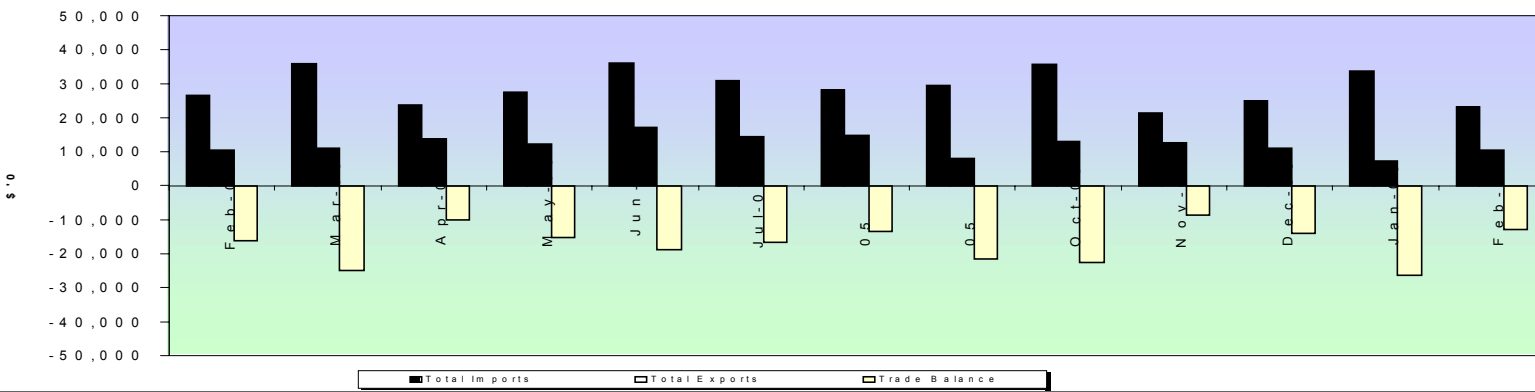




### Chart 4. External Trade



### Highlights

Sierra Leone continued to receive external donor support. The Japanese Government, in collaboration with the United Nations Development Programme (UNDP), on 17th March 2006, donated US\$1.6mn to the United Nations Integrated Office in Sierra Leone (UNIOSIL) as assistance towards the elimination of small arms in the country. The Vice President, Mr. Solomon Berewa, on 21st March 2006, launched a US\$44mn Transport/Infrastructural Development Project with funds to be provided by the World Bank. In another development, the Malaysian Government, on 24th March 2006, donated US\$9.6mn towards the improvement of the oil palm industry in Sierra Leone. The first International Investment Forum of

production at usual output levels, following the lull in February arising from carry-over of stock from previous months. The increase in the output levels of beer & stout and soft drinks resulted from the need to replenish stocks, while in the case of cement it was attributed to increased demand and availability of raw materials. The significant rise in the output level of confectionery was in response to increased demand, preceding the Easter and other usual national holidays in April. In contrast, the output level of maltina dropped by 2.89 thousand cartons (21.50%) to 10.55 thousand cartons compared to 13.44 thousand cartons recorded in February 2006. Similarly, output of paint and oxygen were down to 16.70 thousand gallons and 67.38 thousand cubic feet, 21.37 per cent and 31.91 per cent below their

