-self-sufficient>.

4.72. EO No. 107 of May 2022 suspended import tariffs on off-grid solar lighting appliances, equipment and components, and other systems related to renewable energy.<sup>73</sup> Qualifying imports remain subject to Customs User Fees and the ECOWAS Levy.

4.73. Liberia is a net importer of electricity via the West African Power Pool (WAPP) of ECOWAS. The national grid is connected with Côte d'Ivoire, Sierra Leone, and Guinea through a new high-voltage transmission line (CLSG interconnection line). The commissioning of the CLSG line gives a boost to Liberia's electricity supply (27 MW-50 MW) through power purchase agreements concluded by the LEC. The injection of power into the Liberian network via the CLSG line started in December 2022. Liberia also imports electricity from the WAPP in Côte d'Ivoire (through a medium-voltage line), facilitating electricity supply to cross-border distribution networks.

4.74. Electricity distribution and retail activities are currently under the sole responsibility of the Liberia Electricity Corporation (LEC) and not yet separated, as envisaged by the 2015 Electricity Law. The LEC delivers electricity to consumers through its distribution network and deals with billing and collection. There are currently four separate distribution grids, including the Greater Monrovia grid system, and three other cross-border distribution networks.<sup>74</sup>

4.75. Currently, the electricity losses at the distribution level are significant (63% in 2021<sup>75</sup>), mainly as a result of power theft and the LEC's inability to collect its billing revenues. According to the authorities, the LEC lost an estimated USD 35.9 million in revenues during the 2018-21 period.

4.76. With the passage of the 2015 Energy Law, the responsibility for electricity pricing was passed to the Electricity Law. Liberia's commercial electricity tariffs were substantially reduced over the review period: from USD 0.59/kWh (2016) to USD 0.35/kWh (2018). The LERC approved an average end-user tariff of USD 0.22/kWh (January 2022).<sup>76</sup>

### 4.3.3 Petroleum products

4.77. The upstream oil and gas industry (exploration, development, and production of hydrocarbons) is not well developed. Although efforts have been made since the 1970s, Liberia is yet to discover crude oil or natural gas in commercial quantities. The latest licensing round for exploration drilling (nine offshore blocks) was held in 2020. Liberia currently has a total of 33 offshore blocks.

4.78. In anticipation of future discoveries, policy guidelines have been developed, namely transparency of procedure and accountability to the Liberian people; environmental protection to the maximum extent possible; and transparent and independent regulatory oversight by the Liberia Petroleum Regulatory Authority (LPRA).

4.79. Under Article 22(b) of the Constitution, all mineral resources are vested in the State. Under Article 7, "the Republic shall, consistent with the principles of individual freedom and social justice enshrined in this Constitution, manage the national economy and the natural resources of Liberia in such manner as shall ensure the maximum feasible participation of Liberian citizens under conditions of equality as to advance the general welfare of the Liberian people and the economic development of Liberia".

4.80. The regulatory framework for the management of Liberia's petroleum resources comprises notably the Petroleum (Exploration and Production) Act, 2014, as amended in 2019.<sup>77</sup> It established the LPRA with the mandate to exercise regulatory oversight of upstream petroleum operations,

<sup>73</sup> Executive Mansion (2022), "President Weah Issues Executive Order #107 Suspending Tariffs on Off-Grid Solar Renewable Energy Products", 11 May. Viewed at: [https://www.emansion.gov.lr/2press.php?news\\_id=5537&related=7&pg=sp](https://www.emansion.gov.lr/2press.php?news_id=5537&related=7&pg=sp).

<sup>74</sup> These comprise the Jungle Energy and Power Limited (JEP) distribution enclave in Nimba County (now extended to Bong County); and the Maryland County and the Grand Gedeh County distribution grids.

<sup>75</sup> West African Power Pool (2021), *Reduction of Technical and Non-Technical Electricity Losses in the Distribution Companies in the ECOWAS Region*. Viewed at: [https://www.ecowapp.org/sites/default/files/en\\_publication\\_2020\\_distribution\\_losses.pdf](https://www.ecowapp.org/sites/default/files/en_publication_2020_distribution_losses.pdf).

<sup>76</sup> LEC, *Tariff Structure Effective January 1, 2022*. Viewed at: <https://lecliberia.com/wp-content/uploads/Summary-of-Approved-Tariff-Structure.pdf>.

<sup>77</sup> LPRA, *Laws & Regulations*. Viewed at: <https://www.lpra.gov.lr/index.php/publication/laws-regulations>.

including those of the state-owned National Oil Company of Liberia (NOCAL); conduct technical evaluations of areas to be opened up for petroleum operations; and administer petroleum rights. The LPRA started operating in December 2018.<sup>78</sup>

4.81. NOCAL is a regulatory marketing board responsible for the exploration, development, and production of the petroleum resources of Liberia.<sup>79</sup> NOCAL was given the mandate to hold and manage petroleum rights acquired in its own right, by executive allocation or under joint venture, and to manage all state interests in Petroleum Agreements under citizen participation provisions. NOCAL is a party to all Petroleum Agreements, and its ownership of shares is not limited to 10% equity participation.<sup>80</sup> There are no petroleum production activities by NOCAL or any other company currently ongoing in Liberia. NOCAL is currently not engaged in exploration and import/export activities, but has the right to do so under the Petroleum Law. NOCAL is also responsible for administering reconnaissance licences (valid for two years).

4.82. Liberia grants the following petroleum rights: reconnaissance licences; petroleum agreements; and licences for the development of the petroleum transportation/pipeline system. There are three processes for granting petroleum rights: international competitive bidding; allocation of rights through direct negotiations; and executive allocation to NOCAL (introduced through the Petroleum Act Amendments of 2019).<sup>81</sup>

4.83. The State's stake in terms of free participating interests in petroleum agreements is 10%. Under the Petroleum Act Amendments of 2019, a minimum equity stake of 5% is reserved in Petroleum Agreements for companies owned by Liberian citizens. The Law also provides for local content requirements (Section 36). To date, no local content requirements have been developed, according to the authorities.

4.84. The fiscal regime for oil and gas is governed by the Revenue Code of Liberia (2000), as amended in 2011 (Sections 740 to 799 thereof).<sup>82</sup> The corporate tax rate is 15%, and royalty rates are currently 8% for crude oil and 5% for natural gas.

4.85. Regarding the downstream petroleum sector, Liberia's policy objectives are to deepen deregulation; use the pricing mechanism to generate adequate revenues to support the financing of LPG infrastructure especially in rural areas; ensure uniform prices of petroleum products throughout the country; and maintain buffer stocks for two months.

4.86. The state-owned Liberia Petroleum Refining Company (LPRC) holds exclusive rights under the Petroleum Act, 1989 for the importation, sale, distribution, storage, and refining of petroleum and petroleum products. The activities of the LPRC are currently limited to storage, supply, and distribution of petroleum and petroleum products to the Liberian market, according to the authorities. The LPRC has granted licences to 10 registered companies to import petroleum products. All petroleum products are imported from Liberia's neighbouring countries. The LPRC owns storage tanks at its Product Storage Terminal (PST) in Monrovia, where it stores and handles petroleum products for wholesale distribution. There are ongoing works to modernize and expand the PST. There are licensed 22 Liberian-owned distribution companies of petroleum products, some of which have established their own service stations across the country.

4.87. Petroleum products are subject to price caps (ceilings). The prices are reviewed each month (based on Platt's price data) by the Price Division of the MoCI in consultation with the LPRC. The pricing structure includes a profit margin of USD 0.18 per gallon at the wholesale level and USD 0.19 per gallon at the retail level. The following taxes and fees apply (per gallon): import levy (USD 0.20-USD 0.25), sales tax (USD 0.20), excise duties (USD 0.15), and MedTech destination inspection fee (USD 2.00).

<sup>78</sup> NOCAL, *Our Business*. Viewed at: <https://www.nocal.com.lr/ourBusiness#strategy>.

<sup>79</sup> Established under the National Oil Company of Liberia (NOCAL) Act, 2000, as amended in 2014.

