



STATISTICS SIERRA LEONE

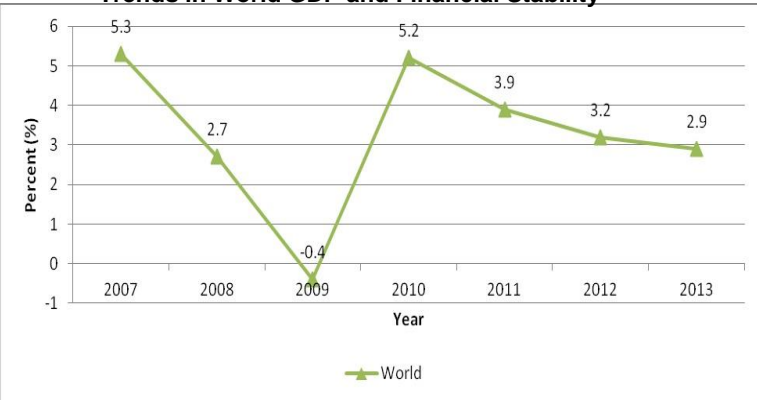
ECONOMIC AND FINANCIAL SURVEY 2014

Theme: Accelerated economic growth powered by expanded iron ore mining

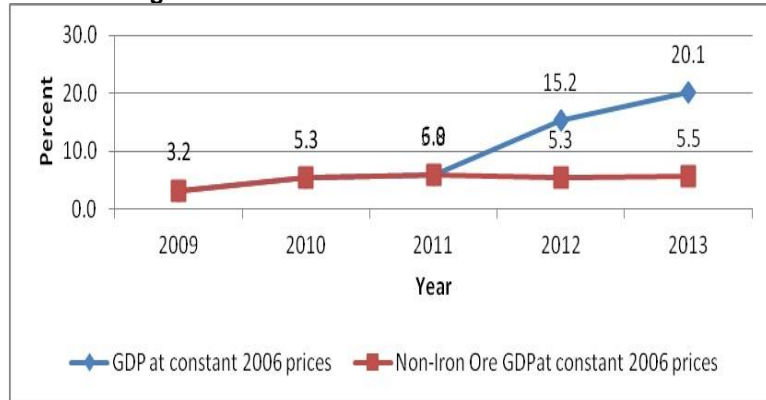
Economic Statistics Division
Statistics Sierra Leone



Trends in World GDP and Financial Stability



Average Annual Growth Rates of GDP at 2006 Prices



JANUARY, 2015

ECONOMIC AND FINANCIAL SURVEY 2014

Theme: Accelerated economic growth powered by expanded iron ore mining

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FOREWORD

This is the first time the Economic and Financial Survey is conducted in Sierra Leone. The target of the survey is to measure performance in the four main macroeconomic accounts which are the real, fiscal, external and monetary accounts. The survey is serving as a summary of all economic and financial statistics reported by all sectors in the economy.

The survey has provided SSL the opportunity to examine the Fiscal Sector particularly the Table of Financial Operations of the State (TOFE) to estimate the magnitude of financing required to resolve the Overall Balance (OB) and the Government Balance Sheet of Assets and Liabilities to estimate the Net Acquisition of Non-Financial Assets (NANA).

VISION

Statistics Sierra Leone (SSL) to be the power and clearing house for statistical data information and coordination in Sierra Leone.

MISSION

The Mission Statement of SSL as mandated under the Statistics Act 2002, is to coordinate, collect, compile, analyze and disseminate high quality and objective official statistics to assist informed decision-making, and discussion within the government, business and the media, as well as the wider national and international community.

THE STRUCTURE

The structure of Statistics Sierra Leone (SSL) comprises of four Divisions and four Departments namely:

- Censuses and Geographic Information System Division
- Data Processing Division
- Demographic and Social Statistics Division
- Economic Statistics Division
- Administrative Department
- Finance Department
- Human Resources Department
- Internal Audit Department

Statistician General
Statistics Sierra Leone

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Mohamed King-Koroma
Statistician General

This publication was prepared under the direction of Mohamed King-Koroma, Statistician General and the overall guidance of SSL management.

LIST OF ACRONYMS

AES	Annual Economic Survey
AfDB	Africa Development Bank
BKPS	Bo-Kenema Power Services
BOP	Balance of Payments
BSL	Bank of Sierra Leone
COE	Compensation of Employees
COICOP	Classification of Individual Consumers of Purpose
ECOWAS	Economic Community of West African States
GGDO	Government Gold and Diamond Office
GDP	Gross Domestic Product
GVWC	Guma Valley Water Company
GVA	Gross Value Added
ISIC-Rev.3.1	International Standard Industrial Classification Revision 3.1
AfC	Agenda for Change
ISPs	Internet Service Providers
MoFED	Ministry of Finance and Economic Development
NLB	Net Lending/Borrowing
NMA	National Mineral Agency
NPA	National Power Authority
NRA	National Revenue Authority
OB	Overall Balance
SALWACO	Sierra Leone Water Company
SEEA	System of Environmental Economic Accounting
SLIHS	Sierra Leone Integrated Household Survey
SNA	System of National Accounts
MDAs	Ministries, Departments and Agencies
SSL	Statistics Sierra Leone

TOFE	Table of Financial Operations of the State
UEMOA	West Africa Economic and Monetary Union
WAMA	West African Monetary Agency
WAMZ	West Africa Monetary Zone

EXECUTIVE SUMMARY

OVERVIEW

The Economic and Financial Survey 2014 investigated the performance of the four main macroeconomic sectors of the economy from 2009-2013: Real Sector, Fiscal, Monetary Sector and External Sector. The Real Sector covers the compilation of Gross Domestic Product (GDP) by National Accounts, Consumer Price Index (CPI) and Inflation, Labour and Employment, Environment and Energy Statistics. The compilation of GDP by Production Approach is based on the International Standard Industrial Classification of all economic activities (ISIC) which covers activities such as Agriculture, Manufacturing, Construction, Tourism, Transport and storage, Information and communication, Mining, Electricity and Water supply.

The Fiscal Sector also referred to as Public Finance deals with the financial operations of the state which are normally estimated by the Budget Bureau at the Ministry of Finance and Economic Development (MOFED) and actual cash received and disbursed are recorded by the Accountant General Department in the same Ministry. The fiscal also covers debts, interest payment and amortization. The Monetary sector covers the operations of commercial banks and other financial institutions such as insurance companies and foreign exchange agencies. The monetary sector is usually regulated by the central bank, the Bank of Sierra Leone (BSL) in the determination of money supply, financial assets and interest rates. And the External sector includes international trade of goods and services, the balance of payments (BOP) which covers the current account, financial account and capital account. The external sector also deals with the stock of financial assets and liabilities through the compilation of International Investment Positions (IIP).

INTERNATIONAL AND REGIONAL MACROECONOMIC OUTLOOK

In recent times, the real growth rate of the World GDP continues to increase at a slow pace from 5.2% in 2010, 3.9% in 2011, 3.2% in 2012 to 2.9% in 2013. While the real growth rate of Sub-Saharan African countries GDP continued to increase at a faster rate from 2.6% in 2009, 5.6% in 2010 to 5.0% in 2013. Also, West African countries in particular experienced faster recovery from the financial crisis in 2009 as real GDP growth rate was maintained above 3% from 2009 to 2011.

The growth of the world economy continued to be influenced by the Debt Crisis faced by many Eurozone countries such as Greece, Spain and Italy. The Eurozone crisis was brought about by

the financial crisis which originated from the United States housing market affecting the performance of the world economy tremendously.

DOMESTIC ECONOMY

Sierra Leone experienced accelerated economic growth in 2013 as real GDP grew by 15.2% in 2012 and 20.1% in 2013 which made Sierra Leone one of the fastest growing economies in the developing world. This growth was triggered mainly by the mining industry, especially with the commencement of large scale iron ore production, as well as developments in Agriculture and Services sectors. When Iron ore production was excluded from the mining industry, GDP growth rate attained was 5.3% and 5.8% in 2012 and 2013 respectively.

Agriculture which is the main sector of the economy, contributed more than 40% of GDP from 2009 to 2013. The growth rate of agriculture slowed down to 3.8% in 2012 which was partly due to the slow implementation of the Small Holder Commercialization Programme (SHCP), a policy initiated by the government. The Industry sector which comprises mining and quarrying, manufacturing, construction and electricity, water supply and other utilities accounts for about 8% of GDP. In 2012, the growth rate of the sector increased astronomically by 127.6% due to the new production of iron ore and developments in construction. The growth rate of the sector moderated to 94.3% in 2013. The Services sector contributed about 35% of GDP between 2009 and 2013. It grew by 6.1% and 6.0% in 2012 and 2013 respectively, supported mainly by developments in public administration, transport and communication, trade, tourism and banking.

LABOUR AND EMPLOYMENT

Total employed increased from 1,722,400 in 2004 to 2,188,106 in 2011 which was a growth of 27.0% and unemployment decreased from 63,262 in 2004 to 52,738 in 2011 which was a decline of 16.6%. The informal sector employment increased from 1,927,499 in 2004 to 2,018,299 in 2011 which was a growth of 4.7%.

Whereas 3,341,525 persons constitute the working age population 15-64 years of which 2,240,844 persons were economically active and 1,175,571 were females. Of the economically active population, 2,188,106 persons were employed during the period of the survey, of which 1,154,559 were females. This means that about 52,738 persons were inactive in 2011. In terms of unemployment, the rates computed following the ILO recommendations show that Sierra Leone has an unemployment rate of 2.3% of the economically active population nationally,

while the rural areas have a much lower rate of 0.3% and the urban areas have a higher rate of 6.5% unemployment rate.

When ILO definition was relaxed to reflect the national reality, unemployment was estimated at 9.8% nationally, and 23.9% unemployment rate in the urban areas. The relaxed unemployment rates are higher for female 27.1% in the urban area, 5.1% in the rural areas and 10.7% nationally. This could mean that females are far less enthusiastic to engage in active job search, which is the usual way of gaining employment.

CONSUMER PRICE INDEX (CPI) AND INFLATION

The CPI is constructed based on the functional Classification of Individual Consumption by Purpose (COICOP) by disaggregating Household Final Consumption Expenditure which is one of the components of GDP Expenditure Approach. The associated expenditure weights and relative prices are determined by products groups and COICOP functions in order to compute corresponding and overall indices.

Double digit year-on-year rates of inflation were recorded throughout 2012, resulting in a 12.95% average annual rate of inflation. It was also observed that, the annual rate of inflation has consistently been in the double digit in all the centers throughout 2012 due mainly to artificial scarcity of essential food items (like palm oil, fish, meat, etc).

In January 2012, the year-on-year rate of inflation increase slightly from 16.6% in December 2011 to 16.8% in January, 2012. Since January 2013, the year-on-year has continuously declined from 11.9% in January 2013 to 8.23% in December 2013; the quarterly average declined from 15.6% in quarter 1, 2012 to 11.4% in quarter 1, 2013 and further declined to 8.9% in Quarter 4, 2013. This means that inflation pressures have been on the decrease in the economic as well hit a single digit year-on-year inflation in September 2013.

AGRICULTURE

Rice production in Sierra Leone has been on the increase from 2008 to 2013. Crop yield, which is production per unit area (Ha) cultivated, has shown some fluctuations during the same period. From 2008 the yield of rice (1.43 Mt/Ha), went up to 1.87 Mt/Ha in 2011, but went down to 1.59 Mt/Ha in 2012 even though the area cultivated in 2012 was about the same 717,872 Ha. This trend may not be unconnected to the fact that area measurement figures since 2010 were based on projections and the projection rate was 10% increase for area

cultivated and 5% increase for yield. This may provide justification for the need to regularly conduct a National Agriculture Survey.

For the other four major food crops namely Cassava, Maize, Sweet Potato and Groundnut, there has been an increase in trend on the production except for maize which shows a decrease in production in 2012 (39,237 Mt). In 2013, the production of maize went up slightly to 40,022 Mt. Production of tree crops went up since 2008 to 2012. The 2012 Production output for oil palm is the highest compared to the other two tree crops. In 2012, the production of palm oil (4,512,516 Mt) outweighed the production of cocoa (142,872 Mt) and coffee (179,684 Mt). This trend may not be unconnected to the fact that palm oil forms a major component of the diet of Sierra Leoneans compared to cocoa and coffee which are by far less directly consumed by the population.

The other agricultural subsectors which are livestock, forestry and fishery contributed to the agriculture gross value added (GVA) by 16.4%, 16.1%, 15.6%, 13.9% and 11.9% in 2009, 2010, 2011, 2012 and 2013 respectively. Growth rates in the livestock subsector are higher for the period 2009 to 2013 as compared to the other two subsectors. The growth rate of livestock went up from 2.3% in 2009 to 4.5% in 2013. The Fishery sector showed the least growth rate; 1.3% in 2009 to 2.6% in 2013

ENVIRONMENT AND NATURAL RESOURCES

The trend of rainfall is declining in all the regions in 2013 except in Freetown where it is beginning to increase. For the period under consideration 2008 to 2013 Freetown recorded the highest total rainfall of 3,886.6 mm in 2008 and the lowest total rainfall of 2,059.5 mm was recorded by Lungi, Port Loko District in 2013. In 2012, the highest rainfall of 3,349.5 mm and 3,324.1 mm were recorded by Koinadugu and Lungi respectively; 3,185.8 mm, 3,115.9 mm and 2,486.2 mm rainfall were recorded by Bo, Freetown and Makeni respectively. The lowest rainfall was recorded by Lungi between 2008 and 2011 and continues to decline in 2013. Rainfall was higher in Bo compared to Makeni throughout the period under consideration. Overall, analysis revealed that rainfall was higher in Freetown followed by Koinadugu, Bo, Makeni and Lungi respectively for the period 2008 to 2013.

Development Expenditure on Water supply increased slightly from 2008 to 2009 and rose to a maximum of 5 billion Leones in 2010. It declined to 4 billion Leones in 2011, and then increased to 8.5 Billion Leones in 2013. The growth rate of Total Development Expenditure on Water Supply was 14.8% in 2009 and rose to 132% in 2010, it declined to -16.0% in 2011 and rose to 11.1% in 2012 and continued to rise onto 84.1% in 2013.

The aggregate of total quantity of fishes exported is the sum of fisheries exported by both artisanal and industrial fishing. And the export of industrial fishing is the sum of all transshipments and Industrial Fishing exported. The varieties of fishes exported by industrial fishing included bonita, catfish, cuttlefish, crab, couta, kinni, grouper, lobster, mackerel, Pollock, roggie, snapper, sole, squid and others which include crab, octopus, ray and snail.

The proportion of waste generated by Agriculture, forestry and fishing is 7.6%, mining & quarrying is 5.25%, manufacturing is 6.68%, electricity, gas steam and air conditioning supply is 0.48%, construction is 0.95%, other economic activities excluding ISIC 38 (waste collection) is 78.52% and households is 0.48% for the period 2008-2013 under consideration.

ENERGY

In Sierra Leone, the installed capacity of Electricity (in MW) increased by 284.5% from 45.2 MW in 2008 to 173.8 MW in 2013. The main factors responsible for this exponential growth are the hydro capacity at Bumbuna and other thermal plant installations. The installed capacity of 173.8 MW excludes the installations of Global Trading Group (GTG) and Income Electric Power (IEP) which are the Independent Power Producers (IPP) since their activities terminated in 2010. The growth rate of electricity generated declined by 4.6% from 2008 to 2009, it increased by 35.9% from 2009 to 2010, increased slightly by 1.3% from 2010 to 2011, increased by 6.7% from 2011 to 2012 and declined again by 11.0% from 2012 to 2013.

Production of iron ores by AML increased by 55.5% from 2013 to 2014 whereas production by LMC decreased by 28.6% from 2013 to 2014 and total production for the period under review increased by 30.9% from 2013 to 2014. Whereas annual diamond production by KHC increased by 21.4% from 2013 to 2014, annual rutile, zircom and ilmenite production by SRL decreased by 30.9%, 36.7% and 21.9% respectively from 2013 to 2014. And annual bauxite production by SML increased by 80.4% from 2013 to 2014. Diamond production was largely dominated by artisanal mining from 2007 to 2011 in which the contribution of artisanal mining to diamond production was 75.6, 95.1, 72.0, 76.2 and 73.3 percents respectively from 2007 to 2011. But there was a change in 2012 when industrial mining of diamond production occupied 54.6% and 50.7% in both quantity and value terms respectively.

The quantity of fuel oil sold decreased by 89.4% from 2007 to 2008 and it increased by 610.5, 141.8, 1.7, 38.3 and 20.4 percents in 2009, 2010, 2011, 2012 and 2013 respectively. But the growth rate of the quantity of kerosene sold decreased by 37.1, 21.4, 17.3, 34.0, 26.5 and 20.4 percents in 2008, 2009, 2010, 2011, 2012 and 2013 respectively. The quantity of Petrol sold declined by 1.9% from 2007 to 2008. After which the quantity of petrol sold increased by 0.7,

27.1, 13.2, 10.3 and 9.4 percents in 2009, 2010, 2011, 2012 and 2013 respectively. The highest magnitude of quantity sold was recorded for AGO (Diesel product) and the lowest magnitude was recorded by Kerosene. It implies somehow that in the current modern dispensation, owners of utilities, machineries and vehicles are moving away from the consumption of Kerosene to the consumption of petrol and diesel particularly by vehicle owners. More quantity of petrol (PMS) was sold than imported in 2013 which is 139,808,270.0 Litres sold as against 132,720,985.6 Litres imported.

MANUFACTURING

The manufacturing sector of Sierra Leone comprises of enterprises, generally producing beverages, textiles, footwear, Cements, paints, soft drinks; production of mineral waters, welding products, carpentry products, bakery products and other manufacturing. The sector consists mainly of the processing of raw materials and of light manufacturing for the domestic market.

The output of beer and stout rose by 8.2% from 917 thousand cartons in 2009 to 992 thousand cartons in 2010, by 23.7% from 992 thousand cartons in 2010 to 1,227 thousand cartons in 2011, decreases by 2.23% from 1,227 thousand cartons in 2011 to 1,200 thousand cartons in 2012 and further decreases by 21.1% from 1,200 thousand cartons in 2012 to 947 thousand cartons in 2013. Total soft drinks produced amounted to 1,881 thousand crates in 2011 compared to 1,962 thousand crates in 2010. It increase by 13.7% from 1,881 thousand crates in 2011 to 2,180 thousand crates in 2012 and further increases by 3.8% from 2,180 thousand crates in 2012 to 2,262 thousand crates in 2013.

Cement production increased by 3.3% from 301 thousand metric tons in 2010 to 311 thousand metric tons in 2011, reflecting the increased demand from the construction industry. In 2012 the production increases to 335 metric tons and decrease in output to 313 metric tons in 2013 resulting to a decrease of 7.9% in 2012 and a decrease of 6.6% in 2013.

BUILDING AND CONSTRUCTION

The construction share of gross fixed capital formation (GFCF) decreased from 28.1% in 2008 to 10.8% in 2013. It implies that the major share of GFCF for the period under consideration was due mainly to the acquisition of vehicles, machineries, computers and other equipments. It is critical to note that the process of industrialization should be based on a major construction share of GFCF but the reverse appears to be the case for Sierra Leone even though government have invested heavily in the construction of roads and there is a clear evidence of the spread of

residential construction by households in the Western Region. The trend for Real Construction growth rate declined by 8.3% from 2008 to 2009, it increased by 13.2%, 24.1%, 12.0% and 6.2% in 2010, 2011, 2012 and 2013 respectively.

The highest growth rate of building permits issued for Residential building was 82.3% from 2007 to 2008 and the highest recorded for wall fence was 109.8% from 2006 to 2007. Overall, the total number of building permits issued grew by 19.0% and 67.0% from 2006 to 2007 and from 2007 to 2008 respectively. The highest value of construction work was recorded by residential buildings for the period under consideration and this is followed by civil engineering works. Further analysis revealed that the composition of the value of construction is 54.7%, 16.4% and 28.9% for residential buildings, non-residential buildings and civil engineering works respectively.

TOURISM

Despite its increasing importance, tourism has attracted relatively little attention in Sierra Leone in the literature on economic development. Analysis has tended to focus on the contributions of the agriculture and mining sectors, rather than those of services. International visitor arrivals has increased steadily since 2009 and reached a peak in 2013. The number of international visitors increased significantly by 36% from 38,615 in 2010 to 52,442 in 2011 and from 59,730 in 2012 to 81,250 in 2013. The total number of departures decreased by 17% from 30,182 in 2009 to 25,070 in 2010. There was a peak in 2013, when it recorded a 32.1% increase from 46,457 in 2012 to 68,371 in 2013. Tourism earnings increased by 41% from \$ 41,678,670.0 in 2012 to \$ 58, 837,140.0 in 2013 and can be mainly attributed to the security stability in the country.

The number of hotel bed –nights occupied decreased by 23.3% from 2305 in 2009 to 1769 in 2010. There was a significant increase of 120.6% from 1832 in 2011 to 4041 in 2012. The number of visitors to the Tiwai Island Wildlife Sanctuary, decreased from 642 in 2009 to 605 in 2010.

The number of passports issued increased by 10.2% from 24,823 passports issued in 2006 to 41,556 in 2009. There was a slight drop in the number of passports issued in 2010 and there has been a steady increase from 2011 to 2013. Male passport holders accounted for 58.1% of all the passport holders for the period under review. The number of visas issued increased by 427.4% from 376 visas issued in 2010 to 1983 in 2011. However the number of visas issued decreased drastically by 687% from 1983 in 2011 to 252 in 2012.

TRANSPORT AND AVIATION

The Transport and Aviation sector posted a steady growth for the five year period. The sector's gross value added grew by 53.6% from 2009 to 2013. The road transport as a sub sector in relation to passenger movement on government operational buses grew by 566% from 2008 to 2012. However, transport earnings suffered a decline of 4.8% from 2008 to 2010, but this was followed by a growth of 57.5% from 2010 to 2012. There was again a decline by 4.7% from 2012 to 2013. On the whole, new registration of motor vehicles continued to increase throughout the five year period as it experienced an increase of 127.0% from 15,899 in 2009 to 36,004 in 2013. Motor drivers licenses increased by 109.0% from 17,689 in 2009 to 40,364 in 2011. This aspect of the transport output had a decline of 63.0% from 2011 to 2012.

The water transport subsector shows improvement in its performance as it experience an increase in the average ship turnaround time of 4.5% from 66 hours in 2009 to 69 hours in 2011. This sub-sector experienced a mixed performance of both increase and decrease in the area of import and export within the period under review. The total imports had 516.0% increase from 2009 to 2010 whilst there was an increase of only 7.3% from 2010 to 2011. There was however a decline in import of about 0.002% from 2011 to 2013. Export suffered a decline in 2010 as it was decreased by 24.0% from that in 2009. Also; it had an increase of 63.2% in 2012 from 2011.

The air transport in relation to aircraft movement, passenger movement, Freights and mails handled experience both an increase and a decline within the five year period that is attributed to the variations in the investment climate for the period under review. There was a drop in the Aircraft movement of 16.8% from 2009 to 2010. This sector also recorded an increase of 52.5% in the aircraft movement from 2010 to 2013. Freights handled at the Airport encountered a decline of 4.2% from 2009 to 2010, but there was a huge increase of 216.0% from 2010 to 2013. Mail handled at the Airport also experienced a decline of 15.9% from 2009 to 2010 but there was an increase of 108.0% from 2010 to 2012.

INFORMATION AND COMMUNICATION

The Information and Communication sector posted a steady growth for the five year period. The sectors gross value added grew by 49.6% from 2009 to 2013. Although the post offices, private letter boxes and private mail bags had remained the same for the period under review, other areas experienced mixed performances.

The number of expedited Mail services (EMS) dropped by 212 in 2010 from 2009 representing 6.2%. It further dropped by 43.0% from 2010 to 2011. The total EMS handled increased by 38.0% in 2012 from that in 2011. The parcels handled increased by 36.1% in 2012 from 2009. The total registered items posted increased by 19.3% from 2009 to 2010, followed by a drop of 24.0% from 2010 to 2013.

The number of radio frequencies utilized from 2009 to 2013 increased by 22 in 2013 representing 31.4%, whilst the TV frequencies increased by three in 2013 representing 25%.

The weekly newspaper houses in operation over the five year period had continued to increase as from 2009 to 2012 it had 100% increase and 111% increase from 2012 to 2013. On the other hand the daily newspaper houses in operation increased by 5 in 2012 from 2009 representing 26% whilst it decreased by 7 in 2013 representing 29%.

PRODUCER PRICE INDEX (PPI)

Quarter 1 for the period 2012, 2013 and 2014, overall/ aggregate PPI stood at 123.42, 142.49 and 123.39 with percentage change of (+8.69%) , (+1.92%) and (- 8.77%) respectively and brought about by mining and quarry (+0.85%) and manufacturing(+22.76%) in 2012; mining and quarry (+5.0%), manufacturing (0.51%) and Electricity, Gas, Steam and Air condition(-24.41 %)in 2013, and mining and quarry(-12.58%) and Electricity Gas, Steam and Air condition (36.21%)in 2014.

In quarter 2, for the period 2012 and 2013 aggregate PPI stood at 127.87 and 161.07 with percentage change of (+1.48%) and (+0.37%) respectively and brought about by Mining and Quarrying (+2.35) and Water collection, Treat and Supply (+0.14%) in 2012, and Mining and Quarry (+0.20%), Electricity Gas, Steam and Air condition (36.21%), Water collection, Treat and Supply (+0.14%) in 2013.

In quarter 3, for the period 2012 and 2013 aggregate PPI stood at 119.56, and 166.33 with percentage change of (+9.63%) and (+1.54%) respectively and brought about by Mining and Quarrying (+20.56%) with no percentage change in manufacturing price, Electricity Gas, Steam and Air condition and Water collection, Treatment and Supply price in 2012.

In quarter 4, for the period 2012 and 2013 aggregate PPI stood at 143.50 and 166.39 with percentage change of (+4.55%) and (+0.06%) respectively and brought about by Mining and Quarrying (+8.60%), manufacturing(+0.14%), Electricity Gas, Steam and Air condition (+73.71%) with no percentage change in Water collection, Treatment and supply in 2013.

BUSINESS CONFIDENCE INDEX (BCI)

From Q2 in 2010 to Q4 in 2013, there has been improvement in the confidence index of business operators of 4.1%. The Business Confidence Index in Q1 of 2011 was 60.4% and increased to 65.9% in Q4 of 2013. The index in Q2 of 2010 was 60.3% and it declined to 59.6% in Q2 of 2011; improved to 62.5% and 64.9% in 2012 and 2013 respectively. In Q3 of 2010, the index was 62.0% and remains the same in 2011 but increased to 63.5% and 65.9% in 2012 and 2013 respectively. In Q4 of 2010, the index was 59.3% and increased to 64.0%, 65.4% and 66.1% in 2011, 2012 and 2013 respectively.

Since the inception of the Sierra Leone Business Confidence Index, one affirmative outcome of this study was that sentiments about future business outlook were higher than sentiments about past/current business performance. The negative sentiments about Governance factors such as effect of bureaucracy, effect of internal political climate, effect of corruption and effect of crime had immense impact on both the medium and small scale size establishments.

The main governance factors undermining business confidence in all the sectors were bureaucracy, corruption and crime. The impact of internal political climate was manageable although above normal. The focus of policy should therefore be to intensify the current efforts to reduce crime, corruption and bureaucratic procedures on business operations in the country.

PUBLIC FINANCE

Public finance gives a clear picture of government revenue generation, expenditure and public debt management. In macroeconomic statistics, Public Finance is also referred to as the Fiscal Account or Table of Financial Operations of the State (TOFE). The main Balancing item in the Fiscal Account is Net Lending/Borrowing (NLB) which is determined as Total Revenue less recurrent expense less net capital expenditure. The usual practice in Sierra Leone is to express the Fiscal Account as a financial identity defined as total revenue equals total expenditure plus net lending/borrowing. By extending the Fiscal Account, the Overall Balance (OB) becomes the critical balance and it is defined as NLB less privatization less policy loans. Therefore, the object of financing is either against NLB or OB.

Total revenue and grants in 2012 was Le 2.5 trillion against a GDP of Le 16.5 trillion (15.2% of GDP), it experienced a further increase in 2013 to Le 2.9 trillion against a GDP of Le 21 trillion which is a drop in proportion to GDP (13.7%). The immense increase in Total revenue and grants could be attributed to the improved method of revenue generation by the National Revenue Authority. In 2013, The Sierra Leone's Government expenditure summed up to Le 3.2

trillion (15.2% of GDP), and this was 5.1% lower than the government expenditure experienced in 2012 (Le3.3Trillion) which was 20.3% of GDP.

Capital expenditure was in billions of Leones until 2013 when Le 1.1 Trillion was recorded (5.4% of GDP). It could however be observed that there was a fall in the percentage of Capital expenditure as a percentage of GDP in 2012 to 2013 (7.6% -5.4% respectively) which could be attributed to the drop in expenditures funded by foreign loans and grants.

In 2009, including and excluding grants deficits (on commitment basis) were Le201, 700 million and Le702 037 million respectively. These deficits continued to increase to Le523 516 and Le1 066 130 million in 2010, Le581 262 and Le1 289 921 in 2011 before reaching their highest peaks at Le854 252 million and Le1 486 815 million in 2012 respectively. The year 2013 showed an improvement in both the including and excluding grants deficits when they dropped to Le320 611 and Le868 211 million respectively.

MONEY, BANKING AND FINANCE

Monetary aggregates were expansionary during the review period. Broad Money and Reserve Money expanded by 11.97% and 11.71% respectively at end December 2013. The Bank's Monetary Policy Rate (MPR) during the second half of 2013 was adjusted downwards in steps from 15% in June 2013 to 12% in August 2013 and 10% in December 2013, on account of favorable inflation outlook and the need to support broad based macroeconomic growth.

Monetary aggregates during 2013 increased. Broad Money (M2) expanded from Le3, 348,715bn in 2012 to Le3, 721.312bn in 2013. The growth in M2 was on account of increases in both the Net Foreign Assets (NFA) and Net Domestic Assets (NDA). NFA increased from Le2, 485.029bn to Le2, 863.114bn in 2013, mainly attributable to foreign direct investment inflows, including receipts from exports, external budgetary support and payment of taxes in foreign currency by mining companies. NDA grew from Le2,505,553bn in 2012 to Le2,911,757bn in 2013 attributable mainly to the 19.02% (Le266.10bn) expansion in Government's net borrowing from the banking sector during the review period, which was moderated by the 13.52% (Le244.03bn) decline in Other Items.

The interest rate structure across all tenures of Government securities declined in the second half of 2013. The monthly average interest rate on Savings, 1 month, 3 months, 6 months, 9 months and 12 months Time Deposits declined by 1.46, 1.84, 2.61, 1.53, 3.25 and 2.13 percentage points from 6.19, 7.69, 8.18, 9.16, 10.25 and 10.72% percent as at end June, 2013 to 4.73, 5.85, 5.57, 7.63, 7.00 and 8.59 percent, respectively, as at end December 2013. The

monthly average annual yield on 3-months, 6-months and 12-months Treasury Bills declined by 198, 64, and 22 basis points from 5.37, 8.14 and 9.69 percent as at end June 2013 to 3.39, 7.50, and 9.47 percent, respectively, as at end December 2013; and interest rate on the 12-month Treasury bond declined by 3.0% in 2013.

INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

The country's total export comprises of both mineral and Agricultural exports. Its foreign exchange earnings from exports has been increasing since 2011 to date but there has been a corresponding increase in import bills leading to the country recording a deficit for the period under review. In 2012, Sierra Leone's total export value grew by more than 200% from Le1, 521,014.38 million Leones, in 2011 to Le4, 871,104.97 million Leones, and then increases in 2013 to an amount of Le 8,276,288.23 million representing a growth rate of 69.9%. Total import value dropped to Le5, 113,561.90 million in 2012, and then rises again by 51.1% to Le 7,727,310.43 million in 2013.

In 2013, the country recorded a positive growth rate of 124.6 % for mineral exports, while a negative growth rate of -19.5% was recorded for agricultural exports. Furthermore, the percentage share of mineral export in total export value increases from 70.6% in 2012 to 93.3 % in 2013, while for that of agricultural exports it dropped significantly from 22.8% in 2012 to 5.3 % in 2013. In Sierra Leone, the mining sector is now the engine of growth, with Iron Ore been the growth driver and account for about 55.7% share of total export value in 2013.

The Country's balance of Payments has improved in recent years, especially when the overall balance for the 2009 balance of payments recorded a surplus of US\$ 60.7 million, from a deficit of US\$175.3 million in 2008. Its investment position as at end 2009 was valued at US\$0.62 billion. Sierra Leone's external transactions with rest of the world showed an improvement with the deficit in overall balance narrowing from US\$194.25 million in 2011 to US\$140.0 million in 2012, primarily due to an improvement in the balance of the current account. The Goods and Services account of the current account of the BOP both recorded a deficit in 2012. The current account deficit contracted by US\$ 811.4 million to US\$ 1,102.09 million in 2012. Sierra Leone's indebtedness to the rest of the world shows an increasing trend as indicated by the country's international investment position (IIP) from US\$ 0.69 billion in 2009, to US\$ 0.94 billion in 2010, US\$2.04 billion in 2011 and US\$2.05 billion in 2012.

CHAPTER 1: INTERNATIONAL AND REGIONAL MACROECONOMIC OUTLOOK

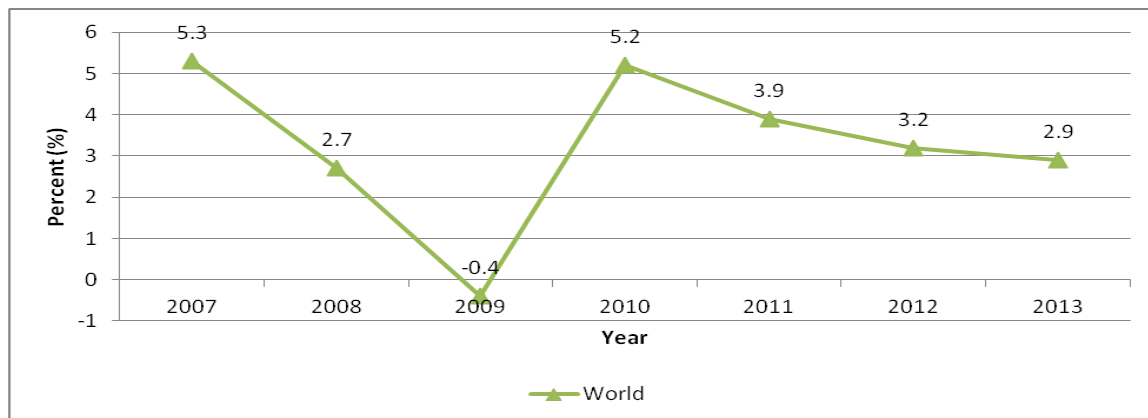
1.0 Overview

This chapter discusses the international and regional macroeconomic outlook. The financial crisis, which originated from the US housing market greatly affected the performance of the world economy in 2009, and resulted in world economy recorded a negative 0.4% growth rate in that year. In recent times the growth of the world economy continued to be influenced by the debt crisis faced by many euro zone countries such as Greece, Spain and Italy; and as result the world economy recorded declining growth rates from 3.9% in 2011 to 3.2% in 2012 and 2.9% in 2013. Sub-Saharan African (SSA) countries experienced a faster recovery from the financial crisis of 2009 as SSA economies grew from 2.6% in 2009 to 5.6% in 2010 and 5.0% in 2013. West African Countries also experienced faster recovery from the 2009 financial crisis as GDP growth rate was on average above 3% from 2009 to 2011.

1.1 Trends in World GDP and Financial Stability

The world economy has been characterized in recent times by the euro zone debt crisis, which emanated from the financial crisis of 2009. The crisis brought about the decline of world output by negative 0.4% in 2009. However, more recent developments in the world economy show a slow pace of growth in 2013 of 2.9% compared with the 5.2% growth in 2010.

Figure 1.1 Trends in World GDP and Financial Stability



Source: IMF (2013), World Economic Outlook

The financial crisis, which emanated from the US housing market problems quickly affected other countries of the world and forced the world economy into recession with a negative 0.4% growth of real GDP growth in 2009.

Table 1.1a: Major Macroeconomic indicators by Group of Countries

Group of Countries	2008	2009	2010	2011	2012	2013
GDP Growth Rate (Annual percent change)						
World	2.7	-0.4	5.2	3.9	3.2	2.9
Advanced Economies	0.1	-3.4	3.0	1.7	1.5	1.2
United States	-0.3	-2.8	2.5	1.8	2.8	1.6
Euro Area	0.4	-4.4	2.0	1.5	0.6	-0.4
Developing Asia	7.3	7.7	9.8	7.8	6.4	6.3
Private Consumption Expenditure (annual percent change)						
Advanced Economies	0.1	-1.1	2	1.6	1.2	1.3
United States	-0.4	-1.6	2	2.5	2.2	2
Euro Area	0.4	-1	1	0.3	-1.4	-0.7
Export Volume (Annual percent change)						
World	2.8	-10.8	12.8	6.1	2.7	2.9
Advanced Economies	2.1	-11.6	12.4	5.7	2	2.7
Emerging Markets	4.2	-8	14	6.8	4.2	3.5
Import Volume (Annual percent change)						
Advanced Economies	0.5	-12.1	11.7	4.7	1	1.5
Emerging Markets	8.3	-8.3	14.7	8.8	5.5	5

Source: IMF (2013), *World Economic Outlook*

Table 1.1a shows that the growth of the world economy continued to be affected by the problems associated with the debt crisis of many eurozone countries, which recorded a negative 0.4 growth rate in 2013, while the U.S. economy had a better performance of 1.6% growth rate in the same year. However this 1.6% growth of the US economy was slower than in 2012, which recoded 2.8%. It was mainly the weakening of domestic demand, which along with the decline in exports, affected the economic growth in the eurozone. However, most developing countries in Asia such as China did much better than any of the other groupings, although their output growth slowed down from 9.6% in 2010 to 6.3% in 2013. This downward trend occurred in many of the Asian countries, where besides exports also the domestic demand recorded a decline, driven by the decrease in private consumption and fiscal austerity policies.

Perceived risk on developments in the eurozone and beyond has resulted in lower investments in developing countries as well as decline in aid and development assistance to these countries such as Sierra Leone. In addition, slow growth or recession

in the advanced countries affected tourism receipts as well as remittances from these advanced countries. These developments have further increased the uncertainty over developments in the world economy.

Table 1.1b: Consumer Prices

Country Groupings	2008	2009	2010	2011	2012	2013
Advanced Economies	3.4	0.1	1.5	2.7	2.0	1.4
United States	3.8	-0.3	1.6	3.1	2.1	1.4
Euro Area	3.3	0.3	1.6	2.7	2.5	1.5

Source: IMF (2013), *World Economic Outlook*

The USA experienced deflation in 2009, while other eurozone and other advanced countries experienced very low inflation, compared with 2008 which recorded very high price for food and fuel commodities. On a whole, inflation is with acceptable range in most countries as the inflation was between 1.4% and 2.5% between 2012 and 2013.

1.2 Trends in Sub-Saharan African (SSA) GDP and Economic Integration

Sub-Saharan African (SSA) countries experienced a faster recovery from the financial crisis of 2009 as SSA economies grew from 2.6% in 2009 to 5.6% in 2010 and 5.0% in 2013.

Table 1.2: GDP Growth Rates (Annual Percent change)

SSA Countries	2008	2009	2010	2011	2012	2013
Sub-Saharan Africa	5.7	2.6	5.6	5.5	4.9	5.0
Nigeria	6.0	7.0	8.0	7.4	6.6	6.2
South Africa	3.6	-1.5	3.1	3.5	2.5	2.0

Source: IMF (2013), *World Economic Outlook*

Notwithstanding the numerous economic challenges SSA countries faced, they helped to spur world economic growth as their output increased by 4.9 in 2012 and 5.0% in 2013. It is believed that such a strong growth was achieved mainly from expansion of the extractive industry as well as the production and export of primary agricultural products such as cocoa and coffee. There are concerns however, that such a growth is not inclusive enough as unemployment, and especially youth unemployment and poverty are still widespread in SSA countries.

1.3 West African Macroeconomic Multilateral Surveillance and Convergence Programme

The Economic Community of West African States (ECOWAS), comprising fifteen (15) states, was established in 1975 with a strong commitment to supporting economic growth and development of the sub-region through the establishment of common markets, economic and monetary cooperation. The economic and monetary union was hoped to evolve into a monetary union by adopted a common currency under a unified exchange rate arrangement, and pursue a common monetary policy under a centralized authority. The benefits from such economic and monetary arrangements would include the enhancement of the payments system for goods and services in the sub-region, thereby promoting trade; the creation of a larger regional market and widening of business/trade-related income-earning opportunities for the citizenry for improvement of their standard of living; and the facilitation of unhindered movements of persons and labour in the sub-region through dismantling of barriers, thereby strengthening cultural, economic, social and political cooperation (common central bank, judiciary, parliament, etc).

The Economic Community of West African States (ECOWAS) adopted the Monetary Cooperation Programme in 1987, which aimed at establishing a common currency within the Community. However, ECOWAS has not made much progress to date in the adoption of a common currency among the 15 member states, although 8 countries have had a common currency union since 1994.

The Franco-phone countries had meanwhile consolidated their monetary union with the establishment of the West African Economic and Monetary Union (Union Economique et Monétaire Ouest Africaine, UEMOA) in 1994 as a regional organisation of eight (7) West African countries (Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal and Togo). In 1997, Guinea-Bissau, a former Portuguese colony, became the organization's eighth (and only non-Francophone) member state. These countries share the same currency, the West African francs (CFA francs), and UEMOA was established in response to the need for convergence and harmonization of their macroeconomic and monetary policies.

The 1999 Decision (Decision No.: A/DEC.17/12/99) on Macroeconomic convergence criteria as part of the establishment of the ECOWAS Monetary Cooperation, which was adopted by the ECOWAS Authority in 1999 facilitated the formation of the second monetary zone, comprising the non-CFA countries, so that these countries can

harmonize their economic policies and form a monetary union. It was argued that it would be easier for the two monetary zones to then merge their currencies into a single currency than to merge ten or more currencies. As a result, in 2002, the Accra Declaration launched the Second Monetary Zone, The West African Monetary Zone (WAMZ). The membership of WAMZ comprises Gambia, Ghana, Guinea, Nigeria and Sierra Leone. Liberia however became a member in 2006

The objective of the WAMZ is to establish a monetary union with a single currency and a common central bank, the single currency would then replace the existing five national currencies. An initial target for the WAMZ to take off was scheduled for 2003 but was postponed to 2005 and once more to 2009 due mainly to the member countries' inability to meet the convergence criteria. However, this target has since been revised and the new expected year of the single currency in WAMZ is 2015.

The organs of the WAMZ are:

- The Authority of Heads of State and Government
- The supreme body of the Zone made up of the Heads of State and Government of the Zone sitting in Conference. The Authority normally meets twice in a year.
- The Convergence Council.

The policy body of the Zone composed of Ministers for Foreign Affairs, Finance and Trade of these countries and the Governors of central banks of the of these countries and the ECOWAS Secretariat.

Forum of Finance Ministers

This is the advisory body created to ensure greater involvement of Finance Ministers in the implementation of the programme of the zone. The Forum deliberates on the status of implementing of the WAMZ programme with particular focus on budgetary implementation.

The Committee of Governors

The Committee of Governors of Central Banks of the five countries, which acts as the technical supervisory body of the Zone.

The Technical Committee

The Technical Committee is the expert body that reviews reports and makes proposals for the consideration of the Committee of Governors and the Convergence Council. It is made up of representatives of the Convergence Council members, as well as the ECOWAS Secretariat.

West African Monetary Institute WAMI

In order to facilitate the creation of a new Central Bank, which would circulate the common currency among the six West African countries, an interim institution, which is similar to a common Central Bank, was created. WAMI's functions therefore are to undertake all the preparations necessary for the take-off of the WACB; monitor and assess compliance with the convergence criteria for the WAMZ countries; adopt price stability as its central objective and strengthen the coordination of monetary policies in order to achieve that objective; make necessary preparations for the conduct of a common monetary policy; and make preparations for the issue of a common currency.

Convergence Criteria under the West African Monetary Zone

The Convergence criteria for the West African Monetary Zone focus on price stability, sustainability of fiscal deficit, limiting of deficit financing by the central bank and maintaining sufficient levels of gross official foreign exchange reserves. The Agreement establishing the Zone stipulates convergence criteria to be achieved and sustained within a given time frame. The convergence criteria are classified into primary and secondary.

Primary Criteria

These are:

- I. single digit inflation rate by 2000 and 5.0 per cent by 2003;
- II. fiscal Deficit (excluding grant)/GDP ratio of equal to or less than 5 per cent by 2000, and 4.0 per cent by 2002;
- III. a ceiling on central bank financing of budget deficit of equal to or less than 10 percent of previous year's tax revenue by 2000; and
- IV. maintenance of official foreign reserves of equal to or greater than 3 months of imports by 2002; and at least 6 months by 2003.

Table 1.3: Summary of Convergence Primary Criteria

Primary Criteria	Target
Inflation Rate (end period)	Single digit
Fiscal Deficit/GDP (%) excl. Grants	≤ - 4%
Central Bank Fin of fiscal def as % of previous year's tax rev	< 10%
Gross External Reserves (Months of Imports)	≥ 3

Source: WAMZ Authorities & WAMI staff

Table 1.3 summarizes the primary criteria that must be met by each and every member country so as to allow the single currency to be launched within a stable macroeconomic environment.

Secondary Criteria

The following six secondary criteria would also be observed in support of the primary criteria:

- I. prohibition of new domestic debt arrears and liquidation of all existing ones by end of 2003;
- II. tax revenue to GDP ratio to be equal to or more than 20%;
- III. wage bill to total tax revenue ratio to be equal to or less than 35 per cent ;
- IV. public investment as a ratio of total tax revenue to be greater than 20 per cent;
- V. maintenance of exchange rate stability; and
- VI. achievement of positive real interest rates.

The progress towards the meeting of necessary convergence criteria, outstanding problems in that regard, and other issues requiring resolution before movement into the final phase of monetary integration in the WAMZ, are covered in the next section.

1.4 Development in the Second West Africa Monetary Zone (WAMZ)

Table 1.4.1 Number of Primary criterion met by Country and by year

Country	2006	2007	2008	2009	2010	2011	2012
	Dec	Dec	Dec	Dec	Dec	Dec	Dec
Gambia	4	4	4	3	2	3	3
Ghana	2	2	0	2	3	4	3
Guinea	1	2	1	1	0	2	2
Liberia	n.a	1	3	4	4	3	3
Nigeria	4	4	3	3	2	3	3
Sierra Leone	2	2	2	1	1	1	2

Source: WAMZ Authorities & WAMI staff

The Table 1.4.1 shows that there has not been a year WAMZ countries all met the 4 primary criteria for the single currency, although Gambia met the all 4 criteria for three consecutive years (2006-2008). Sierra Leone did not meet the all 4 primary criteria throughout the period under review; in fact, Sierra Leone has only met 2 of the primary criteria at any point in time.

Table 1.4.2 GDP Growth Rate of WAMZ Countries

Country	2009	2010	2011
Gambia	4.6	5.5	3.3
Ghana	4.0	8.0	14.4
Guinea	-0.3	1.9	4.0
Liberia	4.6	5.6	6.9
Nigeria	7.0	8.0	7.4
Sierra Leone	3.2	5.0	6.0

Source: WAMZ Authorities & WAMI staff

GDP growth has been encouraging in all the WAMZ countries especially in 2011 as shown in Table 1.4.2.

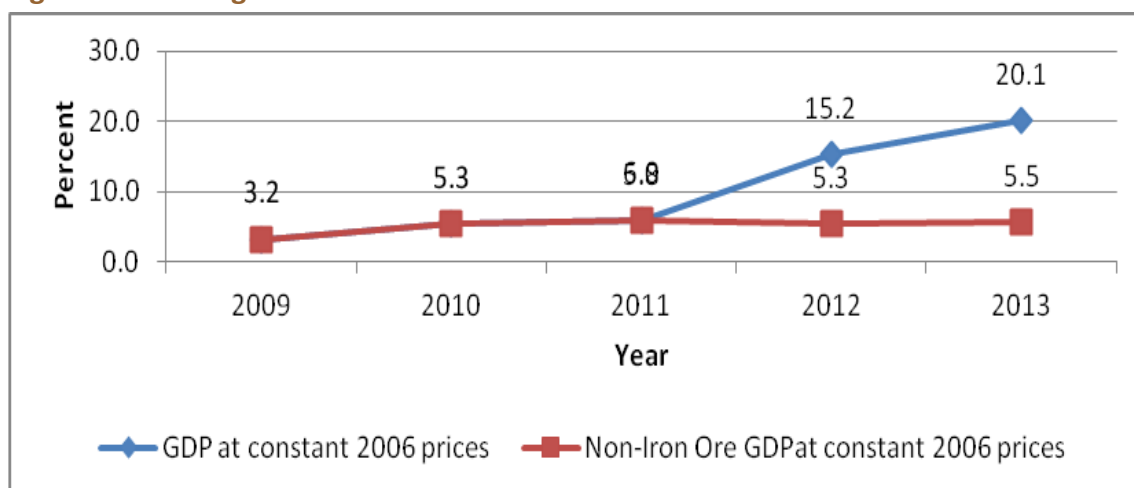
CHAPTER 2: THE DOMESTIC ECONOMY

2.0 Overview

Sierra Leone gross domestic product (GDP), which measures the monetary value of goods and services produced within the country, grew by an impressive 15.2% in real terms during 2012, and 20.1 in 2013 making Sierra Leone one of the world's fastest growing countries in those years. This accelerated economic growth in 2012 and 2013 was supported mainly by the extractive industry, especially with the commencement of large-scale iron ore mining, as well as growth in the agriculture and services sectors. Excluding iron ore production, GDP growth reached a healthy 5.3% and 5.8% in 2012 and 2013 respectively.

The graph presents the Average Annual Rates of Growth of total GDP at 2006 prices from 2009 to 2013. The GDP in real terms grew by 3.2% in 2009 compared to 5.8% in 2011 and 20.1 in 2013.

Figure 2.0: Average Annual Growth Rates of GDP at 2006 Prices



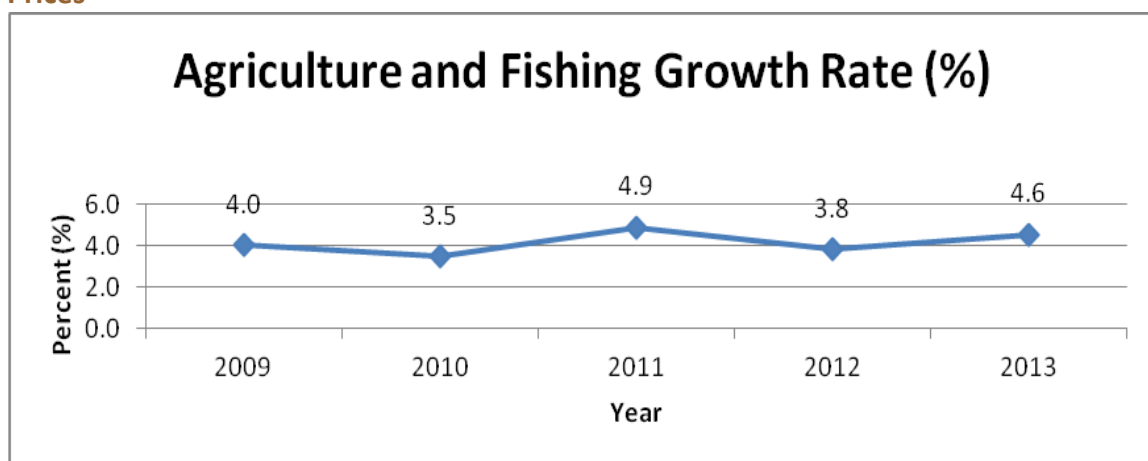
The expansion of domestic output was driven largely by a rapidly growing mining sector, particularly the significant scaling up of iron ore extraction. Excluding iron ore, GDP grew by 5.5% in 2013.

2.1 Industrial/Sector Analysis of GDP

2.1.1 Agriculture

Agriculture is the main industry of the economy, contributing more than 40% of GDP. The output of the Agriculture sector continued to grow since 2009.

Figure 2.1.1: Average Annual Growth Rates of Agriculture and Fishing GDP at 2006 Prices

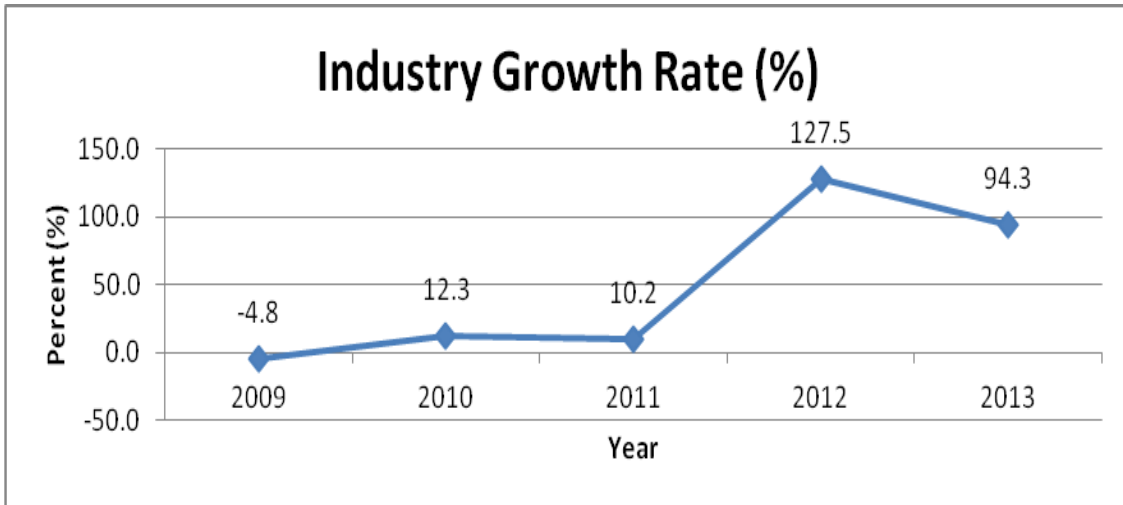


However growth in the sector slowed down to 3.8% in 2012 partly due to the slow pace in implementing the 'Small Holder Commercialization Programme (SHCP) policy of the government, which aimed at expanding land under cultivation, creating markets for farmers and value addition through processing and storage of agricultural products. SHCP implementation was enhanced in 2013 and farmers benefited immensely through the Agricultural Business Centers (ABCs) which in turn boosted Agricultural production and hence the industry grew by 4.6% in 2013.

2.1.2 Industry

The Industrial sector, contributing on average of about 8% of GDP, suffered heavily during the structural crisis faced by mining companies in 2008 and the financial crisis of 2008/2009. As a result the sector recorded negative growth rates of 4.8% in 2009; mainly due to decline in the mining output of diamond, bauxite and rutile.

Figure 2.1.2: Average Annual Growth Rates of Industry GDP at 2006 Prices

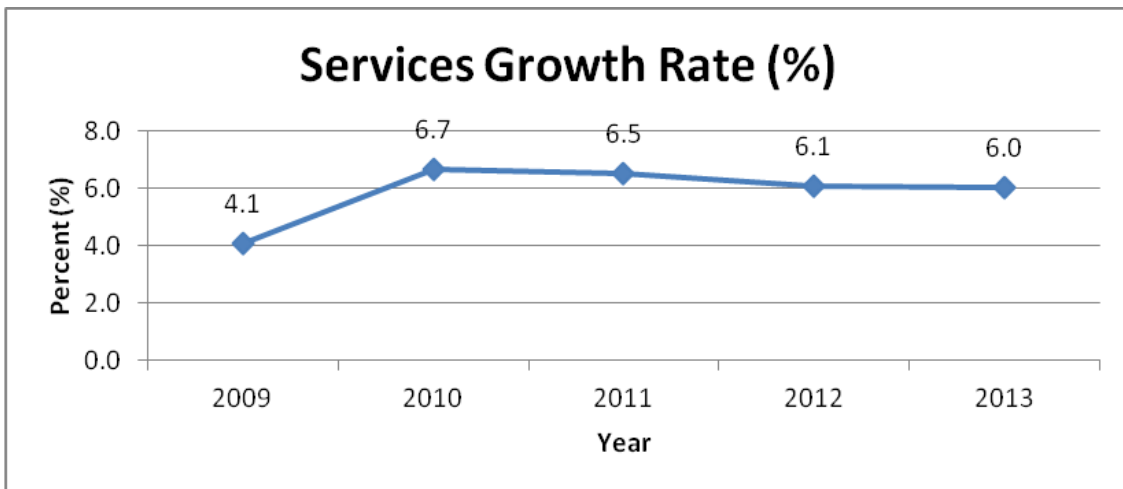


The growth rate in 2012 of 127.6 is realized mainly from increased iron ore production and construction. This is also true for the 94.3% in 2013,

2.1.3 Services

Services contribute on average about 35% of GDP between 2009 and 2013.

Figure 2.1.3: Average Annual Rates of Growth of Service GDP at 2006 Prices



The service sector grew by 6.1% in 2012 and 6.0% in 2013 supported mainly by growth in the sub-sectors like public administration services, Transport and Communication, trade, tourism, and Banking, which continue to record impressive growth rates.

2.2 GDP by Economic Activities at Current Prices

This section presents the nominal GDP at detailed economic activity breakdown

2.2.1 Agriculture, Forestry, Fishery and Livestock

Crop is the main contributor to the agricultural output, contributing on average 63% of the output. It is believed that continued improvements in farming methods, tools, inputs, infrastructure and facilities such as milling, drying and storage facilities, and feeder roads, led to an overall expansion of crop, livestock and other activities in 2012 and 2013. Agricultural output expanded from **8,355,508 million Leones** in 2012 to **Le 10,215,234 million Leones** in 2013.

Table 2.2.1: Agriculture Nominal GDP (in Million Leones)

Economic Activity	2009	2010	2011	2012	2013
Agriculture, Forestry and Fishing	4,591,100	5,429,597	6,986,660	8,355,508	10,215,234
Crops	3,133,423	3,508,077	4,349,157	5,020,506	6,292,560
o/w: Rice	1,451,411	1,607,426	2,028,262	2,164,606	2,639,445
Livestock	204,849	294,397	373,838	463,642	509,855
Forestry	611,512	705,201	975,152	1,253,047	1,460,614
Fishery	641,315	921,922	1,288,514	1,618,313	1,952,204
Overall GDP	8,308,293	10,256,144	12,752,935	16,460,656	21,286,675

Crop (mainly rice) production increased 5,020,506 million Leones in 2012 to 6,292,560 million Leones in 2013; livestock, forestry and fishery output also increased over the years.

2.2.2 Industry

Overall mineral production expanded significantly in 2012 and 2013, due mainly to high global demand for minerals coupled with significant expansion of iron ore production in the country. Iron ore mining contributed 62% and 81% of mining mineral output in 2012 and 2013 respectively.

Table 2.2.2: Industry Nominal GDP (in Million Leones)

Economic Activity	2009	2010	2011	2012	2013
Industry	543,946	798,027	1,007,125	2,400,415	4,733,692
Mining and Quarrying	240,340	410,642	528,777	1,831,856	4,130,680
o/w: Diamond	165,275	281,067	336,055	437,296	500,794
o/w: Iron Ore	-	-	29,933	1,129,025	3,366,239
Manufacturing and Handicrafts	176,800	223,299	288,488	333,221	349,867
Electricity	9,272	12,484	16,196	16,910	18,632
Water	8,240	11,960	14,040	20,895	25,259
Construction	109,294	139,643	159,623	197,533	209,255
Overall GDP	8,308,293	10,256,144	12,752,935	16,460,656	21,286,675

Manufacturing and electricity and water output did not improve very much between 2012 and 2013.

2.2.3 Services

Services play a key role in development of the economy.

Table 2.2.3: Services Nominal GDP (in Million Leones)

Economic Activities	2009	2010	2011	2012	2013
Services	2,752,745	3,463,809	4,280,209	5,097,244	5,593,603
Trade and Tourism	738,286	941,678	1,206,762	1,454,408	1,649,055
o/w: Hotel and Restaurant	28,996	36,485	49,335	67,594	72,190
Transport	298,256	329,473	389,236	418,871	458,229
Communication	230,186	256,953	299,218	314,964	345,938
Finance, Insurance and Real Estate	384,955	479,134	583,534	684,079	751,552
o/w: Banking	137,786	171,506	207,396	246,566	274,409
Administration of Public Services	292,214	421,261	582,853	768,132	901,388
Other Services	339,721	410,018	497,825	580,479	602,197
Education	203,609	237,666	290,722	350,979	379,766
Health	273,170	437,171	479,580	538,252	564,594
NPISH	114,276	103,417	137,208	211,660	192,889

Trade and tourism is a major contributor on the services nominal output. This followed by the government services, financial sector, other services, health and education services.

2.3 GDP by Economic Activities at Constant 2006 Prices

This section presents the real GDP at constant 2006 prices by detailed economic activity breakdown.

2.3.1 Agriculture, Forestry, Fishery and Livestock

Agricultural output grew in real terms by 3.8% in 2012 and 4.6% in 2013 which represented an expansion of agricultural activities in 2013.

Table 2.3.1: Agriculture Real GDP at 2006 Prices (In Million Leones)

Economic Activities	2009	2010	2011	2012	2013
Agriculture, Forestry and Fishing	3,529,327	3,653,451	3,832,146	3,979,557	4,160,741
Crops	2,451,859	2,544,441	2,691,979	2,808,057	2,952,174
o/w: Rice	1,007,513	1,045,245	1,123,389	1,178,718	1,264,207
Livestock	147,101	153,977	160,597	167,487	174,944
Forestry	403,850	418,555	429,757	444,278	459,147
Fishery	526,517	536,477	549,813	559,735	574,477
Overall GDP	6,561,889	6,912,753	7,324,821	8,438,400	10,137,732

Crop, especially rice, is the main contributor to this output; forestry activity is expanding but at a much slower rate when compared with the other activities like livestock and fishery partly due to the informal nature of transactions in the forestry sector. The ban on commercial timber exporting since 2008 compounded the problems of forestry activities in the country.

2.3.2 Industry

Mining is the main contributor to industrial real output, and iron ore mining became a major economic activity since 2012.

Table 2.3.2: Industry Real GDP at 2006 Prices (In Million Leones)

Economic Activities	2009	2010	2011	2012	2013
Industry	503,532	565,503	622,980	1,417,079	2,753,547
Mining and Quarrying	219,408	253,777	258,299	1,025,376	2,355,520
o/w: Diamond	153,590	167,757	143,835	190,629	233,779
o/w: Iron Ore	-	-	13,216	736,330	2,010,593
Manufacturing and Handicrafts	140,007	152,740	175,615	182,676	187,150
Electricity	31,897	32,777	34,933	37,058	28,144
Water	7,942	8,156	7,607	7,854	8,429
Construction	104,277	118,054	146,526	164,116	174,304
Overall GDP	6,561,889	6,912,753	7,324,821	8,438,400	10,137,732

The real output of electricity decline sharply in 2013 from 37,058 million Leones in 2012 to 28,144 million Leones mainly due to the reduction in electricity supplied from the Bumbuna Hydro as a result of a fault in the hydro plant.

2.3.3 Services

Trade and tourism is making the largest contribution in the services real output; this is followed by the public administration services, transport and financial services.

Table 2.3.3: Services Real GDP at 2006 Prices (In Million Leones)

Economic Activities	2009	2010	2011	2012	2013
Services	2,199,056	2,346,181	2,502,021	2,654,453	2,814,758
Trade and Tourism	531,084	576,332	623,078	657,324	705,378
o/w: Hotel and Restaurants	24,721	27,648	30,840	33,506	35,706
Transport	297,247	307,658	325,893	348,212	362,791
Communication	229,407	239,940	250,524	261,833	273,887
Finance, Insurance and Real Estate	298,721	311,071	320,556	333,934	347,581
o/w: Banking	99,660	105,326	107,518	112,370	118,071
Administration of Public Services	208,612	255,348	298,237	345,523	393,810
Other Services	242,528	248,533	254,730	261,112	267,713
Education	200,534	210,739	224,941	234,283	246,071
Health	187,053	196,064	202,295	210,489	216,343
NPISH	92,060	94,435	98,571	104,093	109,616
Overall GDP	6,561,889	6,912,753	7,324,821	8,438,400	10,137,732

Hotel and restaurant (Tourism) remains a sector that performs far below its potential in Sierra Leone in terms of its contribution towards socio-economic development, employment, and poverty reduction. However, tourism activities expanded grew faster in 2013 than in any of the other years, which could be attributed to the increased number of tourist arrivals, visiting for business and conferences.