	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	
<b>Minerals</b>														
Diamonds	000carats	47.96	63.99	50.38	59.44	54.37	62.98	34.10	51.53	54.25	68.02	29.72	46.90	63.38
<b>Agriculture</b>														
Coffee	M tons	n.a.	223.50 <sup>R</sup>	184.00 <sup>R</sup>	**	50.00 <sup>R</sup>	30.00 <sup>R</sup>	581.00 <sup>R</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cocoa	M tons	215.50 <sup>R</sup>	362.50 <sup>R</sup>	37.50 <sup>R</sup>	**	**	**	1450.00	570.26 <sup>R</sup>	187.50 <sup>R</sup>	n.a.	n.a.	n.a.	n.a.
<b>Manufactured Goods</b>														
Beer and Stout	000' ctns	80.99	80.43	74.45	76.63	55.5	82.54	70.78	37.97	68.39	92.37	80.00	53.85	62.23
Maltina	000' ctns	21.23	15.52	16.02	16.36	16.07	10.94	5.45	10.00	11.05	16.61	16.93	13.44	10.55
Softdrinks	000' crates	192.22	154.80	198.97	127.37	138.27	116.31	138.15	112.45	198.42	235.25	183.99	155.73	193.88
Cement	000' M tons	13.08	13.09	14.78	11.94	13.77	14.66	12.49	15.74	14.62	20.18	16.60	19.89	21.57
Common Soap	M tons	5.63	45.53	35.44	93.93	**	33.40	3.88	22.83	35.00	41.96	45.96	2.05	50.06
Paint	000' gallons	12.02	12.41	4.60 <sup>R</sup>	4.25 <sup>R</sup>	3.85	12.23	10.61	6.00	8.37	37.26	14.19	21.24	16.70
Acetylene	000'Cu. Ft	12.96	14.20	13.40	13.20 <sup>R</sup>	12.40	12.90 <sup>R</sup>	14.60	14.30	14.30 <sup>R</sup>	13.90	34.10	22.83	32.99
Oxygen	000'Cu. Ft	13.85	15.10	14.50	14.30	13.50	14.10 <sup>R</sup>	15.40	15.20	15.50 <sup>R</sup>	15.10	121.34	98.96	67.38
Confectionery	000' lbs	194.04	168.02	199.18	104.48	275.76	203.53	195.84	196.43	174.97	104.27	111.68	195.05	230.66

Sources: Manufacturing Industries, Gold and Diamond Department

	March	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	
Monthly Inflation Rate	%	0.78	1.08	1.80	3.12	2.63	1.91	1.42	0.46	0.23	-0.44	0.10	-0.17	0.68
Inflation Rates (Yr-on-Yr)	%	10.43	10.67	10.40	11.14	13.89	15.23	15.90	14.45	12.29	13.10	13.85	13.63	13.52
Consumer Price Index		650.34	657.36	669.19	690.07	708.19	721.70	731.97	735.34	737.03	733.76	734.49	733.24	738.23

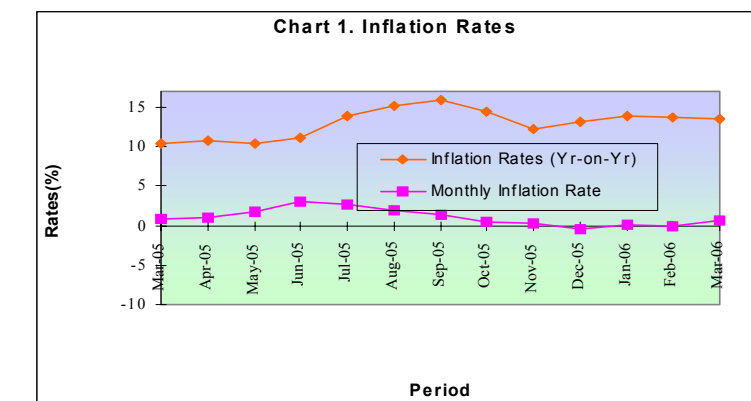
Source: Statistics Sierra Leone

Commonwealth Countries was hosted in Freetown on 28th March 2006, with the theme "To Promote Foreign Investment in Sierra Leone". The Cotton Tree Foundation in Sierra Leone, in collaboration with CORD Aid Netherlands, exported the first set of ginger consignment to the Netherlands. The President, Dr. Alhaji Ahmed Tejan Kabba, commissioned the Sierra Leone Broadcasting Service Television (SLBS-TV) in Kenema Town on 17th March 2006 as part of the Government's drive to make information accessible nation-wide and officially opened the Makeni Agricultural Show on 28th March. The Diamond Industry Annual Review was launched by the Network Movement for Justice and Development, in collaboration with African Development Partners. During the month, the first National Youth Trade Fair was held at the National Stadium, with the theme "Promoting Youth for Development". Monetary aggregates expanded over the month with Narrow Money (M1), Broad Money (M2) and Reserve Money (RM) increasing by 5.58 per cent, 2.66 per cent and 0.64 per cent, respectively. There was a reduction in the fiscal deficit to Le6.42bn from Le27.86bn in February 2006. Gross external reserves of the Bank of Sierra Leone was US\$163.10mn at end March 2006. The monthly inflation rates increased in Freetown, Bo and Makeni to 0.68 per cent, 0.79 per cent and 0.53 per cent respectively. The year-on-year inflation rate decreased for Freetown, Kenema Town and Makeni Town to 13.52 per cent, 8.86 per cent and 9.84 per cent respectively.

