



## Doing Business in Liberia:

# 2017 Country Commercial Guide for U.S. Companies

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<a href="https://www.wto.org/english/news_e/news16_e/acc_lbr_20jun16_e.htm">https://www.wto.org/english/news_e/news16_e/acc_lbr_20jun16_e.htm</a> _____	<del>3937</del>
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## Doing Business in Liberia

### Market Overview

- Liberia's economy is market-based and largely dependent on natural resources, foreign aid and foreign direct investment.
- Binding constraints to economic growth include inadequate infrastructure (particularly roads and electricity), poor access to finance, weak institutional capacity and a shortage of skilled labor.
- The economic impact of the 2014 Ebola Virus Disease (EVD) outbreak was compounded by a sustained decline in global iron ore and rubber prices, which negatively affected exports and new investment in these sectors.
- The IMF estimated real GDP growth in 2016 was negative 1.2 percent, with an annual inflation rate of 12.5 percent.
- Liberia's exports were valued at \$169.6 million at end-2016; the export sector relies heavily on rubber and iron ore which accounted for 64 percent of total exports in 2016.
- Total imports were valued at \$1.2 billion by end-2016, mainly driven by importation of food, manufactured goods, petroleum products, and machinery.
- Liberia's leading trade partners are the United States, China, the EU and regional African countries; the leading sources of imports are China, the EU and the United States.
- Best prospect sectors for U.S. investment include agribusiness, energy and power generation, infrastructure development, construction, manufacturing, storage/packaging and warehousing, transportation, and the services sector including financial services, professional services, information technology, and hospitality.
- On July 14, 2016, Liberia finally joined the World Trade Organization (WTO), paving the way for the government to standardize its trade and investment laws and regulations consistent with internationally acceptable norms.

### Market Challenges

- Liberia has a population of about 4.5 million people with nearly 64 percent living on less than \$1.25 a day, with a per capita income of \$455.9, according to the World Bank <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>
- Tariffs, customs duties, tax rates, and other statutory fees can be arbitrary, however, the Liberia Revenue Authority (LRA) is working to centralize and standardize revenue collections systems.
- Limited infrastructure -- such as electricity, roads, seaports and airports, water and sewage systems, and the internet -- poses real-time challenges to effective business operations; the Freeport of Monrovia, the country's main external trade gateway, provides slow and expensive services.

- Liberia has one commercial court, with limited capacity, and the laws relating to contracts and procurements can be inconsistent and poorly enforced.
- Liberian law reserves 16 business activities exclusively for Liberian citizens, and sets a threshold on 12 others as stipulated in the Investment Act of 2010, [http://photos.state.gov/libraries/liberia/328671/pdfs/investment\\_act\\_2010.pdf](http://photos.state.gov/libraries/liberia/328671/pdfs/investment_act_2010.pdf)
- Key issues of concern include difficult and opaque procedures for obtaining clear title to property, lack of protection for intellectual property rights, a weak judicial system, and poor infrastructure.

### Market Opportunities

- Projects to reconstruct damaged infrastructure -- including roads, bridges, seaports, airports, electricity and power generation, and storage facilities -- represent significant investment opportunities for capital projects.
- Strategic sector opportunities for U.S. companies include: road transport, such as large-scale fleet-to-service concessionaires; coastal transport, including short-haul cargo services along Liberia's coast; fisheries, including fishing harbor management, fish processing, and aquaculture production; fruits and vegetables, including cold storage, processing and preservation to target year-round demand.

### Market Entry Strategy

- U.S. companies interested in doing business in Liberia should consider hiring an agent, attorney, or distributor to develop and foster local partnerships. Investors are advised not to attempt to enter the market without doing thorough market research that would include becoming familiar with the business environment, as well as the legal and regulatory frameworks.
- Potential investors who have a strong desire to do business in Liberia are advised to undertake a field visit or market research tour to the country to gauge the viability of their investment, get a first-hand, on-the-ground understanding and build in-country rapport or relationship. Investors can find information and guidance on doing business in Liberia via National Investment Commission, <http://www.investliberia.gov.lr/>, Ministry of Commerce and Industry (MOCI) <http://www.moci.gov.lr/>, and US Embassy <http://monrovia.usembassy.gov/doing-business-local.html>

## Political and Economic Environment

### Political Environment

Link to the United States Embassy's website for background on Liberia's political environment,  
<https://lr.usembassy.gov/>

## Selling US Products & Services

### Using an Agent to Sell US Products and Services

A business may operate in Liberia as a locally incorporated entity or a branch of a foreign entity (subsidiary), but Liberian law requires having a registered agent or office in the country. Liberia Business Law allows the use of agents, partners or distributors to register a business, represent a business, sell goods and services and open branch offices. U.S. companies are encouraged to exercise due diligence when hiring the services of an agent, distributor, partner or a legal counsel. It is advisable to select one who is familiar with the country's business environment including legal and regulatory frameworks, as well as investment laws, tax procedures and customs processes.

Banks, law firms, business associations, business advisory or consultancy firms can assist with references and due diligence, but do not normally offer fee-for-service reference checks. You can follow this link on the U.S. Embassy website for a list of economic data and reports on 'doing business in Liberia', <https://lr.usembassy.gov/business/economic-data-reports-liberia/>. You may also get information on market research, business incubation, match-making, business linkages, etc. on the Building Markets website, <http://liberia.buildingmarkets.org/>.

### Establishing an Office

Under Liberian corporate law, all businesses are required to register or apply for an "Authority to do Business or Provide Services" in Liberia. The Liberia Business Registry (LBR) under the Ministry of Commerce and Industry (MOCI) handles the applications and business registration processes. The fee structure for registration varies depending on whether a business is local, foreign, sole proprietorship, partnership, or corporation. The standard steps to follow in establishing a local business office are noted below:

- Reserve a unique company name with LBR: an applicant can do a name search online or at the LBR helpdesk; business names can be reserved for up to 120 days.
- Register the company using registration application form (RF-001), and submit the completed application with: the company's articles of incorporation, proof of identification, empowered person's or registered agent's form, incorporator's form, shares and shareholders' form, and information for tax authority form.
- LBR will review the application package and request a Tax Identification Number (TIN) and bank payment slip (BPS) on behalf of the business in question; all businesses operating in Liberia must have a TIN, which is obtained free of charge from Ministry of Finance and Development Planning.
- Once a TIN has been obtained pay associated business registration fees at the Central Bank of Liberia window at LBR.
- Present the proof of payment to the LBR registrar where the process is completed; the entire process takes 1-4 weeks. Registration of a business is valid for 12 calendar months from the date of registration. Conducting commercial activities in Liberia without being registered will result in penalties.

The LBR has a fee schedule for new enterprise registrations applicable to different types of legal entities, [http://www.moci.gov.lr/doc/LBR\\_Fee\\_Schedule.pdf](http://www.moci.gov.lr/doc/LBR_Fee_Schedule.pdf)

## Franchising

Franchising is not a popular business model in Liberia, partly because the concept is unfamiliar in the country's business culture, and because it is difficult for local entrepreneurs to secure start-up capital. Liberia has a few foreign franchises such as Western Union MoneyGram, FedEx, UPS, and DHL, but generally, establishing a franchise in Liberia can be challenging due to the lack of affordable electricity, limited communication infrastructure, difficulty in access to finance for local entrepreneurs, poor intellectual property rights protection, scarcity of skilled labor, and weak transportation infrastructure.

## Direct Marketing

Direct marketing is difficult in Liberia due to limited internet penetration, limited postal delivery services, lack of electricity, and the low literacy rate. Mobile phone companies employ short message service (SMS) to market and advertise their products and services. Commonly used methods of marketing products in Liberia are radio advertising, television advertising, billboards, loudspeaker announcements in commercial areas, and newspaper advertisements.

## Joint Ventures/Licensing

According to Liberian Business Law, "Joint ventures or partnerships exist when two or more partners or corporate bodies agree to work as co-owners of a business for profit and sign a written agreement. Legislation stipulates that within 90 days of signing such an agreement, an acknowledged copy of the partnership agreement or a memorandum of partnership (MOP) stating the name of the partnership and the character of business be filed with the office of the registrar of deeds of the county in which the principal office or the partnership or its registered agent is to be located". A partnership with a non-Liberian partner is treated as a foreign-owned entity and is billed as such. Registration is channeled through different government agencies depending on the sector or industry. For example, registering a construction company requires coordination between the Ministry of Public Works and the Association of Liberian Construction Contractors (ALCC) on the one hand, and the Liberia Business Registry (LBR) on the other. The LBR is a one-stop-shop that handles registration processes for different categories of business to make the process easier and faster. Licensing and supervisory authorities may be required at different administrative levels (district, county, or national). Common licenses, permits and tax registrations that a business needs include but not limited to:

- Zoning and land use permits, especially for new manufacturing businesses and certain home-based business operations;
- Health department permits, especially if a business involves the preparation and/or sale of food;
- Sales tax license for the selling of almost all products and services;
- Fire department permits, especially for businesses that will attract large numbers of customers (e.g., night clubs and bars).

Some of the relevant agencies that issue licenses/permits include, but not limited to:

- Ministry of Justice (MOJ), <http://www.moj.gov.lr/>: permits and clearances for all security-related companies;
- Ministry of Public Works (MPW), <http://www.mpw.gov.lr/>: permits and licenses required for construction companies;

- Liberia Maritime Authority (LMA), <http://www.maritimeliberia.com/>: permits and licenses required for marine-related activities;
- Land Commission (website suspended): land use permit;
- Ministry of Land, Mines & Energy (MLME), <http://www.molme.gov.lr/>: permits and licenses required for operations in mining industries;
- Ministry of Commerce & Industry (MOCI), <http://www.moci.gov.lr/>: licenses and permits required for import/export of commodities;
- Ministry of Agriculture (MOA), <http://www.moa.gov.lr/>, and [http://www.liberiafisheries.net/licensing\\_requirements/industrial](http://www.liberiafisheries.net/licensing_requirements/industrial): for licenses and permits required for artisanal and industrial fishing activities. Licensing process is handled by the Bureau of Fisheries under the MOA.

All non-Liberians wishing to establish a resident domestic construction company are required to do so in partnership with a registered Liberian-owned construction, engineering or architectural companies with proven experience of at least ten (10) years in the construction industry.

Some service firms, including legal and accounting firms, have partnered with larger foreign firms to increase recognition and credibility with potential clients. The real estate and timber sectors boast a fair number of joint ventures. Opportunities exist for joint ventures or partnership in mining and construction sectors. There are technical, financial, managerial, and cultural constraints to joint venture operations in Liberia. For example, skilled local engineers and architects are often in limited supply.

### Selling to the Government

The Public Procurement and Concessions Commission (PPCC) regulate public procurement and tender processes across government. The PPCC has challenges in regulating tenders as procurement entities largely fail to follow procedures outlined in the Amended and Restated PPCC Act of 2010. The government is Liberia's largest purchaser of goods and services, but its financial resources remain limited and large public procurements are usually donor-funded. Foreign suppliers may participate in international bids for public procurement contracts. Overall, Liberia has a robust legal framework for public procurement as it complies with most of the international best practices considered relevant by both the Public Expenditure and Financial Accountability (PEFA) framework and Global Integrity. Liberia is not a party or signatory to the WTO Government Procurement Agreement ([https://www.wto.org/english/tratop\\_e/gproc\\_e/gproc\\_e.htm](https://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm)), nor is it a party to a free trade agreement (FTA) with the United States that contains commitments on government procurement.

Many governments finance public works projects through borrowing from Multilateral Development Banks. Please refer to "Project Financing" Section in "[Trade and Project Financing](#)" for more information.

### Distribution & Sales Channels

A credible agent, is crucial for effective representation in the consumer and durable goods markets. Many of the larger Monrovia-based wholesalers and retailers have branch locations in other cities and towns. Sales and distribution channels include business houses such as stores, supermarkets, shops, hotels, filling stations, restaurants and market stalls. Many large businesses often rely on vehicles to transport their goods to various destinations in the city and around the country.

## Express Delivery

The Ministry of Post and Telecommunications (MOPT) provides postal services including expedited mail service (EMS), parcel, packages, letters, regular mails, registered mails, express mails, and ordinary mail delivery services. It also offers mail insurance, institutional mail delivery services, home mail delivery, diplomatic pouch services, drop bag service, and locked box services. Although an express delivery system is not fully developed in Liberia, some express delivery, courier and shipping services are offered by local in-country agents of international parcel delivery companies such as DHL, Fedex, UPS and Nobel. For express shipments to Liberia the expected delivery or shipping times, charges (including de minimis value for duty), guidelines, relevant customs procedures, standard prohibitions and restrictions can be obtained from the service provider and may vary depending on which items or delivery service used. The service provider may collect some other fees charged by the Liberian government when a product or an item is delivered; it is also possible to receive a bill at a later date after delivery.

## Selling Factors & Techniques

Businesses target imported consumer and durable goods for business entities, government officials, NGO workers, UN personnel and staff, civil servants and the expatriate community with high disposable income. Companies need to be aware that sales or promotional materials need to be in English, which is the official and commonly spoken language throughout the country.

## eCommerce

### Overview & Current market trends

E-commerce or digital marketing platforms are not well developed in Liberia because of limited information communication technology (ICT) infrastructure. Mobile telecommunication is the most ubiquitous form of communication and has experienced successful penetration in the country in recent years. Internet has been slow to penetrate the Liberian market. Internet services are available through various ISPs and three active mobile networks using GPRS, EDGE, and WiMAX technology.

Currently, all internet connections are made through VSAT connections, and are costly and unreliable. Most Liberians do not have access to the internet and the use of credit cards is extremely limited, which makes online shopping impracticable. Visa, MasterCard and other forms of payments for online transactions have limited penetration in the Liberian market. Only one or two commercial banks offer Visa electron and debit cards to their customers and provide access to automatic teller machine (ATM) and point of sale (POS) terminals. The Visa electron and debit cards can be used for payment of goods and services (via POS) at some commercial facilities. These electronic payment cards, which can be used on a 24-hour basis, cannot be used to purchase goods and services online. Mobile money services are increasingly available although mostly in Liberian dollars. There is no home mail delivery and/or standard address system. Although costly, FedEx and DHL do deliver mail and parcels to clients in Monrovia and its environs. The major buying holiday seasons in Liberia are July (July 26 is Liberia's Independence Day) and December (for the Christmas). The most popular social medium is Facebook.

## Trade Promotion & Advertising

Many trade organizations exist, but there are few organized trade promotion programs in the country. Circulation and penetration of newspaper, radio and television, which are the primary media for trade promotion and advertising, are largely concentrated in Monrovia. Radio and increasingly mobile phone advertising are popular and effective for country-wide coverage. Trade promotion programs, including advertisements, are done in English or one of the indigenous local languages. The popular methods of advertising include banners, billboards, graphic designs, stickers, fliers, branding of company's assets, printing on merchandise (t-shirts, key-holders, caps, mugs, etc.), annual reports, corporate brochures, business cards, catalogues, logos, editorial ads, and outdoor events.

## Pricing

Generally, prices are determined by market forces. However, the Ministry of Commerce & Industry (MOCI) monitors prices and sets price ceilings for certain essential commodities, including petroleum products, rice, cooking oil, and cement. In the past, the MOCI price controls have contributed to product scarcity, price hikes, and black-market sales. Importers are required to submit cost information to the MOCI for approval. Permitted mark-up varies according to product, and is based on freight on board (FOB) value. Invoiced prices are subject to arbitrary revision. Liberia does not have a value added tax (VAT) system. The MOCI requires all business entities to display price tags on their commodities denominated in either Liberian dollars or United States dollars, in line with prevailing exchange rates. As a result of exchange rate fluctuations, prices of basic goods may fluctuate by up to five percent on a weekly basis. Although the Central Bank of Liberia (CBL) sets the official exchange rates, the market forces determine the prevailing exchange rates.

## Sales Service/Customer Support

The quality of sales service and customer support varies at most well-established businesses. Most businesses find that new employees require extensive and ongoing customer service training.

## Protecting Intellectual Property

[Refer to the Liberia Investment Climate Statement 2017.](#)

As in any foreign market, companies should consider several general principles for effective management and protection of their intellectual property. For background on these principles please link to the following articles: [Protecting Intellectual Property](#) and [Corruption](#).

## Due Diligence

U.S. firms wishing to do business in Liberia are encouraged to conduct thorough due diligence on potential business partners, agents, distributors, attorneys, etc. Hiring a local attorney or accounting firm is recommended and contact information for attorneys, accounting firms, banks, and business associations can be obtained from the Liberia Chamber of Commerce, <http://www.lccl.org/>. Embassy Monrovia provides fee-based commercial services such as International Company Profile (ICP), International Partner Search (IPS), Gold Key Service and Single Company promotion. Please contact your nearest U.S Export Assistance Center (USEAC), <http://export.gov/eac/>, if your company desires one of these services.