2.4 GDP by Expenditure at Current Prices

Final consumption is the sum of household final consumption, non-profit institution serving households (NPISH) and government consumption. Nominal GDP is driven mainly by household final consumption.

Table 2.4: Nominal/Current GDP by Expenditure Approach (Le million)

Expenditure Category	2009	2010	2011	2012	2013
Final Consumption Expenditure	8,677,463	8,881,742	12,450,316	15,107,185	18,813,572
Households	7,617,290	7,627,908	10,933,598	13,099,016	16,663,085
NPISH	186,737	187,280	227,582	315,113	294,640
Government	873,436	1,066,555	1,289,136	1,693,056	1,855,847
o/w: Collective	672,883	838,391	1,004,064	1,348,861	1,487,153
Gross Capital Formation	830,263	3,188,376	5,365,826	4,600,592	2,712,784
Gross Fixed Capital Formation	799,404	3,150,100	5,315,874	4,082,899	2,968,030
o/w: Govt. GCF	311,385	886,373	1,992,870	1,389,712	1,199,349
Changes in Inventories	30,859	38,276	49,952	517,693	(255,246)
Export of Goods and Services	1,121,567	1,722,427	2,081,748	5,394,184	9,515,288
Export of Goods	924,546	1,483,627	1,795,189	5,050,312	9,102,642
Export of Services	197,020	238,800	286,560	343,872	412,646
Import of Goods and Services	2,320,999	3,536,401	7,144,955	8,641,304	9,754,969
Import of Goods	1,906,351	2,965,252	6,391,039	7,661,213	8,480,850
Import of Services	414,647	571,149	753,916	980,091	1,274,119
GDP at Market Prices	8,308,293	10,256,144	12,752,935	16,460,656	21,286,675

The gap between export of goods and services and import of goods and services narrowed down in normal terms from 3,247,121 million Leones in 2012 to 239,681 million Leones in 2013 mainly due to increased export of iron ore.

2.5 GDP by Expenditure at Constant 2006 Prices

Capital formation grew faster in real terms between 2009 and 2010 and between 2010 and 2011, which reflected the increase in the importation of capital related goods to support mining activities as well as scaled up construction activities under the Agenda for Change (AfC). The growth rate declined between 2011 and 2012; and further declined between 2012 and 2013 due to the decline in machinery and equipment imports and a scale down of construction activities due to the 2012 General Elections.

Table 2.5: 2006 Constant Prices GDP by Expenditure Approach (Le million)

Expenditure Category	2009	2010	2011	2012	2013
Final Consumption Expenditure	6,939,721	6,226,660	7,603,133	8,521,410	8,968,136
Households	6,176,176	5,436,557	6,793,602	7,601,538	7,990,635
NPISH	139,997	143,609	149,899	158,297	166,695
Government	623,548	646,495	659,633	761,574	810,806
o/w: Collective	480,373	508,193	513,765	606,748	649,727
Gross Capital Formation	657,331	2,178,504	3,089,670	2,529,715	1,892,833
Gross Fixed Capital Formation	633,496	2,152,799	3,061,180	2,201,095	1,863,027
o/w: Govt. GCF	246,528	605,627	1,147,504	764,157	836,841
Changes in Inventories	23,835	25,705	28,489	328,620	29,806
Export of Goods and Services	864,510	1,027,393	1,014,300	2,557,911	4,898,821
Export of Goods	708,850	865,626	851,872	2,383,274	4,703,390
Export of Services	155,660	161,767	162,428	174,636	195,431
Import of Goods and Services	1,899,674	2,519,803	4,382,282	5,170,636	5,622,059
Import of Goods	1,572,073	2,132,898	3,954,947	4,672,893	5,018,630
Import of Services	327,601	386,906	427,335	497,743	603,429
GDP at Market Prices	6,561,889	6,912,753	7,324,821	8,438,400	10,137,732

Export of goods almost doubled in real terms between 2012 and 2013 due to the increased export of iron ore; whereas import grew much slower in the same period.

2.6 GDP by Income at current prices

Compensation of employees (COE) is the total remuneration payable by an enterprise or institution or organization to its employees or workers for work done by them during the accounting period' and this remuneration includes cash and in-kind payments. Compensation of employees is the major component of GDP by income approach.

Table 2.6: Components of Nominal GDP by Income Approach (in million Le.)

Aggregates	2009	2010	2011	2012	2013
Compensation of employees	4,187,675	5,177,557	6,572,863	8,545,432	10,920,435
Operating surplus	3,700,115	4,513,876	5,701,131	7,307,734	9,622,094
Domestic Product at market prices	8,308,293	10,256,144	12,752,935	16,460,656	21,286,675
Net primary income from ROW	(120,799)	(193,200)	(300,604)	(2,629,506)	(3,154,779)
Taxes on products/production	750,210	996,044	1,245,856	1,717,622	2,176,077
Gross National Income at m.p.	9,022,901	10,369,277	13,219,247	14,941,283	19,563,827
Consumption of fixed capital	331,347	379,169	492,698	491,774	737,661
Net National Income at m.p.	8,691,555	9,990,108	12,726,549	14,449,509	18,826,166
Net current transfers from ROW	578,378	830,894	841,589	992,010	1,003,455
Gross National Disposable Income at m.p	9,601,279	11,200,170	14,060,836	15,933,293	20,567,282
Net National Disposable Income at m.p	9,269,933	10,821,001	13,568,138	15,441,519	19,829,621
Government final consumption expenditure	873,436	1,066,555	1,289,136	1,693,056	1,855,847
Household final consumption expenditure	7,804,027	7,815,188	11,161,180	13,414,128	16,957,725
Gross Savings	923,817	2,318,428	1,610,520	826,109	1,753,710
Net Savings	592,470	1,939,259	1,117,823	334,334	1,016,049

Gross National Income (GNI) is equal to GDP plus net primary income from abroad. GNI increased steadily from 9,022,901 million Leones in 2009 to 19,563,827 million Leones in 2013; however, GNI is lower than GDP in Sierra Leone, which underlines that fact that net factor income is negative-Sierra Leone is paying for factors of production owned abroad that we are receiving payment for factors of production we own abroad.

2.7 Gross National Disposable Income (GNDI) at market prices

The Gross National Disposable Income (GNDI) is the sum of GNI plus net current transfers from the rest of the world. It is created from 9,601,279 million Leones in 2009 to 20,567,282 million Leones.

Table 2.7 Components of Gross National Disposable Income (GNDI)

Aggregates	2009	2010	2011	2012	2013
GNDI	9,601,279	11,200,170	14,060,836	15,933,293	20,567,282
Household and NPISH	7,804,027	7,815,188	11,161,180	13,414,128	16,957,725
Government	873,436	1,066,555	1,289,136	1,693,056	1,855,847
Savings	923,817	2,318,428	1,610,520	826,109	1,753,710

The amount of savings accumulated has been fluctuating from 923,817 million Leones in 2009 it increased to 2,318,428 million Leones in 2010, but declined to 1,610,520 million Leones in 2011 and further declined to 826,109 million Leones in 2012; although it increase again to 1,753,710 million Leones in 2013.

CHAPTER 3: LABOUR AND EMPLOYMENT

3.0. Overview

After the 10 years brutal war in Sierra Leone, the economy registered growth in employment due to favorable business environment and increased investment in the various sectors of the economy. With an increasing population of over 5 million, Sierra Leone in general has relied on its richness in natural resources to grow its economy. With new discovery, expansion and commencement of operation of these mineral deposits and particular Iron ore in the North, job opportunities for both skilled and unskilled Labour has increased in the country over the past five years.

The total employed increased from 1,722,400 (One million seven hundred and twenty two thousand four hundred) in 2004 to 2,188,106 (two million one hundred and eighty eight thousand one and six) in 2011. Unemployment (unemployed) figures decreased from 63262 in 2004, to 52738 in 2011, which is an improvement in the country's economy and in line with the Agenda for Prosperity of Sierra Leone. In general the data shows that the informal sector also grew by 4.4% in 2011.

3.1. Employment

Due to the absence of comprehensive, reliable and up-to-date data on labour and employment indicators in the country, 2004 Population and Housing Census (Employment monograph) and the 2011 Sierra Leone Integrated Household (SLIHS) figures are used.

Table 3.1.1: Total Employment, 2004 and 2011

	2004 Population and Housing Census			2011 SLIHS		
	Male	Female	Total	Male	Female	Total
Employed	869224	853176	1722400	1033547	1154559	2188106
Unemployed	43096	20166	63262	31727	21011	52738
Self-employed	702554	680607	1383161	108	990	1098
Informal Sector Employees	798439	1129060	1927499	911604	1106695	2018299
Labour Force	1722400	63262	1785662	1065271	1175571	2240842

Source: 2004 Population and Housing Census & Sierra Leone Integrated Household (SLIHS) 2011

Table 3.1.1 shows increase in the total employment from 1,722,400 (One million seven hundred twenty two thousand four hundred) in 2004 to 2188106 in 2011. In 2004 more males (869224) were employed than females (853176), but in 2011 more females (1154559) were employed as compared to males (1033547) and both male and female employment increased in 2011 as compared to 2004. Unemployment decreased from 63262 in 2004 to 52738 in 2011 which is due to more job opportunities in the country. Subsequently there is also a high increase in the total number of informal sector employees from 1927499 in 2004 to 2018299 in 2011. The labour force in country has increased over time.

Table 3.1.2: Percentage of Employment by Sex, 2004 and 2011

2004 Sierra Leone Population Housing census										
	Employed	%	Unemployed	%	Self-employed	%	Informal Sector Employees	%	Labour Force	%
Male	869224	50.5	43096	68.1	702554	50.8	798439	41.4	1722400	96.5
Female	853176	49.5	20166	31.9	680607	49.2	1129060	58.6	63262	3.5
Total	1722400	100	63262	100	1383161	100	1927499	100	1785662	100
2011 Sierra Leone Integrated Household Survey										
Male	1033547	47.2	31727	60.2	107.604	9.8	911604	45.2	1065271	47.5
Female	1154559	52.8	21011	39.8	990.396	90.2	1106695	54.8	1175571	52.5
Total	2188106	100	52738	100	1098	100	2018299	100	2240842	100

Source: 2004 Population and Housing Census & Sierra Leone Integrated Household (SLIHS) 2011

Table 3.1.2 shows an increase in employment for women (52.8%) in 2011 as compared to 49.5% of women employed in 2004. High percentages of female (90.2%) are self-employed in 2011 due to the good business outlook in the country. Women turnout in the labour market increased tremendously (52.5%) in 2011 as compare to 3.5% in 2004.

3.1.1 Population for current activity status

The Economically active population includes those 15-64 years of age engaged in any economic activity either as paid employee, self-employed or unpaid family worker and those looking for work. This excludes those 15-64 years who are neither working nor looking for work such as full time house wives, full time student, impaired or disables

persons, or those occupied with caring for family members. They are generally excluded from the active population and referred to as the economically inactive population even though they are within the working age bracket.

The Report of SLIHS 2011 Employment Module shows that the total population of Sierra Leone was 5,865,881 persons in 2011 of which 2,862,826 are males and 3,003,054 (51.2%) are females. Also there are 2,524,356 persons in the dependant population which accounts for about 43.0 % of the total population; whereas 3,341,525 persons constitute the working population 15-64 years. Of the working age population, 2,240,844 persons were economically active, 1,175,571 were females. Of the economically active population, 2,188,106 persons were employed during the period of the survey, of which 1,154,559 were females.

3.1.2 Key Labour Market Indicators

Table 3.1.2.1: Key Labour Market Indicators from the SLIHS 2011 by Sex

Indicators	Male	Female	Total
PARTICIPATION RATE	%	%	%
Participation rates (National)	68.2	66.1	67.1
Participation rates (Urban)	55.5	50.1	52.7
Participation rates (Rural)	77.9	77.1	77.4
EMPLOYMENT			
Employment rate (National)	66.4	63.5	64.9
Employment rate (Urban)	51.1	46.7	48.9
Employment rate (Rural)	77.5	74.6	75.9
Proportion of Paid employment	7.8	3.6	11.4
Proportion of Self-employed	9.8	13.5	23.2
Proportion of unpaid family workers	30.6	34.7	65.4
Proportion of persons working in:			
Public/Government Sector	30.2	13.7	43.9
Private Sector	8.9	2.9	11.7
Self-employed	9.7	12.8	32.5
NGO/Foreign Mission	6.24	1.9	8.12
Others	3.4	0.4	3.8
UNEMPLOYMENT			
Unemployed rate (National)-ILO Definition	2.8	1.7	2.3
Unemployed rate (Urban)-ILO Definition	7.8	5.1	6.5
Unemployed rate (Rural)-ILO Definition	0.3	0.3	0.3
Unemployment Rate (National)- Relaxed Definition	8.6	10.7	9.8
Unemployed rate (Urban)-Relaxed Definition	20.8	27.1	23.9
Unemployed rate (Rural)-Relaxed Definition	3.3	5.1	4.2

Source: Sierra Leone Integrated Household (SLIHS) 2011

Table 3.1.2.1 shows that of those employed, 43.9% were working for the government or the public sector, 32.5% were self-employed, while only 3.8% were working for the private sector. This low contribution of the private sector to employment underlines the underdeveloped state of the private sector and the major capital and other challenges faced by the sector in the country.

In terms of unemployment, the rates computed following the ILO recommendations show that Sierra Leone has an unemployment rate of 2.3% of the economically active population nationally, while the rural areas have a much lower rate of 0.3% and the urban areas have a higher rate of 6.5% unemployment rate.

When we relaxed the ILO definition to reflect the national reality, unemployment was estimated at 9.8% nationally, and 23.9% unemployment rate in the urban areas. The relaxed unemployment rates are higher for female 27.1% in the urban area, 5.1% in the rural areas and 10.7% nationally. This could mean that females are far less enthusiastic to engage in active job search, which is the usual way of gaining employment.

3.1.3 The Current Employed

The currently employed is a measure of employment with reference to the past seven (7) days and it is a widely used indicator in the Labour market analysis. As such it is considered to be highly reliable and therefore used in International Labour Market comparison. The SLIHS 2011 estimated that there are 1,927,438 persons who were currently employed in Sierra Leone. The Table 3.1 below shows the currently employed by Age Group, Sex and Region.

Table 3.1.3.1: Currently Employed Population by Age Group, Sex and Rural-Urban

Age Group	Male			Female			National		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
15-19	50345	10922	61267	61519	8673	70192	111864	19595	131459
20-24	55264	17255	72519	69514	27622	97136	124778	44877	169655
25-29	68542	41202	109744	120574	58199	178773	189116	99401	288517
30-34	63706	37794	101500	97479	49520	146999	161185	87314	248499
35-39	88272	50751	139023	114128	50151	164279	202400	100902	303302
40-44	65359	35636	100995	74805	31492	106297	140164	67128	207292
45-49	68351	35726	104077	51763	24093	75856	120114	59819	179933
50-54	52640	26316	78956	51732	18315	70047	104372	44631	149003
55-59	37212	13601	50813	24461	9455	33916	61673	23056	84729
60-64	26690	7870	34560	19153	6726	25879	45843	14596	60439
65+	55070	11719	66789	29649	8172	37821	84719	19891	104610
Total	631451	288792	920243	714777	292418	1007195	1346228	581210	1927438

Source: Sierra Leone Integrated Household (SLIHS) 2011

Table 3.1.3.1 above shows that the currently employed female population 1, 007, 195, accounts for about 52.3% of total currently employed population, compared to 920,243 of males that are currently employed, about 47.7%. The currently employed population in the rural area is 1,346,228 representing 69.8% more than two-thirds of the total currently employed population, compared to urban locality which accounts for about 30.2%. The rural area employs more of the population because of the high proportion of people in unpaid family work and self-employment in agriculture in the rural areas. For all the specific age groups, there is more currently employed population in the rural area than in the urban area.

3.1.4. Hours of work

Table 3.1.4.1: Percentage distribution of hours of work by Gender and Locality

Hours of work/ day	Male			Female			National
	Rural	Urban	Total	Rural	Urban	Total	
1 hr	7.8	2.9	4.1	35.3	3.6	9.8	5.7
2 hrs	1.1	0.6	0.8	3.9	0.3	1.0	0.8
3 hrs	0.9	0.8	0.8	0	1.3	1.0	0.9
4-6 hrs	31.7	16.2	19.9	26.8	30.1	29.4	22.7
7-9 hrs	44.1	46.5	45.9	29.9	49.4	45.6	45.8
10-12 hrs	12.6	28.3	24.5	3.1	13.4	11.4	20.6
13-15 hrs	1.7	4.5	3.8	0.5	1.7	1.5	3.1
16-18 hrs	0	0.2	0.2	0.5	0.2	0.3	0.2
19-24 hrs	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	100

Source: Sierra Leone Integrated Household (SLIHS) 2011

Table 3.1.4.1 above reveals that majority of the paid working population about 45.8% worked between 7-9 hours per day, followed by 22.7% that worked between 4-6 hours per day and about 20.6% worked between 10-12 hours per day.

A total of about 89.1% of the paid employed population worked between 4 -12 hours per day. There is nobody that worked for more than 18 hours per day as indicated in Table 3.9 above. There are more paid employed population in the urban area than rural areas working for more than 7 hours per day and about 3.3% of the paid employed population worked between 12-16 hours per day.

3.1.5. Employment Status and Type of Employer

The status in employment indicator will enable us classify the total employed persons in the country into three categories of workers which include: paid employment (employees), own account workers (self-employed without employees) and unpaid family workers also known as contributing family workers. Information about the proportion of the employed population classified into either of these categories will give an indication of the level of economic activities taking place in either the formal or informal sector of the economy of Sierra Leone. These three categories of workers and their employers are shown in Table 3.1.5.1 below.

Table 3.1.5.1: Type of Employer and Employment Status by region

Region	Employment Status Type	Type of Employer					Total
		Self Employed	Government	NGO/Foreign Mission	Private Enterprise	Other	
Eastern	Paid employment	36914	15228	6080	22414	2144	82780
	Self-employed	0	0	0	283	0	283
	Unpaid worker	273	0	0	0	0	273
	Total	37187	15228	6080	22697	2144	83336
Northern	Paid employment	3318	14933	6248	7606	828	32933
	Self-employed	0	0	0	0	0	0
	Unpaid worker	0	0	0	0	0	0
	Total	3318	14933	6248	7606	828	32933
Southern	Paid employment	10394	15353	4801	3253	1485	35286
	Self-employed	181	0	0	0	0	181
	Unpaid worker	0	0	0	0	0	0
	Total	10575	15353	4801	3253	1485	35467
Western	Paid employment	2202	64142	10383	29775	4993	111495
	Self-employed	0	0	0	634	0	634
	Unpaid worker	0	0	0	0	0	0
	Total	2202	64142	10383	30409	4993	112129
National	Paid employment	52828	109656	27512	63048	9450	262494
	Self-employed	181	0	0	917	0	1098
	Unpaid worker	273	0	0	0	0	273
	Total	53282	109656	27512	63965	9450	263865

Source: Sierra Leone Integrated Household (SLIHS) 2011

Table 3.1.5.1 above indicates that though a significant percentage of the employed population is in the private sector, about 24.2%, those employed in private enterprises,

more than one-third of the employed population about 41.6% is still employed in the Government sector. Furthermore, about 20.2% of the employed are in self-employment, while about 10.4% are employed by Non-Governmental Organizations/Foreign.

3.1.6. Earnings of paid employees by Occupation

The SLIHS2011 used the ten major groups of the International Standard Classification of Occupations (ISCO-1 digit level) Rev 3.1 to classify the activities performed by a person most of the time. It was difficult for the analysts to report occupation at 2 and 3 digit levels of (ISCO).

It is surprising to note that the occupations with the highest average monthly earnings are Clerks (Le 689, 367) and Legislators, Senior Officers and Managers (Le 675, 519). Paid working populations in Skilled Agricultural work are receiving the lowest average monthly earnings of Le253, 957. Other occupations such as Professionals, technicians and Associate Professional and Craft and related trade workers earn an average monthly salary of more than Le500, 000 and are above the national average monthly earnings.

3.1.7. Informal Sector

Table 3.1.7.1: Persons employed in the informal sector by sex, age groups, urban and rural and regions

Age groups	Male			Female			National
	Urban	Rural	Total	Urban	Rural	Total	
15-19	15,313	63,510	78,823	15,925	78,852	94,777	173,600
20-24	18,978	59,274	78,252	30,692	77,163	107,855	186,107
25-29	30,622	70,173	100,795	56,123	139,574	195,697	296,492
30-34	29,125	63,913	93,038	48,919	109,587	158,506	251,544
35-39	41,262	92,356	133,618	49,366	129,089	178,455	312,073
40-44	27,491	67,396	94,887	30,162	81,313	111,475	206,362
45-49	26,655	73,135	99,790	23,788	55,192	78,980	178,770
50-54	18,677	53,108	71,785	16,457	56,607	73,064	144,849
55-59	10,301	40,657	50,958	8,699	29,614	38,313	89,271
60-64	6,830	29,523	36,353	6,529	20,734	27,263	63,616
65+	11,044	62,263	73,307	9,904	32,263	42,167	115,474
Total	236,299	675,305	911,604	296,707	809,988	1,106,695	2,018,158

Source: Sierra Leone Integrated Household (SLIHS) 2011

Total numbers of 2,018,158 Sierra Leoneans are employed in the informal sector, of which 87% are in main employment. The result compared to that of SLIHS 2003 shows the same trend. Women make up the highest number of the informal sector employment, as they are about 194,948 more than males compared to 200,000 in 2003. Rural informal employment is 37,740 larger than the urban. At the regional level, the same trend as in 2003 is observed with differences in the number of persons employed in the informal sector. The largest informal sector employment is registered in the Northern region (757,264 persons) compared to the lowest (306,753 persons) in Western region.

3.1.8 Youth Population

Table 3.1.8.1: Youth population (aged 15-24 years) by sex, age, urban-rural areas and region

Age groups	Male			Female			National
	Rural	Urban	Total	Rural	Urban	Total	
15-19	184,726	161,088	345,814	177,906	161,721	339,627	685,441
20-24	107,619	122,315	229,934	121,621	123,408	245,029	474,963
Total	292,345	283,403	575,748	299,527	285,129	584,656	1,160,404
Region	Male			Female			National
	Rural	Urban	Total	Rural	Urban	Total	
Eastern	79,357	51,669	131,026	80,037	47,075	127,112	258,136
Northern	134,099	42,829	176,928	130,178	46,556	176,734	353,661
Southern	66,909	45,266	112,175	74,883	41,168	116,051	228,229
Western	11,980	143,639	155,619	14,429	150,330	164,759	320,378
Total	292,345	283,403	575,748	299,527	285,129	584,656	1,160,404

Source: Sierra Leone Integrated Household (SLIHS) 2011

From the analysis, youth of 15-24 years are about 1,160,404 million in Sierra Leone and therefore constitute 19.8% of the total population. The proportions of both the rural and urban males and females are about the same. It can also be seen that the Northern region has the highest amount of youth population as to Western region and with age limits of 15-19 superseding.

3.2. The Issue of Child Labour

In 2011, the number of children in Sierra Leone who were classified as in employment or working was 1,071,023 or about 54.9% of the total number of children 5 to 17 years old. This number was regardless of whether or not the work was categorized as child labour. An estimated number of children engaged in child labour was 895,428, 45.9% of all

children 5 to 17 years old. 428,776 children were identified as being engaged in hazardous work, which is about 22.0% of the total number of children 5 to 17 years old. Table 4.1 shows the number and percentage distribution of children 5 to 17 years old by sex and child labour status.

Table 3.2.1: Number and percentage distribution of children 5 to 17 years old by sex and child labour status, 2011

Child Labour Status	Boys		Girls		National	
	Number	%	Number	%	Number	%
In employment	571,805	57.5	499,218	52.2	1,071,023	54.9
Child labour	467,534	47	427,894	44.8	895,428	45.9
Hazardous work (5-17 years)	221,742	22.3	207,034	21.7	428,776	22
Other Child labour (5-14 years)	245,792	32.5	220,860	29.4	466,652	31
Not Child labour	104,271	10.5	71,324	7.5	175,595	9
Other non-child labour (15-17 years)	90,661	37.8	61,250	29.9	151,911	34.1
Permissible work (13-14 years)	13,610	12	10,074	8.8	23,684	10.4
Not in employment	319,317	32.1	366,965	38.4	686,282	35.2
Total	995,259	100	955,503	100	1,950,762	100

Source: Sierra Leone National Child Labour Survey, 2011

For all children 5 to 17 years old in employment, 53.4% were boys and 46.6% were girls. 57.5% of the total number of boys 5 to 17 years old were in employment while the proportion of girls in employment compared to the total number of girls in the same age group was 52.2%.

The proportion of boys 5 to 17 years identified as engaged in hazardous work was 22.3% (221,742) while that of girls was 21.7% (207,034) girls. For children within the age bracket of 5 to 14 years, 31.0% were in other child labour, with a high percentage of boys 32.5% as compared to girls (29.4%).

Children not in child labour were estimated at 9.0% (175,595) of all children 5 to 17 years old. Of these, children within the age bracket 15 to 17 were found in other non-child labour with 37.8% among boys and 29.9% among girls. Results also showed that 10.4% of children aged 13 to 14 years were engaged in permissible or light work with 12.0% boys and 8.8% girls.

In total, 35.2% (686,282) of children 5 to 17 years old were not in employment. More girls i.e. 38.4% of the total number of girls were not engaged in work as compared to boys (32.1%).

3.2.1. Technical note on the child labour measurement framework used in the Sierra Leone child labour survey data analysis

Children in employment are those engaged in any activity falling within the production boundary of the System of National Accounts (SNA) for at least one hour during the reference period. This refers to economic activities of children, covering all market production and certain types of nonmarket production (principally the production of goods and services for own use).

It includes forms of work in both the formal and informal economy; inside and outside and family settings; work for pay or profit (in cash or in kind, part-time or fulltime), or as a domestic worker outside the child's own household for an employer (with or without pay). The terms "working children", "children in economic activity", and "children in employment" are used interchangeably in this note. All denote a broader concept than child labour. While "child labour" and hazardous work by children" are to be targeted for elimination, some of work by "children in employment" is indeed permissible by national laws (and the guidelines of the 18th ICLS Resolution on statistics of child labour).

Thus, a subset of the child population aged 5 to 17 years is "children in employment". "Child labour" is a further subset of "children in employment"; and again, "hazardous work by children" is a subset of "child labour". For the purpose of child labour estimation based on national and international standards, a single variable called child labour status (CLS) has been constructed. This variable is composed of five mutually exclusive and exhaustive categories as indicated in the tabulation below.

Each child for a given sex and age group was categorized in one and only one CLS category: CLS=1 representing hazardous work; CLS=2 other child labour, CLS=3 permissible light work, CLS=4 other employment, not child labour employment, and CLS=5 not in employment.

Not all children in employment are considered as child labour. CLS=1 plus CLS=2 gave the number of children ages 5 to 17 in child labour in their respective sex and age group. CLS=1 to 4 gave the number of children in this age population in employment and CLS=1 to 5 gave the total number of children between 5 to 17 in the corresponding sex and age category in case there is no missing value.

3.3 Development in the Labour Market

Sierra Leone has a population of 5.9 million of which 40% live in urban areas; 44% are below 15 years old while over 55% of the working age population is between 15 and 34 years old. There is very little reliable and comprehensive data relating to the labour market in Sierra Leone; with labour market information being out of date. On the basis of available statistics, whilst there is an improvement in development indicators, as demonstrated by changes observed, latest Multi-Indicatory Clusters Survey (MICS) 2010, which show that 48% of women in Sierra Leone aged between 15 and 24 years are literate; with 68% of their male counterparts being literate; doubling the literacy levels reported in the MICS 2005, the situation remains critical with the existence of large under-skilled population and low labour market participation rates for both female and male youth.

Youth in Sierra Leone face high rates of inactivity, underemployment and poor working conditions with long working hours and low pay. The vast majority of the youth have little chance of finding or securing a job. Youth have fewer opportunities for salaried employment compared with those above the thirty-five age bracket. Furthermore, employment opportunities are significantly lower for youth, regardless of their qualifications. Public sector employment opportunities tend to exclude youth on the basis of age and experience. Labor force participation rates of male and urban young adults remain significantly lower than for the adult population. Female participation in the labour market is 65.4% compared to 67.5% for men. It is noted that labour force participation rates are higher for both male and female in higher age groups, i.e. between 25 and 35 years, than those in the lower age groups. Although the difference might be marginal, this is principally because of gender inequalities caused by a combination of various socio-economic, cultural and other factors linked to the labour market and the country.

Participation rate is one of the indicators that have been traditionally used to measure employment/work opportunities in a country including employment and unemployment rates. It gives an idea of the size of the supply of labour available to engage in the production of goods and services in an economy. The participation rate is calculated by expressing the number of persons in the as a percentage of the working-age population.

The participation rate (LFPR) in Sierra Leone is 67.1% in 2011 which is higher when compared to 40.0% in 2003. This means that the volume of the supply of labour available to engage in the production of goods and service in the economy has increased

since 2003 when the country just emerged from rebel war and there were not enough work opportunities. Further analysis shows the overall pattern of the male participation rate to that of females. The Male LFPR is 68.2% which is higher than the national (67.1%), whereas the female LFPR is 66.1%.

The cost of labour in Sierra Leone have increased in 2013 and government and companies pay or claim to pay approximately between 480,000 and 600,000 Leones per month (the equivalent of between US\$96 – 120) as a basic salary. The proportion of people in Sierra Leone whose income is less than US\$1 a day is 66.4%. There is an acute shortage of formal sector jobs outside the civil service. Formal sector employment is estimated to occupy only 9% of the work force, including the civil service. Evidence available point to a, situation whereby secondary school leavers have no better likelihood or viable opportunities of finding formal employment than primary school leavers. Unfortunately, this is in view of the critical shortage of jobs even for those with tertiary education qualifications. This situation contributes to brain drain as revealed by the large numbers of professionals in the Diaspora. The situation is aggravated by a labour market mismatch of graduate training and tertiary education. In general, it contributes to shortages of skills at various technical and managerial levels for the private sector, especially for the mining sector and other key growth sectors such as petroleum and construction.

The country's reported youth unemployment rate of more than '60%' is amongst the highest in the West African sub-region 36. Within the West African region, Sierra Leone has one of the highest rates of underemployment amongst the youth 37, with the total number of young workers living on less than US\$1 per day constantly increasing both before and after the post-conflict period.

It is also noted that young women face particular challenges in the labour market. Whilst these young women experience similar levels of labour force participation and joblessness as those of their male counterparts, their participation in wage employment is around three times lower than men (5% compared to 15%). Those limited number of young women working in the formal sector face persistent discrimination in the work place, including lower pay scales and limited access to non-administrative positions. Young women working in the informal economy also face greater constraints than men in operating businesses.

CHAPTER 4: CONSUMER PRICE INDEX (CPI) AND INFLATION

4.0. Overview

The CPI is constructed based on the functions of Classification of Individual Consumption of Purpose (COICOP) by disaggregating Household Final Consumption Expenditure which is one of the components of GDP Expenditure Approach. The associated expenditure weights and relative prices are determined by products groups and COICOP functions in order to compute corresponding and overall CPI. Table 4.1 below gives a detail presentation of the expenditure values for all products according to COICOP.

Table 4.1: Household Final Consumption Expenditure (in million Leones)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
Individual Consumption Expenditure By Households	7,627,678.33	10,933,598.18	12,540,478.25	15,414,815.93
Food and non-alcoholic beverages	3,383,812.48	4,850,394.10	5,563,242.83	6,838,364.73
Food	3,287,644.58	4,712,545.97	5,405,135.55	6,644,018.51
Bread and cereals	1,132,031.65	1,622,666.64	1,861,145.38	2,287,728.82
Rice	1,004,825.78	1,440,328.34	1,652,009.33	2,030,657.79
Maize, maize meal, barley, other cereals and flour,	55,849.66	80,055.51	91,821.05	112,866.87
Bread	49,949.35	71,597.95	82,120.50	100,942.91
Other bakery products	14,271.24	20,456.56	23,463.00	28,840.83
Pasta products	7,135.62	10,228.28	11,731.50	14,420.42
Meat	158,671.88	227,442.01	260,868.53	320,660.84
Beef and veal	38,696.03	55,467.32	63,619.20	78,201.02
Pork	1,928.08	2,763.73	3,169.91	3,896.46
Lamb, mutton and goat	5,993.88	8,591.69	9,854.39	12,113.06
Poultry	79,896.64	114,524.73	131,356.11	161,463.56
Other meats and edible offal	2,435.35	3,490.85	4,003.90	4,921.61
Dried, preserved meats and other meat preparations	29,721.89	42,603.69	48,865.03	60,065.13
Fish and seafood	451,845.07	647,679.70	742,867.36	913,136.12
Fresh, chilled or frozen fish and seafood	125,545.44	179,958.22	206,406.17	253,715.46
Preserved or processed fish and seafood	326,299.63	467,721.48	536,461.19	659,420.66

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
Milk, cheese and eggs	58,299.52	83,567.17	95,848.81	117,817.81
Fresh milk	2,371.48	3,399.31	3,898.90	4,792.55
Preserved milk and other milk products	37,569.65	53,852.74	61,767.33	75,924.70
Cheese	7,807.86	11,191.87	12,836.71	15,778.95
Eggs and egg-based products	10,550.53	15,123.25	17,345.87	21,321.62
Oils and fats	443,451.65	635,648.48	729,067.94	896,173.81
Butter and butter products	155,091.54	222,309.93	254,982.19	313,425.33
Margarine	10,313.77	14,783.88	16,956.62	20,843.16
Other edible oils and fats	278,046.33	398,554.68	457,129.13	561,905.32
Fruit	232,721.03	333,584.89	382,610.93	470,307.18
Fresh or chilled fruits	101,229.00	145,102.76	166,428.11	204,574.23
Frozen, preserved or processed fruits and fruit-based products	131,492.03	188,482.13	216,182.82	265,732.96
Vegetables	571,514.49	819,215.17	939,612.91	1,154,976.69
Fresh or chilled vegetables other than potatoes	306,160.85	438,854.33	503,351.51	618,722.09
Fresh or chilled potatoes, manioc and other tubers	208,908.34	299,451.51	343,461.05	422,183.97
Frozen, preserved or processed vegetables and vegetable-based products	56,445.31	80,909.33	92,800.35	114,070.63
Sugar, jam, honey, chocolate and confectionery	74,834.50	107,268.59	123,033.56	151,233.44
Raw and refined sugar	42,125.28	60,382.84	69,257.14	85,131.21
Jams, marmalades and honey	3,206.21	4,595.81	5,271.25	6,479.44
Confectionery, chocolate	24,965.19	35,785.38	41,044.66	50,452.29
Edible ices and ice cream and sorbet	4,537.82	6,504.56	7,460.51	9,170.50
Food products n.e.c.	164,274.79	235,473.30	270,080.14	331,983.81
Food products n.e.c.	164,274.79	235,473.30	270,080.14	331,983.81
NON-ALCOHOLIC BEVERAGES	96,167.90	137,848.12	158,107.27	194,346.22
Coffee, tea and cocoa	21,608.80	30,974.29	35,526.49	43,669.33
Coffee, tea and cocoa	21,608.80	30,974.29	35,526.49	43,669.33
Mineral waters, soft drinks, fruit and vegetable juices	74,559.10	106,873.84	122,580.78	150,676.89
Mineral or spring waters	47,590.56	68,216.83	78,242.47	96,176.01
Soft drinks and concentrates	24,326.29	34,869.57	39,994.25	49,161.12

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
Fruit and vegetable juices	2,642.26	3,787.44	4,344.07	5,339.75
Alcoholic Beverages, Tobacco And Narcotics	222,975.11	319,614.98	366,587.89	450,611.59
Alcoholic Beverages	74,391.05	106,632.96	122,304.50	150,337.28
Spirits	25,504.00	36,557.71	41,930.50	51,541.17
Spirits	25,504.00	36,557.71	41,930.50	51,541.17
Wine	29,434.17	42,191.27	48,392.00	59,483.68
Wine	29,434.17	42,191.27	48,392.00	59,483.68
Beer	19,452.88	27,883.97	31,982.00	39,312.43
Beer	19,452.88	27,883.97	31,982.00	39,312.43
TOBACCO	118,096.76	169,281.20	194,159.98	238,662.38
Tobacco	118,096.76	169,281.20	194,159.98	238,662.38
Tobacco	118,096.76	169,281.20	194,159.98	238,662.38
NARCOTICS	30,487.29	43,700.82	50,123.41	61,611.93
Narcotics	30,487.29	43,700.82	50,123.41	61,611.93
Narcotics	30,487.29	43,700.82	50,123.41	61,611.93
Clothing and footwear	577,476.66	827,761.41	949,415.17	1,167,025.68
Clothing	410,440.63	588,330.13	674,795.35	829,461.67
Clothing materials	101,274.61	145,168.14	166,503.10	204,666.40
CLOTHING MATERIALS, OTHER ARTICLES OF CLOTHING AND CLOTHING ACCESSORIES	101,274.61	145,168.14	166,503.10	204,666.40
Garments	235,929.23	338,183.55	387,885.44	476,790.64
Men's clothing as defined above including tailoring charges	87,167.16	124,946.37	143,309.39	176,156.58
Women's clothing as defined above including tailoring charges	91,064.08	130,532.26	149,716.21	184,031.89
Children's and infant's clothing including tailoring charges	57,697.99	82,704.93	94,859.84	116,602.17
Other articles of clothing and clothing accessories	24,094.05	34,536.68	39,612.44	48,691.80
Other articles of clothing and clothing accessories	24,094.05	34,536.68	39,612.44	48,691.80
Cleaning, repair and hire of clothing	49,142.74	70,441.75	80,794.37	99,312.83
Cleaning, repair and hire of clothing	49,142.74	70,441.75	80,794.37	99,312.83
Footwear	167,036.03	239,431.29	274,619.83	337,564.01

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
Shoes and other footwear	159,011.65	227,929.04	261,427.13	321,347.48
Men's footwear as defined above.	60,942.91	87,356.24	100,194.74	123,159.85
Women's footwear as defined above.	58,429.67	83,753.73	96,062.78	118,080.83
Children's and infant's footwear as defined above; excludes babies booties made of fabric	39,639.07	56,819.08	65,169.62	80,106.81
Repair and hire of footwear	8,024.38	11,502.24	13,192.69	16,216.52
Repair and hire of footwear	8,024.38	11,502.24	13,192.69	16,216.52
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	523,749.78	750,748.71	861,084.13	1,058,448.74
ACTUAL RENTALS FOR HOUSING	61,729.13	88,483.21	101,487.34	124,748.73
Actual rentals for housing	61,729.13	88,483.21	101,487.34	124,748.73
Actual rentals for housing	61,729.13	88,483.21	101,487.34	124,748.73
IMPUTED RENTALS FOR HOUSING	125,660.61	180,123.31	206,595.52	253,948.21
Imputed rentals for housing	125,660.61	180,123.31	206,595.52	253,948.21
Imputed rentals for housing	125,660.61	180,123.31	206,595.52	253,948.21
MAINTENANCE AND REPAIR OF THE DWELLING	16,156.29	23,158.60	26,562.16	32,650.33
Maintenance and repair of the dwelling	16,156.29	23,158.60	26,562.16	32,650.33
Maintenance and repair of the dwelling	16,156.29	23,158.60	26,562.16	32,650.33
WATER SUPPLY AND MISCELLANEOUS SERVICES RELATING TO THE DWELLING	25,369.50	36,364.92	41,709.37	51,269.36
Water supply	23,641.81	33,888.42	38,868.91	47,777.85
Water supply	23,641.81	33,888.42	38,868.91	47,777.85
Miscellaneous services relating to the dwelling	1,727.69	2,476.50	2,840.46	3,491.51
Sanitary and sewage services and other services	1,727.69	2,476.50	2,840.46	3,491.51
ELECTRICITY, GAS AND OTHER FUELS	294,834.25	422,618.67	484,729.74	595,832.12
Electricity	65,877.63	94,429.72	108,307.79	133,132.46
Electricity	65,877.63	94,429.72	108,307.79	133,132.46
Gas	1,627.23	2,332.49	2,675.29	3,288.48
Gas	1,627.23	2,332.49	2,675.29	3,288.48
Other fuels	227,329.39	325,856.45	373,746.66	459,411.18
Other fuels	227,329.39	325,856.45	373,746.66	459,411.18

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	204,543.82	293,195.36	336,285.46	413,363.70
FURNITURE AND FURNISHINGS, CARPETS AND OTHER FLOOR COVERINGS	43,573.39	62,458.57	71,637.93	88,057.69
Furniture and furnishings	34,827.27	49,921.80	57,258.66	70,382.62
Furniture and furnishings	34,827.27	49,921.80	57,258.66	70,382.62
Carpets and other floor coverings	4,474.19	6,413.35	7,355.90	9,041.91
Carpets and other floor coverings	4,474.19	6,413.35	7,355.90	9,041.91
Repair of furniture, furnishings and floor coverings	4,271.92	6,123.42	7,023.37	8,633.15
Repair of furniture, furnishings and floor coverings	4,271.92	6,123.42	7,023.37	8,633.15
HOUSEHOLD TEXTILES	48,740.86	69,865.69	80,133.65	98,500.67
Household textiles	48,740.86	69,865.69	80,133.65	98,500.67
Household textiles	48,740.86	69,865.69	80,133.65	98,500.67
HOUSEHOLD APPLIANCES	20,694.24	29,663.35	34,022.88	41,821.09
Major household appliances whether electric or not	14,752.34	21,146.17	24,253.96	29,813.08
Major household appliances whether electric or not	14,752.34	21,146.17	24,253.96	29,813.08
Small electric household appliances	3,787.96	5,429.71	6,227.70	7,655.12
Small electric household appliances	3,787.96	5,429.71	6,227.70	7,655.12
Repair of household appliances	2,153.93	3,087.47	3,541.23	4,352.89
Repair of household appliances	2,153.93	3,087.47	3,541.23	4,352.89
GLASSWARE, TABLEWARE AND HOUSEHOLD UTENSILS	16,895.25	24,217.84	27,777.07	34,143.71
Glassware, tableware and household utensils	16,895.25	24,217.84	27,777.07	34,143.71
Glassware, tableware and household utensils	16,895.25	24,217.84	27,777.07	34,143.71
TOOLS AND EQUIPMENT FOR HOUSE AND GARDEN	22,466.56	32,203.81	36,936.71	45,402.78
Major tools and equipment	21,119.07	30,272.30	34,721.34	42,679.63
Major tools and equipment	21,119.07	30,272.30	34,721.34	42,679.63
Small tools and miscellaneous accessories	1,347.49	1,931.51	2,215.37	2,723.15
Small tools and miscellaneous accessories	1,347.49	1,931.51	2,215.37	2,723.15
GOODS AND SERVICES FOR ROUTINE HOUSEHOLD MAINTENANCE	52,173.53	74,786.11	85,777.21	105,437.76
Non-durable household goods	42,816.94	61,374.27	70,394.27	86,528.98
Non-durable household goods	42,816.94	61,374.27	70,394.27	86,528.98

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
Domestic services and household services	9,356.59	13,411.84	15,382.94	18,908.78
Domestic services	7,099.59	10,176.63	11,672.26	14,347.60
Household services	2,257.00	3,235.21	3,710.68	4,561.18
HEALTH	1,025,857.68	1,470,475.71	1,686,587.37	2,073,161.27
MEDICAL PRODUCTS, APPLIANCES AND EQUIPMENT	637,945.46	914,438.05	1,048,830.43	1,289,227.39
Pharmaceutical products	616,899.49	884,270.53	1,014,229.28	1,246,695.49
Pharmaceutical products	616,899.49	884,270.53	1,014,229.28	1,246,695.49
Other medical products	18,928.75	27,132.67	31,120.28	38,253.20
Other medical products	18,928.75	27,132.67	31,120.28	38,253.20
Therapeutic appliances and equipment	2,117.22	3,034.85	3,480.87	4,278.71
Therapeutic appliances and equipment	2,117.22	3,034.85	3,480.87	4,278.71
OUT-PATIENT SERVICES	294,665.80	422,377.21	484,452.80	595,491.70
Medical Services	258,697.93	370,820.46	425,318.90	522,804.03
Medical services	258,697.93	370,820.46	425,318.90	522,804.03
Dental services	2,641.16	3,785.87	4,342.27	5,337.54
Dental services	2,641.16	3,785.87	4,342.27	5,337.54
Paramedical services	33,326.71	47,770.88	54,791.63	67,350.13
Paramedical services	33,326.71	47,770.88	54,791.63	67,350.13
HOSPITAL SERVICES	93,246.41	133,660.44	153,304.14	188,442.18
Hospital services	93,246.41	133,660.44	153,304.14	188,442.18
Hospital services	93,246.41	133,660.44	153,304.14	188,442.18
TRANSPORT	214,160.08	306,979.42	352,095.31	432,797.25
PURCHASE OF VEHICLES	53,792.51	77,106.78	88,438.94	108,709.57
Motor cars	19,468.43	27,906.27	32,007.57	39,343.86
Motor cars, vans, etc.	19,468.43	27,906.27	32,007.57	39,343.86
Motor cycles	10,313.89	14,784.04	16,956.81	20,843.39
Motor cycles	10,313.89	14,784.04	16,956.81	20,843.39
Bicycles	20,218.96	28,982.08	33,241.50	40,860.61
Bicycles	20,218.96	28,982.08	33,241.50	40,860.61
Animal drawn vehicles	3,791.23	5,434.39	6,233.07	7,661.72
Animal drawn vehicles	3,791.23	5,434.39	6,233.07	7,661.72

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
OPERATION OF PERSONAL TRANSPORT EQUIPMENT	85,168.71	122,081.76	140,023.77	172,117.89
Fuels and lubricants for personal transport equipment	51,359.21	73,618.85	84,438.41	103,792.10
Fuels and lubricants for personal transport equipment	51,359.21	73,618.85	84,438.41	103,792.10
Maintenance and repair of personal transport equipment	12,831.79	18,393.23	21,096.44	25,931.84
Tyres, tubes, other parts and accessories	12,831.79	18,393.23	21,096.44	25,931.84
Other services in respect of personal transport equipment	20,977.70	30,069.67	34,488.93	42,393.96
Other services in respect of personal transport equipment	20,977.70	30,069.67	34,488.93	42,393.96
TRANSPORT SERVICES	75,198.86	107,790.87	123,632.60	151,969.78
Passenger transport by railway	-	-	-	-
Passenger transport by railway	-	-	-	-
Passenger transport by road	2,828.11	4,053.84	4,649.62	5,715.34
Passenger transport by road	2,828.11	4,053.84	4,649.62	5,715.34
Passenger transport by air	16,197.46	23,217.62	26,629.85	32,733.54
Passenger transport by air	16,197.46	23,217.62	26,629.85	32,733.54
Passenger transport by sea and inland waterway	11,184.96	16,032.64	18,388.92	22,603.74
Passenger transport by sea and inland waterway	11,184.96	16,032.64	18,388.92	22,603.74
Combined passenger transport	17,056.48	24,448.95	28,042.15	34,469.54
Combined passenger transport	17,056.48	24,448.95	28,042.15	34,469.54
Other purchased transport services	27,931.85	40,037.82	45,922.07	56,447.63
Other purchased transport services	27,931.85	40,037.82	45,922.07	56,447.63
COMMUNICATION	25,124.25	36,013.37	41,306.16	50,773.73
POSTAL SERVICES	1,362.29	1,952.72	2,239.70	2,753.05
Postal services	1,362.29	1,952.72	2,239.70	2,753.05
Postal services	1,362.29	1,952.72	2,239.70	2,753.05
TELEPHONE AND TELEFAX EQUIPMENT	22,665.21	32,488.56	37,263.31	45,804.23
Telephone and telefax equipment	22,665.21	32,488.56	37,263.31	45,804.23
Telephone and telefax equipment	22,665.21	32,488.56	37,263.31	45,804.23
TELEPHONE AND TELEFAX SERVICES	1,096.76	1,572.10	1,803.15	2,216.44
Telephone and telefax services	1,096.76	1,572.10	1,803.15	2,216.44
Telephone and telefax services	1,096.76	1,572.10	1,803.15	2,216.44

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
RECREATION AND CULTURE	1,096.76	1,572.10	1,803.15	2,216.44
AUDIO-VISUAL, PHOTOGRAPHIC AND INFORMATION PROCESSING EQUIPMENT	1,096.76	1,572.10	1,803.15	2,216.44
Audio-visual, photographic and information processing equipment	1,096.76	1,572.10	1,803.15	2,216.44
Audio-visual, photographic and information processing equipment	1,096.76	1,572.10	1,803.15	2,216.44
Recording media	1,096.76	1,572.10	1,803.15	2,216.44
Recording media	1,096.76	1,572.10	1,803.15	2,216.44
Repair of audio-visual, photographic and information processing equipment	1,096.76	1,572.10	1,803.15	2,216.44
Repair of audio-visual, photographic and information processing equipment	1,096.76	1,572.10	1,803.15	2,216.44
OTHER MAJOR DURABLES FOR RECREATION AND CULTURE	1,096.76	1,572.10	1,803.15	2,216.44
Major durables for outdoor and indoor recreation	1,096.76	1,572.10	1,803.15	2,216.44
Major durables for outdoor recreation	1,096.76	1,572.10	1,803.15	2,216.44
Maintenance and repair of other major durables for recreation and culture	14,412.76	20,659.41	23,695.66	29,126.82
Maintenance and repair of other major durables for recreation and culture	14,412.76	20,659.41	23,695.66	29,126.82
AUTRES ARTICLES ET EQUIPEMENTS DE LOISIRS, JARDINS ET ANIMAUX DOMESTIQUES	19,496.26	27,946.15	32,053.32	39,400.09
Other recreational items and equipment	1,921.50	2,754.30	3,159.09	3,883.17
Other recreational items and equipment	1,921.50	2,754.30	3,159.09	3,883.17
Gardens and pets	2,984.19	4,277.57	4,906.24	6,030.77
Gardens and pets	2,984.19	4,277.57	4,906.24	6,030.77
Veterinary and other services for pets	14,590.56	20,914.27	23,987.99	29,486.15
Veterinary and other services for pets	14,590.56	20,914.27	23,987.99	29,486.15
RECREATIONAL AND CULTURAL SERVICES	22,614.84	32,416.37	37,180.51	45,702.46
Recreational and sporting services	9,479.05	13,587.38	15,584.28	19,156.27
Recreational and sporting services	9,479.05	13,587.38	15,584.28	19,156.27
Cultural services	9,015.18	12,922.46	14,821.64	18,218.83
Cultural services	9,015.18	12,922.46	14,821.64	18,218.83

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
GAMES OF CHANCE	4,120.61	5,906.52	6,774.59	8,327.36
Games of chance	4,120.61	5,906.52	6,774.59	8,327.36
NEWSPAPERS, BOOKS AND STATIONERY	66,111.35	94,764.74	108,692.05	133,604.79
Newspapers, books and stationery	66,111.35	94,764.74	108,692.05	133,604.79
Newspapers, books and stationery	66,111.35	94,764.74	108,692.05	133,604.79
PACKAGE HOLIDAYS	231.42	331.72	380.47	467.68
Package holidays	231.42	331.72	380.47	467.68
Package holidays	231.42	331.72	380.47	467.68
EDUCATION	393,130.08	563,516.99	646,335.49	794,478.68
Education	393,130.08	563,516.99	646,335.49	794,478.68
Education	393,130.08	563,516.99	646,335.49	794,478.68
Nursery school and primary school	69,493.23	99,612.37	114,252.12	140,439.25
General, vocational or technical secondary education	157,275.60	225,440.58	258,572.95	317,839.11
Post-secondary non-tertiary education.	78,844.77	113,016.96	129,626.74	159,337.81
Tertiary education.	51,924.69	74,429.43	85,368.11	104,934.89
Educational programmes, generally for adults	35,591.78	51,017.66	58,515.58	71,927.63
RESTAURANTS AND HOTELS	88,837.91	127,341.24	146,056.23	179,533.01
CATERING SERVICES	52,225.70	74,860.90	85,862.99	105,543.20
Catering services	52,225.70	74,860.90	85,862.99	105,543.20
Catering services in hotels and restaurants, Catering services in informal sector	52,225.70	74,860.90	85,862.99	105,543.20
ACCOMMODATION SERVICES	36,612.21	52,480.35	60,193.23	73,989.81
Accommodation services	36,612.21	52,480.35	60,193.23	73,989.81
Accommodation services	36,612.21	52,480.35	60,193.23	73,989.81
MISCELLANEOUS GOODS AND SERVICES	326,639.09	468,208.08	537,019.30	660,106.69
PERSONAL CARE	243,000.46	348,319.54	399,511.08	491,080.94
Hairdressing salons and personal grooming establishments	33,422.10	47,907.60	54,948.45	67,542.89
Hairdressing salons and personal grooming establishments	33,422.10	47,907.60	54,948.45	67,542.89
Appliances, articles and products for personal care	209,578.37	300,411.94	344,562.64	423,538.04
Appliances, articles and products for personal care	209,578.37	300,411.94	344,562.64	423,538.04

Table 4.1: (cont'd)

Household final consumption expenditure (in million leones)				
	2010	2011	2012	2013
PROSTITUTION	23.21	33.26	38.15	46.90
Prostitution	23.21	33.26	38.15	46.90
Prostitution	23.21	33.26	38.15	46.90
PERSONAL EFFECTS N.E.C.	40,921.37	58,657.15	67,277.82	82,698.22
Jewellery, clocks and watches	30,398.29	43,573.24	49,977.08	61,432.06
Jewellery, clocks and watches	30,398.29	43,573.24	49,977.08	61,432.06
Other personal effects	10,523.08	15,083.90	17,300.74	21,266.16
Other personal effects	10,523.08	15,083.90	17,300.74	21,266.16
SOCIAL PROTECTION	21,712.98	31,123.63	35,697.78	43,879.89
Social protection	21,712.98	31,123.63	35,697.78	43,879.89
Social protection	21,712.98	31,123.63	35,697.78	43,879.89
INSURANCE	19,243.69	27,584.12	31,638.08	38,889.68
Insurance	19,243.69	27,584.12	31,638.08	38,889.68
Insurance	19,243.69	27,584.12	31,638.08	38,889.68
FINANCIAL SERVICES N.E.C.	1,671.07	2,395.33	2,747.37	3,377.08
FISIM	11.75	16.85	19.32	23.75
FISIM	11.75	16.85	19.32	23.75
Other financial services n.e.c.	1,659.32	2,378.49	2,728.05	3,353.33
Other financial services n.e.c.	1,659.32	2,378.49	2,728.05	3,353.33
OTHER SERVICES N.E.C.	66.30	95.04	109.01	133.99
Other services n.e.c.	66.30	95.04	109.01	133.99
Other services n.e.c.	66.30	95.04	109.01	133.99
NET PURCHASES ABROAD	(7.52)	(10.77)	(12.36)	(15.19)
Net Purchases Abroad	(7.52)	(10.77)	(12.36)	(15.19)
Net purchases abroad	(7.52)	(10.77)	(12.36)	(15.19)
Purchases by resident households in the rest of the world	20.38	29.22	33.51	41.19
Purchases by non-resident households in the economic territory of the country	27.90	39.99	45.87	56.38

Source: Statistics Sierra Leone (SSL)

4.1. General Highlights of Price Development (2009 – 2013)

Table 4.1.1 below shows the Composite CPI (2003=100 linked with Revised CPI (2007=100) by COICOP Groups (2009 - 2014). The Classification of Individual Consumption by Purpose (COICOP) table summarizes the overall Consumer Price Index (CPI) with its various sub categories/functions that shows the price movements of the country from 2009 to 2014. Details of the price developments can be found under the relevant years reviewed.

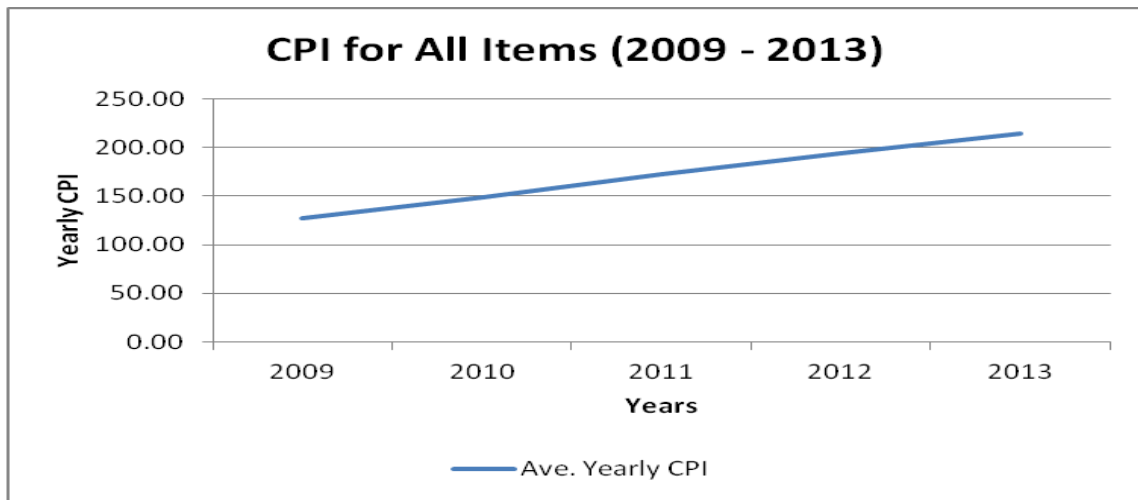
Table 4.1.1: CPI for All Items

CPI for All Items							
	2007	2008	2009	2010	2011	2012	2013
January	97.54	113.53	120.97	138.9	157.69	184.22	206.16
February	100.68	115.02	122.64	142.4	162.17	187.22	208.83
March	99.82	115.9	122.54	143.82	165.28	189.26	211.27
April	100.58	117.43	123.09	145	167.37	190.65	212.52
May	101.38	119.81	124.44	145.37	171.27	192.72	213.65
June	104.51	119.93	126.61	147.4	172.16	193.68	214.61
July	105.21	121.05	128.45	149.28	174.39	195.25	215.90
August	106.64	122.63	130.48	151.5	176.35	196.97	216.87
September	107.51	123.43	131.71	153.79	177.93	198.58	218.15
October	108.5	122.07	131.93	153.74	180.11	200.38	219.18
November	109.32	122.08	130.36	154.21	180.8	201.96	220.06
December	110.49	121.3	133.36	157.15	183.31	204.21	221.02
Ave. Yearly CPI	104.35	119.52	127.22	148.55	172.40	194.59	214.85

Source: Statistics Sierra Leone

As an overview, the graph below shows the general trend of the movement of the prices of goods and services bought by individual households in the country between the years 2009 and 2013. The rise in the prices on a Year-On-Year basis, over the period under review, was almost a linear one with most of the increases occurring between the years 2010 to 2012.

Figure 4.1.1: The Consumer Price Index for all Items (2009-2013)

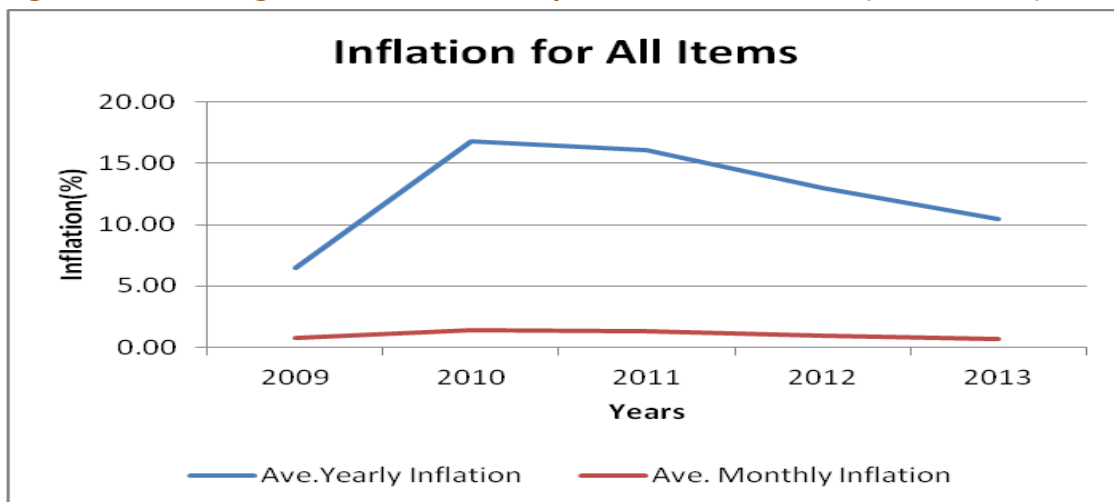


Source: CPI, SSL

The Year-On- Year Average Annual Inflation Rate and the Average Monthly Rate of Inflation for all items for the years 2009 to 2013 is shown in Graph 4.1.2. The Average Yearly Inflation rates increased sharply from 6.43% in 2009 to 16.76% in 2010. The rates started it's downwards movement in 2010 to 16.03% in 2011 and then to 12.95% in 2012 and finally dropped to 10.44% in 2013.

The Average Monthly Inflation Rate, like the Average Yearly Inflation, increased from 0.80% in 2009 to 1.38% in 2010, after which it decreased in 2011 to 1.30% and continued to decrease until it reached its lowest at 0.66% in 2013.

Figure 4.1.2: Average Annual and Monthly Inflation for All Items (2009 – 2013)



Source: CPI, SSL

4.2. Highlights of Price Development from January to December 2009

Double digit year-on-year rates of inflation were recorded throughout last year resulting in a 13.5% average annual rate of inflation for the year 2008. The main factor to the increase in consumer price inflation last year was developments in the global economy which brought about a consistent increase in the cost of food especially bread and cereals and fuel as the result of the general rise in the world market price for these commodities giving rise to the so called “global food and energy crisis”.

The sustained increase in prices eased off a bit during the last quarter of the year 2008. Prices of fuel and most food products especially cereals fell below their 2008 levels. Thus single digit year-on-year rates of inflation were recorded in all centers from January to May 2009.

This pleasant situation is being undermined by developments in the market during the past few months. There has been a steady depreciation of the Leone which has translated into inflationary expectations and increasing prices. Although the year-on-year rate of inflation remains in the single digits for the national, there has been a continuous increase in the monthly rate of inflation during the past four months indicating a significant built up of inflationary pressure. The monthly rate of inflation has increased consistently since March 2009.

Significant increases in the monthly rate of inflation were recorded for all centers in May 2009. For the combined CPI series, increases were recorded for all components of the CPI except communication which remained constant. The price increases in May 2009 were reinforced by further increases in June 2009 arising from the increases in the price of fuel. During the month of June 2009, fuel prices increased by 18.4% from 12,500 Leones to 14,800 Leones per gallon. This resulted in the increase in both intercity and long distance transport costs with the pass through affecting food prices. The national year-on-year inflation rate (2007=100) increased by 1.87 percentage points from 5.95% in May 2009 to 7.83% in June 2009 and by 1.30 percentage points from 7.83% in June 2009 to 9.13% in July 2009.

Again, combined monthly CPI for August 2009 increased from 203.05% in July 2009 to 206.42% in August 2009 resulting in a 1.66% increase in inflation this month. This has also led to 9.66% increase in the year-on-year rate of inflation due to general rise in the price level for August 2009 reinforces the increase in the index last month indicating a buildup of inflationary pressure in the economy.

However, the annual rate of inflation had consistently been in the double digits in almost all centers during the last quarter of year 2009 due to the general rise in the price levels for September, October, November and December 2009 indicating a continuous buildup of inflationary pressure in the economy. The combined monthly CPI for September 2009 increased from 206.42% in August 2009 to 210.38% in September 2009 resulting in 10.48% and 1.92% increase in year-on-year and monthly rates of inflation this month respectively. The increase was as a result of general rise in the price level for September 2009 reinforces the increase in the index over the last few months. Increases were observed in all the components of the CPI (Food, Alcoholic Beverages, Clothing and footwear, hotels and restaurants, recreation and culture, education, health, transport and miscellaneous goods and services) except communication which remained constant.