### Real Sector

Output levels in the real sector during March 2006 exhibited mix trends. In the manufacturing sub-sector production levels for beer & stout, soft drinks, confectionery, cement and acetylene increased by 8.38 thousand carton (15.56%) to 62.23 thousand cartons, 38.15 thousand crates (24.50%) to 193.88 thousand crates, 35.61 thousand pounds (18.26%) to 230.66 thousand pounds, 1.68 thousand metric tons (8.45%) to 21.57 thousand metric tons and 10.16 thousand cubic feet (44.50%) to 32.99 thousand cubic feet, respectively. Production of common soap increased by more than twenty-fold to 50.06 thousand metric tons due to the resumption of

levels in the preceding month. The volume of diamond shipped as recorded by the Gold and Diamond Department (GGD) increased by 16.48 thousand carats (35.14%) to 63.38 thousand carats. The increase in diamond shipments reflected increased mining activities in the review month. During the review month, the monthly inflation rates increased in Freetown, Bo and Makeni to 0.68 per cent, 0.79 per cent and 0.53 per cent, from -0.17 per cent, -0.76 per cent and -0.32 per cent in February 2006. In Kenema, however, the monthly inflation rate dropped to -1.36 per cent in the review month from the preceding month's position of -1.03 percent. The increase in the rate of inflation in Freetown was due to increases in prices of the food items, such as rice and other cereals, vegetables and fruits, and non-food items, such as tobacco products, children's clothing, and educational materials. In Bo price increases were recorded for all the main groups of food, beverages and tobacco and non-food products. The price of food products dropped in Makeni, but was offset by the increase in the prices of beverages and tobacco and non-food products. In Kenema, the decline was influenced by decreases in the prices of food and non-food products, which outweighed the increases in the



by the former United Nations Assistance Mission in Sierra Leone (UNAMSIL), following the end of its mandate in the country. This resulted in a trade surplus of US\$4,399.52mn, the highest recorded in decades. Earnings from domestic exports during the month amounted to US\$14.40mn, 40.39 per cent higher than the preceding month's earnings. The increase reflected significant increases in mineral exports (38.67%), agricultural exports (160.44%) and "other exports" comprising mainly sliced ginger, timber, assorted plastic wares, audiocassettes and compact discs (229.75%). A total volume of 66.38 thousand carats of diamonds, worth US\$14.02mn was exported in March 2006, reflecting increases of 92.69 per cent in volume and 38.57 per cent in value on the February 2006 position. Similarly, 178.80 ounces of gold valued at US\$61.54 thousand were exported during the month, indicating an increase of 71.22 per cent in volume and 66.68 per cent in value over the month. Agricultural export earnings were in respect of receipts from the export of 74.40 metric tons of coffee valued at US\$38.28 thousand (from no production in February) and 24.96 metric tons of cocoa, worth US\$25.16 thousand (an increase of 10.96%). Receipts from "Other Exports" increased by more than three-fold to US\$245.96 thousand in March 2006. Payments for imports during the review month amounted to US\$35.44mn, 52.74 percent higher than payments for February. The increases occurred in payments for all import categories except "food" and "manufactured goods" and were more pronounced in payments for intermediary goods and petroleum products (accounting for 37.65% of total import bill). Import of fuel more than doubled in both volume and value to 18.70 thousand metric tons, valued at US\$10.31mn, from 7.50 thousand metric tons and US\$4.52mn recorded in February. This development was attributed to replenishment of stock by the oil companies. Substantial increases were recorded in import payments

for consumer goods, intermediary goods and "machinery and transport equipment". The value of imported consumer goods increased by 15.17 percent to US\$5.38mn explained by a significant increase in the import value for "Beverages and Tobacco" and Animal and Vegetable Oils, which offset the decrease in aggregate payments for food imports. Payments for import of intermediary goods increased by over 100 per cent to US\$3.83mn, following marked increases in the import bills for both crude materials and chemicals, while payments for machinery and transport equipment more than doubled to US\$9.07mn in the review month. Import payments for manufactured goods however fell by 50.68 per cent to US\$3.88mn from US\$7.86mn in February 2006. There was no record of rice imports for the month of March 2006.