### Local Professional Services

There are several business associations, a number of banks, accounting firms, law firms, car rental services, ICT services, business development services, and tax and investment consultancy firms. Presently, there is no single database of local professional service providers, however a mixed list of different business categories has been screened and compiled by Building Markets in Liberia and can be found here, <http://liberia.buildingmarkets.org/supplier/26120>

### Principal Business Associations

There are several business associations, trade unions, and professional bodies in Liberia. Some of the major business associations include the following:

- Liberia Chamber of Commerce (LCC), <http://www.lcclr.org/>
- Liberia Business Association (LIBA), no local website but you can access LIBA USA info here, <http://www.libausa.org/>
- Concern Liberian International Business Organization (COLINBO), <http://www.businessportals.com/supplier/concern-liberian-int1.html>
- Coalition of Liberian Business Associations (COLBA), no website
- Liberia Bankers Association (LBA), no website
- Liberia Marketing Association, no website
- Association of Liberian Construction Contractors (ALCC), no website
- Engineering Society of Liberia (ESOL), <http://liberia.buildingmarkets.org/supplier/21339>
- Patriotic Entrepreneurs of Liberia, no website
- Association of Liberian Professional Secretaries & Clerks (ALIPROSEC), no website
- Liberia Timber Association (LTA), <http://libtimber.com/>
- Liberia Labor Congress, no website

### Limitations on Selling US Products and Services

The Liberia Investment Act of 2010 limits entry into certain business sectors by restricting ownership in these sectors to Liberian citizens and setting thresholds in other sectors for non-Liberians. According to Section 16, ***“ownership of the following business activities or industries shall be reserved exclusively for Liberians”***:

1. Supply of sand
2. Block making
3. Peddling
4. Travel Agencies
5. Retail sale of rice and cement

6. Ice making and sale of ice (including ice cream)
7. Tire repair shops
8. Auto repair shops with investments of less than US\$ 550,000
9. Shoe repair shops
10. Retail sale of timber and planks
11. Operation of gas stations
12. Video clubs
13. Operation of taxis
14. Importation or sale of second-hand or used clothing
15. Distribution in Liberia of locally manufacture products, and
16. Importation and sale of used cars (except authorized dealerships which may deal in certified used vehicles of their make).

Section 16 continues: **“Foreign investors may invest in the following business activities provided that where such of the listed enterprises is owned exclusively by non-Liberians the total capital invested shall not be less than US\$300,000; and, where such of the listed enterprises is owned by non-Liberian in partnership with Liberians and the aggregate shareholding of the Liberian is at least 25%, the total capital invested shall not be less than US\$300,000”:**

1. Production and supply of stone and granite
2. Ice manufacturing
3. Commercial printing
4. Advertising agencies, graphics and commercial artists
5. Cinemas
6. Production of poultry and poultry products
7. Operation of water purification or bottling plant (exclusively the production and sale of water in sachets)
8. Entertainment centers not connected with a hotel establishment
9. Sale of animal and poultry feed
10. Operation of heavy duty trucks
11. Bakeries, and
12. Sale of pharmaceuticals

The Act also stipulates that “For enterprises owned exclusively by non-Liberians, the total capital invested shall not be less than USD 500,000. For enterprises owned in partnership with Liberians and the aggregate shareholding is at least 25 percent, the total capital invested shall not be less than USD

300,000”.

## Web Resources

- U.S. Embassy Monrovia Commercial Section: <https://lr.usembassy.gov/business/>
- The World Bank’s "Doing Business" Report: <http://www.doingbusiness.org/data/exploreeconomies/liberia>
- National Investment Commission: <http://www.investliberia.gov.lr/>
- Ministry of Commerce and Industry: <http://www.moci.gov.lr/>
- Ministry of Finance and Development Planning: <http://www.mfdp.gov.lr/>
- Public Procurement and Concession Commission: [h: ttp://www.ppcc.gov.lr](http://www.ppcc.gov.lr)
- Liberia Chamber of Commerce: <http://www.lcclr.org/>
- Ministry of Public Works: <http://mpw.gov.lr/>
- Ministry of Transport: <http://mot.gov.lr/>
- Ministry of Lands, Mines and Energy: <http://www.molme.gov.lr/>
- National Port Authority: <http://www.npaliberia.com/>
- Liberian Airport Authority: <http://www.liberiaca.com/>
- International Finance Corporation (IFC): [http://www.ifc.org/wps/wcm/connect/news\\_ext\\_content/ifc\\_external\\_corporate\\_site/news+and+events/news/impact-stories/electricity-powers-growth-for-small-businesses-in-liberia](http://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/impact-stories/electricity-powers-growth-for-small-businesses-in-liberia)

## Leading Sectors for US Exports & Investments

### Best prospect sector overview

The National Investment Commission (NIC) has identified road transport, coastal transport, fisheries, and fruits and vegetables as the sectors with immediate investment opportunities. There are also a wide range of investment opportunities and prospects for U.S. companies in agriculture, mining, energy, construction and real estate, telecommunications, financial services, travel and tourism, medical equipment and pharmaceuticals, and storage and warehousing. Provision of high-speed internet services to schools, universities and colleges is particularly an attractive strategic investment opportunity in the telecom sector. See NIC website for details on investment opportunities in Liberia, <http://investliberia.gov.lr/new/>

## Energy

### Overview

Liberia has one of the lowest electricity access rates in the world with less than 2% of its population connected to the grid. Its economy is severely constrained by an insufficient supply of reliable and affordable electricity. On-grid electricity sold in Monrovia currently has an approved tariff of

\$0.39/kWh. This makes electricity the single largest component of operational expenses in Liberia for large concessions, industries and businesses. The government has identified the lack of reliable and affordable electricity, along with a poor road network, as binding constraints to the country's growth.

Liberia's National Energy Policy sets out a goal of making reliable, affordable energy accessible to all parts of the country by accelerating public-private partnerships in the energy sector. The GOL is working closely with development partners—including USAID's Power Africa program, the World Bank and the EU—to rebuild its electricity infrastructure. The Ministry of Land, Mines and Energy (MLME) has expressed interest in engaging the private sector in several renewable small scale and utility scale electricity generation concept projects. These projects also need associated transmission and distribution investment from the private sector.

The Liberia Electricity Corporation (LEC)—a state utility company—has restored limited electricity to parts of Monrovia, but many larger facilities such as hotels, restaurants and office buildings use privately-owned generators to supply electricity to their premises. The Mount Coffee Hydropower Plant is in the final stages of restoration and when completed in the 4<sup>th</sup> quarter of 2018 will have a total installed capacity of 88 MW (four generating units of 22 megawatts each). Liberia's hydropower plant could enable it to export electricity to the West Africa Power Pool project (WAPP) inter-connection grid, which is under construction in regions bordering Guinea, Ivory Coast and Sierra Leone. The WAPP is a World Bank-supported project intended to increase the flow of electricity access to the rural communities bordering Liberia, Guinea, Sierra Leone and Ivory Coast. Some major population centers along Liberia's borders, such as the city of Ganta and its surrounding towns, are already electrified by the WAPP interconnection project.

#### Leading Sub-Sectors

There is increasing demand for electricity from renewable energy sources, and the best prospect sectors for U.S. companies include solar energy, hydro energy, biomass, and wind energy. The government welcomes public-private partnerships to construct transmission and distribution lines outside Monrovia, where 98 percent of Liberians lack access to electricity. The government is investing primarily in small-scale power generation projects while looking to donors, and potentially private sector investors, to augment transmission and distribution capacity and develop alternative energy projects.

#### Opportunities

Liberia's favorable climate, abundant farmland and rivers make generation of thermal and hydro energy a promising area for foreign investors; considerable potential exists for hydroelectric power generation throughout the country. As the transmission and distribution grid needs to be repaired and expanded, there are opportunities for U.S. investors in the energy sector.

#### Web Resources

Ministry of Lands, Mines and Energy: <http://www.molme.gov.lr/>  
National Investment Commission: <http://www.investliberia.gov.lr/>  
Ministry of Public Works: <http://www.mpw.gov.lr/>  
Liberia Electricity Corporation (LEC): <http://www.lecliberia.com/>

Rural Renewable Energy Agency (RREA): <http://rrealiberia.org/>  
 Mt. Coffee Hydropower Rehabilitation Project: <http://mtcoffeeliberia.com/>

### Liberia Energy Situation

Indicators	2015	2016
Total Population	4.5 million	
Total Area (km <sup>2</sup> )	111,370	111,370
Access to Electricity ( <i>% of population</i> )		9.8
Energy Imports Net ( <i>% of energy use</i> )		no data
Fossil Fuel Energy Consumption ( <i>% of total</i> )		no data

Source: World Bank, [https://energydata.info/wiki/Liberia\\_Energy\\_Situation](https://energydata.info/wiki/Liberia_Energy_Situation)

### Agricultural Sector

#### Overview

Agriculture is the primary livelihood source for more than 60 percent of Liberia's population and provides sustenance for many households who engage in farming of rubber, rice, oil palm, cocoa, and sugarcane. However, low agricultural productivity results in Liberia importing more than 80 percent of its staple food, making the country vulnerable to global food price volatility. Poorly integrated, the sector lacks basic infrastructure such as machines, farming equipment/tools, farm-to-market roads, fertilizers and pesticides, and food storage capacity. Cassava and rice are the primary staple food crops. The main cash crops and foreign exchange earners are rubber, cocoa, and timber. Rubber is the most important cash crop for households and one of the dominant generators of state revenues accounting for nearly 34.6 percent of the total export receipts in 2016. An estimated 30,000 people are employed by commercial rubber farms and up to 60,000 smallholder households are involved in growing of rubber trees. Firestone Rubber Plantation, covering almost 200 square miles, is the largest single natural rubber operation in the world and the biggest private sector employer in Liberia.

Another significant cash crop is oil palm, which has traditionally been produced for the domestic market. Recently, there has been considerable interest from both smallholders and large investors in expanding export production. However, uncertainty with regard to land tenure is a significant challenge for potential oil palm farmers and investors. Stakeholders in the oil palm sector include smallholder farmer cooperatives, individual farmers, large multinational corporations and concessionaires, as well as individuals playing various intermediation roles and support services. Another obstacle to investment in the sector is the lack of capital and professional expertise to increase farm productivity.

The country has favorable climate and fertile soil for cocoa production and there is increased investment in the rehabilitation of cooperative and smallholder farms in the country. Although cocoa production is small scale, it is expected to increase as farmers continue to reclaim and rehabilitate their farms. As with the agriculture sector in general, smallholder cocoa farmers and local cooperatives are challenged

by inadequate farm-to-market roads, lack of familiarity with measurement and quality standards, lack of storage facilities, and limited access to updated price and market information.

Beside the cash crops, there are market opportunities and potential for agribusiness investment, which focuses on developing the value chain of the available food crops such as rice, cassava, vegetables, fruits, poultry and fish. Liberia has suitable climate for horticulture such as production of peppers, okra, onions, tomatoes, bitter balls, etc., which are in high demand throughout the country all year round. Lowland cultivation and low-cost irrigation would give smallholders an opportunity to increase productivity and expand market share of these valuable crops. Liberia has an Atlantic coastline spanning about 580 kilometers endowed with abundant marine fish stocks. The coastline and abundant freshwater resources provide breeding grounds varieties of marine species including crab, lobster, shrimp, tilapia, tuna, shark, croaker and barracuda.

#### Leading Sub-Sectors

There is strong potential for storage and preservation of vegetables and fruits, such as peppers, okra, grains, tomatoes, banana, mangoes, oranges, and pineapples, which are in demand all year round. Fish is an important protein source throughout Liberia, and in high demand in the market; therefore, fish farming offers good prospects for investment.

#### Opportunities

Potential opportunities include adding value to agricultural produces (rubber, cocoa, rice, cassava, and vegetables.) through processing, manufacturing, and marketing for both domestic and international markets. Other opportunities include provision of farming implements, fertilizers, storage or warehousing facilities, pest control, standard measurement and drying methods. There is niche market opportunity for production and marketing of unpolished or “country” rice; opportunities also exist for vegetable drying and storage that would allow for sales in all seasons.

#### Web Resources

Ministry of Agriculture: <http://www.moa.gov.lr/>

Bureau of National Fisheries (BNF): <http://www.liberiafisheries.net/>

National Investment Commission (NIC): <http://www.investliberia.gov.lr/>

ACDI/VOCA: <http://www.acdivoca.org/news/by-country/liberia/>

Food and Agriculture Organization (FAO): <http://www.fao.org/countryprofiles/index/en/?iso3=LBR>

Sectorial Origin of Gross Domestic Product (at 1992 Constant Prices, in millions of USD)

Sector	2014	2015	2016+	2017*
Agriculture and Fisheries	216.7	214.4	232.2	241.7
Forestry	92.9	94.7	87.6	90.2
Mining & Panning	131.1	102.2	78.9	83.2
Manufacturing	64.5	68.4	60.5	60.5
Services	399.2	419.2	432.8	445.3

<b>Real Gross Domestic Product</b>	<b>904.4</b>	<b>898.9</b>	<b>892.0</b>	<b>920.9</b>
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#### Key Agricultural and Forestry Production

Commodity	2014	2015	2016+	2017
Rubber (Metric Ton)	29,892	45,657	49,965	NA
Cocoa Beans (Metric Ton)	6,602	14,968	9,603	NA
Coffee (Metric Ton)	-	58	162	NA
Round Logs (Cubic Meter)	174,436	111,785	192,814	NA
Sawn Timber (Pieces)	501,602	907,505	749,381	NA
Crude Palm Oil (Metric Ton)	NA	NA	3,021	NA

**Source:** 2016 Annual Report Central Bank of Liberia  
+Revised/Actual  
\*Projections

## Construction

### Overview

Construction offers many potential prospects for investment. The capital city Monrovia has an estimated population of 1.2 million people, triple the population the city was originally planned for. There is growing demand for property renovation, and construction of office buildings, shopping malls, business centers and low-to-middle income housing units. The demand is even more acute in the mining and agricultural concession areas as well as the commercially active regions, along the north-central-south corridor (growth corridor).

According to the Centre for Affordable Housing Finance in Africa (CAHF), "Liberia has a growing housing finance sector. As the mortgage market does not yet meet the breadth of the population, most households still finance their housing independently with savings or non-mortgage credit." <http://housingfinanceafrica.org/countries/liberia/> The government is exploring public-private partnerships to construct affordable housing facilities for low-income households. However, it lacks capacity to carry out urban construction and related infrastructure work. Moreover, unclear legal claims to land tenure make investment outcomes uncertain in the housing sector. The National Housing Authority (NHA), a state-owned institution, is the only entity providing housing on a large scale. Its National Housing Policy seeks to guide government's programs in providing low-cost housing units for low-income earners. The NHA is partnering with Shelter Afrique, a member of the African Union for Housing Finance, to implement public housing program by negotiating and acquiring land acreages to construct affordable housing units. The NHA's plans include acquiring land across the country to develop low-cost housing, and upgrading slum communities in urban areas.

### Leading Sub-Sectors

The best prospect sectors for U.S. companies include supply of construction materials and equipment, provision of safety equipment, and training of construction workers and real estate professionals. The post-war reconstruction boom has created a shortage of equipment, supplies, and trained workers. Providing low-interest financing and supporting a mortgage system for civil servants and middle income workers are other best prospect sub-sectors for U.S. companies.

### Opportunities

There are opportunities for U.S. companies in the areas of real estate, road and highway construction, infrastructure consultancy, urban energy and power supply, provision of power and electrical materials and services, drainage systems upgrades, and urban water and sanitation services. Moreover, there are ongoing infrastructure development projects including road construction and port rehabilitation..

### Web Resources

Ministry of Public Works: <http://www.mpw.gov.lr/>

National Housing Authority (NHA): <http://nhaliberia.com/>

Roberts International Airport: <http://www.airport-technology.com/projects/roberts-international/>

Ecohomes Liberia: <http://ecohomes-liberia.com/>

## Oil and Gas

### Overview

Liberia does not have a well-developed upstream oil and gas industry. Hydrocarbon exploration activities in the Liberian territorial waters started in the late 1960s, but those activities ceased due to a variety of factors including civil unrest and political instability. Liberia has a number of offshore oil blocks some of which have been licensed to multinational oil companies. The blocks are from the continental shelf to water depths of 2500-4500 meters, and exploration activities require multimillion dollar investments. Expectations for significant offshore oil discoveries became high as a number of international oil companies-- such as Anadarko Petroleum, African Petroleum, Chevron and ExxonMobil--signed productions sharing contracts (PSC) with the Liberian government. Although some of these companies subsequently began exploratory drilling, none has yet reported commercially viable oil deposits.