The monthly rate of inflation for October, 2009 declined slightly by 0.12% from 210.38% in September 2009 to 210.13% in October 2009. Despite the slight decline in the monthly rate of inflation, the year-on-year rate of inflation increased by 0.51 percentage point from 10.48% in September 2009 to 10.99% in October 2009. The decline in the price level for October 2009 reflects the increase in the supply of most domestically produced food products during the harvest season. The decline affected mainly Food and Non Alcoholic Beverages and Hotels and Restaurants particularly the food taken outside component of this group index.

The year-on-year rate of inflation continued to be in the double digit at 10.99% in October 2009 but declined marginally to 10.42% in November 2009. The decline in the price level for November 2009 was as a result of the decline in the cost of food particularly bread and other cereals (4.86%), fish (4.0%), meat (2.07%), fruits (10.86%) and vegetables (2.51%) which reflects the fact that this time of the year is the time when most of these food products in the basket are harvested.

There were also slight decrease in the price of non-food products such as non-durable household goods and furniture and furnishing.

Nevertheless, the increase in the price level for December 2009 contributed to the upward leap in the year-on-year rate of inflation by 12.22% was as a result of the increase in the cost of all main components of the index , food (2.08%), alcoholic beverage (4.39%) clothing and footwear (0.84%), housing particularly rents (1.69%), furnishing and household equipment (0.64%) health(3.5%), transport (0.25%) recreation and culture (4.34%) education(0.93%) restaurants and hotels (3.58%) and

miscellaneous goods and services(2.12%). The food products which increased this month include fish (6.52%), meat (3.34%), fruits (1.09%), oils and fats (3.35%) and vegetables (4.18%) which reflects the fact that this time of the year is the time when most of these food products in the basket are in high demand due to the festivities.

4.3. Highlights of Price Developments from January to December 2010

In year 2010, double digit year-on-year rates of inflation were recorded throughout the year resulting in a 16.76% average annual rate of inflation for the year 2010. The main factor to the increase in consumer price inflation last year was developments in the global economy and the introduction of the Goods and Services Tax (GST) which brought about a consistent increase in the cost of food especially bread and cereals and fuel as a result of the general rise in the world market price for these commodities giving rise to the global food and energy crisis.

The introduction of the Goods and Services Tax in January 2010 reinforced the prevailing inflationary pressure resulting to the double digit rates of inflation in 2010. Following the introduction of GST in January, there were significant increases in the indices of food (2.9%), alcoholic beverage (5.2%) clothing and footwear (2.6%), housing particularly rents (4.3%), furnishing and household equipment (9.42%), health (8.35%), transport (1.85%), communication (4.8%), recreation and culture (1.95%) education (0.77%), restaurants and hotels (0.09%) and miscellaneous goods and services (9.98%) resulting to the increase of the year-on-year inflation from 9.93% in December to 14.83% in January 2010.

In February, the price of petrol, diesel and kerosene increased by 4.7% from 14,800 Leones to 15,500 Leones per gallon which led to an upward adjustment in transport fares and a 16.11% increase in the composite index. This triggered further increases in food prices such as bread and cereals, milk, cheese and eggs, vegetables etc. and an increase in the year-on-year rate of inflation in March 2010 by 17.37% and a continuous buildup of inflationary pressure. The pass through effects of these developments continued in the months of March, April and May 2010 which largely explains the consistent double digit rates of inflation recorded in all centers during the reviewed period.

However, in June, 2010 trends in the monthly rates of inflation indicate a movement towards price stability despite the high price level. The Composite annual inflation rate for June 2010 (2007=100) decreased from 16.82% in May 2010 to 16.42% in June 2010

despite the slight upwards adjustment in the price of petrol, diesel and kerosene from Le 15,500 to Le 16,500 per gallon and the corresponding increase in the price of long and short distance transport services.

The combined monthly CPI increased by 1.27% in July 2010 which was lower than the previous month increase despite the slight increase in the prices of food especially edible oils such as palm oil, palm kernel oil, vegetable oil etc. in all centers. Consequently, the year-on-year rate of inflation decreased slightly from 16.42% in June to 16.21% in July 2010.

Nevertheless, the combined monthly CPI (2007=100) increased from 149.28% in July 2010 to 151.50% in August 2010 resulting in 1.49% increase in the consumer price index in the same month. This reflects a monthly increase higher than the previous month. With the exception of transport index, the indices for all other main components increased. There was a slight increase in the index for alcoholic beverages, tobacco and narcotics (3.47%) due to the increase in the cost of local spirit, industrial beer, industrial wine, artisanal wine, tobacco leaves, cigarette and other cigarette paper. The prices of food especially edible oils such as palm oil, palm kernel oil, vegetable oil etc. increased in all centers probably due to the month of Ramadan and further depreciation of the Leone as against foreign currencies which have contributed to the slight increase in the index for food (1.85%).

In September, 2010, we observed that the combined monthly CPI (2007=100) increased from 151.50% in August 2010 to 153.79% in September 2010 resulting in 1.51% increase in the consumer price index of this month. This reflects a monthly increase higher than the previous month. The general rise in the price level for September 2010 reinforces the increase in the index over the last few months indicating a continuous buildup of inflationary pressure in the economy. Increases were observed in all the components of the CPI; Food and Non-Alcoholic Beverages (1.95%), Alcoholic Beverages, Tobacco and Narcotics (4.18%), Clothing and Footwear (1.76%), Housing, water, electricity, gas and other fuels (0.64%), furnishing, household equipment and household maintenance (1.37%), Health (2.24%), Recreation and Culture (1.21%), Education (0.26%), Restaurant and Hotels (0.60%) and Miscellaneous goods and services (0.72%).

The specific food items for which increases were observed include, bread and cereals (2.40%), meat (4.73%), fish and seafood (6.85%), milk, cheese and eggs (0.08%), oils and fats (0.22%) and fruits (3.93%).

However, in October 2010 there was a decline in the price level as a result of the increase in the supply of most domestically produced food products during the harvest season. The decline affected mainly Food and Non-Alcoholic Beverages and Hotels and Restaurants particularly the food taken outside component of this group index.

The specific food items for which decreases were observed include; bread and cereals (-2.60%), meat (-1.43%), vegetables (-0.35%), sugar, jam, honey and chocolate (-0.52%), spirits (-0.09%), solid fuels (-0.61%), small electrical household appliances (-1.41%) and spare parts and accessories (-2.34%).

In November, 2010 the increase in both the monthly and annual rates of inflation was mainly due to the increase in petroleum product prices reinforced by the increasing cost of food. The price of petrol, diesel and kerosene increased by 4.64% (i.e. from Le 16,500 to Le 17,500 per gallon). This resulted into an increase in the cost of transport services and an increase in the transport index by 3.06%. The increase in the price of petroleum products also brought about increases in the prices of most goods and services as producers responded to the increase in the cost of production by increasing prices. The increase on the other fuels index (1.37%) was due to a shortfall in the supply of products such as firewood and charcoal. The Muslim pray-day (Edu-mubarrak) which is an important occasion, also added pressure on the market. The effect was a slight rise in the price level by 0.30% monthly rate of inflation during the month of November, 2010.

The combined monthly CPI for December increased from 154.21 in November 2010 to 157.15 in December, 2010 resulting in a 1.91% increase in inflation rate this month.

The increase in the price level for December 2010 was as a result of the increase in the cost of all main components of the index , food (3.15%), alcoholic beverage (0.99%) clothing and footwear (0.64%), housing particularly rent (0.10%), furnishing and household equipment (1.18%), health (0.07%), transport (1.27%) recreation and culture (2.24%), education (0.37%), restaurants and hotels (0.01%) and miscellaneous goods and services (1.05%).

The food products which increased this month include fish and seafood (4.97%), meat (5.73%), fruits (2.82%), oils and fats (4.01%) and vegetables (1.48%) which reflect the fact that this month of the year is the time when most of these food products in the basket are in high demand due to the festivities.

In January, 2011 combined monthly CPI increased from 157.15 in December 2010 to 162.00 in January, 2011 resulting in a 3.09% increase in inflation rate this month.

There was a general increase in the price level in all the four regions except the Eastern region affecting all components of the index. On a composite basis, there were increases in the indices for the following groups; food (0.32%), tobacco (0.73%), furniture and household equipment (4.54%), recreation and culture (0.79%) and miscellaneous goods and services (1.40%).

The food products which prices increased this month include; meat (1.86%), oils and fats (7.19%), milk, cheese and eggs (0.31%) and sugar (0.15%) while prices of rice, bread remained constant.

However, the food products which prices decreased include; fruits (-7.46%), fish and seafood (-4.27%) and vegetables (-2.32%). Again, the general rise in the Consumer Price Index may also be attributed to consumers speculation, which further increased the prices of the products in the CPI basket.

4.4. Price Development for Consumer Price Index (CPI) from January to August 2012

Double digit year-on-year rates of inflation were recorded throughout 2011 year resulting in a 16.03% average annual rate of inflation. It has also been observed that, the annual rate of inflation had consistently been in the double digit in all the centers throughout 2011 due to artificial scarcity of essential food items (like palm oil, fish, etc.) and the steady depreciation of the exchange rate and to some extent, and the smuggling of these essential commodities to neighbouring countries.

The increase in the fuel pup price and the confusion surrounding the introduction of the Metric System in May 2011 reinforced the prevailing inflationary pressure resulting to the double digit rates of inflation in 2011. The increase in both the monthly and annual rates of inflation in the month May, 2011 were mainly due to the increase in the price of petroleum product reinforced by the increasing cost of food. The price of petrol, diesel and kerosene increased by 15.7% (i.e. from Le17,500 to Le20,250 per gallon). This resulted into the increase in the cost of transport services and as a result the transport index increased by 7.41%. The increase in the price of petroleum products also brought about increases in the prices of most goods and services as producers responded to the increase in the cost of production by increasing prices of their goods.

4.5. Highlights of Price Development from January to July 2013

Double digit year-on-year rates of inflation were recorded throughout 2012 year resulting in a 12.95% average annual rate of inflation. It has also been observed that, the annual rate of inflation had consistently been in the double digit in all the centers throughout 2012 due to artificial scarcity of essential food items (like palm oil, fish, meat, etc.).

In January 2012, the year-on-year rate of inflation (i.e. CPI for the reference month in the current period compared with the index for the same month last year) increase slightly from 16.6% in December 2011 to 16.8% in January, 2012.

Nevertheless, there was a decrease in the annual rate of inflation in February, 2012 when compared with the year-on-year rate of inflation in January, 2012 despite the slight increase by 1.63% in the consumer price index during the month of February. The price developments in January and February 2012 were reversal of the upward trend in the index reported throughout the year 2011.

The National monthly CPI (2007=100) increased from 187.22% in February 2012 to 189.26% in March 2012 resulting in a 1.1% increase in inflation rate this month. The March, 2012 monthly inflation rate was therefore down by 0.53 percentage point when compared with the February, 2012 inflation figure (1.63%).

Nevertheless, the annual Inflation rate for March, 2012 decreased slightly from 15.45% in February 2012 to 14.51% in March, 2012. This reflects a 0.94 percentage points decrease over February, 2012.

In April, 2012 the combined monthly CPI (2006/2007=100) for April 2012 increased from 189.26% in March 2012 to 190.65% in April 2012 resulting in a 0.73% increase in inflation rate. Similarly, the monthly rates of inflation increased in all the regions. Western Area (0.68%), Northern Region (0.92%), Southern region (0.60%) and the Eastern Region (1.65%) comprising of two centers, Kenema (1.30%) and Kono (0.88%) during the same period. Again, the composite year-on-year inflation rate (2006/2007=100) increased by 0.60 percentage point from 14.51% in March 2012 to 13.91% in April, 2012.

The year-on-year rate of inflation continued to be in the double digit at 12.52% in May, 2012 but declined marginally to 12.50% in June, 2012.

The sustained increase in the year-on-year rates of inflation eased off a bit during the last six months of the year 2012.

This pleasant situation is being undermined by developments in the market during the past three months in the year 2013. There has been a steady increase in the monthly prices which has translated into an increase in inflation probably as a result of a severe shortage in the supply of palm oil and petrol in the month of January, 2013. Similar situation was also observed during the month of March, 2013.

The year-on-year rates of inflation remain in the double digits for both the national index and regional indices (2006/2007=100), and also, there has been a slight increases in the monthly rates of inflation during the months of January, 2013, February, 2013 and April, 2013 indicating a slight upward inflationary pressure. . The increase in both the monthly and annual rates of inflation in the month April, 2013 was mainly due to an unofficial increase in the price of petrol reinforced by the increasing cost of food. This resulted into an increase in the cost of transport services. The increase in the price of petrol also brought about increases in the prices of most goods and services as producers responded to the increase in the cost of production by increasing prices of their goods.

In May, 2013 the national monthly CPI (2007=100) increased from 212.52% in April 2013 to 213.65% in May, 2013 resulting in a 0.53% increase in inflation rate this month. There was a general slight increase in the price level in all the four regions affecting almost all the components of the index. The decrease on the food index (0.17%) was due to an abundant supply of products such as palm oil, onions, eggs, fruits etc. in the market. However, the food products which prices increased slightly in May, 2013 include vegetables (0.10%), meat (1.13%) and bread and cereals (0.90%).

In June 2013, there was a slight general increase in the price level in all the four regions affecting most of the components of the index. On a national basis, the slight increase was mainly due to slight increases in the prices of alcoholic beverages (1.57%), narcotics (0.83%), clothing materials (2.08%), bread and cereals (0.17%), meat (0.14%), milk, cheese and eggs (0.06%), fruits (1.12%), footwear (1.18%), housing maintenance (0.22%). Alternatively, there were decreases in the cost of fish and seafood (-0.74%),

oils and fats (-1.37%) which were not sufficient to offset the increase in the national CPI during the month of June, 2013.

Slight increases in the monthly rate of inflation were recorded for all the centers in July 2013. The national monthly CPI (2007=100) increased from 214.61% in June 2013 to 215.90% in July, 2013 resulting in a 0.60% increase in inflation rate.

There was a slight general increase in the price level in all the four regions which affected most of the components of the index.

There was a slight increase in the index for clothing and footwear (2.41%) due to the increase in the cost of clothing materials (3.42%), garments (2.46%), shoes and other footwear (1.09%) and repair of footwear (1.30%).

The food products which indices increased this month include bread and cereals (0.46%), meat (0.12%), fish and seafood (0.47%), milk, cheese and eggs (0.58%), fruits (1.07%) and vegetables (0.61%). The increased prices on both food and clothing and footwear in all the centers were probably due to the month of Ramadan and these have contributed to the slight increase in the inflation rate.

CHAPTER 5: AGRICULTURE

5.0. Overview

Agriculture is regarded as the backbone of the economy of Sierra Leone, thus becoming a central focus for meeting the Millennium Goal 1: eradicating poverty and hunger, through the creation of productive and decent work for all, including women and the youth; as well as the provision of access to food. One of the key strategies in this regard is to diversify domestic production of food in order to achieve food security, increase agriculture productivity particularly for food crops such as rice, cassava etc., create decent work and maximize foreign exchange earnings from agriculture exports. Within the second Agenda for Change (PRSP11) i.e. the Agenda for Prosperity, government has set clear and specific interventions to achieve its growth objectives.

The purpose of this chapter is to provide information that could be used for monitoring and evaluation, advocacies, policy formulation and research.

Only Secondary data sourced mainly from the Ministry of Agriculture, Forestry and Food Security and Statistics Sierra Leone were compiled in this module.

5.1. Food Crop and Tree Crop Production figures

The major food crops that are cultivated in Sierra Leone are as follows: Rice, Cassava, Sweet Potato, Maize and Groundnut. The main tree/cash crops include Cocoa, Coffee, Oil Palm. Crop cultivation in Sierra Leone has been mainly on subsistence in level. Several reasons could be attributed to this low agricultural production level and such reasons may include; low levels of education amongst farmers, less use of modern technology, less use of improved crop varieties and exotic livestock.

5.1.1. Crop Production

Table 5.1.1.1: Paddy Rice Production in Sierra Leone for the Period 2008 – 2013

Year	Area (Ha)	Yield (Mt/Ha)	Production (Mt)
2008	475,592	1.43	680,097
2009	499,111	1.78	888,417
2010	549,022	1.87	1,026,671
2011	603,924	1.87	1,129,338
2012	717,872	1.59	1,141,417
2013	671,422	1.87	1,255,559

Source: PEMSD/MAFFS

According to table 5.1.1.1, rice production in Sierra Leone has been on the increase from 2008 to 2013. Yield which is production per unit area (Ha) has shown some fluctuations during the same period. From 2008 the yield of rice (1.43 Mt/Ha), went up to 1.87 Mt/Ha in 2011, but went down to 1.59 in 2012 even though the area cultivated 2012 (717,872 Ha). This trend may not be unconnected to the fact that area measurement figures since 2010 were based on projections and the projection rate was 10% increase for area cultivated and 5% increase for yield. This may provide justification for the need to regularly conduct a National Agriculture Survey.

Table 5.1.1.2: Other Major Food Crops Production for the period 2008 – 2013

Year	Cassava			Maize			Sweet Potato			Groundnut		
	Area Cultivated (Ha)	Yield (Mt/Ha)	Production (Mt)	Area Cultivated (Ha)	Yield (Mt/Ha)	Production (Mt)	Area Cultivated (Ha)	Yield (Mt/Ha)	Production (Mt)	Area Cultivated (Ha)	Yield (Mt/Ha)	Prod (Mt)
2008	312,176	6.37	1,988,561	28,016	0.84	23,533	33,673	3.37	113,478	87,017	0.68	59,172
2009	359,002	7.84	2,814,576	32,218	1.38	44,46	38,724	4.57	176,969	100,070	0.70	70,049
2010	394,902	8.23	3,250,044	35,440	1.45	51,388	42,956	4.80	206,189	110,077	0.74	81,457
2011	420,457	8.23	3,460,357	34,484	1.52	52,416	41,729	5.04	210,313	112,254	0.74	83,068
2012	225,766	15.88	3,585,172	17,835	2.20	39,237	21,419	10.31	220,829	100,890	0.84	84,748
2013	352,816	10.80	3,810,418	19,059	2.10	40,022	64,354	3.50	225,246	78,585	1.10	86,443

Source: PEMSD/MAFFS

Table 5.1.1.2 is suggesting that after rice, there are other four major food crops namely; Cassava, Maize, Sweet Potato and Groundnut. From the table, there has been an increase in trend on the production of all of the four major food crop except for maize which shows a decrease in production in 2012 (39,237 Mt). In 2013, the production of maize went up slightly to 40,022. Please Note: the area cultivated for cassava, maize, sweet potato and groundnut fell from 2011 to 2012, not indicating 10% projected increase.

Table 5.1.1.3: Tree/Cash Crops Production

Year	Cocoa			Coffee			Oil Palm		
	Area Cultivated (Ha)	Yield (Mt/Ha)	Production (Mt)	Area Cultivated (Ha)	Yield (Mt/Ha)	Production (Mt)	Area Cultivated (Ha)	Yield (Mt/Ha)	Production (Mt)
2008	97,265	0.42	40,851	56,505	1.80	101,709	416,022	4.50	1,872,099
2009	106,992	0.87	93,083	62,156	1.88	116,852	457,624	6.40	2,928,794
2010	117,691	0.91	107,099	68,372	1.97	134,693	503,368	6.72	3,382,633
2011	129,460	0.96	123,699	75,209	2.07	155,570	553,705	7.06	3,906,941
2012	142,406	1.00	142,872	82,730	2.17	179,684	609,075	7.41	4,512,516

Source: PEMSD/MAFFS

Table 5.1.1.3 is revealing that, production of the three tree crops went up since 2008 to 2012. The 2012 Production figures for oil palm is the highest compared to the other two tree crops. In 2012, the production of palm oil (4,512,516 Mt) outweighed the production of cocoa (142,872 Mt) and coffee (179,684 Mt). This trend may not be unconnected to the fact that palm oil forms a major component of the diet of Sierra Leoneans compared to cocoa and coffee which are by far less directly consumed by the population.

5.2. Livestock Production

Livestock products are a major source of protein in the diet of Sierra Leoneans. In Sierra Leone, the livestock that are normally bred are namely Cattle, Sheep, Goats, Chicken, Ducks, Rabbits and Pigs. Almost all of these animals are reared at household levels with the exception of the chicken, which, in some few instances are bred at commercial levels.

Table 5.2: Livestock (Head Count) Production for the Period 2008 – 2013

Year	Cattle	Sheep	Goats	Chicken	Ducks	Rabbits	Pigs
2008	390,638	470,400	550,162	6,502,867	607,967	9,239	35,882
2009	470,000	620,000	730,000	8,600,000	729,560	11,087	43,058
2010	517,000	682,000	803,000	9,460,000	802,516	12,196	47,364
2011	568,700	750,200	883,300	10,406,000	882,768	13,416	52,100
2012	625,570	825,220	971,630	11,446,800	971,044	14,757	57,310
2013	688,127	907,742	1,068,793	12,591,260	1,068,147	16,233	63,041

Source: PEMSD/MAFFS

The findings in table 5.2 are indicating that the population of all the different kinds of livestock has been in the increase since 2008. According to the table, the chicken is the most abundant livestock as compared to the other livestock. In 2013, the population of chicken was reported at 12,591,260, followed by goat (1,068,793). The high population of chicken can be attributed to the fact that, chickens can produce more offsprings compared to the other livestock and it is not only consumed for dietary purposes but for also traditional ceremonies. Pigs and Rabbits are the least populated livestock. In 2013, the population of the Rabbit was 16,233, whilst that of the pig was reported at 63,041. A very significant proportion of the population of Sierra Leone is composed of Muslims; this of course will definitely have effect on production, as demand is being affected. It is worth necessary to note that most of the breeds of animals are local with little or no exotic breeds. It is necessary to note that the livestock population are projections, projected at 10% increase in number per annum since 2010.

5.3. Contribution of Agriculture to the GDP of Sierra Leone for the Period 2009 to 2013

The Gross Domestic Product is a vital macro-economic indicator that should not be left out in a situation where agriculture is being discussed. The GDP is the total production of a nation and the contribution of agriculture to the GDP is what this section will highlight.

Table 5.3.1: Gross Domestic Product at Current Prices (in Millions of Leones) – Agricultural Sector

	2009	2010	2011	2012	2013
1. Agriculture, Forestry and Fishing	4,591,100	5,429,597	6,986,660	8,355,508	10,215,234
1.1 Crops	3,133,423	3,508,077	4,349,157	5,020,506	6,292,560
1.11 Rice	1,451,411	1,607,426	2,028,262	2,164,606	2,639,445
1.12 Fruits & Vegetable	361,644	436,477	529,950	617,938	695,991
1.13 Cassava	466,829	542,114	665,472	806,662	1,319,634
1.14 Groundnut	496,507	506,282	617,072	750,199	803,593
1.15 Maize	124,345	151,863	196,204	270,768	304,914
1.16 Sweet Potato	39,816	40,261	57,019	118,113	203,017
1.17 Cash crops (cocoa, coffee, palm oil, kolanut, etc.)	192,870	223,654	255,178	292,219	325,965
1.2 Livestock	204,849	294,397	373,838	463,642	509,855
1.3 Forestry	611,512	705,201	975,152	1,253,047	1,460,614
1.4 Fishery	641,315	921,922	1,288,514	1,618,313	1,952,204

Source: Statistics Sierra Leone

At current prices, table 5.3.1 is indicating that the contribution of the agricultural sector to GDP has been on a gradual increase since 2009. In 2013, the sector contributed an estimated Le 10.2 trillion to the GDP. Crops (food and tree/cash) contribute the highest to GDP for the period under review. In 2013, crops contributed an estimated Le 6.3 trillion to GDP as compared to livestock which contributed approximately Le 510 billion. Table 5.3.1 is also indicating that Forestry and Fishery are also contributing meaningfully to the economy of the country. In 2013, forestry contributed an estimated Le 1.5 trillion whilst fishery contributed Le 2.0 trillion.

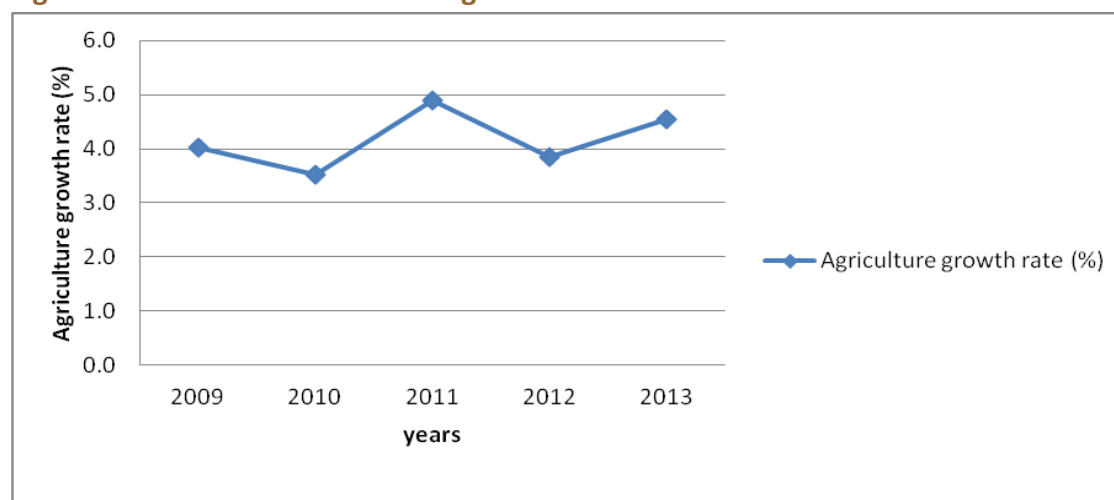
Table 5.3.2: Contribution of the Agricultural Sector to GDP for the Period 2009 – 2013

Years	2009	2010	2011	2012	2013
Agriculture GDP in Current prices (Le'M)	4,591,100	5,429,597	6,986,660	8,355,508	10,215,234
Agriculture GDP in Constant 2006 prices (Le'M)	3,529,327	3,653,451	3,832,146	3,979,557	4,160,741
Agriculture growth rate (%)	4	3.5	4.9	3.8	4.6
Agriculture share of GDP (%)	53.8	52.9	52.3	47.2	41

Source: Statistics Sierra Leone

Table 5.3.2 is revealing that prices of Agriculture commodities have increased steadily over the five year period. Agriculture GDP in current prices has risen from Le 4.6 trillion in 2009 to Le 10.2 trillion in 2013, whilst at Constant prices; contribution of agriculture went up from Le 3.5 trillion in 2009 to Le 4.1 trillion in 2013.

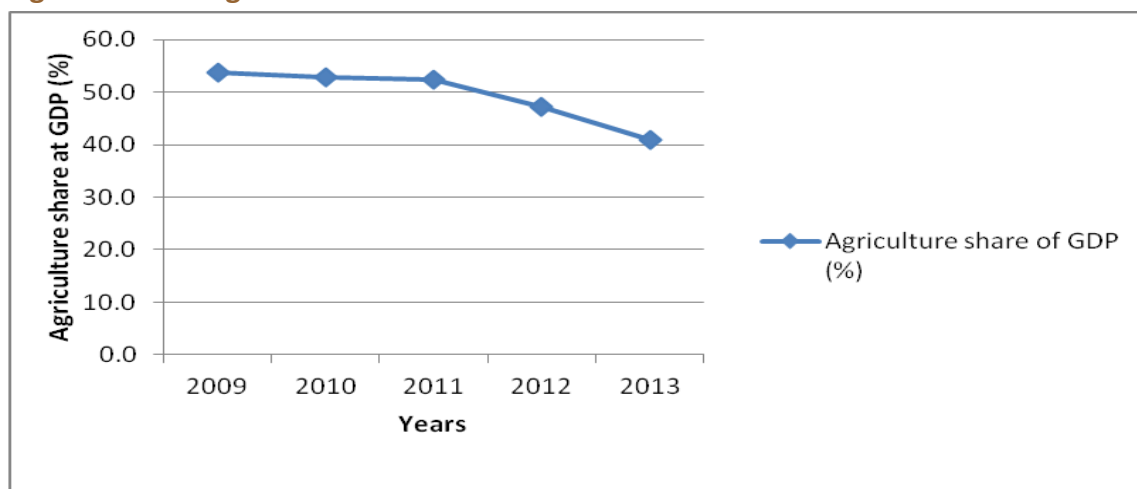
Figure 5.3.1: Growth Rate in the Agricultural Sector for the Period 2009 – 2013



Source: Statistics Sierra Leone

Figure 5.3.1 is suggesting that there has been a fluctuating trend in the growth rate of the Agriculture Sector throughout the five years period. The result shows that the growth rate went down from 4% in 2009 to 3.5% in 2010. From 2010 to 2011, the rate went up from 3.5% to 4.9%. The highest growth rate was achieved in 2011 (4.9%).

Figure 5.3.2: Agricultural Share of GDP



Source: Statistics Sierra Leone

Figure 5.3.2 show the percentage contribution of agriculture to GDP in relation to other sectors including mining. The figure shows a steady gradual decline in the share of the agricultural sector to the overall economy, from 2009 to 2013. In 2009, the share of Agriculture was 53.8%. This figure went down in 2013 to 41%. This decline in the share of the agricultural sector to the general economy may not be unconnected to the expansion of the iron ore mining sector.

5.4. Crop Production

In this module of the Economic and Financial Survey, the contribution of crop production to the GDP was also analyzed. Table 5.5 presents the contribution of crop production to GDP

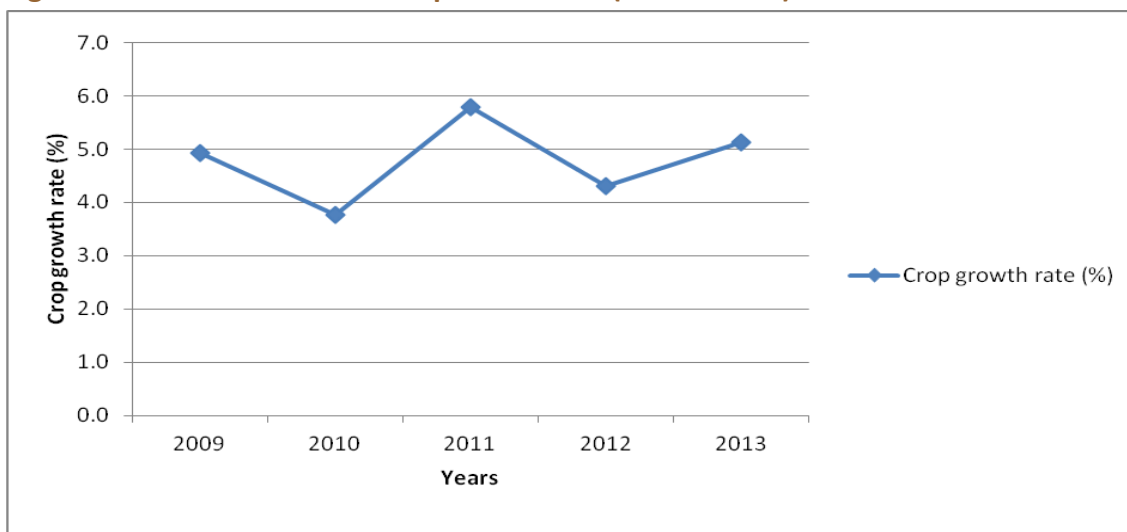
Table 5.4: Contribution of Crop Production to the GDP of Sierra Leone (2009 – 2013)

Years	2009	2010	2011	2012	2013
Crop GDP in Current prices (Le'M)	3,133,423	3,508,077	4,349,157	5,020,506	6,292,560
Crop GDP in Constant 2006 prices (Le'M)	2,451,859	2,544,441	2,691,979	2,808,057	2,952,174
Crop growth rate (%)	4.9	3.8	5.8	4.3	5.1
Crop share of GDP (%)	37.4	36.8	36.8	33.3	29.1

Source: Statistics Sierra Leone

Table 5.4 shows that at current prices, the monetary value of crops has increased in the past five years, it has moved from Le 3.1 trillion in 2009 to twice its value in 2013 (Le 6.3 trillion). At constant 2006 prices, the value of crops went up from Le 2.5 trillion in 2009 to approximately Le 3 trillion in 2013.

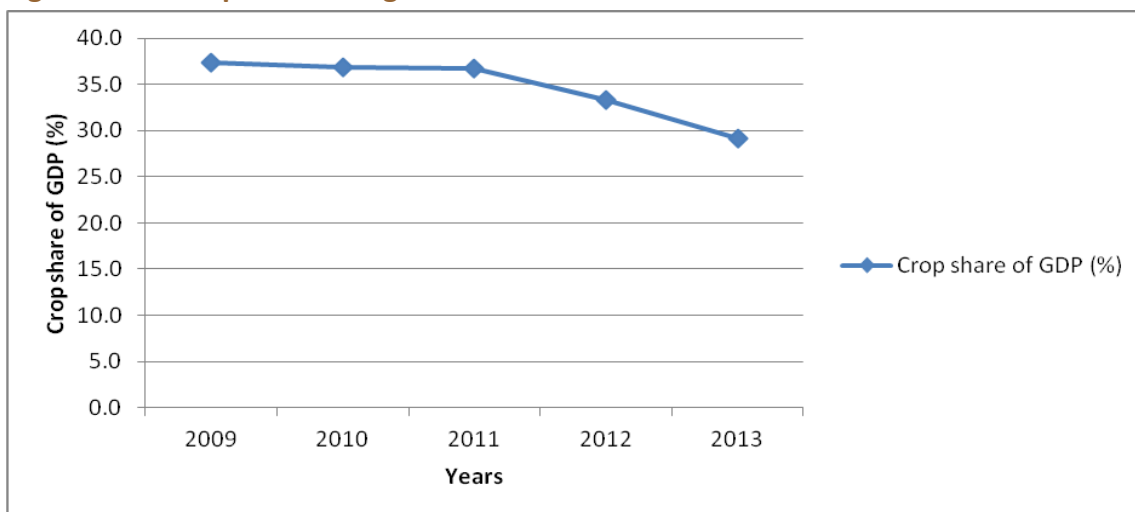
Figure 5.4.1: Growth Rate of Crop Production (2009 – 2010)



Source: Statistics Sierra Leone

Figure 5.4.1 shows a fluctuating trend in the production growth rate of crops in the past five years. The growth rate in crop production went down from 5% in 2009 to 3.8% in 2010. A similar trend was observed for the other years.

Figure 5.4.2: Crop Share of Agricultural GVA



Source: Statistics Sierra Leone

Figure 5.4.2 shows a gradual decline in the share of crops to the agricultural GDP for the period 2009 to 2013. In 2009, the share of crop was estimated at 37.4% and by 2013, the share went down to 29.1%. This trend also may be due to the increase in the operations of the iron ore mining industry.

5.5. Specific Crops Contribution to GDP

5.5.1. Rice

Rice is the most important crop in Sierra Leone as it represents the country's staple food. It is therefore important that its contribution to GDP is analyzed.

Table 5.5.1: Contribution of Rice to Crops GVA

Years	2009	2010	2011	2012	2013
Rice GDP in Current prices (Le'M)	1,451,411	1,607,426	2,028,262	2,164,606	2,639,445
Rice GDP in Constant 2006 prices (Le'M)	1,007,513	1,045,245	1,123,389	1,178,718	1,264,207
Rice growth rate (%)	5.7	3.7	7.5	4.9	7.3
Rice share of GDP (%)	15.4	15.1	15.3	14	12.5

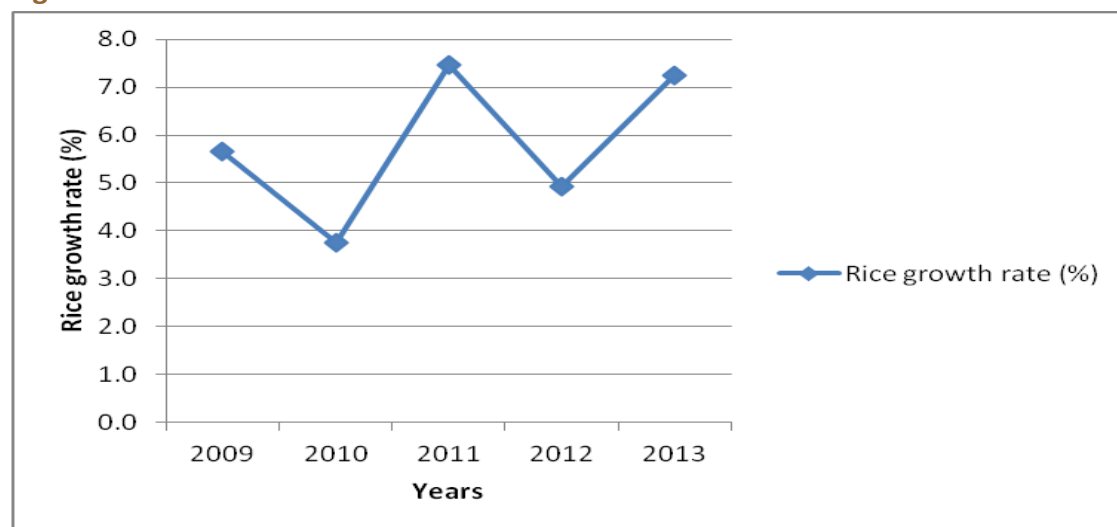
Source: Statistics Sierra Leone

Table 5.5.1. shows that at current prices, there has been an increase in the monetary value of rice from 2009 to 2013. The value moved up from approximately Le 1.5 trillion in 2009 to Le 2.6 trillion in 2013.

At constant 2006 prices, the value of rice went up from Le 1 trillion in 2009 to Le 1.3 trillion in 2013.

5.5.2. Growth Rate in the Value of Rice

Figure 5.5.2: Growth Rate in the Value of Rice

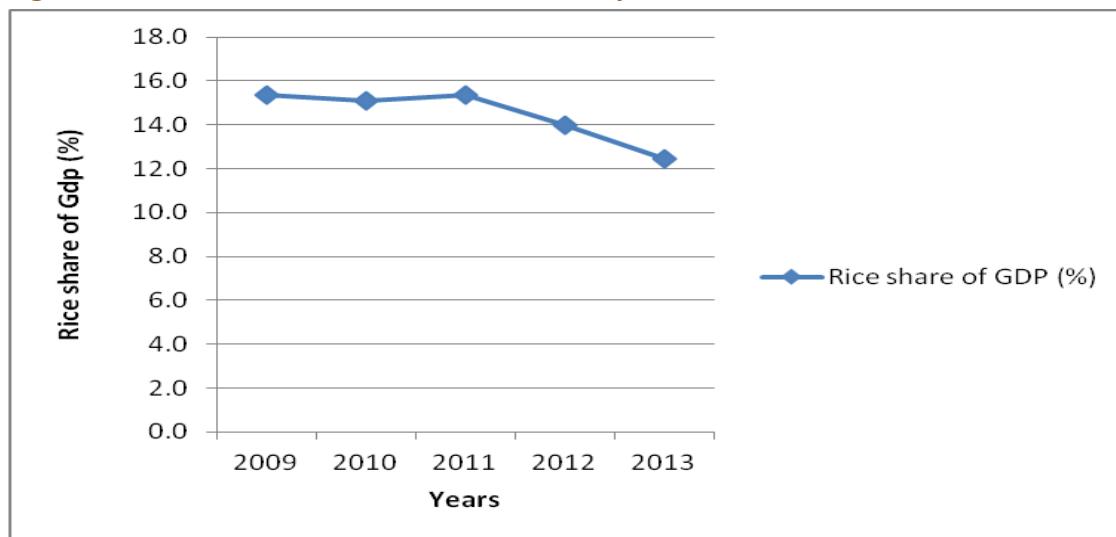


Source: Statistics Sierra Leone

Figure 5.5.2 is suggesting a decline in the growth rate of rice over the past five years. The growth rate is indicating a fluctuating trend from 2009 to 2013.

5.5.3. Share of the Value of Rice to the Crops GVA

Figure 5.5.3: Share of the Value of Rice to Crops GVA



Source: Statistics Sierra Leone

In figure 5.5.3, there has been steady flow in the Crop share at GDP (%) in the first three year that is in 2009, 2010, and then 2011 all of a sudden it came down in 2012 by 14.0 and in 2013 there has being a decline also on the trend by 12.5.

5.6. Livestock, Forestry and Fishery Percentage Contribution to Agricultural GVA

Livestock, Forestry and Fishery are important subsectors in the agricultural sector. In this analysis their percentage contribution to the agricultural GDP and growth rates are analyzed.

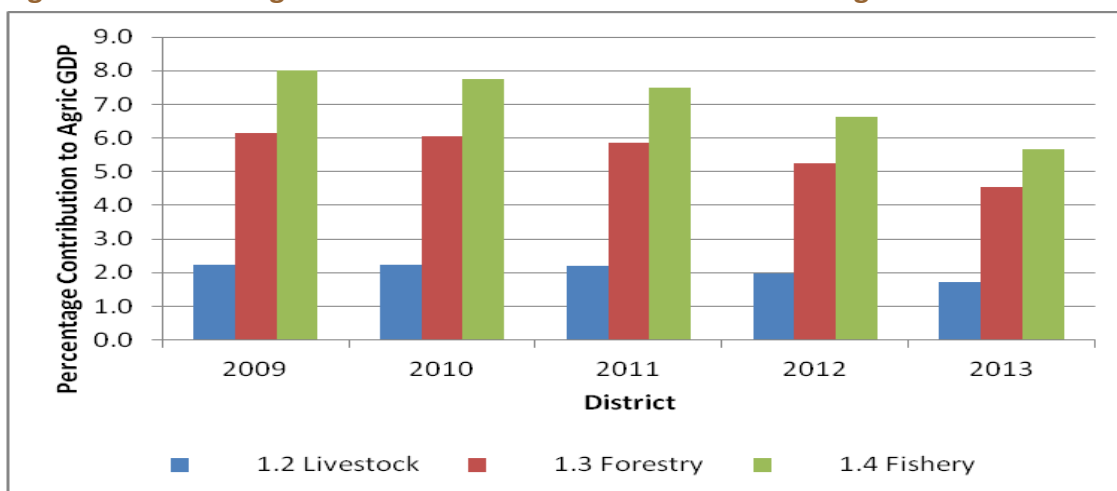
Table 5.6: Percentage Contribution of other Subsectors in the Agricultural Sector

Subsector	2009	2010	2011	2012	2013
1.2 Livestock	2.2	2.2	2.2	2.0	1.7
1.3 Forestry	6.2	6.1	5.9	5.3	4.5
1.4 Fishery	8.0	7.8	7.5	6.6	5.7

Source: Statistics Sierra Leone

According to table 5.6, the three agricultural subsectors, livestock, forestry and fishery contributed to the agriculture GVA by 16.4%, 16.1%, 15.6%, 13.9% and 11.9% in 2009, 2010, 2011, 2012 and 2013 respectively.

Figure 5.6: Percentage Contribution of other Subsectors in the Agricultural Sector



Source: Statistics Sierra Leone

5.7. GDP Growth Rate in other Agricultural Subsectors

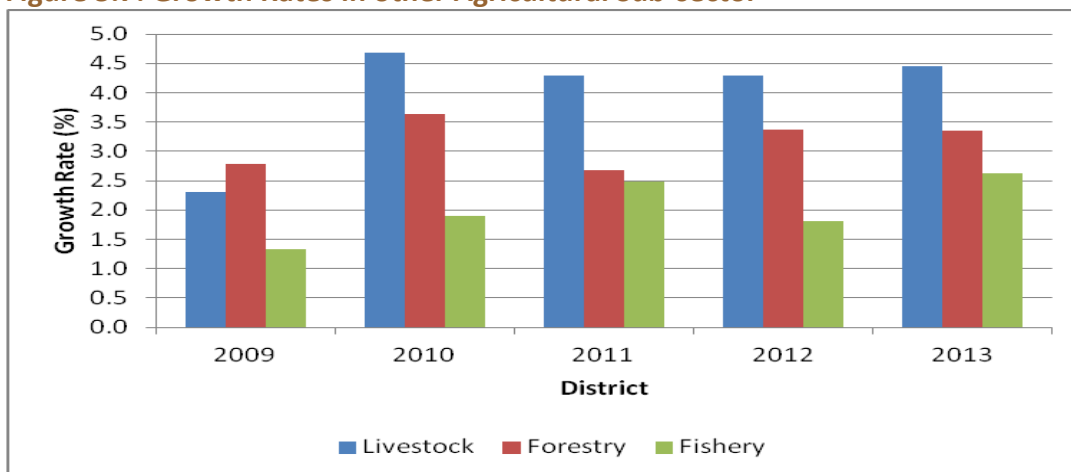
According to table 5.7, growth rates in the livestock subsector is higher for the period 2009 to 2013 as compared to the other two subsectors. The growth rate of livestock went up from 2.3 in 2009 to 4.5 in 2013. The Fishery sector showed the least growth rate; 1.3 in 2009 to 2.6 in 2013

Table 5.7: Growth Rates in other Agricultural Sub-sector

Agricultural Commodity	2009	2010	2011	2012	2013
Livestock	2.3	4.7	4.3	4.3	4.5
Forestry	2.8	3.6	2.7	3.4	3.3
Fishery	1.3	1.9	2.5	1.8	2.6

Source: Statistics Sierra Leone

Figure 5.7: Growth Rates in other Agricultural Sub-sector



Source: Statistics Sierra Leone

5.8. Commodity Markets

Agriculture is about production and the market is one stage in the value chain of agricultural commodities. Table 5.8 therefore presents the distribution of markets across Sierra Leone.

Table 5.8: Distribution of Markets in Sierra Leone by Type of Markets and Districts

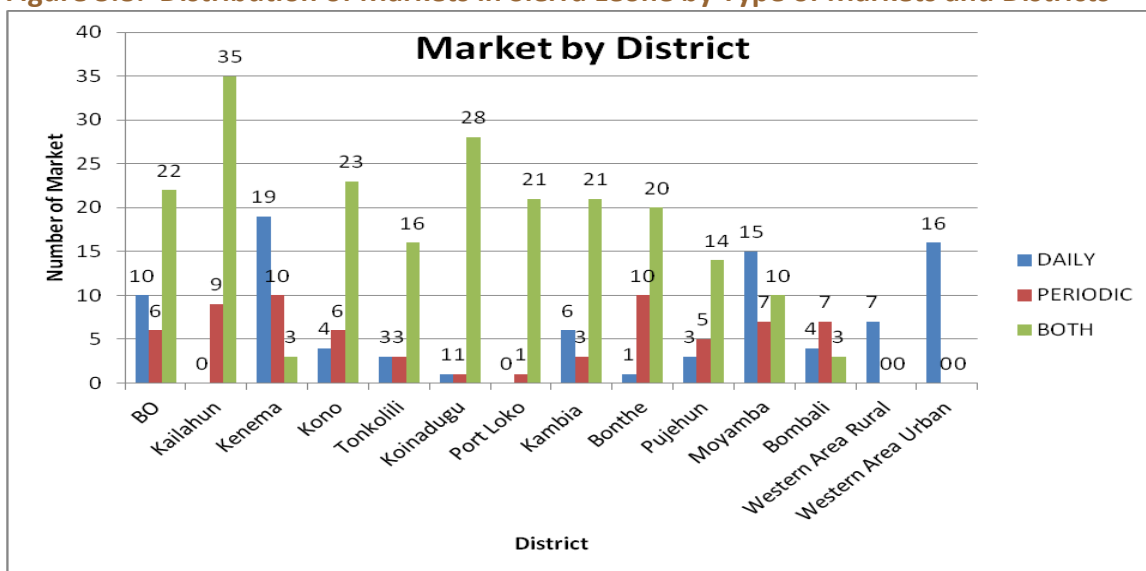
District	Daily	Periodic	Both	Total
Bo	10	6	22	38
Kailahun	0	9	35	44
Kenema	19	10	3	32
Kono	4	6	23	33
Tonkolili	3	3	16	22
Koinadugu	1	1	28	30
Port Loko	0	1	21	22
Kambia	6	3	21	30
Bonthe	1	10	20	31
Pujehun	3	5	14	22
Moyamba	15	7	10	32
Bombali	4	7	3	14
Western Area Rural	7	0	0	7
Western Area Urban	16	0	0	16
Total	89	68	216	373

Source: Agricultural Tracking Survey – 2010

According to table 5.8, there are a total of 373 markets in Sierra Leone. This total constitutes 89 Daily and 68 Periodic markets. A significantly high number of markets (216) could be described as operating as both Daily and Periodic markets.

At district level, and for the daily markets, the result of the findings is further indicating that Kenema (19), Western Area Urban (16) and Bo (10) have significantly higher number of Daily markets as compared to the other districts. For those markets that are functioning as both Daily and Periodic markets, Kailahun has the highest number of markets that function as both Daily and Periodic Markets (35).

Figure 5.8: Distribution of Markets in Sierra Leone by Type of Markets and Districts



Source: Agricultural Tracking Survey – 2010

5.9. Average Retail Market Price for Selected Agricultural Commodity

In this analysis the average retail market prices of selected agricultural commodities were considered at two stages in the agriculture season; the lean season (July) and the harvest season (November). These two months were considered to be the average of the two seasons. Each region was represented by a district namely; Southern Region (Bo), Western Region (Freetown), Eastern Region (Kenema) and Northern Region (Makeni).

5.9.1. Rice (Local and Imported)

The national average retail price of local rice is generally higher in the months of July as compared to the months of November. In 2009, the national average retail price of local rice was Le 2783.10 per Kg, whilst in November the price was Le 2473.65. This trend was repeated in 2010 and 2013. An opposite trend is observed in 2011 and 2012 in which the national average price of local rice was slightly higher in November as compared to July. With imported rice, the national average retail price indicates fluctuations in prices for July and November in almost all of the past five year's period. In 2009, the national average retail price of imported rice in July (Le 2597 per Kg) was higher compared to that for November, which was recorded at Le 2,622 per Kg. During the lean season; July month, it is expected that the supply for rice in the market should be less, suggesting higher prices with relatively constant demand. At the national level

this analysis is depicting otherwise, especially for the imported rice. At district level, the average retail prices are generally lower in November than in July in the past five years, 2009 to 2013.

5.9.2. Groundnut

At national level, the average retail price of groundnut shows similar trend as with imported rice. In the past five years, 2009 to 2013, in some years, the July retail prices of groundnut were higher and for other years they were lower compared to the November prices. In 2009, the national average retail price of groundnut in July (Le 4977.81 per Kg) was higher than that for November in that same year (Le 4808.20 per Kg). In 2010, the July national average retail price (Le 5216.90 per Kg) was lower compared to that of November (Le 5713.72). This trend was repeated in 2011. In 2012 the reverse is observed.

5.9.3. Palm Oil

Palm oil forms an important part of the diet of Sierra Leoneans. The national average retail price of palm oil per liter has been on the increase since 2009 to 2013. The July price of palm oil went up from Le 3702.7 in 2009 to Le 6363.6 in 2013. The price in November went up from Le 4049.9 in 2009 to Le 6278.4 in 2013. The July 2009 national average retail price of palm oil (Le 3702.7) was lower than that of November in the same year (Le 4049.9). This same trend was repeated in 2010 and 2011 whilst the opposite was reported in 2012 and 2013.

5.9.4. Value and Quantity of Imported Livestock Products

Livestock products are important sources of protein in the diet of Sierra Leonean. Compared to crops livestock contribute quite little to the GDP of Sierra Leone. Livestock production as mentioned above is subsistence hence the country depends on the import of livestock products to fill in the gaps.

Table 5.9.4. presents the value and quantity of livestock products imported into Sierra Leone for the period 2009 to 2013

Table 5.9.4.1: Value and Quantity of Livestock Products Imported

Type of Livestock Product with HS Codification		2010	2011	2012	2013	Total
0201:Meat of bovine animals, fresh or chilled	Value (Le '000)	945,000.00	1,040,000.00	604,000.00	77,080.48	2,665,201
	Quantity (Mt '000)	180.62	637.18	274.32	1.29	1,093
0202:Meat of bovine animals, frozen	Value (Le '000)	561,000.00	3,790,000.00	2,820,000.00	3,940,000.00	11,115,675
	Quantity (Mt '000)	178.16	916.84	89.26	759.20	1,943
0203:Meat of swine, fresh, chilled or frozen	Value (Le '000)	2,770,000.00	4,490,000.00	2,890,000.00	4,300,000.00	14,449,799
	Quantity (Mt '000)	15.31	47.67	67.67	104.35	235
0204:Meat of sheep or goats, fresh, chilled or frozen	Value (Le '000)	1,620,000.00	4,180,000.00	1,140,000.00	1,380,000.00	8,310,019
	Quantity (Mt '000)	12.28	114.63	5.16	6.73	139
02050000:Meat of horses, asses, mules or hinnies, fresh, chilled or frozen.	Value (Le '000)	60,607.44	334,000.00	-	-	394,891
	Quantity (Mt '000)	2.60	5.54	-	-	8
0206:Edible offal of bovine animals..., fresh, chilled or frozen	Value (Le '000)	1,340,000.00	7,290,000.00	2,080,000.00	523,000.00	11,235,754
	Quantity (Mt '000)	196.14	226.42	77.69	287.94	788
0207:Meat and edible offal of poultry, fresh, chilled or frozen	Value (Le '000)	17,400,000.00	38,200,000.00	23,400,000.00	15,400,000.00	94,365,137
	Quantity (Mt '000)	2,650.93	14,766.40	7,501.74	3,585.21	28,504
Total	Value (Le '000)	24,696,607.44	59,324,000.00	32,934,000.00	25,620,080.48	142,536,475.03
	Quantity (Mt '000)	3,236	16,715	8,016	4,745	32,711

Source: Statistics Sierra Leone

Table 5.9.4.1 is indicating that an estimated Le 142.5 billion was spent on the importation of livestock products in Sierra Leone in the past four years; 2010 to 2013. This amount was used to purchase a total quantity of Le 32.7 million tons of livestock products.

Table 5.9.4.1 is further revealing that over half of the total amount spent on the importation of livestock products, was spent on the importation of meat and edible offal of poultry, fresh, chilled or frozen in the last four years (Le 94.4 billion). Importation of meat of swine, fresh, chilled or frozen amounted to Le 14.4 billion.

5.10. Agricultural Facilities

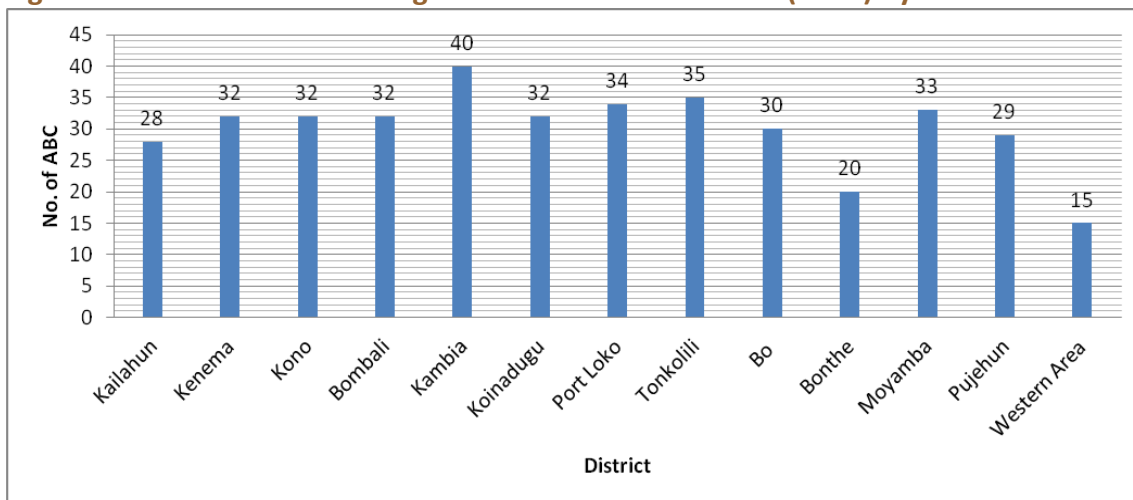
Agriculture in Sierra Leone has been to very great extent, subsistence. To increase agricultural production to a commercial level, a flag ship programme called Smallholder Commercialization programme (SCP) is currently being implemented with an objective of increasing agricultural productivity to a commercial level. To achieve this objective within the SCP, platform structures are being put in place so as to provide the enabling environment for agriculture to thrive. The Agriculture Business centers (ABCs) are institutions that comprise of Farmers Business Organizations (FBOs) and Farmers Field Schools. The ABCs are equipped with equipment and facilities to promote agricultural production, processing and marketing. In 2014, the finding of an ABC profile survey indicated that there is a total of 392 ABC across 13 districts in Sierra Leone.

Table 5.10.1: Distribution of FBOs and ABCs by Districts

District	Average No. of FBOs per ABC	Total No. of FBOs	Total No. of ABC
Kailahun	2.4	66	28
Kenema	3.8	121	32
Kono	3.2	103	32
Bombali	3.2	101	32
Kambia	2.1	83	40
Koinadugu	4.9	156	32
Port Loko	2.4	81	34
Tonkolili	3.0	106	35
Bo	3.7	110	30
Bonthe	3.5	70	20
Moyamba	2.6	86	33
Pujehun	2.1	61	29
Western Rural	2.3	34	15
National	3.0	1178	392

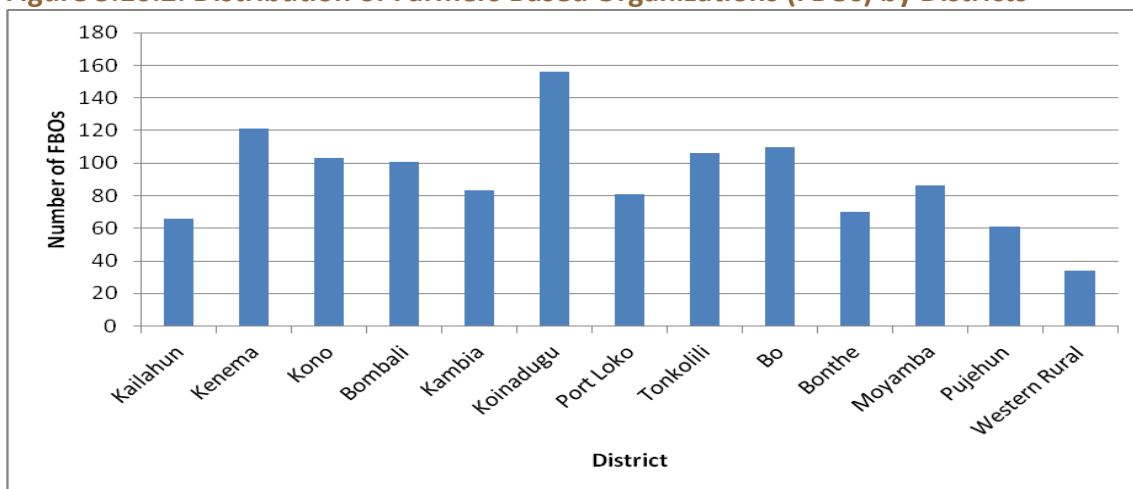
Source: MAFFS/PEMSD ABC Profile Survey – 2014

Figure 5.10.1: Distribution of Agricultural Business Centers (ABCs) by Districts



Source: MAFFS/PEMSD ABC Profile Survey – 2014

Figure 5.10.2: Distribution of Farmers Based Organizations (FBOs) by Districts



Source: MAFFS/ABC Profile Survey – 2014

Table 5.10.2 is indicating that there are a total of 392 ABCs comprising of a total of 1178 FBOs in Sierra Leone. At district level, the findings further show that Kambia district has the highest number of ABCs (40), whilst the Western Rural districts reported the least number of ABCs (15). Koinadugu district reported the highest number of FBOs (156) with Western Rural district reporting the least number of FBOs (34).

At national level, out of a total of 392 ABC, 331 of them have store houses, 295 have drying floors, 132 have water wells, and 223 have toilet facilities. In terms of equipment, 178 ABCs have been supplied with power tillers, 139 have been supplied with mobile phones, 163 Cassava Graters, 137 Video/TV/DVD, 229 Generators, 120 rice harvesters, 167 rice threshers, 252 rice haulers and 149 rice de-stoner.

6.0. Overview

It is in a country's interest to observe the variations of both its Gross National Income (GNI) and its stock of assets including natural capital. By fully accounting for minerals, energy, fisheries, water, forests and ecosystems, a government can provide more accurate information to policy makers and other development partners. This can lead to better economic decisions about development priorities and investments which is especially important for developing countries where economic activities and livelihoods, particularly for the poor majority depend on natural capital. Conventional indicators based on national income accounts such as the Gross Domestic Product (GDP) can be misleading because they say nothing about whether growth is sustainable. Countries can grow in the short term by running down their physical assets including natural capital assets such as forest, minerals and water; but such growth cannot be maintained over the long term.

As a response to the above issues, the U.N. Statistics Commission updated the internationally agreed methodology to account for all natural resources and pollution: "the 2012 System of Environmental - Economic Accounting (SEEA) Central Framework (CF)". The 2012 SEEA-CF is a multi-purpose, conceptual framework that describes the interactions between the economy and the environment, and the stocks and flows of environmental assets. Using a wide range of information, the SEEA-CF provides a structure to compare and contrast source data and allows the development of aggregates, indicators and trends across a broad spectrum of environmental and economic issues. Specific examples include the assessment of trends in the use and supply of natural resources, the extent of emissions and discharges to the environment resulting from economic activities and the amount of economic activity undertaken for environmental purposes.

The integration of information concerning the economy and the environment requires an inter-disciplinary approach that covers as completely as possible the stocks and flows that are relevant to the analysis of development issues. The SEEA-CF brings together in a unified measurement system, information on water, minerals, energy, timber, fish, ecosystems, pollution and waste, production, consumption and accumulation. Each of these areas has specific and detailed measurement approaches that are integrated in

the framework to provide a comprehensive view. In applying this approach, the framework applies the accounting concepts, structures, rules and principles of the 2008 System of National Accounts (SNA 2008). In practice, environmental-economic accounting includes the compilation of physical supply and use tables, functional accounts such as Environmental Protection Expenditure Accounts (EPEA), and asset accounts for natural resources such the Managing Natural Resource Wealth (MNRW) Tropical Trust Fund (TTF).

This module on environment and natural resources will present and analyze compiled data on Rainfall, Water Supply, Fisheries, Forestry and Waste Management as the primary components of environmental statistics compiled at Statistics Sierra Leone (SSL).

6.1. Rainfall

Persistent variation in the amount of rainfall is a key indicator in the discussion of climate change and the measurement of renewable fresh water source expressed in cubic kilometer (km³). Out of the fourteen district in Sierra Leone, the Meteorological Services Department is active only in five districts where rain gauge and other instruments are kept to measure the quantity of rainfall. Rainfall is recorded on a daily basis and aggregated into Mean Monthly values for Lungi (in Port Loko District), Freetown (in Western Urban District), Bo Town (in Bo District), Makeni (in Bombali District) and Koinadugu District. The collected data were aggregated into two indicators namely Total Annual Mean Monthly Rainfall (mm) and Average Annual Mean Monthly Rainfall (mm). Although the patterns of the two indicators appear to be the same, there is substantial difference as one is a measure of total rainfall and the other is an estimate of average rainfall.

In table 6.1.1 below, Freetown recorded the highest total rainfall for the period under consideration except in 2012 when Koinadugu District recorded the highest. In 2012, the highest rainfall was recorded by Koinadugu and Lungi followed by Bo, Freetown and Makeni respectively. The lowest rainfall was recorded by Lungi in 2008 to 2011 and continues to decline in 2013. Rainfall was higher in Bo compared to Makeni throughout the period under consideration. Overall, it can be seen that rainfall was higher in Freetown followed by Koinadugu, Bo, Makeni and Lungi respectively for the period 2008 to 2013.

Table 6.1.1: Total Annual Mean Monthly Rainfall (mm)

Total Annual Rainfall (mm)						
	2008	2009	2010	2011	2012	2013
Lungi	2293.5	2668.1	2697.8	2557.2	3324.1	2059.5
Freetown	3886.6	3416.7	3683.5	3128.9	3115.9	3216.2
Bo	2964.7	3007.2	3183.2	3017.6	3185.8	2589.4
Makeni	2667.5	2691.3	2800.3	2435.5	2486.2	2334.6
Koinadugu	2763.1	3106.0	2483.7	2768.8	3349.5	3262.4

Source: Meteorological Department

Table 6.1.1 above shows that the interval for total rainfall lies between 2000 mm to 4000 mm per annum over the period under consideration. Using this interval, it can be estimated that the volume of Renewable Fresh Water Source lies between 8.0×10^9 km³ as a lower limit and 6.4×10^8 km³ as the upper bound.

