



Country Update

Liberia: A Trade Profile

By Emmeline Perreve

Introduction

Liberia is a country in West Africa. It is surrounded by the Atlantic Ocean (South), Sierra-Leone (North-West), Guinea (North) and Ivory Coast (East). It is one of the Least Developed Countries (LDC). In the

following note, the aim is to outline the major indicators of that country including the basic social and economic indicators, trade profile (key exports, key imports, trade agreements), the trade and related policies and finally the trade-related stakeholders consultation fora.

Table 1: Basic social and economic indicators (2019, unless otherwise stated)

Demography	
Population ¹	4 937 000
Population growth rate (average annual %) ²	2,8
Life expectancy at birth ³ (2018)	63,7
Geography⁴	
Surface area (km ²)	111 369
Urban population (% of total population)	51,6
Economy (GDP)⁵	
GDP (Billion current USD)	3,070
GDP per capita (current USD)	621,9
GDP Growth Rate (annual %, constant 2010 prices)	-2.3 (is very unstable - see below)
Structure of the Economy⁶	
Agriculture (% of Gross Value Added, GVA) (2017)	72,7
Industry (% GVA) (2017)	8,7

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¹ <http://data.un.org/en/iso/lr.html>

² <http://data.un.org/en/iso/lr.html>

³ <http://hdr.undp.org/en/countries/profiles/LBR>

⁴ <http://data.un.org/en/iso/lr.html>

⁵ <https://data.worldbank.org/>

⁶ <http://data.un.org/en/iso/lr.html>

Services and other activity (% GVA) (2017)	18,6
Economy (Employment)⁷	
Employment in Agriculture (% of total employment) (2018)	46,2
Employment in Services (% of total employment) (2018)	42,6
Unemployment Rate (% of labour force) (2018)	2,0
Economy (Trade)⁸	
Exports of goods and services (billion current USD)	0,882
Exports of goods and services (% GDP)	28,7
Imports of goods and services (billion current USD)	3,031
Imports of goods and services (% GDP)	98,7
External balance on goods and services (billion current USD)	-2,149
External balance on goods and services (% GDP)	-70
Other indicators	
Global Hunger Index ⁹	31,4 (serious level of hunger)
Food insecurity (% of Liberian households) ¹⁰ (2018)	20
Food vulnerability (% of Liberian households) ¹¹ (2018)	42
HDI ¹² (2018)	0,465
HDI World Rank (out of 189) (2018)	176
Rule of Law index* ¹³ (2020), under which	0,45 (98 th rank out of 128)
Constraint on government power	0,52
Absence of corruption	0,32
Open government	0,47
Fundamental rights	0,52
Order and security	0,61
Regulatory enforcement	0,43
Civil Justice	0,44
Criminal Justice	0,31

NB: The coma (,) always indicates the first decimal.

* The Rule of Law index is a number between 0 and 1, 1 being the best and 0 being the worst.

⁷ <http://hdr.undp.org/en/countries/profiles/LBR>

⁸ <https://data.worldbank.org/indicator/NE.EXP.GNFS.CD?locations=LR>

⁹ <https://www.globalhungerindex.org/>

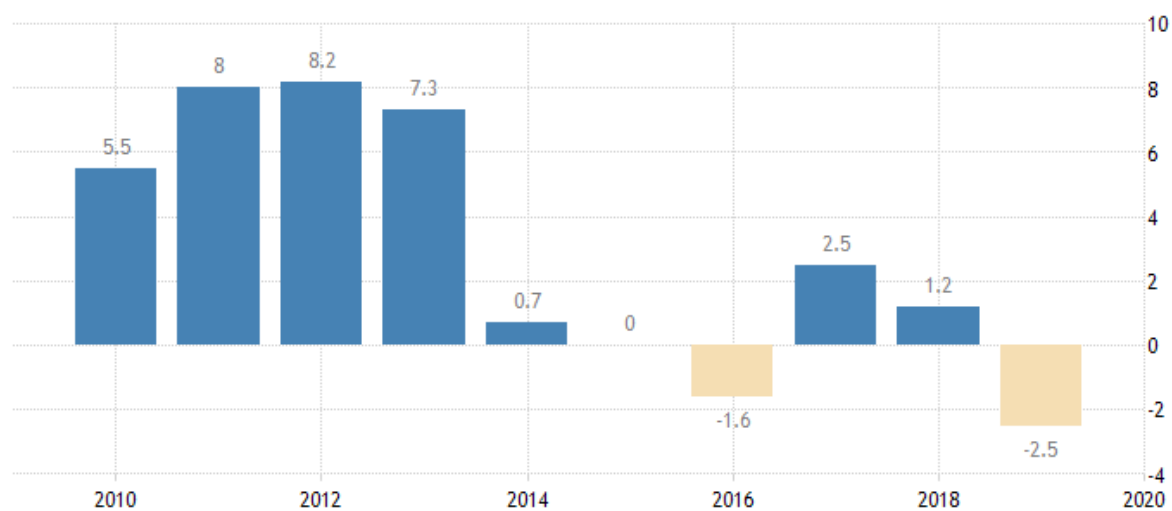
¹⁰ https://docs.wfp.org/api/documents/WFP-0000115355/download/?_ga=2.181493991.1549775941.1600247339-658458224.1600247339

¹¹ https://docs.wfp.org/api/documents/WFP-0000115355/download/?_ga=2.181493991.1549775941.1600247339-658458224.1600247339