The Ministry of Lands, Mines and Energy regulates the oil and gas industry while the National Oil Company of Liberia (NOCAL) administers and controls the rights, title, and interest in oil and gas deposits and reserves in the Liberian territory. Under the NOCAL Act of 2000 and the Petroleum Law of 2002, the state-owned company was responsible for conducting bid rounds as well as administering all oil exploration and development agreements. This flawed legislation resulted in NOCAL regulating its partner companies posing a clear conflict of interest. Over the years, the GOL has been working on a comprehensive oil sector reform by developing a new set of laws to replace the old law and ensure the industry is compatible with international best practices.

The Petroleum (Exploration and Production) Law and the NOCAL Act of 2014--approved in 2016--repealed and replaced the NOCAL Act of 2000 and the Petroleum Law of 2002, respectively. The new laws were developed with the World Bank's assistance with input received from both national and

international consultations. The passage of these laws marks a significant step towards ensuring transparency and accountability in Liberia's oil sector. The Petroleum Law separates the commercial and regulatory functions in the petroleum sector into two institutions: Liberia Petroleum Regulatory Authority (LPRA) and National Oil Company of Liberia (NOCAL). The LPRA will grant three types of petroleum rights including Reconnaissance License, Petroleum Agreement and License for Petroleum Transportation System. The law also provides for the creation of a Ministry of Petroleum in the future should there be any commercial oil discoveries; this ministry would oversee all bid rounds. Besides restricting NOCAL to act as a negotiator, the laws require competitive bidding for all petroleum contracts. It also sets standards for royalties and other fees in production sharing contracts and requires companies to declare true owners and beneficial ownership disclosure. Unlike other government agencies, NOCAL's board members will be subject to senate confirmation.

On the downstream side, all petroleum products are imported from neighboring countries since Liberia's only refinery was destroyed during the civil war. According to the Central Bank, imported petroleum products--fuel, minerals, and lubricants--amounted to \$323.8 million in 2016, representing about 27 percent of total import payments. The Liberia Petroleum Refining Company (LPRC) is a state-owned enterprise with the exclusive mandate to refine, store, distribute, and supply petroleum products to the Liberian market. LPRC owns storage tanks at its Product Storage Terminal (PST) near the Freeport of Monrovia where it stores and handles petroleum products for wholesale distribution. In 2016, the company signed a contract with a foreign engineering company for the modernization and expansion of its main PST. The contract includes construction of bridges to accommodate trucks weighing up to two tons, semi-automation system and safety solution, a central control room, an additional operations building, and storage tanks for increased storage capacity. Should there be a commercial discovery in the Liberian oil sector, there would be significant opportunity for investment in the supply of goods and services to support further development of the petroleum industry.

#### Leading Sub-Sectors

There are prospects for the upstream and downstream petroleum products and services in the event of a commercial discovery. Storage tanks, tank farms, environmental and fire-fighting systems, petroleum testing laboratories, and potential refinery capacity development could provide build-operate-transfer opportunities. Transport and logistics services for oil rig personnel could provide a growth opportunity as well.

#### Opportunities

Potential investment opportunities exist for U.S. companies in the downstream petroleum sector in areas of refining, importation, offloading and facility handling. Potential investment tenders for new ultra-deep off-shore blocks or resale of existing blocks may materialize. As LPRC begins to decentralize its operations and expand petroleum supply on the domestic market, new marketing opportunities may arise in other parts of the country. LPRC has aspirations to resume refining operations in the future, and this would require significant investment in plant, machinery and equipment for refinery and laboratory testing. Furthermore, given the expected growth in demand for petroleum products, a private sector operator could be introduced to invest capital for upgrades and rehabilitation in return for operation rights, on a public-private partnership (PPP) arrangement.

## Web Resources

Liberia Petroleum Refinery Company: website currently inactive  
Ministry of Lands, Mines and Energy: <http://www.molme.gov.lr/>  
National Oil Company of Liberia: <http://www.nocal.com.lr/>

## Mining and Minerals

### Overview

Liberia has rich mineral deposits and historically, mineral extraction--particularly of iron ore, gold and diamonds--has been one of the leading export sectors for the country. The major minerals mined are iron ore, diamonds, and gold, all of which are mainly exported in a raw or semi-finished form. In addition to large iron ore deposits, there are substantial diamond and gold deposits as well as indications of manganese, bauxite, uranium, zinc and lead deposits. Diamond deposits, primarily alluvial and artisanal diamond mining, are widespread in most parts of the country. The government complies with the Kimberly Process (KP) of Origin Certification, which enables Liberia to export rough diamonds (legally) to other KP member countries. Iron ore mining plays a significant role in the Liberian economy and accounted for nearly 30 percent of total export earnings in 2016. The predominant position of iron ore mining in the economy has largely overshadowed the importance of other potential mineral resources. There are several large-scale iron ore mining operations by international company Arcelor Mittal, which is invested heavily into the sector. Arcelor Mittal, one the largest iron ore producers in the world, has both iron ore and metallurgical coal reserves in the Mount Nimba range in northern Liberia. Much of the multi-billion dollar mineral investments include rebuilding railways, roads, ports, electrical plants, housing facilities for workers, and other critical physical infrastructure. However, low global iron ore prices have reduced Liberia's production and exports over the last few years as multinational companies significantly scaled down operations.

Artisanal mining predominantly of gold and diamonds takes place in parts of Liberia. Artisanal mining--traditionally carried out by unlicensed and illegal miners--contributes to the country's economy through royalties and taxes paid by licensed dealers. Some of the most lucrative mines are located in remote and inaccessible areas in forest regions, and the government lacks the necessary resources or capacity to monitor mining activities. The Ministry of Lands, Mines and Energy is trying to formalize the artisanal and small scale mining (ASM) sector. The ministry's objective is to encourage artisanal miners to organize their mining activities through cooperatives that would attract foreign investors into the sector. Recently, some publicly traded companies such as Hummingbird Resources and Aureus have invested heavily in exploration in the sector. Aureus Mining (now Avesoro Resources) continues to develop Liberia's first and largest commercial gold mine in its New Liberty Gold Mine. Construction at New Liberty commenced in April 2014, with the first gold sales commencing in August 2015. Full commercial production at New Liberty began in March 2016. In the mining sector as a whole, land disputes and overlapping mining claims have become one of the critical concerns.

### Leading Sub-Sectors

Industrial mining operations have significant demand for plants and equipment, construction, and core services. The sub-sectors in which U.S. companies would have the best prospects include geological and exploration services, analysis and testing, supply chain services, environmental services, feasibility, design and engineering services, construction, contract mining, equipment and plant maintenance and

repair, equipment rental, drilling equipment and services, electronic equipment and supplies, and spare parts for mining equipment. There are also sales prospects for mining consumables such as explosives and accessories, chemicals, reagents, grinding media, fuel and lubricants, tires, replacement parts and ground engagement tools, water service, and telecommunications. The huge energy needs for mining concessions and neighboring communities create opportunities for investment in mini-hydro or biomass electricity generation.

#### Opportunities

Agreements signed with international investors include commitments to rehabilitate railroads, port facilities, and road networks and to provide schools, homes, and healthcare facilities. There is a growing demand for technical, geological, and engineering services, and for specialized mining machines and equipment. A number of ongoing reconnaissance and exploration activities are expected to create several downstream economic activities in communities that are on the periphery of the exploration sites. Public tenders for concession agreements could be offered; interested parties may wish to inquire about opportunities directly at the Ministry of Lands, Mines, and Energy.

#### Web Resources

Ministry of Land, Mines and Energy, <http://www.molme.gov.lr/>

National Investment Commission, <http://www.investliberia.gov.lr/>

Ministry of Commerce & Industry, <http://www.moci.gov.lr/>

Chamber of Commerce, <http://www.lcclr.org/>

Arcelor Mittal, <http://corporate.arcelormittal.com/>

Aureus Mining/Avesoro Resources, <http://avesoro.com/operations/liberia/new-liberty-gold-mine/>

#### Iron Ore Production and Exports (Metric tons & Constant Prices in Millions of USD)

<b>Iron Ore</b>	<b>2015+</b>	<b>2016*</b>	<b>2017</b>
Total Local Production (Mt.)	4,529,531	1,522,076	NA
Total Exports Volume (000/Mt)	5,553	1,442.3	NA
Total Exports Value (Million USD)	141.8	49.6	NA

#### Diamond Production and Exports (Carats & Constant Prices in Millions of USD)

<b>Diamond</b>	<b>2015+</b>	<b>2016*</b>	<b>2017</b>
Total Local Production (Carat)	65,996	62,827	NA
Total Exports Volume (000/Crt)	61.1	58.2	NA
Total Exports Value (Million USD)	26.8	28.9	NA

#### Gold Productions and Exports (Ounces & Constant Prices in Millions of USD)

<b>Gold</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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Total Local Production (Ounce)	9,466	5,356	NA
Total Exports Volume (000/Oz)	9.37	4	NA
Total Exports Value (Million USD)	8.5	3.8	NA

Source: 2016 Annual Report Central Bank of Liberia

+Revised/actual

\*\*Projection

## Telecommunications

### Overview

Despite its relatively small population Liberia has a vibrant telecommunications sector in which new telecommunications services are regularly offered to consumers. The main players in the telecom sector include three private GSM mobile network operators (Lonestar Cell MTN, Orange formerly Cellcom, and Novafone), and the Ministry of Posts and Telecommunications (MPT), Liberia Telecommunication Authority (LTA) and Liberia Telecommunications Corporation (Libtelco). The three GSM network operators compete for customers offering services over their wireless networks. The government owned Libtelco is the sole provider of wireless fixed line services, mainly to public entities. The growth of mobile and internet use continues at a robust pace. According to LTA (2016), mobile penetration stands at approximately 75 percent while internet penetration is at 21 percent; both numbers are high relative to Liberia's income. The LTA pointed out that "the high penetration rates are influenced by the fact that many individuals have multiple SIM cards to take advantage of lower on-net prices and promotions, thus inflating the penetration rates of mobile voice and (mobile) internet". According to the World Bank (2015), mobile cellular subscription per 100 people was 81, and internet subscription per 100 inhabitants was 20. In the mobile sector, competition has led to some of the lowest call prices in Africa despite the country's power infrastructure handicaps.

The arrival of the Africa Coast to Europe (ACE) Submarine Cable and the launch of the Cable Consortium of Liberia (CCL) in 2013 had a major impact in the supply of retail broadband Internet. CCL is owned jointly by the Government of Liberia (55%), Libtelco (20%) and the three mobile network operators: Lonestar (10%), Orange (Cellcom) (10%) and Novafone (5%). Internet and broadband networks are available through several commercial wireless internet service providers (ISPs) and as well as the main GSM mobile networks using GPRS, EDGE, HSPA and WiMAX technologies. Following the CCL's service launch, the cost of international connectivity sharply declined which resulted in an explosion on the number of internet subscribers. This has in turn required improvements in the access networks. Generally, Liberia's telecommunications sector is expected to experience substantial improvement through the international fiber optic submarine cable, but it requires considerable investment in domestic fixed-line infrastructure. The government plans to invest in building a fiber ring around Monrovia and its environs to increase broadband penetration. However, the mobile operators face major constraints including:

- High cost of electric power (utilities)
- Poor national infrastructure (roads)

- High taxation including import duties and tariffs
- Insufficient customer base
- Inadequate skilled manpower
- Problems in ensuring network security
- High cost of network operations and maintenance

The Liberia Telecommunication Authority (LTA) is the state-owned regulator enforcing regulations to raise revenue and ensure quality services in the sector. LTA issues licenses to radio and television stations, and each category of licenses is valid for 12 calendar months renewable annually. Over the years, LTA has made significant interventions to address and counter unfair market practices that could have the potential to adversely impact growth of the telecom sector. There are three categories of radio stations including Commercial Broadcast, Non-commercial Broadcast, and Community Broadcast.

The Ministry of Posts and Telecommunications (MPT) is the government agency responsible for postal services. It is the policy-making and an oversight body for Liberia's ICT sector. Currently, Liberia does not have national postal address system, or unique address system where individuals can be easily traced or contacted in terms of postal service delivery, security, healthcare delivery, and other socioeconomic activities.

#### Leading Sub-Sectors

Sub-sector best prospects for U.S. companies range from providing high speed internet and system development to web design and hosting. Provision of ICT solutions and capacity building is also another prospect area for investment in the sector.

#### Opportunities

Investment opportunities include software development, systems design and development, open source software/web development and integration, corporate training, IT infrastructure development, and provision of ICT solutions to companies, local businesses, schools, hospitals, and residences.

#### Web Resources

Liberia Telecommunications Authority (LTA): <http://www.lta.gov.lr/>  
 Ministry of Post & Telecommunications (MOPT): <http://www.mopt.gov.lr/>  
 Liberia Telecommunications Corporation (Libtelco)

Orange Liberia: <http://www.Orange.com.lr/>  
 Lonestar Cell MTN: <http://www.lonestarcell.com/>  
 Novafone: <http://www.novafone.com.lr/>

## Medical Equipment and Pharmaceuticals

#### Overview

Presently, the country's health care delivery system is weak and depends heavily on international donor support. There is minimal private sector involvement in this sector. As a result, most healthcare

facilities are run by government, bilateral donors and multilateral donors, and non-governmental organizations (NGO's) including faith-based organizations. The sector is also constrained by weak supply chain management (distribution, storage, supervisions, etc.) and limited human resources (doctors, midwives, pharmacists, laboratory technicians, etc). Furthermore, there are a multitude of challenges related to health infrastructure, health financing, health system management and governance, human and logistical resources, drugs and medical supplies, management and use of medicines, and health information system. Over the years, the country has suffered from a critical shortage of qualified health workforce, compounded by high attrition and demotivation amongst the existing health workers. Health workers--especially in rural communities--often complain of low salaries and poor accommodation facilities. Generally, there is a limited availability of essential genuine medical equipment and pharmaceutical products in the country

The National Drug Service (NDS)--a state-owned pharmaceutical supply outlet--provides drugs for government-run health facilities. Even the privately run health facilities are constrained by inadequate financial resources to procure quality medical equipment and pharmaceuticals overseas. The current health system is vulnerable to health emergencies or shocks. The 2014 Ebola Virus Disease (EVD) outbreak exposed the structural weaknesses and fragility of the country's health system. The Ministry of Health and Social Welfares works closely with other state-run regulatory bodies, such as the Liberia Medicines and Health Products Regulatory Authority (LMHRA) and the Pharmacy Board of Liberia, to register, monitor and regulate pharmacies and medicines stores. The ministry designs policies and regulations to address problems related to accessibility, affordability, availability, supply chain management, and rational use of medicines. There are a few genuine private medical and health services providers, such as Aspen Medical, providing a full range of western standard medical and emergency services.

#### Leading Sub-Sectors

Sub-sector best prospects for U.S. companies range from providing health infrastructure, health facilities and medical education to offering health information systems.

#### Opportunities

Investment opportunities include health system strengthening through education, training, capacity building and skill development programs. There are immense opportunities in providing specialized equipment to healthcare providers targeting the expatriate community; such equipment include those for diagnostic and critical care support, e.g. ultrasound, ECG (electrocardiography), advanced life support equipment, and digital x-ray machines.

#### Web Resources

Ministry of Health & Social Welfares, <http://moh.gov.lr/>  
National Investment Commission, [www.investliberia.gov.lr/](http://www.investliberia.gov.lr/)  
Liberia Medicines and Health Products Regulatory Authority (LMHRA)  
Pharmacy Board of Liberia (PBL)  
Aspen Medical, <http://www.aspenmedical.com/>

#### Travel and Tourism

## Overview

Liberia's tourism industry is under-developed and suffers from the lack of basic infrastructure such as transportation networks, electricity, an effective telecommunications system, as well as accommodation facilities. Only a few attractions have decent facilities to accommodate international visitors. The infrastructure deficit is one of the critical factors that discourage entrepreneurs from investing in this sector. Despite its infrastructural deficit, prospects are abundant for the sector to contribute to the economy. Liberia is endowed with rich natural resources including forests, rivers, seas, waterfalls, hills and mountains. The country's biodiversity, landscape and beaches are natural attractions for tourists and international visitors seeking new adventures. Some known tourist attractions include the following:

- The 700-square mile Sapou National Park in southeastern Liberia (protected area)
- The surfing beaches at Robertsport along the Atlantic Ocean
- The Kpatawee Waterfalls in central Liberia
- The 40-square mile Lake Piso near the Liberia-Sierra Leone border
- East Nimba Nature Reserve bordering Liberia, Guinea, and Ivory Coast (protected area)
- Providence Island in Monrovia where the first group of the freed African slaves landed in 1822
- The country's 350 miles of sandy shoreline along the Atlantic Ocean
- Excellent deep sea fishing for Tuna, Marlin, Mahi Mahi, and Wahoo

The potential tourism market includes a relatively large expatriate community, and the growing Liberian diaspora returnees--mostly middle class. The government has begun developing strategies and programs to tap the potential of the tourism sector as alternative source of revenue generation in the wake of weak performance of the country's extractive industries. Tourism is now a priority sector for the government as part of its economic diversification agenda. A Tourism Exploratory Committee has been set up to guide policies and programs designed to develop tourism as a vibrant economic sector. There are two tourism associations in the country--Liberian National Tourism Association (LINTA) and Tourism Association of Liberia (TAL)--which collaborate with the government. Developing the country's ecotourism through conservation of its biodiversity as well as building modern infrastructure would improve its international image and increase its appeal to tourists. Although there is insufficient data regarding the number and origin of international arrivals to Liberia, anecdotal reports suggest that most foreign travelers are European and United States nationals. Only a few international carriers such as Brussels Airlines, Kenya Air, Arik Air, Royal Air Maroc and, most recently KLM fly to Monrovia.