Using the official Metric System (or SI Units) for volume or capacity conversion, 1000 cm³ is equal to 1 Litre. Therefore the volume of Renewable Fresh Water due to rainfall lies between 8,000 Litres to 64,000 Litres per annum for each of the towns under consideration. On this basis, the volume of Renewable Fresh Water due to rainfall for Sierra Leone lies between 112, 000 Litres to 896,000 Litres per annum.

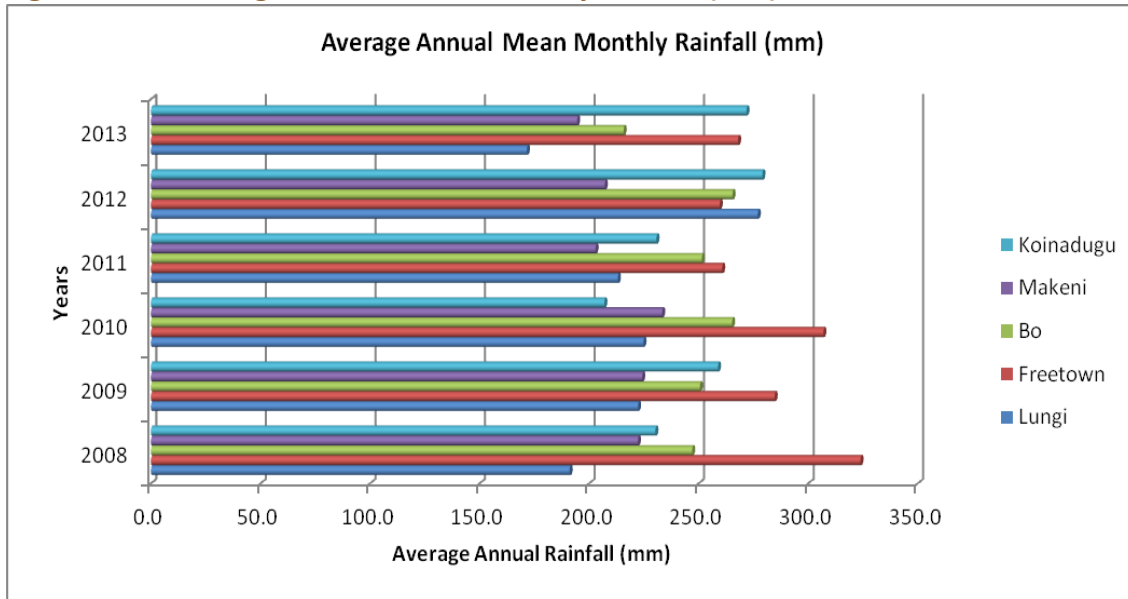
Table 6. 1.2: Changes in Total Annual Mean Monthly Rainfall (%)

Changes in Annual Rainfall						
	2008	2009	2010	2011	2012	2013
Lungi		16.3	1.1	-5.2	30.0	-38.0
Freetown		-12.1	7.8	-15.1	-0.4	3.2
Bo		1.4	5.9	-5.2	5.6	-18.7
Makeni		0.9	4.1	-13.0	2.1	-6.1
Koinadugu		12.4	-20.0	11.5	21.0	-2.6

Source: Meteorological Department

Table 6.1.2 above shows the growth rate of Total Rainfall for the five regions covered in the survey. The trend generally is that rainfall is declining in all the regions except in Freetown where it is beginning to increase in 2013.

Figure 6.1.1: Average Annual Mean Monthly Rainfall (mm)



Source: Meteorological Department

In Figure 6.1.1 above, the chart shows average annual mean monthly rainfall for each of the regions in this analysis from 2008 to 2013. It can be seen that the highest average rainfall was recorded by Freetown and Koinadugu throughout the period and the lowest was recorded by Lungi. It is critical to note that the trends for both total and average rainfall are the same even though the two quantities are different in magnitude. The significance of the average rainfall chart is that it is a direct reflection of the way in which rainfall data are recorded by the Meteorological Services Department in Sierra Leone, and for some analysts it is the preferred indicator.

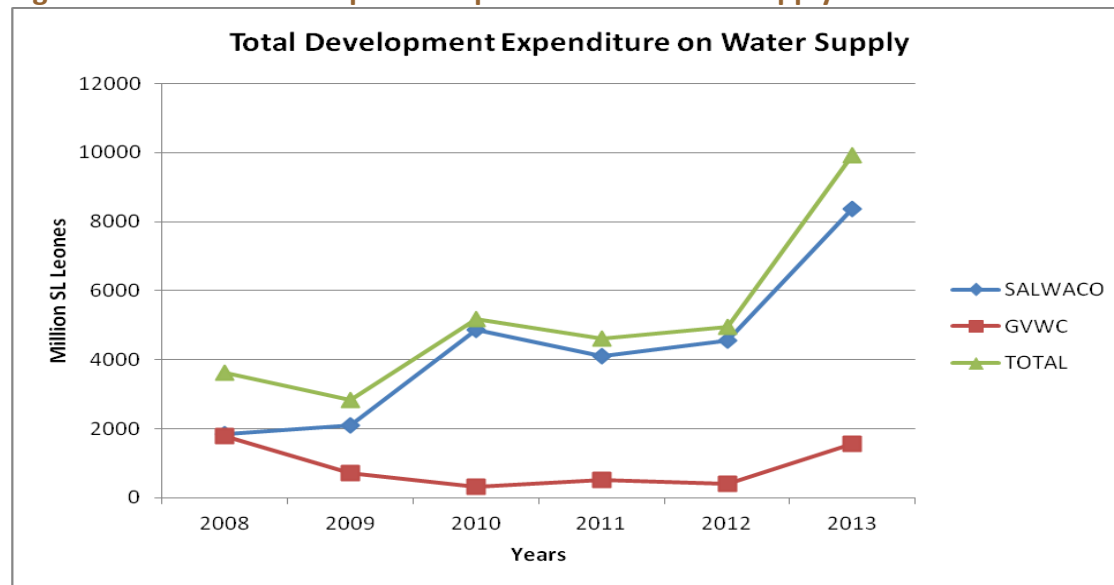
6.2. Water Supply

In the Poverty Profile Presentation by Statistics Sierra Leone (SSL) which was based on the analysis of the results of 2011 Sierra Leone Integrated Household Survey (SLIHS 2011), it was recognized that access to safe drinking water is a critical component in the measurement of poverty. In Sierra Leone, the two public corporations responsible for the production and supply of water are the Guma Valley Water Company (GVWC) and the Sierra Leone Water Company (SALWACO). GVWC is supplying fresh drinking water in the Western Region covering Western Urban and Western Rural Districts. It follows that the remaining regions of Eastern, Northern and Southern Provinces in which there are twelve more districts containing seventeen Local Councils are being covered by SALWACO and other local private initiatives. It was further revealed that SALWACO has responsibility to supply water in four local councils and the remaining thirteen local

councils are being covered by the Ministry of Local Government and Rural Development. Under this organization of water production and supply, there are no updated records with regards to the number of water purification points (WPP) and drilled boreholes (BH) in the Local Councils and/or Districts. This state of affair has been brought to the attention of the Ministry and recommendations were made for them to begin the collection of statistics on WPP and BH for each Local Council as soon as possible so that a quantitative description of water supply in the rural areas will be made.

Total Development Expenditure on Water Supply covers the four Local Councils under the responsibility of SALWACO and the two districts in the Western Region. Statistics on the Development Expenditure on Water Supply for the remaining thirteen Local Councils are not available. Figure 6.2.1 below shows that Development Expenditure on Water supply increased slightly from 2008 to 2009 and rose to a local maximum of 5 billion SL Leones in 2010. From this point it declined to 4 billion SL Leones in 2011 where it attained a local minimum and continued to increase until it attained 8.5 Billion SL Leones in 2013.

Figure 6.2.1: Total Development Expenditure on Water Supply



Source: SALWACO/GUMA

The growth rate of Total Development Expenditure on Water Supply was 14.8% in 2009 and rose to 132% in 2010, it declined to -16.0% in 2011 and rose to 11.1% in 2012 and continued to rise onto 84.1% in 2013. This year-on-year change is implicitly shown in the line graph of Figure 6.2.1 above.

Table 6.2.1 below gives an analysis of Water production from the perspective of the Gross Domestic Product (GDP) in Nominal Values from 2008 to 2013. From 2008 to 2009, the Gross Value Added (GVA) of water production fell to -1.4%, it rose to 45.1% in 2010 and decline to 17.4% in 2011, it rose again to 48.8% in 2012 and improved slightly to settle at 20.9% in 2013. Also, the ratio of Development Expenditure on Water Supply to the GVA of water production was computed to compare the two variables over the period under consideration. From Table 6.2.1, it can be seen that the ratio was 0.22 in 2008 and rose to 0.26 in 2009 until it attained a maximum of 0.41 in 2011 and declined to 0.29, 0.22 and 0.33 in 2011, 2012 and 2013 respectively.

As a strategy to measure the extent of Development Expenditure on Water Supply, another variable from the perspective of the GDP which is the Output of water production was used to do the comparison. The growth of the output of water production declined to -2.7% in 2009 and rose to 90.5% in 2010 from where it declined to -13.9% in 2011, rose again to 39.8% in 2012 and settled down to 8.9% in 2013. The ratio of Development Expenditure on Water Supply to output of production are 0.03%, 0.04%, 0.05%, 0.05%, 0.04% and 0.07% in 2008, 2009, 2010, 2011, 2012 and 2013 respectively. This shows that Development Expenditure on Water Supply is not too significant with respect to the output of water production.

Table 6.2.1: Water Supply Indicators (in Million Leones)

Indicators of Water Supply (in Million Leones)						
	2008	2009	2010	2011	2012	2013
Development Expenditure on Water Supply	3,626.33	2,823.72	5,184.70	4,618.19	4,954.64	9,931.67
Growth Rate (%) of Development Expenditure		-22.1	83.6	-10.9	7.3	100.5
Gross Value Added of Water Supply	8,353.57	8,239.69	11,959.75	14,040.17	20,895.10	25,258.95
Growth Rate (%) of GVA		-1.4	45.1	17.4	48.8	20.9
Ratio of Development Expenditure to GVA	0.43	0.34	0.43	0.33	0.24	0.39
Output of Water Supply	52,763.89	51,361.34	97,864.47	84,259.98	117,834.57	128,306.63
Growth Rate of Output		-2.7	90.5	-13.9	39.8	8.9
Ratio of Development Expenditure to Output	0.07	0.05	0.05	0.05	0.04	0.08
Output - GVA Gap	44,410.33	43,121.65	85,904.72	70,219.81	96,939.47	103,047.69
Ratio of Development Expenditure to Output-GVA gap	0.08	0.07	0.06	0.07	0.05	0.1

Source: SSL/SALWACO/GUMA

The output-GVA gap is an indicator used to trace the intermediate consumption of water production from 2008 to 2013. Throughout this period, the magnitude of the gap is greater than the GVA of water production. This situation revealed that total expenditure which is an arithmetic composition of intermediate consumption and non-operating expenses is occupying the greater share in the production of water vis-à-vis the GVA. The issues of material cost and direct labour cost are not well reported by the corporations so that the output-GVA gap can be justify if it is due mainly to the labour intensive mode of production.

In table 6.2.2 below, the composition of Total Development Expenditure on Water Supply is presented so that the relative share of components can be analyzed and discussed. The table shows that the bulk of Development Expenditure on Water Supply is on Rural Water Supplies particularly for the activities of SALWACO.

Table 6.2.2: Composition of Total Development Expenditure on Water Supplies

Proportion of Total Development Expenditure on Water Supplies by Year						
	2008	2009	2010	2011	2012	2013
Water Development	7.6	12.6	14.2	16.4	9.8	24.6
Training of Water Development Staff	0.5	8.6	0.9	2.5	1.3	2.5
Rural Water Supplies	19.8	33.0	44.5	50.6	54.4	48.8
Miscellaneous and Special Water Programmes	54.2	18.7	20.7	21.4	12.9	13.8
National Water Conservation Pipelines	17.0	19.1	6.6	7.9	2.7	0.7
Corporation	0.0	0.0	0.0	0.0	0.0	0.0
Irrigation Development	0.0	0.0	12.7	0.8	18.4	9.5
National Irrigation Board	0.9	8.1	0.5	0.5	0.4	0.1

Source: SALWACO/GUMA

6.3. Fisheries

Statistical data on Fisheries shows that it is not all the quantity of fish captured that are landed; some of the captured fishes are transshipped on the high sea from trawlers owned by registered Fishing Companies in Sierra Leone to vessels owned by diverse fishing merchants in the international world. So the phenomenon of transshipment generally applies only to industrial fishing since all the fishes captured by artisanal fishermen are landed on shore. Table 6.3.1 below shows that the quantities of fish production landed on shore by artisanal fishermen were 85.6%, 90.0%, 92.5%, 92.3%, 92.1%, 92.1% and 92.1% in 2007, 2008, 2009, 2010, 2011, 2012 and 2013 respectively. The marginal difference is the quantity of fishes landed by Industrial Fishing. This is a

clear evidence to believe that the bulk of the quantity of fishes captured by our registered Industrial Fishing vessels is being exported to the international world. Also, it is important to note that export of artisanal fishing amounted to 0.2%, 0.1%, 0.2%, 0.2%, 0.2% and 0.2% of the total artisanal fish production landed in 2008, 2009, 2010, 2011, 2012 and 2013 respectively as shown in table 6.3.2 below. The table also shows that the varieties of fish captured by artisanal fishing included the following: crocus, catfish, gwangua, couta, kinni, lady fish, snapper, shine nose and others which include lobster, Spanish and whitting. The other varieties of both fin and shell fishes such as shrimps, demersal, pelagic, shark, ray, tuna and mackerel are landed by industrial fishing as shown in the tables below.

Table 6.3.1: Quantity of Fish Landed (metric tons)

Fishery Production Landed (in metric tons)							
	2007	2008	2009	2010	2011	2012	2013
Shrimps	1,224.1	931.9	827.8	604.6	836.1	851.2	873.6
Demersal	13,115.6	12,041.0	14,338.9	14,999.0	15,808.6	16,093.9	16,517.7
Pelagic	2,216.2	4,647.3	3,176.0	4,524.8	3,207.7	3,265.6	3,351.6
Shark	0.0	133.9	25.4	14.5	28.0	28.5	29.3
Ray	0.0	87.3	82.9	33.0	91.4	93.0	95.5
Tuna	0.0	9.0	8.7	0.0	9.5	9.7	9.9
Other Shellfish	1,908.5	1,210.2	1,197.1	244.7	1,382.7	1,407.7	1,444.7
Artisanal	109,504.9	171,126.5	243,634.0	246,070.3	248,531.0	253,016.0	259,679.6
Total	127,969.3	190,187.0	263,290.8	266,490.9	269,895.0	274,765.6	282,001.9

Source: Ministry of Fisheries and Marine Resources

Table 6.3.2: Quantity of Artisanal Fishing Exported (in metric tons)

Export of Artisanal Fishing (in metric tons)						
	2008	2009	2010	2011	2012	2013
Crocus	4.3	3.9	5.6	7.4	5.4	7.8
Catfish	2.2	2.0	2.9	3.8	2.8	4.0
Gwangua	276.4	252.1	360.4	473.5	343.7	501.7
Kinni/Couta	3.6	3.2	4.6	6.1	4.4	6.5
Lady Fish	29.7	27.1	38.7	50.9	37.0	53.9
Snapper	13.0	11.9	17.0	22.3	16.2	23.6
Shine Nose	9.6	8.7	12.5	16.4	11.9	17.4
Others	0.0	0.0	0.0	0	0.0	0.0
Total	338.8	309.0	441.7	580.4	421.4	614.9

Source: Ministry of Fisheries and Marine Resources

Table 6.3.3 below shows the quantity of Landed Industrial Fishing exported from 2008 to 2013. The aggregate of total quantity of fishes exported is the sum of fisheries exported by both artisanal and industrial fishing. Furthermore, the export of industrial fishing is the summation of all transshipments and Landed Industrial Fishing exported. The varieties of fishes exported by industrial fishing include bonita, catfish, cuttlefish, crab, couta, kinni, grouper, lobster, mackerel, Pollock, roggie, snapper, sole, squid and others which include crab, octopus, ray and snail.

Table 6. 3.3: Export of Landed Industrial Fishing (metric tons)

Export of Landed Industrial Fishing (in metric tons)						
	2008	2009	2010	2011	2012	2013
Bonita	7.1	7.2	7.3	7.5	7.6	7.8
Catfish	12.9	13.0	13.3	13.6	13.8	14.2
Cuttlefish	1.3	1.3	1.4	1.4	1.4	1.5
Crab	14.7	14.9	15.2	15.6	15.9	16.3
Kinni/Couta	54.9	55.6	56.7	58.1	59.1	60.7
Grouper	24.1	24.4	24.9	25.5	26.0	26.6
Lobster	0.5	0.5	0.5	0.5	0.5	0.5
Mackerel	2.1	2.1	2.1	2.2	2.2	2.3
Pollock	1.0	1.1	1.1	1.1	1.1	1.1
Roggie	15.3	15.5	15.8	16.2	16.5	16.9
Snapper	14.6	14.8	15.1	15.5	15.8	16.2
Sole	2.8	2.9	2.9	3	3.1	3.1
Squid	3.2	3.3	3.3	3.4	3.5	3.6
Others	105.9	107.3	109.3	112	114.0	117.0
Total	260.5	263.9	268.9	275.6	280.6	288.0

Source: Ministry of Fisheries and Marine Resources

Table 6. 3.4: Transshipment of Shell Fish (metric tons)

Transshipment of Shell Fish (in metric tons)						
	2008	2009	2010	2011	2012	2013
Crab	141.71	100.28	146.3	24.6	152.6	156.7
Cuttlefish	609.08	565.37	628.8	122.4	656.1	673.4
Lobster	64.71	49.39	66.8	8.8	69.7	71.5
Octopus	2.02	0	2.1	0	2.2	2.2
Squid	1.52	0	1.6	0	1.6	1.7
Snail	331.64	201.24	342.4	85.3	357.2	366.6
Shrimps	1032.91	1147.32	1066.4	2208.4	1112.6	1141.9
Others	0.34	0.1	0.4	0	0.4	0.4
Total	2183.93	2063.7	2254.69	2449.5	2352.4	2414.4

Source: Ministry of Fisheries and Marine Resources

Table 6.3.5: Transshipment of Shell Fish (metric tons)

Transshipment of Fin Fish (in metric tons)						
	2008	2009	2010	2011	2012	2013
Bonita	32.3	33.49	33.3	0	34.8	35.7
Catfish	7.6	0	7.8	0	8.2	8.4
Crocus	15.2	0	15.7	0	16.4	16.8
Couta/Kinni	103.9	0	107.3	0.6	111.9	114.9
Gwangua	34.1	11.5	35.2	3.8	36.8	37.7
Grouper	46.6	36.59	48.1	0.3	50.2	51.6
Lady	213.5	179.39	220.4	304.5	230.0	236.1
Pomp	0.0	6.49	0.0	0	0.0	0.0
Pollock	190.7	303.06	196.9	32	205.4	210.8
Roggie	347.0	665.1	358.2	69.5	373.7	383.6
Record	63.6	47.83	65.7	10.2	68.5	70.3
Spanish	2.1	4.21	2.1	1.3	2.2	2.3
Shark	31.9	27.34	33.0	0	34.4	35.3
Shine Nose	36.1	44.72	37.3	0	38.9	39.9
Snapper	1209.3	466.76	1248.5	9.1	1302.6	1336.9
Sole	638.6	603.66	659.3	286.6	687.9	706.0
Whitting	3.0	0	3.1	0	3.2	3.3
Others	243.0	298.53	250.8	20.9	261.7	268.6
Total	3186.3	2728.67	3322.9	738.8	3466.9	3558.2

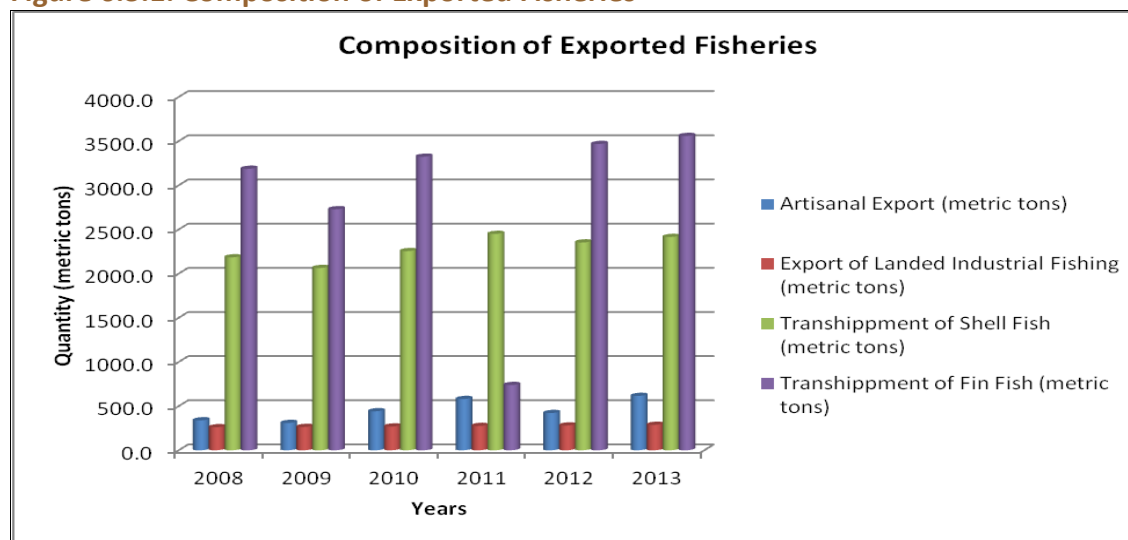
Source: Ministry of Fisheries and Marine Resources

Table 6. 3.6: Share of External versus Domestic Demand for Fisheries

	2008	2009	2010	2011	2012	2013
Total Export of Fishery (metric tons)	5969.5	5365.3	6288.2	4044.3	6521.3	6875.5
Domestic Consumption of Fisheries (metric tons)	121999.8	184821.8	257002.6	262446.6	263373.7	267890.1
Total Production (metric tons)	127969.3	190187.0	263290.8	266490.9	269895.0	274765.6
Share of External Demand (Percent)	4.7	2.8	2.4	1.5	2.4	2.5
Share of Domestic Demand (Percent)	95.3	97.2	97.6	98.5	97.6	97.5

Source: Ministry of Fisheries and Marine Resources

Figure 6.3.1: Composition of Exported Fisheries



Source: Ministry of Fisheries and Marine Resources

Table 6.3.7: National Accounts Aggregates for Fisheries

National Accounts Indicators for Fisheries						
	2008	2009	2010	2011	2012	2013
Production Output (million Leones)	704914.83	715577.96	1031279.55	1442290.12	1812572.01	2194483.03
Gross Value Added (GVA) (million Leones)	631171.13	641315.32	921921.71	1288513.73	1618312.99	1952204.31
Intermediate Consumption (million Leones)	73743.71	74262.64	109357.84	153776.39	194259.02	242278.72
Production Output (Metric tons)	127969.3	190187.0	263290.8	266490.9	269895.0	274765.6
Price per metric ton (million Leones)	5.51	3.76	3.92	5.41	6.72	7.99

Source: Statistics Sierra Leone

6.4. Waste Management

Table 6.4.1 below shows the Generation of Waste by Source of Economic Activity (ISIC) in metric tons from 2008 to 2013. The table shows that the proportion of waste generated by Agriculture, forestry and fishing is 7.6%, mining and quarrying is 5.25%, manufacturing is 6.68%, electricity, gas steam and air conditioning supply is 0.48%, construction is 0.95%, other economic activities excluding ISIC 38 (waste collection) is 78.52% and households is 0.48% for the period 2008-2013 under consideration. Waste generated from other economic activities range from Division 45 to 98 which includes wholesale and retail trade, transportation and storage, accommodation and food

service activities, information and communication, administrative and support service activities, education, human health and social work activities, arts, entertainment and recreation, other services activities etc.

Table 6.4.1: Generation of Waste by Source of Economic Activity

Generation of Waste by Source of Economic Activity (in metric tons)						
	2008	2009	2010	2011	2012	2013
Agriculture, forestry and fishing	65,235.72	66,837.55	68,492.66	70,200.33	71,959.25	73,778.23
Mining and quarrying	44,828.21	45,928.95	47,066.29	48,239.76	49,448.44	50,698.39
Manufacturing	57,038.56	58,439.12	59,886.25	61,379.35	62,917.25	64,507.67
Electricity, gas, steam and air conditioning supply	4,098.58	4,199.22	4,303.20	4,410.49	4,521.00	4,635.28
Construction	8,111.77	8,310.95	8,516.76	8,729.10	8,947.81	9,173.99
Other economic activities excluding ISIC 38 (waste collection)	670,459.26	686,922.08	703,932.43	721,482.97	739,560.22	758,254.83
Households	4,098.58	4,199.22	4,303.20	4,410.49	4,521.00	4,635.28
Total	853,870.68	874,837.08	896,500.80	918,852.48	941,874.96	965,683.68

Source: SSL/MASADA Waste Management

7.0. Overview

Energy statistics has emerged as a prominent area of applied environmental economic and social statistics in Africa generally and Sierra Leone in particular due to the energy crisis in the 1980's and the period beyond. The principal cause of the crisis was a result of the increase in the consumption of energy such as petroleum fuels and electricity by households, businesses and government establishments in both rural and urban areas. The period of 1980's and beyond was characterized by increased population and rural-urban migration which led to the emergence of new and small towns around capital cities and sometimes congestion in the cities. The increased population particularly in urban areas led to a disproportionate increased consumption of electricity and petroleum fuels which aggravated a socio-economic crisis and in some countries serving as a spring board for political upheavals and other protest movements. The reaction of most countries in Africa was to resort to energy subsidy as a fiscal approach of resolving the imbalances between demand and supply of energy but subsidy in itself was not the best approach to restore stability and improve welfare.

It was therefore recognized by policy makers around the world particularly energy experts consulted by the IMF and the World Bank that there was a dire need to begin the compilation of energy statistics which will provide a quantitative guide for socio-economic policy formulation and implementation. In this regard, energy statistics refers to the collection, compilation, analysis, presentation and dissemination of data on all energy products such as crude oil, petroleum fuels, gas, electricity and renewable energy sources which may include biomass, geothermal, hydro or solar power when they are used for the energy they produced. Energy statistics is specific and distinguishable from other areas of economic statistics because of the fact that its products undergo a greater number of transformations or flows than other economic products as elaborated by the Central Product Classification (CPC).

Contemporary energy issues relate to a range of policy matters, including the improvement of energy supply and access to energy; the management of energy supply and demand, and the management of environmental impact. To make informed

decisions on these and other energy related policy issues require an appropriate and timely energy data to be compiled. This includes the supply and use of energy by products, households, industry, import and export. For the purpose of this report, the analysis will be based on results derived from the following tables below:

- Installed Capacity of Electricity (in MW)
- Generation of Electricity (in GWh)
- Supply and Use of Electricity (in GWh)
- Quantity of minerals produced
- Quantity of minerals exported
- Quantity (metric tons) of imports of petroleum products
- Quantity (in Litres) of petroleum products sold

Energy plays an essential role in almost all forms of human activity, from households to the economic level. Therefore, a successful economy is typically characterized by reliable and efficient supply of energy that meets the full range of its economic and social needs. Ideally, all households should have access to clean, affordable and reliable energy while businesses should have access to energy that enables them to produce goods and services in a competitive market place. Businesses that supply energy should also be viable and ongoing. However, growing demand for energy give rise to concerns about environmental sustainability of present levels of energy production and consumption.

7.1. Electricity

In Sierra Leone, the installed capacity of Electricity (in MW) increased by 284.5% from 45.2 MW in 2008 to 173.8 MW in 2013. The main factors responsible for this exponential growth are the hydro capacity at Bumbuna and the installations by Mining companies at their site of operation and other industrial installations. The installed capacity of 173.8 MW excludes the installations of Global Trading Group (GTG) and Income Electric Power (IEP) which are the Independent Power Producers (IPP) since their activities terminated in 2010. The two types of installed capacity currently in use are hydro and thermal-oil electricity installations.

Table 7.1.1: Installed Capacity (MW) for Electricity

Installed Capacity (in MW) for Electricity						
	2008	2009	2010	2011	2012	2013
Global Trading Group (GTG)	15	15	15			
Income Electric Power (IEP)	10	10				
Bo-Kenema Power Services (BKPS)	5	5	5	5	5	5
Goma Hydro	6	6	6	6	6	6
Bumbuna Hydro		50	50	50	50	50
Nigata 7 & 8			10	10	10	10
Makeni				1.2	1.2	1.2
Wartsila 4 & 5				16.5	16.5	16.5
Cat				1.28	1.28	1.28
Sulzer 1 & 2	9.2					
Mining and other Industrial				0.08	0.8	83.8
Total	45.2	86	86	90.06	90.78	173.78

Source: National Power Authority (NPA)

From table 7.1.1 above, the hydro installations are Goma at Kenema District and Bumbuna at Bombali District installing a total of 56 MW and the remaining 117.8 MW are all thermal oil installations of which 83.8 MW were installed by Mining companies and other industrial units. This shows that the National Power Authority (NPA) has a capacity of 29.0 MW thermal oil and 50.0 MW from Bumbuna whereas Bo-Kenema Power Services (BKPS) has a capacity of 5.0 MW thermal oil and 6.0 MW from Goma.

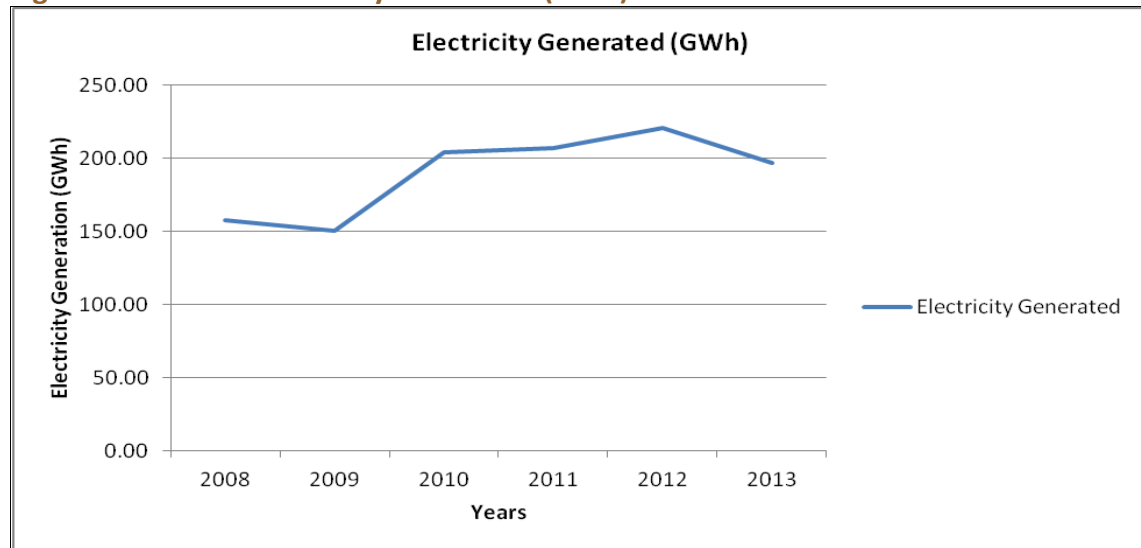
Although the installed capacity of Mining companies and other industrial units is official documented, their amount of corresponding electricity generated is not recorded by NPA and government. It is critical to note that electricity generation in Sierra Leone at the moment refers only to the activities of NPA and BKPS. In other words, the output of electricity is under estimated due principally to the unrecorded generation of Mining companies at their site of operations.

Table 7.1.2: Generation of Electricity (GWh)

Generation of Electricity (in GWh)						
	2008	2009	2010	2011	2012	2013
Global Trading Group (GTG)	117.77	75.76	26.99			
Income Electric Power (IEP)	20.57	16.00				
Bo-Kenema Power Services (BKPS)	0.023	1.47	0.96	0.06	0.093	0.264
Goma Hydro	18.7	16.44	21.88	17.56	15.57	15.13
Bumbuna Hydro		40.36	142.25	166.57	138.36	120.36
Nigata 7 & 8			11.82	13.8	25.76	28.32
Makeni				0.83	0.32	0.56
Wartsila 4 & 5				7.78	40.41	31.67
Cat				0.003	0.005	
Sulzer 1 & 2	0.196					
Mining and other Industrial						
Total	157.26	150.03	203.9	206.60	220.52	196.30

Source: National Power Authority (NPA)

The growth rate of electricity generated declined by 4.6% from 2008 to 2009, it increased by 35.9% from 2009 to 2010, increased slightly by 1.3% from 2010 to 2011, increased by 6.7% from 2011 to 2012 and declined again by 11.0% from 2012 to 2013. This trend of electricity generated is shown in the graph of figure 7.1.1 below with a local maximum of 220.52 MW in 2012 and a local minimum of 150.03 MW in 2009.

Figure 7.1.1: Total Electricity Generated (GWh)

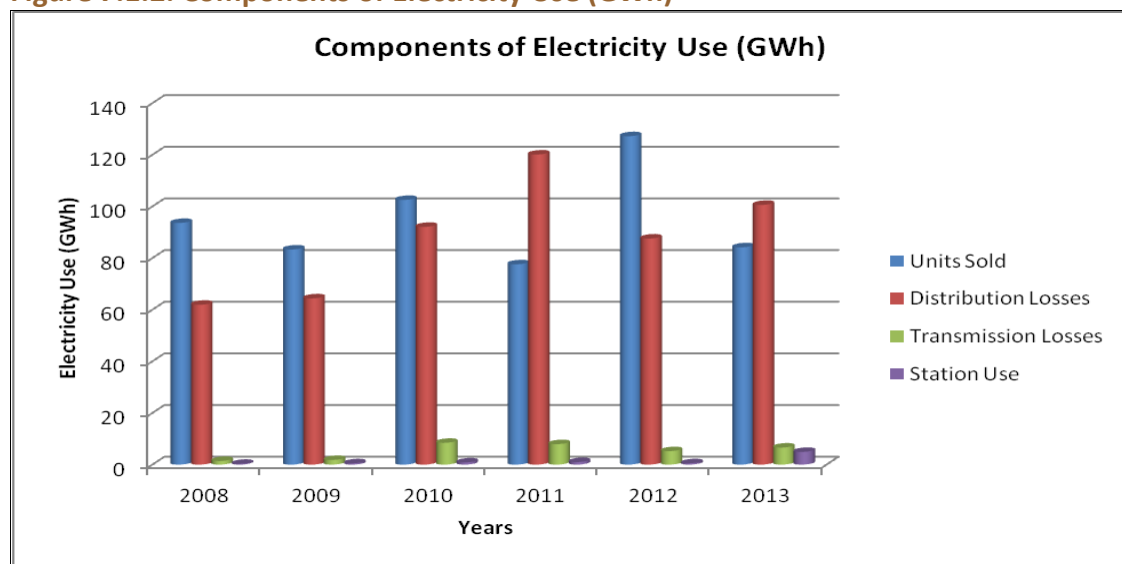
Source: National Power Authority (NPA)

Table 7.1.3: Electricity Use (GWh)

Use of Electricity (in GWh)						
	2008	2009	2010	2011	2012	2013
Station Use	0.32	0.51	0.83	0.98	0.52	4.93
Transmission Losses	1.4	1.81	8.45	7.93	5.21	6.61
Total Units Available	155.54	147.71	194.61	197.69	214.79	184.76
Total Generation	157.26	150.03	203.89	206.6	220.52	196.3
	2008	2009	2010	2011	2012	2013
Units Sold	93.61	83.32	102.52	77.59	127.21	84.16
Distribution Losses	61.93	64.39	92.1	120.1	87.58	100.6
Total Supply	155.54	147.71	194.62	197.69	214.79	184.76

Source: National Power Authority (NPA)

Figure 7.1.2: Components of Electricity Use (GWh)



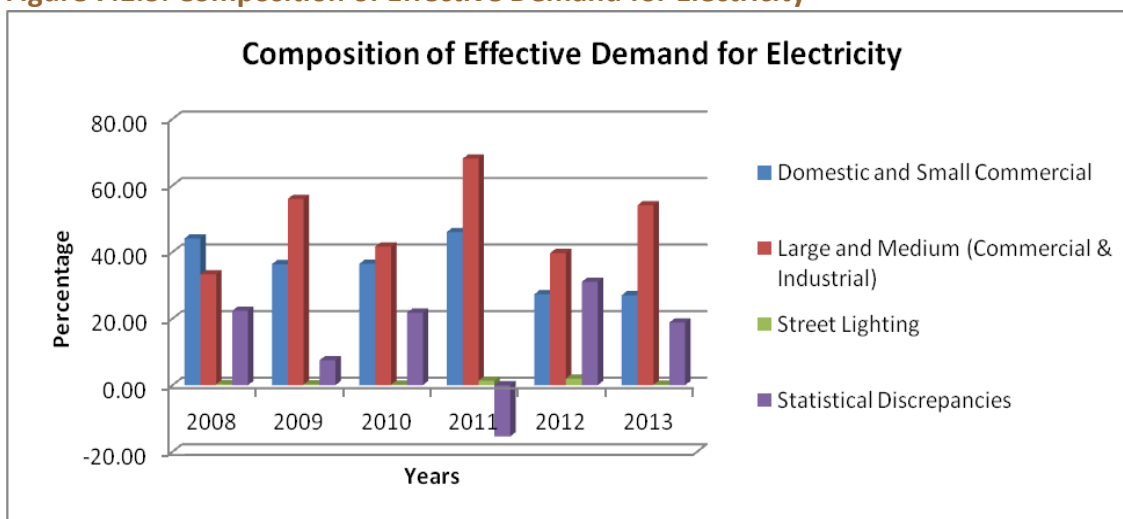
Source: National Power Authority (NPA)

Table 7.1.4: Effective Demand for Electricity (GWh)

Effective Demand for Electricity (in GWh)						
	2008	2009	2010	2011	2012	2013
Domestic and Small Commercial	41.27	30.27	37.37	35.70	34.72	22.72
Large and Medium (Commercial & Industrial)	31.18	46.64	42.68	52.79	50.48	45.50
Street Lighting	0.27	0.19	0.18	1.05	2.49	0.10
Statistical Discrepancies	20.88	6.22	22.30	-11.95	39.52	15.83
Total Units Sold	93.61	83.32	102.52	77.59	127.21	84.16

Source: National Power Authority (NPA)

Figure 7.1.3: Composition of Effective Demand for Electricity



Source: National Power Authority (NPA)

7.2. Minerals

In recent times, the International Community is beginning to classify minerals and mining as a component of energy statistics. The general description of economic activities covered by the mining industry includes activities relating to extraction of minerals occurring naturally as solids (coal and ores), liquids (petroleum) or gases (natural gas). Extraction can be achieved by different methods such as underground or surface mining, well operation, seabed mining etc. Also included are supplementary activities aimed at preparing the crude materials for marketing such as crushing, grinding, cleaning, drying, sorting, concentrating ores, liquefaction of natural gas and agglomeration of solid fuels. These operations are often carried out by the units that extracted the resource and/or others located nearby. Mining activities are classified into divisions, groups and classes on the basis of the principal mineral produced. Divisions 05 and 06 are concerned with mining and quarrying of fossil fuels such as coal, lignite, petroleum and gas. And Divisions 07 and 08 concern metal ores, various minerals and quarrying products such as stone breaking and sand extraction. Division 09 concerns mining support service activities which includes exploration services through traditional prospecting methods such as taking core samples and making geological observations as well as drilling, test-drilling or re-drilling for oil wells, metallic and non-metallic minerals.

The divisions that are applicable for us in Sierra Leone are 07, 08 and 09 which covers mining of metal ores such as iron ores, non-ferrous metal ores such as bauxite and gold, quarrying of sand, stone and clay, and mining of other minerals such as diamond. More

specifically, our mining and quarrying activities cover minerals such as iron ores, diamond, gold, rutile, bauxite, zircon and ilmenite. In the analysis below a distinction is made between artisanal and industrial mining where artisanal mining covers all small scale mining by individuals and teams commonly referred to as gangs. Artisanal mining is mostly associated with the mining of diamond and gold although there are large scale operators and mining companies such as Koidu Holdings that are involved in the mining of diamond. Industrial mining refers to large scale mining operations undertaken by African Minerals Limited (AML), London Mining Company (LMC), Sierra Rutile Limited, Koidu Holdings Limited (KHL), a subsidiary of Ocea Mining Company and Sierra Minerals Holdings Limited (SMHL), another subsidiary of Vimetco Mining Company.

Table 7.2.1: Number of Expatriates hired by Industrial Mining Companies

Number of Expatriates hired by Large Scale Mining Companies												
	African Minerals		London Mining		Koidu Holdings		Sierra Rutile		Sierra Minerals		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
January	n.a.	478	142	105	n.a.	150	80	50	n.a.	17	222	800
February	n.a.	517	135	98	169	150	68	50	29	17	401	832
March	n.a.	517	132	94	152	148	67	51	29	30	380	840
April	n.a.	517	125	90	148	148	67	51	29	29	369	835
May	n.a.	525	131	96	n.a.	139	68	45	29	28	228	833
June	n.a.	584	133	92	n.a.	151	63	41	27	26	223	894
July	n.a.	546	134	92	148	151	63	47	28	28	373	864
August	n.a.	514	136	n.a.	149	138	60	44	26	4	371	700
September	n.a.	514	130	n.a.	147	n.a.	60	44	37	2	374	560
October	n.a.		117		152		55		23		347	
November	n.a.		113		151		57		20		341	
December	511		104		150		55		26		846	

Source: National Mineral Agency (NMA)

Table 7.2.1 above gives a breakdown of the number of expatriates hired by large scale industrial mining companies from January 2013 to September 2014. The table shows that it is only AML that have kept and reported the standard number of expatriates during the outbreak of the Ebola Virus Disease followed by SRL which also reported a good number of their expatriates. But LMC, SML and KHC experienced a sharp decline in its population of expatriates and failed to report the number of expatriates it has hired in the last two months for the period under consideration.

Table 7.2.2: Number of Nationals employed by Industrial Mining Companies

Number of Nationals employed by Large Scale Mining Companies												
	Africa Minerals		London Mining		Koidu Holdings		Sierra Rutile		Sierra Minerals		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
January	n.a.	3716	1284	1325	n.a.	938	1395	1943	n.a.	416	2679	8338
February	n.a.	3331	1442	1273	1249	966	1442	1481	689	390	4822	7441
March	n.a.	3331	1377	1278	1254	972	1433	1476	689	405	4753	7462
April	n.a.	2331	1201	1266	1244	970	1434	1476	689	405	4568	6448
May	n.a.	3401	1218	1307	n.a.	976	1496	1406	689	439	3403	7529
June	n.a.	3380	1230	1297	n.a.	985	1539	1404	634	436	3403	7502
July	n.a.	3381	1244	1278	942	984	1558	1423	619	439	4363	7505
August	n.a.	3292	1223	n.a.	936	986	1535	1370	420	482	4114	6130
September	n.a.	3392	1243	n.a.	936	n.a.	1532	1378	420	503	4131	5273
October	n.a.		1384		936		1530		435		4285	
November	n.a.		1277		941		1522		375		4115	
December	3383		1277		937		1518		375		7490	

Source: National Mineral Agency (NMA)

Table 7.2.2 above shows the number of Sierra Leonean nationals employed by the industrial mining companies. It shows that LMC and SML did not report the number of nationals employed in the last two months of its operations for the period under consideration.

Table 7.2.3: Quantity of Industrial Mineral Production

Quantity Of Industrial Mineral Production										
	African Minerals Limited		London Mining Company		Koidu Holdings Limited		Sierra Rutile Limited		Sierra Minerals Limited	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Iron ore (mt)	13077993	8410970	2488195	3483604						
Diamond (carats)					307570	253271				
Rutile (Mt)							83137	120349		
Bauxite(Mt)									992311	550176
Zircon (Mt)							1868	2951		
Ilmenite (Mt)							25265	32349		

Source: National Mineral Agency (NMA)

Table 7.2.3 above shows the annual quantity of minerals produced by key industrial companies for the periods 2013 and 2014. It shows that production of iron ores by AML increased by 55.5% from 2013 to 2014 whereas production by LMC decreased by 28.6% from 2013 to 2014 and total production for the period under review increased by 30.9% from 2013 to 2014. It shows that annual diamond production by KHC increased by 21.4% from 2013 to 2014, annual rutile, zircon and ilmenite production by SRL

decreased by 30.9%, 36.7% and 21.9% respectively from 2013 to 2014. And annual bauxite production by SML increased by 80.4% from 2013 to 2014.

Table 7.2.4: Quantity of Minerals Exported by Industrial Mining Companies

Quantity of Minerals Exported by Industrial Mining Companies										
	African Minerals Limited		London Mining Company		Koidu Holdings Limited		Sierra Rutile Limited		Sierra Minerals Limited	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Iron ore (mt)	12966749	11521195	2010611	3653717						
Diamond (carats)					282713	249787				
Rutile (Mt)							103143	118833		
Bauxite(Mt)									847851	511486
Zircon (Mt)							1554	3208		
Ilmenite (Mt)							23094	35981		

Source: National Mineral Agency (NMA)

Table 7.2.4 above shows that the annual quantity of iron exported by AML increased by 12.6% and exports by LMC decreased by 45.0% from 2013 to 2014. Exports of diamond by KHC increased by 13.2% from 2013 to 2014 and exports of bauxite by SML increased by 65.8% from 2013 to 2014. Also, exports of rutile, zircon and ilmenite by SRL decreased by 13.2, 51.6 and 35.8 percents respectively from 2013 to 2014.

Table 7.2.5 below shows the value of annual export (in million US dollars) by the key industrial mining companies. It shows that AML and LMC recorded a decrease of 38.9% and 61.6% in its annual export value of iron ores respectively from 2013 and 2014. KHC recorded an annual increase of 151.6% of its export of diamond from 2013 to 2014. And SRL recorded a decrease of 38.9% in its total export value for the three minerals mined and SML reported an increased in its total export value from 2013 to 2014.

Table 7.2.5: Value (in million US dollars) of Minerals Exported by Mining Companies

Value (in million US dollars) of Minerals Exported by Industrial Mining Companies										
	African Minerals Limited		London Mining Company		Koidu Holdings Limited		Sierra Rutile Limited		Sierra Minerals Limited	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Iron ore	516.35	844.67	124.32	323.76						
Diamond					103.49	41.13				
Rutile							77.62	124.72		
Bauxite									29.60	14.24
Zircon							0.66	1.36		
Ilmenite							3.04	6.95		
Total	516.35	844.67	124.32	323.76	103.49	41.13	81.32	133.04	29.60	14.24

Source: National Mineral Agency (NMA)

Table 7.2.6: Artisanal and Industrial Diamond Production

Artisanal And Industrial Diamond Production						
	Artisanal		Industrial		Total	
	Carats	Value (US \$)	Carats	Value (US \$)	Carats	Value (US \$)
2007	456,246.65	113,376,662.56	147,376.39	28,189,022.64	603,623.04	141,565,685.20
2008	353,235.52	96,593,471.42	18,049.79	2,207,199.36	371,285.31	98,800,670.78
2009	288,318.88	58,940,229.81	112,284.48	19,483,364.28	400,603.36	78,423,594.09
2010	333,472.31	84,553,714.18	104,081.15	21,513,103.24	437,553.46	106,066,817.42
2011	261,754.08	97,889,590.98	95,406.89	26,260,990.02	357,160.97	124,150,581.00
2012	245,831.02	80,535,546.98	295,334.64	82,660,646.44	541,165.66	163,196,193.42

Source: National Mineral Agency (NMA)

Table 7.2.6 above shows the quantity (in carats) and value (in US dollars) of diamond production for artisanal and industrial mining compared. The composition of diamond production by artisanal and industrial mining is shown in table 7.2.7 below. The two tables show that diamond production was largely dominated by artisanal mining from 2007 to 2011 in which the contribution of artisanal mining to diamond production was 75.6, 95.1, 72.0, 76.2 and 73.3 percents respectively from 2007 to 2011. But there was a change in 2012 where industrial mining of diamond production occupied 54.6% and 50.7% in quantity and value terms respectively.

Table 7.2.7: Composition of Diamond Production

Composition of Diamond Production				
	Artisanal		Industrial	
	Quantity	Value	Quantity	Value
2007	75.58	80.09	24.42	19.91
2008	95.14	97.77	4.86	2.23
2009	71.97	75.16	28.03	24.84
2010	76.21	79.72	23.79	20.28
2011	73.29	78.85	26.71	21.15
2012	45.43	49.35	54.57	50.65

Source: National Mineral Agency (NMA)

Table 7.2.8 below shows the growth rate of diamond production in both quantity and value terms by artisanal and industrial mining. It shows that the quantity of diamond production by artisanal mining decreased by 22.6 and 18.4 percents in 2008 and 2009 respectively, it increased by 15.7% in 2009 and decreased by 21.5 and 6.1 percents in 2011 and 2012 respectively. Whereas, the quantity of diamond production by industrial mining decreased by 87.8% in 2008, increased by 522.1% in 2009, decreased by 7.3 and

8.3 percents in 2010 and 2011 respectively. And in 2012, the quantity of diamond production by industrial mining grew by 209.6% leading to a total growth rate of 51.5% in the diamond industry for that year.

Table 7.2.8: Growth Rate of Diamond Production

Growth Rate of Diamond Production						
	Artisanal		Industrial		Total	
	Quantity	Value	Quantity	Value	Quantity	Value
2008	-22.58	-14.80	-87.75	-92.17	-38.49	-30.21
2009	-18.38	-38.98	522.08	782.72	7.90	-20.62
2010	15.66	43.46	-7.31	10.42	9.22	35.25
2011	-21.51	15.77	-8.33	22.07	-18.37	17.05
2012	-6.08	-17.73	209.55	214.77	51.52	31.45

Source: National Mineral Agency (NMA)

Table 7.2.9: Gold Production, Export and Growth Rate

Gold Exports				
	Grams	Growth Rate	Value (US \$)	Growth Rate
2008	105,637.24		2,418,474.99	
2009	166,741.94	57.84	4,279,762.39	76.96
2010	270,265.03	62.09	8,728,559.01	103.95
2011	167,150.42	-38.15	6,394,682.18	-26.74
2012	141,024.31	-15.63	6,740,161.11	5.40

Source: National Mineral Agency (NMA)

Table 7.2.9 above shows the quantity (in grams) and value (in US dollars) of gold production from 2008 to 2012. The basic assumption made with regards gold is that total export value and quantity are equal to total production value and quantity. The quantity of gold exported increased by 57.8 and 62.1 percents from 2008 to 2009 and from 2009 to 2010 respectively. But it decreased by 38.2 and 15.6 percents in 2011 and 2012 respectively.

7.3. PETROLEUM PRODUCTS

7.3.1: Motor Fuel Oil (MFO)

Table 6.14 below shows the quantity of fuel oil sold in Sierra Leone from 2008 to 2013.

Table 7.3.1: Quantity of Motor Fuel Oil (in Litres) sold

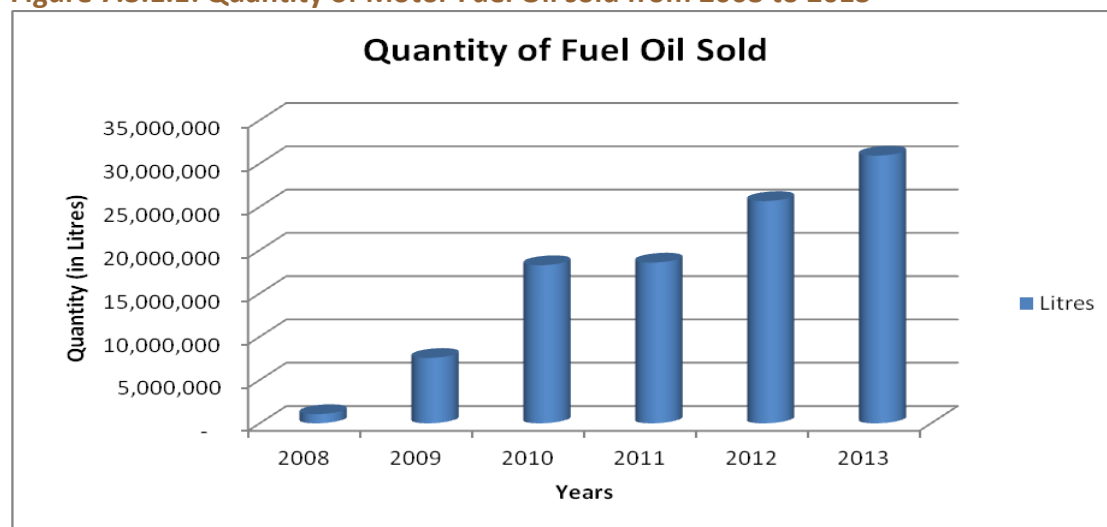
	2008	2009	2010	2011	2012	2013
Litres	1,062,954	7,551,855	18,262,499	18,567,142	25,674,717	30,920,270
Growth Rate	-89.4	610.5	141.8	1.7	38.3	20.4

Source: Energy Report, DSSD, SSL

Table 7.3.1 above shows that the quantity of fuel oil sold decreased by 89.4% from 2007 to 2008 and it increased by 610.5, 141.8, 1.7, 38.3 and 20.4 percents in 2009, 2010, 2011, 2012 and 2013 respectively. Note that a conversion factor of 1 IG equals 4.5 Litres was used to express the quantities in a single unit.

Figure 7.3.1 below depicts the quantity of fuel oil sold from 2008 to 2013.

Figure 7.3.1.1: Quantity of Motor Fuel Oil sold from 2008 to 2013



Source: Energy Report, DSSD, SSL

7.3.2. Kerosene

Table 7.3.2.1 shows the quantity of kerosene sold in Sierra Leone from 2008 to 2013.

Table 7.3.2.1: Quantity of Kerosene sold 2008 to 2013

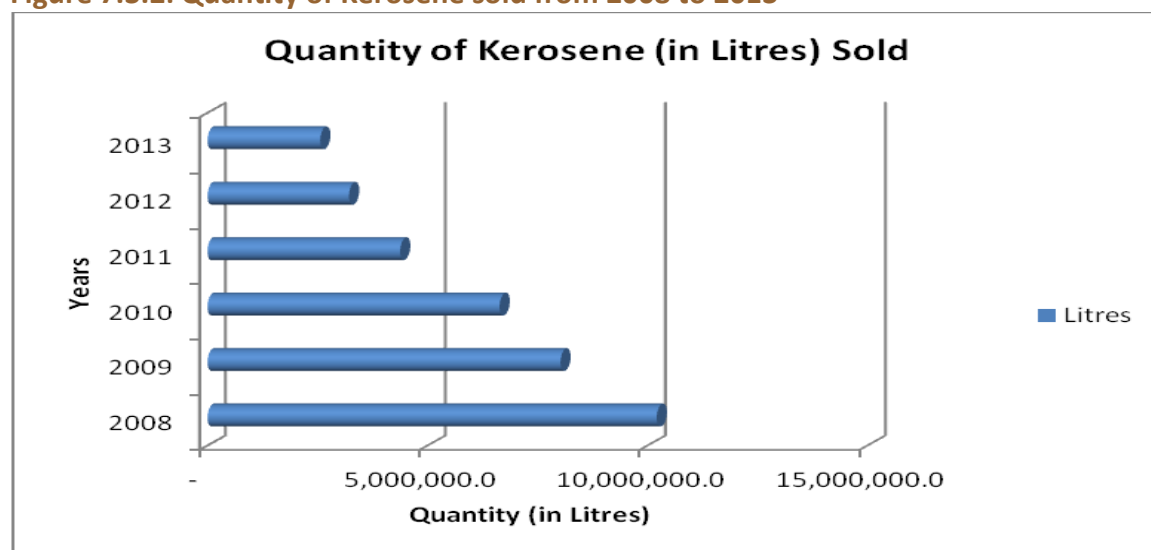
	2008	2009	2010	2011	2012	2013
Litres	10,211,854.5	8,023,698.0	6,638,859.0	4,378,887.0	3,217,256.0	2,561,400.0
Growth Rate	-37.1	-21.4	-17.3	-34.0	-26.5	-20.4

Source: Energy Report, DSSD, SSL

Table 7.3.2.1 above shows that the growth rate of the quantity of kerosene sold decreased by 37.1, 21.4, 17.3, 34.0, 26.5 and 20.4 percents in 2008, 2009, 2010, 2011, 2012 and 2013 respectively.

Figure 7.3.2 below depicts the quantity of fuel kerosene sold from 2008 to 2013.

Figure 7.3.2: Quantity of Kerosene sold from 2008 to 2013



Source: Energy Report, DSSD, SSL

7.3.3. Petrol

Table 7.3.3.1 below shows the quantity of petrol sold in Sierra Leone from 2008 to 2013.

Table 7.3.3.1: Quantity of Petrol sold from 2008 to 2013

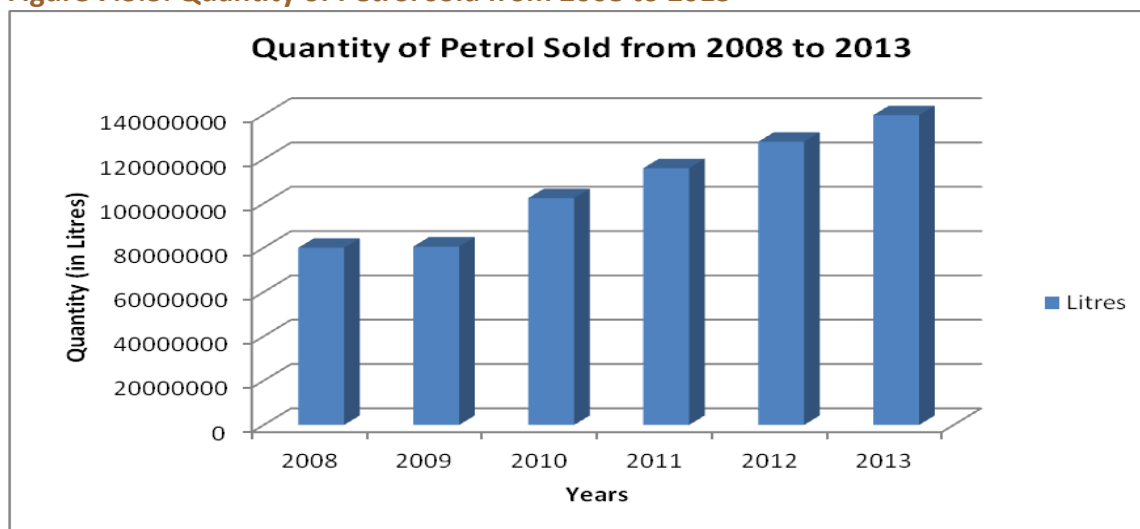
	2008	2009	2010	2011	2012	2013
Litres	79955037	80516731.5	102363129	115899108	127818500	139812991
Growth Rate	-1.9	0.7	27.1	13.2	10.3	9.4

Source: Energy Report, DSSD, SSL

The table above shows that the quantity of Petrol sold declined by 1.9% from 2007 to 2008. After which the quantity of petrol sold increased by 0.7, 27.1, 13.2, 10.3 and 9.4 percents in 2009, 2010, 2011, 2012 and 2013 respectively.

Figure 7.3.3 below depicts the quantity of fuel petrol sold from 2008 to 2013.

Figure 7.3.3: Quantity of Petrol sold from 2008 to 2013



Source: Energy Report, DSSD, SSL

Table 7.3.4.1: Total Retail and Commercial Sales Volume by Quarters in 2013

	Petrol (PMS)	AGO (Diesel)	Kerosene	MFO	Jet A1	Total
Q1	34,385,392.0	64,052,735.0	727,616.0	6,534,278.0	4,440,208.0	110,140,229.0
Q2	35,931,336.0	68,389,847.0	558,086.0	8,090,384.0	3,744,100.0	116,713,753.0
Q3	32,576,994.0	56,562,491.0	628,360.0	8,347,342.0	3,070,600.0	101,185,787.0
Q4	36,914,548.0	64,161,046.0	647,563.0	7,948,266.0	4,297,200.0	113,968,623.0
Total	139,808,270.0	253,166,119.0	2,561,625.0	30,920,270.0	15,552,108.0	442,008,392.0

Source: Energy Report, DSSD, SSL

Table 7.3.4.1 above shows the absolute magnitude of the total retail and commercial sales volume of petroleum products by quarters in 2013. The highest magnitude of quantity sold was recorded for AGO (Diesel product) and the lowest magnitude was recorded by Kerosene. It implies somehow that in the current modern dispensation, owners of utilities, machineries and vehicles are moving away from the consumption of Kerosene to the consumption of petrol and diesel particularly by vehicle owners. This relationship is shown in table 6.18 below where the composition of total retail and commercial sales volume are given by quarters in 2013.

Table 7.3.4.2: Composition of Total Retail and Commercial Sales Volume for 2013

	Composition of Total Retail and Commercial Sales Volume (in Litres) by Quarters in 2013					
	Petrol (PMS)	AGO (Diesel)	Kerosene	MFO	Jet A1	Total
Q1	7.8	14.5	0.2	1.5	1.0	24.9
Q2	8.1	15.5	0.1	1.8	0.8	26.4
Q3	7.4	12.8	0.1	1.9	0.7	22.9
Q4	8.4	14.5	0.1	1.8	1.0	25.8
Total	31.6	57.3	0.6	7.0	3.5	100

Source: Energy Report, DSSD, SSL

Table 7.3.4.2 above shows that AGO (Diesel) constituted 57.3% of total sales volume of petroleum products for 2013. And the total sales volume of petrol, kerosene, MFO and Jet A1 are 31.6, 0.6, 7.0 and 3.5 percents respectively for 2013.

Table 7.3.4.3: Quantity of Petroleum Products (in metric tons) Imported by Quarters for 2013

Quantity of Petroleum Products (in metric tons) Imported by quarter for 2013					
	PMS/Dutiable	AGO/Dutiable	KERO./Dutiable	MFO	Total
Q1	28,803.35	63,589.65	3,944.40	6,183.07	102,520.47
Q2	30,254.09	59,276.10	2,691.37	12,042.20	104,263.76
Q3	28,285.09	60,087.21	5,021.33	6,693.83	100,087.46
Q4	23,081.33	53,329.74	2,393.86	5,061.31	83,866.24
Total	110,423.86	236,282.70	14,050.96	29,980.41	390,737.93

Source: Energy Report, DSSD, SSL

Table 7.3.4.3 above shows the quantity of petroleum products (in metric tons) imported by quarters for 2013. When the quantity of petroleum products is reported in metric tons, it implies that the density of the product is taken into account. On this basis the volume of petroleum products is estimated as mass (in metric tons) divided by density (in kg/L) all of that multiplied by 1000. The advantage of converting the mass of petroleum products imported to a volume measure is to facilitate comparison with the total retail and commercial sales volume for the period under consideration. Table 7.3.4.4 below gives the quantity of petroleum products imported in Litres using the fact that the average density of petroleum products is approximately equal to 0.832 kg/L.

Table 7.3.4.4: Quantity of Petroleum Products (in Litres) Imported by Quarters for 2013

	PMS/Dutiable	AGO/Dutiable	KERO./Dutiable	MFO	Total
Q1	34,619,411.06	76,429,867.79	4,740,865.38	7,431,574.52	123,221,718.75
Q2	36,363,088.94	71,245,312.50	3,234,819.71	14,473,798.08	125,317,019.23
Q3	33,996,502.40	72,220,204.33	6,035,252.40	8,045,468.75	120,297,427.88
Q4	27,741,983.17	64,098,245.19	2,877,235.58	6,083,305.29	100,800,769.23
Total	132,720,985.58	283,993,629.81	16,888,173.08	36,034,146.63	469,636,935.10

Source: Energy Report, DSSD, SSL

When the quantities in table 7.3.4.1 on the total retail and commercial sales volumes and table 7.3.4.4 on the total imported quantities are compared, we will see that more quantity of petrol (PMS) was sold than imported in 2013 which is 139,808,270 Litres sold as against 132,720,985.6 Litres imported. The difference may be attributed to the quantity of opening stock of petrol held at fuel stations. For the other petroleum products, we see that quantity imported is greater than quantity sold for the period under consideration.