¹² <http://hdr.undp.org/en/countries/profiles/LBR>

¹³ <https://worldjusticeproject.org/rule-of-law-index/country/2020/Liberia/>

Figure 1: GDP Growth in Liberia from 2010 to 2020¹⁴



SOURCE: TRADINGECONOMICS.COM | CENTRAL BANK OF LIBERIA

Export and Import

Liberian Exports of goods in 2015, 2017, 2018

Table 2: Liberian Key Exports – Major Goods and Key Destinations in 2018¹⁵

Type of goods	Value of total goods exports (USD) 1.3B	%
Gold	359M	27.5
Passenger and Cargo Ships	309M	23.7
Crude Petroleum	190M	14.6
Iron Ore	147M	11.3
Rubber	118M	9.02
Export destination		
Switzerland	246M	18.8
Germany	140M	10.7
India	119M	9.13
United Kingdom	87.1M	6.68
China	81.9M	6.28

¹⁴ <https://tradingeconomics.com/liberia/gdp-growth-annual>

¹⁵ Done with information taken from <https://oec.world/en/profile/country/lbr/>

Table 3: Liberian Key Exports – Major Goods and Key Destinations in 2017¹⁶

Type of goods	Value of total goods exports (USD) 1.02B	%
Passenger and Cargo Ships	451M	44.2
Gold	190M	18.6
Rubber	122M	12
Iron Ore	64.1M	6.29
Cocoa Beans	32.5M	3.19
Export destination		
Germany	444M	43.5
Switzerland	190M	18.6
United States	61.5M	6.03
Indonesia	47.9M	4.7
Poland	31M	3.04

Table 4: Liberian Key Exports – Major Goods and Key Destinations in 2015¹⁷

Type of goods	Value of total goods exports (USD) 1.01B	%
Passenger and Cargo Ships	384M	38.1
Iron Ore	194M	19.3
Gold	128M	12.7
Rubber	103M	10.2
Rough Wood	40.8M	4.05
Export destination		
Poland	283M	28.1
China	146M	14.5
United Arab Emirates	110M	10.9
India	77.4M	7.69
Bangladesh	46M	4.57

Liberian Imports of goods in 2015, 2017, 2018

Table 5: Liberian Key Imports – Major Goods and Key Sources in 2018¹⁸

Type of goods	Value of total goods imports (USD) 4.3B	%
Passenger and Cargo Ships	1.79B	41.6
Refined Petroleum	1.05B	24.5
Rice	132M	3.08
Iron structures	102M	2.38
Boat propellers	66.3M	1.54

¹⁶ Done with information taken from <https://oec.world/en/profile/country/lbr/>

¹⁷ Done with information taken from <https://oec.world/en/profile/country/lbr/>

¹⁸ Done with information taken from <https://oec.world/en/profile/country/lbr/>

Import Origins		
South Korea	1.4B	32.5
China	1.21B	28.2
Germany	298M	6.93
Greece	207M	4.81
India	181M	4.22

Table 6: Liberian Key Imports – Major Goods and Key Sources in 2017¹⁹

Type of goods	Value of total goods imports (USD) 4.3B	%
Passenger and Cargo Ships	1.69B	48.8
Refined Petroleum	597M	17.2
Rice	131M	3.76
Boat propellers	80.8M	2.33
Iron Structures	72.8M	2.1
Import Origins		
South Korea	1.31B	37.6
China	858M	24.7
Germany	166M	4.77
India	165M	4.74
Greece	127M	3.64

Table 7: Liberian Key Imports – Major Goods and Key Sources in 2015²⁰

Type of goods	Value of total goods imports (USD) 5.92B	%
Passenger and Cargo Ships	4.01B	67.7
Refined Petroleum	512M	8.64
Rice	97.4M	11.64
Boat Propellers	90.4	1.53
Iron structures	64.1	1.08
Import Origins		
China	1.36B	22.9

¹⁹ Done with information taken from <https://oec.world/en/profile/country/lbr/>

²⁰ Done with information taken from <https://oec.world/en/profile/country/lbr/>

South Korea	1.3B	21.9
Japan	862M	14.6
Philippines	565M	9.54
Germany	336M	5.67

Remark: For all years, “Passenger and Cargo Ships” is the first or second major product for both import and export. But this category includes several smaller categories, which are not the same for exports and imports.

In 2018:

Liberia exports (2018)	Liberia imports (2018)
<ul style="list-style-type: none"> • Cargo vessels other than tanker or refrigerated (21.2% - 277M USD) • Tankers (2.46% - 32M USD) • Vessels and other floating structures for breaking up (1.02% - 13.3M USD) 	<ul style="list-style-type: none"> • Tankers (32.9% - 1.41B USD) • Cargo vessels other than tanker or refrigerated (8.67% - 373M USD) • Cargo containers designed for carriage (0.56% - 24.2M USD)

In 2017, the order in the export and import products is the same with variation in the percentages. In 2015, the products were different:

Liberia exports (2015)	Liberia imports (2015)
<ul style="list-style-type: none"> • Tankers (21.6% - 217M USD) • Cargo vessels other than tanker or refrigerated (16.6% - 167M USD) • Vessels and other floating structures for breaking up (4.04% - 40.6 M USD) 	<ul style="list-style-type: none"> • Cargo vessels other than tanker or refrigerated (42.7% - 2.53B USD) • Tankers (22.3% - 1.32 B USD) • Cruise ships, excursion boats, ferry boats (2.71% - 161M USD)