## Leading Sub-Sectors

Sub-sector best prospects for U.S. companies range from building basic infrastructure such as road networks connecting different regions of the country to providing effective transportation and accommodation facilities. Developing ecotourism, provision of ICT solutions as well as building human capacity in tourism and hospitality also provides best prospects for investment in the sector. Another best prospect sub-sector is a provision of facilities for rest and recreation, short-stay, vacation and holidays resorts, accommodation, as well as reliable electricity supply along Liberian beaches.

## Opportunities

Investment opportunities include development of basic infrastructure such as road networks between different regions of the country, effective information communication technology (ICT) systems, reliable electricity and power generation, reliable transportation system, a predictable physical and postal address system, accommodation and food services including hotels and restaurants, and responsive

healthcare delivery system. There are also opportunities for U.S. investors in developing tourism in sports, nature and historical adventure across Liberia.

#### Web Resources

- Ministry of Information, Culture and Tourism, <http://www.micatliberia.com/>
- National Investment Commission, [www.investliberia.gov.lr/](http://www.investliberia.gov.lr/)
- Ministry of Commerce and Industry, [www.moci.gov.lr](http://www.moci.gov.lr)
- Tourism Association of Liberia (TAL), <http://www.eliberia.gov.lr/site-page/tourism-association-liberia-tal>
- Liberian National Tourism Association (LINTA)
- Barefoot Liberia, <http://afrotourism.com/service-provider/barefoot-liberia/>
- Liberia National Export Strategy on Tourism, [www.moci.gov.lr/doc/LIBERIA%20NATIONAL%20TOURISM%20STRATEGY.1.pdf](http://www.moci.gov.lr/doc/LIBERIA%20NATIONAL%20TOURISM%20STRATEGY.1.pdf)

## Trade Regulations, Customs, & Standards

### Import Tariff

Imports are subject to tariff duties ranging between 2.5 and 25 percent, constituting a major source of government income. Import duties are specific (based on weight) for some commodities, and ad valorem (based on cost, insurance and freight value) for others. Specific duties apply to foodstuffs, beverages, petroleum products, and certain rubber and textile products. The Liberia Revenue Code provides legal and regulatory bases for customs duties and standards. The cost of equipment and machinery used in the year the asset is placed into service is eligible for a tax deduction of up to 30 percent of the cost of the equipment. The construction cost of a new hotel or a tourist resort is eligible for a tax deduction of up to 30 percent of the cost of the investment. Additionally, the cost of buildings or fixtures used to manufacture finished products containing at least 60 percent local raw materials is eligible for a tax deduction of up to 10 percent. Machinery, equipment, raw materials, semi-finished products and other supplies to be used in the project are exempted from import duty up to 90% of their dutiable value. Manufactured goods exported from the production of the project are entitled to full rebate on import duties and full refund of both income tax and excise tax. Contact the Liberia Revenue Authority (LRA) for specific categories of duties or tariffs, <http://www.lra.gov.lr/>

**Comment [LM1]:** I do not see any specific duties listed for textile product (HS chapters 50-63) at <http://lra.gov.lr/customs2017.pdf>

The government has not finalized technical and policy preparations to implement the common tariff regime of the ECOWAS (ECOWAS). The Liberian legislature is currently in the process of enacting a law that will create a legal framework for the government to adopt the ECOWAS Common External Tariff (CET). The law will pave the way for Liberia to join other ECOWAS countries in establishing a common customs union, making trade and commerce easier within the ECOWAS sub-region. Liberia is one of the ECOWAS countries that will have to significantly adjust its tariff schedule as it shifts to the CET. For instance, Liberia’s current statutory tariff schedule, including waivers allowing imports of essential goods (e.g. rice, cement) at zero tariff rates, must be harmonized with its regional neighbors. Migrating to the CET and removing tariff waivers will significantly impact the economy’s average tariff.

### Summary of Common Taxes and Mandatory Contributions

Tax or mandatory contribution	Statutory tax rate	Tax base
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Corporate income tax	25% of taxable income, or 2% of turnover	Taxable income or turnover
Social security	4.75%	Gross salaries
Social security contributions on employee	3%	Gross salaries
Municipal tax	Fee scale	Type of business
Property tax	1.5%	Assessed value of building
Tax on interest	15%	Money market account
Goods & service tax	7%	Value added

Sources: <http://www.doingbusiness.org/data/exploreeconomies/liberia/paying-taxes/>

### Trade Barriers

The Investment Act of 2010 explicitly excludes foreigners from participating in a number of economic sectors. It sets aside 16 business sectors or industries exclusively for Liberian citizens, and places a threshold to entry for non-Liberians to another 12 business sectors or industries. There are non-tariff barriers including limited physical infrastructure -- roads, electricity, effective internet system, etc.-- as well as opaque administrative procedures that foster corruption in the form of bribery. These issues, coupled with porous borders and weak protection of intellectual property rights, have resulted in low trade tax collection, high level of smuggling, and increased informal cross border trade. Import and export permits are required for all goods shipped to and from Liberia. These irregularities sometimes constitute technical barriers to effective trade in the country.

### Import Requirements & Documentation

Importers must request permission from the Ministry of Commerce and Industry (MOCI) to import specific goods from a particular country or trading zone, specifying the quantity and quality of the goods. Written requests must accompany the invoice and bill of lading. When importers receive import authorization, they then purchase an Import Permit Declaration (IPD) from Ministry of Finance and Development Planning. Importers arrange pre-shipment/destination inspection through a pre-shipment inspection company (currently – Bureau Veritas or BIVAC), at a cost of 1.5 percent of the shipment's value. Pre-shipment inspections are required for goods valued at US\$ 3,500.00 and above; the penalty for imports that do not undergo pre-shipment inspection ranges from 10 percent to 30 percent. When those steps are completed, the IPD is issued and the import is approved. After clearing customs, importers present cost information to the MOCI for price approval. The Ministry has also streamlined the licensing system (Import and Export Permits) with issuance of a regulation to reduce the categories of restricted items from 33 to 27 essential ones, including rice. BIVAC – Bureau Veritas Group is the exclusive pre-shipment inspection (PSI) provider for Liberia. BIVAC has listed the following products as items exempted from import duties (customs):

- Goods imported with a value below the threshold of US\$ 1,000 FOB,
- 
- Reasonable amount of personal effects and household items;

- Supplies for diplomatic missions, and United Nations organizations;
- Gold, precious stones, objects of art;
- Explosives, pyrotechnic products, arms, ammunition, weapons and implements of war imported by the Liberian Armed Forces and the Liberian Police service;
- Fresh fish caught by local Liberian canoes; and
- Goods imported by parcel post not exceeding US\$ 1,000.

Details are available on BIVAC Guide to Importers,

<https://verigates.bureauveritas.com/wps/wcm/connect/aec580004d1fd6d59658bed3ae22b828/GSIT+-+Liberia+Guide+to+importers++IPD+file+Ed+11-2013.pdf?MOD=AJPEREs>

### Labeling/Marking Requirements

The Ministry of Commerce and Industry (MOCI)'s regulations require that product labels show net weight, manufacture dates, expiration dates, ingredients, origin and price. The MOCI also requires that all commodities and related products destined directly to consumers be labelled in the English language. It conducts periodic commodity inspections at businesses to ensure the regulations are being implemented. However, it lacks the mechanisms to effectively enforce labeling and marking requirements. Supermarkets and large consumer stores usually label their products, but the regulation is not uniformly followed throughout the country as the MOCI lacks an enforcement mechanism. In all supermarkets and major stores products are often displayed with price-tags either in United States dollar or Liberian dollar, or both. For more information, please check the MOCI website, <http://www.moci.gov.lr/>

### U.S. Export Controls

Liberia is subject to export controls of arms and related materiel as established by UN Security Council Resolution 1903, which can be viewed here:

[http://www.sipri.org/databases/embargoes/un\\_arms\\_embargoes/liberia/UNSC\\_res1903.pdf](http://www.sipri.org/databases/embargoes/un_arms_embargoes/liberia/UNSC_res1903.pdf)

A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here: <http://developer.trade.gov/consolidated-screening-list.html>.

### Temporary Entry

The Liberia Revenue Code provides for temporary entry of personal effects and temporary importation of certain consumable goods. The government has reportedly been assessing a goods and services tax (GST) of 7 percent on goods that are trans-shipped through Liberia. In 2010, ECOWAS introduced a Value Added Tax (VAT) into Liberia's tax system to ensure consistency in both external and domestic taxation and harmonize with other West African countries. However, VAT is not applied in Liberia.

### Prohibited & Restricted Imports

Generally, Liberian law prohibits convict-made goods and recognizes international regulations on narcotics and other contrabands. Importation of certain goods, including illegal drugs, weapons, explosives, ammunitions, knives and deadly weapons, counterfeit money, are either prohibited or

restricted. Details can be obtained from the websites of BIVAC, <http://www.bureauveritas.com/wps/wcm/connect/76121e004c665a108f6f8ff9c9cb4444/GSIT+-Liberia+Guide+to+importers+Rev+Feb+2011.pdf?MOD=AJPERES&CACHEID=76121e004c665a108f6f8ff9c9cb4444>, and the MOCI website: <http://www.moci.gov.lr/doc/MoCI.Conditional.Imports040714.v2.pdf>

## Customs Regulations

The Liberia Revenue Authority (LRA) is an independent, semi-autonomous authority principally responsible for the collection of border taxes on goods imported into or exported from Liberia. The main taxes collected by the LRA customs include import duties, international goods and service tax (GST) and excise tax for excisable goods. It also collects other fees where applicable including the ECOWAS Trade Levy (ETL) on imports from non-ECOWAS origin, customs users' fees, export fees as well as royalties on mineral exports. Being the lead border agency for processing international trade in goods, the authority has the sole responsibility to serve as the repository for international trade statistics. While LRA collects needed revenue on behalf of the government, the MFDP remains directly in charge of tax policy and revenue management and allocations within the government. See contact information for LRA's customs office:

Commissioner of Customs, Liberia Revenue Authority (LRA),  
<http://liberiarevenueauthority.mruads.com/index.php>?, Phone: (231) 886-727666, Email: [ssaamoi@yahoo.com](mailto:ssaamoi@yahoo.com)

## Trade Standards

### Overview

The Ministry of Commerce and Industry (MOCI) has a National Standards Laboratory (NSL) for testing, measuring and calibrating products to ensure originality and safety of their substance. The lab is part of Liberia's initiatives to be WTO compliant. Its mandates include establishing a reliable standard framework to facilitate trade and enforce the criteria of the International Organization for Standardization (IOS). It also helps to improve Liberia's sanitary and phytosanitary (SPS) system—food safety, animal and plant health—to ensure quality control for food and basic commodities. It is also part of a regional program working to strengthen quality assurance systems to support competitiveness and harmonization of technical barriers to trade (TBT) and SPS measures in West Africa. The facility also nominally helps the government monitor and prevent counterfeit and substandard goods from entering the Liberian market. As a member of ECOWAS, Liberia is subject to ECOWAS requirements on biosecurity and SPS. The lab renders testing in the area of microbiological and chemical analyses on food and non-food products, and metrological services such as calibration and verification of length, mass, temperature and volume. The NSL provides technical services to food producing industries in Liberia to enhance the production of safe food; it also trains inspectors of various regulatory bodies of government.

### Standards

The National Standards Lab focuses on testing, measurement, and calibration of products to ensure originality and safety of their substances. Liberia conforms to ECOWAS regulations on biosecurity and SPS. The Inspectorate Division of the Ministry of Commerce & Industry also conducts routine technical inspections in a bid to ensure conformity assessment and compliance in terms of weight and measures,

industrial compliance, food safety, as well as warehousing and storage. The Standards Lab has three basic laboratories, namely: chemical, microbiology, and metrology. The chemical lab tests for quality and safety of food, water and non-food materials; microbiology lab tests to detect spoilage and disease causing microorganisms in food, water and non-food materials including drugs; and the metrology lab provides testing and calibration of devices used for weights, volume, dimension, and temperature in line with international standards. The lab also strives to build technical capacity of collaborating bodies through trainings in quality management and food safety management systems.

#### *NIST "Notify U.S." Service*

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

#### Conformity Assessment

Below is the list of the main national testing organization(s) and conformity assessment bodies in Liberia:

- Ministry of Commerce and Industry, <http://www.moci.gov.lr>
- Liberia Revenue Authority, [www.liberiarevenueauthority.mruads.com](http://www.liberiarevenueauthority.mruads.com)
- Ministry of Foreign Affairs, <http://www.mofa.gov.lr/public2/index.php>
- Ministry of Agriculture, <http://www.moaliberia.org/>
- Ministry of Health and Social Welfare, <http://www.mohsw.gov.lr/>
- Ministry of Agriculture, <http://www.moa.gov.lr/>
- Central Bank of Liberia, <http://www.cbl.org.lr/>,
- Forestry Development Authority, <http://www.fda.gov.lr/>.
- Ministry of Lands, Mines & Energy, <http://www.molme.gov.lr/>

SGS, <http://www.sgs.com/en/news/2013/04/sgs-multi-purpose-commercial-laboratory-in-monrovia-liberia-now-offering-low-level-gold-analyses>

#### Product Certification

There are no mutual recognition agreements with U.S. organizations on product certification. Certifications in Liberia are handled by various agencies depending on the products, sectors and industries involved. Product certification has not been reported as a burden to U.S. exporters.

#### Accreditation

Accreditations in Liberia are handled by a number of agencies depending on the areas of concern. For instance, health system accreditations are managed by the Ministry of Health & Social Welfare <http://moh.gov.lr/>, and education system accreditations are managed by Ministry of Education <http://moe.gov.lr/> and the University of Liberia, while products accreditations are normally handled by

Ministry of Commerce & Industry, <http://www.moci.gov.lr>. Accreditations relating to minerals, lands, and energy resources are handled by the Ministry of Lands, Mines & Energy, <http://www.molme.gov.lr/>

#### Publication of technical regulations

Bureau Veritas Group (BIVAC), a French international inspection company, provides pre-shipment inspection (PSI) services on behalf of the GOL. BIVAC has published technical regulations on pre-shipment and destination inspections (DI) covering the threshold value of imported goods, exemptions, the list of prohibited products, and the list of restricted imports. The threshold value of imported goods subject to PSI and DI is USD 3,500 for ocean freight and USD 1,500 for airport freight and border posts. All vehicles are subject to inspection regardless of price. You can access BIVAC's regulations here: <https://verigates.bureauveritas.com/wps/wcm/connect/aec580004d1fd6d59658bed3ae22b828/GSIT+-Liberia+Guide+to+importers++IPD+file+Ed+11-2013.pdf?MOD=AJPERES>

#### Contact Information

- National Investment Commission: <http://www.investliberia.gov.lr/>
- Ministry of Commerce and Industry: <http://www.moci.gov.lr>
- Liberia Revenue Authority: <https://lra.gov.lr/>
- Ministry of Finance & Development Planning: [www.mfdp.gov.lr](http://www.mfdp.gov.lr)
- Ministry of Commerce and Industry: <http://www.moci.gov.lr/>
- Bureau Veritas Liberia: <http://www.bureauveritas.com/home/worldwide-locations/africa/liberia/>
- Liberia Chamber of Commerce: <http://www.lcclr.org/>
- Embassy Monrovia's website: <https://lr.usembassy.gov/business/>

#### Trade Agreements

Liberia has bilateral and multilateral agreements with several countries including the United States. They include the African Growth and Opportunity Act (AGOA), a Trade and Investment Framework Agreement (TIFA), and the Generalized System of Preferences (GSP). Together with GSP, AGOA provides duty-free treatment for about 6,800 products exported from eligible African countries. These trade programs intend to boost mutually beneficially trade by reducing barriers to trade and investment between the two countries. Liberia's main exports to the United States are rubber, wood, art and antiques, palm oil and diamonds, and the U.S. exports to Liberia include agricultural products (with rice as the leading category), vehicles, machineries, textiles, optic and medical instruments.

