



Dependency to Self-Sufficiency: Liberia's Bright Future

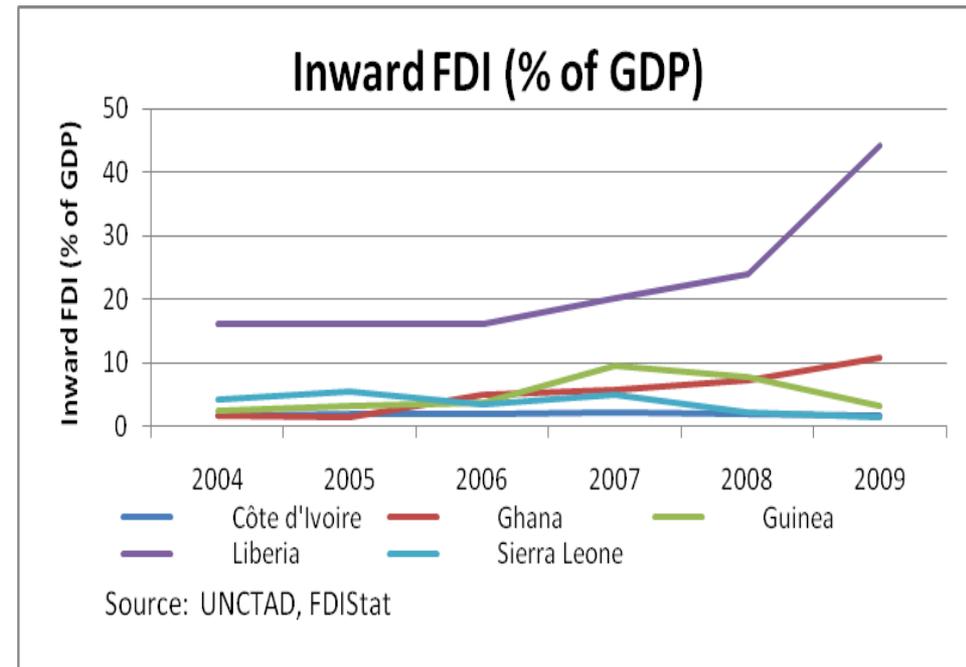


UK-Liberia Investment Forum
13-15 June 2011

Economic Recovery

Liberia has made great advances in rebuilding the country

- Liberia as a robust democracy after a protracted civil war
- Significant advances in last six years including:
 - New legal and regulatory frameworks
 - Rebuilding of the country's physical infrastructure
 - US\$17bn of concessions signed or in progress
- Reconstruction has promoted high growth over the last five years
 - GDP growth averaged 7.2% (2006-10)
 - GDP growth is projected at 6.2% for 2011
- Strong growth in Foreign Direct Investment
 - Liberia has outpaced it's neighbors in attracting FDI



Debt Relief

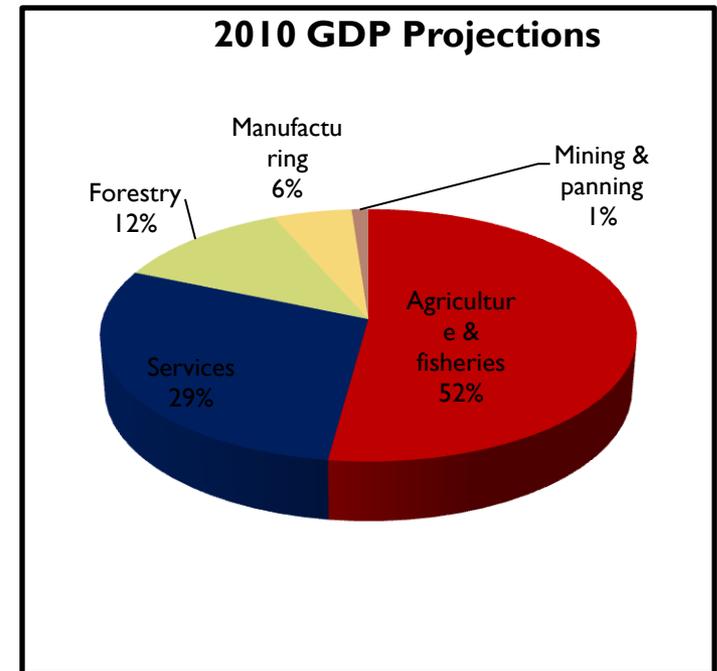
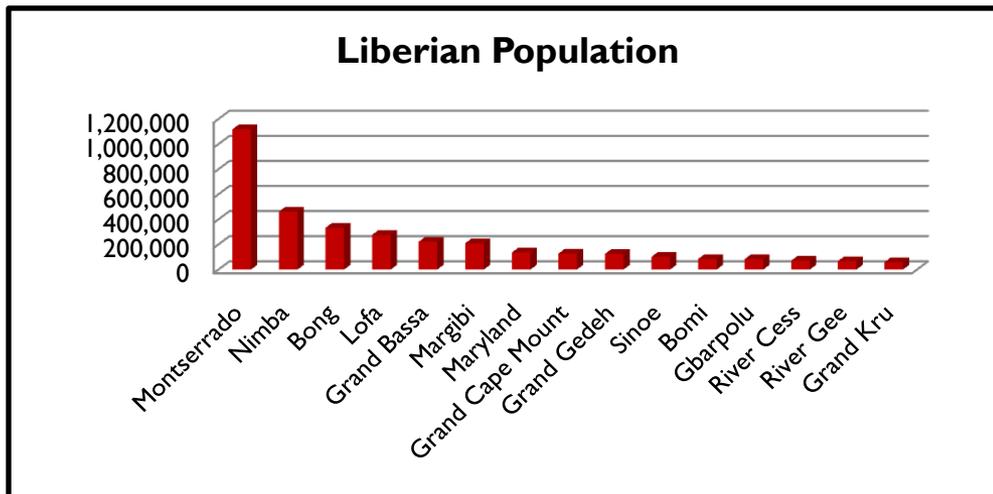
Debt relief has massively reduced the country's debt burden

- ▶ External debt has been reduced from US\$4.9bn in 2007 to US\$250m in 2010
- ▶ The HIPC debt relief program was successfully completed in 2010.
- ▶ New Public Financial Management Law (2009) regulates government finances
- ▶ Liberia can now access international financial markets

Profile of the Economy

Liberia's population is largely rural and its current economy is heavily agriculturally based.