### International Reserves

The Gross external reserves of the Bank of Sierra Leone was US\$163.10mn at end March 2006, reflecting a decrease of US\$5.15mn (3.06%) when compared to US\$168.25mn as at end February 2006. The drawdown in the reserves was due to total outflows of US\$7.60mn outweighing total inflows of US\$2.45mn during the review period. Significant inflows during the month comprised EDF replenishment of account (US\$0.54mn), Islamic Development Bank replenishment of account (US\$0.50mn) and receipts from diamond exporters' income tax and license fees (US\$0.80mn). Major outflows were in respect of Embassies and Mission payments (US\$0.64mn), foreign exchange utilized under the Bank of Sierra Leone auction (US\$5.36mn), Government travel and other expenditures (US\$0.43mn), and debt service payments amounting to US\$0.57mn (of which the World Bank (US\$0.33mn) and the African Development Bank (US\$0.24mn))



	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
<b>Total Imports o/w</b>	35884.96	23798.71	27494.18	39837.88	30982.24	28190.93	29573.75	35611.07 <sup>a</sup>	21301.32	24921.23	33639.60	23200.59	35437.68
Rice	000S	2820.00	**	2760.00	2695.00	1997.50	1527.50	1680.25	935.28 <sup>a</sup>	2937.50	1244.33	3102.00	2820.00
Petroleum Products	000S	14319.69	9459.60	10178.69	15136.00	8844.85	11457.11	10482.13	12408.80 <sup>a</sup>	4374.40	8986.34	12855.01	4603.56
o/w Fuel	000S	12545.82	5416.18	6833.81	9760.60	7964.47	11386.64	7084.34	8883.95 <sup>a</sup>	3820.36	6139.83	12797.17	4515.65
Others	000S	18745.27	14339.11	14555.49	22006.88	20139.89	15206.32	17411.37	22266.99	13989.42	14690.56	17682.59	15777.03
<b>Total Exports o/w</b>	11003.82	13748.83	12305.95	17275.68	14432.46	14790.56	7991.25	13039.92	12687.89	11002.64	7327.50	10429.50	4434891.37
Diamonds	000S	9857.57	12950.40	12440.50	21573.80	13180.71	13543.47	7385.80	10608.00	11874.00	10281.80	5553.60	10115.16
Gold	000S	25.40	41.00	15.70	21.90	20.40	16.90	0.40	1.00	15.40	36.80	170.26	36.92
Cocoa	000S	185.43	123.44	30.87	**	**	**	**	916.41	320.29	114.92	872.20	28.30
Coffee	000S	**	32.13 <sup>R</sup>	103.99	**	42.69	26.08	250.28	**	**	**	**	38.28
Others	000S	291.64	78.16	319.79	405.35	378.30	393.61	263.00	308.54 <sup>a</sup>	253.93	117.51	386.90	74.60
Re-exports	000S	669.19	564.73	339.54	541.61	830.76	827.40	354.01	1207.00	239.71	488.36	514.80	211.40
<b>Trade Balance</b>	000S	-24881.14	-10049.88	-15188.23	-22562.20	-16549.78	-13400.37	-21582.50	-22571.15 <sup>a</sup>	-8613.43	-13918.59	-26312.10	-12771.09
<b>Vol. of Imports</b>													
Rice	M tons	12000.00	**	12000.00	11000.00	8500.00	6500.00	7150.00	4000 <sup>a</sup>	12500.00	5295.00	13200.00	12000.00
Petroleum Products (Fuel)	M tons	20270.48	12270.06	12955.95	16961.44	13332.72	15760.77	11956.98	13067.82	6489.64	10786.13	22247.56	7499.51
<b>Vol. of Exports</b>													
Diamond	000carat	47.97	63.98	50.38	59.44	54.37	62.98	34.10	51.53 <sup>a</sup>	54.25	68.02	29.71	46.90
Gold	oz	73.48	114.58	47.53	60.94	56.11	32.22	1.01	2.94	45.75	111.95	449.02	104.43
Cocoa	M tons	215.50	362.50	37.50	**	**	**	**	1450	570.26	187.50	637.46	26.00
Coffee	M tons	**	223.50	184.00	**	50.00	30.00	581.00	**	**	**	**	74.40
<b>External Reserves</b>	\$Mn	122.33 <sup>R</sup>	118.44 <sup>R</sup>	109.45 <sup>R</sup>	123.32 <sup>a</sup>	127.10 <sup>R</sup>	138.90 <sup>R</sup>	132.69 <sup>R</sup>	128.91 <sup>a</sup>	144.53	169.68	175.75 <sup>R</sup>	168.25 <sup>a</sup>

Sources: Customs and Excise Department, Gold and Diamond Department, Bank of Sierra Leone