Liberia has a comprehensive timber trade agreement with the European Union, known as the Voluntary Partnership Agreement (VPA), aimed at controlling illegal logging and improving forest sector governance. Liberia, along with other ECOWAS member governments, also has a free trade arrangement--an Economic Partnership Agreement (EPA)--with the European Union (EU). The EPA would gradually open about 75 percent of the EU market to ECOWAS countries. The agreement covers goods and development cooperation.

Liberia Trade Policy reiterates the government's commitment to fast track Liberia's accession to the WTO, with emphasis on promoting private sector growth. These instruments aim to increase Liberia's

trade capacity and infrastructure, harmonize its trade regime, provide a blueprint for industrial development, and connect the country to global markets. On December 16, 2015, Liberia acceded to the WTO, paving the way for the government to standardize its trade and investment laws and regulations consistent with internationally acceptable norms. Details on Liberia's WTO accession can be found at: <http://www.moci.gov.lr/doc/LR.LiberiaAccession.WTOFactSheet.121015.pdf>. Liberia is ideally situated to have easy access to ECOWAS markets of about 300 million consumers, but its total regional trade volume is low due to poor transportation infrastructure and inadequate trade instruments.

### Licensing Requirements for Professional Services

There are different licensing requirements for professional services in Liberia depending on the services, sectors, and industries involved. Processing of licenses is handled by various professional bodies. For instance, a license for financial and insurance services is managed by the Central Bank of Liberia <http://www.cbl.org.lr/>, and license for educational services is handled by Ministry of Education, <http://moe.gov.lr/>, while a license for legal services is managed by Liberia Bar Association and Ministry of Justice <http://www.moj.gov.lr/>. All accounting and professional services are licensed by the Liberia Instituted of Certified Accountants (LICPA), <http://licpa.org.lr/>

### Web Resources

Bureau Veritas Liberia - <http://www.bureauveritas.com/home/worldwide-locations/africa/liberia/>

Ministry of Commerce and Industry - <http://www.moci.gov.lr>

Liberia Revenue Authority - <https://lra.gov.lr/>

Ministry of Foreign Affairs - <http://www.mofa.gov.lr/public2/index.php>

Ministry of Agriculture - <http://www.moaliberia.org/>

Ministry of Health and Social Welfare - <http://www.mohsw.gov.lr/>

Central Bank of Liberia - <http://www.cbl.org.lr/>

Forestry Development Authority - <http://www.fda.gov.lr/>

Ministry of Lands, Mines & Energy - <http://www.molme.gov.lr/>

SGS - <http://www.sgs.com/en/office-directory?country=73>

Ministry of Education - <http://moe.gov.lr/site/>

Ministry of Justice - <http://www.moj.gov.lr/>

## Investment Climate Statement

### 1. Executive Summary

Located in West Africa, Liberia has a population of nearly 4.5 million people. The economy is based on a free market system and the government encourages FDI. Liberia has a free-floating exchange regime with the Liberian and U.S. dollars as legal tenders. The World Bank reported Liberia's gross domestic product (GDP) at \$2.053 billion in 2015 (<http://www.worldbank.org/en/country/liberia>) with a

per capita gross national income (GNI) of \$380. In March 2017, the IMF estimated real GDP growth for 2016 at negative 1.2 percent, with an inflation rate of 12.5 percent. The United States FDI in Liberia was \$929 million in 2015 and Liberia's FDI in the United States was \$500 million (*See table below*). The Investment Act guarantees foreign investors the right to transfer profits out of Liberia. The law also protects foreign investments against expropriation, or unlawful seizure or nationalization. Although the government continues to improve the business environment by reducing the number of steps and time to start a business, the country lags in other important measures. According to the World Bank's Doing Business Survey (2016), Liberia ranked 179 out of 189 countries. For concession agreements or long-term investment contracts, potential investors often engage in lengthy bidding and negotiation. The process of awarding contracts, concessions and public tenders is guided by the Investment Act, the Revenue Code, the Public Procurement and Concessions Act, and the National Competitive Bidding Regulations. A cabinet level Inter-Ministerial Concessions Committee (IMCC) chaired by the National Investment Commission (NIC) is responsible for negotiating concession agreements. Agreements must be ratified or approved by the legislature and signed by the president before they become law. There are a number of state-owned enterprises (SOEs) some of which perform regulatory functions for different sectors while others have become dysfunctional. The Public Financial Management Law outlines proper regulatory framework for the SOE sector to ensure it fosters the government's development agenda.

While the government seeks to strengthen institutions and introduce business reforms to improve the investment climate, progress in ensuring an attractive business-friendly environment is hampered by the weak regulatory environment, corruption, lack of transparency, poor physical infrastructure, and low private sector capacity. The process of negotiating and implementing concession agreements is flawed and some provisions of the laws intended to ensure transparency and accountability are inconsistently applied. Though Liberia has a limited domestic market, it offers investment opportunities across several sectors, particularly agriculture and forestry, fisheries, mining, telecommunications, services, manufacturing, warehousing and storage facilities. Sectors and industries that have historically attracted significant investment include iron ore, rubber, palm oil, timber, banking, and telecommunications. The United States, China, Europe, and other African countries are the main export destinations. Currently, the export sector relies heavily on rubber and iron ore, accounting for 64 percent of total exports in 2016.

The best prospects for U.S. investment in Liberia are agribusiness (processing and marketing of agriculture products), manufacturing (food processing, preservation, packaging and labelling), transportation (land, marine, and air transport), cold storage and warehousing facilities, energy (power generation, transmission and distribution), construction and real estate, services, and telecommunications. Key issues to be aware of include difficult and opaque procedures for obtaining clear title to property, lack of adequate legal protection, limited awareness of intellectual property rights, and poor physical infrastructure.

*I. Table 1*

Measure	Year	Index/Rank	Website Address
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U.S. Department of Commerce

International Trade Administration

U.S. Commercial Service

<b>TI Corruption Perceptions Index</b>	2016	90 of 176	<a href="http://www.transparency.org/news/feature/corruption_perceptions_index_2016">http://www.transparency.org/news/feature/corruption_perceptions_index_2016</a>
<b>World Bank's Doing Business Report "Ease of Doing"</b>	2016/2017	174 of 190	<a href="http://www.doingbusiness.org/~media/wbg/doingbusiness/documents/profiles/country/lbr.pdf">http://www.doingbusiness.org/~media/wbg/doingbusiness/documents/profiles/country/lbr.pdf</a>
<b>Global Innovation</b>	2016	NA	<a href="http://globalinnovationindex.org/content/page/data-analysis">globalinnovationindex.org/content/page/data-analysis</a>
<b>U.S. FDI in partner country (\$M USD, stock positions)</b>	2015	USD 929M	<a href="https://www.bea.gov/international/factsheet/">https://www.bea.gov/international/factsheet/</a>
<b>World Bank GNI per capita</b>	2015	USD 380	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD?locations=LR">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD?locations=LR</a>

2.

## 2. Openness To, and Restrictions Upon, Foreign Investment

### Policies Towards Foreign Direct Investment

The Government of Liberia looks positively toward both domestic and foreign investment to drive the economy. Liberia's economy is based on a free enterprise system with both the U.S. and Liberian dollar being legal tender. Overall, the government continues to take steps to improve the business and investment climate, but still lags behind many countries in Sub-Saharan Africa.

Despite the government's efforts to improve the general business environment, there are sections in the Investment Act of 2010 that discriminate against foreign businesses by prohibiting, or limiting foreign investment, including by potential U.S. investors, in certain sectors and industries. Although the law is intended to empower Liberian entrepreneurs, it restricts market access for some types of foreign investment.

The National Investment Commission (NIC) is an investment promotion agency that facilitates foreign investment, promotes investment policy reform, and is the chief negotiator for all concession agreements. The NIC collaborates with international partners including the International Finance Corporation (IFC) and Developing Markets Associates (DMA) to design policies, craft laws, and organize programs to attract foreign investment to Liberia and improve the investment climate. The Liberia Better Business Forum (LBBF), a public-private partnership, prioritizes investment attraction and

retention by bringing together relevant government and private sector stakeholders to engage in constructive dialogue on identifying and resolving major constraints to private sector development.

#### **Limits on Foreign Control and Right to Private Ownership and Establishment**

Domestic private entities have the right to establish and own business enterprises and engage in all forms of remunerative activity. Under the Investment Act and Revenue Code, foreign investors have similar rights and are subject to similar duties and obligations as those that apply to domestic investors with several notable exceptions. The Investment Act imposes restrictions to foreign ownership of, or investment in sixteen (16) business activities/enterprises. It also sets a minimum foreign capital investment threshold in twelve (12) business activities/enterprises.

A. Ownership of the following business activities shall be reserved exclusively for Liberians.

1. Supply of sand
2. Block making
3. Peddling
4. Travel agencies
5. Retail sale of rice and cement
6. Ice cream, ice making and sale of ice
7. Tire repair shops
8. Auto repair shops with investment of less than \$550,000
9. Shoe repair shops
10. Retail sale of timber and planks
11. Operation of gas stations
12. Video clubs
13. Operation of taxis
14. Importation or sale of second-hand or used clothing
15. Distribution in Liberia of locally manufactured products
16. Importation and sale of used cars (except authorized dealerships, which may deal in certified used vehicles of their make)

B. Foreign investors may invest in the following business activities provided they meet minimum capital investments thresholds.

1. Production and supply of stone and granite
2. Ice manufacturing
3. Commercial printing
4. Advertising agencies, graphics and commercial artists
5. Cinemas
6. Production of poultry and poultry products
7. Operation of water purification or bottling plant (except for the production and sale of water in sachets)
8. Entertainment centers not connected with a hotel establishment
9. Sale of animal and poultry feed
10. Operation of heavy-duty trucks
11. Bakeries

## 12. Sale of pharmaceuticals

The law stipulates that for enterprises owned exclusively by non-Liberians, the total capital invested shall not be less than \$500,000. For enterprises owned in partnership with Liberians and the aggregate shareholding of the Liberians is at least 25 percent, the total capital invested shall not be less than \$300,000. The government does not maintain investment screening (approval) mechanisms for inbound foreign investment.

Despite these restrictions, the Investment Act has not effectively increased Liberian participation in commercial industries. In order to further empower local SMEs, the government has vowed to strictly enforce its 25 percent local procurement rule by allocating at least 25 percent of all public procurement contracts to Liberian-owned businesses, of which at least 5 percent shall be allocated to women-owned SMEs. The act officially eliminated a mandate that foreign-owned companies must employ qualified Liberians at all levels. Most investment agreements dictate that foreign-owned companies employ a certain percentage of Liberians at all human resource levels, including upper management. In practice, this rule is rarely applied as foreign companies usually face difficulty in finding the right skills for high profile technical or managerial positions. Business registration regulations enable a foreign company to open a fully-owned subsidiary in the country. Certified documentation of proof of a holding company will be required along with other necessary documents during registration. While land ownership is restricted to Liberian citizens by the constitution of Liberia, the acquisition of public land by non-Liberian citizens is possible through leasehold. Leases ordinarily run for 25 to 50 years, but exceptions are permitted under the law. The ownership, leasing, and use of land are governed by both statutory and customary laws, which are based on traditional practices.

### Other Investment Policy Reviews

**Neither the United Nations Conference on Trade and Development (UNCTAD) nor the Organization for Economic Co-operation and Development (OECD) has conducted an investment policy review for Liberia in the past three years. However, Liberia joined the WTO as its 163<sup>rd</sup> member on July 14, 2016, after nearly ten years negotiating its accession terms with WTO members. See detail.**

[https://www.wto.org/english/news\\_e/news16\\_e/acc\\_lbr\\_20jun16\\_e.htm](https://www.wto.org/english/news_e/news16_e/acc_lbr_20jun16_e.htm)

### Business Facilitation

All businesses are required to register and/or apply for authorization to conduct business or provide services within the Republic of Liberia. All business entities, both local and foreign, must register with the Liberia Business Registry (LBR). LBR has an online registration service through its website, <http://www.lbr.gov.lr>, which can be used by local and foreign companies. According to the World Bank's Investing Across Borders (IAB), it takes eight (8) procedures and twenty-five (25) days to establish a foreign-owned limited liability company (LLC) in Liberia. This is faster than both the IAB regional average for sub-Saharan Africa and the IAB global average. A foreign company establishing a subsidiary must notarize the documents of the parent company abroad. That means if an entity is already registered in another country and wants to do business, provide service or take part in a bid in Liberia, it must apply to the LBR for an "Authority to do Business" in Liberia. A foreign company must obtain investment approval from the National Investment Commission (NIC) to benefit from investment incentives. See detailed information,

<http://iab.worldbank.org/Data/ExploreEconomies/liberia#starting-a-foreign-business>. Certain

business categories require a notarization by the government; foreign companies are advised to refer to the LBR for advice on registration processes. In general, the wait-time required to register a business with the LBR is between three to four working days.

#### Outward Investment

The NIC does not have a systematic and active mechanism or program to promote or incentivize outward investment. There is no known restriction or policy limiting domestic investors from investing abroad. See NIC's website, <http://investliberia.gov.lr/new/>

### 3. Bilateral Investment Agreements and Taxation Treaties

Liberia has bilateral investment agreements (BITs) with the following countries: BLEU (Belgium-Luxembourg Economic Union), France, Germany, and Switzerland. It has international investment agreements (IIAs) with several countries including the Trade and Investment Framework Agreement (TIFA) (United States), Economic Community of West African States Treaty (ECOWAS) (West African states), African Union (African states), ECOWAS Energy Protocol (West African states), and ECOWAS Protocol on Movement of Persons and Establishment (West African states). Besides the TIFA with the United States, Liberia enjoys preferential access to the U.S. market under special access and duty reduction programs such as the Generalized System of Preference (GSP) and the African Growth and Opportunity Act (AGOA). Liberia is a signatory to several investment related instruments (IRIs) such as MIGA Convention, ICSID Convention, New York Convention, UN Code of Conduct on Transnational Corporations, UN Guiding Principles on Business and Human Rights, ILO Tripartite Declarations on Multinational Enterprises, World Bank Investment Guidelines, New International Economic Order UN Resolution, Voluntary Partnership Agreement with the EU, Economic Partnership Agreement with the EU, Charter of Economic Rights and Duties of States, and Permanent Sovereignty UN Resolution. Liberia does not have a bilateral taxation treaty with the United States.

### 4. Legal Regime

#### Transparency of the Regulatory System

The government continues to harmonize conflicting rules and regulations across ministries and agencies, and to carry out reforms in many sectors including mining, forestry, petroleum, trade and business, and electricity. The government has enacted the Competition Law, Foreign Trade Law and Intellectual Property (IP) Act in an effort to align Liberia's existing laws, policies and regulations to promote a transparent and predictable business environment and to foster competition on a non-discriminatory basis. Generally, the legal and regulatory procedures in Liberia fall below international norms in terms of transparency and consistency. For example, there is no unified website where all proposed regulations and draft bills are published in order to make them available to the public. However, press releases, newspaper articles, radio talk-shows and handouts may be available, and public discussions are channeled through these media regarding proposed new laws/draft bills that have potentially significant impact. There is no centralized online location where key regulatory actions or their summaries are published. The only online repository to access Liberia's legal information is the Liberia Legal Information Institute, <http://www.liberlii.org/lr/legis/acts/>, developed by Liberia's Ministry of Justice with assistance from the American Bar Association.

Significant investment, both foreign and domestic, exists in Liberia, especially in the extractive sectors, and the government continues to streamline relevant legislation in line with its WTO obligations. However, Liberian ministries often have overlapping responsibilities which can result in inconsistent application of the law. Some officials can be arbitrary, or heavy-handed when resolving conflicting regulatory issues. Regulatory agencies include the Forestry Development Authority (FDA) to regulate issues arising in forestry sector. The Civil Aviation Authority (CAA) regulates aviation businesses, the Liberia Telecommunications Authority (LTA) regulates all telecommunications activities, the Liberia Maritime Authority (LMA) regulates to issues arising in the maritime sector, and the National Port Authority owns and regulates the country's port infrastructures. The Liberia Extractive Industry Transparency Initiative (LEITI) monitors, reconciles, and reports on payments made to the government by extractive companies.