Liberian exports and imports of services²¹

Table 8: Liberian exports of services in 2018

Type of services	Value of total services exports (USD) 10.4M	%
Insurance services	10M	96.1
Government Services n.i.e.	382k	3.67

²¹ Done with information taken from <https://oec.world/en/profile/country/lbr/>

Table 9: Liberian exports of services in 2017

Type of services	Value of total services exports (USD) 61.8M	%
Government services n.i.e.	51.6M	83.5
Insurance Services	10.1M	16.3

Table 10: Liberian imports of services in 2018

Type of services	Value of total services imports (USD) 181M	%
Transportation	87.9M	48.56
Insurance services	65.8M	36.35
Other business services	15.8M	8.73
Business Travel	7.66M	4.23
Government services n.i.e.	4.23M	2.34

Table 11: Liberian imports of services in 2017

Type of services	Value of total services imports (USD) 195M	%
Transportation	84.6M	43.38
Other business services	51.6M	26.46
Insurance services	35.8M	18.36
Government services n.i.e.	17.5M	8.97
Business travel	5.97	3.06

Trade Agreements

Liberia has been a member of the WTO since 14th July, 2016²². This allows access to most-favoured-nation tariff rates; better visibility and credibility with trading partners; and adoption of rules and regulations that respect the principles of non-discrimination and national treatment, among others.²³

Table 12: Regional Trade Agreements

Agreement and date	Members	What? / What for?
MRU ²⁴ Signature: October 3 rd , 1973	Liberia, Sierra Leone, Guinea, Cote d'Ivoire	Mano River Union – A Customs Union. Inter alia: expand trade, elimination of all barriers to mutual trade, cooperation in the expansion of international trade, common protective policy.
ECOWAS ²⁵ Creation 28 th may 1975 (Treaty of Lagos, signed by Heads of State and Government)	Benin; Burkina Faso; Cabo Verde; Côte d'Ivoire; Ghana; Guinea; Guinea-Bissau; Liberia; Mali; Niger; Nigeria; Senegal; Sierra Leone; The Gambia; Togo (all since 1975)	Economic Community of West African States Concerns goods A customs Union – promote economic cooperation and regional integration as a tool for an accelerated development. Idea: the development process is people centred and people driven. Transforming ECOWAS from a body of states to a community of people.
AfCFTA ²⁶ Liberia signed (with 43 other countries) on March 21 th , 2018. 22 states (required number for entry into force) had ratified by April 29 th , 2019. New target date for implementation: January 2021	53 signatory states, including Liberia 34 countries ratified the treaty, (but not yet Liberia) ²⁷	African Continental Free Trade Area Accelerate the socio-economic integration, encourage international cooperation “The AfCFTA aims to boost intra-African trade by providing a comprehensive and mutually beneficial trade agreement among the member states, covering trade in goods and services, investment, intellectual property rights and competition policy.” ²⁸ “The vision is to create one African market. In this respect, the obligation for each and every Member State of the African Union is to sign and ratify the Agreement Establishing the African Continental Free Trade Area. The AfCFTA has a mission of accelerating intra-African trade and boosting Africa’s trading position in the global market by strengthening Africa’s common voice and policy space in global trade negotiations.” ²⁹
African Union ³⁰	53 signatory states,	Deals with many topics. Particularly with regard to trade: the AU recognises that trade is a

²² Website WTO

²³ http://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final_small_1.pdf

²⁴ <http://mru.int/constitutive-act/>

²⁵ <https://www.ecowas.int/about-ecowas/vision-2020/>

²⁶ <https://au.int/en/cfta>

²⁷ [Nigeria Becomes 34th Country to Ratify AfCFTA Agreement - allAfrica.com](http://www.allAfrica.com)

²⁸ <https://au.int/en/trade-and-industrial-development>

²⁹ <https://www.africancfta.org/vision>

³⁰ https://au.int/fr/etats_membres/profiles

(successor to the OAU) Adhesion of Liberia to the OAU: 25th May, 1963 Constitutive Act of the African Union: Signature: 11 th July, 2000 ³¹	including Liberia 55 member states today	powerful engine for economic growth and development. Within framework of Agenda 2063, the AU has developed continental frameworks and flagship projects aimed at adding value to Africa's commodities, reducing and removing barriers to intra-African trade and creating a larger market for African goods and services amongst its population of over one billion people.
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In the following table: (i) AGOA will be used instead of Africa Growth and Opportunity Act; (ii) GSP will be used instead of Generalized System of Preferences; (iii) MoCI will be used instead of Ministry of Commerce and Industry (of Liberia); (iv) The date within brackets is the initial entry into force of the agreement.

Table 13: Preferential Trade Agreement³²

Provider Countries	Agreement Type or Name
USA (18 th May, 2000)	AGOA: favoured access to American market - According to the MoCI, "market access has not been utilized due to lack of trade competitiveness and limited access to finance." ³³ Aim is now to become attractive for investors.
Armenia (6 th April, 2016)	GSP
Australia (1 st January, 1974)	GSP
Canada (1 st July, 1974)	GSP
Chile (28 th February, 2014)	Duty-free treatment for LDCs
China	Duty-free treatment for LDCs – Duty-free imports for 95% of goods ³⁴
Chinese Taipei (17 th December, 2003)	Duty-free treatment for LDCs
European Union (1 st July, 1971)	GSP
European Union (5 th March, 2001) ³⁵	"Everything, but Arms" programme: full duty-free quota free access to the EU for all its exports except for arms and armaments – part of GSP
Iceland (29 th January, 2002)	GSP
India (13 th August, 2008)	Duty-free Tariff Preference Scheme for LDCs
Japan (1 st August 1971)	GSP
Kazakhstan (1 st January 2010)	GSP
Kyrgyz Republic (29 th March, 2006)	Duty-free treatment for LDCs
Montenegro (20 th January, 2016)	Duty-free treatment for LDCs
Morocco (1 st January, 2001)	Duty free treatment for African LDCs