- 67% of the population lives outside of Montserrado county (Monrovia)
- 52% of the Liberia's GDP comes from agriculture and fisheries
- Urban economy is dominated by the informal service sector



Sources: 2008 Liberian Census
2010 IMF Projections

Natural Resource Diversification

The natural resource engine of the economy is more diversified than in the past.

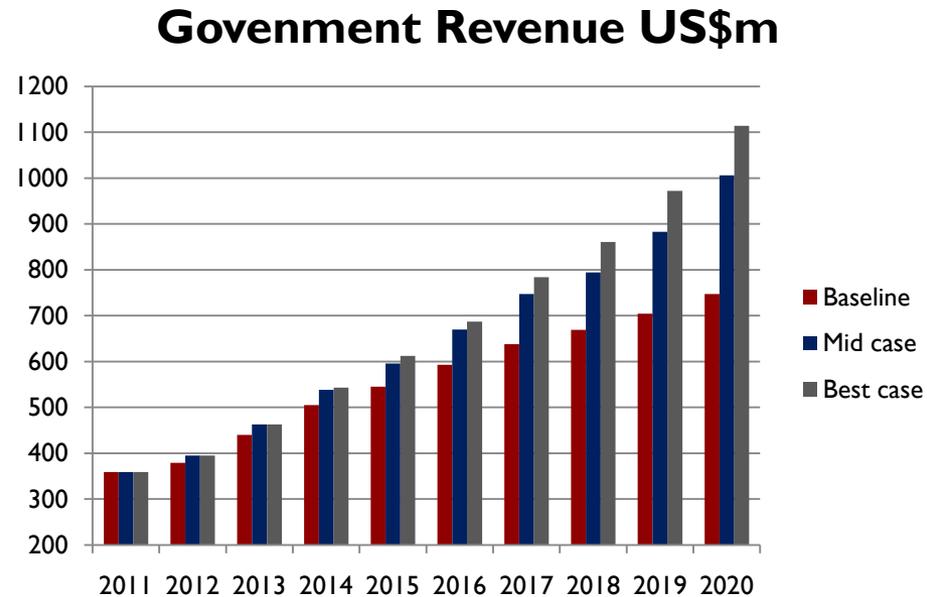
- ▶ In the 1970s & 80s, iron ore and rubber dominated the economy
- ▶ In addition to a recovery in iron ore & rubber, palm oil and off-shore oil are set to be major contributors to the economy
- ▶ Timber, cocoa, gold & diamond mining will continue to play a supporting role



Expanding Government Revenue

The Government of Liberia's revenue take will almost triple in the next 10 years

- ▶ Iron ore & palm oil revenue will have a major impact on government resources this decade
 - ▶ In the middle scenario, revenue will jump from US\$359m in 2011 to US\$1bn by 2020
 - ▶ Successful exploitation of an oil discover would add substantially to these revenue estimates



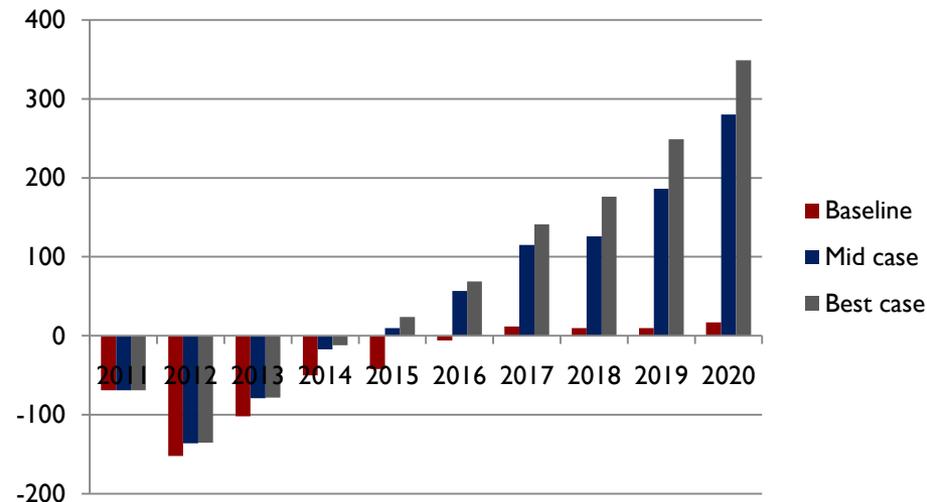
Source: IMF Staff estimates

Funding Infrastructure

The government will have the resources to fund an expansion of infrastructure

- ▶ Liberia needs US\$3.7bn over 10 years to rebuild infrastructure to regional standards. (World Bank, AICD 2010)
- ▶ In the mid-case revenue scenario, Liberia will have more than enough resources to rebuild infrastructure

Funding Gap for Infrastructure (US\$m)



Source: IMF Staff estimates



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