<sup>80</sup> A Model Production Sharing Contract is intended to guide potential investors. Viewed at: [https://www.leiti.org.lr/sites/default/files/documents/2190-model-contract-national-oil-company-of-liberia-offshore-psa-2013\\_1.pdf](https://www.leiti.org.lr/sites/default/files/documents/2190-model-contract-national-oil-company-of-liberia-offshore-psa-2013_1.pdf).

<sup>81</sup> Petroleum Act Amendments of 2019.

<sup>82</sup> Liberia Revenue Code as Amended 2011. Viewed at: <https://mlmeliberia.files.wordpress.com/2018/10/revenue-code.pdf>.

4.88. Refining operations in Liberia have ceased, following the destruction of the only refinery during the civil war. Currently, a private refinery located in Monrovia (owned by the Conex Petroleum Group Inc.) is nearing completion with a capacity of 10,000 b/d. The refinery is expected to produce about 10,000 metric tonnes of petroleum products annually. Furthermore, the LPRC plans to construct a 50,000 b/d refinery in partnership with the private sector.

#### 4.4 Manufacturing

4.89. The Liberian manufacturing sector contributed about 6% to GDP in 2021 (Table 1.1). Liberia's manufacturing companies produce mainly for the domestic market. While there are a few large cement and beverage producers, most local companies are MSMEs that produce goods such as flour and bakery products, paints, mattresses, plastic, rubber products, clothing, steel rods, packaging materials, and household goods (Table 4.5). The importance of candle production reflects the state of Liberia's electricity supply, while the spike in demand for rubbing alcohol in 2020 was due to COVID-19 prevention measures.

4.90. In 2011, Liberia adopted an industrial policy framework to guide MoCI's activities.<sup>83</sup> The main thrust of the policy (now expired) was to move Liberia from a commodity producer and exporter towards local processing and value-addition.<sup>84</sup> The greatest potential for industrial development is seen in building on the country's agricultural, forestry, fish, and mineral resources.

4.91. The main policy instruments to encourage local manufacturing include:

- Tariffs – Manufacturing tariffs (ISIC 3) average 10.4% in 2023, down from 12% in 2017 (Table 3.2). Tariffs range from zero to 35% (Table A3.2). Clothing benefits on average from the highest level of tariff protection (20%);
- Incentives – Under the Liberia Revenue Code on Special Investment Incentives, manufacturing activities are eligible for investment incentives in terms of exemption from tariffs and GST on inputs and equipment. However, these incentives are conditional on export performance or local content criteria (Section 3.3.1);
- Foreign investment restrictions – There are few FDI restrictions for manufacturing activities. Foreign investment in ice cream manufacturing and bakeries is subject to minimum investment amounts of USD 300,000 to USD 500,00. Ice-making is a reserved activity for Liberians under the Investment Act, 2010 (Section 2.4.2); and
- Monrovia Industrial Park (MIP) and Special Economic Zone at Buchanan (Section 3.3.1). Currently, all but 4 of Liberia's 27 factories are located in the MIP.

**Table 4.5 Main manufacturing products, 2019-21**

	Unit	2019	2020	2021 <sup>a</sup>
Cement	mt	343,219	416,444	534,993
Beverages	litres	16,890,776	14,164,563	17,239,963
Bottled water	gallons	1,334,370,221	1,433,941,441	1,134,238,463
Paints	gallons	212,943	213,166	206,223
Candles	kg	94,416	71,274	48,416
Chlorox	litres	1,195,428	1,246,431	829,241
Rubbing alcohol	litres	308,650	493,786	306,268
Mattresses	pieces	100,040	103,353	129,454

a Estimate.

Source: Central Bank of Liberia, *Annual Report 2021*.

<sup>83</sup> MoCI (2011), *Industry for Liberia's Future*. Viewed at: <https://www.MoCI.gov.lr/doc/Industrial%20Policy%20-%20approved%20version.pdf>.

<sup>84</sup> MoCI, *Liberia National Trade Policy, 2014-2019*. Viewed at: [https://www.MoCI.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed\(2\).pdf](https://www.MoCI.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed(2).pdf).



## 4.5 Services

### 4.5.1 Overview

4.92. Services contributed about 37% to Liberia's GDP in 2021 (Table 1.1). The country is a net importer of services (Section 1.3.2). Liberia is involved in the AfCFTA Trade in Services negotiations.

4.93. Liberia has made substantial commitments under the GATS within the framework of its accession to the WTO.<sup>85</sup> It has scheduled open and non-discriminatory regimes for a range of service subsectors ("full" commitments), including in the area of business services, education, environment, health, and telecoms. The full commitments are without limitations on market access or national treatment, except mode 4, which is governed by Liberia's horizontal commitments. In addition, Liberia has made a number of "partial" commitments, where certain modes of supply are unbound or subject to other limitations.<sup>86</sup>

4.94. Under its horizontal GATS commitments that apply to all service subsectors, Liberia has scheduled reservations with respect to land ownership by foreigners and eligibility to receive subsidies. Liberia has also reserved flexibility to regulate the entry and temporary stay of foreign nationals (mode 4 is unbound), except for certain categories (business visitors, contractual services suppliers, and intra-corporate transferees). Business visitors may be granted a temporary visa of up to 90 days, renewable.

4.95. Liberia has scheduled Article II (MFN) exemptions covering all sectors to provide for, *inter alia*, national treatment to nationals from ECOWAS countries, and preferential treatment under bilateral investment treaties. It has also scheduled three MFN exemptions for audiovisual services, to allow for national treatment under (existing or future) bilateral or plurilateral agreements aimed at promoting cultural links; and another MFN exemption for public accounting to allow certified accountants from the United States to be recognized as equivalent to Liberian public accountants.

### 4.5.2 Financial services

4.96. Liberia's financial services regime is generally open to foreign investment and allows the establishment in the form of subsidiaries and branches of foreign financial institutions. Under Liberia's GATS commitments, all financial services subsectors are covered.<sup>87</sup> There are no limitations on modes 2 and 3, while mode 1 is generally unbound.<sup>88</sup>

4.97. In accordance with the New Financial Institutions Act (New FIA), 1999 and the Central Bank of Liberia Act, 1999, the CBL is responsible for regulating and supervising banking and non-bank financial institutions, financial services providers, and financial products, including insurance services. The CBL promulgates regulations, guidelines, and directives that set prudential standards and standards for market conduct. In addition, the CBL has a compliance and supervisory mechanism, using both off-site and on-site examination tools.

4.98. The non-bank financial services sector comprises (2022): 2 licensed mobile money operators; 184 registered foreign exchange bureaux; 14 licensed insurance companies; 9 licensed microfinance institutions; 2 deposit-taking microfinance institutions; 1 licensed development finance institution; 12 rural community finance institutions; 17 money remittance entities; 3 licensed fintechs; 134 credit unions; and 1,270 village savings and loan associations.

4.99. Significant, albeit pending, financial sector reforms include the following:

- An amended Financial Institutions Act is currently pending before Parliament. It would provide for a stronger bank resolution regime and give the CBL broad powers for dealing with distressed banks. It would enable the CBL to impose additional capital buffers set at

<sup>85</sup> WTO document GATS/SC/155, 6 September 2016.

<sup>86</sup> In total, Liberia has made 79 full and 31 partial market access commitments with respect to mode 3.

<sup>87</sup> With the exception of "other".

<sup>88</sup> WTO document WT/ACC/LBR/23/Add.2, 9 October 2015.



the level of individual banks. The development of a framework for risk-based supervision is under way.

- Liberia is making progress in strengthening its Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) framework. Draft AML/CFT legislation and a draft Act on the establishment of a Financial Intelligence Agency are pending before Parliament. The IMF notes that "Liberia will need to show alignment of its AML/CFT legal framework with the international AML/CFT standards and demonstrate effective implementation. Unless sufficient progress is made, Liberia risks being designated as a 'jurisdiction with increased monitoring', with adverse economic consequences".<sup>89</sup>

4.100. One of the Central Bank's priorities has been to regulate and facilitate electronic financial services to support the economic development of the country. Mobile money has become the main means of payment in Liberia.