CHAPTER 8: MANUFACTURING

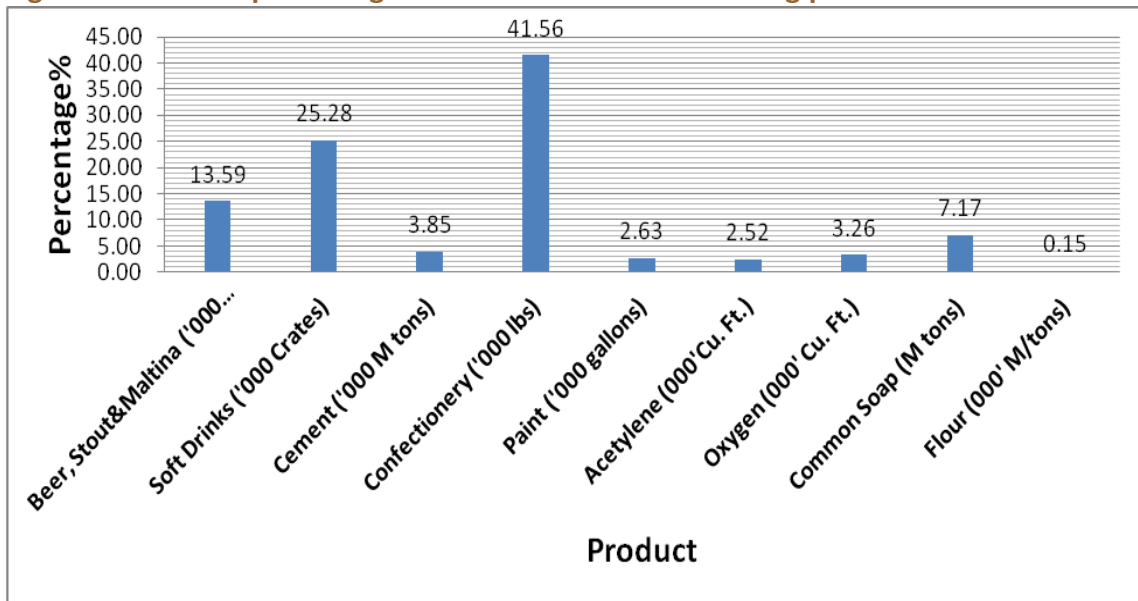
8.0. Overview

The manufacturing sector of many economies in the world has shown that the sector can serve as an engine of growth that lay the basis for sustainable transformation and national development. This is because of its enormous potentials to generate employment for wealth creation while contributing to a country's Gross Domestic Product as well as alleviating poverty among its populace. This is evidence by the experiences of the developed countries of the world and the emerging economies of China, India, North Korea, and Malaysia Singapore. The basic assumption is that there is a positive correlation between the indicators of the performance of the manufacturing sector and national growth and development. Thus, for a less developed like Sierra Leone, the development of the manufacturing sector is an essential factor in achieving prosperity. A strong domestic demand supported by electricity supply potentially boot production levels.

8.1. Manufacturing industry production output: 2009-2013

The manufacturing sector of Sierra Leone comprises of small-scale enterprise, generally producing beverages, textiles, footwear, Cements, paints, soft drinks; production of mineral waters and other bottled waters and cigarettes. The sector consists mainly of the processing of raw materials and of light manufacturing for the domestic market. The industry recorded significant growth for the period in 2009-2013. From Figure 8.1.1 below, the Manufacturing industry shows the production of nine types of production item. The industry shows total production of confectionery (a set of food items that are rich in sugar and carbohydrate) as the main produce registering the highest (41.56%) followed by soft drinks (25.28%) over the period 2009-2013 compared to the least which is flour (0.15%).

Figure 8.1.1: Total percentage distribution of manufacturing production 2000 – 2013



Source: Bank of Sierra Leone

8.1.1: Annual trends analysis of manufacturing products

From Table 8.1.1 below, the output of beer and stout rose by 8.2% from 917 thousand cartons in 2009 to 992 thousand cartons in 2010, by 23.7% from 992 thousand cartons in 2010 to 1,227 thousand cartons in 2011, decreases by 2.23% from 1,227 thousand cartons in 2011 to 1,200 thousand cartons in 2012 and further decreases by 21.1% from 1,200 thousand cartons in 2012 to 947 thousand cartons in 2013. Total soft drinks produced amounted to 1,881 thousand crates in 2011 compared to 1,962 thousand crates in 2010. This represents a fall of 4.1% from 2010's production level, increase by 13.7% from 1,881 thousand crates in 2011 to 2,180 thousand crates in 2012 and further increases by 3.8% from 2,180 thousand crates in 2012 to 2,262 thousand crates in 2013. Confectionery output in 2011 amounted to 3,470 thousand pounds compared to 2,948 thousand pounds in 2010. This represents a 17.7% increase from 2010's production level. From 2011, the output amounted to 3,165 thousand pounds in 2012 resulting to a decrease by 8.8% and increases by 11.1% given output 3,516 thousand pounds in 2013. Paint production fell from 233 thousand gallons in 2010 to 204 thousand gallons in 2011, representing a 12.6% fall. This is likely due to the strong competition from imported paint. In 2012, productions further shrink to 201 thousand gallons in 2012 and increases to 233 thousand gallons in 2013 resulting to a decrease by 1.3% and increase by 15.9% respectively.

Acetylene output increased to 200 thousand cubic feet in 2011 from 184 thousand cubic feet in 2010, an increase of 8.5%. In 2012, output decrease to 192 thousand cubic feet and increases to 235 thousand cubic feet in 2013 resulting to a decrease by 1.3% in 2012 and increases by 22.7% in 2013. Output of oxygen also increased, by 6.5% from 251 thousand cubic feet in 2010 to 267 thousand cubic feet in 2011. In 2012 output fell to 230 thousand cubic feet and increases to 274 thousand cubic feet in 2013 resulting to decrease by 13.9% in 2012 and increases by 18.9% in 2013. Total output for common soap increased by 19.2% from 422 metric tonnes in 2010 to 503 metric tons in 2011. In 2012, output increase to 643 metric tones and in 2013 decrease to 633 metric tons resulting to an increase by 27.8% in 2012 and decreases to 1.5% in 2013. Output of flour increased from 8 thousand metric tons in 2010 to 13 thousand metric tons in 2011. This represents a 63.7% increase in output levels. In 2012, output increases to 23 thousand metric tons and zero output in 2013. This represent an increase in out by 71.5% in 2012. Cement production increased by 3.3% from 301 thousand metric tons in 2010 to 311 thousand metric tons in 2011, reflecting the increased demand from the construction industry. In 2012 the production increases to 335 metric tonnes and decrease in output to 313 metric tonnes in 2013 resulting to a decrease by 7.9% in 2012 and a decrease by 6.6% in 2013.

Table 8.1.1: Percentage distribution of Manufactured Goods from 2009 to 2013

Manufactured Goods	2009	2010	2011	2012	2013
Beer, Stout and Maltina ('000 Ctns)	917	992	1227	1200	947
%	17.35	18.78	23.23	22.72	17.92
Soft Drinks ('000 Crates)	1542	1962	1881	2180	2262
%	15.69	19.96	19.14	22.18	23.02
Cement ('000 M tons)	236	301	311	335	313
%	15.78	20.11	20.77	22.41	20.94
Confectionery ('000 lbs)	3055	2948	3470	3165	3516
%	18.91	18.25	21.48	19.59	21.77
Paint ('000 gallons)	150	233	204	201	233
%	14.67	22.84	19.96	19.69	22.83
Acetylene (000'Cu. Ft.)	169	184	200	192	235
%	17.25	18.80	20.40	19.56	24.00
Oxygen (000' Cu. Ft.)	245	251	267	230	274
%	19.32	19.82	21.10	18.17	21.59
Common Soap (M tons)	585.70	422.00	503.20	643.20	633.60
%	21.01	15.14	18.05	23.07	22.73
Flour (000' M/tons)	12	8	14	23	0
%	20.44	14.40	24.00	41.16	0.00

Source: Bank of Sierra Leone

8.2. Sector Performance: 2009 - 2013

Table 1 below shows the growth of the manufacturing industry for the period 2009-2013. The manufacturing industry value added rose gradually from Le2.24m in 2009 to Le 2.35m 12011 and drastically fell to Le2.10m in 2012 and drastically to Le1.68m in 2013, while the industry's percentage contribution to GDP increased from 2.13% in 2009 to 2.40% in 2011. Relatively, the highest (0.30%) annual growth rate registered in 2010.

The performance of the industry shows that current efforts need to be improved to impact the economy by the amount of credit to indigenous ownership of industrial establishments. For a sustainable and realistic growth, indigenous ownership must be encouraged.

Table 8.2.1: Manufacturing industry performance (2009-2013) Criteria

Criteria	2009	2010	2011	2012	2013
Value added (at current factor cost) in Le million	2.24	2.3	2.35	2.1	1.68
Percentage of GDP	2.13	2.21	2.4	2.16	1.83
Annual growth Rate in %	0.2	0.20	0.30	0.1	0

Source: National Accounts, Statistics Sierra Leone

8.3. Index of Manufacturing Industry: 2012-2013:Q1-Q4&2014Q1

8.3.1. PPI and Inflation rate by Manufacturing Industry (2011=1000)

The manufacturing industry shows a substantial influence on the overall index in the first quarter of 2012 and 2013 with an index of 180.87 and 104.39 in 2012Q1 and 2013Q1 with average quarterly percentage price change of(+22.76%) and (+0.51%) respectively. The change is driven by average quarterly percentage price change of manufacture of bakery product(+0.31%), manufacture of cocoa, chocolate and sugar confectionery (+9.51%) and distilling, rectifying and blending of spirits (+1.27%) in 2012Q1 and manufacture of bakery products (+2.34%) and distilling, rectifying and blending of spirits (-0.20%) in 2013Q1. See Table 2 below.

Table 8.3.1: PPI and Inflation rate by Manufacturing Industry (2011=1000)

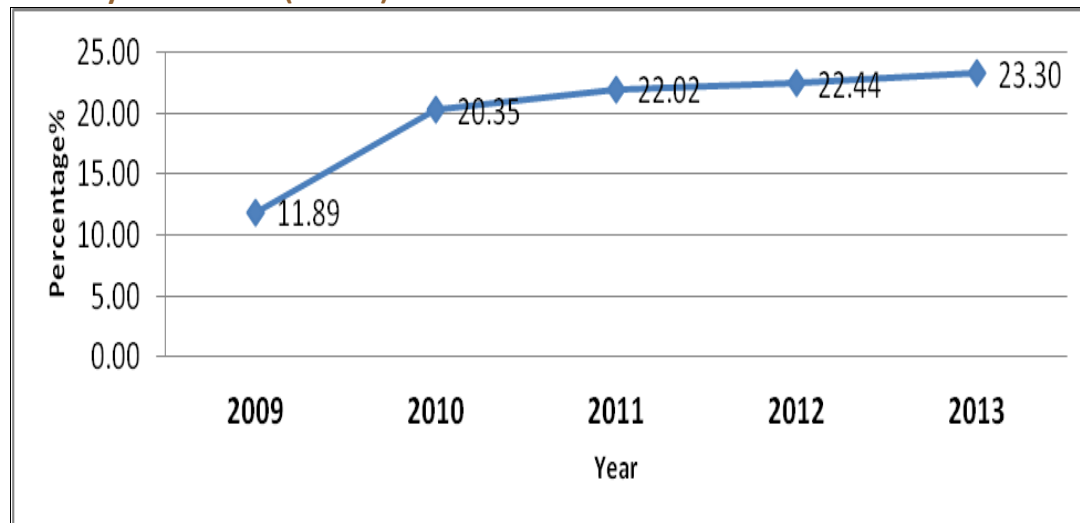
Index Level (Based year 2011=100)		Manufacturing PPI	Average Quarterly percentage (%)Change Inflation Rate of Manufacturing
Year	Quarter/ Weight(100/Quarter)	282.4	28.4
2012	Q1	180.87	22.76
	Q2	100	0
	Q3	100	0
	Q4	99.96	0.14
2013	Q1	104.39	0.51
	Q2	99.06	0
	Q3	100	0.03
	Q4	100	0
2014	Q1	100	0

Source: *Business and Industry, Statistics Sierra Leone*

8.4. Credit to Manufacturing Industry

Studies have shown that manufacturing sector is regarded as the engine of growth of the economy (Libanio, 2006). For the industry to grow in a way that will positively influence economic growth depends on several factors. One of which is an adequate financial support for the manufacturing industry. Figure 2 below shows a progressive increase of Commercial Banks' overdrafts, loans and advances to the industry. Figure 2 shows that credit to the industry picked up from 11.89% in 2009 to 20.35% from 2010 to 23.30% in 2013. Relatively the contribution of the industry to economic growth is yet desired though there seems to be an impressive financial support and accessibility to funds. How much influence does these have on the industry is beyond the scope of this write-up.

Figure 8.4.1: Trend in credit-overdrafts, loans and advances to Manufacturing industry: 2009-2013 (Le'000)



Source: Bank of Sierra Leone

8.5. Quantity Index

Quantity Index should be defined in harmony with Price Index so that Value Index can be determined in accordance with International standards and recommendations. The System of National Accounts (SNA) clarified that Value Index is defined either as the product of a Laspeyres Price Index and a Paasche Quantity Index or as a product of a Paasche Price Index and a Laspeyres Quantity Index. This means that if the Price Index is Laspeyres then the Quantity Index must be the Paasche type or if the Price Index is Paasche then the Quantity Index must be the Laspeyres type. The convention applied in Sierra Leone for both the CPI and the PPI is that the Price Index is Laspeyres, therefore the Quantity Index must be Paasche type.

Unlike the Laspeyres Index in which the weights are determined using Base Year values, the Paasche Index determined weights using current year values. There are of course two components for the computation of Indexes (Price or Quantity) namely weights of product groups/classes and their corresponding price/quantity relatives. The Price/Quantity Relative is defined as the price/quantity in the current year divided by the price/quantity in the base year. Table 8.5.1 below gives the Quantity Relative for some products (groups/classes) of the Manufacturing Industry using 2009 as the Base Year i.e. (2009=100). The production weights of these products are not quoted and in some special situations like this one, the Quantity Relative is a proxy metric to approximate the Quantity Index.

Table 8.5.1: Quantity Relative for the Manufacturing Industry (2009 =100)

Manufactured Goods	2010	2011	2012	2013
Beer Stout & Maltina ('000 Ctns)	108.2	133.9	130.9	103.3
Soft Drinks ('000 Crates)	127.2	122	141.4	146.7
Cement ('000 M tons)	127.4	131.6	142	132.7
Confectionery ('000 lbs)	96.5	113.6	103.6	115.1
Paint ('000 gallons)	155.7	136	134.2	155.6
Acetylene (000'Cu. Ft.)	109	118.3	113.4	139.1
Oxygen (000' Cu. Ft.)	102.6	109.2	94	111.8
Common Soap (M tons)	72.1	85.9	109.8	108.2
Flour (000' M/tons)	70.4	117.4	201.3	
Geometric Quantity Relative Mean	107	119	128.3	119.1

Source: *National Accounts, Statistics Sierra Leone*

Table 8.5.2 below shows the annual growth rate for each product group from 2009 to 2013. The table shows that the quantity of Beer, Stout and Maltina produced declined faster by 21.1% from 2012 to 2013. Soft drinks production increased at a slow rate by 3.8% from 2012 to 2013; Cement production declined by 6.6%, Confectionery increased by 11.1%, Paints increased by 15.9%, Acetylene increased by 22.7%, Oxygen increased by 18.9% and Common Soap decreased by 1.5%.

Table 8.5.2. Annual Quantity Change (%) for the Manufacturing Industry

Manufactured Goods	2010	2011	2012	2013
Beer Stout & Maltina ('000 Ctns)	8.2	23.7	-2.2	-21.1
Soft Drinks ('000 Crates)	27.2	-4.1	15.9	3.8
Cement ('000 M tons)	27.4	3.3	7.9	-6.6
Confectionery ('000 lbs)	-3.5	17.7	-8.8	11.1
Paint ('000 gallons)	55.7	-12.6	-1.3	15.9
Acetylene (000'Cu. Ft.)	9	8.5	-4.1	22.7
Oxygen (000' Cu. Ft.)	2.6	6.5	-13.9	18.9
Common Soap (M tons)	-27.9	19.2	27.8	-1.5
Flour (000' M/tons)	-29.6	66.7	71.5	

Source: *National Accounts, Statistics Sierra Leone*

CHAPTER 9: BUILDING AND CONSTRUCTION

9.0. Overview

Construction as an industry includes general construction and specialized construction activities for buildings and civil engineering works. It includes new work, repairs, additions and alterations, the erection of prefabricated buildings or structures on a site and also construction of a temporary nature. General construction is the construction of entire dwellings, office buildings, stores and other public utility buildings, farm buildings or the construction of civil engineering works such as motorways, streets, bridges, tunnels, railways, airfields, harbours and other water projects, irrigation systems, sewerage systems, industrial facilities, pipelines and electric lines, sports facilities etc. In the Expenditure Approach to National Accounts compilation, construction is a component of Gross Fixed Capital Formation (GFCF) and its complementary component is the aggregation of vehicles, machinery, computers and other equipments. In this regard, construction refers to the total value of Land and Buildings including civil engineering constructions undertaken at a particular point in time. Table 9.0.1 below gives a description of the basic National Accounts aggregates and their interrelationship for the construction industry.

Table 9.0.1: National Accounts Aggregates for Construction Industry (in Million Leones)

National Accounts Aggregates for Construction Industry						
	2008	2009	2010	2011	2012	2013
Construction - Nominal GVA	120,306.89	109,293.56	139,642.97	159,622.94	197,533.32	206,979.76
Construction - Nominal Output	192,365.50	172,302.60	225,061.25	259,709.64	310,602.35	322,492.09
Construction - Intermediate Consumptions	72,058.61	63,009.04	85,418.28	100,086.70	113,069.03	115,512.33
Gross Fixed Capital Formation (GFCF)	684,423.34	799,403.72	3,150,329.95	5,315,874.14	4,082,898.75	2,973,698.00
Construction share of GFCF	28.1	21.6	7.1	4.9	7.6	10.8
Construction - Real GVA	113,675.94	104,277.13	118,054.16	146,525.68	164,115.57	171,990.78
Construction Real Growth Rate	2.8	-8.3	13.2	24.1	12.0	6.2

Source: Statistics Sierra Leone

The table above shows that the construction share of GFCF is on the decrease from 28.1% in 2008 to 10.8% in 2013. It implies that the major share of GFCF for the period under consideration is due mainly to the acquisition of vehicles, machineries, computers and other equipments. It is critical to note that the process of industrialization should be based on a major construction share of GFCF but the reverse appears to be the case for Sierra Leone even though government have invested heavily in the construction of roads and there is a clear evidence of the spread of residential construction by households in the Western Region.

The trend for Real Construction growth rate declined by 8.3% from 2008 to 2009, it increased by 13.2% and 24.1% in 2010 and 2011 respectively and it slowdown to 12.0% and 6.2% in 2012 and 2013 respectively. This is not a good trend for the industry and this is shown in figure 9.0.1 below. The graph in the figure attained a local minimum in 2009 and a local maximum in 2011 and slow further to 6.2% in 2013.

Figure 9.0.1: Construction Industry Real Growth Rate (%)



Source: SSL

Construction activity is an integral part of the country's infrastructure and industrial development. It includes buildings (houses, offices, hospitals, schools), and non-buildings (infrastructure like highways, roads, ports, railways, airports, power systems, irrigation and agriculture system, telecommunications etc.). Construction becomes the basic input for socio economic development. Besides, the construction industry generates substantial employment and provides a growth impetus to other sectors

through backward and forward linkages. It is therefore essential that this vital activity is nurtured for healthy growth of the economy of a country. The country has limited statistical information on this important sector. Housing is the basic need of the civilized society and is an indicator of the sustainable growth and prosperity of nation. In the present scenario of the rapid urbanization, housing plays an important role in the planning and policy making for the benefit of the poor and underprivileged section of the society. To achieve the goal, the planners and policy makers should be provided with necessary authentic, accurate and timely statistical information on housing sector viz., the housing stock, addition to housing stock, investment in housing, role of public and private sector in the housing, prices of building materials etc.

9.1. Need for Housing and building construction Statistics

Reliable housing and building construction statistics are important in the formulation of national housing policy and programmes for improvement of living condition of people especially the needy poor. Statistics in the housing and construction sector are needed for the following broad purposes:-

- (i) Assessment of housing stock in the country
- (ii) Assessment of housing conditions and needs (Structure, Congestion, obsolesce).
- (iii) Estimation of housing shortage in the country.
- (iv) Estimation of Gross value added (GVA) in housing and building construction.
- (v) Estimation of Gross fixed capital formation.
- (vi) Evaluation of housing programmes from time to time
- (vii) Estimating the supply and demand of construction materials equipments and labour.
- (viii) Estimating the requirement of financial resources and for implementing the housing programmes.
- (ix) Framing appropriate land use policy for orderly and planned growth of the city.

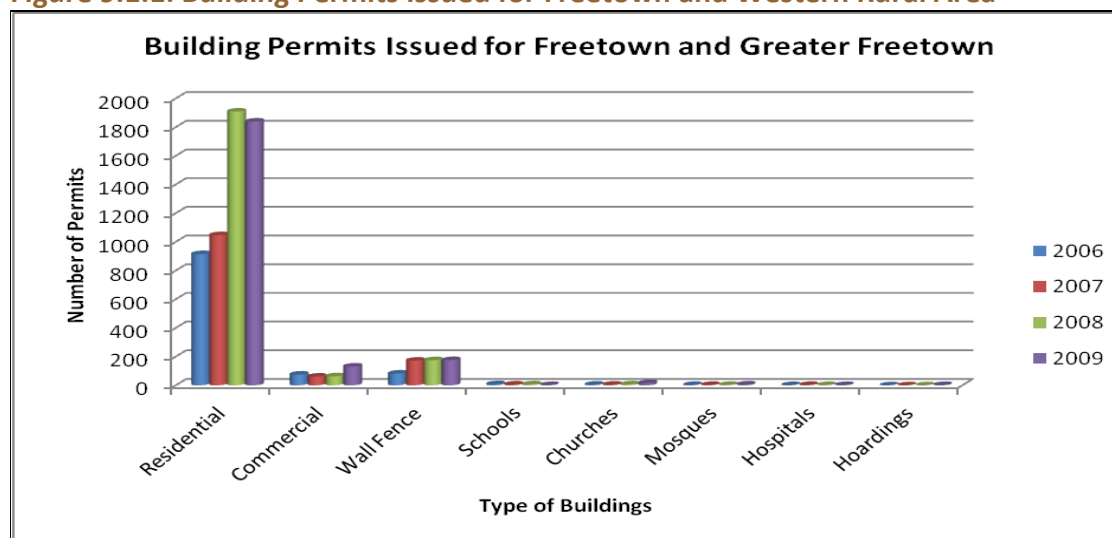
In 2008 the construction industry experiences a boom in construction activities by both private and public sectors, in spite of the increases in prices for building materials. Despite the absence of data on indices on growth rates and added values, the indications are that growth in the construction subsector was largely driven by the private sector during the period. In turn, the construction boom stimulated activities in other sectors. Further evidence of the extent of the boom in construction was indicated by the increase in approvals of building plans by the authorities, which may be regarded as a partial leading indicator of activity in the sub-sector. The rapid expansion in areas under construction is readily apparent. It is also worthy to note that the share of residential buildings to the total has been broadly maintained. Table 9.1.1 below shows the number of permit issue for various categories of building from 2006 to 2009.

Table 9.1.1: Building Permits Issued for Western Area

Building Permits Issued for Freetown and Greater Freetown				
	2006	2007	2008	2009
Residential	915	1047	1909	1839
Commercial	75	61	63	131
Wall Fence	82	172	175	176
Schools	8	6	7	2
Churches	5	5	7	15
Mosques	3	3	3	6
Hospitals	2	3	2	2
Hoardings	0	0	0	2
Total	1090	1297	2166	2173

Source: Bank of Sierra Leone

Figure 9.1.1: Building Permits Issued for Freetown and Western Rural Area



Source: Bank of Sierra Leone

The construction sub-sector showed positive growth signs as indicated by the number of building permits issued in Freetown by the Ministry of Works, Housing and Infrastructure, against the backdrop of price escalation of building materials during the second half of the year. The total number of building permits issued during July – December 2009 was 1,367, which was 69.60% more than those issued in the preceding period and 12.98% more than those in the corresponding period in 2008. Of the total permits issued, 1,170 were for residential buildings, representing an increase of 74.90% compared with the preceding period and 6.50% compared with the corresponding period in 2008. Commercial building permits issued were 76, exceeding the preceding half year by 38.12% and the corresponding half year by 80.95%.

In addition, a number of road construction projects including the Masiaka-Bo highway, Bo-Kenema highway, Makeni-Matotoka highway were operationalised, while work was underway for the Matotoka-Koidu highway, Lungi-Port Loko road and Lumley-Tokeh Peninsular road. Also, construction work on the Freetown-Conakry highway and Kailahun-Koindu road was slated to start in early 2010.

Construction activities, as gauged by the number of building permits issued in Freetown and the volume of cement production, indicated mixed performance during the reporting period. The total number of building permits issued in July-December 2011 by the Ministry of Works, Housing and Infrastructure, (MWHI) was 1,026, representing a 61.32% increase over the number issued in the preceding half year and 7.32% when compared to the corresponding total in 2010. Of total permits issued in the second half of the year, 750 were for residential buildings which represented an increase of 114.29% over the preceding half year and 5.42%, when compared to the corresponding period in 2010. Commercial building permits issued numbered 169, and were 3.43% below the preceding half year's level and 1.17% when compared to the corresponding half-year in 2010. In addition, a number of road construction and repairs projects were undertaken during the reporting half-year, including the completion of major roads linking the capital city to the provincial towns, construction of major highways and sub urban roads in the main urban centres of Freetown, Bo, Kenema and Makeni. During the period also, reconstruction and rehabilitation work continued at the Lungi International Airport.

9.2. Growth Rate of Building Permits in the Western Area

Table 9.2.1 below shows that the highest growth of building permits issued for Residential building was 82.3% from 2007 to 2008 and the highest recorded for wall fence was 109.8% from 2006 to 2007. Overall, the total number of building permits issued grew by 19.0 and 67.0 percents from 2006 to 2007 and from 2007 to 2008 respectively.

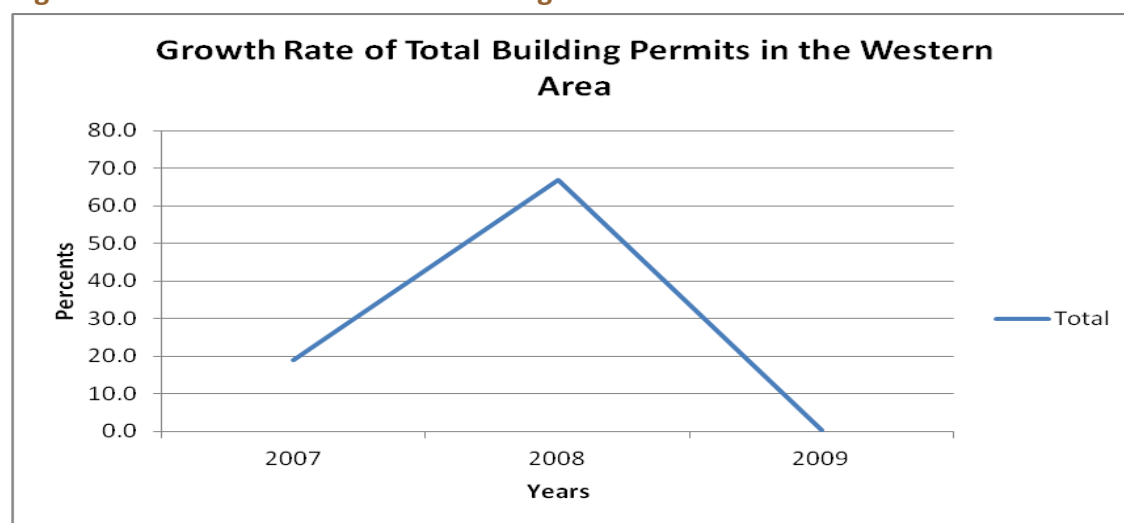
Table 9.2.1: Growth Rate of Building Permits in Western Area

Growth Rate of Building Permits Issued in Freetown			
	2007	2008	2009
Residential	14.4	82.3	-3.7
Commercial	-18.7	3.3	107.9
Wall Fence	109.8	1.7	0.6
Schools	-25.0	16.7	-71.4
Churches	0.0	40.0	114.3
Mosques	0.0	0.0	100.0
Hospitals	50.0	-33.3	0.0
Hoardings	undefined	undefined	undefined
Total	19.0	67.0	0.3

Source: Bank Of Sierra Leone

The trend of the growth rate of total building permits issued is shown in figure 9.3 below. The graph shows that the highest growth rate of total building permits was recorded in 2008 where it attained a local maximum.

Figure 9.3: Growth Rate of Total Building Permits in the Western Area



9.3. Construction Value (in million Leones) by Category

The three categories of construction are residential buildings, non-residential buildings and civil engineering work. Residential buildings are carried out and owned by households, private business establishments, non-government organizations and governments housing corporation. Non-residential buildings refer to public and other community buildings carried out and owned mainly by non-governmental organizations and government institutions; they may include the construction of offices, community centres, stadia, parks, markets etc. And civil engineering work includes the construction of roads, airports, harbours, water dams, pipelines etc. carried out mainly by government and sometimes in association with international development partners. The value of construction work for these three categories is shown in table 9.3 below.

Table 9.3: Construction Value (in million Leones) by Category

Construction by category (in million Leones)						
	2008	2009	2010	2011	2012	2013
Residential Buildings	113,791.60	101,117.62	118,086.47	137,924.52	543,539.81	917,170.36
Non-Residential Buildings	34,054.95	30,261.95	35,340.30	41,277.32	162,667.73	274,485.91
Civil Engineering Works	60,127.18	53,430.28	62,396.58	72,878.96	287,205.02	484,630.42
Total	207,973.74	184,809.85	215,823.35	252,080.80	993,412.57	1,676,286.69

Source: Statistics Sierra Leone

The table above shows that the highest value of construction work was recorded by residential buildings for the period under consideration and this is followed by civil engineering works. Further analysis revealed that the composition of the value of construction is 54.7%, 16.4% and 28.9% for residential buildings, non-residential buildings and civil engineering works respectively. The value of total construction work grew by - 11.1, 16.8, 16.8, 294.1 and 68.7 percents in 2009, 2010, 2011, 2012 and 2013 respectively. This means that the highest growth of construction value was recorded from 2011 to 2012.

Table 9.3.1: Status of road construction: 2009-2013

No	Name of Project	Name of company responsible	Year of commencement	Expected year of completion	Length of road (km)	Status: 1=Completed; 2=In Progress; 3=Abandoned
1.	Lumely-Tokey	CSE	2009	2012	-	2
2.	Congo Cross-Lumely	CSRC	2009	2012	-	1
3.	Regent-Jui	CSRC	2010	2012	-	1
4.	Lumely- Hillcot	CSRC	2010	2012	-	1
5.	Hillcot-Regent	Salcost	2011	2015	-	2
6.	Jomo Kenyata Road	Salcost	2012	2015	-	2
7.	Hillside Bye pass	CSE	2012	2015	-	2
8.	Masiaka-Bo Highway	Salcost	2009	2011	-	1
9.	Bo-Kenema Highway	Salcost	2008	2010	-	1
10.	Makeni-Matotoka	Salcost	2008	2009	-	1
11.	Matotoka-Koidu	Salcost	2011	2015	-	2
12.	Lungi-Port Loko	Salcost	2010	2013	-	1
13.	Pendebu-Kailahun	Salcost	2012	2015	-	2
14.	Makeni- Madina Wulah	CSE	2013	1016	-	2
15.	Masiaka- Pam lap	CSE	2008	2012	-	1

Source: SSL Estimation

Sierra Leone has a total of 42,472 kilometres road network. Out of these, 22,371 km are trunk roads which connect Sierra Leone regions and neighbouring countries, including 4,856 km equivalent to 48% tarmac roads. 19,012 km are regional roads which connect districts and major towns, of which 920 km, equivalent to 4.2%, are tarmac roads.

In addition, the bulk of Sierra Leone road network system is districts roads which connect districts and villages as well as feeder roads. According to the table above, the bulk of the road construction and rehabilitation is done in 2011 and completed date in 2012. Other construction of the roads are expected to be completed in 2015 and 2016.

10.0 Overview

Despite its increasing importance, tourism has attracted relatively little attention in Sierra Leone in the literature on economic development. Analysis has tended to focus on the contributions of the agricultural and mining sectors, rather than those of services. International visitor arrivals has increased steadily since 2009 and reached a peak in 2013. The number of international visitors increased significantly by 36% respectively from 38,615 in 2010 to 52,442 in 2011 and from 59,730 in 2012 to 81,250 in 2013. The total number of departures decreased by 17% from 30,182 in 2009 to 25,070 in 2010. There was a peak in 2013, when it recorded a 32.1% increase from 46,457 in 2012 to 68,371 in 2013. Tourism earnings increased by 41% from \$41,678,670 in 2012 to \$58,837,140 in 2013 and can be mainly attributed to the security stability in the country.

The number of hotel bed –nights occupied decreased by 23.3% from 2305 in 2009 to 1769 in 2010. There was a significant increase of 120.6% from 1832 in 2011 to 4041 in 2012. The number of visitors to the Tiwai Island Wildlife Sanctuary, decreased from 642 in 2009 to 605 in 2010.

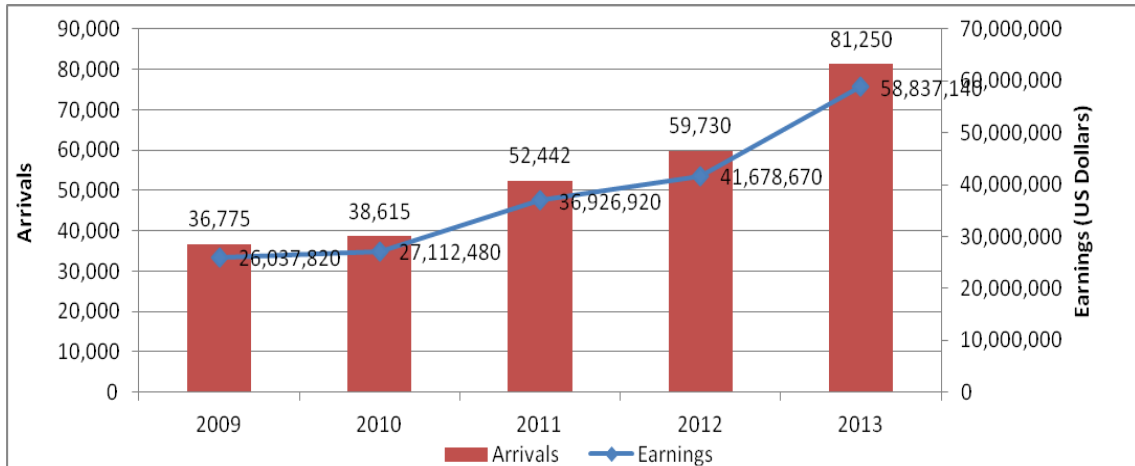
The number of passports issued increased by 10.2% from 24,823 passports issued in 2006 to 41,556 in 2009. There was a slight drop in the number of passports issued in 2010 and there has been a steady increase from 2011 to 2013. Male passport holders accounted for 58.1% of all the passport holders for the period under review. The number of visas issued increased by 427.4% from 376 visas issued in 2010 to 1983 in 2011. However the number of visas issued decreased drastically by 687% from 1983 in 2011 to 252 in 2012.

10.1. Arrivals and Departures

Figure 10.1.1 below illustrates the trend in the number of visitors over the period 2009 to 2013. As shown in the figure the number of visitors increased steadily since 2009 and reached a peak in 2013, when the highest number of visitors to Sierra Leone was recorded. The number of international visitors increased significantly by 36%

respectively from 38,615 in 2010 to 52,442 in 2011 and from 59,730 in 2012 to 81,250 in 2013. Similarly, tourism earnings in this sector have increased steadily during the year under review. A significant increase of Tourism earnings of 41% was recorded from \$41,678,670 in 2012 to \$58,837,140 in 2013.

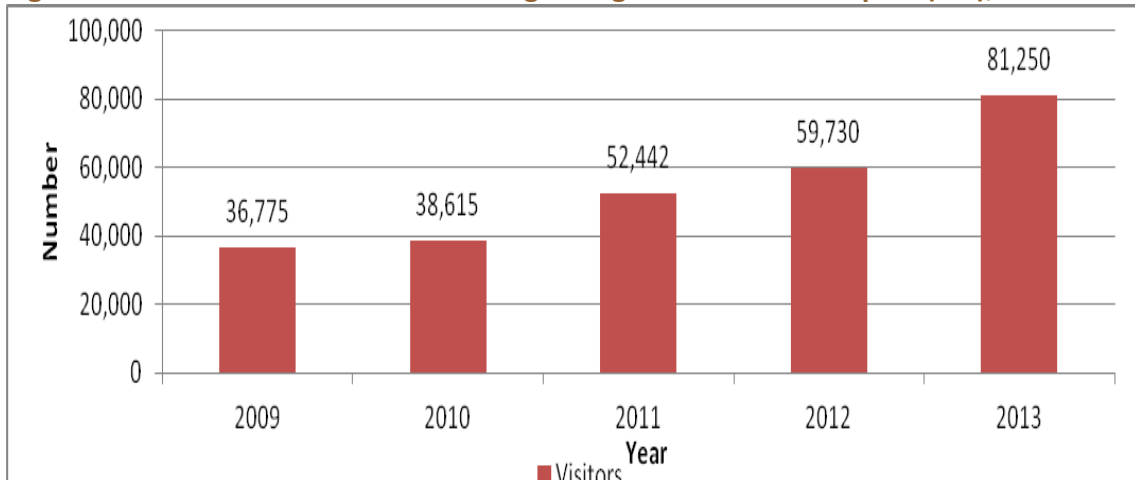
Figure 10.1.1: Trends in Visitors Arrivals and Tourism Earnings, 2009-2013



Source: National Tourist Board

Figure 10.1.2 below illustrates the trend in the total number of visitors over the period 2009 to 2013. During the period under review; Lungi International Airport (LIA) registered a steadily increase in the number of visitors. There was a peak in 2013, when it recorded a 41% increase from 59,730 in 2012 to 81,250 in 2013, mainly attributed to the security stability in the country.

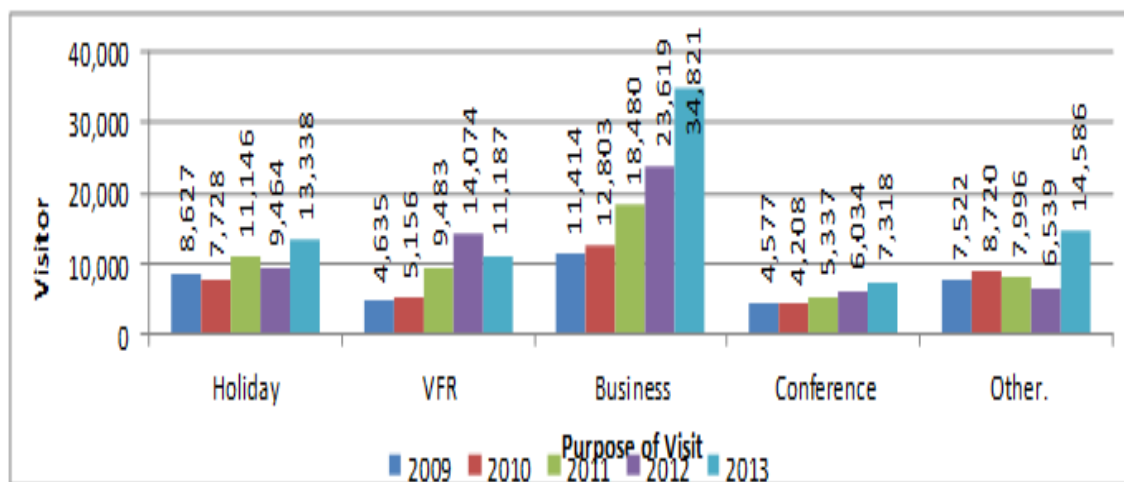
Figure 10.1.2: Number of Visitors through Lungi International Airport (LIA), 2009-2013



Source: National Tourist Board

Figure 10.1.3 below depicts the number of visitors arriving by purpose of visit between 2009 and 2013. There has been a steadily increase of ‘Business’ arrivals during the year under review. Business arrivals rose by 47% from 23,619 in 2012 to 34,821 in 2013. Holiday arrivals declined from 8,627 in 2009 to 7,728 in 2010 and there was an increase of 41% of Holiday arrivals from 9,464 in 2012 to 13,338 in 2013. Similarly, arrivals of those on ‘Other’ purposes increased by 123 per cent from 6,539 in 2012 to 14,586 in 2013. However, ‘other’ as a reason comprises of a whole range of hidden reasons, including missing information on purpose of visit. Visiting friends and families (VFR) as a purpose of visit has shown a steadily increase from 2009 to 2012. However visitors’ visiting friends and families declined by 21% from 14,074 in 2012 to 11,187 in 2013. Among the expressed reasons for visiting the country, ‘conference’ is the least for the period under review. This could be attributed to a combination of factors including the lack of modern conference-related infrastructure, and the location of the main international airport in Lungi across the sea that limit access to Freetown, the capital city where most conference facilities are located.

Figure 10.1.3: Yearly Visitor by Purpose of Visit, 2009-2013

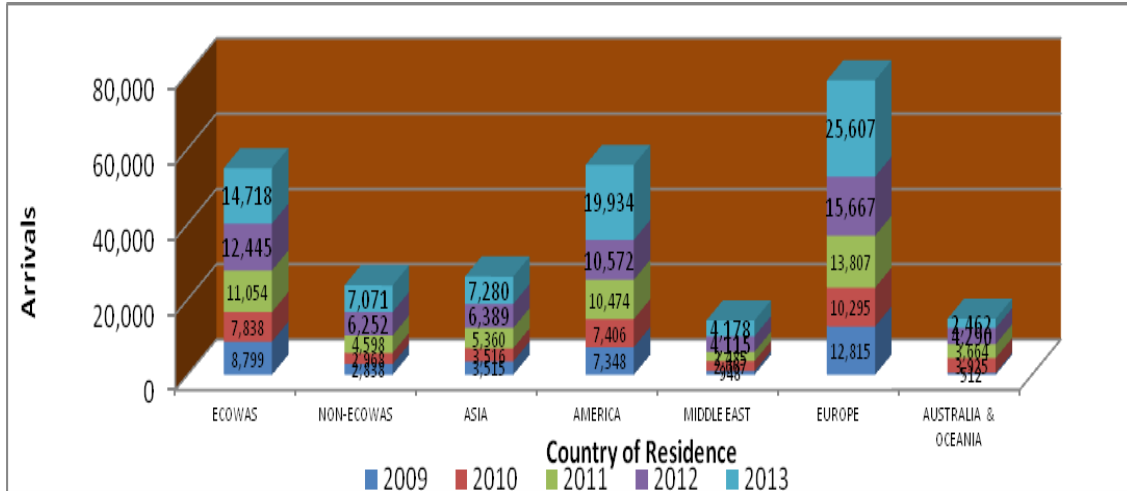


Source: National Tourist Board

Figure 10.1.4 below depicts the number of visitors by country of residence. In each case however, visitors from European countries were far more than visitors from other regions; the re-branding effort of the Sierra Leone Government since the end of the war in 2002 so that the country is seen as a tourist destination coupled with its closer proximity to Europe than America might be responsible for the higher proportion from this region. European residents accounted for 29.1% of all visitors for the period under review. An increase of 63.5% was recorded from 15,667 in 2012 to 25,607 in 2013. Visitors from America constitute the second largest bloc, followed by the ECOWAS

countries. American and ECOWAS residents accounted for 20.5 and 20.8% respectively. The number of visitors from America went up by 89.0% from 10,572 in 2012 to 19,934 in 2013.

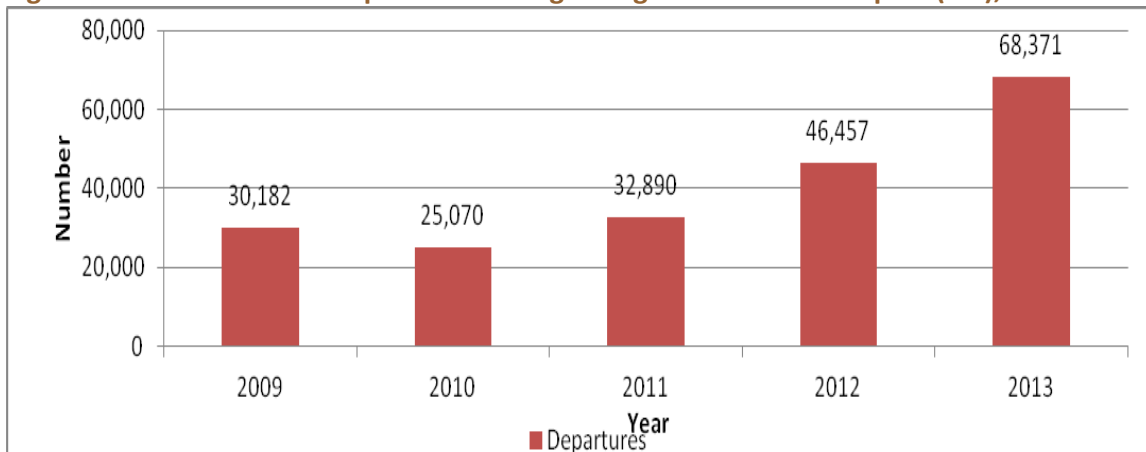
Figure 10.1.4: Arriving Visitors by Country of Residence, 2009-2013



Source: National Tourist Board

Figure 10.1.5 below illustrates the trend in the total number of departures over the period 2009 to 2013. During the period under review; the total number of departures decreased by 17% from 30,182 in 2009 to 25,070 in 2010. There was a peak in 2013, when it recorded a 32.1% increase from 46,457 in 2012 to 68,371 in 2013.

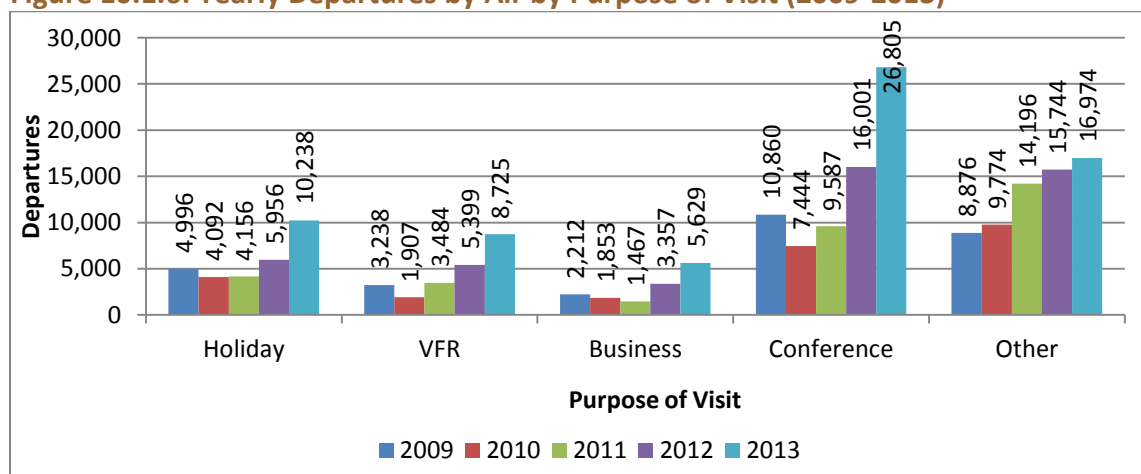
Figure 10.1.5: Number of Departures through Lungi International Airport (LIA), 2009 -2013



Source: National Tourist Board

Figure 10.1.6 below depicts the number of departures by purpose of visit between 2009 and 2013. There has been a steadily increase of ‘Other’ departures during the year under review. However, ‘other’ as a reason comprises of a whole range of hidden reasons, including missing information on purpose of visit. Conference departures increased by 68% from 16,001 in 2012 to 26,805 in 2013. Holiday departures declined from 4,996 in 2009 to 4,092 in 2010 and there was an increase of 72% of Holiday departures from 5,956 in 2012 to 10,238 in 2013. Departures Visiting friends and families (VFR) as a purpose of visit has shown a steadily increase from 2011 to 2013. However departures’ visiting friends and families declined by 70% from 3,238 in 2009 to 1,907 in 2010. Among the expressed reasons for leaving the country, ‘Business’ is the least for the period under review.

Figure 10.1.6: Yearly Departures by Air by Purpose of Visit (2009-2013)



Source: National Tourist Board

Table 10.1.1: presents the number of days spent by visitors categorized by purpose of visit and by the average length of stay. The total number of stayed increased by 5% from 257,425 in 2009 to 270,305 in 2010, even though there was a decrease in visitors on holiday. The number of days spent by visitors increased by 36% from 418,110 in 2012 to 568,751 in 2013.

Table 10.1.1: Number of Visitor-Days Stayed by Purpose of Visit, 2009-2013

Purpose	2009	2010	2011	2012	2013
Holiday	60,389	54,096	77,896	66,248	93,366
V.F.R	32,445	36,092	66,381	98,518	78,309
Business	79,898	89,621	129,360	254,387	243,747
Conference	32,039	29,456	37,359	42,238	51,226
Others	52,654	61,040	56,099	45,773	102,102
Total	257,425	270,305	367,094	418,110	568,751

Source: National Tourist Board

10.2. Hotel Occupancy by Year

The number of hotel bed –nights occupancy from 2009-2013 is shown in table 10.2.1. The hotel –bed nights available decreased by 23.3% from 2305 in 2009 to 1769 in 2010. However, the number of hotel bed-nights occupied increased significantly by 120.6% from 1832 in 2011 to 4041 in 2012.

Table 10.2.1: Hotel Bed-Nights Occupancy from 2009-2013

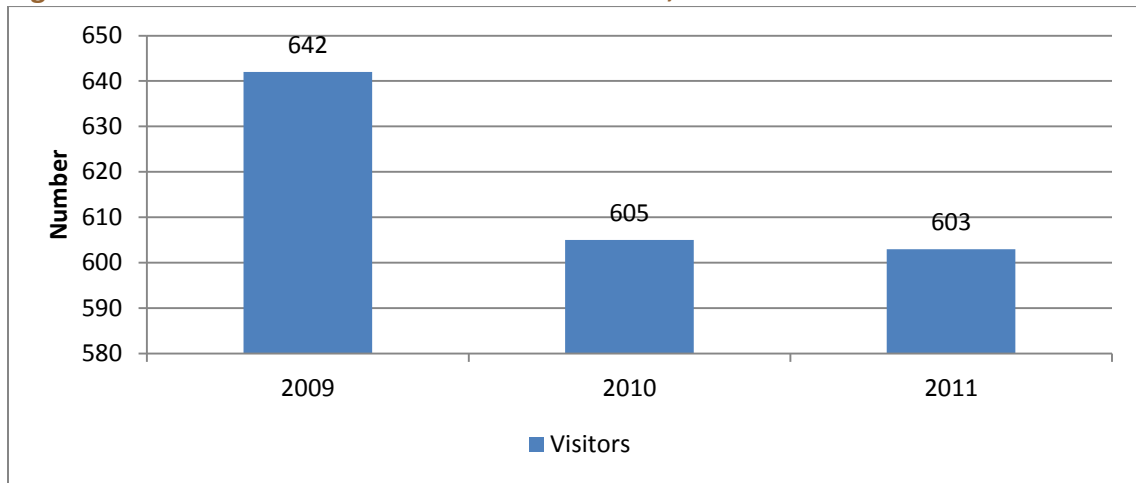
Year	2009	2010	2011	2012	2013
Total Beds Occupied	1197	1419	1730	1758	3,974
Total Beds Available	2305	1769	1832	4041	4,720
Occupancy rate %	52	80	94	44	84

Source: National Tourist Board

10.3. National Parks and Game Reserves

Figure 10.3.1.1 below depicts the number of visitors to the Tiwai Island Wildlife Sanctuary. The number of visitors to the Tiwai Island Wildlife Sanctuary, decreased from 642 in 2009 to 605 in 2010.

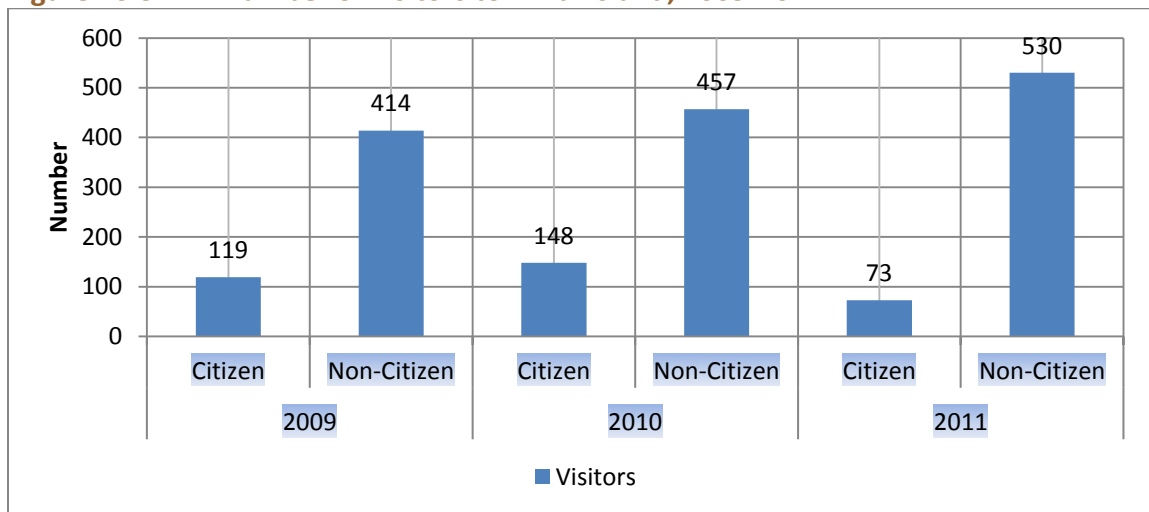
Figure 10.3.1.1: Number of visitors to Tiwai Island, 2009-2011



Source: National Tourist Board

Figure 10.3.1.2 below shows the number of Citizen and Non-Citizen visitors to the Tiwai Island Wildlife Sanctuary. In each case however, non-Citizens visitors were far more than Sierra Leonean visitors. Non-Citizens accounted for 80.5 per cent of all visitors for the period under review.

Figure 10.3.1.2: Number of visitors to Tiwai Island, 2009-2011



Source: National Tourist Board

10.3.2. Tacugama Chimpanzee Sanctuary (Wildlife)

The sanctuary was established for orphaned and captured chimps and is located at Regent Village approximately 30 minutes' drive from Freetown. It has been one of the

most successful tourist sites since its inception, the sanctuary is known for its Chimps operation and Eco-lodges, which delivers standard and quality services both in Food and Eco activities.

10.3.3. Wara Wara Mountains in kabala

Wara Wara Mountains in kabala is located in the village of wara wara yagala in koinadugu district around 5 hours' drive from Freetown. Wara Wara offers endless possibilities for interesting hikes and walks in the hills that spread out to the north west of Kabala. There are many other interesting places to see.

10.3.4. Gola Forest Reserve

Some 40km east of Kenema are the Gola Hills, pocket of lowland tropical rain forest originally part of the larger forest that once covered much of West Africa's coastal region. The forest is divided into three fragmented reserves -North, East and West all situated between the large Moa and Mano rivers, extending almost 750km².

10.3.5. Tiwai Island Wildlife Sanctuary

Tiwai has one of the highest concentrations of primates in the world, and had over 35 different bird species, including 8 types of hornbills. Also found on the Island are Baboons and Pigmy Hippos. Tiwai is about eight hours drive from Freetown and is 90km away from Bo.

10.3.6. Outamba-Kilimi National Park

The main Ecotourism attraction in the Northern Province is Outamba-kilimi National Park. A mixture of Savannah and jungle, the Park is found in the northeast of Kamakwie in the Bombali District. It is a magical place embedded between two rivers, the Great Scarcies, and the Mongo Rivers. There are rare elephants, buffaloes and Hippos.

10.3.7. Bunce Island (1948)

The island played an important part in the early history of the Sierra Leone River, in the 17th and 18th centuries, especially before the formation of the Sierra Leone Company and the beginning of Sierra Leone, as we know it today. This island was successively a general trading factory gradually concentrating on the Slave Trade, became a definite slave depot, a timber warehouse, and a recruiting station for the British Army in West Africa.

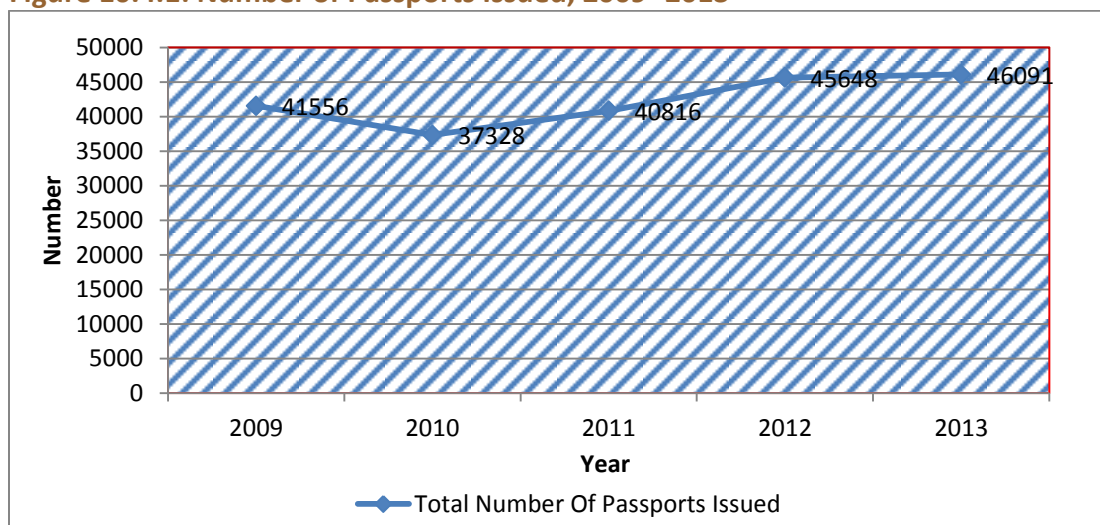
10.3.8. Banana Island

Fifteen minutes by boat from Kent beach and an hour from Freetown. The Island is located in the South West of Freetown. The Island is most popular for Game Fishing and Snorkelling. It is endowed with historic artefacts and buildings. Eco-tourist lodge facilities, restaurant and bar are available at the Island.

10.4. Immigration

Figure 10.4.1 below illustrates the trend in the total number of passports issued over the period 2009 to 2013. As shown on figure 9.8 below, there was a decline in the passports issued from 41556 in 2009 to 37328 in 2010. It could also be seen that the number of passports issued increased steadily thereafter from 2010 to 2013.

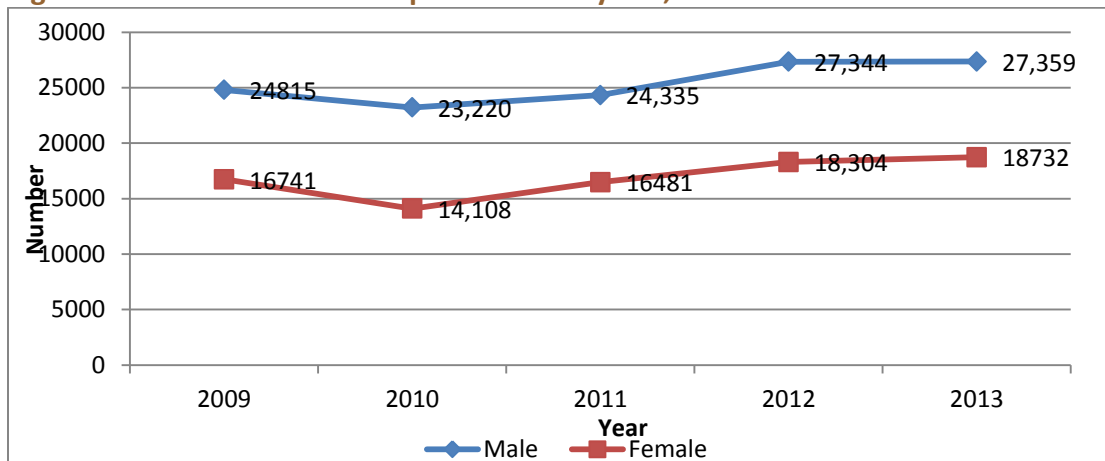
Figure 10.4.1: Number of Passports Issued, 2009 -2013



Source: Immigration Office

Figure 10.4.2 below illustrates the trend in the total number of passports holders by sex over the period 2009 to 2013. As shown on figure 9.9 below, there are more male passport holders than female passport holders in all the years for the year under review. Male passport holders accounted for 58.1% of all the passport holders for the period under review.

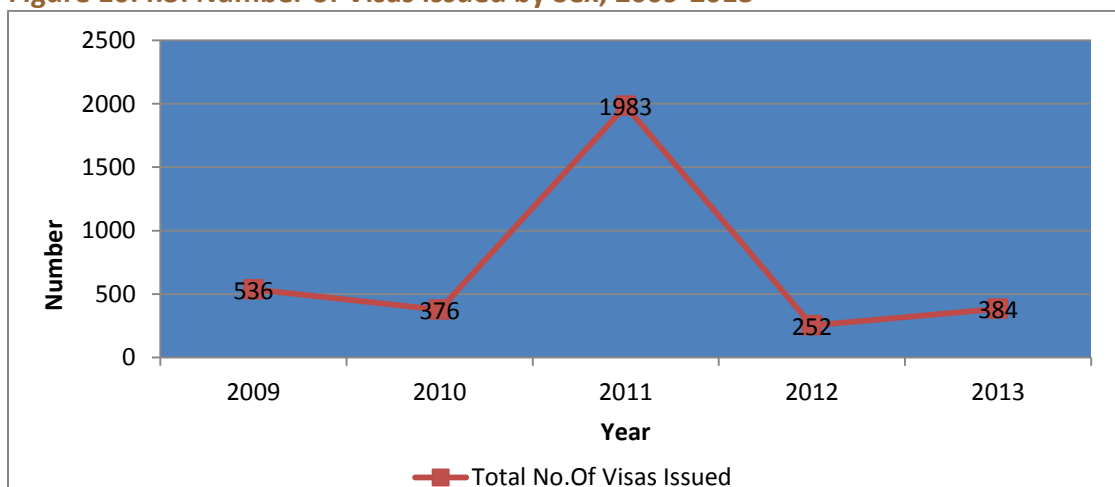
Figure 10.4.2: Number Of Passports Issued by Sex, 2009-2013



Source: Immigration Office

Figure 10.4.3 below illustrates the trend in the total number of visas issued over the period 2009 to 2013. As shown on figure 10.1 below, the highest number of visas issued for the period under review was issued in the year 2011 (1983). The number of visas issued increased by 427.4% from 376 passports issued in 2010 to 1983 in 2011. However the number of visas issued decreased drastically by 687% from 1983 in 2011 to 252 in 2012.