³¹ https://au.int/sites/default/files/pages/34873-file-constitutiveact_en.pdf

³² <http://ptadb.wto.org/Country.aspx?code=430>

³³ <http://moci.gov.lr/2content.php?sub=74&related=18&third=74&pg=sp>

³⁴ http://moci.gov.lr/doc/Liberia_National_Export_Strategy2014_2018.pdf

³⁵ <http://moci.gov.lr/2content.php?sub=74&related=18&third=74&pg=sp>

New Zealand (1 st January 1972)	GSP
Norway (1 st October, 1971)	GSP
Republic of Korea (1 st January, 2000)	Duty-free treatment for LDCs
Russian Federation (1 st January 2010, reiterated on 10 th October, 2016)	GSP
Switzerland (1 st March, 1972)	GSP
Tajikistan (25 th October, 2003)	Duty-free treatment for LDCs
Thailand (9 th April 2015, ends on 31 st December 2020)	Duty-free treatment for LDCs
Turkey (1 st January, 2002)	GSP
USA (1 st January, 1976)	GSP

Table 14: Bilateral Investment Treaties³⁶

Partner and Date	Instruments and Impacts
The People's Republic of China Since 1977	Join Communiqué on the Reestablishment of Diplomatic Relations
The Republic of Ghana Since 2014	Permanent Joint Commission established to expand cooperation in mutually rewarding areas Areas of cooperation include: economic, trade and investment, energy and mineral resources, agriculture and livestock development, educations, health, tourism and culture, science and technology, security and military cooperation, foreign affairs, legal and judicial matters aimed at strengthening the friendly relations between the countries
Nigeria Since 2014	Memorandum of Understanding on Mining and Geology; Joint Communiqué; Cooperation in Education, Culture, Bilateral Trade and Training of Liberian Foreign Service Officers.

Table 15: Other agreements

Name of agreement, Partner Country, Date	Contents
Economic Partnership Agreement (EPA) ³⁷ Between EU and ECOWAS Signed on the 3 rd of December, 2014	The EPA leads to trade reciprocity and liberalization but is asymmetrical: EPA countries do not have any tariff on their exports to the EU but their markets are only partially opened. ³⁸
Trade and Investment Framework Agreement (TIFA) ³⁹ With the USA	“Established a United States-Liberia Council on Trade and Investment, charged with promoting an attractive investment climate and

³⁶ http://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final_small_1.pdf

³⁷ <https://data.consilium.europa.eu/doc/document/ST-13370-2014-ADD-1/en/pdf>

³⁸ <https://ec.europa.eu/trade/policy/countries-and-regions/development/economic-partnerships/>

³⁹ https://ustr.gov/sites/default/files/uploads/agreements/tifa/asset_upload_file278_10544.pdf

Signed on the 15 th of February, 2007	expanding/diversifying trade in products and services between the two countries" ⁴⁰
Voluntary Partnership Agreement (VPA) ⁴¹ With the EU Since 2013	Controls illegal logging Improves forest sector governance and ensures timber exports to Europe are legal ⁴²
Cotonou Agreement ⁴³ Between the ACP and the EU Signed on the 23 th of June, 2000 In force since 2003 Will be revised in December 2020	Partnership agreement that aims to reduce and eventually eradicate poverty and contribute to the gradual integration of the ACP countries into the world economy. It is based on three pillars: a) development cooperation b) economic and trade cooperation c) political dimension

Trade related policies

In June 2011, a global development program of Liberia was launched, named Liberia Trade Policy and Customs Project (LTPC) as a partnership between the USAID (United States Agency for International Development), the Government of Liberia and Deloitte Consulting. It focuses on "increasing Liberia's performance on key trade indicators through improved trade and customs laws and policies"⁴⁴, as a way to go through important economic and socioeconomic growth: as Liberia is limited in size and its population has a limited purchasing power, export must be central in Liberia's policies for development.⁴⁵

Since 2012, Liberia has put in place a development programme named "Vision 2030"⁴⁶. The main goal is to achieve the status of Middle-Income Country by 2030. Though, GDP growth is not the only objective: the development has to respect other non-economic standards of development and to "meet other targets of economic, political, social and human development as well. By 2030, the country aims to have a peaceful and inclusive political system, a diversified economy, stable institutions, and healthy,

capable citizens who can enjoy these changes."⁴⁷

All strategies adopted by the government are supporting the aim of reducing poverty and improving livelihood of Liberian people. Generating employment, seeking for inclusive economic growth, finding a balance between both regional and global integration and sustainable development, promoting a transparent and predictable business environment are all means to achieve a fair development, protecting the Liberian people and particularly the disadvantaged ones from the adverse effects of market opening.⁴⁸ The enacted laws also aim to ensure that the Liberian business and investment climate are consistent with the WTO norms.⁴⁹