#### 4.5.2.1 Banking services

4.101. According to the IMF and the CBL, the Liberian banking subsector has been "relatively stable" and resilient in the face of the impact of the pandemic.<sup>90</sup> The Liberian economy has been hampered by a lack of confidence in banks due to (seasonal) shortages of Liberian dollars, which has further boosted the dollarization of the economy.<sup>91</sup> In 2021, the CBL proceeded to a complete replacement of all Liberian dollar banknotes in an effort to restore public confidence in banks.

4.102. Liberia had nine licensed banks in 2022, including one state-owned bank (Liberian Bank for Development and Investment).<sup>92</sup> The banking subsector accounted for approximately 85% of the assets of the financial sector (totalling LRD 168.9 billion at end-2021). The key prudential indicators (capital adequacy ratio and liquidity ratio) were well above the minimum regulatory requirements. One of the subsector's weaknesses is the high number of non-performing loans (NPL), with an NPL to total loans ratio of 22.4% in 2021, up from 21.2% in 2020. Lending rates by commercial banks averaged 12.4% in 2021, against an average deposit rate of 3.5% (Table 1.2).

4.103. The key prudential requirements are:

- Minimum capital requirement of USD 10.0 million or its equivalent in Liberian dollars, which must be deposited in an escrow account in a local bank until the licence is granted, and be maintained at all times;
- Minimum Capital Adequacy Ratio, whereby the total qualifying regulatory capital divided by risk-weighted assets must be equal to or greater than 10%; and Qualifying Tier I capital divided by risk-weighted assets must equal at least 5%. The CBL may require certain target and trigger ratios for individual licensed bank depending on the bank's risk profile and risk management system as assessed by the CBL; and
- The liquidity ratio (as measured as the percentage of liquid assets to the deposits and designated liabilities) must be at least 15% and may be varied by the CBL within the statutory range of 5% to 25% (Section 17(I) of the New FIA).

<sup>89</sup> IMF (2022), *Liberia: 2022 Staff Report for the Article IV Consultation*, IMF Country Report 22/296, p. 19. Viewed at: <https://www.elibrary.imf.org/view/journals/002/2022/296/002.2022.issue-296-en.xml>.

<sup>90</sup> IMF, *Liberia – IMF Country Report No. 22/296*. Viewed at: <https://www.imf.org/-/media/Files/Publications/CR/2022/English/1LBREA2022001.ashx>; and CBL, *Annual Report 2021*. Viewed at: <https://www.cbl.org.lr/sites/default/files/documents/2021annualreport.pdf>.

<sup>91</sup> IMF (2022), *Liberia: 2022 Staff Report for the Article IV Consultation*, IMF Country Report 22/296, p. 43. Viewed at: <https://www.elibrary.imf.org/view/journals/002/2022/296/002.2022.issue-296-en.xml>.

<sup>92</sup> Liberian Bank for Development & Investment; Ecobank; International Bank Liberia; Global Bank Liberia; Sapelle International Bank Liberia; Union Bank for Africa; Access Bank Liberia; Guaranty Trust Bank Liberia; and Afriland First Bank Liberia. CBL, *Commercial Banks of Liberia Information*. Viewed at: <https://www.cbl.org.lr/general/commercial-banks-liberia-information>.

4.104. The establishment by a foreign bank of a subsidiary or branch requires, *inter alia*, a statement of supervisory adequacy by the home country's supervisory authority. The New FIA does not allow banks to engage in insurance business.

#### 4.5.2.2 Insurance services

4.105. The CBL is responsible (since 2013) for supervising the insurance sector. The amended and restated Act establishing the CBL of 2020 (Part II, Section 6 (O)) mandates the Central Bank to establish an Insurance Department within the CBL to strengthen oversight of the sector, and to transition within five years to a new regulatory body (Insurance Commission) that is independent of the Central Bank.<sup>93</sup>

4.106. The Insurance Department has since 2016 issued Regulations on Separation of Insurance Business; a Directive on Brokers; and Guidelines on Regulatory Reporting Requirements.<sup>94</sup> In 2017, the CBL implemented the automatic issuance of the ECOWAS Brown Card insurance for compulsory motor third-party liability.

4.107. In 2022, Liberia had 14 insurers (5 of which with majority foreign ownership), 4 licensed insurance brokers, and several insurance agents. Gross premia amounted to LRD 6.5 billion in the first three quarters of 2022 (about USD 40 million).

4.108. Foreign insurers are subject to the same regulatory framework as domestic insurers, according to the authorities. Insurers are required to maintain a minimum of 30% Liberian participation in their shareholding and/or ownership structure.<sup>95</sup> The minimal capital requirements are USD 750,000 for life companies, USD 1.5 million for non-life insurance companies, and USD 5.0 million for reinsurance companies.

4.109. Companies are allowed to engage in life and non-life business (but not reinsurance business), subject to minimum capital requirements for each class of business and separate reporting for each class. The CBL's 2018 Regulation on Separation of Insurance Business provides for companies, which are engaged in composite insurance business, to set up a holding company and have two distinct subsidiaries, i.e. a life company and a general (non-life) company. The subsidiaries must have different institutional setups, management teams, distribution channels, accounting, and reporting. However, due to market constraints, this is not fully implemented, according to the authorities.

4.110. For the most part, insurance companies incorporated and licensed in Liberia cover risks in the domestic market, except for travel insurance offered by a few companies. The current insurance laws do not explicitly prohibit Liberians from buying insurance abroad. For example, individuals and enterprises operating in Liberia and involved in marine cargo business usually have insurance for their goods prior to coming to Liberia, although Liberian companies offer the same services. The regulator is currently working on policies to set some restrictions.

4.111. There is no domestic reinsurance company in Liberia at the moment. Insurers use foreign reinsurers to transfer risks beyond their capacity. However, insurers are required to observe a 20% minimum retention of the total liability (excluding liability that is reinsured under a facultative insurance agreement).<sup>96</sup>

4.112. Motor third-party liability insurance and marine cargo insurance are mandatory. The premia for motor third-party liability insurance are set by the Ministry of Transport in consultation with the insurance industry; premia for non-mandatory insurance are market-determined.

<sup>93</sup> CBL, *Central Bank of Liberia Acts and By-Laws*. Viewed at: <https://www.cbl.org.lr/index.php/publications/document-type/central-bank-liberia-acts-and-laws>.

<sup>94</sup> CBL, *Insurance*. Viewed at: <https://www.cbl.org.lr/publications/document-type/insurance>.

<sup>95</sup> Section 7.0 of Regulation NO.CBL/RSD/INS/009/2016 concerning new capital requirements for insurance companies operating in Liberia. Viewed at: [https://www.cbl.org.lr/sites/default/files/documents/capital\\_requirements.pdf](https://www.cbl.org.lr/sites/default/files/documents/capital_requirements.pdf).

<sup>96</sup> Regulation NO.CBL/RSD/002/2016 Concerning Reinsurance Arrangements of Insurance Companies.

#### 4.5.2.3 Capital market

4.113. Liberia's capital market is underdeveloped. The country has no stock market at present. The main securities are debt instruments issued by the Central Bank (CBL bills) and the Government (treasury bills) that are purchased by commercial banks and retail investors. The CBL is seeking to facilitate the establishment of a secondary market for debt securities. Following its regulation on Licensing and Regulatory Requirements for Discount Houses, a discount house has been licensed to allow for intermediation between the CBL and the financial sector and to provide liquidity for financial securities.

4.114. With a view to attracting foreign investment, Liberia established a regulatory framework for a securities market in 2016 (Securities Market Act, 2016 and Central Depository Act, 2016).<sup>97</sup> According to the Securities Market Act, a Securities Exchange Commission is to be established under the CBL.

#### 4.5.3 Transport services

4.115. Liberia is a net importer of transport services. Investments in transport infrastructure are eligible for incentives (Section 3.3.1).

##### 4.5.3.1 Maritime transport

4.116. Liberia has made commitments under the GATS for international and domestic passenger and freight transport, with the exception of cabotage and certain auxiliary services to all modes of transport (cargo handling, storage and warehousing, and freight transport agency services). Liberia has also undertaken to open a range of essential port services on a non-discriminatory basis.