Figure 10.4.3: Number of Visas Issued by Sex, 2009-2013

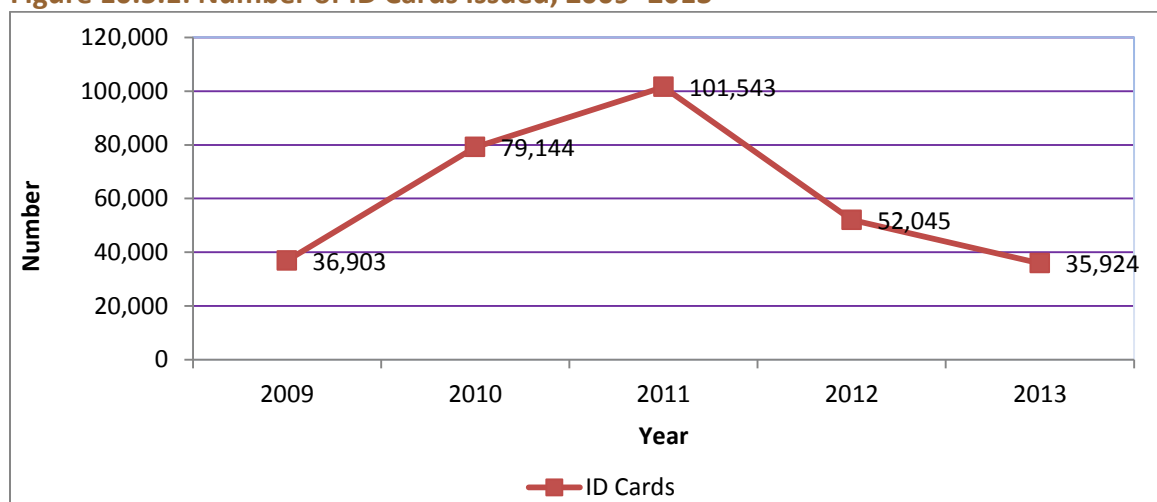


Source: Immigration Office

10.5. National Registration

Figure 10.5.1 below illustrates the trend in the number of ID Cards over the period 2009 to 2013. The number of ID Cards holders increased significantly by 114.5% respectively from 36,903 in 2009 to 79,144 in 2010 and a further increase of 28 percent from 79,144 in 2010 to 101,543 in 2011. As shown on figure 10.1. below, there were more ID Cards issued in 2011 than in any other year for the years under review. This may be attributed to the sensitization and decentralization of the registration which enabled many people access to the documents in 2011. There was a decrease of 48.7% from 101,543 in 2011 to 52,045 in 2012, and a further decline in 2013 as more citizens and foreign resident living within the jurisdiction of Sierra Leone had now have the opportunity to register and obtain a national identity card.

Figure 10.5.1: Number of ID Cards Issued, 2009 -2013



Source: National Registration Office

CHAPTER 11: TRANSPORT AND AVIATION

11.0: Overview

The Transport and Aviation sector posted a steady growth for the five year period. The sector's gross value added grew by 53.6% from 2009 to 2013. The road transport as a sub sector in relation to passenger movement on government operational buses grew by 566% from 2008 to 2012. However, passenger earnings suffered a decline of 4.8% from 2008 to 2010, but this was followed by a growth of 57.5% from 2010 to 2012. There was again a decline by 4.7% from 2012 to 2013. On the whole, new registration of motor vehicles continued to increase throughout the five year period as it experienced an increase of 127% from 15,899 in 2009 to 36,004 in 2013. Motor divers licenses increased by 109% from 17,689 in 2009 to 40,364 in 2011. This aspect of the transport output had a decline of 63% from 2011 to 2012.

The water transport subsector shows improvement in its performance as it experience an increase in the average ship turnaround time of 4.5% from 66 hours in 2009 to 69 hours in 2011. This sub-sector experienced a mixed performance of both increase and decrease in the area of import and export with in the period under review. The total imports had 516% increase from 2009 to 2010 whilst there was an increase of only 7.3% from 2010 to 2011. There was however a decline in import of about 0.002 percent from 2011 to 2013. Export suffered a decline in 2010 as it was decreased by 24% from that in 2009. Also; it had an increase of 63.2% in 2012 from 2011.

The air transport in relation to aircraft movement, passenger movement, Freights and mails handled experience both an increase and decline within the five year period that is attributed to the variations in the investment climate with in the period under review. There was a drop in the Aircraft movement of 16.8% from 2009 to 2010. This sector also recorded an increase of 52.5% in the aircraft movement from 2010 to 2013. Freights handled at the Airport encountered a decline of 4.2% from 2009 to 2010, but there was a huge increase of 216% from 2010 to 2013.

Mail handled at the Airport also experienced a decline of 15.9% from 2009 to 2010 but there was an increase of 108% from 2010 to 2012.

11.1 Combined Gross Value Added

Table 11.1.1 presents the combined gross value added for the Ministry of Transport and Aviation from 2009 to 2013. It however shows a steady growth throughout the five year period. The sector output increased from 298256.1 Million Leones in 2009 to 458229 Million Leones in 2013 representing an increase of 53.6%.

Table 11.1.1. Transports and Aviation- Combined Gross Value Added, 2008-2013

	2009	2010	2011	2012	2013
Transport and Aviation (Le .Millions)	298256.1	329473	389236.3	418871.2	458229
Real Growth rate (percent)	3.50	5.93	6.85	4.19	4.76

Source: Statistics Sierra Leone (SSL) –National Account

11.2. Road Transport

Table 11.2.1 shows the number of passengers that travelled using the Government operational buses during the five years. Passengers travelling in the city bus service increased from 264,314 in 2008 to 1,762,201 in 2012 thus representing a percentage increase of 566%. The increase in 2012 could be mainly attributed to the fact that there were many buses in operation and also 2012 was election year that many people had to travel from one point to another as a result of political activities. However, there was a decline of 56% in 2013 as a result of many bus break downs that prevented some of the buses from regular operations. On the other hand the provincial bus service experienced a decline of 12.7% from 2008 to 2013.

Table 11.2.1: Passengers Carried on Government Operational Buses, 2008-2013

Passengers Carried	2008	2009	2010	2012	2013
City/Rural Service	264,314	245,455	613,976	1,762,201	772,578
Provincial service	336,081	310,550	207,621	270,502	293,347
Total	600,395	556,005	821,597	2,032,703	1,065,925

Source: Sierra Leone Roads Transport Cooperation (SLRTC)

11.3: Passenger Earnings from Government operational buses

Table 11.2.1 represents passenger earnings from Government operational buses for the five years period. It reveals a decrease of 4.8% from 2008 to 2010. However there was an increase of 57.5% from 2010 to 2012 which is closely linked with the election year in

2012. Shortly after elections, there was a decrease in passenger earnings from 2012 to 2013 of about 4.7%.

Table 11.3.1: Passenger Earnings from Government Operational Buses, 2008-2013

	2008	2009	2010	2012	2013	Total
Passenger Earnings (million Leones)	5,336.06	4,438.50	5,079.87	8,001.95	7,627.58	30,483.97

Source: Sierra Leone Roads Transport Cooperation (SLRTC)

11.4: New Registration of Motor Vehicles

Table 11.4.1 shows the number of newly registered motor vehicles within the last five years. The total number of registered motor vehicles shows an increase of 127% from 15,899 in 2009 to 36,044 in 2013. This sharp increase may be greatly attributed to the introduction of Okada riding in the country. The number of newly commercial motor cycles shows a considerable increase of 396% from 2009 to 2011 and also 40% increase from 2011 to 2013. Out of all the five years, the table shows that 2013 accounted for 29% of the total new motor vehicles registered representing the highest followed by 2012, 2011, 2010 and 2009 respectively.

Table 11.4.1: New Registration of Motor Vehicles, 2009-2013

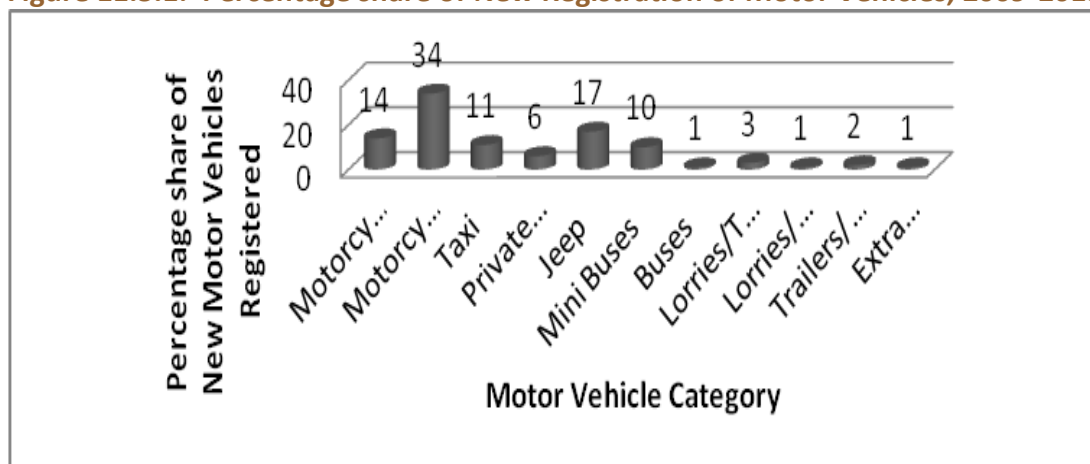
Category	Definition of Category	2009	2010	2011	2012	2013	Total
A(M)	Motorcycle Private	3,777	5,967	2,111	2,675	3,318	17,848
A(MT)	Motorcycle Commercial	2,080	2,158	10,319	13,679	14,526	42,762
A(P)	Taxi	2,147	2,104	2,981	2,803	3,858	13,893
A(T)	Private Cars	1,393	1,085	1,411	1,372	1,879	7,140
B	Jeep	3,627	3,236	4,274	4,267	5,768	21,172
C	Mini Buses	2,114	2,014	2,800	2,884	3,345	13,157
D	Buses	116	125	249	264	306	1,060
E	Lorries/Trucks (6 tyres)	498	613	1,055	1,074	1,462	4,702
F	Lorries/Trucks (above 6 tyres)	164	247	474	518	557	1,960
G	Trailers/Tractors	79	284	744	429	564	2,100
XG	Extra Trailer Unit	43	43	80	233	461	860
Total Units Registered		15,899	17,876	26,498	30,198	36,044	126,515
Yearly percent contribution		12	14	21	24	29	100

Source: Sierra Leone Roads Transport Authority (SLRTA)

11.5 Percentage share of New Registration of Motor Vehicles, 2009-2013

In terms of percentage share as shown in table 11.5.1, motor cycle commercial accounts for the highest percentage of newly motor vehicles registered followed by Jeeps, Motorcycle private mini buses and taxis representing 33%, 17%, 14%, 11% and 10% respectively. Although all other categories of new motor vehicles registered with in the period under review had shown to be increasing in most cases but the increase in commercial motor cycle registration greatly catapulted the overall increase in new motor vehicle registration.

Figure 11.5.1: Percentage share of New Registration of Motor Vehicles, 2009-2013



Source: Sierra Leone Roads Transport Authority (SLRTA)

11.6: Motor Vehicle and Driver's Licenses

The total number of motor vehicle licenses issued for the five year period are shown in table 10.4. It reveals that almost all of the vehicle categories recorded an increase which is mainly attributed to the robust strategy used by both the police and the traffic wardens to track down on motor vehicles plying the routes without been licensed. However, it is realized that commercial motor vehicles accounted for the highest increase in license as it shows that from 2009 to 2011 alone it recorded a percentage increase of 109%. This was followed by a decline of 63% from 2011 to 2012. There was also a percentage increase of 272% from 2012 to 2013 for the same category of motor vehicle license. On the whole from all categories of vehicle licenses record shows that for the five year period there was a percentage increase of 54.2%. Just as motor vehicle licenses have been increasing, also driver's licenses have been increasing too with a little variation. From 2009 to 2011 there was an increase in divers' licenses from 17,689 to 40,364 representing 128%. However, there was a decline of 29% from 2011 to 2013.

Table 11.6.1: Motor vehicle and Driver's Licenses, 2009-2013

Vehicle Licenses					
CATEGORY	2009	2010	2011	2012	2013
A(M)	3,327	4,734	3,691	14,030	5,199
A(MT)	5,082	6,250	10,629	3,966	14,770
A(P)	10,845	11,960	11,563	11,138	15,688
A(T)	4,871	4,248	3,759	4,003	4,975
B	10,367	12,128	12,127	12,525	16,098
C	7,248	6,186	5,397	5,873	7,592
D	363	313	364	619	469
E	1,854	1,730	1,837	2,057	2,228
F	342	412	673	854	748
G	316	394	763	634	703
XG	-	-	-	-	332
TOTAL	44,615	48,355	50,443	55,739	68,802
Driver's Licenses	17,689	35,797	40,364	38,320	28,539

Source: Sierra Leone Roads Transport Authority (SLRTA)

11.7: Road Traffic Accidents

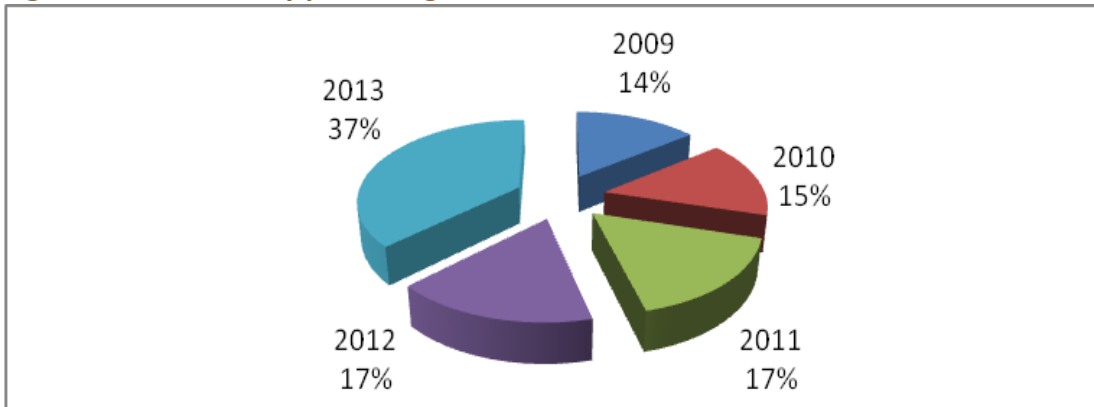
Table 11.7.1 shows the number of road traffic accidents from 2009 to 2013. The total number of reported accidents has been increasing right from 2009 to 2013. It shows a percentage increase of 16.5% from 2009 to 2012, and a percentage increase of 120% from 2012 to 2013. It is observed that just as the registration of new motor vehicles has been increasing over the years so the road traffic accidents has been increasing. So it is also said that the increase in the road traffic accidents during the five year period is attributed to the introduction of Okada riding which greatly increased the number of commercial motor cycles in operation. Quite apart from the fact that the Police and traffic wardens are working hard to crackdown road traffic offenders the incidence of road traffic accidents continue to be on the high side. On the whole from 2009 to 2013 the table shows that there was a percentage increase of 156% in road traffic accidents.

Table 11.7.1: Road Traffic Accidents, 2009-2013

Year	Fatally Injured	Seriously Injured	Slightly Injured	Total	Number Of Accidents
2009	53	441	1,042	1,536	852
2010	140	452	1,045	1,637	889
2011	247	640	996	1,883	975
2012	246	834	1,519	2,599	993
2013	316	723	1,245	2,284	2,184
Grand Total	1,002	3,090	5,847	9,939	5,893

Source: Sierra Leone Police Head quarter /Regional Government Hospitals

Figure 11.7.1.2: Yearly percentage share of Total Road Traffic Accidents, 2009-2013



Source: Sierra Leone Police Head quarter/Regional Government Hospitals

Figure 11.7.1.2 shows the percentage share of road traffic accidents over the five year period. It shows an upward trend thus 2013 accounting for the highest traffic road accidents as represented by 37%, 2012 and 2011 accounting for 17% each whilst 2010 and 2009 accounts for 15 and 14 percent respectively. This data shows that state authorities like the police and SLRTA still need to use a more robust strategy to help reduce road traffic accidents.

11.8: Water Transport

Table 10.7.1 presents the port traffic handled at the Queen Elizabeth 11 quay from 2009 to 2013. The main indicators have been used to assess the performance of the port for the period under review. The average ship turnaround time rose from 66 hours to 69 hours from 2009 to 2011 representing 4.5%. It also experienced an increase of 20% from 2011 to 2012. However; it encountered a decline of 29.6% from 2012 to 2013. The average berth occupancy dropped by 12.5% in 2010 from 27% in 2009 to 23.62% in 2010. From 2010 to 2012 the sub-sector experienced an increase of 101% whilst there was a decline of 11.7% from 47.5% in 2012 to 42% in 2013. The average Twenty-foot Equivalent Units (TEUs) increased by 44.4% from 2009 to 2011. This further increased by 100% from 2011 to 2012 and by 20% from 2012 to 2013.

The total imports rose to 516% from 2009 to 2010 whilst there was an increase of only 7.3% from 2010 to 2011. The main factor responsible for the high increase in import from 2009 to 2010 was due to the reduction in tariff for rice and building materials as well as the stabilization of United States dollars to Leones. There was however a decline in import of about 0.002% from 2011 to 2013. Export suffered a decline in 2010 as it was decreased by 24% from that in 2009. It had an increase of 63.2% in 2012 which is mainly attributed to the export of scrap metals.

Table 11.8.1: Port Performance Indicators, 2009-2013

INDICATOR	2009	2010	2011	2012	2013
Average Ship Turn Around Time	66hrs	63.5 Hrs.	69 Hrs.	82.90Hrs	58.35 Hrs
Average Vessel Tonnage per vessel day (hours)	105 Metric tons	104.31 Metric tons	80 Metric tons	52.32Metric tons	120.12 Metric tons
Average Berth Throughput	15,199 Metric tons	13,722.03 Metric tons	15,870.71 Metric tons	289,312.77 Metric tons	217,885.68 Metric tons
Average Throughput per linear metres of wharf	82 Metric tons	71.69 Metric tons	102 Metric tons	1,532.52 Metric tons	1,154.16Metric tons
Average Berth Occupancy rate (%)	27.00%	23.62%	47%	47.57%	42%
Average Waiting (idle) Time:					
For Berth	4 hrs	2.56 Hrs.	3 Hrs	4.2 Hrs	4Hrs
Due to rain	22 hrs	16.19 Hrs.	12 Hrs.	11.4 Hrs	13 Hrs
Other Causes	16 hrs	15.37 Hrs.	13 Hrs	9Hrs	6 Hrs
Average Tons per gang hour (less delays)	18 Metric tons	9.91 Metric tons	12 Metric tons	11.4 Metric tons	13.75 Metric tons
Average TEUs per crane (hook) hour	9 TEUs	8.2 TEUs	5 TEUs	10 TEUs	12 TEUs
Import and Export of all categories of commodities					
Total Imports (Metric Tons)	179,899	1,108,641	1,189,982	1,380,523	1,380,491.50
Total Exports(Metric tons)	130,400	99,062	998,880.50	161,737.80	14,854,587
Grand Total	310,299	1,207,703	2,188,863	2,542,261	16,238,078.50

Source: Sierra Leone Ports Authority (SLPA)

11.9. Air Transport

Table 11.9.1 presents details of commercial traffic handled at the Lungi international Airport Covering Aircraft Movement, Passenger movement, Freights and Mails as well as registered airlines from 2009 to 2013. From the table below it is observed that there was a drop in the Aircraft movement of 16.8% from 2009 to 2010. Among the several factors that contributed to the drop in Aircraft movement at the lungi international airport with 2009 to 2010 is the spillover effect of the helicopter crash at the Lungi International Airport in June, 2007. Government was still trying to rebuild its Aviation image at international level. It was also observed within the same time frame (2009-2010) that the landing fees were too high. However, after resolving the issue it was observed that there was an increase of 52.5% in the aircraft movement from 2010 to 2013.

Passenger traffic at the airport did not drop as compared to that of Aircraft movement as the data shows that from 2009 to 2010 there was an increase of 2.1% which further increased by 32.8% from 2010 to 2013.

Although there was a drop in aircraft movement as result of the helicopter crash at the Airport it however did not affect the registered airlines as the data in the table below (Table 10.7) shows that there was an increase of 11% from 2009 to 2010, a drop of 30% from 2010 to 2011. As there is now stability since the issues surrounding the helicopter crash has been resolved an increase of 30% was observed in the number of registered airlines from 2011-2013.

Freights handled at the Airport encountered a decline of 4.2% from 2009 to 2010, but there was huge increase of 216% from 2010 to 2013.

Mails handled at the Airport also experienced a decline of 15.9% from 2009 to 2010 but there was an increase of 108% from 2010 to 2012.

Table 11.9.1: Commercial Traffic at Lungi International Airport, 2009-2013

Year	AIRCRAFT MOVEMENT			PASSENGERS				FREIGHT (Kgs)			MAILS (Kgs)			Registered Airlines
	Scheduled	Non-Scheduled	Total	Embarked	Dis-Embarked	Transit	Total	Ladden	Un-Laden	Total	Laden	Un-Laden	Total	
2009	1,636	732	2,368	73,819	73,582	20,510	167,911	115,747	1,415,753	1,531,500	7,755	51,959	59,714	9
2010	1,375	594	1,969	75,919	71,098	24,378	171,395	110,580	1,357,026	1,467,606	6,850.40	43,310.50	50,160.90	10
2011	1,596	629	2,288	98,338	99,389	12,357	210,084	167,397	2,610,477	2,777,874	6,001	45,453	51,454	7
2012	1,644	740	2,384	104,439	103,128	17,603	225,170	200,255	3,821,502	4,021,757	4,795.70	50,783.50	55,579.20	9
2013	2,367	636	3,003	111,130	114,272	2,247	227,649	198,913	4,446,259	4,645,173	5,313.40	43,189.40	48,502.80	10
TOTAL	8,618	3331	11,949	463,645	461,469	77,095	1,002,209	792,892	13,651,017	14,443,910	30,716	234,695	265,441	45

Source: Sierra Leone Civil Aviation Authority (SLCAA)

11.9.2 Developments in the Transport and Aviation Sector

The Ministry of Transport and Aviation's mission is to develop policies and provide effective and efficient guidelines for the delivery of safe, reliable, affordable and sustainable Maritime, Land transport and Aviation systems throughout Sierra Leone.

This makes the Ministry of Transport and Aviation a key catalyst to the agenda for prosperity.

In Sierra Leone the transport sector consists of three modes namely, road, maritime and air transportation. All of these modes are being regulated by statutory bodies whilst the Ministry handles policy matters. The Ministry has about eight agencies and three projects as listed below:

Agencies:

1. Sierra Leone Ports Authority (SLPA)
2. Sierra Leone Maritime Administration (SLMA)
3. Sierra Leone Airports Authority (SLAA)
4. Sierra Leone Civil Aviation Authority (SLCAA)
5. Sierra Leone Road Transport Authority (SLRTA)
6. Sierra Leone Road Transport Corporation (SLRTC)
7. Sierra Leone National Shipping Company (SLNSC)
8. Sierra Leone Meteorological Departments

Projects:

1. Airport Transfer Unit (ATU)
2. Freetown International Airport Project (FIAP)
3. Transport infrastructural Development Unit (TIDU)

11.9.3 Sierra Leone Ports Authority (SLPA)

A Number of developments have taken place at the Sierra Leone Ports Authority that has helped to improve on the performance in diverse ways with in the five year period under review. There were construction of jetties and terminal buildings in Tar grin and Kissy, dredging of Queen Elizabeth 11 Quay, dredging of area in front of the lithe rage quay, procurement of tug boat for the Sierra Leone Ports Authority, rehabilitation of the Kissy oil jetty terminal and the procurement of a closed circuit Television .

Recently, the container area has been leased to Boloree shipping company that allows the company to discharge and load all container vessels and in turn pay revenue to the Government. Added to these developments, there are plans to extend four additional births, dry duck development at Jui and the deep seaport to be established

11.9.4 Sierra Leone Maritime Administration (SLMA)

In order to develop the water transportation in the country, Sierra Leone Maritime Administration that provide oversight to Sierra Leone Ports Authority whose within its ambits regulates the Sierra Leone Ports Authority through the International Maritime organization (IMO) completed the rehabilitation of inland jetties in the following areas: Gbondapi in Pujehun district, Gbangbatoke in the Moyamba district, Port Loko in Port Loko district, Rokupr Kasiri, Kychon and Mambolo in Kambia district and Mattru Jong in Bonthe district. Added to these the Sierra Leone Maritime administration also procured one search and rescue boat, completed the construction of Headquarters building and also brought in to the country Navigational Aids in 2011. There are also plans to procure two additional ferries in collaboration with the Ministry of Transport and Aviation which could help ease the Lungi Freetown Transportation problem.

11.9.5 Sierra Leone Civil Aviation Authority (SLCAA)

There are strong indications that sierra Leone is catching up and very soon should be able to re- issue Air operators certificates. In 2009 Sierra Leone civil Aviation Authority recruited five (5) University graduates as cadet officers in the Airworthiness and flight operations department and a principal liaison Officer attached to the Lungi international Airport. The Sierra Leone Civil Aviation Authority also established the Aviation security units (AVSEC) in April 2011 as an ICAO requirement under Aerodromes department to

perform Aviation security oversight functions. The Sierra Leone Civil Aviation Authority together with the Ministry of Transport and Aviation have also signed several Bi lateral air services agreements (BASA) for the commencement of additional flights to Sierra Leone.

11.9.6 Sierra Leone Airport Authority (SLAA)

The Sierra Leone Airport Authority runs and operate all Airfields for instance the Lungi International Airport and the helipad at Aberdeen through the regulation of Sierra Leon Civil Aviation Authority (SCAA). Among the several developments that have taken place at the Sierra Leone Airport Authority are the following: overlay of the runway and widening of the taxi way, improved electricity supply at the Airport, provision of navigational and communication equipments, construction of helipads and terminal buildings in lungi and Aberdeen in Freetown and refurbishment of Airport Presidential Lounge.

11.9.7 Sierra Leon Road Transport Authority (SLRTA)

The Sierra Leone roads Transport Authority have instituted the auto registration of valid licenses and in 2010 it developed the road traffic regulation to address lapses in the 1960 and 1964 road traffic regulations. It has also completed the construction of vehicle testing centre building and installed the technical equipments for vehicle testing and introduced quality transportation stickers. In collaboration with the Ministry of Transport and Aviation come December 31st there will a ban on all right hand drive vehicles in the country as a strategy to minimize road traffic accidents.

11.9.8 Sierra Leone Road Transport Cooperation (SLRTC)

The Sierra Leone Road transport cooperation with in the period under review was able to procure up to 65 new buses rehabilitated the bus depots in Freetown, Makeni and Bo. It also constructed bus stops on the highway in Freetown. There are also plans to procure 100 additional buses soonest as contract agreement has been signed with the supplier and part payment made.

On the whole the Ministry of Transport and Aviation is doing well in terms of developments as they are trying to catch up with other countries ahead in terms of Transport and Aviation.

CHAPTER 12: INFORMATION AND COMMUNICATION

12.0 Overview

The Ministry of Information and Communication sector posted a steady growth for the five year period. The sectors gross value added grew by 49.6% from 2009 to 2013. Although the post offices, private letter boxes and private mail bags had remained the same for the period under review, other areas experienced mixed performances.

The number of expedited Mail services (EMS) dropped by 212 in 2010 from 2009 representing 6.2%. It further dropped by 43% from 2010 to 2011. The total EMS handled increased by 38% in 2012 from that in 2011. The parcels handled increased by 36.1% in 2012 from 2009. The total registered items posted increased by 19.3% from 2009 to 2010, followed by a drop of 24% from 2010 to 2013.

The number of radio frequencies utilized from 2009 to 2013 increased by 22 in 2013 representing 31.4%, whilst the TV frequencies increased by three in 2013 representing 25%.

The weekly newspaper houses in operation over the five year period had continued to increase as from 2009 to 2012 it had 100% increase and 111% increase from 2012 to 2013. On the other hand the daily newspaper houses in operation increased by 5 in 2012 from 2009 representing 26% whilst it decreased by 7 in 2013 representing 29%.

12.1: Combined Gross Value Added

Table 12.1.1 presents the combined gross value added for the Ministry of Information and communication from 2009 to 2013. It shows a steady growth throughout the five year period. The sector output increased from 230186 Million Leones in 2009 to 344518 Million Leones in 2013 representing an increase of 49.6%.

Table 12.1.1: Information and Communication - Combined Gross Value Added, 2009-2013

	2009	2010	2011	2012	2013
Information and Communication (Le. Millions)	230186	256953.3	299218.3	314964.4	344518
Real Growth Rate (Percent)	4.79	4.41	4.51	4.17	4.24

Source: Statistics Sierra Leone (SSL) –National Account

12.2: Postal Services

Table 12.2.1 presents the performance of the postal services for the last five years. It shows that the number of post offices had remain the same as well as the private letter boxes and private mail bags indicating not much interest in post offices that could attract the establishment of new ones. The number of Expedited Mail Services (EMS) dropped by 212 from 2009 to 2010 representing 6.2%. It further dropped by 43% from 2010 to 2011. This drop is mainly attributed to the fact that the company (SALPOST) stopped advertising their products as they were advised by the board to stop since they were spending so much on advertisement. However, they started realizing increase in that area in 2012 as total EMS handled increased by 38% from that in 2011.

The total registered and insured items posted during the five year period increased by 19.3% from 2009 to 2010. This however dropped by 24% from 2010 to 2013. This drop is mainly as a result of improvement in technology like the internet system as most people now send documents through the internet system. Unregistered correspondence handled also had a drop of about 16.8% from 2009 to 2012, but had an increase of 9.1% from 2012 to 2013.

Parcels handled within the five year period had an increase of 36.1% from 2009 to 2012 which was due to the robust strategy taken by the institution in the area of advertisement. Since the institution stopped advertisement, the parcels handled dropped by 13% from 2012 to 2013.

Table 12.2.1: Postal services, 2009-2013

Item	2009	2010	2011	2012	2013
Post offices	38	38	38	38	38
Private Letter Boxes	3,715	3,715	3,715	3,715	3,715
Installed Letter boxes	2,914	2,914	2,914	2,914	2,914
Rented letter boxes	1,700	1,700	1,700	1,700	1,700
Private Mail Bags	2,003	2,003	2,003	2,003	2,003
Total EMS Items Handled:	3,407	3,195	1,831	2,558	2,120
Accepted	1,838	1,818	857	798	937
Delivered	1,569	1,377	974	1,760	1,183
Total Registered and Insured Items Posted:	16,100	19,215	15,496	15,142	14,614
Domestic	1,388	1,352	1,393	1,615	1,723
International	14,712	17,863	14,103	13,527	12,891
Unregistered Correspondence Handled:	797,725	699,505	661,062	663,491	723,970
Domestic	11,919	12,869	13,255	14,589	16,048
International	785,806	686,636	647,807	648,902	707,922
Parcels Handled:	2,315	2,306	3,153	3,152	2,743
Domestic	0	0	0	0	0
International	2,315	2,306	3,153	3,152	2,743
Money Orders Issues:	0	0	0	0	0
Ordinary	0	0	0	0	0
Express	0	0	0	0	0
Posta pay	0	0	0	0	0
Postal Orders Issued:	0	0	0	0	0

Source: Sierra Leone Postal Services (SALPOST)

12.3 Information and Mass Media-Broadcasting

Table 12.3.1 presents the number of Television (TV) and frequency modulation (FM) radio frequencies utilized from 2009 to 2013. The number of radio frequencies utilized from 2009 to 2013 increased by 22 in 2013 representing a percentage increase of 31.4% while three addition TV frequencies were utilized from 2009 to 2013 representing 25% increase. The highest increase in the area of radio frequencies utilized was between 2011 and 2012 which was as a result of the presidential and parliamentary elections in 2012 coupled with stability in the country that attracted more investors.

Table 12.3.1: Radio and TV Frequencies Utilized, 2009-2013

Frequencies	2009	2010	2011	2012	2013
FM Radio Frequencies Utilized	70	75	87	90	92
TV Frequencies Utilized	12	12	12	14	15

Source: Sierra Leone Independent Media Commission (IMC)

12.4 Print Media

Table 12.4.1 shows the daily and weekly newspaper houses in operation in the country from 2009 to 2013. It shows that the weekly newspaper houses in operation continued to increase over the years. The table shows that from 2009 to 2012 and from 2012 to 2013 there were increases of 9 and 20 representing 100% and 111% respectively. On the other hand the daily newspaper houses in operation increased by 5 in 2012 from 2009 representing 26% whilst it decreased by 7 in 2013 representing 29%.

Table 12.4.1: Local daily and weekly Newspaper houses in operation, 2009-2013

Newspapers Houses(Registered/In operation)	2009	2010	2011	2012	2013
Daily News papers	19	18	24	24	17
Weekly News papers	9	11	13	18	38

Source: Sierra Leone Independent Media Commission (IMC)

12.5 Developments in the Information and Communication Sector

The Vision of the Ministry of Information and Communication is to transform Sierra Leone in to a competitive and prosperous country through the development, expansion and innovative use of information communications Technologies (ICT). It's Mission is to ensure a well informed and knowledgeable nation through the development and utilization of innovative information and communication technologies and dissemination of public information with the purpose of enhancing national socio economic growth and development. With the above vision and mission its mandate includes the following:

- To provide policy guidance and strategic direction on all matters concerning the Media, access to public information, broadcasting, telecommunication postal services and information communication technology.
- Facilitate universal ubiquitous and cost effective access to information and communications infrastructure and services throughout the country.
- To promote the utilization of ICT in all spheres of life to optimize the accelerated socio-economic growth and development through dissemination of public information and provision of innovative information and communication technologies.

- To formulate and implement policies of information and communications technology.
- To provide press and information services to Government Ministries and Departments, locally and externally (High commissions, Embassies, and Missions).

With the aforementioned Vision, Mission and mandate of the Ministry of Information and communication, it has the following agencies under its supervision: Sierratel, Natcom, Salpost, Government printing Department, Independent Media commission (IMC) Sierra Leone Broadcasting cooperation (SLBC) and Sierra Leone Cable Ltd (SLCAB).

Within the five year period under review, the Ministry has experienced several developments mainly through its agencies.

12.6: Salpost

Salpost has experienced great development in an effort to rebranding the image of the institution over the years. The institution now has what we call track and trace system which has been in operation since 2008. This will help customers to locate the position of their documents posted at any time during the post period. This has helped to build confidence in the customers.

In 2010 the Sierra Leone Broadcasting Service was transformed from a government owned entity to a public corporation, the Sierra Leone Broadcasting Corporation (SLBC). As a result several radio stations were reabsorbed into the corporation and also established regional TV offices/Stations in Bo, Kenema, Makeni and some other District Headquarter towns. Due to the Ebola outbreak in Sierra Leone in 2014, the Sierra Leone Broadcasting corporation Television (SLBCTV) had now gone global.

The Independent Media Commission (IMC) was established in 2000 with the sole mandate of regulating the media in Sierra Leone. Its establishment has made it possible to pluralize the media within the review period as it now serves as a monitoring office that register media houses.

12.7: National Telecommunications Commission (NATCOM)

NATCOM is the public commission responsible for regulating the operations of telecommunication activities in Sierra Leone. Their activities include the creation of the communications (ICT) directorate to spearhead all ICT innovations countrywide in 2011. This was followed by the creation of ICT Units and the posting of ICT Officers to Ministries Departments and Agencies (MDA's) in 2012.

The implementation of the ECOWAN Project interconnecting Sierra Leone to Liberia and Guinea since 2011, but still in progress. Phase one of the dedicated security information systems has been completed. The implementation of the terrestrial Fiber Backbone interconnecting major Towns and cities now in progress. The Sierra Leone Cable Limited (SLCAB) now operational to manage the fiber optic cable project. The Submarine Fibre Optic has been launched and in use since February 2013. As another major development in the Ministry of information and communication, it is worthy to note that Sierra Leone is now connected to the World through the ACE Fibre submarine cable with all operators and ISPs actively connected.

Other developments includes: The draft communications law that has been prepared, Establishment of the right to Access information commission, establishment of sixteen pilot schools as change agent in secondary schools, organizing of weekly press conferences to provide the public with access to government information, activities and plans and above all conducted a successful pre and post elections campaign which immensely contributed to a transparent and violent free elections in 2012.

CHAPTER 13: PRODUCER PRICE INDEX (PPI)

13.0. Overview

The PPI is defined as “A measure of the change in the prices of goods either as they leave their place of production-output prices (at basic or producer prices) or as they enter the production process- Input prices (at purchaser prices) (OECD).” The prices of different goods and services do not all change at the same rate, therefore, a price index can reflect only their average movement which assumes a value of unity, or 100, in some base period. The values of the index for other periods of time show the average proportionate, or percentage, change in prices with reference to a particular period known as the Base Period. This new Producer Price Index (PPI) is based on the results of the 2005 Business Establishment Census (BEC) which served as baseline data on the industrial structure of the economy. The data were meant to generate weights for the construction of a reliable Producer Price Indices (PPI) amongst other purposes. The PPI provides a weighted average of the price changes in a group of products between one time period and another. The average price change over time cannot be directly observed and must be estimated by measuring the actual prices at different points in time.

The index provides information content on macroeconomic performance. They are direct indicators of the purchasing power of money in various types of transactions and other flows involving goods and services. PPIs are designed to measure either the average change in the price of goods and services as they leave the place of production or as they enter the production process. A monthly or quarterly PPI with detailed product and industry data allows monitoring of short-term price fluctuation for different types or through different stages of production. As such, they are also used to deflate nominal measures of goods and services produced, consumed, and traded to provide measures of volumes. Consequently, these indices are important tools in the design and conduct of the monetary and fiscal policy of the government, but they are also of great utility in informing economic decisions throughout the private sector especially in indexing long-term contracts to take the inflationary risk out of the contract. They do not, or should not, comprise merely a collection of unrelated price indicators, but provide instead an integrated and consistent view of price developments pertaining to production, consumption, and international transactions in goods and services. Is also,

used for indexation for cost escalation for the long term contract of goods and services. In summary, PPI index can be used:

- To measure either the average change in the price of goods and services as they leave the place of production or as they enter the production process.
- To deflate nominal measures of goods and services produced, consumed, and traded to provide measures of volumes.
- To inform economic decisions throughout the private sector especially in indexing long-term contracts to take the inflationary risk out of the contract.
- Important tools in the design and conduct of the monetary and fiscal policy of the government.

The sampling frame is based on the Business Register developed from the Business Establishment Census, 2005 conducted by Statistic Sierra Leone in collaboration with other relevant institutions and is annually updated using administrative data. In recognition of the fact that the weighting structure determines to a large extent the accuracy and reliability of the PPI, aggregation and weighting structure for the PPI weights reflects the quantities of goods produced and valued at producer's price by establishments during the initiation phase of the PPI the 2011 export values for the mining and quarrying sectors were used to develop weights based on customs data. "Cut-off sampling" instead of probability sampling was used to determine and select the establishments for pricing. The criterion used to select the establishments was based on the number of employees including the proprietor. All establishments with five (5) or more employees were selected and excluded otherwise. The selection of the sample of establishments for the collection of product prices each quarter was done at the 5-digit CPC level, based on the sampling methodology. As far as possible, at least two, and preferably three, establishments were selected for each industry to support rigorous inputting and editing of the reported prices. Given the design of the questionnaire, trained data collectors collected point-in-time prices that relates to product on a particular date on the nearest possible trading day of the fifteenth of the month detailing the name of the establishment, address of the establishment, main activity with code, product code with detailed description of product and price of product. This approach made the collection date straightforward making sure that prices provided relate to transactions on that date. Products were classified according to the relevant Central Product Classification (CPC) system version 2 and industry level is classified using

International Standard Industrial Classification (ISIC) version 5. The CPC is used to identify products aggregated according to ISIC that represents industry. The weights for the sampled establishments covered the entire four-digit industry. Likewise, weights for the products selected within an establishment included the entire weights for the sampled establishment.

For quality assurance, completed return questionnaire are examined noting the specification pricing method- Pricing to constant quality-sample of specified products selected in consultation with businesses, for repeated pricing. All characteristics that influence the transaction price (make, model, type of packaging, conditions of sale etc.) are looked at noting any price changes. For specifications or quality change over time, adjustments were made accordingly. With experience of the major problems verifying data reported by mining establishments, prices of establishments were inputted using index Processing System and Treatment of Missing Establishments/Prices for temporarily missing prices. Also, to spot and correct outliers, “Min-Max check” and conditional formatting techniques for price relatives were employed. Using appropriate aggregation index formula, Geometric Modified Laspeyres index is used for compiling the PPI. This has the advantage of facilitating the introduction of new transactions without having to do imputation of base period prices. It allows the use of short-term price changes of similar items when prices are missing and easier to deal with in the case of quality changes and data validation by identifying extreme price movement.

13.1. Key Findings and Highlights

The PPI for Sierra Leone reports the price indices with reference to 2011, the base period. This bulletin shows the producer price changes since 2012, as well as average quarterly price change for all industry for the periods 2012,2013 and 2014 and four major sub-sectors of industry-Mining and Quarrying, Manufacturing, Electricity, Gas, Steam and air conditioning and Water collection, Treatment and supply.

13.1.1 Mining and Quarry Industry

From Table 13.1 below, *in the first quarter*: 2012Q1, 2013Q1 and 2014Q1, the industry’s PPI stood at 99.92, 126.47 and 100 with average quarterly percentage price change of (+0.85%), (+5.01%) and (-12.58%) respectively. Two main change factors are iron ore and non-ferrous metal ore with average quarterly percentage price change of (-0.97%) and (+11.65%) in 2012Q1, (+78.01%) and (+60.00%) in 2013Q1 and (-40.30%) and (-100.00) in 2014Q1 respectively.

In the second quarter: 2012Q2, and 2013Q2, the industry’s PPI stood at 105.72 and 151.59 with average quarterly percentage price change of (+2.35%), and (+0.20%) respectively. This driven by an average quarterly percentage price change of (-12.65%) and (+17.69%) of in 2012Q2, (-0.45%) and (-%25.00%) in 2013Q2 of iron ore and Non-Ferrous Metal ore respectively.

In the third quarter: 2012Q3, and 2013Q3, the industry’s PPI stood at 96.63 and 160.28 with average quarterly percentage price change of (+20.56%), and (+3.20%) respectively. This driven by an average quarterly percentage price change of (45.01%) and (-60.12%) in 2012Q3, (-45.00%) and (16.67%) in 2013Q3 of iron ore and non-ferrous metal ore respectively.

In the fourth quarter: 2012Q4, and 2013Q4, the industry’s PPI stood at 127.32 and 152.92 with average quarterly percentage price change of (+20.56%), and (+3.20%) respectively. This driven by an average quarterly percentage price change of (45.01%) and (-60.12%) in 2012Q3, (-45.00%) and (16.67%) in 2013Q3 of iron ore and Non-Ferrous Metal ore respectively.

In the fourth quarter: 2012Q4, and 2013Q4, the industry’s PPI stood at 127.32 and 152.92 with average quarterly percentage price change of (+8.60%), and (+0.65%) respectively. This is driven by an average quarterly percentage price change of (45.21%) and (-50.21%) in 2012Q4, (-40.30%) and (-14.29%) in 2013Q4 of iron ore and non-ferrous metal ore respectively. See Figure 12.1 below.

Figure 13.1.: Average Quarterly percentage (%) price changes by Mining and Quarry Industry, 2012-2013:Q1-Q4&2014:Q1



Source: Business and Industry, Statistics Sierra Leone

13.1.2 Electricity Gas, Steam and Air condition Industry

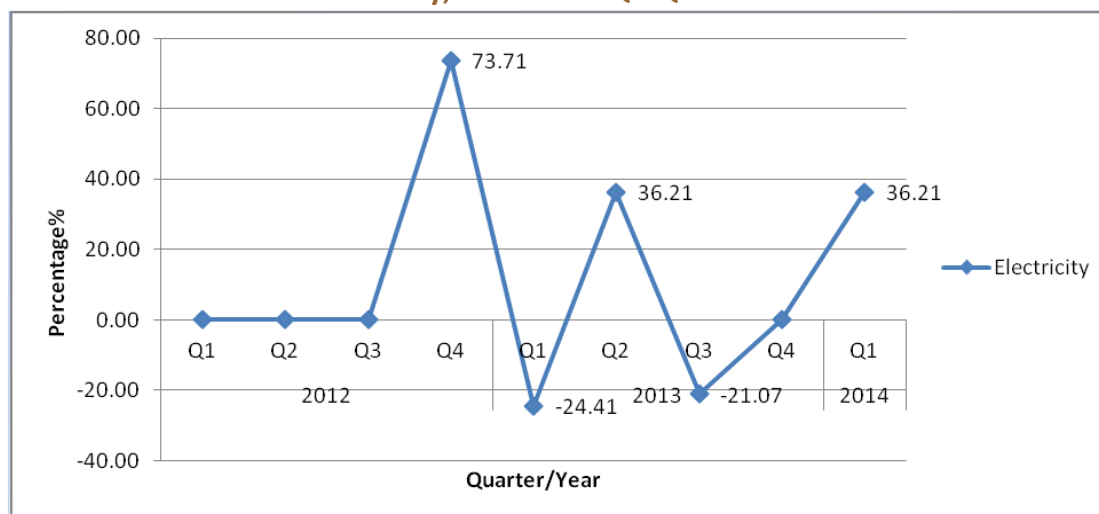
From Figure 13.2 below, **in the first quarter:** 2012Q1, 2013Q1 and 2014Q1 the index stood at 100 and 102.34 and 157.28 with average quarterly percentage price change of (+0.00%), (-24.41%) and (+36.21%) respectively. The change is driven by average quarterly percentage price change of electric power generation, transmission and distribution (+2.35%) and Steam and air conditioning supply (+6.73%) in 2012Q1 and electric power generation, transmission and distribution (-1.85%) in 2013Q1.

In the second quarter: 2012Q2 and 2013Q2, the index stood at 100.09 and 157.60 with an average quarterly percentage price change of (+36.21%) in 2013Q2.

In the third quarter: 2012Q3 and 2013Q3, the index stood at 100 for each period with average quarterly percentage price change of (-21.07%) in 2013Q3.

In quarter four: 2012Q4, the index stood at 173.92 with average quarterly percentage price change of (+73.71%) and influenced by electric power generation, transmission and distribution (+0.35%) and an index of 100 with average quarterly percentage price change of (+36.21%) and influenced by electric power generation, transmission and distribution (+0.04%) in 2013Q4. See Figure 13.2 below.

Figure 13.2: Average Quarterly percentage (%) price changes by Electricity Gas, Steam and Air condition Industry, 2012-2013:Q1-Q4 & 2014



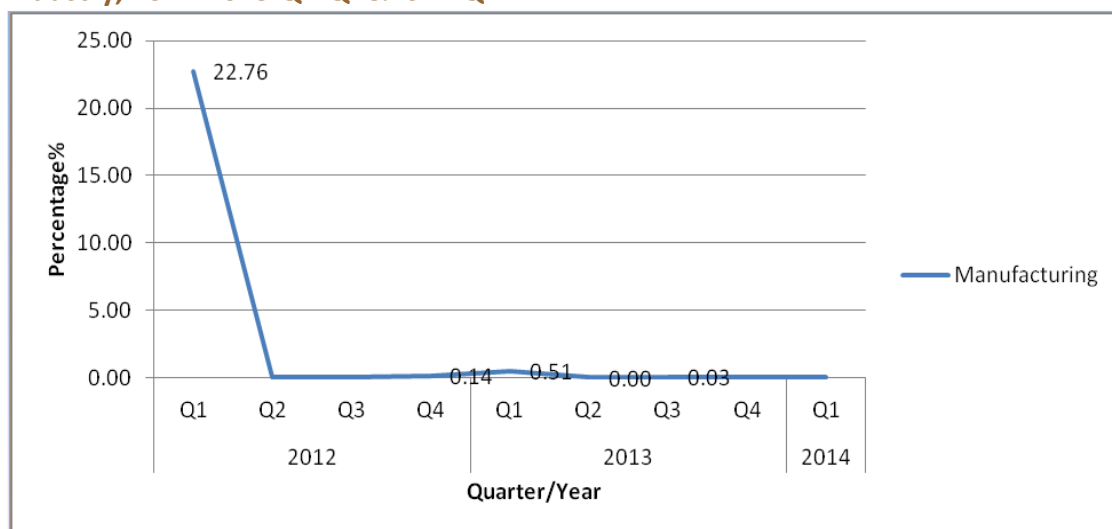
Source: Business and Industry, Statistics Sierra Leone

13.1.3. Manufacturing Industry

Manufacturing is an important sub-sector of the industrial sector comprising of small-scale enterprises, mainly concern with processing of raw materials and of light manufacturing for the domestic market. The industry produces beverages, textiles, footwear, cements, paints, soft drinks; production of mineral waters and other bottled waters and cigarettes. A strong domestic demand supported by electricity supply potentially boost production levels.

From Figure 13.3 below, the manufacturing industry shows a substantial influence on the overall index **in the first quarter** of 2012Q1, 2013Q1 and 2014Q1 with an index of 180.87, 104.39 and 100 in 2012Q1, 2013Q1 and 2014Q1 with average quarterly percentage price change of (+22.76%), (+0.51%) and (+0.00%) respectively. The change is driven by average quarterly percentage price change of manufacture of bakery product (+0.31%), manufacture of cocoa, chocolate and sugar confectionery (+9.51%) and distilling, rectifying and blending of spirits (+1.27%) in 2012Q1 and manufacture of bakery products (+2.34%) and distilling, rectifying and blending of spirits (-0.20%) in 2013Q1 and distilling, rectifying and blending of spirits (-0.12%) and manufacture of bakery product (+0.0.9%) in 2014Q1 respectively.

Figure 13.3: Average Quarterly percentage (%) price changes by Manufacturing Industry, 2012-2013:Q1-Q4&2014:Q1

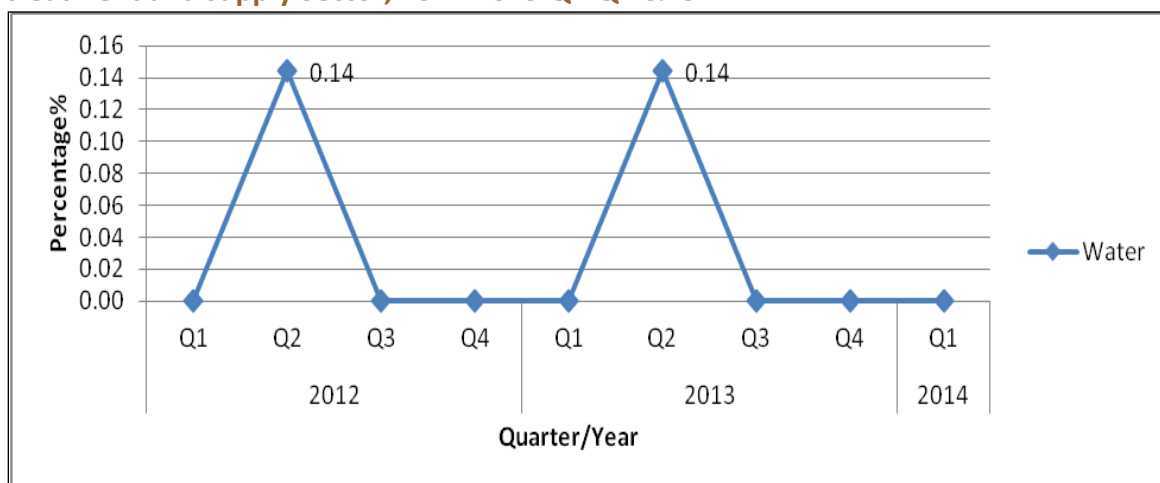


Source: Business and Industry, Statistics Sierra Leone

13.1.4. Water collection, Treatment and Supply Industry

In the second **quarter**: 2012Q2, the index stood at 97.88 with average quarterly percentage price change of (+0.14%) and (+0.14%) in 2012Q2 and 2013Q2 respectively. This is influenced by water supply (+0.03) and (+0.05%) in 2012Q2 and 2013Q2. See Figure 13.4 below.

Figure 13.4: Average Quarterly percentage (%) price changes by water collection, treatment and supply Sector, 2012-2013:Q1-Q4 & 2014



Source: Business and Industry, Statistics Sierra Leone

13.1.5. Overall Industry

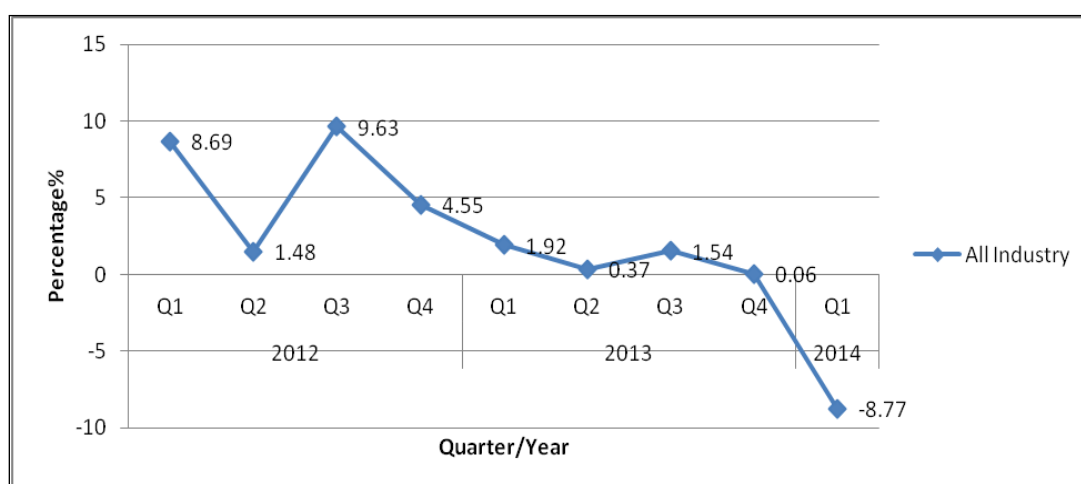
In quarter 1: 2012Q1, 2013Q1 and 2014Q1, overall/aggregate PPI stood at 123.42, 142.49 and 123.39 with percentage change of (+8.69%), (+1.92%) and (-8.77%) respectively and influenced by mining and quarry (+0.85%) and manufacturing (+22.76%): 2012Q1; mining and quarry (+5.0%), manufacturing (0.51%) and Electricity, Gas, Steam and Air condition (-24.41 %): 2013Q1 and mining and quarry (-12.58%) and Electricity Gas, Steam and Air condition (36.21%): 2014Q1.

In quarter 2: for the period 2012 and 2013 aggregate PPI stood at 127.87 and 161.07 with percentage change of (+1.48%) and (+0.37%) respectively and influenced by Mining and Quarrying (+2.35) and Water collection, Treat and Supply (+0.14%): 2012Q2 and Mining and Quarry(+0.20%), Electricity Gas, Steam and Air condition (36.21%), Water collection, Treat and Supply (+0.14%):2013Q2.

In quarter 3, for the period 2012 and 2013 aggregate PPI stood at 119.56, and 166.33 with percentage change of (+9.63%) and (+1.54%) respectively and driven by Mining and Quarrying (+20.56%) with no percentage change in manufacturing price, Electricity Gas, Steam and Air condition and Water collection, Treatment and Supply price in 2012Q3.

In quarter 4, for the period 2012Q4 and 2013Q4, aggregate PPI stood at 143.50 and 166.39 with percentage change of (+4.55%) and (+0.06%) respectively and driven by Mining and Quarrying (+8.60%), manufacturing (+0.14%), Electricity Gas, Steam and Air condition (+73.71%) with no percentage change in Water collection, Treatment and supply in 2013Q4.

Figure13.5: Average Quarterly percentage (%) price changes by all industries, 2012-2013:Q1-Q4&2014



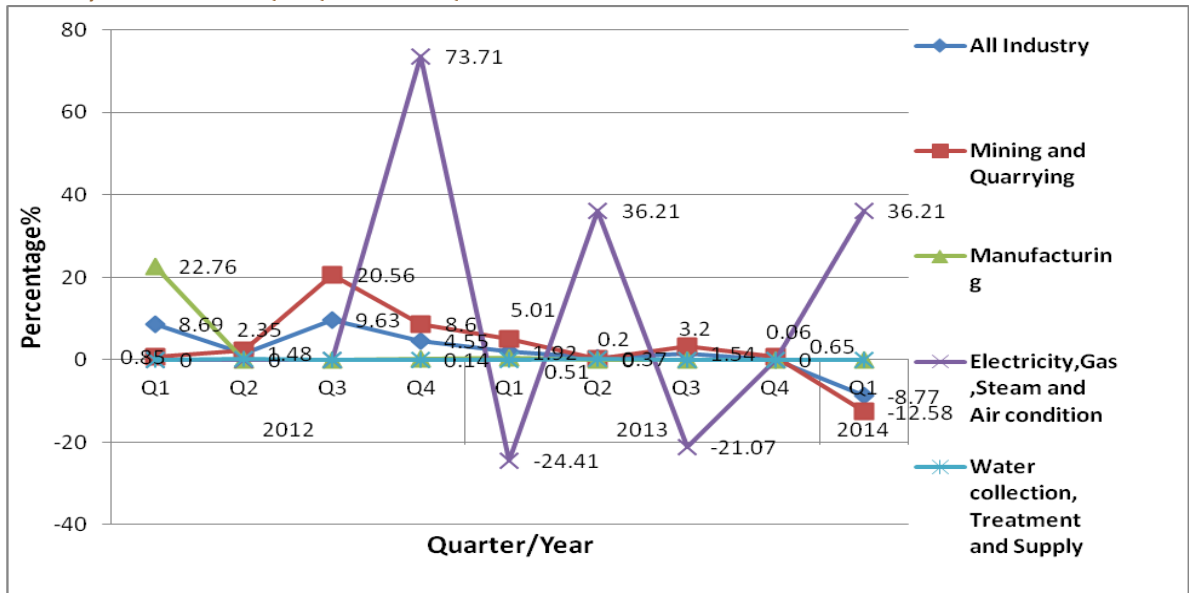
Source: Business and Industry, Statistics Sierra Leone

Table 13.1. Average Quarterly Producer Price Index (PPI)

Average Quarterly Producer Price Index										
Year		2012				2013				2014
Industry Group (ISIC Description)	Weights (%)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
All Industries	1000	123.42	127.87	119.56	143.5	142.49	161.07	166.33	161.39	123.39
Mining and quarrying	633.03	99.29	105.72	96.63	127.32	126.47	151.59	160.28	152.92	100
Manufacturing	273.76	180.87	100	100	99.96	104.39	99.06	100	100	100
Electricity, Gas steam & Air conditioning	88.474	100	100	100	173.92	102.34	157.6	100	100	157.28
Water collection, Treatment & Supply	4.743	100	100	100	100	100	157.28	100	100	100

Source: Business and Industry, Statistics Sierra Leone

Figure 13.6: Summary Graphs of Annual Quarterly percentage (%) price changes by Sector, 2012-2013:Q1-Q4&2014:Q1



Source: Business and Industry Statistics Section, SSL

14.0. Overview

Since the inception of the Sierra Leone Business Confidence Index, one affirmative outcome of this study was that sentiments about future business outlook were higher than sentiments about past/current business performance. This means that business executives were confident about future expectations, in consternation that there will be an improvement in the performance of all indicators, which is an indication that macroeconomic, and governance indicators are not yet out-of-control, all things being equal.

The data has showed there was a high level of capacity underutilization in all sectors surveyed particularly in the manufacturing sector. Capacity underutilization is associated with increasing costs as total costs per unit remain high. Thus, the results show that most managers reported below normal profitability or decrease in profitability due to increased competition from cheap imports, inflation and insufficient electricity and water supply.

Widespread capacity underutilization implies that actual output was below the economy's potential output. A negative output gap may create problems of unemployment (which is widespread among the youth), weak business profits and low investment. With a low output base there is likely to be a large number of people out of work, which means that wages could decline. A decline in demand and slump in profits also mean that the amount of tax revenue being generated would decline.

Due to a one-digit inflation currently in Sierra Leone, Inflationary pressures have declined but it is however worthy to further investigate the extent of capacity underutilization particularly in industry and the implications for monetary policy.

The negative sentiments about Governance factors such as effect of bureaucracy, effect of internal political climate, effect of corruption and effect of crime had immense impact on both the medium and small scale size establishments. The main reason for this decline is accounted for by the deterioration of the 'governance factor' index resulting

mainly from the deterioration of the “Effect of Bureaucracy”. This “Effect of Bureaucracy” index captures issues such as the provision of utilities (water and electricity) and deregulation issues.

The electricity supplied in the city though improved but still largely inadequate to support efficient business operations in the country and the same can be said of water in the country. Although the exchange rate is stable and inflation is on the decline, yet the absence of adequate supply of water and electricity affected the sentiments of business operations since these basic commodities are required for effective production and capacity utilization, which in turn affected the cost of production.

The main governance factors undermining business confidence in all the sectors were bureaucracy, corruption and crime. The impact of internal political climate was manageable although above normal. The focus of policy should therefore be to intensify the current efforts to reduce crime, corruption and bureaucratic procedures on business operations in the country.

The survey for the compilation of the Sierra Leone Business Confidence Index (SLBCI) was approved by the Monetary Policy Committee following the need expressed by the Monetary Policy Technical Committee for a tool to gauge and manage business expectations. This is the fifth year this index is being compiled in Sierra Leone (the first was in 2010), which was meant to capture the perception of business people on the economy. The Index therefore, measures the perception of top business executives and managers of business establishments on the past/current and future political and macroeconomic developments and indicators as they affect business performance and expectations. The Business Confidence Index is presented as a Diffusion Index (DI) and measured on a scale of 0 to 100, where 0 indicates total lack of confidence and 100 indicates extreme confidence. A score of 50 index point indicates business sentiments remain stable. The Survey Questionnaire covers eight broad themes that together address 20 specific economic policy relevant issues. Questions asked in the survey require the respondent to choose among three options; normal, above normal or below normal or same, increase or decrease. Two types of indices are compiled; the past/current business outlook index (the index derived from perceptions about past/current performance), and the business expectations outlook index (the index derived from business peoples’ expectation of performance three months in advance). These two indices are calculated for every variable and aggregated to form a composite business confidence index.

14.1. Objective of the Survey

The main aim of the Sierra Leone Business Confidence survey is to obtain qualitative information for use in monitoring the current and future business situation and forecasting short-term developments in the economy. It is intended to provide economic decision makers particularly the Monetary Policy Committee with necessary information about future business outlook and expectations that could be used to determine monetary policy. The survey is carried out with the aim of finding out the opinion of senior managers of the major private sector enterprises about the recent past, present and the future macroeconomic developments as they affect production, investment, demand, sales, capacity utilization and inflation expectations. It is widely recognized that business peoples' expectations play a major role in economic development and taking this into consideration in making short-term business decisions is crucial to avoid economic and financial crisis.

14.2. Processing, Analysis and Reporting of the Survey Results

14.2.1. Index Estimation Procedures

In the survey questionnaire, respondents were given any of three answer choices to select from for each question. The choices may be differently worded but they can broadly be classified as positive, negative and unchanged. This is the standard practice in confidence surveys. These qualitative responses are then converted into quantitative responses by scoring the responses received using the criteria below:

- The score of +1 is assigned to the answers that show positive sentiment
- The score of 0 is given to “unchanged” answers.
- The score of -1 is assigned to “negative” responses

Two approaches are used to estimate the indices; the balances approach (Net-Balances) and the Diffusion Indices approach. In using the Balance Approach, the positive (1), neutral (0) and Negative (-1) responses are first converted into percentages. The net balance is calculated by subtracting the negative percentages from the positive percentages. The formula used to compute the balances is $B=100(P-N)$ where P is the

fraction of positive responses in the total and N is the fraction of the negative responses in the total.

The net balances computed are then converted into diffusion indices using the following relationship; $DI = (100 + B)/2$ where DI is the Diffusion Index and B is the Net Balances computed as above.

The indices computed using the net balances approach range from -100 to 100 while diffusion indices range from 0 to 100. The Sierra Leone Business Confidence Index is presented as a diffusion index for ease of presentation and interpretation. However, both index types have exactly the same information content and each represents another way of presenting the same information. First balances are computed for each question based on the total number of responses for each of the three response option. Using the formula outlined above, an elementary diffusion index is computed for each question. The overall indices by sub-indicator, main indicator and eventually sector are computed as simple averages of the item indices. Separate indices are computed for Industry, Construction, Wholesale and Retail Trade, and Other Services Sectors. These are then aggregated to compute the overall Business Confidence Index. The index is computed as a past/current performance index and a future expectations index. It is also presented by size of establishments divided into small scale establishments (< 9 employees), medium scale establishments (10-49 employees) and large scale establishments (50+ employees).

14.2.2. Type of Indices Computed

Broadly, two types of indicators are computed:

- (A) ***Confidence-building Indicators*** - These indicators capture positive sentiment about the economy-they are those that relate to general economic situation, sales volumes, output levels, business turnover, profitability, investment plan, capacity utilization, and employment level.