Several challenges have been identified, such as improving the infrastructures in Liberia; supporting Liberian business and its competitiveness; addressing the multiple domestic constraints for firms to invest, produce and export; being less vulnerable towards economic shocks due to export concentration; increasing the availability of reliable and timely trade statistics; improving the regulatory environment; fighting against poverty; and working on attractiveness of the country for investors. The private sector also needs support. All these challenges follow one global aim, which is to expand trade with the rest of

⁴⁰ http://moci.gov.lr/doc/Liberia_National_Export_Strategy2014_2018.pdf

⁴¹ http://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final_small_1.pdf

⁴² http://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final_small_1.pdf

⁴³ <https://investmentpolicy.unctad.org/international-investment-agreements/treaties/treaties-with-investment-provisions/3185/cotonou-agreement-2000->; <https://www.consilium.europa.eu/en/policies/cotonou-agreement/>

⁴⁴ <http://www.moci.gov.lr/2content.php?sub=142&related=15&third=142&pg=sp>

⁴⁵ http://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final_small_1.pdf

⁴⁶ https://www.governancecommissionlr.org/doc_download/VISION%202030%20%20summary%20for%20the%20conference%20%20825%20pgs%29%20for%20GC%20%20Website.pdf?a4705305cd27e04fb1f66830e7e0ef9d=NjQ%3D

⁴⁷ Republic of Liberia: Agenda For Transformation: Steps For Liberia Rising 2013, p. 9.

⁴⁸ [http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed\(2\).pdf](http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed(2).pdf)

⁴⁹ <https://www.export.gov/apex/article2?id=Liberia-Trade-Agreements>

the world.

Liberia National Trade Policy (LNTP) - 2014

The vision for LNTP (Liberia National Trade Policy), set up for the 2014-2018 period, is to provide a guidance and a framework for the achievement of the Vision 2030 and Agenda for Transformation. It is the following:

“To re-integrate Liberia into the international economy and trading systems while being sensitive to the interests of the domestic private sector, with the intention to use trade as an engine of inclusive growth and reducing poverty in Liberia, especially among women, children and the vulnerable parts of the population.”⁵⁰

In line with this vision, the overall objective is defined as:

“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, thereby contributing to employment generation, improvement of the livelihood of the Liberian people, and reduction in poverty.”⁵¹

In 2014, the Liberian National Trade Policy (LNTP) set up seven fields of measures to be addressed by 2019, which are the followings⁵²:

- **Promoting International Export Competitiveness of Liberian Products by Addressing Supply-side Constraints**

It underlines the need of having high quality infrastructure for transports, electricity, IT and telecommunications. This policy area should be a support for potential exporters and reduce the cost of production and distribution of goods and services.

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[http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed\(2\).pdf](http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed(2).pdf)

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[http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed\(2\).pdf](http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed(2).pdf)

a) Promoting Domestic Trade and Expanding the Pool of Export-Ready Businesses

Some improvements in the business environment and domestic trade infrastructure should be made. It includes specific support at the firm level, assistance to indigenous producers and traders, protection and strengthening of intellectual property rights.

- **Increasing the Efficiency of Import and Export Administration, Customs and Border-Control Measures**

This point insists on reducing administrative burden due to customs procedure and border infrastructure. Liberia should then become more attractive and be a transit country for regional circulation of goods, as it should become more cost effective, safe and efficient.

- **Promoting Regional Trade and Integration**

Within the two regional agreements (MRU and ECOWAS) of Liberia, all tariff and non-tariff barriers to trade should be removed in order to promote exports and free competition on regional markets. Thus, it should foster continental trade and promote pan African and economic integration.

- **Promoting Global Market Access for Liberian Goods and Services**

Through WTO Membership and efficient use of preferential trade agreements, Liberia should increase its access to international markets.

- **Making Trade Enhancing Institutions More effective**

Liberian institutions that are responsible for formulating and implementing trade policies (such as the Ministry of Commerce and Industry) should be strengthened and made more effective.

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[http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed\(2\).pdf](http://www.moci.gov.lr/doc/Liberia%20National%20Trade%20Policy-11.compressed(2).pdf)

● *Enhancing the Legal Framework and Good Governance for Trade*

All the former measures can only be effective if the legal framework and governance support them. Fair rules for competition and consumer protection, enhancing transparency and predictability of trade rules in Liberia, and the capacity of the system to resolve trade disputes are, thus, crucial for the development of trade in Liberia.

The LNTP has not been extended and there is no mention of any engaged process to revise it. Though, it remains a good indication of the global aims and vision followed by Liberia.

Liberia Diagnostic Trade Integration Study – Update 2015

In the DTIS update of 2015 (the first DTIS was implemented in 2008)⁵³, it is highlighted that progress had been made “toward ensuring macroeconomic stability, improving the investment climate, and the automation of customs procedures. The Liberian economy has recovered steadily since the global economic crisis of 2008-2009, with an average annual growth rate of approximately 7 percent and a single digit inflation rate by 2013”⁵⁴. The institutional framework for good economic governance has also been improved, and public debt reduced substantially (from more than 400% of GDP in 2009 to less than 30% of GDP in 2013). The investment climate has also improved. The Ministry of Commerce and Industry (MoCI) notes that between 2016 and 2017, the trade gap has been reduced by 27% year on year⁵⁵. Despite those positive developments, some challenges remain⁵⁶:

- Due to its undiversified economy, Liberia remains vulnerable to global commodity price shocks.
- Exports are mainly driven by foreign firms, with little spill overs on the rest of the

economy, which limits the multiplier effects of exports.