4.117. Under the Liberia Maritime Authority Act, 2010, the Liberia Maritime Authority (LMA) has the mandate to regulate the shipping sector and implement Liberia's obligations under the UN Convention on the Law of the Sea (UNCLOS) and other maritime treaties. As a founding member of the International Maritime Organization, Liberia is a party to the International Convention for the Safety of Life at Sea (SOLAS); the International Convention for the Prevention of Pollution from Ships (MARPOL); the International Convention on Standards for Training, Certification and Watch-keeping for Seafarers (STCW); the Maritime Labour Convention (MLC); and the Port State Control (PSC) system.

4.118. Liberia as a port state has the obligation to safeguard foreign ships that visit its ports, ensure the safety of the crew and passengers on board, and protect the environment from ship-sourced pollution. This is enforced by boarding and conducting PSC inspections in compliance with the relevant international maritime conventions, the Abuja MOU, the Tokyo MOU, and IMO Resolution A.1155(32) on Procedures for Port State Control.

4.119. In 2022, Liberia acceded to the Convention on Facilitation of International Maritime Traffic (FAL). The LMA has issued a Marine Notice to provide guidance on implementation of the FAL Convention to prevent unnecessary delays in maritime traffic and help government agencies in applying uniform procedures. Liberia has established a national facilitation committee to ensure a fast turnaround of vessels calling at Liberian seaports. The committee is composed of representatives from the LRA, Ministry of Health for port health services, the MOA for animal/plant quarantine, Liberia Immigration Services (LIS), and, if needed, the Liberia Drugs Enforcement Agency. Background checks are carried out on-vessel to determine the vessel safety record, last port of call, and nationality. The IMO number and physical condition of vessel are confirmed visually before boarding. All boarding parties must be concluded within 45-60 minutes.

4.120. The Liberian Open Registry is the second-largest ship registry in the world after Panama. More than 5,000 vessels are registered, totalling about 200 million gross tonnes, representing about 14% of the world's maritime fleet (Table 4.6). The Liberian flag is currently listed on the IMO Flag Performance White List and the U.S. Coast Guard Quality List (QUALSHIP 21) on the basis of compliance of its PSC regime with international rules on vessel safety, pollution prevention, and

<sup>97</sup> Act Adopting the Securities Market Act of Liberia 2016. Viewed at: <https://public.cbl.org.lr/doc/Securities%20Market%20Act%20-%202016.pdf>.

seafarers' living and working conditions. The Liberian Registry is administered by the Liberian International Ship & Corporate Registry, a private company based in the United States. Vessels in the Liberian Registry are taxed annually with a fixed fee based on the net tonnage of the vessel (tonnage tax).

4.121. In 2015, Liberia and China concluded an Agreement on Maritime Transport with provisions regarding favourable treatment in each other's ports.<sup>98</sup> The agreement provides for, *inter alia*, "owners of Liberian-flag vessels to be charged tonnage dues when visiting any port in the PRC at precisely the same rate as those charged to vessels that are lawfully registered and flagged with the PRC. The same benefits will reciprocally apply to Chinese-flag vessels entering and/or operating in Liberian ports".<sup>99</sup>

4.122. With respect to cabotage, Liberia requires all vessels operating in the Liberian waters to sign a memorandum of understanding to train a prescribed number of Liberian seafarers. Also, Liberia requires all seafarers operating on any such vessel to obtain a Liberian seafarer's book and officers' licences.

**Table 4.6 National fleet, 2015 and 2020**

Carrying capacity by type of ship ('000 DWT)	2015	2020
Total fleet	201,568.8	275,242.3
Oil tankers	60,017.5	92,112.3
Bulk carriers	73,345.4	116,478.0
General cargo	1,877.9	2,154.6
Container ships	44,796.5	47,571.5
Other types of ships	12,531.6	16,925.9

Source: UNCTAD Stat, *Maritime Transport*. Viewed at: <https://unctadstat.unctad.org/countryprofile/maritimeprofile/en-gb/430/index.html>.

4.123. The National Port Authority (NPA) is a state-owned authority/enterprise in charge of regulating and managing Liberia's four public ports (Monrovia, Buchanan, Greenville, and Harper). Liberia registered 384 port calls in 2021, mainly dry bulk carriers and container ships (Table 4.7).

4.124. The Freeport of Monrovia is Liberia's largest port, handling about 90% of its merchandise trade. It has a main pier of 600 metres capable of berthing three or four ships. The port is listed as an International Ship and Port Security (ISPS) certified Security Level 1 port. The port operates under a landlord port model under the supervision of the NPA. APM Terminals holds a concession to provide marine services and handle containerized and bulk cargo as a monopoly within a 30-mile radius of the port. The harbour dues are collected by APM Terminals and remitted to the NPA. The tariff of APM Terminals is subject to approval by the NPA. The following companies have been licensed to operate their own terminals at the Freeport: Firestone (rubber); China Union (iron ore); Western Cluster (iron ore); Srimex Oil & Gas Company (petroleum products); and Conex (petroleum products).

4.125. The Port of Buchanan handles most of the country's exports of iron ore, with ArcelorMittal holding the concession (25 years). There are also some exports of timber, which are handled by the NPA. Buchanan is certified as ISPS Security Level 1 port. The Port of Greenville handles mainly palm oil. Concessions are held by the plantation companies Golden Veroleum and Equatorial Palm. There are also some exports of timber, which are handled by the NPA. Greenville is certified as ISPS Security Level 2 port. The Port of Harper is the smallest port with a maximum depth of between 5 and 7 metres, handling mainly timber.

4.126. Liberia has plans to establish a dry port for cargo in the commercial town of Ganta, Nimba County. The facility is expected to help reduce congestion at the Freeport of Monrovia, diversify

<sup>98</sup> Agreement between the Government of Liberia and the Government of the People's Republic of China on Maritime Transport. Viewed at: <https://www.mofa.gov.lr/public2/doc/China%20Maritime%20Agreement.PDF> and <https://www.liscr.com/ChinaAgreement>.

<sup>99</sup> Liberian Corporate Registry (2016), "Liberia and PRC Conclude Historic Agreement on Maritime Transport", 12 February. Viewed at: <https://liberiancorporations.com/maritime/liberia-and-prc-conclude-historic-agreement-on-maritime-transport/>.

commercial activities from Monrovia to other regions of the country, and strengthen trade and transshipment to Guinea, Côte d'Ivoire, and Sierra Leone. About one third of Liberia's container volume is transported to the Ganta area, which serves as a hub for cargo destined to the south-eastern part of Liberia (due to the lack of direct road and rail connections from Monrovia to other parts of the country), as well as for cargo destined for Guinea and Côte d'Ivoire. Liberia has a 190 km railway linking Yekepa (the site of the ArcelorMittal iron ore mine near the borders with Guinea and Côte d'Ivoire) with the Port of Buchanan. The Yekepa railway passes near the planned dry port, which can be utilized to ease the transport of cargo destined for the hinterland.

4.127. In 2020, an agreement between Liberia and Guinea entered into force, to ensure open, non-discriminatory access to the railway and related infrastructure, and enable transport of mining products from Guinea through the Yekepa-Buchanan corridor.<sup>100</sup> The new National Railway Authority is to oversee Liberia's railway access regime.

**Table 4.7 Vessel throughput at Liberia's ports, 2016-21**

(tonnes, unless indicated otherwise)

	Fiscal year				Calendar year
	2016/17	2017/18	2018/19	2019/20	2021
Number of vessels	400	429	460	444	384
Summer deadweight tonnage	8,471,835	11,879,462	15,313,178	14,831,685	11,840,117
Containers (TEUs)	85,857	87,263	96,289	83,236	122,311
Import cargo throughput	1,766,254	2,849,784	1,954,928	1,714,847	3,219,102
Export cargo throughput	1,937,067	3,634,491	5,277,922	5,327,753	4,388,984
Total cargo throughput	3,703,321	6,484,274	7,232,850	7,042,601	7,608,087

Source: Information provided by the authorities.

#### 4.5.3.2 Air transport

4.128. Air transport policy is part of the portfolio of the Liberia Civil Aviation Authority (LCAA), according to the authorities. The sector is regulated by the LCAA in accordance with the Liberia Civil Aviation Authority Act, 2019.<sup>101</sup> The Standards and Recommended Practices (SARP), as contained in Annex 9 of the Chicago Convention, have been incorporated following an amendment of the Act.