These indicators are summarized as follows:

1. General Economy and Business Outlook (positive average)
 - Business Outlook
 - Economy Wide Outlook
2. Sales volumes (positive average)
 - Sales volumes
3. Turnover/Selling Prices (positive average)
 - Profitability
 - Orders Placed With Suppliers
 - Average Selling Prices
4. Investment Plans (positive average)
 - Investment Changes
 - Capacity Utilization
5. Employment Total (positive average)
 - Employment Levels

Thus the net-balances of these 5 main indicators were given a positive sign in the computation of the composite DI

(B) Confidence-under mining Indicators - These indicators capture negative sentiments of business owners. Three broad indicators are estimated here as show below:

1. Finance and Credit Markets (negative average)
 - High Interest Rates
 - Non-availability of Bank Credit
 - Non-availability of Credit from other Financial Sources
 - Non-availability of Foreign Exchange
2. Macroeconomic Factors (negative average)
 - Taxes
 - Inflation
 - Exchanger Rate instability

3. Governance Factors Summary (negative average)
 - Effect of Corruption
 - Effect of Crime
 - Effect of Bureaucracy
 - Effect of Internal Political Climate

As a result, the net-balances of these 3 main indicators (6-8) were given a negative sign in the computation of the composite DI

14.2.3. Computing the Overall Composite Index

The overall index is computed as a weighted average of all the positive and negative indices highlighted above (all 8 of them) and 50 is added to that average. This is because for a DI 50 is the base; 50 is therefore the benchmark for comparison. This is done for both the current and expected indices. Thus overall index is computed as follows: Average (1,2,3,4,5,-6,-7,-8)+50.

14.2.4. Weights

Two sets of weights are used in the computation of the overall index: establishment weights and sectorial weights. Establishment weights are obtained from the business register based on the sample selected, while sectorial weights are obtained as the sectorial share in the gross domestic product (GDP). The two weights ensured that the index obtained is nationally representative.

14.2.5. Interpretation of Results

A Diffusion Index ranges from 0 to 100 and is interpreted as follows;

- (I) Index of 50 means that business sentiment remains stable.
- (II) Index above 50 means business confidence has improved
- (III) Index below 50 means business confidence has worsened

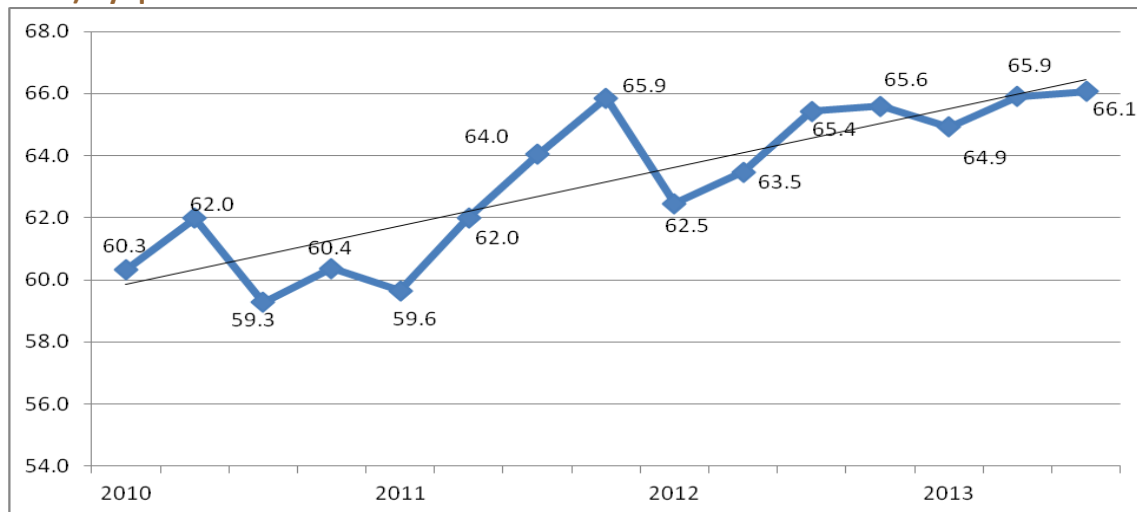
In the computation of the overall index the following variables; Finance and Credit Markets (Effect of High Interest Rates, Non-Availability of Bank Credit, Non-Availability of Credit from other sources and Non-Availability of Foreign Exchange); Macroeconomic Factors (effect of taxes, Inflation and Exchange Rate Instability); and Governance Factors (Effect of Bureaucracy, Corruption, Crime and Internal Political Climate) were computed as confidence undermining factors and hence assigned a negative value. As a result, a score above 50 for each of these factors should be regarded as deterioration in the confidence level. Since these variables are regarded as confidence undermining factors, the higher the score on them the lower the business confidence. Thus in the computation of the overall index their individual scores are netted out as a negative balance.

14.3 PRESENTATION AND ANALYSIS OF SURVEY RESULTS

14.3.1. The Indicators of Business Confidence

The Sierra Leone Business Confidence survey questionnaire contained 40 questions, 20 intended to address past/current business performance and 20 to measure future business expectations. The questions covered eight broad themes that together addressed 20 specific economic policy relevant issues on both past/current business performance and future expectations. There were four questionnaires which were similar in scope but each modified slightly to suit the special needs of the sector surveyed. Three optional multiple choice questions were used in harmony with standard practice. Respondents were asked for judgment on business developments in the recent past, and give assessment of the current situation and their expectation on the future trend of the selected indicators. When asked to assess their current business operations respondents were asked to state whether they were; “above normal”, “normal” or “below normal”. Alternatively questions on business expectations required the respondents to state whether their future operations will “increased”, “decrease” or remain the “same”.

Figure 14.3.1: Overall business confidence index annual average for each year (2010-2013) by quarter



Source: Statistics Sierra Leone

Figure 14.3.1, elucidates the Overall Business Confidence Index of each quarter in the years 2010-2013. *It is worthy to note that the Sierra Leone Business Confidence Index was first conducted in the second quarter, 2010.*

The Overall Business Confidence Index annual average for each quarter in each year experienced fluctuations throughout the quarters in each year. From Q2, 2010 – 2013 there's been improvement in the confidence of business operators of 4.1% even though with fluctuations.

When comparing the Annual average for each quarter in each year, it can without a doubt be observed that the performance index of Q1 between years 2011-2013 was at 60.4% in 2011 but increased and remained the same for years 2012 and 2013 at 65.9%, which implies that business operations sentiments in Q1 for 2012 and 2013 was same.

In Q2, the performance index which was at 60.3% in 2010 dipped to 59.6% in 2011 but improved over the years from 2012-2013 respectively 62.5% 64.9%. These stronger sentiments could be attributed to the improved sentiments expressed about the impact of macroeconomic and governance factors such as increase in the sales volume, turnover/selling price (profitability, orders placed with suppliers, average-selling prices), investment plans, declining inflation rate and stable exchange rate during 2012.

In Q3, the performance index remained the same at 62% in years 2010 and 2011 but increased in 2012 (63.5%) and further increased in 2013 (65.9%).

In Q4, the performance index in 2010 was at 59.3% and increased along the years 2011-2013 (64%, 65.4%, and 66.1%) respectively without experiencing a drop. This could be attributed to the Christmas festive season, which normally boosts sales for many businesses in the country.

As a matter-of-fact, the Annual average appreciated in each year signifying that business sentiments along the years have greatly improved, with 2011-2012 recording the highest significant increase.

The enhanced sentiments of business executives throughout the years could be attributed to the stable macroeconomic environment prevailing in the country, in addition to the declining trend of inflation (which as at September 2013 had dropped to a single digit), stable exchange rate, robust economic growth, stable tax regime, improved security situation, and increase in water and electricity supplies. There are also signs of declining interest rate and this decline in interest rates, if sustained in the coming and years, could lead to expansion in economic activities in the country as entrepreneurs may now have a more secure source of finance at a cheaper cost. This hope for cheaper credit has therefore enhanced the sentiment of business people regarding the conduciveness of the business environment in the country.

Table 14.3.1: Business Confidence Index by Sector for Each Quarter, Between the Years 2010-2013

Period	Construction	Manufacturing	Other Services	W/R Trade
Q1-Q4, 2010	-	-	-	-
	57.49	56.02	68.44	54.66
	64.85	58.57	66.62	57.60
	60.04	60.11	59.75	58.60
Q1-Q4, 2011	64.28	55.40	66.67	53.88
	59.43	54.64	66.11	55.03
	66.17	56.42	68.35	55.67
	65.49	56.84	69.73	58.86
Q1-Q4, 2012	68.42	59.33	68.66	63.95
	66.67	57.12	66.54	60.69
	68.42	59.33	68.66	63.95
	61.68	58.68	67.59	67.43
Q1-Q4, 2013	63.50	61.32	66.22	69.38
	61.96	58.38	66.07	67.43
	62.06	60.16	67.59	67.94
	61.68	58.68	68.23	68.70

Source: Statistics Sierra Leone

Since the inception of the Sierra Leone Business Confidence Index till date it has being observed that the manufacturing sector has had greater challenges to deal with when compared to the other sectors. Further detailed explanations can be seen in the preceding tables below.

Table 14.3.1.1: 2010 Overall Business Confidence Indicators by Sector

Quarter	Construction		Manufacturing		Other services		W/R Trade	
	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook
Quarter 2, 10	52.09	62.9	50.98	61.05	63.39	73.48	51.63	57.69
Quarter 3, 10	60.28	68.4	56.93	59.49	60.92	70.6	53.59	59.92
Quarter 4, 10	59.56	60.51	59.7	60.51	59.05	60.45	58.77	58.43

Source: Statistics Sierra Leone

In 2010, when analyzed by sector for quarter 2, Manufacturing had the least current outlook of 50.98%, followed by Wholesale and Retail Trade (51.63%) and construction (52.09%), which is partly explained by the GST impact on these sectors. These indices improved considerable in quarters 3 and 4. Other services sector expressed the strongest business sentiments regarding past/current business operations for quarters 2 and 3; whereas in quarter 4, all four sectors expressed similar sentiments regarding past/current business index of about 59%.

Expectations were generally higher than normal for each sector in each quarter; expectations were particularly higher in other services sector with 73.48 in quarter 2, 70.60 in quarter 3 and 60.45 in quarter 4.

Table 14.3.1.2: 2011 Overall Business Confidence Indicators by Sector

Quarter	Construction		Manufacturing		Other services		W/R Trade	
	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook
Quarter 1, 2011	62.03	66.54	51.72	59.09	60.64	72.70	48.86	58.91
Quarter 2, 2011	58.91	59.95	52.93	56.36	60.96	71.25	50.97	59.09
Quarter 3, 2011	65.28	67.06	53.97	58.88	62.39	74.30	50.82	60.52
Quarter 4, 2011	64.06	66.92	54.81	58.86	63.95	75.50	55.33	62.40

Source: Statistics Sierra Leone

In 2011, when analyzed by sector, Wholesale Trade recorded the least Past/Current Business Outlook of 48.86%, 50.97% and 50.82% in quarters 1, 2 and 3 while in quarter 4 Manufacturing has the least current outlook of 54.81%, which is partly explained by the impact of double digit inflation on these sectors. These indices improved in quarter 4.

Construction sector expressed the strongest business sentiments regarding past/current business operations for quarters 1 at 62.03%, 3 at 65.28% and 4 at 64.06%. Other Services expressed the strongest business sentiments regarding Past/Current Business Outlook in quarter 2 at 60.96%.

Expectations were generally higher than normal for each sector in each quarter and particularly higher in Other Services Sector with 72.70% in quarter 1, 71.25% in quarter 2, 74.30% in quarter 3 and 75.50% in quarter 4.

Table 14.3.1.3: 2012 Overall Business Confidence Indicators by Sector

Quarter	Construction		Manufacturing		Other services		W/R Trade	
	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook
Q 1, 2012	62.91	73.93	57.18	61.48	63.37	73.96	58.59	69.31
Q 2, 2012	62.02	71.32	54.92	59.31	61.20	71.88	55.58	65.79
Q 3, 2012	62.91	73.93	57.18	61.48	63.37	73.96	58.59	69.31
Q 4, 2012	57.71	65.66	57.13	60.24	64.25	70.92	58.85	76.00

Source: Statistics Sierra Leone

In 2012, the by sector analysis shows that all through quarters 1, 2, 3 and 4, manufacturing sector recorded the least percentage in both Past/Current Business Outlook of 57.18%, 54.92%, 57.18%, 57.13% and Expected Business Outlook of 61.48%, 59.31% 61.48% and 60.24% respectively which is partly explained by the impact of double digit inflation on these sectors.

Other Services sector expressed the strongest business sentiments regarding past/current business operations for quarters 1, 2 and 4 of 63.37%, 61.20 and 64.25 respectively as can be seen in the above table.

Table 14.3.1.4: 2013 Overall Business Confidence Indicators by Sector

Quarter	Construction			Manufacturing			Other services			W/R Trade		
	Past/Current Business Outlook	Expected Business Outlook	Overall Index	Past/Current Business Outlook	Expected Business Outlook	Overall Index	Past/Current Business Outlook	Expected Business Outlook	Overall Index	Past/Current Business Outlook	Expected Business Outlook	Overall Index
Q1, 2013	60.0	67.0	63.5	59.7	62.9	61.3	63.3	69.2	66.2	60.4	78.4	69.4
Q2, 2013	57.2	66.7	62.0	56.9	59.9	58.4	63.1	69.1	66.1	58.9	76.0	67.4
Q3, 2013	58.0	66.2	62.1	58.3	62.0	60.2	64.2	70.9	67.6	59.1	76.8	67.9
Q4, 2013	57.7	65.7	61.7	57.1	60.2	58.7	64.8	71.7	68.2	59.4	78.0	68.7

Source: Statistics Sierra Leone

In 2013, the Overall Business Confidence indicators by sector analysis as regards business operations shows that Wholesale Trade expressed the strongest sentiments (percentage

index point) in all quarters followed by Other Services and Construction Sector while the Manufacturing sector recorded the least percentage index point.

Table 14.3.2: Sierra Leone Business Confidence by Size

Description	Small		Medium		Large	
	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook	Past/Current Business Outlook	Expected Business Outlook
Q1-Q4, 2010	-	-	-	-	-	-
	53.03	60.63	53.68	65.33	57.96	66.43
	56.78	66.14	56.43	63.23	59.48	65.08
	59.75	60.23	58.23	60.98	59.46	57.04
Q1-Q4, 2011	52.87	64.62	54.43	62.65	57.19	66.41
	53.67	62.91	54.64	60.47	57.65	64.37
	55.07	66.24	56.34	63.10	59.55	67.69
	59.17	68.85	57.14	65.33	62.41	66.62
Q1-Q4, 2012	58.25	68.81	58.13	68.37	63.73	73.03
	55.28	65.36	56.91	66.09	61.32	69.81
	55.75	66.31	55.63	65.87	61.23	71.15
	56.59	65.24	59.95	68.88	62.10	75.00
Q1-Q4, 2013	64.00	62.65	62.11	61.24	53.46	56.85
	56.04	64.40	59.68	68.42	61.36	74.82
	56.76	65.67	60.21	69.48	62.62	75.89
	56.76	65.67	60.21	69.48	62.62	75.89

Source: Statistics Sierra Leone

In 2010, the past/current outlook index improved considerably in all quarters; but particularly for quarter 4 which recorded an index of 59.8% for small scale establishments, 58.2% for medium scale and 59.5% for large scale establishments.

On the other hand, quarter 4 recoded the least future business outlook index for all sizes of establishments, indicating that business people felt more confident with the current trend of activities and less predictive about the future. Quarter 3 which saw the easing of inflation and the fading away of the impact of GST recorded a stable future business outlook index above 63% for all sizes of establishments.

In 2011, the past/current outlook index improved again considerably across the size of establishment from quarter 1 to quarter 4; but particularly for quarter 4, which

recorded an index of 62.4% for Large Scale establishments, 57.1% for Medium Scale and 59.2% for Small Scale establishments.

Quarter 2 recorded the least future business outlook index for all sizes of establishments with the performance index at 64.4% for Large Scale, Medium Scale at 60.5% and Small Scale at 62.9%, which indicates that business executives were quite hesitant on business expectations. Quarter 3 saw the improving trend of business expectations with Large Scale Establishment at 67.7% having the highest expectation in 2011, Medium Scale 63.1% and Small scale 62.2% which means that business executives felt more confident with the current trend of activities and less predictive about the future.

In 2012, The Past/Current Outlook Index on size of establishments recorded 63.7% in quarter 1 but dipped in quarters 2 (61.3%), 3 (61.2%). An improvement was however recorded in quarter 4 (62.1%) for Large scale Establishments, Medium scale establishments however, recorded a 58.1% in quarter 1 but dipped in quarters 2 (56.9%), 3 (55.6%) and improved considerably in quarter 4 (60%) while, Small Scale Establishment in quarter 1 recorded 58.2% and also dipped in quarters 2 (55.3%), 3 (55.7%) and appreciated in quarter 4 (56.6%).

In all quarters of 2012, quarter 2 and 3 were noticed to have declined in all the sizes of establishment. The main reason for this decline is accounted for by the deterioration of the 'governance factor' index resulting mainly from the deterioration of the "Effect of Bureaucracy" between the two quarters. This "Effect of Bureaucracy" index captures issues such as the provision of utilities (water and electricity) and deregulation issues.

The highest percentage on Expected Business Outlook performance index for large and medium scale establishment was recorded in Quarter 4 at 75% and 68.9% respectively while that of small scale was recorded in quarter 1 at 58.2percentage point index.

In 2013, The Past/Current Outlook Index on Large scale enterprise in quarter 1 was marginally above the average index point 53.5%, increased in quarter 2 (61.4%) and further increased in quarters 3 and 4 to 62.6% and 62.5% respectively. Medium scale enterprise at 62.1% in quarter 1 experienced a dip in quarter 2 (59.7%), increased in quarter 3 and 4 to 60.2% and 60.4% respectively. The Small-scale enterprise at 64% in quarter 1 decreased in quarter 2(56%), increased in quarter 3 (56.8%) and remained the same in quarter 4.

The Expected Business Outlook of Large scale enterprise recorded 56.8% in quarter 1, increased greatly in quarter 2 to (74.8%) and further increased in quarter 3 (75.9%) quarter 4 (76.3%). The Medium scale enterprise expected outlook in quarter 1 recorded 61.2%, increased in quarter 2(68.4%) and increased in quarter 3(69.5%) and remained same in quarter 4. The Small-scale enterprise expected outlook recorded 62.6% in quarter 1, increased in quarter 2 (64.4%) and further increased in quarters 3 and 4 by 1.3% and .2% respectively.

In all quarters of 2013, quarter 2 recorded the least Percentage Index Point in the Past/Current Business Outlook, while quarter 1 recorded the least Percentage Index Point in the Expected Business Outlook. The main reason for this decline is accounted for by the deterioration of the 'governance factor' index resulting mainly from the deterioration of the "Effect of Bureaucracy". This "Effect of Bureaucracy" index captures issues such as the provision of utilities (water and electricity) and deregulation issues, which are key factors for business operations; this therefore affected the sentiment of business people regarding the conduciveness of the business environment in the country.

The highest Percentage Index Point on both Past/Current Business Outlook and Expected Business outlook was recorded in quarter 4. The main reason for enhanced sentiments of business executives in quarter 4, 2013 could be attributed to the stable macroeconomic environment that currently prevails in the country, in addition to the declining trend of inflation, stable exchange rate, robust economic growth, stable tax regime, improved security situation, and increase in water and electricity supplies, declining interest rate, coupled with the Christmas festive celebrations, which boosted sales for many businesses in the country.

This decline in interest rates, if sustained in the coming months and years, could lead to expansion in economic activities in the country as entrepreneurs may now have a more secure source of finance at cheaper cost. This hope for cheaper credit has therefore enhanced the sentiment of business people regarding the conduciveness of the business environment in the country

CHAPTER 15: PUBLIC FINANCE

15.0. Overview

Public finance gives a clear picture of government revenue generation, expenditure and public debt management. In macroeconomic statistics, Public Finance is also referred to as the Fiscal Account or Table of Financial Operations of the State (TOFE). The main Balancing item in the Fiscal Account is Net Lending/Borrowing (NLB) which is determined as Total Revenue less recurrent expense less net capital expenditure. The usual practice in Sierra Leone is to express the Fiscal Account as a financial identity defined as total revenue equals total expenditure plus net lending/borrowing. By extending the Fiscal Account, the Overall Balance (OB) becomes the critical balance and it is defined as NLB less privatization less policy loans. Therefore, the object of financing is either against NLB or OB.

15.1 Government Revenue

The income available to fund the activities of a government is what is referred to as Government Revenue. Running a country can be very expensive, and governments have a wide range of responsibilities, such as operating the various departments, maintaining an armed force, investing in development, and the alleviation of poverty. Every country has a fixed method of revenue generation that varies from control of a country's physical resources to taxation of the country's citizenry. Many governments tax citizens directly, based on each household's individual income. In addition to direct taxes, there are also numerous indirect taxes on government services, financial transactions, and commercial activity that also generate revenue.

The Sierra Leone Central Government generates revenue via:

- **Income Tax** also known as direct tax (Company tax, Personal Income Tax including PAYE), Other Taxes
- **Indirect Tax** (Goods and Services Tax, Customs and Excise Department tax)

- **Non-Tax Revenue** (Mines Department, Other Department tax and Road user, Social Security Contributions).
- **Grants** (Programmes and Projects).

Table 15.1.1: Total Revenue and Grants

Unit: Millions of ...National Currency (SLL).....

Period	Direct/ Indirect Tax	Non-Tax	Domestic Revenue	Grants	Total Revenue and Grants
2009	632 404	117 805	750 210	500 337	1 250 547
2010	879 327	128 307	1 007 634	542 615	1 550 248
2011	1 167 152	294 868	1 462 021	708 659	2 170 680
2012	1 536 263	337 243	1 873 506	632 564	2 506 070
2013	1 864 628	500 224	2 364 852	547 600	2 912 451

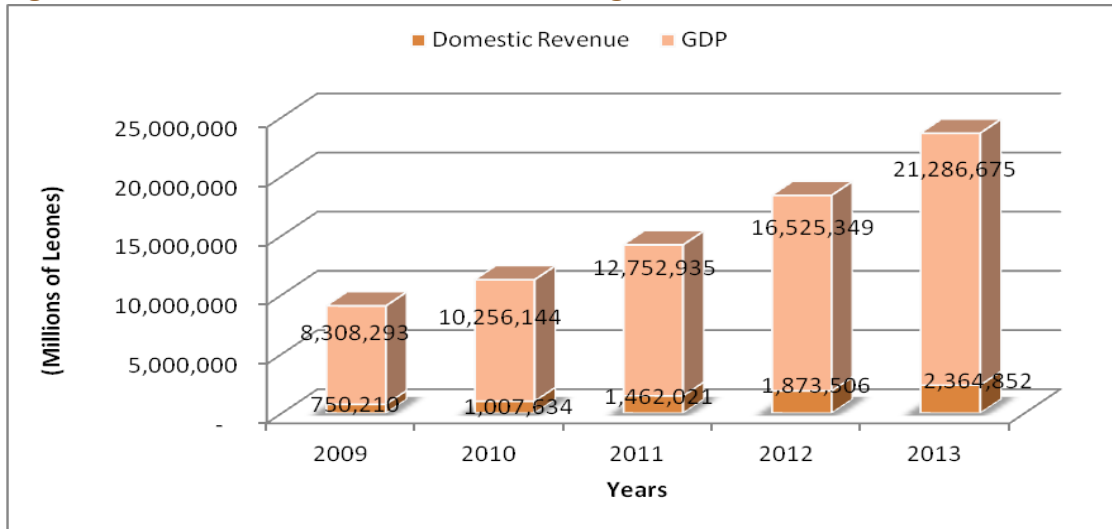
Source: MoFED

Table 15.1.1, illustrates the various sources of government revenue generation in Sierra Leone. In the above table, it can be seen that Government Revenue including Grants increases as the year goes by. In 2012, Total Revenue and Grants increased from Le2 506Billion to Le 2 912Billions indicating an increase of over Le 406Million.

It is worthy to note that the development arose from Direct/Indirect Tax and not from grants. This performance could be attributed to the suspension of discretionary duty waivers and the restoration of excise tax on petroleum products following the implementation of the two-tier petroleum formula (Bank of Sierra Leone Annual statement and bulletin, 2012).

Grants however, experienced a decrease of Le 84,964 Million in 2013 from 2012, probably due to slow implementation of some projects.

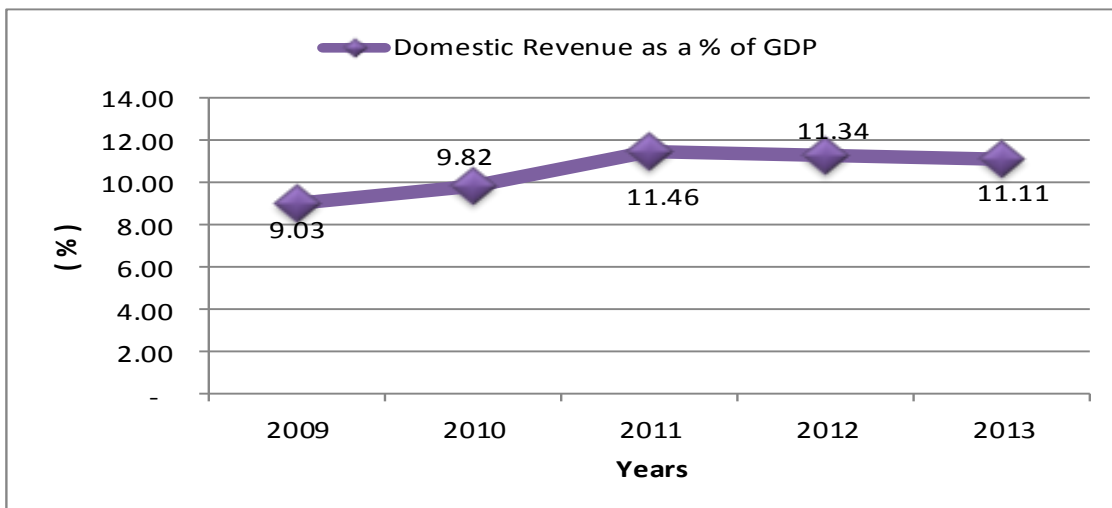
Figure 15.1.1: Total Revenue and Grants as against Gross Domestic Product



Source: MoFED

Total revenue and grants in 2012 was Le 2.5 trillion against a GDP of Le 16.5 trillion (15.2% of GDP), it experienced a further increase in 2013 to Le 2.9 trillion against a GDP of Le 21 trillion which is a drop in proportion to GDP (13.7%). The immense increase in Total revenue and grants could be attributed to the improved method of revenue generation by the National Revenue Authority.

Figure 15.1.2: Domestic Revenue as a percentage of Gross Domestic Product

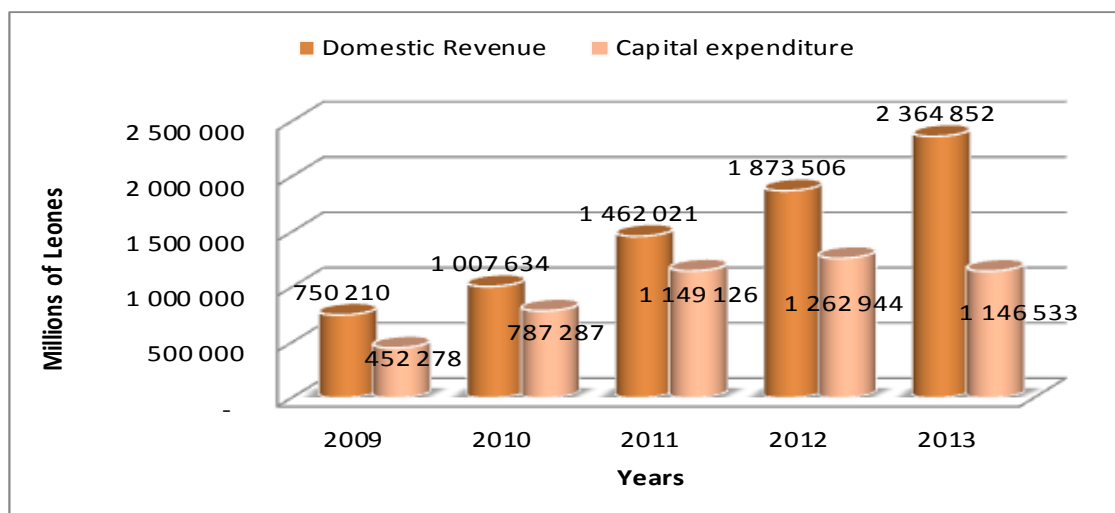


Source: MoFED

The figure 15.1.2 illustrates the proportion of Domestic Tax Revenue to GDP. In the year 2013, the Domestic revenue that was collected amounted to 11.11 % of GDP. It can be observed that from year 2009 – 2013 there has been a slowly but increasing percentage

across the years with fluctuations. The highest proportion of domestic revenue was recorded in the year 2011 at 11.46%, while 11.11% was recorded in 2013.

Figure 15.1.3: Domestic Revenue as against Capital Expenditure



Source: MoFED

Domestic revenue as against Capital Expenditure illustrates the amount that the government spends on Capital Expenditure (development expenditure, HIPC-financed expenditures and Net Lending) out of the generated domestic revenue.

There was however, a remarkable increase on capital expenditure from 2009 - 2013. Capital expenditure which was in Billions of Leones amplified to Trillions of Leones by 2011-2013 and the reason for this could be attributed to the construction and rehabilitation of roads, and water projects in Sierra Leone.

15.2 Government Expenditure

Government expenditures are used either to purchase a portion of gross domestic product (government purchases) or as gifts to members of the other sectors (transfer payments). Both types of expenditures have an impact on the macro economy. They can trigger business-cycle instability or be used to address the unemployment and inflation problems of this instability.

The Sierra Leone Government spends its generated income from taxes on:

- **Recurrent expenditure –**
 - (a) *Wages and salaries*
 - (b) *Non-salary, non-interest recurrent Expenditure* (Social and economic, general and others, defense, police, prisons, Transfer to Local Councils, Grants to Educational Institution, Transfer to road Fund, Socially oriented outlays, election and democratization),
 - (c) *Total Interest Payment* (Domestic interest, Foreign Interest, HIPC Debt relief, HIPC financed Expenditures).
- **Capital Expenditure and Net Lending**
 - (a) *Development expenditure*
 - (b) *HIPC-financed expenditures*
 - (c) *Net lending (Lending minus repayments)*

Table 15.2.1: Government Expenditure

Period	Wages & Salaries	Non-Salary, Non-Interest Recurrent Expenditure (Goods & Services)	Total interest payments	Recurrent Expenditure	Capital Expenditure & Net Lending	Total expenditure and net lending (Lending minus Repayments)
2009	401 536	495 184	103 248	999 968	452 278	1 452 247
2010	535 669	591 629	159 179	1 286 477	787 287	2 073 764
2011	681 346	575 808	250 219	1 507 372	1 149 126	2 656 498
2012	935 912	870 636	290 831	2 097 379	1 262 944	3 360 322
2013	1 060 021	823 948	301 158	2 185 127	1 047 935	3 233 062

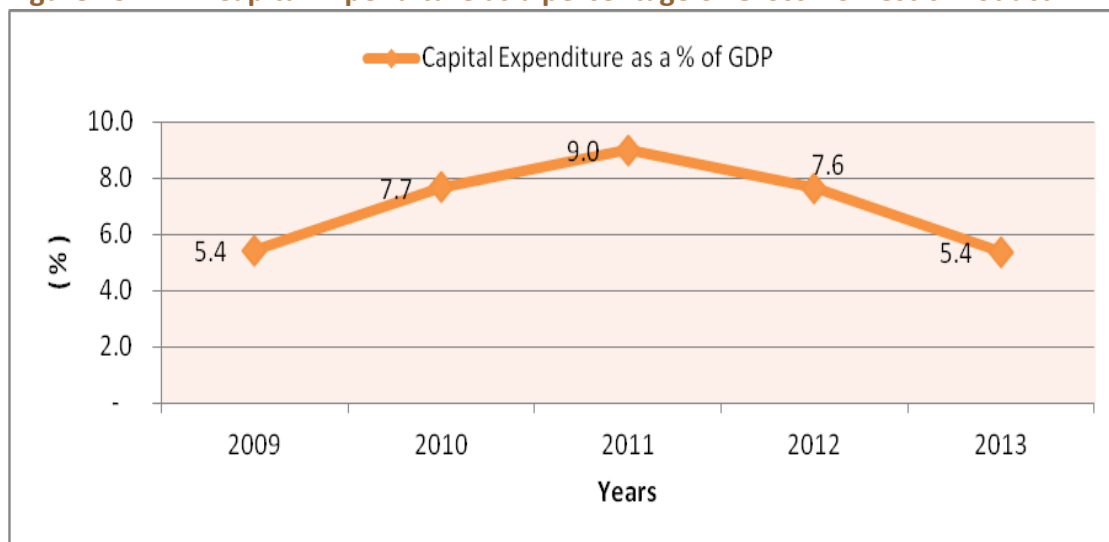
Source: MoFED

In 2013, The Sierra Leone's Government expenditure summed up to Le 3.2Trillion (15.2% of GDP), and this was 5.1% lower than the government expenditure experienced in 2012 (Le3.3Trillion) which was 20.3% of GDP.

The increase in wage bill led to the increase in recurrent expenditure in 2013 i.e. from Le935.9bn in 2012 to Le1Trillion in 2013 which could be due to benefit payments made to ex-military officers wounded in action and partial payment of gratuities etc.

The growth in Total interest payment from Le 290bn in 2012 to Le 301bn in 2013 could be attributed to the increase in interest rate (short and medium term treasury bills, accumulated ways and means advances).

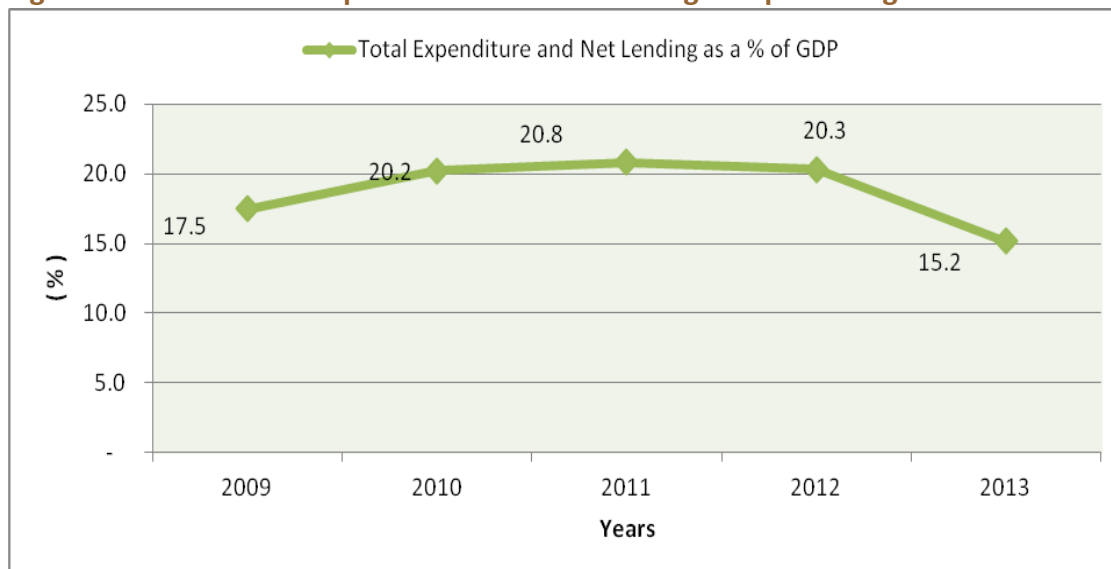
Figure 15.2.1 Capital Expenditure as a percentage of Gross Domestic Product



Source: MoFED

Capital expenditure was in billions of Leones until 2013 when Le 1.1 Trillion was recorded (5.4% of GDP). It could however be observed that there was a fall in the percentage of Capital expenditure as a percentage of GDP in 2012 to 2013 (7.6% -5.4% respectively) which could be attributed to the drop in expenditures funded by foreign loans and grants.

Figure 15.2.2: Total Expenditure and Net Lending as a percentage of GDP



Source: MoFED and SSL

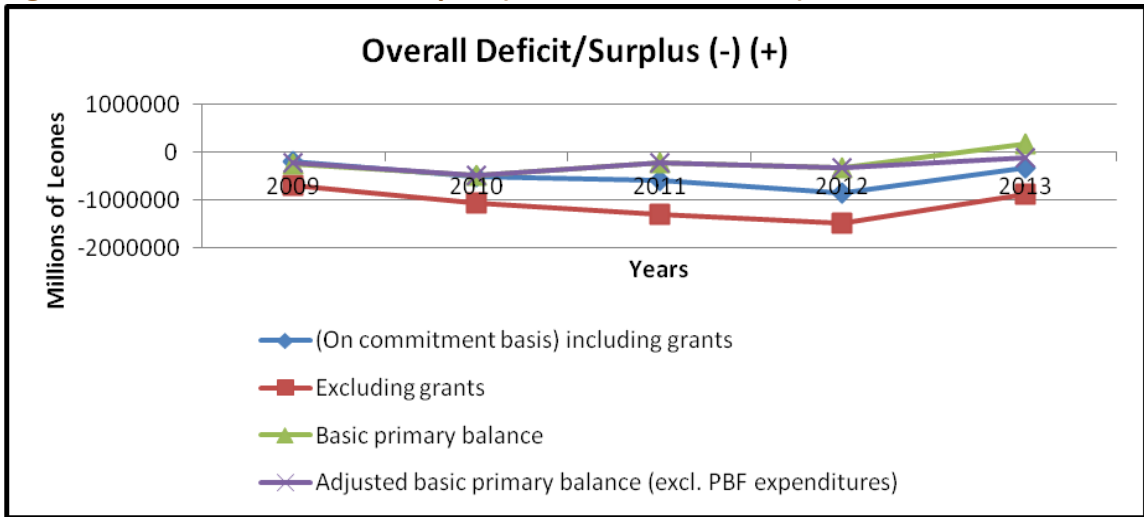
In figure 15.2.2, Total Expenditure and Net lending as a percentage of GDP in 2012 was Le3.3Trillion which was 20.3 % of GDP while in 2013 a decrease to 15.2% was realized (Le3.2 Trillion), which could be attributed to the fall in Capital expenditure in 2013.

15.3 Overall Deficit/Surplus (-) (+) Of Sierra Leone

Deficit differs from debt which is an accumulation of yearly deficits. Deficit occurs when a government's expenditures exceed the revenue that it generates. Deficit can be measured with or without including the interest payments on the debt as expenditures.

The primary deficit is the difference between current government spending on goods and services and total current revenue from all types of taxes net of transfer payments. The total deficit (which is often called the fiscal deficit or just the deficit) is the primary deficit plus interest payments on the debt.

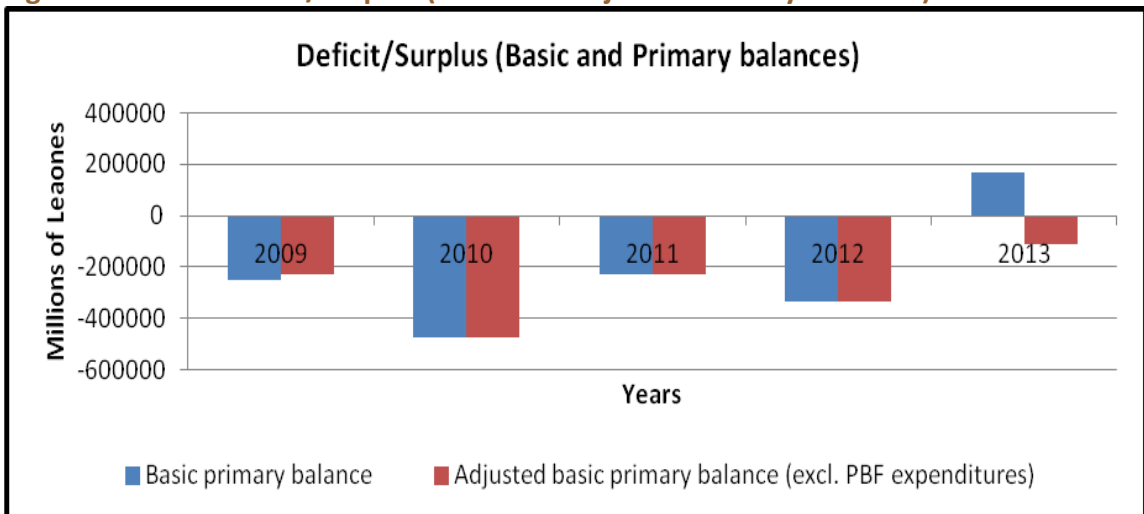
Figure 15.3.1. Overall Deficit/Surplus (on commitment basis)



Source: MoFED

Figure 15.3.1, Showed the overall deficit/surplus (on commitment basis) for the years 2009 to 2013. In 2009, including and the excluding grants deficits (on commitment basis) were Le201 700 and Le702 037 million respectively. These deficits continued to increase to Le523 516 and Le1 066 130 million in 2010, Le581 262 and Le1 289 921 in 2011 before reaching their highest peaks at Le854 252 million and Le1 486 815 million in 2012 respectively. The year 2013 showed an improvement in both the including and excluding grants deficits when they dropped to Le320 611 and Le868 211 million respectively. The deficits and surpluses of the Basic Primary balance and the Adjusted Basic Primary balance for the years under review is also shown on the graph.

Figure 15.3.2. Deficit/Surplus (Basic and Adjusted Primary balances)

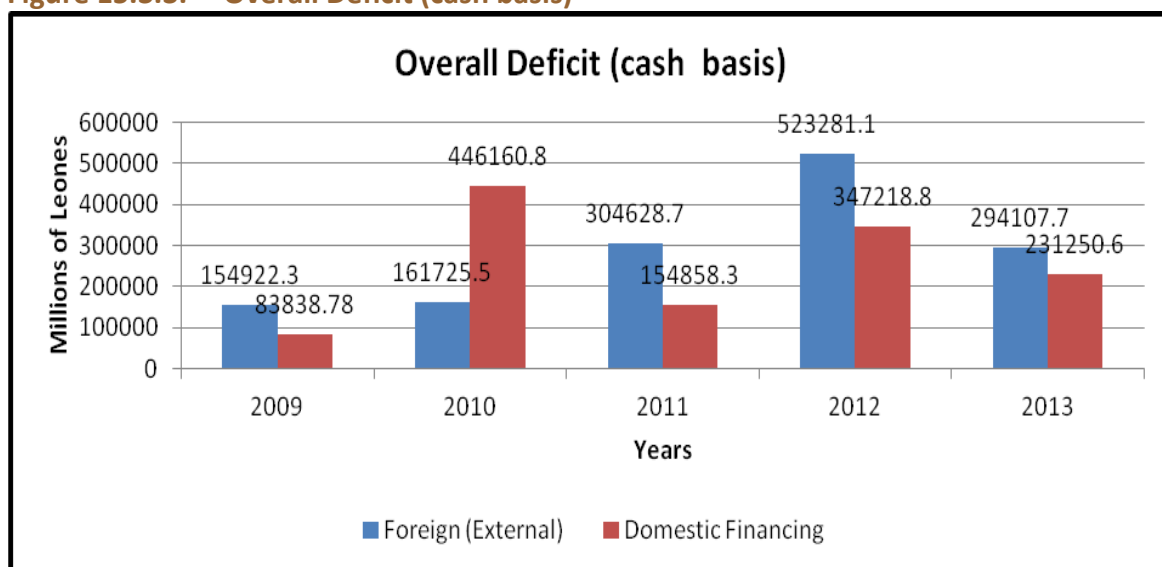


Source: MoFED

The bar chart in Figure 15.3.2, clearly presented the deficit/surplus of the Basic Primary balances and the Adjusted Basic Primary balances for the year 2009 to 2013. As can be seen, the balances for both indicators were on the negative (deficit) side of the chart except in the year 2013 when the basic primary balance was positive (surplus).

This indicates that in the years preceding 2009, the country had always been in deficit for both the basic primary and the adjusted basic primary balances however, 2013 was an exception in which the basic primary had a positive balance of Le168 153.4 million compared to the adjusted basic balance which continued to be in deficit of Le108 969 million.

Figure 15.3.3. Overall Deficit (cash basis)



Source: MoFED

Figure 15.3.3, showed the sources of finance (External and Domestic) for the country between 2009 and 2013. For the five years under review, the data showed that the country's main funding came from foreign source. The foreign financing in 2009 was Le154 922.3m compared to Le83 838.78m for domestic. The foreign financing increased in 2010 (Le161 725.5m), 2011 (Le304 628.7m), and finally reached its peak in 2012 (Le523 281.1m) before it dropped to Le294 107.7m in 2013.

Unlike the external, the domestic (internal) funding of the country's activities grew in an erratic manner: highest in 2010 (Le446 160.8m), dipped in 2011 (Le154 858.3m), increased in 2012 (Le347 218.8m), and then dipped again to Le231 250.6m in 2013.

15.4. Public Debt

Sierra Leone Public debt is divided into two categories:

- External Debt
- Domestic Debt

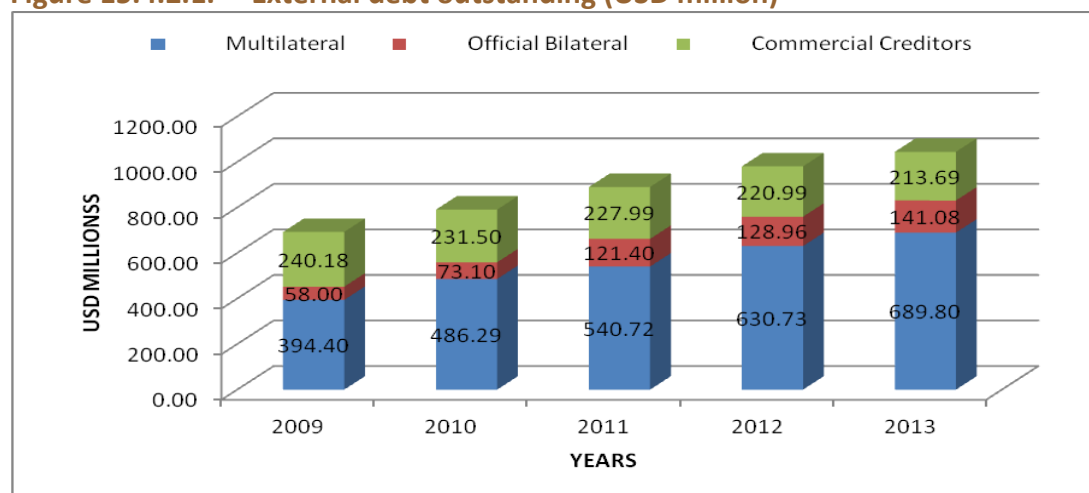
15.4.1. Sources of external debts are sourced thus:

- **The Multilateral Creditors** (World Bank Group, IMF, ADBF, Other Multilateral Creditors)
- **Official Bilateral** (Paris club, Other Bilateral)
- **Commercial creditors**

15.4.2. Sources of Domestic Debt

- Bank of Sierra Leone
- Commercial Banks
- Discount Houses
- Other Financial Institutions
- Pension Fund
- General Public

Figure 15.4.2.1. External debt outstanding (USD million)

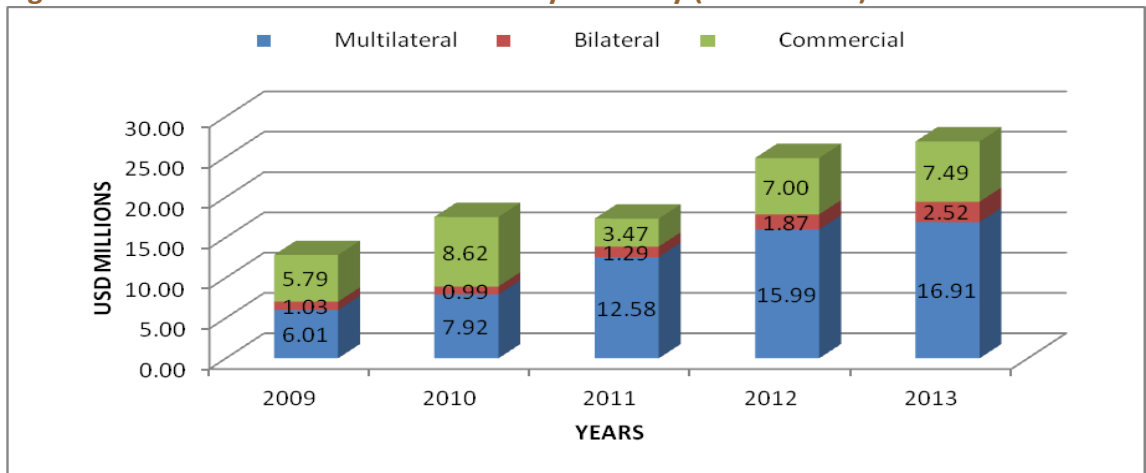


Source: MoFED

The figure above shows that multilateral Debt shows the highest next to Commercial Creditors and the least is Official bilateral.

The multilateral Debt has the highest over the years from 2009 (\$394.40 Million) and in 2013 (\$689.80 million), Commercial Creditors had the second highest outstanding debt as illustrated above while the Official Bilateral recorded the least values across the years.

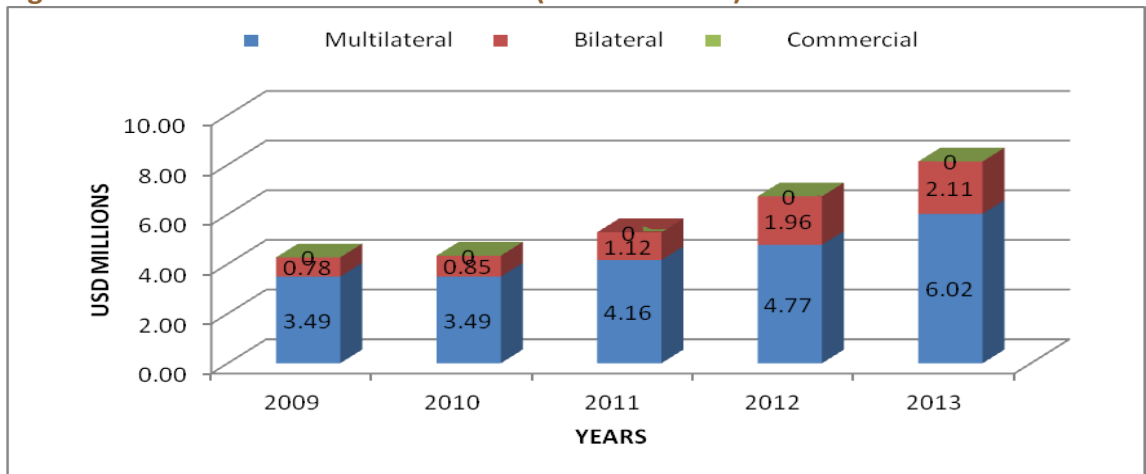
Figure 15.4.2.2. Total External debt by Maturity (USD million)



Source: MoFED

Multilateral Debt recorded the highest value of external debt by maturity followed closely by Commercial Creditors and the least is Official bilateral as illustrated in external debt outstanding.

Figure 15.4.2.3. Total External Interest (In million USD)



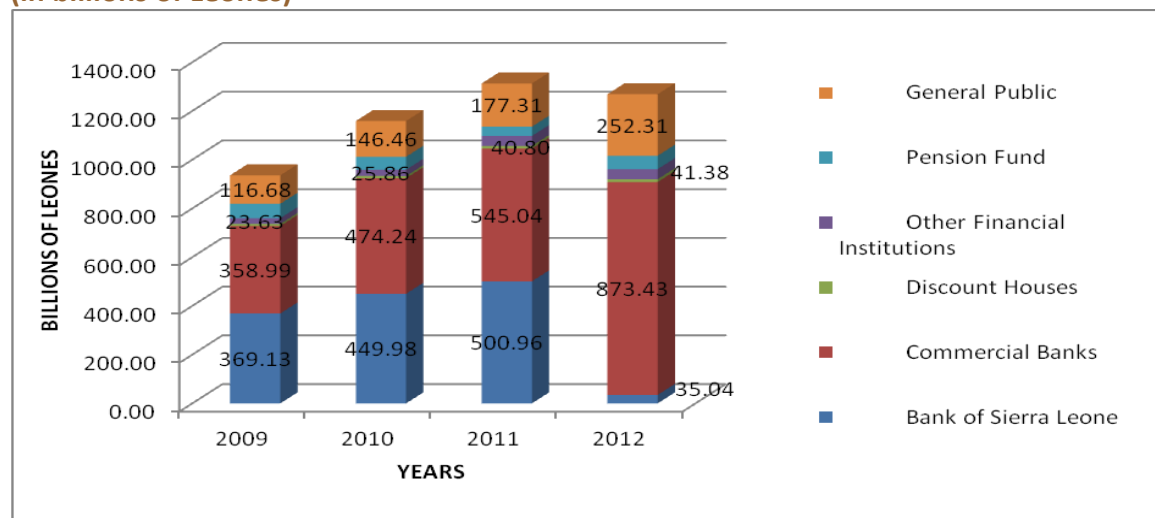
Source: MoFED

The above figure indicates that multilateral Debt was the highest, followed by Official Bilateral and the least is Commercial Creditors.

The government has the highest multilateral Debt outstanding over the years from 2009 (\$ 3.49 Million), increasing along the years 2010 to 2013.

Official Bilateral shows an increase in the same trend over the years from 2009 \$0.78 Million, up to 2013 \$6.03 Million.

Figure 15.4.2.4. Domestic Debt (Holdings of Treasury Securities by Institution Type) (in billions of Leones)



Source: MoFED

Figure reveals that amongst the treasury securities, Commercial Bank shot the highest in 2012, next to Bank of Sierra Leone (BSL) and the least was discount houses as been the least.

Commercial Banks shows an increase over the years from 2009 (Le 358.99 Billion) to 2011 (545.04 Billion) but there is a vast increase in 2012 (Le873.43 Billion). Commercial Banks recorded the highest amount of Domestic Debt all through the years.

Discount Houses had the least among the treasury securities even though there is an increase throughout the years from 2009 (Le 8.40 Billion) to 2012 (Le 11.63 Billion).

Bank of Sierra Leone shows an increase from 2009 (369.13 Billion) up to 2011 (Le 500.96 Billion), but there's a decrease in 2012 (Le 35.04 Billion).

CHAPTER 16: MONEY, BANKING AND FINANCE

16.0 Overview

Monetary policy in Sierra Leone focused on achieving and maintaining stability in the general level of prices in the country. Price stability is a necessary condition for raising the level of investment and thereby supporting economic growth and employment creation. The central Bank of Sierra Leone (BSL) in pursuit of this objective, worked with the monetary policy committee (MPC) framework that targeted monetary aggregates consistent with the set inflation, growth targets, macroeconomic developments and implications for monetary policy management, as well as to review the BSL monetary policy rate (MPR). The Central bank rate (CBR) was the main tool used to signal the direction of monetary policy stance and was reviewed and announced on the 5th December, 2013.

Monetary aggregates were expansionary during the review period. Broad Money and Reserve Money expanded by 11.97% and 11.71% respectively at end December 2013. The Bank's Monetary Policy Rate (MPR) during the second half of 2013 was adjusted downwards in steps from 15% in June 2013 to 12% in August 2013 and 10% in December 2013, on account of favorable inflation outlook and the need to support broad based macroeconomic growth.

The national annual inflation rate as measured by the *year-on-year* change in Consumer Price Index (CPI) declined from 10.40% in June 2013 to 8.23% in December 2013. Headline inflation recorded single digit of 9.5% in July 2013 and declined consistently to close the year at 8.23%. Similarly, the average headline inflation rate on half yearly basis declined from 11.60% in the first half of 2013 to 9.52% in the second half. This phenomenon which was largely reflective of stability in international prices of food and petroleum products was attributed to the relative stability of the foreign exchange rate, coupled with improved domestic food Supply and a proactive monetary policy stance of the Central Bank of Sierra Leone, supported by prudent fiscal policy.

16.1. Monetary Indicators and the consolidated Balance sheet for the Banking System

Table 16.1.1: Monetary Indicator, 2008 - 2012

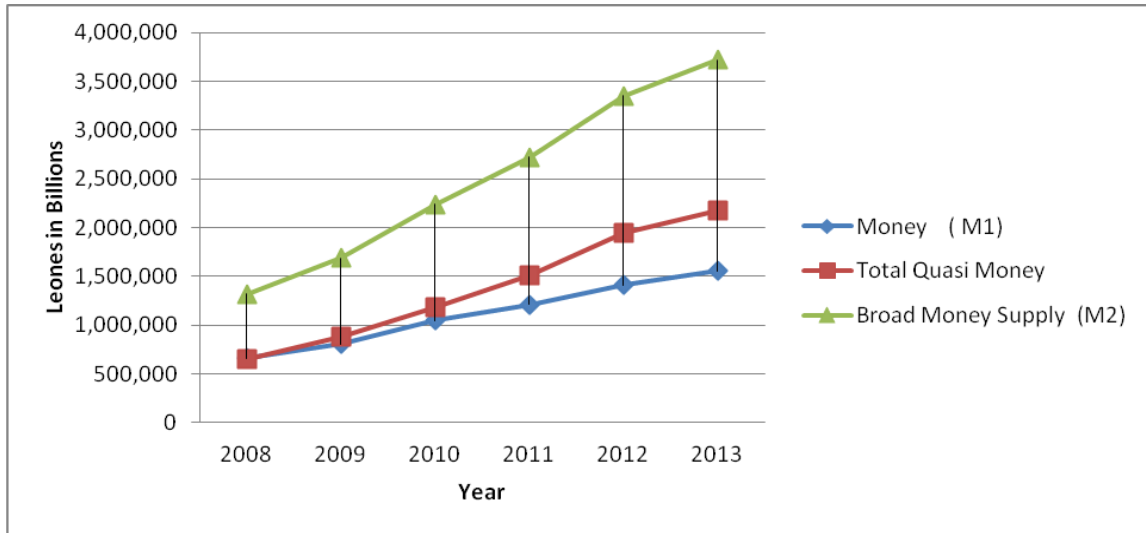
Period	Net Foreign Assets	Domestic credit				Money Supply M2
		Claims on Government sector (net)	Claims on Private Sector	Claims on other financial institutions	Total	
2008	832,240	543,764	413,439	46,861	1,004,064	1,321,232
2009	1,541,759	659,377	600,982	67,092	1,327,451	1,684,978
2010	1,644,504	1,066,912	790,395	81,234	1,938,541	2,236,533
2011	2,053,066	1,133,508	962,751	94,500	2,190,759	2,719,741
2012	2,485,029	1,365,565	896,640	243,348	2,505,553	3,348,715
2013	2,863,114	1,665,413	1,001,358	244,985	2,911,757	3,721,312

Source: Bank of Sierra Leone

Table 16.1.1 presents monetary indicators of the banking system. Net foreign assets (NFA) grew by 13% to stand at 2.863, 114bn Leones in 2013. The domestic credit also increase from 2.505, 553bn in 2012 to 2.911, 757bn in 2013. The money supply (M2) presented an increase of 3.7bn in 2013 as compare to 3.3bn in 2012.

Monetary aggregates during 2013 increased. Broad Money (M2) expanded from Le3, 348,715bn in 2012 to Le3, 721.312bn in 2013. The growth in M2 was on account of increases in both the Net Foreign Assets (NFA) and Net Domestic Assets (NDA). NFA increased from Le2, 485.029bn to Le2, 863.114bn in 2013, mainly attributable to foreign direct investment inflows, including receipts from exports, external budgetary support and payment of taxes in foreign currency by mining companies. NDA grew from Le2,505,553bn in 2012 to Le2,911,757bn in 2013 attributable mainly to the 19.02 percent (Le266.10bn) expansion in Government's net borrowing from the banking sector during the review period, which was moderated by the 13.52% (Le244.03bn) decline in Other Items.

Figure16.1. 1: Money and Quasi money supply 2008-2013



Monetary aggregates are presented Table 2 Narrow money Supply (M1) grew from Le1, 407,436Bn in 2012 to Le1, 552,616Bn in 2013. Quasi Money deposits of the commercial banks increased from Le1, 941,279Bn to 2,168,696Bn in 2013, leading to growth in Broad Money Supply (M2) by 11.7% to Le2, 168,696Bn.

Table 16.1.2. Consolidated Accounts of the Banking System, 2008-2013

Period	2008	2009	2010	2011	2012	2013
Liabilities						
1. Money (M1)	666,668	807,479	1,048,055	1,209,324	1,407,436	1,552,616
1.1 demand deposit	326,313	386,558	490,794	567,492	617,298	776,212
1.2 currency outside bank	340,355	420,921	557,262	641,832	790,138	776,405
Subtotal (M1)	1,333,336	1,614,958	2,096,111	2,418,648	2,814,872	3,105,233
2. Quasi money (Bank)						
2.1 Foreign currency	307,444	437,433	658,597	851,479	1,029,056	1,084,478
2.2 Savings deposits	248,485	329,181	412,525	515,694	661,829	784,171
2.3 Time deposits	89,499	95,461	112,242	138,737	246,536	296,001
2.4 Time series and foreign currency deposits (BSL)	5,248	2,239	2,052	2,041	1,905	1,975
2.5 Other deposit	3,896	24,416	3,062	2,468	1,955	2,072
Subtotal (Quasi-money banks)	654,572	888,730	1,188,478	1,510,419	1,941,281	2,168,697
Total Liabilities	1,987,908	2,503,688	3,284,589	3,929,067	4,756,153	5,273,930
Assets						
7. Net foreign asset	832,240	1,541,759	1,644,504	2,053,066	2,485,029	2,863,114
8. Domestic credit	1,004,064	1,327,451	1,938,541	2,190,759	2,505,553	2,911,757
8.1 Central Government (Net)	543,764	659,377	1,066,912	1,133,508	1,365,565	1,665,413
8.2 Other public bodies	46,861	67,092	81,234	94,500	243,348	244,985
8.3 Private sector	413,439	600,982	790,395	962,751	896,640	1,001,358
Subtotal (7+8)	1,836,304	2,869,210	3,583,045	4,243,825	4,990,582	5,774,871
Grand Total (Asset- Liabilities)	-151,604	365,522	298,456	314,758	234,429	500,941

Table 16.1.2 shows the Consolidated Accounts of the Banking System from 2008 to 2013. During the year, liabilities of banking system increase from Le4, 756,153 in 2012 to Le5, 273,930 in 2013. Contributing to the growth was a 25.74% in demand deposits held in the banks, which constituted 12.98% of total liabilities. Foreign currency deposits recorded an increase of Le55.422 million. The net foreign assets also recorded an increase of Le2, 485,924Bn in 2012 to Le2, 863,114 in 2013 of banking assets.

16.2. Sources of Changes in M2 and Real values of selected Financial Aggregates

Table 16.2.1: Changes in Money Supply and Sources (M1)

	2008	2009	2010	2011	2012	2013
1. Money Supply						
1.1 Currency in circulation	340,355	420,921	557,262	641,832	790,138	776,405
1.2 Demand Deposit	326,313	387,437	490,794	567,492	617,298	776,211
Total M1	666,668	808,358	1,048,056	1,209,324	1,407,436	1,552,616

Source: Bank of Sierra Leone

Changes in money supply is shown in table 16.2.1 which presents a decrease in currency in circulation from Le 790,138 Million in 2012 to Le 776,405 Million in 2013 and an increase in demand deposit from Le 617,298 Million in 2012 to Le 776,211 Million in 2013. On the whole the money supply increased from Le1,407,436 Billion in 2012 to Le 1,552,616 Billion.

Table 16.2.2: Changes in Money Supply & Sources (QUASY Money)

	2008	2009	2010	2011	2012	2013
2. Quasi money (Banks)						
2.1 Foreign currency deposits	307,444	437,433	658,597	851,479	1,029,056	1,084,478
2.2 Time deposits	89,499	95,461	112,242	138,734	246,536	296,001
2.3 Savings deposit	248,485	329,181	412,525	155,694	661,829	784,171
2.4 Other deposit	3,896	24,416	3,062	2,468	1,955	2,072
2.5 Time savings & foreign currency deposit (BSL)	5,249	2,239	2,952	2,041	1,905	1,975
Total QUASY Money	654,573	888,730	1,189,378	1,150,416	1,941,281	2,168,697

Source: Bank of Sierra Leone

Table 16.2.2 shows quasi money (Banks) from 2008 to 2013. The various components that constitute quasi money increased from 2012 to 2013. Quasi money deposits of the

banks increase by 11.71% (Le227, 416M) in 2013. The total quasi money also increased from Le 1,941,281 Billion to Le 2,168,697 Billion.