Liberia's Judicial Branch of government is vested in a Supreme Court and subordinate, magistrate and county courts, but has no courts of appeal. All appeals from county courts go directly to the Supreme Court, placing a tremendous burden on its panel of only five judges. The official legal system was originally based on Anglo-American Common Law, and although still referred to as a common law system, cannot be truly characterized as such. It is supposed to operate in parallel with local customary law based on unwritten, indigenous practices, culture, and traditions, but the delineation between formal and traditional law is unclear. These competing and disharmonized legal systems often lead to conflicts between Monrovia-based entities and communities outside of Monrovia, and within individual communities themselves. The judicial system suffers from inadequately trained and poorly compensated judicial officers, which can result in flawed proceedings. The Commercial Code of Liberia sets out provisions for sales, leases, financial leases, mortgages, secured transactions, and commercial arbitration. The code is backed by the Commercial Court, consisting of a panel of judges, which was established to resolve issues arising from commercial transactions and contractual relationships. In theory, the court presides over all financial, contractual, and commercial disputes, serving as an additional avenue to expedite commercial and contractual cases. However, weak capacity and the lack of a regulatory framework limit Commercial Court effectiveness. The present Commercial Court does not have a mandate to hear intellectual property claims. There is a commission that hears claims of unfair labor practices.

### **International Regulatory Considerations**

Liberia is a member of two regional economic blocks, the Mano River Union (MRU) and ECOWAS. The government continues to abide by and align its economic and commercial relationships with those of its regional counterparts. It is informed by and harmonizes its customs and tariff systems with the ECOWAS External Tariff (CET). Judgments of foreign courts are recognized and enforceable under the courts, and foreign investment disputes are handled under the same legal jurisdictions. The government completed Liberia's membership to the WTO in July 2016 after nearly ten years negotiating its accession terms with WTO members. The government has committed to the terms and conditions of Liberia's membership including arrangements on Technical Barriers to Trade (TBT) and sanitary and phytosanitary (SPS) measures. The government expects to use these commitments build up crucial trade infrastructure based on international standards to encourage fair competition in line with the WTO standards.

### **Legal System and Judicial Independence**

The Liberian Constitution provides for the separation of powers whereby the judicial system remains independent of the executive branch. However, the general weakness of the overall judiciary presents a

mixed picture that suggests the current judicial process is not always procedurally competent, fair, or reliable. Liberia has a commercial code which backs the commercial court in deciding on issues arising from commercial and contractual arrangements. Under the constitution, Liberia has three independent but coordinated branches of government. However, there have been some reports of the executive branch exercising undue influence within the judicial system. Critical challenges to ensuring a competent, fair and reliable judicial system in Liberia include opaque and inconsistent laws, poor administration of laws and regulations, political interference, the lack of competency of court officers and judges, and instances of corruption.

### **Laws and Regulations on Foreign Direct Investment**

Liberia's Investment Act protects the right of investors to settle disputes either through the judicial system or through alternative dispute resolution (ADR) mechanisms. Private entities entering into investment contracts with the government frequently include arbitration clauses specifying dispute settlement outside of Liberia. The Investment Act states that, "where a dispute arises between an investor and the Government in respect of an enterprise, all efforts shall be made through mutual discussion to reach an amicable settlement." To obtain a new concession agreement or long-term investment contract, potential investors have to engage in lengthy bidding and negotiation processes. In addition to the Investment Act and Revenue Code of 2000, the Public Procurement and Concessions Act of 2005 and the National Competitive Bidding Regulations theoretically provide a clear, standardized, and transparent system for awarding concessions and public tenders. However, requests for Expressions of Interest (EOI), International Competitive Bids (ICB), and Invitations to Bid (ITB) are often poorly advertised, hampering the process from the onset. An Inter-Ministerial Concession Committee (IMCC) chaired by the National Investment Commission (NIC) includes representatives from the ministries of Justice and Finance and Development Planning. The IMCC is statutorily responsible for handling bids, evaluating, awarding, and finalizing concession agreements for the government. The President of Liberia sends the IMCC-awarded concessions to the national legislature for ratification. Concession agreements become laws after having been ratified by the legislature, signed by the president, and printed into handbills by the Ministry of Foreign Affairs (MFA). Depending on contract clauses and stipulations, a re-negotiation and subsequent round of ratification may be necessary in the case of ownership transfers.

There is no primary "one-stop-shop" website for investment that provides relevant laws, rules procedures and reporting requirements for investors. However, the National Investment Commission (NIC) can provide sector-specific investment counseling and/or advisory services at investors requests. The following list of websites may help foreign investors to navigate the information, laws, rules, procedures, and reporting requirements:

<http://www.ppcc.gov.lr/>: Public Procurement & Concessions Commission (PPCC) prepares, monitors, and guides public procurement policies, procedures, and guidelines for awarding concessions;

<https://lra.gov.lr/>: Liberia Revenue Authority (LRA) collects all lawful revenues due the government, and is the custodian of the 2000 Revenue Code;

<http://www.investliberia.gov.lr/>: National Investment Commission (NIC is the investment promotion agency of the government, and chief negotiator of all concession agreements;

<http://www.mfdp.gov.lr/>: Ministry of Finance & Development Planning (MFDP) is responsible for the country's fiscal policies, and is the custodian of the Public Financial Management Act of 2009; and <http://www.moci.gov.lr/>: Ministry of Commerce and Industry (MOCI) designs policies, programs for and advises the government on development and promotion of trade, commerce and industry.

### **Competition and Anti-Trust Laws**

In 2016, the Liberian senate passed a Competition Law that complies with the WTO requirements to encourage a free market economy by promoting fair competition, but there are no existing Anti-Trust Laws.

### **Expropriation and Compensation**

The Investment Act guarantees against expropriation and specifies cases under which the government can legally expropriate a property. The Act protects foreign enterprises against expropriation or nationalization by government "unless the expropriation is in the national interest for a public purpose, is the least burdensome available means to satisfy that overriding public purpose, and is made on a non-discriminatory basis in accordance with due process of law." The U.S. Embassy is aware of an expropriation case in which the claimant was compensated following years of legal proceeding and negotiations. The compensation amount was in a freely transferrable currency, but did not represent a fair market value at the time of the expropriation. In recent years there have not been any government actions or shifts in policy that would indicate possible expropriations in the foreseeable future. Currently, there are no high risk sectors in the economy that are prone to expropriation actions; and there is no indirect expropriation, such as confiscatory tax regimes or regulatory actions that deprive investors of substantial economic benefits from their investments.

Historically, the government favors signing non-exclusive concession agreements with major investors. This practice allows the government to sign overlapping concession agreements for different resources. For example, the government may sign an agricultural concession agreement, but also allows itself flexibility to sign a mineral and/or timber concession in the same area. As multinational investors develop concession areas, some foreign businesses buy risk insurance to mitigate against the possibility of operational disruption caused by land expropriation. Liberia is a signatory to the Multilateral Investment Guarantee Agency (MIGA) Convention that guarantees the protection of foreign investments.

### **Dispute Settlement**

#### *ICSID Convention and New York Convention*

Liberia is a member of the ICSID, and the New York Arbitration Convention. The Investment Act of Liberia provides that, "the courts of Liberia shall have jurisdiction over the resolution of business disputes, parties to investment disputes may however specify any arbitration or other dispute resolution procedure upon which they may agree."

See list of members of the ICSID convention at:

<https://icsid.worldbank.org/ICSID/FrontServlet?requestType=ICSIDDocRH&actionVal=Contractingstates&ReqFrom=Main>).

See list of members of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards at: <http://www.newyorkconvention.org/contracting-states/list-of-contracting-states>.

Liberia's Commercial Code (2010) is the specific domestic legislation providing for enforcement of awards under the 1958 New York Convention and/or under the ICSID Convention.

#### *Investor-State Dispute Settlement*

Liberia is a member of the International Center for Settlement of Investment Disputes (ICSID) and a signatory to the MIGA Convention that guarantees the protection of foreign investments. Liberia's Civil Procedure Law governs both domestic and international arbitrations taking place in Liberia, but there is no specific statute governing arbitration. It may take several years to enforce both foreign and domestic arbitration awards, from filing an application to the court of first instance to obtaining a writ of execution, with provision for an appeal. Administering investment disputes or commercial arbitration as well as enforcement proceedings are undertaken in the Commercial Court and Civil Law Court with appeal directly to the Supreme Court. Liberia does not have a Bilateral Investment Treaty (BIT) or Free Trade Agreement (FTA) with an investment chapter with the United States. The U.S. Embassy is aware of an expropriation case involving an American company in which the company was compensated through an out of court settlement following years of negotiations and legal proceedings. The failure of the lower court to enforce the Supreme Court's ruling contributed to the delay in settling this case. There is no recent history of extrajudicial action against foreign investors in Liberia. As a member of the ICSID and the New York Arbitration Convention, Liberian courts are bound to recognize and enforce foreign arbitral awards issued against the government.

#### *International Commercial Arbitration and Foreign Courts*

The Investment Act of 2010 protects the right of investors to settle disputes either through the judicial system or through alternative dispute resolution (ADR) mechanisms. Concerning dispute settlement procedures, parties to an investment dispute may specify any arbitration, or other dispute resolution procedure upon which they agree. The Investment Act states that, "where a dispute arises between an investor and Government in respect of an enterprise, all efforts shall be made through mutual discussion to reach an amicable settlement." Private entities entering into investment contracts with the government frequently include arbitration clauses specifying dispute settlement outside of Liberia. The Liberian Constitution provides for separation of powers where the judicial system remains independent of the executive branch. However, the general weakness of the overall judiciary suggests that the current judicial process is not always procedurally competent, fair, and reliable. Judgments of foreign courts are recognized and enforceable under the courts, and problems with foreign investments are handled under the same legal jurisdictions.

#### Bankruptcy Regulations

Liberia does not have a bankruptcy law in place and there is no specialized court to protect the rights of creditors, equity holders, and holders of other financial contracts except the Commercial Court, which is limited in handling such specialized instruments.

#### **5. Industrial Policies**

## Investment Incentives

There are different forms of investment incentives available for both foreign and domestic investors. According to the code, investment incentives are available for the following sectors:

- Tourism carried out through tourist resorts, hotels and cultural sites
- Manufacturing with at least 60 percent local raw material content
- Energy
- Hospitals and medical clinics
- Housing
- Transportation
- Information technology
- Banking
- Horticulture and poultry
- Exportation of sea products
- Agricultural, particularly food crop cultivation and processing including cocoa and coffee
- Small and medium scale rubber and oil palm cultivation and processing

The investment incentives specified for these sectors include tax deductions with respect to equipment, machinery, and cost of buildings and fixtures used in manufacturing as well as import duty and GST exemptions. Tax incentives are subject to legislative approval as stated in the Revenue Code: “for investments exceeding \$10 million and subject to approval by the President and the Legislature, the tax incentives permitted by this section may be allowed for a period of up to fifteen (15) years; no tax incentive under this subsection shall be valid or enforceable without legislative approval.” The law also allows exemptions from import duty up to 100 percent of their dutiable value for capital assets and other goods to be used in the project. The Ministry of Finance and Development Planning (MFDP) can grant additional incentives based on the capital invested, economic zones or geographic areas, as well as the employment creation potential that could promote economic growth. Different categories of investment incentives can be found on the NIC’s website:

[http://investliberia.gov.lr/new/page\\_info.php?&7d5f44532cbfc489b8db9e12e44eb820=Mzk3](http://investliberia.gov.lr/new/page_info.php?&7d5f44532cbfc489b8db9e12e44eb820=Mzk3)

**Note:** Information on specific terms and conditions as relate to accessing investment incentives can be obtained from the following agencies:

National Investment Commission, <http://www.investliberia.gov.lr/>

Liberia Revenue Authority, <https://lra.gov.lr/>

Ministry of Finance & Development Planning, <http://www.mfdp.gov.lr/>

National Bureau of Concessions, <http://www.nbcliberia.org/>

## Foreign Trade Zones/Free Ports/Trade Facilitation

Currently, there are no functional free trade zones or special economic zones in Liberia.

The government established the Liberia Industrial Free Zone Authority (LIFZA) in 1975 to encourage and promote foreign cooperation and investments. The LIFZA, being dormant and non-functional over long period of time, was one of the State Owned Enterprises (SOEs) the government later dissolved. The NIC in collaboration with the International Finance Corporation (IFC) has drafted a Special Economic Zone

(SEZ) Law to amend and replace the LIFZA Act. Although the cabinet has endorsed the draft act, it has not yet been passed into law by the legislature. The draft act combines the LIFZA and the Monrovia Industrial Park (MIP) and sets aside exclusive areas for industrial production and processing for domestic and export markets. According to Liberia's investment policy, industries established within a free trade zone area are entitled to waive import duties and corporate taxes in order to promote the export sector. The NIC manages the free trade zone and it plans to redevelop this track of land into a functioning industrial area. The Ministry of Commerce and Industry (MOCI) collaborates with the NIC to promote the export sector through the National Export Strategy which focuses on processing, packaging and export of oil palm, rubber, cocoa, and fish products.

#### Performance and Data Localization Requirements

The Investment Act officially eliminates a mandate that foreign companies must employ qualified Liberians at all levels. However, the new labor law or "Decent Work Act" states that, "the Ministry shall not issue a permit to work in Liberia unless it is satisfied that: i) there is no suitably qualified Liberian available to carry out the work required by the employer; and ii) the applicant satisfies the requirements for foreign residence in Liberia." This stipulation gives preference to employing Liberian citizens and many investment contracts or concession agreements require foreign companies to employ a certain percentage of Liberian citizens in senior management positions. In practice, foreign investors usually face difficulty in finding the right skills for certain high profile technical or managerial positions.

There are no excessively onerous visa, residence, work permit or similar requirements that inhibit mobility of foreign investors and their employees. Liberia's immigration law requires that all non-Liberian citizens entering the country must hold an entry visa except for ECOWAS citizens who require valid passports or laissez-passers. Upon arrival at the airport foreign visitors are issued a 30-day 'Temporary Stay' stamp (permit). If they plan to stay longer, visitors must report to the Bureau of Immigration and Naturalization (BIN) before the 30 days expire, in which case they will be issued a 60-day "Temporary Stay" pass. Where a visitor intends to stay for a period in excess of 60 days, he/she must apply for a resident permit. Should the visitor intend to work or engage in business while in Liberia, he/she must apply for a Work Permit from Ministry of Labor after receiving a residence permit, which is a pre-condition for obtaining a work permit. The government requires the residence/work permits to be renewed annually and charges a fee for renewal. There are no government-imposed conditions that hinder ability to invest in Liberia. The National Investment Commission (NIC) has a 'local content' policy, a requirement included in certain major investment contracts to a certain percent of domestic content, goods or raw materials. Information can be obtained from the NIC, <http://www.investliberia.gov.lr/>. Details on specific performance requirements can be obtained from the NIC <http://investliberia.gov.lr/new/index.php>. Generally, enforcement procedures for performance requirements are weak.

The National Bureau of Concessions (NBC) is mandated to monitor and evaluate foreign companies' compliance with concession agreements, but the entity lacks the necessary technical and financial capacity to fully monitor and enforce compliance. There are no legal requirements for foreign IT providers to turn over source code and/or provide access to encryption. There are no mechanisms that prevent or unduly impede companies from freely transmitting customer or other business-related data outside Liberia, and there are no local data storage requirements for foreign companies operating in Liberia.

## 6. Protection of Property Rights

## Real Property

Property rights and interests are enforced but the enforcement mechanisms are usually weak. Mortgage and liens do not exist. Land ownership in Liberia is restricted to Liberian citizens. Acquisition of land by foreign and/or non-resident investors is possible through leasehold. Leases ordinarily run for 25-50 years, but exceptions are permitted under the law. The ownership, leasing, and use of land are governed by both statutory and customary laws. Chapter III, Article 22, of the Liberian Constitution states: "Every person shall have the right to own property alone as well as in association with others, provided that only Liberian citizens shall have the right to own real property within the Republic. Private property rights, however, shall not extend to any mineral resources on or beneath any land or to any lands under the seas and waterways of the Republic." Rights to land ownership and use of resources such as minerals and timber have become increasingly critical issues in recent years, fueled by increased foreign investor interest and clashes between traditional and statutory land uses. Liberia scored 33.62 /100 in registering property, according to the World Bank's 2017 Doing Business survey, <http://documents.worldbank.org/curated/en/864341478596979778/Doing-business-2017-equal-opportunity-for-all-Liberia>. A significant proportion of land is without clear title and the government has placed a moratorium on public land sales to resolve conflicting land tenure systems and allow for new land laws, regulations, and procedures to be formulated. In September 2016, the Liberian legislature passed into law the Land Authority Act intended to set up an autonomous agency solely devoted to land matters. The agency will act as one-stop-shop for all land issues overseeing programs in land governance, land administration, land management, and land policy and planning. It will guide and implement the government's land policy which categorizes land into Public Land, Government Land, Customary Land, and Private Land. The Center for National Documents and Records Agency (CNDRA), which manages land titles and deeds registry system, continues to enhance its capacity to digitize and archive public records. The agency populated a land cadaster for proper recording and mapping of land title deeds. However, concessions-related land challenges still remain unresolved. As firms commence operations, local communities fear their lands are being encroached upon, which can lead to disputes, strikes, and sometimes violence. In the interest of minimizing lost productivity and in the absence of government adjudication, companies often make additional community-level payments or agreements to resolve competing land claims. The future enforceability of such agreements is unclear. Prospective investors should not underestimate the potential for costly and complex land dispute issues to arise even after concluding their agreements with the government.