4.129. Liberia is a member of the International Civil Air Organization (ICAO), the African Civil Aviation Commission, the Yamoussoukro Decision, and the Banjul Accord Group. The upper air traffic (10,000 ft and above) is allocated to the Roberts Flights Information Region (RFIR). The LCAA may issue 3<sup>rd</sup>, 4<sup>th</sup>, or 5<sup>th</sup> Air Freedom rights once the operators provide satisfactory documents regarding air safety. According to the authorities, Liberia favours the coverage of the 5<sup>th</sup> air freedom rights by its international agreements on air transport.

4.130. Liberia has nine bilateral Air Service Agreements in force (Table 4.8). Liberia does not have a national flag carrier airline. Cabotage is not permitted to foreign carriers. At present, there are six international airlines serving eight destinations: Royal Air Maroc (Casablanca); Brussels Airlines (Brussels); Kenya Airways (Accra, Ghana; Nairobi, Kenya); Air Côte d'Ivoire (Abidjan); ASKY Airlines (Accra, Ghana; Lomé, Togo); and Air Peace (Accra, Ghana; Lagos, Nigeria). DHL provides cargo flights to Liberia.

**Table 4.8 Liberia's bilateral air service agreements**

Country	Date signed	Entry into force
Belgium	17 July 2019	
Romania	28 November 1974	28 October 1980
Korea, Republic of	13 June 1978	23 August 1978
Congo, Democratic Republic of	27 September 1973	14 September 1977
Germany	6 February 1976	19 July 1977

<sup>100</sup> EO No. 112. Viewed at: <https://www.emansion.gov.lr/doc/Executive%20Order%20112%20-%20Establishment%20of%20the%20National%20Railway%20Authority.pdf>.

<sup>101</sup> An Act Amending and Restating "An Act to Create an Independent Civil Aviation Authority, to Provide for Regulation and Promotion of Civil Aviation in Liberia, to Foster its Safe and Orderly Development, and for other Purposes Incidental Thereto" and to Create the Liberia Civil Aviation Act of 2019. Viewed at: [https://lcaa.gov.lr/sites/default/files/documents/LCAA%20Act%20of%202019%20%28Full%20Page%20Document%29\\_0.pdf](https://lcaa.gov.lr/sites/default/files/documents/LCAA%20Act%20of%202019%20%28Full%20Page%20Document%29_0.pdf).

Country	Date signed	Entry into force
United Kingdom	26 September 1975	10 February 1976
France	13 January 1966	13 January 1966
Switzerland	31 August 1960	3 April 1962
Sweden	9 December 1959	20 April 1960

Source: LCAA.

4.131. The Liberia Airport Authority (LAA) has managerial and operational control of all airports and facilities in Liberia. Liberia adopted an air transport facilitation programme in 2021 aimed at improving the efficiency of border clearance formalities, while ensuring security and effective law enforcement. The LAA and the airport operators are expected to continuously consult with aircraft operators, control agencies, and other stakeholders to ensure that satisfactory facilities and services are provided for rapid handling and clearance of crew, passengers, cargo, baggage, mail, and storage.

4.132. Liberia's international airport – Roberts International Airport (RIA) at Monrovia – serves nearly 100,000 passengers annually (Table 4.9). A New Terminal Upgrade and Expansion Project was completed in 2018. The airport provides the following services:

- Ground-handling services: National Aviation Services (NAS).
- Cargo-handling services: General Logistics Services (GLS) & NAS.
- Aircraft catering services: Newrest.
- Air traffic control services: LCAA.
- Aircraft refuelling: Conex.
- Terminal operations: LAA / RIA.
- Rescue and firefighting services: LAA / RIA.
- Aviation security: LAA / RIA; to be outsourced to SASS (foreign service provider).

4.133. The licensed domestic airport<sup>102</sup> – James Spriggs Payne Airport located at Sinkor Airfield near Monrovia – is currently served by Eco World Airlines, a new commercial carrier that started domestic operations in January 2023; and by MAF, an international NGO involved in humanitarian and medical operations.

**Table 4.9 Passenger arrivals by air transport, 2016-21**

	2016	2017	2018	2019	2020	2021
Air Côte d'Ivoire	11,400	14,465	12,891	9,868	7,066	8,246
Air France						14,316
Arik Air Limited	11,724	7,831	11,183	7,108	3,967	6,010
Africa World		203	4,366	5,906	4,808	4,970
Asky Airlines		1,029	6,099	9,993	12,485	8,898
Air Peace			2,415	9,408	3,407	8,595
Brussels Airlines	20,520	17,116	19,366	23,153	28,942	17,972
Kenya Airways	21,200	20,591	16,419	15,429	11,104	12,761
KLM		10,430	13,615	755		
Med View Airline	121	4,572	545			
Royal Air Maroc	20,544	15,755	13,800	14,457	5,764	11,456
<b>Total</b>	<b>85,509</b>	<b>91,992</b>	<b>100,699</b>	<b>96,077</b>	<b>77,543</b>	<b>93,224</b>

Source: Information provided by the authorities.

<sup>102</sup> There are also nine serviceable airports/airstrips.



#### 4.5.4 Telecommunication and postal services

4.134. Under the GATS, Liberia has scheduled "full" commitments for telecom services and accepted the telecommunications reference paper.<sup>103</sup>

4.135. Under the Telecommunications Act, 2007, the state-owned Liberia Telecommunications Corporation (LIBTELCO) has the mandate as national operator to assist, *inter alia*, "in the provision of secure telecommunications networks, facilities and services to Government agencies and entities at competitive prices".<sup>104</sup>

4.136. Liberia's mobile telecoms market is open to new market entrants, including foreign operators, according to the authorities. Lonestar Cell MTN and Orange Liberia are designated as dominant operators by the regulator. Both operators provide 3G/4G services with their own networks in and around Monrovia and 2G services elsewhere. In 2020, LIBTELCO was granted a licence to offer mobile network services, following an amendment to the Telecommunications Law, 2007.<sup>105</sup> LIBTELCO (now LTC Mobile) has not yet begun to provide mobile service.

4.137. Internet services are still underdeveloped.<sup>106</sup> Internet penetration was about 49% in 2021 (Table 4.10). At present, there is no national fibre-optic backbone network apart from fibre-based local loops deployed by LIBTELCO, CSquared, and Orange Liberia to serve larger customers in Monrovia. Mobile Internet and broadband services are available through the GSM mobile network operators and Internet service providers (ISPs). The high subscription cost and limited bandwidth of connections mean that Internet access is expensive and Internet speed rates are low.

4.138. A public-private joint venture (called CSquared) between Google, Mitsui & Co (Japan), Convergence Partners (South Africa), and the World Bank is currently engaged in building a fibre-optic ring around Greater Monrovia to improve broadband penetration. In 2021, CSquared was also granted a licence to extend the fibre-optic network from Monrovia to the borders with Guinea and Côte d'Ivoire. Once completed, more than 13 towns outside of Monrovia are expected to have broadband Internet access for the first time.<sup>107</sup>

4.139. International connectivity has been ensured since 2014 through the African Coast to Europe (ACE) submarine cable with a landing station in Monrovia, with three licensees (LIBTELCO, Lonestar, and Orange) connecting their networks to the ACE cable facility. The Cable Consortium of Liberia (CCL) operates as a public-private partnership to ensure the effective utilization and operation of the ACE landing station. The CCL is owned by the Government of Liberia (55%), LIBTELCO (20%), Lonestar Cell MTN (10%), and Orange (10%). The level of ownership determines the capacity available to the operators, but operators may also purchase capacity from each other, especially from the Government share. The owners can also sell capacity to each other and to other licensed Internet providers and mobile operators, especially those who entered the market following the establishment of the CCL.

<sup>103</sup> WTO document WT/ACC/LBR/23/Add.2, 9 October 2015.

<sup>104</sup> LTA Exemption Order No. 4 of 2011.

<sup>105</sup> A Supplementary Act to the Telecommunications Act of 2007. Viewed at: [https://www.wto.org/english/thewto\\_e/acc\\_e/lbr\\_e/wtacclbr15\\_leg\\_10.pdf](https://www.wto.org/english/thewto_e/acc_e/lbr_e/wtacclbr15_leg_10.pdf).