Notes: n.a - Not Available  
 \*\* - Nil  
 N/A - Not Applicable  
 R - Revised  
 + - Provisional

Research Department  
 Published May 2006

GOVERNMENT FINANCES

TABLE 3

	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
Total Revenue (Plus Grants)	47282	29148	34381	53269	33253	73813	43344	40889	85730	133648	57002	37083	51202
Domestic Revenue	34020	26042	29272	46648	30278	30889	41083	26210	28821	37475	30779	31867	45797
Customs & Excise	18790	16820	20001	23129	19397	20763	19158	18898	19568	21478	20881	22615	25529
Income Tax Dept	13006	5392	6918	13339	7472	7155	18132	5489	6261	11640	6795	7196	17439
Miscellaneous	2224	3830	2353	10180	3409	2971	3793	1823	2992	4357	3104	2056	2829
Programmed Funds (Grants)	13262	3106	5109	6621	2975	42924	2261	14679	56910	96173	26223	5216	5405
HIPC	2346	3106	5109	6621	2975	799	2261	14679	6194	10348	3730	5216	5405
Others*	10916	**	**	**	**	42125	**	**	50715	85825	22493	0	0
Total Expenditure	56761	54075	63597	45958	39215	74393	61889	49874	71931	83207	42044	64941	57624
Pensions, Wages & Salaries	16279	16425	17265	23788	12707	20030	22884	14812	35594	20902	20650	21823	22698
Other Expenditures	22132	22237	27729	7087	8640	34822	27459	15693	24489	38840	10135	26180	20329
Debt Service Payment	18350	15413	18603	15083	17868	19541	11346	19369	11847	23465	11259	16938	14597
Domestic	9118	9430	9769	9926	8003	8292	7455	6893	8480	8900	6681	7397	7476
Foreign	9232	5983	8834	5157	9865	11249	3891	12476	3368	14565	4578	9541	7121
Overall Deficit/Surplus	-9479	-24927	-29216	7311	-5962	-580	-18345	-8985	13800	50441	14958	-27858	-6422
Total Financing	9479	24927	29216	-7311	5962	580	18345	8985	-13800	-50441	-14958	27858	6422
Bank Financing	-4017	17763 <sup>m</sup>	20662	-5420 <sup>m</sup>	27962	12740	23073	6215	-15420	2849	-4255	5420	-5036
Bank of Sierra Leone	312	22295	13385	-218	-36465	-14479	7682	1083	-35735	7077	-21903	692	5741
Commercial Banks	-4329	-4532 <sup>n</sup>	7277	-5202	8503	1739	15391	5132	20315	-4228	17648	4728	-10777
Non-Bank Financing	13496	7164 <sup>n</sup>	8554	-1891	3898	13320	-4728	2770	9930	806	4255	-5420	5036
Treasury Balance	0	0	0	0	0	0	0	0	-8310	-54096	-14958	27858	6422
Foreign Finance	0	0	0	0	30026	0	0	0	0	0	0	0	0

Source: Customs and Excise Department, Income Tax Department, Bank of Sierra Leone  
\* - Includes Japan Debt Relief and other grants not included in the list above

prices of beverages and tobacco. The year-on-year inflation rate decreased for Freetown, Kenema Town and Makeni Town to 13.52 per cent, 8.86 per cent and 9.84 per cent, respectively. It however increased for Bo Town to 13.30 per cent in the review period.