- The tariff policy is adapted to the needs of the country but changes every year, which does not provide a predictable trade policy for private firms.
- To benefit from increased integration, the Government of Liberia must improve the country’s competitiveness.

The main recommended actions can be summarized in four pillars:

- Integrating effectively into Global Markets (WTO accession, Regional Integration, Common External Tariff Alignment)
- Improve Liberia’s trade competitiveness (Trade Transport and Facilitation, Investment Climate, Linkages to Global Value Chains)
- Promoting Economic diversification (Address Weaknesses in Agricultural Value Chains, Expand Trade in Services, Leverage Foreign Direct Investment)
- Strengthening Trade Policy Coordination

More recent papers have provided further analysis and recommendations, particularly the Rapid e-Trade Readiness Assessment (published in 2018) and the Transition Report of 2017 by the MoCI.

Liberia – Rapid e-Trade Readiness Assessment⁵⁷

In the paper “Liberia – Rapid e-Trade Readiness Assessment” published in 2018 by the UNCTAD, it is mentioned that an Information and Communication Technology (ICT) Policy Draft was published for the 2017-2022 period and sets the critical priorities for sustainable development of ICT sector. E-Commerce is increasingly seen as a potential important driver of economic and socio-economic growth and, as such, of potentially beneficial integration into the multilateral trading

⁵³https://www.enhancedif.org/en/system/files/uploads/liberia_dti_s_update_2015_.pdf?file=1&type=node&id=5358

⁵⁴https://www.enhancedif.org/en/system/files/uploads/liberia_dti_s_update_2015_.pdf?file=1&type=node&id=5358

⁵⁵http://www.moci.gov.lr/doc/MoCI.AnnualTradeBulletin.2017_final.pdf

⁵⁶https://www.enhancedif.org/en/system/files/uploads/liberia_dti_s_update_2015_.pdf?file=1&type=node&id=5358

⁵⁷https://www.enhancedif.org/en/system/files/uploads/liberia_et-ready_final.pdf?file=1&type=node&id=4949

system. Citizens should be empowered through increased access to e-services, and improved efficiency, transparency and coordination between government entities. Some corrective policy measures should reduce the disparities in access and affordability for ICT services. A national broadband strategy should also be put in place.

The key e-Trade policy areas are the followings:

● *E-Commerce Readiness Assessment and Strategy Formulation*

While facilitating multi-stakeholder dialogue regarding national ICT and e-commerce issues, a specific e-commerce strategy should be developed.

● *ICT Infrastructures and Services*

Mobile coverage, national fibre-optic backbone should be improved, and a high-speed metro fibre ring in Monrovia should be completed.

● *Trade Logistics and Trade Facilitation*

The capacities of the national postal services should be improved and the postal department rationalized.

● *Access to Financing*

To support MSMEs, financial institutions in rural areas should be made more available.

● *Payment Solutions*

Online payment solutions should be developed.

● *Legal and Regulatory Framework*

New laws should be developed in key areas such as consumers protection and privacy. These laws should be enforced.

● *Skills Development for E-Commerce*

Certificate Level courses should be provided in order to fill the ICT skills gap (e.g. website development, interfacing with bank application program, interface specialists, content management)

The Transition Report 2017: Situation Assessment and new challenges⁵⁸

As mentioned above, the exports are crucial for the fulfilment of Liberia's development aims. Thus, the following points affect Liberia's global posture towards exports. The remaining challenges concerning both the WTO Accession as well as more generally relate to the legal framework (trade rights and rules, certifications), and the trade facilitation and transportation linkages (time of processing etc for incoming goods), which are linked to the need to enforce the concluded agreements such as ECOWAS or the Special Economic Zone Act 2017, to foster foreign direct investment). This requires a strong political will. Transparency and information sharing should also be promoted, for instance about quality. Finally, the report insists on the special need for Liberia to develop strategic sectors that will allow it to compete on both a regional and a global level. This partially goes through the creation of new institutions, particularly in the domain of SBA (Small Business Administration). The support of a large number of commercially viable businesses is primordial and barriers to trade between these sectors shall be reduced.

Box 1: The support from the EIF

The EIF works with Liberia to strengthen Liberia's capacity to develop and implement trade policies and prioritize trade in the national development plan.⁵⁹ For this purpose, Single Project Implementation Unit (SPIU) of MoCI is the primary tool for the Economic reform agenda and coordinates the Liberian WTO-Post Accession Strategy and Implementation Plan. The sectors of tourism and rubberwood were identified as being able to support Liberia's economic transformation. With support from ITC, export strategies related to those sectors were launched. The establishment of the Liberia Market Place aims at supporting small local businesses and their market access as well as promoting Liberian products at range of events.

⁵⁸In 2017, the Liberian minister of Commerce and Industry changed. The former minister wrote the *Transition Report 2017* for his successor to give him some advises and to state the current situation in Liberia, giving the state of the policies and of

what had been undertaken.
http://www.moci.gov.lr/doc/MoCI.Min.Addy.Transition.Rebranding%20Commerce.Final_small_1.pdf
⁵⁹ <https://www.enhancedif.org/en/country-profile/liberia>

Box 2: National Strategy on Tourism

Between November 2015 and June 2016, a trade strategy centred on tourism (the National Export Strategy on Tourism) has been developed. It sets up a development plan for the 2016-2020 period: the tourism sector is now expected “to be the blueprint for achieving the overall vision of tourism as a growth driver for the economy”⁶⁰. Tourism should now be incorporated into key policy instruments, as it is now a priority sector in the economic diversification policies by the Government. Several advantages to be promoted have been pointed out: the surf-based tourism, the ecotourism sites and attractions, wildlife sites and attractions, and the culture and heritage sites and attractions.⁶¹

New Vision Liberia

At the end of 2019, three prominent Liberian social political activists participated in a forum in Dubai where they presented a perspective on Liberia’s future: the “New Vision Liberia” and the urgent patriotic call to “rescue Liberia”⁶² (terms used by the scientist and social activist, Dr. Dougbah Chris Nyan).