<sup>106</sup> Liberia Information and Communications Technology (ICT) Policy (2019-2024). Viewed at: <http://www.ltcmobile.com.lr/res/pdf/ApprovedNationalICTPolicy2019-2024Liberia.pdf>.

<sup>107</sup> CSquared, Liberia. Viewed at: <https://www.csquared.com/index.php/services/liberian-market/>; U.S. International Trade Administration, Liberia – Country Commercial Guide: Telecommunication (Last published date: 3 August 2022). Viewed at: <https://www.trade.gov/country-commercial-guides/liberia-telecommunication>.



**Table 4.10 Selected telecoms indicators, 2018-21**

	2018	2019	2020	2021
Mobile network operators (No.)	2	2	2	3
ISPs (No.)	8	8	7	7
Penetration of telephony (%)	77	72	76	78
Internet penetration (%)	39	47	49	49
Operators' gross revenues (USD million)	106.8	112.9	141.2	150.3
Sector tax revenues (USD million)	23.9	24.9	32.7	50.3

Source: Information provided by the authorities.

4.140. The Ministry of Posts and Telecommunications is responsible for government policy in the area of telecoms and information technology and has oversight of postal services. The Ministry has developed a National Telecommunication and ICT Policy 2019-24.<sup>108</sup> The key challenges are to accelerate the use of ICT services, which is lagging behind that of Liberia's West African neighbours, and to help correct the disparities within Liberia with regard to access and affordability of ICT services.

4.141. The Liberia Telecommunications Authority (LTA) was established in 2007 as an independent regulatory and competition authority for telecom services.<sup>109</sup>

4.142. The Telecommunications Act, 2007 provides for two types of licences. Class licences are issued for a period of 12 months, renewable annually. Individual licences are issued for up to 15 years. The award procedure (e.g. competitive bidding, and first-come, first-served) is determined by the LTA.

4.143. Besides corporate tax (25%) and GST (10%), telecom service providers are subject to the following taxes and fees:

- Surtax: 5% (charged on the same basis as the GST).<sup>110</sup>
- Regulatory fee: 9% (charged on the same basis as the GST).
- Licence fees: mobile network operators – USD 250,000 plus 3% of annual gross revenues plus annual spectrum authorization fee (USD 100,000); infrastructure network operators – USD 150,000 plus 3% of annual gross revenues plus annual spectrum authorization fee (USD 50,000); ISPs – USD 10,000 plus 3% of annual gross revenues plus annual spectrum fee (USD 3,000).
- Universal Access contribution – 0.05% of gross annual revenues.
- International inbound call – USD 0.14 per minute.
- International outbound call – USD 0.05 per minute.

4.144. Telecom tariffs and other fees such as interconnection fees charged by the dominant service providers are subject to approval by the LTA. LIBTELCO is subject to all regulatory and spectrum fees but is exempt from licence fees.

4.145. With the competition between Lonestar Cell MTN and Orange Liberia, Liberia experienced substantial price reductions for voice and data services. The authorities note, however, that predatory pricing practices forced smaller competitors to exit the market and created a barrier for new market entrants. Annual sector revenue dropped by more than half in 2017-18, investment stagnated, and the quality of service became problematically low. The regulator found a manifest

<sup>108</sup> *Liberia Information and Communications Technology (ICT) Policy (2019-2024)*. Viewed at: <http://www.ltcmobile.com.lr/res/pdf/ApprovedNationalICTPolicy2019-2024Liberia.pdf>.

<sup>109</sup> The LTA was created by the Telecommunications Act, 2007 (Telecom Act 2007).

<sup>110</sup> "An additional 5 percent surtax applies to telecommunications services specified in Section 1022(a) (2)." Viewed at: <https://revenue.lra.gov.lr/wp-content/uploads/2021/08/REVENUE-CODE-LIBERIA-REVENUE-CODE-AMENDEMENT-2020-min.pdf>.

need for intervention to save the two main competitors from ruinous competition and a return to a monopoly in telecom services. Aware of Liberia's history of telecoms monopoly, the regulator was also concerned about the impact on consumers, according to the authorities.

4.146. Thus, in October 2019, the LTA established a tariff floor for mobile voice services (USD 0.0156 per minute) and for mobile data services (USD 0.00218 per megabyte) to ensure market stability and create a level playing field for competitors.<sup>111</sup> The Floor Price Order set the prices of voice and data higher than what the operators were offering. As the market settled on the high prices under the Floor Price Order and market returned to growth, operators started lowering their prices below the price floor in search of market shares. The price reductions were not uniformly carried out by the two operators. The average drop in the effective price per minute reached 26% for voice, while the average price for megabyte of data dropped by 35% between October 2021 and March 2022. The regulator cited the operators for hearings, the operators admitted to a violation of the Floor Price Order, and undertook to, and did, work towards compliance, according to the authorities. Even with the lowered prices, sector revenues continued to grow.

4.147. Liberia has a universal services policy to secure affordable and universal access to voice and broadband services for all citizens. The Universal Access Fund (UAF) has been operational since 2017. The universal access programme is implemented through an interagency structure comprising the ministries of Posts and Telecommunications, Finance and Development Planning, and Internal Affairs; the LTA; licensed service providers; and a representative from the consumer community. The programme is managed by the Universal Access Governing Board chaired by the Ministry of Posts and Telecommunications and the Implementation Committee chaired by the LTA. The licence issued to service providers contains a requirement to contribute to the UAF.

4.148. The Liberia Posts is administered by the Department of Operations at the Ministry of Posts and Telecommunications, which serves as the designated postal operator and regulator, including of private courier service providers. According to the authorities, Liberia has no postal policy, and its Postal Law is obsolete. A new postal law would need to decentralize operations and transform the Post into a commercial business entity.

4.149. According to authorities, none of the postal services are under government monopoly. The Ministry provides, amongst others, regular mail services (ordinary mail, outbound registered letters and small packets, outbound parcels services), and home and institutional mail delivery services to subscribers. Expedited Mail Services are provided in competition with private courier providers. Furthermore, the Ministry has introduced physical and digital addressing services, and postal financial services.

#### 4.5.4.1 Tourism

4.150. Tourism in Liberia is in the early stages of development. There is a lack of accurate and up-to-date tourism data (Table 4.11). Tourist arrivals are estimated at about 38,000 annually for 2018-19, mainly coming from the United States and Ghana.

4.151. The Ministry of Information, Cultural Affairs & Tourism (MICAT) is responsible for tourism policy and regulation. The Liberia National Tourism Authority Act, 2020 was passed by Parliament for assent by the President, which mandates the new agency to regulate and promote tourism. At present, the Liberia National Tourism Association (LINTA)<sup>112</sup> and the Tourism Association of Liberia (TAL) promote tourism industry in Liberia, working in close collaboration with the Ministry.

4.152. A Liberian National Export Strategy on Tourism for 2016-20 was developed with the assistance of the ITC.<sup>113</sup> The greatest potential is seen in the areas of surfing tourism; ecotourism; wildlife tourism; and cultural and heritage tourism. Also, Liberia has launched a Tourism Marketing and Branding Strategy, and made an Economic Impact Assessment for a visa-on-arrival scheme to ease visa-related constraints.

<sup>111</sup> Orange (2019), "PSA for LTA New Regulatory Order 0016-02-25-19 on Floor Prices", 1 September. Viewed at: <https://www.orange.com.lr/en/psa-lta-floor-prices-orange-liberia.html>.

<sup>112</sup> Liberia National Tourism Association. Viewed at: <https://linta.wildapricot.org/>.

<sup>113</sup> ITC, *Liberian National Export Strategy on Tourism, 2016-2020*. Viewed at: <https://www.MoCI.gov.lr/doc/LIBERIA%20NATIONAL%20TOURISM%20STRATEGY.1.pdf>.

4.153. There are about 130 tourist accommodations in the country, according to the authorities. Tourist establishments must be registered with the MICAT and require annual permits. The fees range from USD 300-USD 700 for hotels and USD 200 for guest houses (Policy Guidelines). Registration and licensing requirements are only in part implemented because of limited logistics support to ensure compliance.