**Fiscal Operations**

Total revenue plus grants for March 2006, amounted to Le51.20bn. This was Le14.12bn (33.07 per cent) and Le3.92bn (8.29 per cent) above the February 2006 and March 2005 levels, respectively. The increase was explained by a significant improvement in domestic receipts to Le45.80bn, from Le31.87bn in the preceding month and Le34.02bn in March 2005. The rise in domestic receipts over the month was reflected in all the major revenue sources of Income Tax (Le10.24bn or over two-fold), due to quarterly corporate tax receipts, Customs & Excise (Le2.91bn or 12.89%) and Miscellaneous Receipts (Le0.77bn or 37.6%). The marked increase in miscellaneous receipts was partly accounted for by revenue from the Immigration Department, which rose more than four-fold, due to improved collection machinery. Total grants received during the period (Le5.41bn) entirely in respect of HIPC Debt Relief) was however lower than the corresponding receipts (Le13.26bn) in 2005, though slightly higher than that for the preceding month (Le5.22bn). Total expenditure outlay of Le57.62bn reported for the month was lower by Le7.32bn (11.27 per cent) from its February 2006 position of Le64.94bn, but was Le0.86bn (1.52 per cent) above its corresponding month's position in 2005. The reduction in both Treasury expenditure and amortisation of foreign debts from Le26.23bn in February 2006 to Le20.37bn in March 2006 and from Le9.54bn in February 2006 to Le7.12bn in March 2006 respectively, accounted for the drop in total expenditure. Personnel emoluments (Le22.70bn) in March 2006 were however, above the preceding and corresponding (2005) months' levels by 4.01 per cent and 39.43 per cent, respectively. The significant increase over the corresponding period in 2005 was due to a general increase in the salaries of civil servants, which came into effect on January 01, 2006. Major expenditures on Goods and Services during the month were in respect of payments for the reconstruction of the Treasury Building, the supply of imported rice to the Republic of Sierra Leone Armed Forces (RSLAF), defence spending, subventions to the Sierra Leone Police, supply of fuel to various government departments and subventions, fees, subsidy etc to the Ministry of Education, Science and Technology. The overall fiscal deficit of Le6.42bn was financed entirely from domestic sources through a drawdown on the treasury balance. Bank of Sierra Leone and the non-bank public increased their holdings of securities to Le5.74bn and Le5.04bn, respectively, while the commercial banks reduced their holdings of

MONETARY AGGREGATES <sup>m</sup>

TABLE 4

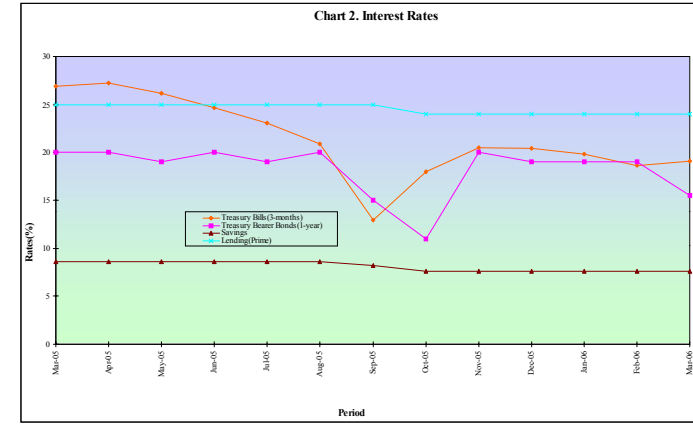
	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
Reserve Money (RM)	259143	268132 <sup>n</sup>	265801	260228	248952	260011	259225	253231	261864	303961 <sup>n</sup>	284584 <sup>n</sup>	292454	294312
Broad Money (M2)	611427 <sup>n</sup>	617978 <sup>n</sup>	606568	628178	609698	634776	640648	638929	671510	724178 <sup>n</sup>	711205 <sup>n</sup>	705385	724173
Narrow Money (M1)	363713 <sup>n</sup>	368190 <sup>n</sup>	368658	358132	346028	364240	373249	362004	394625	424173 <sup>n</sup>	416114 <sup>n</sup>	413690	436770
Currency in Circulation	200999	205261	206130	205074	200996	199379	205908	204916	213713	231274	217916	223947	236141
Demand Deposits	162714	162929 <sup>n</sup>	162528	153058	145032	164861	167341	157088	180912	192899 <sup>n</sup>	198198 <sup>n</sup>	189743	200629
Net Claims on Government	222023	236622 <sup>n</sup>	256129	254773	222292 <sup>n</sup>	207543	230350	229908	212102	159417	138313 <sup>n</sup>	169696	189117
Net Claims on Govt (BSL)	84393	105378	117233	120483	81339 <sup>n</sup>	68059	75071	76720	34220	(11793)	(47895)	(21889)	(5200)
Net Claims on Govt (DMB)	137630	131244	138896	134290	140953	139484	155279	153188	177882	171210	186208	191585	194317
Claims on Private Sector	143387 <sup>n</sup>	145917 <sup>n</sup>	144266 <sup>n</sup>	157444 <sup>n</sup>	160589 <sup>n</sup>	159573 <sup>n</sup>	156555 <sup>n</sup>	158770 <sup>n</sup>	158141 <sup>n</sup>	159647 <sup>n</sup>	161066 <sup>n</sup>	168523	171355
Of Which: Com. Banks**	137837 <sup>n</sup>	140491 <sup>n</sup>	139861 <sup>n</sup>	153480 <sup>n</sup>	157244 <sup>n</sup>	156640 <sup>n</sup>	154050 <sup>n</sup>	156628 <sup>n</sup>	156343 <sup>n</sup>	154052 <sup>n</sup>	157319 <sup>n</sup>	165082	167497
Net Foreign Assets	(82487)	(83407)	(123454)	(98475)	(90579)	(58456)	(70328)	(65118)	(13423)	85928 <sup>n</sup>	79890	64846	43170
Other Items (Net)	(328504) <sup>n</sup>	(318846) <sup>n</sup>	(329627) <sup>n</sup>	(314436) <sup>n</sup>	(317396) <sup>n</sup>	(326116) <sup>n</sup>	(324071) <sup>n</sup>	(315369) <sup>n</sup>	(314690) <sup>n</sup>	(319186) <sup>n</sup>	(331936) <sup>n</sup>	(302320)	(320531)