*“the New Vision is a renewed patriotic platform that encourages every citizen to fight against corruption and mismanagement of our national resources in society; it is that New Vision that encourages good governance, visionary national leadership as well as advocating equality, social justice, and economic prosperity for all in our society.”*⁶³

This would build a trustworthy and attractive atmosphere for investors to come in Liberia. Martin Kollie highlighted the free-fall of the Liberian economy and listed the lack of foreign direct investment, industrial-scale corruption, and mismanagement as contributing factors. New Vision Liberia promotes competence, merit, patriotism,

innovation, food security, medicine for the advancement of society, and also equal access to quality education, quality healthcare and justice. They also highlighted the importance of the rule of law and respect for the constitution, the need to promote unity and cultural diversity, peace, harmony, and security in all sectors of society. This vision is “a forwarding-thinking philosophy that encourages Liberians and Africans towards the principles of social democracy and economic justice, and promotes cooperation among all true democratic forces and advocacy institutions for the common good of all citizens.”⁶⁴

Trade-related stakeholder consultation forums

The Trade Facilitation Forum under MoCI

The Liberia Trade Facilitation Forum (TFF) “is a public and private stakeholders’ forum organized to address issues that are underpinning trade facilitation to ensure trade efficiency within Liberia”⁶⁵. It is a resurgence of the Trading Across Borders Working Group forum with enhancements such as the inclusion of the Liberia Better Business Forum, the introduction of a formal Non-Tariff-Barrier reporting and monitoring mechanism or the establishment of a TFF secretariat to enable improved coordination and action plan progress reporting.

The Government, the Services Providers and the Traders, which are the main actors involved in trade and transport sectors of the country, can develop a partnership for growth within the TFF.

The TFF is structured into three tiers⁶⁶:

The top tier (Ministers of Commerce, Finance and Justice) has the aim to sponsor and drive forward a trade facilitation strategy, to monitor progress, and

⁶⁰ https://www.enhancedif.org/en/system/files/uploads/final-liberia_tourism_export_strategy_0.pdf

⁶¹ https://www.enhancedif.org/en/system/files/uploads/final-liberia_tourism_export_strategy_0.pdf

⁶² <https://www.modernghana.com/news/959726/a-new-vision-liberia-to-rescue-liberia.html>

⁶³ <https://www.modernghana.com/news/959726/a-new-vision-liberia-to-rescue-liberia.html>

⁶⁴ <https://www.modernghana.com/news/959726/a-new-vision-liberia-to-rescue-liberia.html>

⁶⁵ <http://www.moci.gov.lr/2content.php?sub=139&related=15&thir d=139&pg=sp>

⁶⁶ <http://www.moci.gov.lr/2content.php?sub=139&related=15&thir d=139&pg=sp>

periodically report progress and elimination of non-tariff barriers to the Cabinet.

The second tier, or Trade Technical Committee (representatives or observers of the following organizations: Ministry of Commerce and Industry, Ministry of Finance, Ministry of Transport, Ministry of Justice, Liberia Better Business Forum, Importers Associations, Shippers Associations, Liberian Chamber of Commerce, National Investment Commission, Customs Brokers, Truckers Association, Bureau Veritas, Inspection, Valuation and Control (BIVAC), Arnold Peter Möller Maersk Terminals (APM, Harbour Operator), Liberia Trade Policy and Customs Project, World Bank Group, Other Observers, as invited to support specific Trade Facilitation solutions.) meets at least monthly.

The TFF Technical Secretariat forms the third tier (composed of one designated technical person each from the Ministry of Finance, the Ministry of Commerce and Industry, the Ministry of Justice, the Liberia Better Business Forum, and the LTTPC project [Liberia Trade Policy and Customs Project]) which meets once a week to prepare and maintain substantive documentation such as the agenda and the “Elimination of Non-Tariff Barrier Action Plan”). NTBs involve issues such as corruption, ineffectiveness of the government, the high cost of doing business, ineffective trade policy. The TFF Technical Secretariat meets at least twice a week at the Ministry of Commerce and Industry.

EIF National Steering Committee

Through the EIF governance, at national level, there are three kinds of actors.⁶⁷

- The focal points at MoCI, who are responsible for timely, efficient and effective delivery of the projects.
- The donor facilitators, who are responsible for the donor coordination and the dialogue between the donor and the government. They support the country’s trade agenda.
- The EIF National Steering committee, which is a consultative and coordinative

⁶⁷ <https://www.enhancedif.org/en/the-EIF-governance>

⁶⁸ https://www.wto.org/english/tratop_e/devel_e/teccop_e/if_e.htm

mechanism on trade. It is responsible for the monitoring and implementation of the projects in the countries. It is the senior level forum for decision-making and coordination among government agencies dealing with trade, the private sector, civil society and the donor community.⁶⁸

As for Liberia, the country team is composed of⁶⁹:

- Jefferson J. Fahn, NIU [National Implementation Unit] Coordinator (Ministry of Commerce)
- Nyema Wisner, EIF Focal Point
- Elisabeth Harleman, EIF Donor Facilitator (Counsellor, Head of Development Cooperation, Embassy of Sweden)
- Paulin Zambelongo, Country Coordinator

Inter-Institutional Committee on Trade (IIC) Trade Negotiations Capacity Building

The IIC on Trade was established with the aim of being the National Central Committee and “a forum for dialogue between key actors from governmental and non-governmental institutions on the coordination and formulation of trade management policies, monitoring the implementation of World Trade Organization (WTO) agreements and preparing the technical position for trade negotiations”. The Committee was also designed to play a central role in the coordination of domestic trade policy issues beyond the scope of the Ministry of Trade.