4.154. Liberia has made "partial" GATS commitments with respect to tourism services.<sup>114</sup> For instance, commercial presence in restaurants and "other lodging services" is subject to minimum foreign investment amounts. Foreign investors in tour operators (excluding airline ticket issuance services) must form a joint venture or partner with a Liberian natural or juridical person. Under the Investment Act, 2010, travel agency services are reserved for Liberians (Section 2.4.2). Investment in the tourism sector is eligible for incentives (Section 3.3.1).

**Table 4.11 Tourism indicators, 2016-19**

	2016	2017	2018	2019
International tourism arrivals	..	..	..	..
International tourism receipts (USD million)	..	..	..	1.9
Travel exports (USD million)	6.1	11.1		1.9
Travel imports (USD million)	3.5	6.0	7.7	5.7

.. Not available.

Source: UN World Tourism Organization, *Global and Regional Tourism Performance*. Viewed at: <https://www.unwto.org/tourism-data/global-and-regional-tourism-performance>; and World Travel and Tourism Council, *Economic Impact Reports*. Viewed at: <https://wtcc.org/research/economic-impact>.

<sup>114</sup> WTO document GATS/SC/155, 6 September 2016.

## 5 APPENDIX TABLES

Table A1.1 Merchandise trade by group of products, 2016-21

	2016	2017	2018	2019	2020	2021 <sup>a</sup>
<b>Exports (USD million)</b>	<b>279.4</b>	<b>358.3</b>	<b>548.5</b>	<b>542.9</b>	<b>607.7</b>	<b>878.5</b>
	(% of total exports)					
Iron ore	17.3	13.6	26.5	43.2	47.6	39.5
Rubber	20.0	21.5	12.5	15.8	13.5	12.5
Minerals	52.0	55.8	47.0	33.2	34.0	40.5
Gold	..	..	..	30.3	32.0	38.7
Diamond	..	..	..	3.0	2.0	1.7
Palm oil	..	1.9	1.8	2.1	0.6	3.7
Other	10.8	7.2	12.3	5.7	4.3	3.8
<b>Imports (f.o.b. basis) (USD million)</b>	<b>1,201.1</b>	<b>997.9</b>	<b>1,041.1</b>	<b>933.8</b>	<b>998.0</b>	<b>1,337.7</b>
	(% of total imports)					
Food and live animals	22.3	28.0	27.2	28.3	25.5	26.6
of which rice	7.9	12.6	10.7	14.3	12.2	13.9
Mineral, fuel, lubricants	28.1	21.7	14.8	15.5	19.0	16.6
of which petroleum products	24.8	19.3	10.5	12.4	16.2	10.3
Machinery and transport equipment	22.6	22.2	24.8	22.5	23.2	26.6
Other	27.0	28.0	33.2	33.6	32.4	30.2

.. Not available.

a Estimate.

Note: The information is derived from the Balance of Payments.

Source: WTO Secretariat estimates, based on Central Bank of Liberia, *Annual Report*, various editions 2018-21.

**Table A1.2 Merchandise exports by destination, 2016-21**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021<sup>a</sup></b>
<b>Exports (USD million)</b>	<b>279.4</b>	<b>358.3</b>	<b>548.5</b>	<b>542.9</b>	<b>607.7</b>	<b>878.5</b>
	(% of total exports)					
Africa	16.9	4.3	3.6	4.0	1.3	2.4
ECOWAS	16.8	2.9	2.5	3.8	1.2	1.4
China	3.8	0.1	0.2	5.9	5.5	0.4
United Arab Emirates	0.6	1.1	0.7	4.5	2.8	1.2
India	..	..	..	0.0	0.1	1.3
Switzerland	0.04	2.0	40.8	27.8	29.5	38.1
Eurozone	0.6	0.2	0.1	34.5	46.5	44.0
United States	12.1	15.7	10.7	9.5	7.1	8.0
Mexico	[..]	[..]	0.1	1.1	0.2	0.2
Other	66.0	76.6	43.8	12.7	7.0	4.5

.. Not available.

a Estimate.

Source: WTO Secretariat estimates, based on Central Bank of Liberia, *Annual Report*, various editions 2018-21.

**Table A1.3 Merchandise imports by origin, 2016-21**

	2016	2017	2018	2019	2020	2021 <sup>a</sup>
<b>Imports (USD million)</b>	<b>1,201.1</b>	<b>997.9</b>	<b>1,041.1</b>	<b>933.8</b>	<b>998.0</b>	<b>1,337.7</b>
	(% of total imports)					
Africa	30.1	23.3	16.3	17.4	21.3	18.3
ECOWAS	27.5	21.1	13.7	15.2	18.7	15.2
China	14.9	18.4	21.9	20.4	17.8	14.4
United Arab Emirates	3.8	3.0	1.2	1.7	1.9	2.5
India	..	13.7	17.4	19.6	17.6	20.8
Switzerland	..	..	..	0.1	0.1	0.1
Eurozone	5.6	3.2	3.1	2.1	9.6	2.7
United States	7.3	7.9	6.5	6.3	6.8	4.8
Brazil	..	1.9	1.6	2.0	1.8	1.8
Australia	0.3	0.3	0.1	0.1	0.4	0.5
Other	38.0	28.3	31.9	30.2	22.9	34.1

.. Not available.

a Estimate.

Source: WTO Secretariat estimates, based on Central Bank of Liberia, *Annual Report*, various editions 2018-21.

**Table A3.1 Liberia's applied MFN tariff summary, 2017, 2023, and ECOWAS CET**

	2017		2023		ECOWAS CET	
	Simple average (%)	Tariff range (%)	Simple average (%)	Tariff range (%)	Simple average (%)	Tariff range (%)
<b>All products</b>	<b>11.8</b>	<b>0-35</b>	<b>10.3</b>	<b>0-35</b>	<b>12.1</b>	<b>0-35</b>
HS 01-24	15.1	5-35	11.6	5-35	16.2	5-35
HS 25-97	11.1	0-35	10.1	0-35	11.2	0-35
<b>By WTO category</b>						
<b>WTO agricultural products</b>	<b>14.3</b>	<b>5-35</b>	<b>11.2</b>	<b>5-35</b>	<b>15.6</b>	<b>5-35</b>
Animals and products thereof	20.5	5-35	10.4	5-20	24.1	5-35
Dairy products	14.2	5-35	12.7	5-35	16.0	5-35
Fruit, vegetables, and plants	15.9	5-35	11.1	5-20	17.6	5-35
Coffee and tea	13.7	5-35	11.4	5-20	14.2	5-35
Cereals and preparations	12.8	5-35	10.5	5-20	13.6	5-35
Oils seeds, fats, oil and their products	10.9	5-35	10.2	5-20	12.3	5-35
Sugars and confectionery	13.6	5-35	11.0	10-20	13.5	5-35
Beverages, spirits and tobacco	17.0	5-35	15.6	5-20	17.2	5-35
Cotton	5.0	5.0	5.0	5.0	5.0	5.0
Other agricultural products, n.e.s.	9.4	5-22	10.4	5-20	9.5	5-20
<b>WTO non-agricultural products</b>	<b>11.4</b>	<b>0-35</b>	<b>10.2</b>	<b>0-35</b>	<b>11.5</b>	<b>0-35</b>
Fish and fishery products	15.5	5-20	12.3	5-20	15.9	5-20
Minerals and metals	10.8	0-22	10.4	0-20	11.7	0-20
Chemicals and photographic supplies	7.6	0-35	7.1	0-35	7.7	0-35
Wood, pulp, paper and furniture	11.9	0-22	11.5	0-20	11.9	0-20
Textiles	15.9	0-35	12.6	0-20	16.3	0-35
Clothing	20.0	20.0	20.0	20.0	20.0	20.0
Leather, rubber, footwear and travel goods	13.0	0-22	12.4	0-20	12.9	0-20
Non-electric machinery	7.2	5-22	7.1	5-20	7.0	5-20
Electric machinery	11.0	0-22	9.5	0-20	11.3	0-20
Transport equipment	9.9	0-20	9.1	0-20	8.7	0-20
Non-agricultural products, n.e.s.	14.3	0-22	11.5	0-20	14.4	0-20
Petroleum	8.3	0-10	9.2	0-10	7.9	0-10
<b>By ISIC sector</b>						
ISIC 1 - Agriculture, hunting and fishing	11.2	5-35	9.7	5-20	9.7	5-20
ISIC 2 - Mining	5.2	0-10	7.6	0-15	7.6	0-15
ISIC 3 - Manufacturing	12.0	0-35	10.4	0-35	10.4	0-35
ISIC 4 - Electrical energy	5.0	5.0	5.0	5.0	5.0	5.0
<b>By stage of processing</b>						
First stage of processing	10.0	0-35	9.5	0-20	10.4	0-35
Semi-processed products	9.7	0-35	8.6	0-20	10.0	0-35
Fully processed products	13.4	0-35	11.5	0-35	13.7	0-35