Source: Bank of Sierra Leone  
\* Excludes Government Securities issued on behalf of BSL and HIPC Deposits  
\*\* Revised to reflect definition of Claims on Private Sector given in the Monetary Survey which includes only Private enterprises and Individuals  
Source: Returns from BSL & Commercial banks

securities by Le10.78bn in the review period.

**Monetary Developments**

Narrow Money (M1), Broad Money (M2) and Reserve Money (RM) expanded during the month by Le23.08bn (5.58%), Le18.79bn (2.66%) and Le1.86bn (0.64%) to Le436.77bn, Le724.17bn and Le294.31bn respectively. The rise in M1 was a result of the respective increases in Currency in Circulation (Le12.19bn) and Demand Deposits (Le10.89bn). The Le11.38bn expansion in Currency Issued significantly influenced the increase in Currency in Circulation, while the rise in Demand Deposits was mainly from insurance companies. The growth in M2 emanated from the increase in M1, while commercial banks' Foreign Currency Deposits and Savings Deposits dropped by Le5.71bn and Le788mn to Le127.09bn and Le143.14bn respectively, during the review period. Reserve Money expanded on account of the Le11.38bn and Le293mn increases in Currency Issued and Private Sector Deposits respectively, which were however moderated by the reduction in Banker's Deposits (Le9.82bn). The year-on-year increase in M1, M2 and Reserve Money were Le73.06bn, Le112.75bn and Le35.17bn respectively. Net borrowing from the banking system by the Government amounted to Le189.12bn, increasing by Le19.42bn (11.44%) over the review period. This was due to the rise in both Net Claims on Government by the Central Bank (Le16.69bn) and commercial banks



INTEREST RATES

TABLE 5

	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
Treasury Bills(3-months)	26.89	27.25	26.18 <sup>R</sup>	24.68	23.06	20.89	12.92	17.98 <sup>R</sup>	20.50	20.41	19.82	18.62	19.12
Treasury Bearer Bonds(1-year)	20.00	20.00	19.00	20.00	19.00	20.00	15.00	11.00	20.00	19.00	19.00	19.00	15.50
Deposits													
Savings	8.57	8.57	8.57	8.57	8.57	8.57	8.20	7.63	7.63	7.63	7.63	7.63	7.63
1-3 month	11.36	11.36	11.36	11.36	11.36	11.36	11.13	10.43	10.43	10.43	10.43	10.43	10.43
3-6 month	12.07	12.07	12.07	12.07	12.07	12.07	11.84	11.14	11.14	11.14	11.14	11.14	11.14
6-9 month	12.70	12.70	12.70	12.70	12.70	12.70	12.38	11.40	11.40	11.40	11.40	11.40	11.40
9-12 month	13.83	13.83	13.83	13.83	13.83	13.83	13.57	12.83	12.83	12.83	12.83	12.83	12.83
Lending (Prime)	25-31	25-31	25-31	25-31	25-31	25-31	25-31	24-31	24-30	24-30	24-30	24-30	24-30

Source: Bank of Sierra Leone

(Le2.73bn). The expansion in the Net Claims on Government by the Central Bank was due to the increase in its holdings of Treasury Bills (Le7.47bn) coupled with the drop in Government Deposits (Le10.95bn), which when combined overshadowed the Le1.73bn drop in its Treasury Bearer Bonds holdings. Net Claims on Government by the commercial banks rose due mainly to the drop of Le14.59bn in Government Deposits. Commercial banks' interest rate structure during the review period remained unchanged, except for the average interest rate on Treasury Bills which rose by 50 basis points to 19.12 per cent over the month and on Treasury Bearer Bonds, down by 350 basis points to 15.50 per cent. The interest rate on Savings Deposits and the 3 months, 6 months, 9 months and 12 months Time Deposits were stable at 7.63 per cent, 10.43 per cent, 11.14 per cent, 11.40 per cent and 12.83 per cent, respectively. Commercial banks' lending rate was also stable at the range of 24.00 – 30.00 per cent in March 2006. During the month under review, commercial banks' credit to the private sector increased by Le2.42bn to Le167.50bn.