## Intellectual Property Rights

Intellectual property laws in Liberia cover such areas as domain names, traditional knowledge, transfer of technology, and patents/copyrights, etc. The Liberia Intellectual Property Act of 2014 was passed into law and approved in June 2016, providing the legal and administrative framework for the protection of copyrights and industrial property rights. The Act calls for the establishment of Liberia Intellectual Property Office (LIPO), a corporate semi-autonomous agency functioning under the oversight of the Minister of Commerce and Industry (MOCI). LIPO will comprise of two departments, one dealing exclusively with copyrights and the other with industrial property rights issues. The legal environment for IP protections in Liberia is weak, the level of IP law enforcement is poor, and the infringement on rights is common. Although the MOCI exercises oversight on IP issues, it does not have an effective system in place to track and report on seizures of counterfeit goods. Holders of IP rights have theoretical access to judicial redress, but laws pertaining to patents, trademarks, and industrial designs are not enforced. The majority of Liberians are ignorant about IP rights and there is a general lack of knowledge about what constitutes an IP infringement. Infringement of intellectual and industrial

property rights is prevalent, including unauthorized duplication of movies, music, and books. Counterfeit drugs, apparel, cosmetics, mobile phones, computer software, and hardware are sold openly. With responsive legal environment and effective enforcement mechanisms, the new IP Act is expected to improve the protections of IP rights in Liberia.

Liberia is not listed in USTR's Special 301 report (See 2016 listings on State's Intranet website at <http://eb.e.state.sbu/sites/cba/IPE/Pages/Special301summary.aspx>). Liberia is also not listed in the notorious market report (See 2016 listings at: <https://ustr.gov/sites/default/files/2016-Out-of-Cycle-Review-Notorious-Markets.pdf>).

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

[Liberia has signed a number of major IPR treaties, such as the Paris Convention for the Protection of Industrial Property, the Berne Convention for Literary and Artistic Works, the Madrid System for the International Registration of Marks, and the Patent Cooperation Treaty.](#)

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## 7. Financial Sector

### Capital Markets and Portfolio Investment

The government does not have foreign portfolio investment abroad and there are no domestic capital market or portfolio investment options, such as a stock market, in the country. Therefore, private sector investors have limited credit and investment options. The Central Bank of Liberia (CBL) has begun to issue Treasury bills (T-bills) in an effort to develop a capital market. Foreign investors can participate in the T-bill auctions which are often over-subscribed. The monthly T-bill auction has a three-month maturity term. The CBL has successfully operationalized aspects of the Scriptless Securities Settlement System (DEPO/X) in combination with efforts to create a secondary market that would lead to a more vibrant financial market. The DEPO/X system is a well-organized electronic platform that supports the conduct of the FX Auction and processing of government securities. The CBL respects IMF Article VIII by refraining from implementing restrictions on payments and transfers for current international transactions.

### Money and Banking System

The banking sector continued to show growth in key indicators in 2016. There are nine commercial banks, eight of which are foreign banks. Foreign banks or branches can establish operations in Liberia, and are subject to prudential measures or other regulations required by the Central Bank of Liberia (CBL). Total bank assets rose by over 5 percent, and capital and deposits grew by 21 percent and nearly 4 percent respectively. The total assets of the country's largest commercial bank (in term of customer size) are approximately \$23.55 million (Ecobank Liberia, 2016). Generally, the financial system remains strong and resilient despite slow growth in the domestic economy. According to the CBL report (2016), the banking system continues to be well capitalized and liquidity remains strong. However, high levels

of non-performing loans remain a concern. Liquidity for the sector remained strong during the year with a liquidity ratio of 36.8 percent, which is well above the 15 percent minimum requirement. Overall, the financial system has grown stronger and remains resilient, despite the legacy of the negative impact of the Ebola crisis and external shocks from the fall in international commodity prices.

Non-performing loans and poor asset quality, which depress profitability, remain major challenges in the banking sector. The ratio of non-performing loans (NPLs) to total loans stands at 11.8 percent in 2016, which is 6.2 percentage points below the 18 percent level of 2015.

The CBL in collaboration with the Liberia Bankers Association and commercial banks has embarked on strict measures to address this situation. While financial institutions allocate credit on market terms to foreign and domestic investors, the historically high rate of NPLs has led banks to offer short-term (less than 18 months), high-interest rate loans (12-20 percent). This constrains capital investment and limits new business development.

There is no effective credit rating system and many firms lack business records or bankable proposals necessary for credit approval. Banks rely on the CBL's Credit Reference System, a manually updated spreadsheet which is being automated. It contains credit history and/or any derogatory information about certain creditors. There are no clear or definitive rules on hostile take-overs. Foreign banks or branches are allowed to establish operations in Liberia, and are subject to prudential measures or other regulations set out by the CBL. The obstacles to domestic travel including poor roads, lack of affordable electricity, and unreliable communication links increase the risk in accepting collateral outside Monrovia. The unreliable land title system also hampers access to credit in general.

## Foreign Exchange and Remittances

### Foreign Exchange

There are no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with an investment (e.g. remittances of investment capital, earnings, loans, lease payment, or royalties). Liberian law allows for the transfer of dividends and net profits after tax to investors' home countries. The Investment Act allows unrestricted transfer of capital, profits, and dividends "through any authorized dealer bank in a freely convertible currency." Therefore, funds associated with any form of investment can be freely converted into any world currency. The Central Bank of Liberia (CBL)'s regulation concerning transfers of foreign currency stipulates that every business house, entity, or individual wishing to make a foreign transfer of funds may do so without limitation of amount to be transferred. However, the amount to be transferred must have been in an entity's bank account for no less than three banking days prior to the transfer. Though conversion restrictions do not exist, the CBL currency auctions are often oversubscribed, and it may take investors more than a week to exchange large sums of money.

Liberia has a floating exchange rate system with both Liberian dollars (LRD), known as "Liberty" notes, and the U.S. dollars (USD) being legal tenders. The exchange rate is determined by market supply and demand. The CBL regularly intervenes in the foreign exchange market through weekly foreign exchange auctions and monthly government T-bill auctions in order to stabilize the exchange rate, facilitate imports, maintain a low inflation rate, and spur economic growth. Large-scale business and government transactions are conducted in USD, while retail or day-to-day routine transactions are conducted largely

in LRD. Contracts and tax agreements are typically specified in USD, and about 85 percent of taxes are paid in USD. The USD can be freely exchanged for LRD in commercial banks, licensed foreign exchange bureaus, petrol stations, and large supermarkets. It is advisable for foreign investors to conduct foreign exchange operations with commercial banks or established licensed forex bureaus.

#### *I.* Remittance Policies

There are no recent changes or plans to change Liberia's investment remittance policies to affect access to foreign exchange. Generally, there are no legal time limitations on remittances, or on the inflows or outflows of funds for remittances of profits or revenue. Due to the limited number of correspondent banking relationships, bank fees related to currency exchange and wire transfers can be high. In general, corporations can remit as much as one million USD through commercial banks. Transferring banks are required to file normal cash transaction reports with the CBL. Depending on the amount to remit and the bank(s), the wait-period to remit each type of investment returns range from a few hours to three business days. However, individuals without a bank account are limited to two over-the-counter transfers of up to \$5,000 within a 30-day period. The CBL instituted thresholds for suspicious transactions for which banks must exercise customer due diligence and know your customer rules. The thresholds are \$25,000 and above for individuals, and \$40,000 and above for corporations. Liberia does not engage in currency manipulation tactics.

#### Sovereign Wealth Funds

The government does not maintain a Sovereign Wealth Fund (SWF) or other similar entity.

### **8. State-Owned Enterprises**

Liberia has nearly 20 state owned enterprises (SOE's) most of which are government-owned (wholly-owned), with a work force of more than 10,000 people. The SOE's operate in several sectors including port services, airport and civil aviation, electricity supply, oil and gas, water and sewage, agriculture and forestry, maritime, petroleum importation and storage and information/communications services. The SOE's are not independent as their boards are governed by government ministries with board members appointed by the president. The SOE sector remains a key part of Liberia's economic development agenda and is guided by the Public Financial Management (PFM) Law of 2009 which sets out rules governing SOE management and operations. While some SOEs are functional and contribute to the national budget, others exist statutorily and have remained non-functional over the years. There is no published list of SOEs and no website with a link to all the SOE's.

#### Privatization Program

There are no established programs or policies for privatization, though the government has commissioned a review of the SOE's to determine their viability and functional relevance with an eye towards possible privatization in the future. While the study validates many SOE's, it finds that a number of them have become dysfunctional and a waste of resources to the government. Beginning in 2016 the government announced its intention to entirely outsource, and therefore privatize, its public pre-primary and primary schools to private actors, through a public private partnership (PPP) arrangement. The government is currently developing a harmonized public private partnership policy.

### **9. Responsible Business Conduct**

Generally, the government expects foreign investors to offer social services to the local communities in which they operate. Concession contracts dictate service provisions including, but not limited to, road and infrastructure development, school construction, and provision of health services. Even after a concession has been ratified by the legislature, most investors find that communities expect them to negotiate separately with local communities for additional social services. This process can be cumbersome, lead to delays and confusion, and greatly increases operational costs.

There is not a general awareness of standards for responsible business conduct (RBC) in the country. Local communities where foreign companies operate do not fully understand the roles of the investors versus those of the government in terms of environmental, social, and governance issues. The government includes in concession agreements clauses that oblige investors to provide social services such as educational facilities, health care, and other essential amenities. The authorities do not clearly define RBC, and there are no policies or 'national action plan' to promote or encourage RBC. The government does not factor RBC policies or practices into its procurement decisions. There have not been any high-profile, controversial instances of corporate impact on human rights during the review period. The government does not effectively and fairly enforce domestic laws in relation to human rights, labor rights, consumer protection, and environmental protections intended to protect individuals from adverse business impacts. This is due to a number of systemic factors, including a weak judicial system, limited human and institutional capacities, logistical constraints facing the enforcement agencies, and a general lack of awareness on the part of the officials. Foreign companies are not required, but are encouraged to make a public disclosure of their policies, procedures, or practices to highlight their RBC environment. There are certain non-governmental organizations (NGOs), civil society organizations (CSOs), workers' organizations/unions that promote or monitor RBC of foreign companies in certain sectors. However, the NGOs and CSOs that are monitoring or advocating the RBC-related works do not conduct their activities in structured and coordinated manners. The government does not maintain a National Contact Point (NCP) for OECD multinational enterprises guidelines. It actively participates in the Extractive Industries Transparency Initiative (EITI) and the Liberia Extractive Industries Transparency Initiative (LEITI) circulates a set of domestic transparency measures requiring the disclosure of payments made to the government by the extractive companies. LEITI has expanded the scope of its reporting over the years by adding agriculture sector, contract transparency and project-by-project reporting. The National Bureau of Concessions (NBC) was established to ensure that concessionaires assure integrity and compliance through monitoring and evaluation.

## **10. Political and Security Environment**

In the past politically motivated violence and civil disturbances have occurred in Liberia. As the country heads towards presidential elections in October 2017, political tensions could increase. Although there is a potential for sporadic and isolated political violence, there has not been major damage to projects and/or installations due to political violence in the past 14 years. Increasing freedom of speech for Liberians, as well as the free media landscape in the country, has led to vigorous pursuit of perceived rights, which results in active, often acrimonious political debates. The government has identified land disputes and high rates of youth and urban unemployment as potential threats to security, peace and political stability.

The Liberia National Police (LNP), the Armed Forces of Liberia (AFL), and other special security groups and agencies such as Special Security Service (SSS), the Executive Protection Service (EPS), Drug Enforcement Agency (DEA), and National Security Agency (NSA) are responsible for Liberia's security. The U.S. government (USG) and other international donors have assisted in training the LNP, AFL, and

DEA to be effective in responding to emergencies. The EPS provides protection for the president and key public officials. When the United Nations Mission in Liberia (UNMIL) turned over the security responsibilities to the government in June 2016, some Liberians expressed concern about the timing of the drawdown prior to the 2017 elections. In December 2016, the UN Security Council passed a resolution extending UNMIL's mandate up to March 30, 2018 noting potential security challenges ahead of the October 2017 elections.

## **11. Corruption**

There are criminal penalties in the Penal Code for economic sabotage, mismanagement of public funds and bribery. The Code of Conduct Law prescribes guidelines for public officials and civil servants against corrupt practices. However, the Code of Conduct does not provide explicit criminal penalties for official corruption and does not extend to family members of officials, or to their political parties. There are laws, regulations and institutions to counter public sector corruption including conflict-of-interest in awarding government procurement contracts. Anti-corruption entities include the Liberia Anti-Corruption Commission (LACC), General Auditing Commission (GAC), Public Procurement and Concession Commission (PPCC), and Internal Audit Agency (IAA). However, general weakness in the judicial system hinders effective implementation of these laws and regulations. Corruption is both a real and perceived problem in Liberia's public and private sectors. The government does not have a system or program that encourages or requires private companies to establish internal codes of conduct that, among other things, prohibit bribery of public officials. The Transparency International (TI) Corruption Perception (2016) ranks Liberia 90 out of 176 countries surveyed with a score of 37. Although the government continues to institute measures, programs and strategies to strengthen anti-graft institutions and laws, corruption remains endemic in the Liberian social fabric. In terms of international commitments, Liberia participates in the Extractive Industry Transparency Initiative (EITI) and is a signatory to the ECOWAS Protocol on the Fight against Corruption, the African Union Convention on Preventing and Combating Corruption (AUCPCC), and the UN Convention against Corruption (UNCAC).

In spite of a number of USG and other donor-funded assistance projects, lack of training, inadequate salaries, and a culture of impunity have undermined the judicial and regulatory systems, which in turn has discouraged investment. The USG seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. If a U.S. firm believes a competitor is seeking to bribe a foreign public official to secure a contract, this information should come to the attention of appropriate U.S. agencies. U.S. firms and a number of foreign investors have identified corruption as a potential obstacle to new investment. Foreign investors generally report that corruption is most pervasive in government procurements, award of contracts or concessions, customs and taxation system, regulatory system, performance requirements, and government payments systems. Multinational firms often report having to pay fees to agencies that were not stipulated in investment agreements. When new concessions are signed and ratified, the press frequently report on corruption allegations implicating both the legislative and the executive branches. The government does not provide NGO's involved in investigating corruption cases any special protection.

### *2. Resources to Report Corruption*

Contacts at government agencies responsible for combating corruption:

Cllr. James Verdier, Chairperson  
Liberia Anti-Corruption Commission (LACC), <http://www.lacc.gov.lr/public/index.php/about-lacc>  
Monrovia, Liberia  
Telephone Number: +231(0) 886-627754  
Email: [jverdierjr@lacc.gov.lr](mailto:jverdierjr@lacc.gov.lr)

Yusador Gaye, Auditor General  
General Auditing Commission (GAC), <http://gacliberia.com/index.php>  
Monrovia, Liberia  
Telephone Number: +231(0) 777-497524  
Email: [usadorgay@yahoo.com](mailto:usadorgay@yahoo.com)

Contacts at "watchdog" local organization operating in Liberia:

Anderson Miamen, Executive Director  
Center for Transparency and Accountability in Liberia (CENTAL), <http://www.tiliberia.org/>  
Monrovia, Liberia  
Telephone Number:  
Email: [admiamen@cental.org](mailto:admiamen@cental.org)

## **12. OPIC and Other Investment Insurance Programs**

There is an Overseas Private Investment Corporation (OPIC) agreement between Liberia and the U.S. to provide coverage for expropriation and political risk insurance for U.S. investors. Eligible American businesses, investors, lenders, contractors, and exporters can seek OPIC support to take advantage of commercially attractive opportunities in the country. Since 2008, OPIC has been supporting a number of projects that have contributed to job employment creation and economic development in Liberia. In 2016, OPIC signed a commitment letter for a \$20 million direct loan to International Bank Liberia (IB) to support long-term lending to the Liberian private sector in construction, services, manufacturing, agribusiness, hospitality, and transportation.