	2017		2023		ECOWAS CET	
	Simple average (%)	Tariff range (%)	Simple average (%)	Tariff range (%)	Simple average (%)	Tariff range (%)
<b>By HS section</b>						
01 Live animals and products	16.0	5-35	11.5	5-35	17.2	5-35
02 Vegetable products	12.5	5-26	9.9	5-20	13.8	5-35
03 Fats and oils	13.6	5-35	11.8	5-20	15.4	5-35
04 Prepared food, beverages and tobacco	17.5	5-35	14.0	5-20	18.3	5-35
05 Mineral products	6.2	0-20	7.6	0-20	6.1	0-20
06 Chemicals and products thereof	7.2	0-35	6.7	0-35	7.2	0-35
07 Plastics, rubber, and articles thereof	10.2	0-20	10.3	0-15	10.8	0-20
08 Raw hides and skins, leather, and its products	13.3	5-22	11.8	5-15	12.3	5-20
09 Wood and articles of wood	12.8	5-20	12.7	5-20	12.8	5-20
10 Pulp of wood, paper and paperboard	10.0	0-20	10.0	0-20	10.1	0-20
11 Textiles and textile articles	16.7	0-35	14.3	0-20	16.9	0-35
12 Footwear, headgear, etc.	15.8	10-22	12.9	10-15	15.8	10-20
13 Articles of stone, plaster, cement	15.1	5-20	13.7	5-20	16.7	5-20
14 Precious stones and metals, pearls	11.6	5-22	13.5	5-20	10.4	0-20
15 Base metals and articles thereof	11.3	5-20	10.5	5-20	12.5	5-20
16 Machinery, electrical equipment, etc.	8.6	0-22	8.0	0-20	8.5	0-20
17 Transport equipment	9.9	0-20	9.1	0-20	8.8	0-20
18 Precision equipment	11.1	0-22	9.9	0-15	10.7	0-20
19 Arms and ammunition	14.8	10-20	10.0	5-15	14.9	10-20
20 Miscellaneous manufactured articles	19.1	5-22	14.3	5-20	18.5	5-20
21 Works of art, etc.	16.0	14-20	11.1	10-20	20.0	20.0

Note: The 2017 tariff is based on HS17 nomenclature (6,233 lines at the 10-digit tariff line level). The 2022 tariff and CET tariff are based on HS22 nomenclature (6,440 and 6,381 lines at the 10-digit tariff line level, respectively).

Source: WTO Secretariat calculations, based on data provided by the authorities.

**Table A3.2 Tariff lines where the applied rate exceeds the binding, 2023**

Tariff code	2023 tariff as reported	ECOWAS CET	Bound rate
HS 3917 Tubes, pipes and hoses, and fittings therefor of plastics. 3917399000	15	20	10
HS 3926 Other articles of plastics and articles of other materials of headings 39.01 to 39.14. 3926901000	10	5	5
HS 4901 Printed books, brochures, leaflets and similar printed matter 4901999000	7.5	0	0
HS 8415 Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity 8415101000	10	5	5
8415901000	10	5	5
HS 8418 Refrigerators, freezers and other refrigerating or freezing equipment, electric or other 8418101000	10	5	5 or 25 <sup>a</sup>
8418301000	10	5	5
8418401000	10	5	5
8418610000	10	5	5
8418690000	10	5	5
HS 8419 Machinery, plant or laboratory equipment cooking, roasting 8419500000	10	5	5
8419900000	10	5	5
HS 8421 Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases 8421211000	10	5	5
8421219000	10	5	5
8421230000	10	5	5
8421290000	10	5	5
8421310000	10	5	5
8421391000	10	5	5
8421399000	10	5	5
HS 8443 Printing machinery used for printing by means of plates, cylinders and other printing components of heading 84.42 8443319000	7.5	5	5
8443399000	7.5	5	5
HS 8471 Automatic data processing machines and units thereof 8471301000	10	5	5
8471309000	10	5	5
8471411000	10	5	5
8471419000	10	5	5
8471491000	10	5	5
8471499000	10	5	5
8471501000	10	5	5
8471509000	10	5	5
8471601000	10	5	5
8471609000	10	5	5
8471701000	10	5	5
8471709000	10	5	5
8471801000	10	5	5
8471809000	10	5	5
8471900000	10	5	5
HS 8508 Vacuum cleaners 8508700000	15	10	10
HS 8522 Parts and accessories suitable for use solely or principally with the apparatus of heading 85.19 or 85.21 8522900000	15	10	10
HS 8523 Discs, tapes, solid-state non-volatile storage devices, «smart cards» and other media for the recording of sound or of other phenomena 8523299000	15	20	10
HS 8525 Transmission apparatus for radio-broadcasting or television 8525500000	10	5	5
8525600000	10	5	5

Tariff code	2023 tariff as reported	ECOWAS CET	Bound rate
HS 8526 Radar apparatus, radio navigational aid apparatus and radio remote control apparatus.			
8526100000	10	5	5
8526910000	10	5	5
8526920000	10	5	5
HS 8528 Monitors and projectors, not incorporating television reception apparatus			
8528420000	10	5	5 or 40 <sup>b</sup>
8528520000	10	5	5 or 40 <sup>b</sup>
8528620000	10	5	5 or 20 <sup>c</sup>
8528711000	10	5	5
HS 8531 Electric sound or visual signalling apparatus			
8531100000	10	5	5
8531900000	10	5	5
HS 8539 Electric filament or discharge lamps, including sealed beam lamp units and ultra-violet or infra-red lamps			
8539520000	20	20	10
HS 8541 Semiconductor devices			
8541410000	5	5	0
8541490000	5	5	0
HS 8542 Electronic integrated circuits			
8542330000	10	10	5 or 10 <sup>d</sup>
HS 8543 Electrical machines and apparatus			
8543401000	20	20	10
HS 8703 Motor cars and other motor vehicles principally designed for the transport of persons			
8703231100	10	5	5
8703241100	10	5	5
HS 8707 Bodies (including cabs), for the motor vehicles of headings 87.01 to 87.05			
8707101000	10	5	5
HS 8802 Other aircraft, except unmanned aircraft of heading 88.06			
8802110000	10	5	5
8802120000	10	5	5
8802200000	10	5	5
8802300000	10	5	5
8802400000	10	5	5
HS 8805 Aircraft launching gear; deck-arrestor or similar gear; ground flying trainers; parts of the foregoing articles			
8805290000	10	5	5
HS 8906 Other vessels, including warships and lifeboats other than rowing boats			
8906900000	15	10	10
HS 9013 Lasers, other than laser diodes; other optical appliances and instruments			
9013800000	15	10	10
9013900000	15	5	5
HS 9027 Instruments and apparatus for physical or chemical analysis			
9027200000	15	5	5
9027300000	15	5	5
9027500000	15	5	5
9027810000	15	5	5
9027890000	15	5	5
9027900000	15	5	5

a Bound at 5% for combined refrigerator-freezers, fitted with separate external doors (presented CKD of a kind used in the assembly industry).

b Bound at 5% for an automatic data processing machine, solely or principally used in an automatic data processing system.

c Bound at 5% for capable of directly connecting to and designed for use with an automatic data processing machine, solely or principally used in an automatic data processing system.

d Bound at 5% for amplifiers (multicomponent integrated circuits).

Source: WTO Secretariat calculations based on the applied tariff information provided by the authorities; and Liberia's bound schedule in the CTS database.