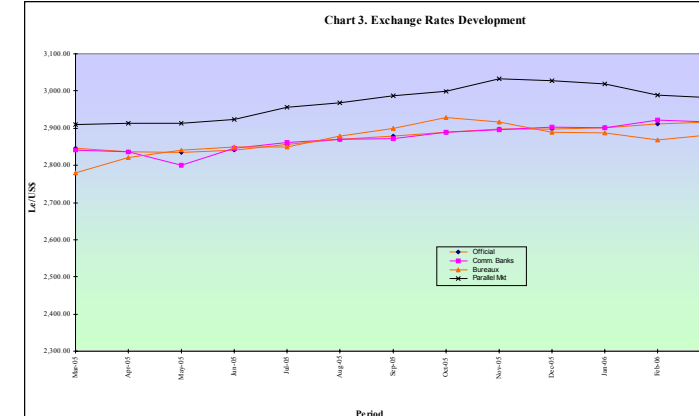
**Exchange Rates**

The monthly average buying and selling exchange rates of the Leone to the US Dollar in the official market depreciated by equal magnitude. The monthly average buying rate for the official market depreciated by 0.19 per cent to Le2,916.77/US\$1, followed by the bureaux rate, 0.43 per cent to Le2,881.60/US\$1. The monthly average exchange buying rate for the commercial banks and parallel market however appreciated by 0.17 per cent and 0.22 per cent to Le2,916.13/US\$1 and Le2,982.30/US\$1, respectively. On the selling front, the monthly average rate for both the bureaux and parallel market appreciated by 0.60 per cent to Le2,968.93/US\$1 and

0.44 per cent to Le2,995.43/US\$1 respectively, while the rate for the official market, banks and the weekly auction recorded respective depreciations of 0.19 per cent to Le2,975.69/US\$1, 0.49 per cent to Le2,982.80/US\$1, and 0.67 per cent to Le2,971.47/US\$1. The buying premium between the official and parallel market rates narrowed by 2.25 per cent from Le77.47/US\$1 to Le65.53/US\$1 during the month.

**International Trade**

Aggregate receipts from exports during March 2006 were remarkably up to US\$4,434.95mn from US\$10.47mn recorded in February 2006. This significant development was mainly on account of a large volume of re-exports, valued at US\$4,420.25mn (comprising vehicles, equipments and other logistic supplies),



EXCHANGE RATES (Average Monthly Buying)

TABLE 6

	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
Leone to Dollar													
Official	Le/\$	2846.88	2837.01	2834.78	2842.00	2856.04	2870.26	2879.15	2888.75	2897.52	2898.22	2901.66	2911.36
Comm. Banks	Le/\$	2842.10	2837.00	2799.88	2847.06	2862.61	2870.70	2872.71	2888.59	2895.32	2903.30	2900.91	2921.17
Bureaux	Le/\$	2779.47	2820.76	2840.71	2849.68	2849.93	2878.51	2900.18	2909.11	2916.65	2888.64	2886.89	2869.23
Parallel Market	Le/\$	2909.53	2912.53	2912.86	2923.95	2956.00	2968.41	2986.50	2998.56	3033.20	3028.00	3019.60	2988.83
Leone to Pound <sup>R</sup>	Le/£	5439.53	5371.00	5267.43	5171.91	5007.03	5145.63	5207.04	5094.11	5022.03	5059.72	5111.73	5091.02

EXCHANGE RATES (Average Monthly Selling)

TABLE 7

	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
Leone to Dollar													
Auction	Le/\$	2905.59	2887.25	2910.82	2803.28	2901.08	2924.03	2924.77	2938.98	2920.03	2914.12	2936.00	2951.75
Official <sup>R</sup>	Le/\$	2904.39	2894.32	2892.05	2899.41	2913.74	2928.25						