Table 16.2.3: Changes in Money Supply and Sources (NFA)

	2008	2009	2010	2011	2012	2013
3. Sources of Changes						
3.1 Net foreign assets						
3.1.1 BSL (A-L)	479,201	1,005,284	959,035	1,117,856	1,302,577	1,557,376
3.1.1.1 Assets	643,289	1,309,593	1,458,997	1,661,061	1,828,214	2,084,751
3.1.1.2 Liabilities	164,088	304,309	499,963	54,205	525,637	527,375
3.1.2 Commercial Banks (A-L)	353,038	356,474	685,481	935,150	1,182,453	1,305,737
3.1.2.1 Assets	356,038	542,263	703,456	949,227	1,193,365	1,320,984
3.1.2.2 Liabilities	3,000	5,789	17,175	14,077	10,912	15,247
Total Net Foreign assets	832,239	1,361,758	1,644,516	2,053,006	2,485,030	2,863,113

Source: Bank of Sierra Leone

Table 16.2.3: shows sources of change net foreign assets from 2008 to 2013. The sources of changes in money supply included, net foreign assets that increased by 15.21% from 2012 to 2013. The net foreign assets increased from Le 2,485,030 Billion in 2012 to Le 2,863,113 Billion in 2013 which due the increased in all the components in net foreign assets.

Table 16.2.4: Changes in Money Supply and Sources (Domestic Credits)

	2008	2009	2010	2011	2012	2013
4. All Domestic credits						
4.1.1 to central Government (net)	246,545	225,374	873,687	879,751	1,056,412	1,665,414
4.1.2 to Non-financial Public sector	17,290	31,308	54,025	53,507	74,927	200.06
4.1.3 to private sector	413,439	600,982	789,983	963,142	1,023,482	1,001,358
4.1.4 Clams on non-Banking Institutions	24,662	30,730	22,246	36,031	46,267	39,963
Subtotal Domestic Credit	701,936	888,394	1,739,941	1,932,431	2,201,088	2,706,935
4.2 Other items (net)	212,935	733,065	147,923	1,265,697	1,337,401	-1,048,595
Total sources of changes	1,747,110	2,983,217	3,532,380	5,251,134	6,023,519	4,521,453

Source: Bank of Sierra Leone

In table 16.2.4 which shows all domestic credits from 2008 to 2013. The shows that there was a high decreased in the other items (Net) from Le 1,337,401 Billion in 2012 to Le (1,047,595) billion in 2013. This decline also affected the total sources of money from Le6, 023,519Bn in 2012 to Le4, 521,453 in 2013.

Table 16.2.5: Nominal and Real Interest Rates

Average Interest rate (%)					
Period	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Treasury Bills (3- months)	18.99	14.4	5.37	3.39	3.39
Treasury Bills (6- months)	25.48	18.48	8.14	7.05	7.5
Treasury Bills (1-year)	25.83	21.99	9.69	9.24	9.47
Treasury Bonds(1yr)	20	20	9	6	6
Savings	6.42	6.42	6.19	5.13	4.73
1 months	9.16	9.16	7.69	7.13	5.85
3 months	9.75	9.75	8.18	9.63	5.57
6 months	10.39	1039	9.16	7.85	7.63
9 months	10.25	10.25	10.25	6.13	7
12 months	11.91	11.91	10.72	9.1	8.59
Leading overdraft rate	21-29	21-29	21-29.5	19.7-26.6	19.7-25.3

Source: Bank of Sierra Leone

The interest rate structure across all tenures of Government securities declined in the second half of 2013. The monthly average interest rate on Savings, 1 month, 3 months, 6 months, 9 months and 12 months Time Deposits declined by 1.46, 1.84, 2.61, 1.53, 3.25 and 2.13 percentage points from 6.19, 7.69, 8.18, 9.16, 10.25 and 10.72% as at end June, 2013 to 4.73, 5.85, 5.57, 7.63, 7.00 and 8.59%, respectively, as at end December 2013. The monthly average annual yield on 3-months, 6-months and 12-months Treasury Bills declined by 198, 64, and 22 basis points from 5.37, 8.14 and 9.69% as at end June 2013 to 3.39, 7.50, and 9.47%, respectively, as at end December 2013. Interest rate on the 12-months Treasury bond declined by 3.00 Percentage points from 9.00% as at end June 2013 to 6% as at end December 2013. Lending rate on overdraft declined from the range of 21-29.5% to that of 19.7-25.3 during 2013.

Table 16.2.6: Average interest rates, 2008-2013

Period	2008	2009	2010	2011	2012	2013
Treasury Bills (3- months)	9.06	13.99	24.54	23.42	18.99	3.39
Treasury Bills (6- months)	11.56	12,21	28.35	29.55	25.48	7.5
Treasury Bills (1-year)	13.02	14.33	28.98	28.63	25.83	9.47
Treasury Bonds(1yr)	10	12	22.5	20	20	6
Savings	6.65	6.32	6.19	6.42	6.42	4.73
1 months	9.11	8.3	8.4	9.16	9.16	5.85
3 months	9.63	8.87	8.9	9.75	9.75	5.57
6 months	10.18	9.45	9.33	10.39	10.39	7.63
9 months	10.42	9.25	9.25	10.25	10.25	7
12 months	12.00	10.84	10.55	11.91	11.91	8.59
Leading overdraft rate	24-30	22-29	21-28	21-29	21-29	19.7-25.3

Source: Bank of Sierra Leone

The interest rate structure across all tenures of Government securities declined in 2013. The yearly average interest rate on Savings, 1 month, 3 months, 6 months, 9 months and 12 Months Time Deposits declined by 1.69, 3.31, 4.18, 2.76 ,3.25 and 3.32 points in 2013. The average interest rates for Treasury Bills also decrease for all components in 2013. Lending rate on overdraft also declined from the range of 19.7-26.6% in 2012 to that of 19.7-25.3 for 2013.

16.3 Central Bank's Balance Sheet

Table 16.3.1: Commercial Banks Bills, Loans and Advances

Period	2009	2010	2011	2012	2013
Public sector					
Central Government (Net)	166,594	298,734	322,366	584,230	715,703
Local Government (Net)	-	-	-	-	-
Ent, Parastatal bodies and other Pub entities	655,830	859,498	1,045,139	1,126,147	1,228,221
Total Public sector	822,423	1,158,232	1,367,505	1,710,378	1,943,923
Private Enterprises	2009	2010	2011	2012	2013
Agriculture	31,221,491	58,493,219	75,994,219	81,012,532	70,149,279
Mining and Quarrying	11,130,401	16,751,525	29,991,658	25,309,105	26,248,058
Manufacturing	44,499,403	76,127,873	82,392,463	83,935,067	87,170,516
Building and Construction	103,356,147	138,194,813	200,862,493	201,862,493	216,076,425
Transport, storage, and communication	80,122,224	91,156,021	100,318,276	117,243,730	99,593,192
Wholesale and Retail trade, Financial services	177,728,001	259,614,599	318,900,057	345,695,631	397,908,060
Electricity, Gas and Water	4,513,213	5,525,880	18,640,776	11,028,687	13,441,962
Real Estate					
Others Business **	190,901,552	204,328,239	218,220,931	242,406,816	315,567,962
Total Private Enterprises	643,472,432	850,192,559	1,044,831,732	1,108,494,061	1,226,155,175
Community and personal services (including non-profit making institutions)					
Other activities (Net)***	15,494,370	24,512,199	27,889,321	42,110,201	54,786,858
Total Bills, Loans and Advances	659,789,225	875,862,990	1,074,088,558	1,152,314,640	1,282,885,956

Source: Bank of Sierra Leone

** Other services, community and Personal Services

*** Miscellaneous

The table 16.3.1 above depicts commercial loans and advances to both the public and the private sector for the years under review. Commercial Banks local currency outstanding loans and advances to the private sector increased by 13.7% from Le1,710,378 million in December, 2012 to Le1,943,923 million in December, 2013. The main contributor to the overall growth was Wholesale and Retail, and Financial Services which increased from Le 345,695,631 million in December 2012 to Le397,908,060 million in 2013 giving a contribution of 32.5% in total outstanding loans as at December 2013. Another main contributor to the overall growth was building

and construction loans which increased from Le201,862,493 million in 2012 to Le216,076,425 million in 2013 giving a contribution of 17.6% in total outstanding loans as at December, 2013.

Table 16.3.2: Bank of Sierra Leone Assets and Liabilities

Period	2009	2010	2011	2012	2013
ASSETS					
1. Foreign Exchange					
1.1 Balances with external banks (FA)	564,231	671,707	864,647	1,061,554	1,344,602
1.2 Treasury Bills					
1.3 Other Investments *	14,193	13,959	13,909	21,777	20,899
1.4 Special Drawings Rights **	731,170	773,320	782,504	744,882	719,250
Total	1,309,593	1,458,987	1,661,061	1,828,214	2,084,751
2. Advances and Disc. To Banks	5,967	21,695	5,859	13,677	9,406
3. Direct Advances & overdraft to SL treasury bills and	-	177,694	26,886	48,117	1,285
4. Other assets including SL treasury bills and	1,089,407	1,329,206	1,385,628	1,313,028	1,328,813
Total	1,095,374	1,528,595	1,418,373	1,374,821	1,339,504
Total Assets	2,404,968	2,987,582	3,079,434	3,203,035	3,424,255
Liabilities	2009	2010	2011	2012	2013
1. Capital and general reserve fund	804,380	872,689	815,912	829,684	851,547
2. Currency in circulation (Currency Issued)					
2.1 Notes & Coins	486,581	631,590	707,611	903,049	908,842
Total Currency Issued	486,438	631,512	707,501	902,941	907,433
3. REPO Securities	0	0	0	0	0
3.1 OMO-repo sales	0	0	0	0	0
Total	0	0	0	0	0
Deposits					
4.1 SL Government^	338,778	130,238	15,723	25,107	29,823
4.2 SL Banks	49,724	90,547	109,349	93,880	251,138
4.3 External Banks					
4.4 Others ****	29,109	38,839	42,754	22,103	39,364
Total	417,612	259,625	167,825	141,090	320,325
5. Foreign Liabilities	304,309	499,964	543,145	525,637	559,164
5.1 Other Liabilities (Long-term, restricted dep)	392,228	723,793	845,050	803,683	785,787
Total	696,537	1,223,757	1,388,195	1,329,320	1,344,951
Total Liabilities	2,404,968	2,987,582	3,079,434	3,203,035	3,424,255

Source: Bank of Sierra Leone

The Central Bank assets and liabilities are depicted in the above table 16.3.2. Bank of Sierra Leone assets and liabilities increased by 6.9% to stand at Le3, 424,255 million as presented in the above assets and liabilities table. The growth in assets was mainly due to 26.7% growth in foreign exchange balances with external banks to stand at Le1, 344,602 million and growth in other assets including Treasury bills and Treasury bearer bonds. Direct advances including overdrafts to Government increased by 79.0% in 2012 to a decline of 97.3% in December, 2013 to stand at Le1, 285 million.

Growth of liabilities was mainly due to 127.0% increased in deposits held at the Central Bank to Le320, 325 million.

16.4. Insurance and social security Industry

16.4.1. Covered Establishments

As at end December 2008, a total number of 4,045 establishments were covered under the scheme. Of this, 3,978 are formal private establishments and 67 are formal public establishments, an increase of 22% from 3,312 establishments covered as at end 2007. There were 733 new registrations during the period. The trend in employer/establishment registration since 2006 is shown in Table 1.1 below.

16.4.2. Insured Persons

The number of insured persons increased from 138,240 in 2007 to 147,393 in 2008, an increase of about 7%. Of this, 77,368 are from the Formal Public Sector and 70,025 are from the Formal Private Sector, including the self-employed. During the year, a total number of 9,153 new insured persons were registered. Table 1.2 shows the trend in number of insured persons.

16.4.3. Contribution Income

During the period, a total of Le 69.0 billion was collected as contribution income, representing about 19% increase over the contribution collected for the same period last year. Of the total contribution income received, Le 32.5 billion was collected from the formal public sector; Le 36.4 billion from the formal private sector; Le 82.6 million was received from purchase of credit and Le 22.2 million from penalties and interest. Le

28.9 billion were collected from the formal public and formal private sector respectively; Le147.1 million was received from purchase of credit and Le 48.6 million from penalties and interest. During the period, contributions receivable amounted to Le 18.59 billion, of which the formal public sector accounts for Le 11.37 billion and formal private sector Le 7.22 billion. For the same period last year, contributions receivable was Le 14.00 billion, of which Le 8.39 and Le 5.61 are from the formal public sector and formal private sector respectively. The trend in contribution income from 2006 - December 2008 by type of employer and with contributions receivable from 2007 - 2008 is shown in the Table 2.1. Chart 2.1 below shows current contribution 2006 - 2008.

16.4.4. Scheme Benefits Payments

As at end December 2008, there are 2,564 NASSIT pensioners. Of this, 2,107 are old age pensioners, while 455 and 2 are survivors' and invalidity pensioners respectively. During the year ended 31st December 2008, benefits amounting to Le 7.87 billion were paid.

16.5. Developments in the Financial Sector

The Financial Sector continued to grow in 2013. As at end December 2013, the sector comprised thirteen (13) commercial banks, two (2) discount houses, seventeen (17) community banks, fifty one (51) Financial Services Associations (FSAs), ten (10) licensed microfinance institutions (2 Deposit taking and 8 Credit-only) and thirty nine (39) registered foreign exchange bureau. The banking sector continued to remain safe, stable and sound, thereby reflecting robustness. Monetary Policy continued to focus on price stability consistent with the Government's agenda for economic growth. Credit to the private sector by commercial banks expanded by 1.75%, from Le971.65bn at end June 2013 to Le988.55bn at end December 2013. Government borrowing from the Banking Sector during the reporting period similarly expanded. The average savings and lending rates of commercial banks declined during the second half of 2013 compared to rates in the first half.

16.6. Additional Information

Table 16.6.1: Money multiplier (Le'M)

Period	Money Supply (M2)	Money Supply (M1)	Reserve Money	Money Multiplier (M2)	Money Multiplier (M1)
2008	1,321,241	666,668	466,801	2.83	1.43
2009	1,697,088	808,358	563,032	3.01	1.43
2010	2,236,534	1,048,055	760,898	3.83	1.80
2011	2,719,741	1,868,262	859,604	2.25	1.41
2012	3,348,717	1,407,436	1,018,924	3.29	1.38
2013	3,721,313	1,552,616	1,197,935	3.11	1.30

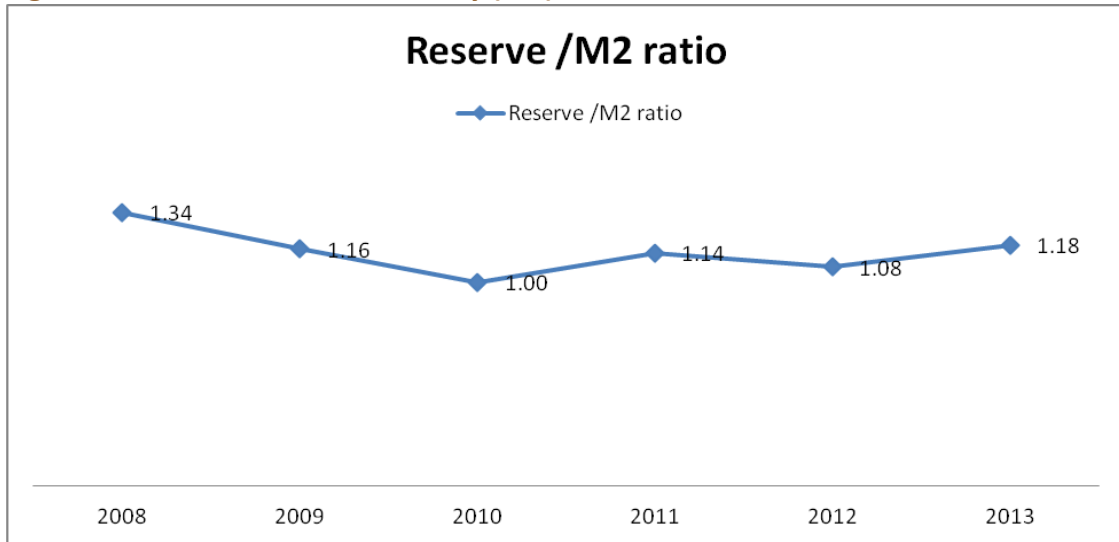
The table 16.6.1 depicts the money multiplier (MM) of both M2 and M1. The M2 multiplier increased steadily from 2.83 in 2008 to 3.83 in 2010. Similarly, M1 exhibited similar movement rising to 1.80 in 2010 from 1.43 in 2008.

Table 16.6.2: Velocity of money supply

Period	Money Supply (M2)	Money Supply (M1)	Nominal GDP	Velocity M2	Velocity M1
2008	1,321,241	666,668	6,358,669	4.81	9.54
2009	1,697,088	808,358	6,561,889	3.9	8.1
2010	2,236,534	1,048,055	6,912,753	3.1	6.6
2011	2,719,741	1,868,262	7,324,821	3	6
2012	3,348,717	1,407,436	8,469,041	2.53	6.02
2013	3,721,313	1,552,616	10,137,732	2.72	6.53

Velocity is defined as the ratio of national income (GDP) to the money stock. In other words, velocity is the number of times the stock of money is spent on average, in a given period in financing the flow of nominal spending. In the financial programming framework, velocity is assumed to be generally constant. However, in many countries, it rises somewhat with increases in inflation and interest rates, and also sensitive to changes in income. Between 2008 and 2011, velocity for both M2 and M1 decreases from 9.54 and 4.81 to 6.00 and 3.00 respectively.

Figure 16.6.1: Reserve Broad money (M2) Ratio



This figure 16.6.1 shows the ratio of gross official reserves to money supply. In 2011, the ratio rose to 1.14 relative to 1.00 in 2010. However, in 2012 the ratio declined to 1.08 indicating upward pressure on the exchange rate.

Figure 16.6.2: Net Foreign Assets/Reserve Money Ratio

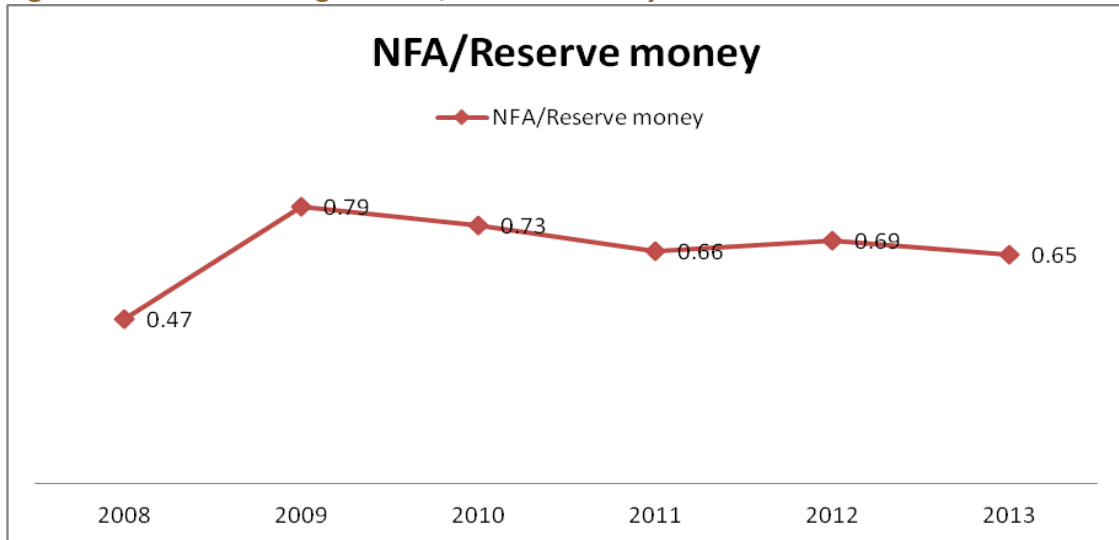


Figure2 shows the movement of the Banks Net Foreign Assets (NFA) and Reserve Money. The ratio declined from 0.73% in 2010 to 0.66% in 2011. A slight rise was experienced in 2012 (about 0.69%) and further declined in 2013 from 0.69% to 0.65% in 2013.

CHAPTER 17: INTERNATIONAL TRADE AND BALANCE OF PAYMENTS (BOP)

17.0 Overview

This section of the report will look at Sierra Leone's trade performance within and outside the sub-region as well as its financial position with rest of the world. Sierra Leone is a small open economy that is engaged in trade with other countries to enable the country to consume goods and services that it does not produce. The country's total export comprises of both mineral and Agricultural exports. Its foreign exchange earnings from exports has been increasing since 2011 to date but there has been a corresponding increase in import bills leading to the country recording a deficit for the period under review. In 2012, Sierra Leone's total export value grew by more than 200% from Le1, 521,014.38 million Leones, in 2011 to Le4, 871,104.97 million Leones, and then increases in 2013 to an amount of Le 8,276,288.23 million representing a growth rate of 69.9%. Total import value dropped to Le5, 113,561.90 million in 2012, and then rises again by 51.1% to Le 7,727,310.43 million in 2013.

In 2013, the country recorded a positive growth rate of 124.6 % for mineral exports, while a negative growth rate of -19.5% was recorded for agricultural exports. Furthermore, the percentage share of mineral export in total export value increases from 70.6 % in 2012 to 93.3 % in 2013, while for that of agricultural exports it dropped significantly from 22.8 % in 2012 to 5.3 % in 2013.

In Sierra Leone, the mining sector is now the engine of growth, with Iron Ore been the growth driver and account for about 55.7% share of total export value in 2013.

The Country's balance of Payments has improved in recent years, especially when the overall balance for the 2009 balance of payments recorded a surplus of US\$ 60.7 million, from a deficit of US\$175.3 million in 2008. Its investment position as at end 2009 was valued at US\$0.62 billion.

Sierra Leone's external transactions with rest of the world showed an improvement with the deficit in overall balance narrowing from US\$194.25 million in 2011 to US\$140 million in 2012, primarily due to an improvement in the balance of the current account.

The Goods and Services account of the current account of the BOP both recorded a deficit in 2012. The current account deficit contracted by US\$811.4 million to US\$1,102.09 million in 2012. Sierra Leone's indebtedness to the rest of the world shows an increasing trend as indicated by the country's international investment position (IIP) from US\$0.69 billion in 2009, to US\$0.94 billion in 2010, US\$2.04 billion in 2011 and US\$2.05 billion in 2012.

17.1 Balance of Trade

The country's trade balance is measured as the total value of export minus the total value of import. Balance of trade is the largest component of a country's balance of payment. It is mostly used in the current account of the balance of payment (BOP) compilation that shows the country's financial position with rest of the world.

Table 17.1.1 Balance of Trade (Million Leones), 2009-2013

	2009	2010	2011	2012	2013
Exports (f.o.b)					
Domestic Exports	702,942.8	1,263,611.7	1,376,388.90	4,694,363.9	8,169,665.65
Re-exports	85,620.8	93,677.4	144,625.5	176,741.03	106,622.58
Total	788,563.5	1,357,289.1	1,521,014.4	4,871,105.0	8,276,288.23
Imports (c.i.f)					
Total	1,764,303.20	3,083,668.7	14,985,853.33	5,113,561.90	7,727,310.43
Balance of Trade	(975,739.7)	(1,726,379.6)	(13,464,838.9)	(242,456.9)	548,977.8
Total Trade	2,552,866.70	4,440,957.80	16,506,867.73	9,984,666.9	16,003,598.7
Cover Ratio	44.70	44.02	10.15	95.26	51.72

Source: Statistics Sierra Leones, Customs and BSL

Table 17.1.1 above show details on the balance of trade from 2009-2013. Sierra Leone's total export value shows an upward trend indicating a steady increase during the period under review, with 69.1% growth rate in export value in 2013. During the same period, the country recorded a systematic trade deficit from 2009 to 2012, due to its import dependency and weak commercial agriculture.

However, in 2013 the country recorded a trade surplus of 548,977.8 million Leones due to the huge volume of Iron ore export. The value of domestic export improved significantly from 2009 to 2013, recording an average growth rate of 80.7%, while the value of re-export grew by 21.5% on average in 2012, and then drop by 39.6% in 2013.

Total imports grew relatively faster than exports leading to a slight decrease of 0.05 percentage point in export/import cover ratio from 44.07% in 2009 to 44.02% in 2010, and then it further declined to 10.05% in 2011. The cover ratio rises again to 95.26% in 2012 and dropped to 51.72% in 2013.

17.2. Quantities of Principal Export and Imports

17.2.1. Quantities of Principal Exports

The analysis of export volume is vital in trade because it gives us an idea of the real output measure devoid of inflation. That is, whether the increase or decrease in the export value of a country is as a result of a change in the world market price of the commodity or not.

Table 17.2.1.1. Quantities of Principal Export 2009-2013

Commodities	Unit of Quantity	2009	2010	2011	2012	2013
Diamond	000'Carat	400.5	437.5	355.3	532.6	604.74
Gold	Ounce	5,361.5	9,362.4	5,287.80	4,534.50	3,099.53
Iron Ore	Metric tons	-	-	339,327.00	5,203,492.20	13,581,075.20
Bauxite	Metric tons	680,219.7	1,254,742.6	1,421,765.80	715,525.60	447,848.51
Rutile	Metric tons	66,666.0	70,131.2	44,619.00	84,889.10	149,535.29
illmunite	Metric tons	10,230.0	21,193.2	19,089.80	10,005.00	12,168.83
Zircon	Metric tons	-	7,875.7	13,025.50	456,351.80	158,500.00
Cocoa	Metric tons	16,937.1	16,070.6	17,999.90	11,387.20	4,196.71
Coffee	Metric tons	8,144.6	2,704.2	3,787.90	3,254.50	2,541.00
Fish	Metric tons	3,084.5	1002.1	2,121.80	7,727.00	7,350.80
Piassava	Metric tons	16.0	-	-	-	80

Source: Statistics Sierra Leones, Customs and BSL

Table 17.2.1.1 above present details on quantity of principal exports commodities for the period 2009 to 2013. During the period under review, export quantities of principal commodities shows mixed results, except for Iron Ore which output volume increases continuously from 339,327 metric tonne in 2011 to 5,203,492.20 metric tonne in 2012, and then rises to 13,581,075.20 metric tonne in 2013, representing a growth rate in export volume of 161% between 2012 and 2013.

The export volume of diamond grew by 9.3% in 2010, and then fell by 18.8% in 2011, before it rises again by 49.9% and 13.5% in 2012 and 2013 respectively. The export quantity of gold grew by 74.6% in 2010, after which it continuously decreases from 2011 to 2013, recording a negative average growth rate of -29.8%.

Export quantities of Cocoa and Coffee increases by 12.0% and 40.1% respectively in 2011, and then declined continuously in 2012 and 2013.

17.2.2. Quantities of Principal Imports

Table 17.2.2.1. Quantities of Principal Imports 2009-2013

Product\Year	Unit of Quantity	2009	2010	2011	2012	2013
Rice	Tonne	121,101.75	58,693.23	117,386.46	36,331.49	29,348.48
Cement	Tonne	55.78	106,593.7	142,617.4	57,200.4	22,752.1
Petrol	Tonne	64,633.1	79,881.0	86,620.29	90,662.99	110,423.86
Diesel	Tonne	107,997.3	99,759.4	144,624.72	188,963.26	236,282.70
Kerosene	Tonne	13,320.1	12,090.5	14,111.21	3,037.46	14,050.96
Fuel Oil	Tonne	6,443.5	22,391.0	19,100.82	20,125.18	29,980.40
Pharmaceutical products	Tonne	1,404.86	1,890.09	4,960.48	2,406.90	2,546.92
Electronic Equipment	Tonne	1,251.35	5,772.60	22,712.20	4,027.17	4,942.91
Baby food and Dairy Products	Tonne	335.12	3,312.0	8,007.34	3,495.26	5,377.54
Poultry Meat & Products	Tonne	9,216.61	1,823.19	8,618.44	4,127.08	4,816.90

Source: Statistics Sierra Leones, Customs and BSL

Table 17.2.2.1 above shows the imported quantities of principal products for the period 2009 to 2013. Imported quantities of petrol increased continuously during the review period. In 2013, the quantities of petrol imported increased by 21.8% from 90,662.9 metric tonnes in 2012 to 110,423.86 metric tonnes in 2013 compared to a 3.4% increase recorded in 2012 and 11.5% increase recorded in 2011. Remarkable

increases were recorded in the import quantities of similar products like diesel, fuel oil and kerosene which rise by 25.1, 48.9 and 362.6% respectively, in 2013.

The imported quantities of rice declined by 19.2% in 2013, which was far lower than the decline of 69.1% recorded in 2012. However, imported quantities of rice increased to 117,386.5 metric tonnes in 2011 from 58,693.3 metric tonnes in 2010. Similarly, the quantities of cement imported declined by 60.2% in 2013 compared to a 72.8% decline recorded in 2012.

Furthermore, Pharmaceutical products, Electronic equipments, baby food and dairy products all recorded increases in the quantities of import during the review period, except in 2012 which decline of 2.9, 15.9 and 3.8 per cent respectively were recorded in the volume of import.

17.3. Values of Principal Exports and Imports

17.3.1 Values of Principal Exports

Table 17.3.1.1: Export Values of Principal Commodities (Million Leones), 2009-2013

Product\Year	2009	2010	2011	2012	2013
Mineral Products	472,590.8	797,358.2	1,047,742.0	3,267,994.2	6,068,561.72
Diamond	267,509.0	450,740.2	566,118.70	701,957.00	804,293.34
Gold	16,081.3	36,975.6	31,687.70	24,943.80	15,921.95
Iron Ore	-	-	65,224.70	1,550,747.40	4,613,287.50
Bauxite	64,257.6	122,984.2	169,602.90	74,245.20	59,860.66
Rutile	121,704.3	162,235.5	150,140.20	884,911.10	561,273.02
illmunite	3,038.7	10,638.4	19,383.60	16,264.70	12,624.16
Zircon	-	13,784.3	45,584.20	14,925.00	1,301.09
Agriculture Products	161,396.5	154,111.6	202,195.0	129,885.3	52,515.1
Cocoa	66,385.1	145,657.1	190,188.00	111,141.10	38,897.29
Coffee	42,726.7	7,863.1	8,695.10	16,709.00	12,183.67
Fish and Shrimps	52267.17022	591.40183	3,269.20	2,035.20	1,369.37
Piassava	17.5	-	42.7	-	64.8

Source: Statistics Sierra Leones, Customs and BSL

Table 17.3.1.1 above presents Sierra Leone's export value of principal commodities from 2009 to 2013. The country's principal commodities of mineral export together on average contribute about 65.9% of its total export value, while that of principal

commodities of agricultural export together on average contribute about 9.7% of its total export value during the period under review.

Diamond and Iron Ore export values recorded a positive growth rate from 2009 to 2013, indicating that the export value of these two commodities has been increasing continuously since 2009. Iron Ore contribution to Sierra Leone's total export value has recorded an impressive growth from 4.3% in 2011, to 31.8% in 2012 and then rises to 55.7% in 2013.

17.3.2 Values of Principal imports

Table 17.3.2.1: Import Values of Principal Commodities (Million Leones), 2009-2013

Product	2009	2010	2011	2012	2013
Rice	467,610.6	154,842.8	309,685.7	127,735.1	77,526.3
Cement	17,057.3	49,651.3	62,113.1	27,907.5	13,497.2
Petrol	129,569.0	219,467.2	349,406.0	459,843.8	514,308.9
Diesel	152,017.4	239,536.2	561,852.5	840,672.9	1,004,025.2
Kerosene	29,853.6	40,259.2	55,643.9	14,437.1	64,444.3
Fuel Oil	22,031.1	46,557.0	56,520.9	66,080.7	90,835.2
Pharmaceutical products	3,007.0	153,530.5	232,817.6	127,685.4	162,757.0
Electronic Equipment	6,197.9	545,173.1	1,413,176.5	357,436.0	707,597.7
Baby food and Dairy Products	2,346.7	40,023.6	91,536.0	38,425.4	65,438.0
Poultry Meat and Products	2,471.6	14,082.0	31,671.2	17,631.2	41,872.4

Source: Statistics Sierra Leones, Customs and BSL

Table 17.3.2.1 above presents Sierra Leone's import value of principal commodities from 2009 to 2013. Imports of petroleum products continued to push up the country's import expenditure and collectively accounting for 21.7% of the total import value in 2013 compared to 27.0% of the total import value petroleum products collectively accounted for in 2012. The value of petroleum products collectively increased by 21.2% from 1,381,034.5 million Leones in 2012 to 1,673,613.6 million Leones in 2013. Import value on rice declined by 58.8% from 309,685.7 million Leones in 2011 to 127,735.1 million Leones in 2012 and then fell by 39.3% to 77,526.3 million Leones in 2013. Similarly, Import value on cement fell by 11.1% from 62,113.1 million Leones in 2011 to 27,709.5 million Leones in 2012 and then fell by 11.3% to 13,497.2 million Leones in 2013. The import value of pharmaceutical products, baby food & dairy products, electronic equipment and poultry meat all increases by 27.5, 21.2, 274.1 and 18.9% respectively in 2013.

17.4. Composition of Imports

Table 17.4.1: Total Import by Broad Economic Category, SITC 2009-2013

	2009	2010	2011	2012	2013
Animal and vegetable oils	26,098.90	37,274.34	45,544.44	18,715.51	29,746.74
Chemicals and related products	113,425.98	173,772.92	68,460.97	31,439.67	47,023.83
Crude material	55,079.22	52,397.34	3,520,442.33	1,897,485.22	3,055,735.02
Beverages and tobacco	85,516.72	77,395.16	65,459.27	33,418.05	32,651.79
Food and live animals	353,743.68	416,638.19	820,929.55	283,138.09	293,613.94
Machinery and transport equip.	323,038.25	1,005,198.83	1,104,560.58	273,349.54	506,175.68
Mineral fuel and lubricant	427,421.69	687,137.37	257,788.31	131,441.32	201,609.04
Misc. Manufactured articles	155,129.20	72,978.37	6,164,081.32	1,334,561.70	1,663,811.34
Manufactured goods classified by material	224,849.55	444,249.64	510,567.55	169,052.15	235,707.50
Unclassified items	-	121,120.35	462,734.46	157,306.54	255,546.42
Total	1,764,303.19	3,088,162.18	14,985,853.33	5,113,561.90	7,727,310.43

Source: Statistics Sierra Leones, Customs and BSL

Table 17.4.1 above shows imports value by Standard International Trade Classification (SITC) from 2009 to 2013. The value of imports of Machinery and Transport Equipment grew by 85.2% from 273,349.54 million Leones in 2012 to 506,175.68 million Leones in 2013.

Similarly, for period between 2012/13 there were increases in the value of import for the following SITC categories as indicated by the positive growth rate recorded for Animal and Vegetable Oil (58.9%), Mineral Fuel and Lubricant (53.4%), Chemicals (49.6%), Manufactured Goods Classified by Materials (39.4%) and Crude Material (61.0%). The category for which import value increase the most for period 2012/13 is Machinery and Transport Equipment Items (85.2%).

The percentage share of SITC categories in total import value shows almost similar trend for the same review period. In period 2011, Misc. Manufactured Articles and Crude Materials accounts for 41.1 and 23.5 per cent respectively, followed by Machinery and Transport Equipment (7.37%) and Food and Live animals (5.48%). Similarly, for periods

2012 and 2013, the largest share of import value based on SITC group were on Crude materials, Misc. manufactured articles, Food and live animals and Machinery and transport equipment, indicating that more products under these basic headings were imported during the period under review.

17.5. Direction of Trade

Table 17.5.1 Value of Imports by Country of Origin (Million Leones), Europe 2009-2013

	2009	2010	2011	2012	2013
EUROPE					
France	33,969.7	42,511.2	138,534.3	58,795.3	170,766.2
United Kingdom	121,992.5	1,413,915.8	1,877,853.9	364,442.6	846,278.4
Germany	50,771.1	116,140.1	181,523.3	40,325.6	47,916.0
Belgium	69,066.4	274,456.7	1,090,830.0	170,559.8	188,242.9
Holland	65,936.3	143,455.7	392,272.2	207,152.0	263,681.0
Italy	12,022.4	46,630.5	137,884.1	12,778.1	15,967.8
Others	92,569.88	254,252.8	602,376.2	167,239.7	246,667.6
Total, Europe	446,328.2	2,291,362.8	4,421,274.0	1,021,293.2	1,779,520.0
Total Import	1,780,778.8	5,813,169.29	14,985,853.34	5,113,561.91	7,727,310.43

Source: Statistics Sierra Leone, Customs

Table 17.5.1 above shows the direction of trade between Sierra Leone and European Union during the period under review. In 2013, the import value from Europe increased by 74.2% from 1,021,293.2 million Leones in 2012 to 1,779,520.0 million Leones in 2013, with a corresponding increase in the share of import value to Europe from 20.0% in 2012 to 23.0% of total import value in 2013. Moreover, the share of Imports value to United Kingdom (UK) increase from 7.1% in 2012 to 10.9% of total import value in 2013, while Netherlands share of import value decreases from 4.1% in 2012 to 3.4% of total import value in 2013.

In 2011, the import value for Europe increased by 93.0% from 2,291,362.8 million Leones in 2010 to 4,421,274.0 million Leones in 2011, and then drop by 76.9% to 1,021,293.0 million Leones in 2012.

Table 17.5.2: Value of Imports by Country of Origin (Million Leones), America 2009-2013

	2009	2010	2011	2012	2013
AMERICA					
USA	57,586.9	330,511.9	508,902.6	243,803.7	287,382.5
Canada	7,296.4	96,834.7	170,608.74	71,652.67	24,217.26
Chile	26.7	444.4	121,844.9	53,252.3	42,093.5
Others	28,581.6	73,388.3	67,628.1	25,850.9	20,469.1
Total, America	93,491.6	501,179.3	868,984.43	394,559.54	374,162.34
Total Import	1,780,778.8	5,813,169.29	14,985,853.34	5,113,561.91	7,727,310.43

Source: Statistics Sierra Leone, Customs

Table 17.5.2 above shows Sierra Leone's trade performance with America region from 2009 to 2013. Overall, the value of imports from America fell by 5.2% from 394,559.54 million Leones in 2012 to 374,162.34 million Leones in 2013. In addition, the share of imports value fell from 7.7% in 2012 to 4.8% of total import value in 2013. Import value to United States grew by 17.9% from 243,803.7 million Leones in 2012 to 287,382.5 million Leones in 2013. In this region, United States is Sierra Leone's major trading partner country.

Table 17.5.3: Value of Imports by Country of Origin (Million Leones), Asia 2009-2013

	2009	2010	2011	2012	2013
ASIA					
UAE	13,899.5	511,167.7823	890,312.37	621,962.05	648,266.33
India	30,300.6	132,888.5498	383,185.42	195,354.82	435,151.66
China	56,858.5	477,375.5137	1,696,880.47	377,757.26	579,081.71
Korea	3,933.9	103,906.7628	164,374.66	75,299.63	17,282.08
Lebanon	10,540.0	222,078.6456	341,293.33	169,165.90	311,954.16
Pakistan	16,345.4	65,707.58162	123,260.60	28,240.60	40,434.87
Others	147,115.0	274,081.5	690,458.82	207,695.58	374,939.07
Total, ASIA	278,993.0	1,787,206.3	4,289,765.67	1,675,475.84	2,407,109.88
Total Import	1,780,778.8	5,813,169.29	14,985,853.34	5,113,561.91	7,727,310.43

Source: Statistics Sierra Leone, Customs

Sierra Leone's trade performance with Asia region during the last five years is indicated in table 17.5.3 above. The value of imports from Asia increases from 1,657,457.8 Million Leones in 2012 to 2,407,109.9 million Leones in 2013, representing a 43.7% growth rate in 2013. The share of imports value to Asia stand at 32.8% in 2012 compared to 31.2% of total imports in 2013. Imports from China, Lebanon, India and Pakistan increased by 53.3%, 8 4.4%, 122.7% and 43.2% respectively in 2013.

Table 17.5.4: Value of Imports by Country of Origin (Million Leones), Africa 2009-2013

	2009	2010	2011	2012	2013
AFRICA					
Senegal	414,062.2	220,688.6484	965,898.39	472,311.59	667,776.90
Benin	840.5	169.9248988	159,545.71	682,584.11	1,796,474.00
South Africa	18,702.2	208,680.3337	1,309,074.77	217,185.23	120,272.32
Ghana	2,603.5	52,803.11949	331,037.25	28,656.65	31,398.74
Nigeria	7,690.5	24,256.94422	67,613.03	13,128.67	32,514.47
Cote D'Ivoire	477,762.0	459,453.6251	2,137,531.20	415,037.04	133,337.53
Others	39,974.4	130,120.4	217,709.46	115,442.94	144,380.19
Total, Africa	961,635.2	1,096,173.0	5,188,409.81	1,944,346.23	2,926,154.15
Total Import	1,780,778.8	5,813,169.29	14,985,853.34	5,113,561.91	7,727,310.43

Source: Statistics Sierra Leone, Customs

Table 17.5.4 above shows the direction of trade between Sierra Leone and Africa region from 2009 to 2013. In 2013, the value in import from Africa grew by 50.5% from 1,944,346.2 million Leone in 2012 to 2,926,154.2 million Leones in 2013. In addition, the share of import value to Africa stand at 37.9% of total imports, which is 0.1 percentage point lower than the 38.0% share of import value to Africa in 2012. Furthermore, total imports from Senegal and Benin increased by 41.4% and 163.2% in 2013 respectively, while the share of import value to Senegal, South Africa, Benin and COTE D'IVOIRE were 9.2, 4.2, 13.3 and 8.1% of total imports respectively in 2012. This trend indicate an improvement in intra-Africa trade.

Table 17.5.5 Value of Imports by Country of Origin (Million Leones), Oceania 2009-2013

	2009	2010	2011	2012	2013
OCEANIA					
Australia	267.7	137,032.59	187,065.92	59,738.61	208,962.47
Others	63.1	215.23	30,353.53	18,148.53	31,401.62
Total, Oceania	330.8	137,247.8	217,419.45	77,887.14	240,364.09
Total Import	1,780,778.8	5,813,169.29	14,985,853.34	5,113,561.91	7,727,310.43

Source: Statistics Sierra Leone, Customs

Table 17.5.5 above shows the direction of trade between Sierra Leone and Oceania region from 2009 to 2013. It can be clearly seen that Sierra Leone does not trade much with Oceania region compared with the other regions. This region on average account for about 2.1% of Sierra Leone's total import during the period under review, indicating that less trade from this region and Australia alone accounting for more than 75% of imports from this region.

Table 17.5.6. Value of Exports by Country of Destination (Million Leones), Europe 2009-2013

	2009	2010	2011	2012	2013
EUROPE					
France	22,272.27	51,205.48	13,156.05	23,336.8	1,439.2
United Kingdom	46,280.18	68,227.82	12,797.1	731,912.45	287,474.8
Germany	13,796.60	24,567.80	4,095.26	27,191.1	4,055.0
Belgium	23,568.92	25,237.45	5,686.61	104,336.09	5,974.7
Holland	7,165.49	176,238.48	141,672.75	84,294.90	11,591.4
Others	83,410.16	185,368.37	24,200.03	587,682.30	453,807.22
Total, Europe	196,493.6	530,845.41	201,607.8	1,558,753.6	764,342.3
Total Export	788,563.54	1,357,289.12	1,521,014.38	4,871,104.97	8,276,288.23

Source: Statistics Sierra Leones, Customs and BSL

Table 17:5:6 above shows Sierra Leone's export performance with European Union during the period under review. In 2013, the export value to Europe fell by 50.9% from 1,558,753.6 million Leones in 2012 to 764,342.3 million Leones in 2013. The share of the value of export in total export to Europe drop significantly from 32.0% in 2012 to 9.3% in 2013. Similarly, the export value to United Kingdom (UK) fell by 60.7% in 2013 and its share of exports value in total export fell from 15.0% in 2012 to 3.5% in 2013. Major decreases were also recorded for export value from Germany, France, Netherlands and Belgium during the same period.

Table 17.5.7. Value of Exports by Country of Destination (Million Leones), America 2009-2013

	2009	2010	2011	2012	2013
AMERICA					
USA	30,236.11	11,389.94	2,198.4	16,738.33	4,308.3
Canada	979.46	3,674.90	-	4,196.1	12,381.3
Others	14,442.53	12,275.75	827.76	27,776.63	20,124.90
Total, America	45,658.11	27,340.59	3,026.2	48,711.0	36,814.4
Total Export	788,563.54	1,357,289.12	1,521,014.38	4,871,104.97	8,276,288.23

Source: Statistics Sierra Leones, Customs and BSL

Table 17:5:7 above shows Sierra Leone's export performance with America region from 2009 to 2013. In 2013, the value of exports to America fell by 24.4% from 48,711.0 million Leones in 2012 to 36,814.4 million Leones in 2013. Furthermore, the share of exports value fell from 1.0% in 2012 to 0.4% of total export value in 2013. Export value to United States fell by 74.3% during the same period.

Table 17.5.8. Value of Exports by Country of Destination (Million Leones), Asia 2009-2013

	2009	2010	2011	2012	2013
ASIA					
China	35,732.85	97,635.23	1,107,393.76	1,621,862.39	3,340,856.5
UAE	9,274.04	14,420.10	2,487.80	10,193.4	698.6
India	12,010.38	25,350.76	39,023.18	52,446.71	4,275.76
Korea	33,770.77	11,769.83	18,905.67	35,550.25	357.4
Others	65,553.66	159,795.41	33,770.14	1,202,111.28	3,409,392.6
Total, Asia	156,341.70	308,971.33	1,201,580.6	2,922,164.1	6,755,581.0
Total Export	788,563.54	1,357,289.12	1,521,014.38	4,871,104.97	8,276,288.23

Source: Statistics Sierra Leones, Customs and BSL

Table 17.5.8 above present details on the direction of trade between Sierra Leone and Asia region from 2009 to 2013. In 2013, the value of exports to Asia grew by 131.2% from 2,922,641.1 million Leone in 2012 to 6,755,581.0 million Leones in 2013. In addition, the share of export value to Asia stood at 81.6% of total exports in 2013 compared to 58.9% of total export in 2012. The value of exports to China grew by 105.9% from 1,621,862.4 million Leones in 2012 to 3,340,856.5 million Leones in 2013, while the share of the value of export in total export to China increased from 33.3% in 2012 to 40.4% in 2013, making China the leading country for Sierra Leone's export in the last three years.

Table 17.5.9. Value of Exports by Country of Destination (Million Leones), Africa 2009-2013

	2009	2010	2011	2012	2013
AFRICA					
Ghana	2,199.84	3,496.76	72,462.11	0.08	110.0
South Africa	2,392.51	11,979.09	19,043.55	31,133.21	21,226.2
Guinea	338,393.82	75,218.61	7,088.15	32,834.67	57,535.3
Swaziland	3,985.96	7,777.94	6,254.4	130,713.68	7,425.1
The Gambia	11,084.78	2,956.30	667.5	556.02	212,661.02
Others	28,046.37	384,615.63	9,092.13	145,739.69	420,382.94
Total, Africa	386,103.28	486,044.33	114,607.8	340,977.3	719,340.6
Total Export	788,563.54	1,357,289.12	1,521,014.38	4,871,104.97	8,276,288.23

Source: Statistics Sierra Leones, Customs and BSL

Table 17:5:9 above shows Sierra Leone's export performance with Africa region from 2009 to 2013. Overall, the value of exports to Africa grew by 110.9% from 340,977.3 million Leone in 2012 to 719,340.6 million Leones in 2013. In addition, the share of the export value in total export to Africa increases from 7.0% in 2012 to 8.7% in 2013. The share of export value to the Gambia, South Africa and Guinea stood at 2.6%, 0.3% and 0.7% of total export respectively in 2013.

Table 17.5.10. Value of Exports by Country of Destination(Million Leones), Oceania 2009-2013

	2009	2010	2011	2012	2013
OCEANIA					
Australia	1,265.22	2,145.8	192.0631	498.9	209.78
Others	2,565.55	1,941.6	-	-	-
Total, Oceania	3,830.77	4,087.44	192.1	498.9	209.78
Total Export	788,563.54	1,357,289.12	1,521,014.38	4,871,104.97	8,276,288.23

Source: Statistics Sierra Leones, Customs and BSL

Table 17.5.10 above shows the direction of trade between Sierra Leone and Oceania region from 2009 to 2013. Sierra Leone does not trade much with this region compared with other regions. The value of export fell by 57.9% from 498.9 million Leones in 2012 to 209.7 million Leones in 2013. The region share of export value in total export is less 1% for each year during the period under review.

17.6 Balance of Payments

Table 17.6.1 Balance of Payments (BOP) in million Leones 2009-2013

	2009	2010	2011	2012	2013
Current account	(1,107,056)	(2,328,365)	(8,322,149)	(3,624,942)	-1660897
Goods	(1,175,266)	(2,060,126)	(7,264,468)	-2674045	23552
Credit	915,388	1,443,573	1,677,536	5058553	8719579
Debit	(2,090,654)	(3,503,699)	(8,942,004)	-7732598	-8696027
General Merchandise	(1,210,134)	(2,090,721)	(7,313,137)	-2807952.502	-79401.8
Export FOB	880,520	1,412,978	1,628,867	4924645.218	8616625
Export of goods in trade statistics	788,564	1,357,289	1,523,157	4871506.759	8276288
Adjustment	91,957	55,689	105,709	53138.45816	340337
Import FOB	(2,090,654)	(3,503,699)	(8,942,004)	-7732597.72	-8696027
Import of goods in trade statistics	(1,932,212)	(3,088,162)	(7,471,822)	-6964739.157	-7709863
Adjustment	(158,442)	(415,537)	(1,470,182)	-767858.5627	-986164
Services	(115,670)	(786,258)	(1,196,697)	-1398312.04	-2012017
Credit	350,615	238,800	695,912	790529.1564	844572
Debit	(466,285)	(1,025,058)	(1,892,609)	-2188841.196	-2856588
Income	(120,799)	(195,358)	(948,391)	-579157.7623	-599658
Credit	38,103	38,422	40,892	44113.35464	55977.8
Debit	(158,902)	(233,781)	(989,284)	-623271.1169	-655636
Compensation of employees	4,888	3,632	4,931	6098.194587	5259.09
Credit	10,930	10,542	14,358	17328.13524	21229
Debit	(6,042)	(6,910)	(9,426)	-11229.94065	-15969.9
Investment income	(125,686)	(198,990)	(953,323)	-585255.9568	-604917
Credit	27,173	27,880	26,535	26785.2194	34748.8
Debit	(152,860)	(226,871)	(979,857)	-612041.1762	-639666

Table 17.6.1 (cont'd)

	2009	2010	2011	2012	2013
Direct Investment	(121,064)	(171,388)	(936,506)	-548102.5923	-561553
Credit	11,041	12,487	15,359	18730.0125	22178.3
Debit	(132,105)	(183,875)	(951,865)	-566832.6048	-583731
Income on equity	(114,008)	(167,354)	(567,362)	-559066.0968	-567445
Credit	-	-	-	0	0
Debit	(114,008)	(167,354)	(567,362)	-559066.0968	-567445
Current transfers	304,679	713,378	1,087,408	1026572.033	927226
Credit	527,855	912,627	1,183,932	1124747.337	980375
Debit	(223,176)	(199,249)	(96,524)	-98175.30433	-53149
Capital and Financial account	1,129,591	2,335,627	8,325,619	1515516.23	1638771
Capital account	507,628	521,140	683,236	535983.6834	548964
Credit	507,628	521,140	683,236	535983.6834	548964
Debit	-	-	-	0	0
Financial account	621,963	1,814,487	7,642,382	3095133.396	1089806
Direct investment	375,284	948,525	4,133,782	979532.5469	643068
Abroad	-	-	-	0	0
In reporting Economy	375,284	948,525	4,133,782	979532.5469	643068
Portfolio investment	(68,814)	72,470	260,615	324408.4847	320028
Assets	(87,897)	64,673	55,200	37253.85944	11821.3
Liabilities	107,587	152,635	547,349	548673.8385	549195
Other investment	1,099,173	1,027,997	3,402,074	1977547.002	330330
Assets	73,567	(21,819)	1,201,843	519874.2259	206729
Liabilities	1,025,606	1,049,816	2,200,231	1457672.776	123600
Net Errors and Omissions	(22,535)	(7,263)	(3,469)	-6175.019146	22126.3
Reserve Assets	(783,680)	(234,505)	(154,088)	-186354.6375	-203619
Total Exceptional Financing	635718.9774	1187192.708	733764.0513	751453.0241	631348

Source: Bank of Sierra Leone

Table 17.6.1 above present details on Sierra Leone's balance of payment for the period 2009 to 2013. The current account recorded a persistent deficit between 2009 to 2013, with an average deficit amount of 3,408,681.8 million Leones during the review period. The current account deficit widened from 2,328,365 million Leones in 2010 to 8,322,149 million Leones in 2011, then fell to 3,624,942 million Leones in 2012 and 1,660,897 million Leones in 2013. The narrowing of the current account deficit in 2012 and 2013 was due to a faster increase in merchandise export from 5,058,553 million Leones in 2012 to 8,719,579 million Leones in 2013, accounting for a 201.5 and 72.4% growth rate in merchandise export for 2012 and 2013 respectively.

Good account recorded a surplus of 23,552 million Leones in 2013 from a deficit of 2,647,045 million Leones in 2012 due to growth in export of mineral product such as Iron Ore.

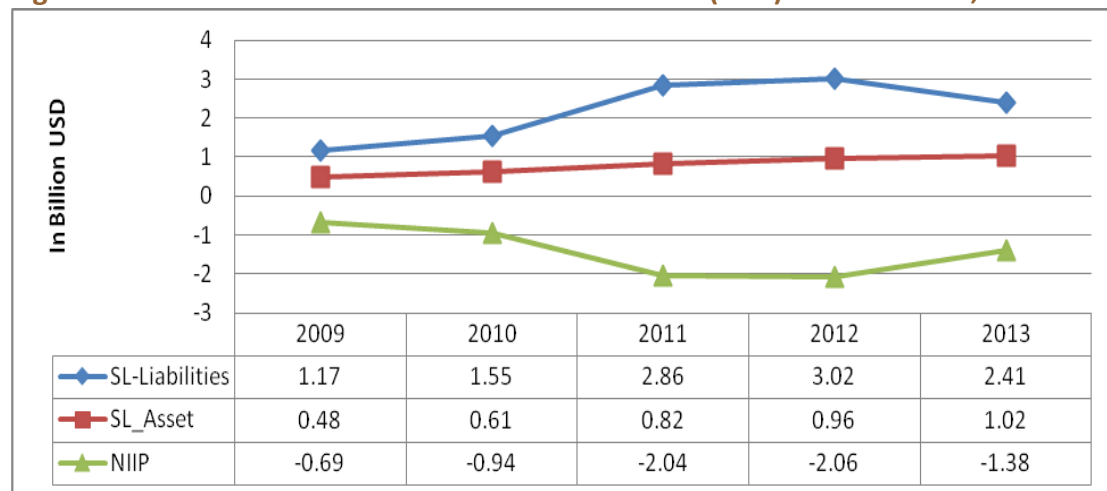
International trade in services which is a component of the current account recorded a continuous deficit during the review period. The services account deficit widened by 43.8% from 1,398,312 million Leones in 2012 to 2,012,017 million Leones in 2013 indicating that earnings from transportation, Insurance and other business services declined in 2013. Current transfers drop by 9.7% in 2013 due to fall in support of remittances from abroad.

The capital and financial account recorded a surplus of 1,638,771 million Leones in 2013 compared to a surplus of 1,515,516 million Leones in 2012. This could be attributed to increases in net capital flows. Direct investment and portfolio investment declined by 34.3 and 1.4 per cent respectively in 2013.

17.7. International Investment Positions

Sierra Leone's International Investment position (IIP) is a financial statement setting out the value of its external financial asset and liabilities and the difference measures its Net International Investment Position (NIIP). Figure 17.7.1 below shows Sierra Leone's IIP and NIIP for the period 2009 to 2013.

Figure 17.7.1. Net International Investment Position (NIIP) billion dollars;2009-2013



Source: Bank of Sierra Leone

Sierra Leone’s external financial liabilities shows an increasing trend from 2009 to 2012 and then it decreases in 2013. The country’s external financial liabilities rose significantly by 84.5% from \$1.55 billion in 2010 to \$2.86 billion in 2011, then it increases by 5.6% to \$3.02 billion in 2012 and dropped by 20.3% to \$2.41 billion in 2013.

The country’s external financial assets similarly show an upward trend during the review period. Sierra Leone’s external financial assets increased by 34.4% from \$0.61 billion in 2010 to \$0.82 billion in 2011, then it increase to \$0.96 billion in 2012 and to \$1.02 billion in 2013.

Sierra Leone’s net international Investment position at the end of 2009 was -\$0.69 billion as the value of it liabilities exceed the value of its assets. At the end of 2010, the net international investment position was -\$0.94 billion. The net position at the end of 2012 was -\$2.06 billion, down from -\$2.04 billion at the end of 2011. There was some improvement at the end of 2013 as the NIIP was -\$1.38 billion mainly due to the 20.3% dropped in external financial liabilities.

17.8. International Liquidity

Sierra Leone’s international liquidity comprises of all reserves that are available to the Central Bank of Sierra Leone for meeting their international disbursement. In short, it

supply of reserves of gold and currencies which are freely usable internationally, such as dollars and sterling, plus facilities for borrowing these.

Table 17.8.1: Central Monetary Authorities; Foreign Exchange Reserves, 2009-2013

	Foreign Exchange	Reserve Assets	S.D.R's
2009	517,570.06	1,091,110.15	573,540.09
2010	656,166.21	1,429,375.81	773,209.60
2011	855,972.93	1,635,861.69	779,888.76
2012	1,060,727.52	1,805,394.03	744,666.51
2013	1,344,086.35	2,063,119.94	719,033.59

Source: Bank of Sierra Leone

Table 17.8.1 above shows the stock of international reserve of the Central Bank of Sierra Leone for the period 2009 to 2013. The country's foreign exchange reserve continues to increase as shown by the upward trend during the review period. The foreign exchange increased by 23.9% from 855,972.9 million Leones in 2011 to 1,060,727.5 million Leones in 2012, then further increases by 26.7% to 1,344,086.4 million Leones in 2013. This could be attributed to the increase in exchange earning from the huge volume of minerals export in 2013 and possibly from the purchase of foreign exchange in the domestic economy.

The country's foreign reserve assets of the bank of Sierra Leone increased persistently by 14.5% from 1,429,375.8 million Leones in 2010 to 1,635,861.7 million Leones in 2011, then further increases by 10.4% to 1,805,394.03 million Leones in 2012. In addition, the reserve assets increased by 14.3% to 2,063,119.4 million Leones in 2013.

S.D.R's increased slightly by 0.47% from 773,209.6 million Leones in 2010 to 779,888.7 million Leones in 2011, then fell by 4.5% to 744,666.5 million Leones in 2012, and further dropped by 3.4% to 719,033.6 million Leones in 2013.

Trends in the foreign exchange, reserve assets and S.D.R's clearly show that the country's international liquidity situation improved during the review period.

17.9. Development in International Trade

The Government of Sierra Leone has made several efforts in the areas of trade policies reforms as well as creating a conducive enabling environment to attract Foreign Direct Investment (FDI) into the country. In an effort to improve its trade performance through export promotion, the Government has set up an Agency by an act of parliament in 2007 referred to as the Sierra Leone Investment and Export Promotion Agency (SLIEPA) that is responsible to facilitate investment and promote export in the country. During the last five years, the Ministry of Trade and Industry (MTI) developed the Sierra Leone trade policy which was enacted by Law in 2009.

The Government has also formed the National Coordinating Committee on Trade (NCCT) comprising of all the key stakeholders and are charged with the responsibility of trade negotiation for Sierra Leone. The achievement of NCCT in trade development includes; the successful completion of Sierra Leone's first Trade Policy Clinic and Review with the World Trade Organization, and the effective participation in trade-related diagnostic studies including, the Removal of Administrative Barriers to Investment project (RABI), and the Diagnostic Trade Integration Study (DTIS). The National Coordinating Committee on Trade (NCCT) was set up as a result of the WTO Trade Policy clinic and Trade Policy Review.

Over the past three years, Ministry of Trade and Industry has undertaken several projects to improve the investment climate and encourage the expansion and diversification of exports through the continued removal of administrative barriers to trade and investment in the country such as advanced tax elimination, exchange control permission elimination, mandatory involvement of legal practitioners elimination and doing business reform.

The Sierra Leone Produce Marketing Company (SLPMC) has been set up, but the Ministry of Trade has decided to transform it to a Public Private Limited Company for greater participation. The primary focus of SLPMC is to coordinate/oversee the export of agricultural produce. The company has set up buying centres across the country and appointed 60 licensed buying Agents that has started buying Cocoa, coffee, husk and milled rice in some districts.

In October 2009, in collaboration with the Office of the President, SLIEPA organized a successful International Investment and Trade Conference in London, UK. As an outcome of this Conference, the inflow of foreign direct investment into Sierra Leone has increased.

Additionally, in June 2010, SLIEPA with the assistance from the Commonwealth Secretariat, developed a National Export Strategy with the ultimate objective of promoting pro poor growth by raising the quantity and value added productivity in agriculture and fisheries. The said strategy has been launched and the implementation of its recommendation has commenced in earnest.

Three (3) bills: the Companies, Bankruptcy and Payment System Bills have been passed into law by Parliament. The combined effect of all these is the reduction on the cost and time of doing business in Sierra Leone.

The Government of Sierra Leone in its quest to create employment, through the MTI has finalized and executed an Agreement with World Hope International for the establishment of the First Step Economic Processing Zone in Sierra Leone. The said Agreement has been ratified by Parliament and implementation has commenced in earnest.

In May 2008, two sets of National consultative Workshops were organized by MTI in collaboration with the Economic Community of West African States-Trade Negotiation Capacity Building Project (ECOWAS-TNCBP) with the objective of gauging the effectiveness of the NCCT in trade policy formulation, implementation and evaluation as well as coming up with a trade policy frame work that could be developed for use both domestically and globally. In 2010, NCCT conducted a sensitization tour in all the regional headquarter towns on the role of the NCCT, the ETLs and the CET. In May, 2014 the Ministry of Trade and Industry organized a workshop for NCCT members on trade negotiation with funds provided by ECOWAS. This capacity building training enhanced the skills of the NCCT member's in trade negotiation for Sierra Leone.

In the area of regional integration, Sierra Leone is committed to the Economic Partnership Agreement (EPA) through its membership with ECOWAS and this is being spearheaded by the Ministry of Trade and Industry. In 2009, Sierra Leone responded

quickly to the call by ECOWAS Commission to prepare its EPA Development Programmes. This had been prepared, validated by the national stakeholders and approval by Cabinet.

Sierra Leone is a member of the WTO, ECOWAS, Africa Union and Mano River Union and currently involved in a number of ongoing regional trade negotiations such as the ECOWAS-EU/EPA coordinated at the regional level by the ECOWAS Commission, ECOWAS CET and trade facilitation agenda, African Union Action Plan for Boosting Intra Africa Trade agenda which includes the negotiation of the proposed Continental Free Trade Area (AU CFTA) and ECOWAS Trade Liberalization Scheme (ETLS) which is the main ECOWAS operational tool for promoting the West Africa Region as a Free Trade Area.

Additionally, as an integral part of its regional integration portfolio, the MTI continues to play its contributing role towards realizing the dreams of the West African Monetary Zone (WAMZ). Critical to the economy of Sierra Leone are a couple of facilities provided by the sub-regional organizations of the WAMZ and the ECOWAS Commission; all meant to promote inter-regional trade and investment flows.

In 2010, with support from the International Finance Corporation (IFC) of the World Bank Group, the Government of Sierra Leone through SLIEPA launched and pursued an aggressive investment outreach strategy in sugar and oil palm.

In November 2011, the Government of Sierra Leone through the Ministry of trade and Industry and SLIEPA hosted a Partnership Forum at the Miatta Conference in Freetown, Sierra Leone. The main purpose of the forum was to reinforce the Government's commitment to private sector-led economic growth for Sierra Leone and further deepen the trade relationship between countries. A new set of investments in Sierra Leone is expected to be achieved as a result of the Partnership Forum.

APPENDIX

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