⁶⁹ <https://www.enhancedif.org/en/country-profile/liberia>

Box 3: ECOWAS Programmes

Two ECOWAS programs target the development of trade capacity building: Aid for Trade and Trade Negotiations Capacity Building⁷⁰. The latter aims at strengthening the negotiating capacity of Member States to enable them to benefit from their participation in the global trading system. One key element of the project is the human capacity building, but it also needs to focus on institutional and organizational structures. One of the objectives is to strengthen the dialogue platforms and institutional structures for trade policy formulation, negotiation and implementation.

Some of the main activities of the project are:

- Training and capacity building. Programmes for member states to enhance their international negotiation skills. The project also contributes to building human and institutional capacity in the ECOWAS Commission to enable it to better play its increasingly central role in regional integration.
- Planning and Coordination Meetings. Provide strategic guidance, review progress on the project.
- Support to Inter-Institutional Committee on Trade is also included in the programme.

ECOWAS is also a frame that favours other opportunities for consultation between African stakeholders (ECOWAS member states) through their National Offices. In December 2019, a workshop of National Stakeholders Consultations was held aiming at creating “a borderless, peaceful, prosperous and coherent region, built on good governance, where people can access and exploit its enormous resources through the creation of opportunities for sustainable development and environmental preservation”⁷¹ while gathering stakeholders’ views, experience, perceptions of policies, programmes, projects and activities of ECOWAS over the last 10 years.⁷² It also established a roadmap preparing the ECOWAS Post-2020 Vision Agenda, which includes as flagship activity “the conduct of two National Stakeholders Consultations in all Member States to be implemented by their respective National Offices in collaboration with the Office of the ECOWAS Ambassador and planning experts.”⁷³

Liberia National Trade Facilitation Committee (NTFC)

Keeping with Article 23.2 of the WTO Trade Facilitation Agreement, the Liberia NTFC was established on August 15th, 2019. It is a mechanism for Government ministries and agencies and private sector actors to consult with each other and coordinate their activities. The goal is to improve the overall efficiency and efficacy of border procedures and controls with an overriding objective to reduce the time and costs associated with cross border trade and thereby reduce the cost of goods and services.⁷⁴

The NTFC met on August 20th, 2020 and discussed

a number of issues affecting cross border trade including the following:

- Roll out of ECOWAS guidelines for the reopening of borders of Member States.
- Reviewing of the Non-Tariff Barriers mentioned in the World Bank Doing Business 2020 Report aiming at improving Liberia's ranking and score in subsequent World Bank Doing Business Reports.
- Underscoring the need for trade related Government Ministries and Agencies to better coordinate their activities to reduce confusion to traders and improve the trading environment, e.g. by improving

⁷⁰ https://ecotis.projects.ecowas.int/?page_id=24132

⁷¹ <https://www.liberianobserver.com/news/liberia-consultations-for-ecowas-post-2020-vision-and-strategic-frameworks-underway/>

⁷² <https://frontpageafricaonline.com/county-news/ecowas-national-office-in-liberia-end-two-days-national-consultations-workshop-in-cape-mount/>

⁷³ <https://www.liberianobserver.com/news/liberia-consultations-for-ecowas-post-2020-vision-and-strategic-frameworks-underway/>

⁷⁴ <https://www.marketscreener.com/news/latest/The-Liberia-National-Trade-Facilitation-Committee-Holds-2nd-Quarterly-Meeting--31170584/>

knowledge of trade regulations implemented by other countries.

- Need for private institutions hired by the Government of Liberia to ensure that their policies and regulations implemented are well communicated to all Government trade-related Ministries, Agencies and the National Trade Facilitation Committee.

Some Other Consultative Fora

There seem to be several other consultative meetings/fora in Liberia for specific objectives. Here are some of them:

- The Stakeholders consultative meeting that establishes the Poverty Reduction Strategy and updates the papers that describe the evolution in the country's situation.⁷⁵
- The diaspora: Consultative Dialogue to Formulate Diaspora Engagement Policy⁷⁶.
- The Environmental Protection Agency of Liberia (EPA)⁷⁷ – met on July 10th 2020 to launch the development of Liberia's Green Climate fund (GCF) Country Program Document.
- There are also some Government-Political parties consultative forums.

Finally, it seems like there is no dedicated consultative framework in Liberia for multi-stakeholder consultations for the AfCFTA.

⁷⁵ <https://www.imf.org/external/pubs/ft/scr/2012/cr1245.pdf> ;
<https://www.imf.org/external/pubs/ft/scr/2008/cr08219.pdf>

⁷⁶ http://www.mofa.gov.lr/public2/2press.php?news_id=1919&related=7&pg=sp

⁷⁷ <https://www.liberianobserver.com/news/epa-holds-consultative-meeting-on-green-climate-fundscountry-program-document/>



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