## **13. Labor Policies and Practices**

The Liberian labor force is predominantly illiterate and unskilled and most Liberians, particularly those in the rural areas, lack basic vocational or computer skills. According to UNESCO's 2015 statistics (<http://www.uis.unesco.org/Education/Documents/literacy-statistics-trends-1985-2015.pdf>), the adult literacy rate for Liberia stands at 47.7 percent and the youth (15-24) literacy rate is 54.4 percent. Liberia does not have a reliable database on labor market information to update such indicators as employment and unemployment. There are migrant workers throughout Liberia, particularly in the services and mining sectors. The most recent Labor Force Survey (2010) indicates higher rates of non-secure employment (86 percent) in the agriculture sector, which is highly informal. The Ministry of Labor (MOL) reports the overall unemployment rate in the formal sector is 25-30 percent, largely due to weak capacity of the private sector. The manufacturing sector is relatively weak due to high production costs caused by poor infrastructure, lack of affordable electricity, and limited financing. Additionally, Liberia's domestic market is too small to support high volume (cost effective) production. Unemployment is

particularly high among the youth in Liberia, and young women have a harder time finding employment than young men. According to the International Labor Organization (ILO), more than one-quarter (28 percent) of the youth population and one-third (35 percent) of the youth labor force is unemployed.

There is an acute shortage of specialized labor skills, particularly in medicine, ITC, science, technology, engineering, and mathematics. The labor law gives preference to employing Liberian citizens and many investment contracts require businesses to employ a certain percentage of Liberians, including in top management positions. Finding a pool of qualified skilled labor remains a problem, and foreign companies often report the difficulty of finding skilled labor as their biggest operational hindrance. Child labor remains a problem particularly in the agriculture and mining sectors.

Under the new labor law entitled the “Decent Work Act,” employees enjoy freedom of association and have the right to establish and become members of organizations of their own choosing without prior authorization (except public servants and employees of state-owned enterprises). In the formal labor market, the government generally enforces applicable laws, and workers exercise their rights. The law allows workers’ unions to conduct their activities without interference by employers. It also prohibits employers from discriminating against employees because of their membership in a labor organization. Unions are independent from the government and political parties. Employee association members frequently demand and strike for compensation at times of ownership transition or seek payment of obligations owed by previous employers. The labor law provides that labor organizations and associations have the right to draw up their constitutions and rules with regard to electing their representatives, organizing their activities, and formulating their programs. The laws specify that no industrial labor union or organization shall exercise any privilege or function for agricultural workers and no agricultural labor union or organization shall exercise any privilege or function for industrial workers (nor can agricultural workers join industrial workers’ unions).

Over the years, agricultural labor unions have been relatively active in negotiating collective bargaining agreements (CBA) intended to improve the social and economic conditions of their members. Although issues of wages remained critical in negotiating CBAs, labor unions have begun shifting attention to other socio-economic issues, such as better housing, health, and education facilities. The law prohibits unions from engaging in partisan political activity. Workers, except civil servants, have the right to strike, provided that the Ministry of Labor is notified of the intent to strike. While the law prohibits anti-union discrimination and provides for the reinstatement of workers dismissed because of union activities, it allows for dismissal without cause provided the company pays statutory severance packages.

The law sets out fundamental work rights and contains provisions on employment and termination of employment, minimum conditions of work, occupational safety and health, workers’ compensation, industrial relations, and employment agencies. The law also provides for periodic reviews of the labor market as well as adjustments in wages as the labor conditions detect. The MOL does not have an adequate labor inspection system to identify and remediate labor violations and hold violators accountable. It lacks the capacity to effectively investigate and prosecute unfair labor practices, such as harassment and/or dismissal of union members or instances of forced and/or child labor.

#### **14. Foreign Direct Investment and Foreign Portfolio Investment Statistics**

2.

3. *Table 2: Key Macroeconomic Data, U.S.FDI in Host Country/Economy*

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M \$)	2015	\$ 2.053	2015	2.053	<a href="http://www.worldbank.org/en/country/liberia">http://www.worldbank.org/en/country/liberia</a>
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$929	2015	\$929	BEA data available at <a href="https://bea.gov/international/factsheet/factsheet.cfm?Area=420">https://bea.gov/international/factsheet/factsheet.cfm?Area=420</a>
Host country's FDI in the United States (\$M USD, stock positions)	2015	\$500	2015	\$500	BEA data available at <a href="https://bea.gov/international/factsheet/factsheet.cfm?Area=420">https://bea.gov/international/factsheet/factsheet.cfm?Area=420</a>
Total inbound stock of FDI as % host GDP	2015	NA	2016	NA	

4. Table 3: Sources and Destination of FDI

IMF Coordinated Direct Investment Survey data are not available for Liberia.

*Table 4: Sources of Portfolio Investment*

**IMF Coordinated Portfolio Investment Series data are not available for Liberia.**

### **15. Contact for More Information**

Embassy Monrovia Economic & Commercial Section  
Email: [Monrovia-Commerce@state.gov](mailto:Monrovia-Commerce@state.gov)

Alexander Sokoloff  
Political & Economic Counselor  
U.S. Embassy Monrovia  
502 Benson Street, 1000 Monrovia 10 Liberia  
Off: +231(0)77-677-7284, IVG: 8-766-7284  
Email: [solokoffaw@state.gov](mailto:solokoffaw@state.gov)

Alusine Sheriff, Economic & Commercial Assistant  
Embassy of the United States of America  
502 Benson Street, Monrovia, Liberia  
Mobile: +231(0)77-795-8140  
Off: +231 (0)77-677-7090  
Email: [SheriffAM@state.gov](mailto:SheriffAM@state.gov)

## Trade & Project Financing

### Methods of Payment

Payment can be arranged through internationally accepted payment modes such as confirmed irrevocable letters of credit, bills of collection, and open accounts. Some basic financial services, including merchant services, are not offered in Liberia. Only two banks, Ecobank Liberia and United Bank for Africa (UBA), offer international Visa debit card services for its customers. Many commercial banks operate MoneyGram and Western Union outlets for payments and fund transfers inside and outside Liberia. Large sums of money must be transferred via bank draft or other financial instruments. However, bank fees related to currency exchange and wire transfer can be high due to the limited number of corresponding banking relationships for commercial banks in Liberia. The Central Bank of Liberia (CBL) requires transferring banks to file normal cash transaction reports, and depending on the amount of transfer, the wait-period ranges from a few hours to three business days. There is a CBL regulation that limits individuals without bank accounts to two over-the-counter transfers of up to \$5,000 within a 30-day period.

### Banking Systems

The CBL is responsible for licensing, regulating and overseeing the financial sector in Liberia. In 2016, banking sector recorded growth in key balance sheet indicators including liquidity, capital position and net shareholders' worth. Total bank assets rose by over 5 percent, and capital and deposits grew by 21

percent and nearly 4 percent respectively. Most banking institutions operate as repositories for funds and provide short-term trade financing and operating capitals. Historically, commercial banks have had no domestic instruments into which to place liquidity. Foreign banks or branches can establish operations in Liberia, and are subject to prudential measures or other regulations required by the CBL. There is no effective credit rating system and many firms lack business records or bankable proposals necessary for credit approval. Banks rely on the CBL's Credit Reference System, a manually updated spreadsheet which is being automated. It contains credit history and/or any derogatory information about certain creditors. There are no clear or definitive rules on hostile take-over. The obstacles to domestic travel including poor roads, lack of affordable electricity, and unreliable communication links increase the risk in accepting collaterals outside Monrovia. The unreliable land titles system also hampers access to credit in general, especially for local entrepreneurs.

Although key financial indicators show that the banking sector is sound, non-performing loans (NPLs) and poor earnings remain major challenges. The percentage of non-performing loans (NPLs) to total loans stood at 11.8 percent in 2016, which is 6.2 percentage points below the 18 percent in 2015. The CBL in collaboration with the Liberia Bankers Association and commercial banks has embarked on strict measures to address this situation. While financial institutions allocate credit on market terms to foreign and domestic investors, the historically high rate of NPLs has led banks to offer short-term (less than 18 months), high-interest rate loans (12-20 percent). This constrains capital investment and limits new business development. Generally, banks rely on fees and interests they charge for transactions and services such as fund transfers, deposits and withdrawals, checks, letters of credit, etc. A number of banks offer modern digital financial products and services including ATMs, point of sale (POS) terminals, electronic fund transfer (EFT), and mobile money. The ATM system is not connected to global electronic banking networks. Therefore, traveler's checks and credit cards are not commonly accepted. Mobile money service is not widely used as the service is new to the population and is being offered by two GSM companies in collaboration with commercial banks. However, there is potentially high demand for mobile money service given the country's poor financial infrastructure and the high costs of keeping cash, including security risk. There is a thriving non-bank financial sector including licensed, regulated and supervised institutions. The sector comprises several foreign exchange bureaus, credit unions, village savings & loan associations (VSLAs), rural community finance institutions, microfinance institutions, a development finance company, mobile money service and insurance companies. Most of these institutions, particularly those in the informal sector, make short-term, high-interest rate loans to their members. The CBL's regulations can be found on its website: [http://www.cbl.org.lr/other\\_regulations\\_all.php?sub=prudential/](http://www.cbl.org.lr/other_regulations_all.php?sub=prudential/).

### Foreign Exchange Controls

Liberia has a floating exchange rate system, with Liberian and U.S. dollars being legal tender. There are no restrictions on converting or transferring investment funds, profits, loan and interest. The exchange rate is determined by market demand and supply forces. However, the CBL regularly intervenes in the foreign exchange market through weekly foreign exchange auctions and monthly government T-bill auctions in order to stabilize the exchange rate, facilitate imports, maintain a low inflation rate, and spur economic growth. These auctions provide access to foreign exchange for the business community and the GOL. Large-scale business and government transactions are conducted in USD, while retail or day-to-day routine transactions are conducted largely in LRD. Contracts and tax agreements are typically specified in USD, and about 85 percent of taxes are paid in USD. The USD can be freely exchanged for LRD in commercial banks, licensed foreign exchange bureaus, petrol stations, and large supermarkets. It is advisable for foreign investors to conduct foreign exchanges at commercial banks or established

licensed forex bureaus. There are several foreign exchange bureaus in and around Monrovia, some of which are not registered with CBL. However, large investors may take several days to exchange large sums of money. Inflow of remittances is one of the major sources of foreign exchange in the Liberian economy. Transfer of sums in excess of \$ 10,000 must be reported to CBL, and no more than \$ 7,500 in foreign currency banknotes can be moved out of the country at any one time.

### US Banks & Local Correspondent Banks

There is one bank, International Bank (IB) that is partially U.S.-owned. The bank partners with Pan African Capital Group, Databank Group, and Trust Bank of the Gambia; and its correspondent banks are Ghana International Bank Plc, Bank of Beirut, MEAB, and BMCE Bank International. There is a limited number of corresponding banking relationships in Liberia. The U.S. Embassy Monrovia is not aware of any specific country programs Exim Bank is offering in Liberia. The Nigerian-owned United Bank for Africa (UBA) has branches in about 20 African countries, with subsidiaries in New York and London, while Ecobank operates in several African countries. Its headquarters, Ecobank Transnational, is located in Togo with subsidiaries in United Kingdom and France. Guaranty Trust Bank has subsidiaries in a few African countries and United Kingdom. First International Bank (FIB) Liberia, with branches in four African countries, operates five MoneyGram and Western Union retail outlets in the country.

### Project Financing

Financing for large projects is almost exclusively sourced from outside Liberia. Many large-scale projects, such as road construction and pavement, are funded by international donors primarily the United States, the World Bank, the International Monetary Fund, the European Commission, the African Development Bank, the Chinese government and the Japanese International Cooperation Agency (JICA). Several projects and development activities are funded by bilateral and multilateral donors in energy sector, roads, agriculture, health, education, water and sanitation, etc. Procurements for these projects are opened to U.S bidders through international competitive bids (ICB).

#### *Multilateral Development Banks:*

#### **U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (African Development Bank, World Bank)**

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the African Development Bank and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the African Development Bank (<http://www.export.gov/afdb>) and the World Bank (<http://export.gov/worldbank>).

#### *List of Multilateral Development Banks:*

- The World Bank: <http://www.worldbank.org/>
- International Finance Company (IFC): [http://www.ifc.org/wps/wcm/connect/corp\\_ext\\_content/ifc\\_external\\_corporate\\_site/home](http://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/home)
- International Monetary Fund (IMF): <http://www.imf.org/external/index.htm>

- African Development Bank (AfDB): <http://www.afdb.org/en/>
- European Investment Bank (EIB): <http://www.eib.org/>

## Financing Web Resources

- Commercial Liaison Office to the African Development Bank: <http://www.export.gov/afdb>
- Commercial Liaison Office to the World Bank: <http://export.gov/worldbank>
- Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team: <http://www.export.gov/tradefinanceguide/index.asp>
- Export-Import Bank of the United States: <http://www.exim.gov>
- Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)
- Overseas Private Investment Corporation (OPIC): <http://www.opic.gov>
- Trade and Development Agency: <http://www.tda.gov/>
- Small Business Administration's Office of International Trade: <http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>
- U.S. Agency for International Development: <http://www.usaid.gov>

## Business Travel

### Business Customs

Acceptable business etiquette includes wearing formal dress, business suit and tie, traditional tie-dyed or cotton shirts. Appearance is important and seen as an indicator of character and a show of respect. Casual wear is appropriate for outdoor activities such as picnics, field trips or site visits. It's preferable to refer to people by their professional titles, and present business cards with one hand, usually the right hand. Standard English is the medium for formal meetings but local pidgins or "Liberian English" is the popular language spoken all over the country. Liberians tend to shake hands ending with a finger snap (usually in casual situations); a traditional handshake is common for formal and business situations; and it is polite to greet everyone (or shake everyone's hand) individually before taking a seat for a meeting. Visitors should arrive for appointments on time but it is not unusual for meetings to be delayed or cancelled on short notice. It is prudent to confirm appointments prior to setting out for meetings. Generally, there is not much expectation about being on time as meetings hardly start on time. In meetings people tend to say their minds, but it is normal for speakers to feel like they have to talk for a while to get their points across; emphasis is put on being a good orator. Direct eye contact is common; however, the level of eye contact may vary depending on the hierarchy and the nature of relationship between the speaker and listener (examples, between a "boss" and subordinate). Bargaining--in business transactions--is acceptable until an agreeable price can be reached.

## Travel Advisory

A valid visa and proof of vaccination against a Yellow Fever are required for entry into Liberia. Since August 2014, Liberia's Ministry of Health began implementing Ebola screening procedures at Roberts International Airport (RIA) for both arriving and departing travelers. The screening includes taking the arriving and departing passengers' temperature (with a thermostat laser gun), washing hands with chlorinated soap water, and filling in health-related information form. However, the screening has been relaxed with the passage of time, and currently only the temperature is taken, especially for arriving passengers. Department of State advises American citizens to plan travel to Liberia carefully, given the shortage of high standard hotels coupled with transportation challenges. Some taxis and buses run between the airport and Monrovia, but visitors should exercise caution in choosing one. It is always advisable to pre-arrange airport transfers with a hotel. The RIA is approximately 40 miles (64 km) from downtown Monrovia. As for land travel, travelers should expect strict enforcement of border control, and occasional border crossing closings by Liberian, Sierra Leonean, Guinean, or Ivorian authorities. Corruption at border crossing has been reported at many border points as travelers may be asked for money prior to crossing the border. Further information is available on the [U.S. Passports & International Travel website](#).

## Visa Requirements

All travelers entering Liberia must have a valid passport (with at least one blank page) and a valid visa, plus evidence of yellow fever vaccination (Yellow Book). Liberian visas are not issued at the airport except in emergency situations or cases where there is no Liberian Embassy in the country of residence. This requires approval in advance by an Immigration Commissioner (i.e., before the traveler arrives). U.S. citizens traveling to Liberia must obtain a Liberian visa before arriving. Visit the Embassy of Liberia website, <http://www.liberianembassyus.org/>, for the most current visa information. Overseas inquiries should be made at the nearest Liberian embassy or consulate. U.S. Companies requiring travel of foreign business persons to the United States should be advised that security evaluations are handled through an interagency process. Visa applicants should go to the following links. State Department Visa Website: <http://travel.state.gov/content/visas/english.html>

Consular Section, U.S. Embassy in Liberia: <http://monrovia.usembassy.gov/visas.html>

## Currency

The local currency is Liberian dollars (LRD) which comes in paper denominations of five, ten, twenty, fifty and hundred; there are no coins in circulation. The United States dollar is commonly accepted as legal tender alongside the LRD, and cash is usually required for major purchases or payments at large-scale establishments such as hotels and customs posts. Liberia has a floating exchange rate system as the U.S. and the Liberian dollars exchange rate with the USD fluctuates, sometime on a daily basis based on foreign-exchange market demand. There are numerous licensed and non-licensed foreign exchange bureaus in the country, and travelers are advised to avoid non-licensed bureaus, usually the "money changers" on sidewalks. A number of commercial banks offer modern electronic financial/banking products and services including ATM cards, point of sale (POS) terminals, and electronic fund transfer (EFT). Credit cards and traveler's checks are not commonly accepted even by major hotels. Travelers should exercise caution in using credit cards wherever they are accepted. Travelers are also advised to carry some amount of U.S. dollar denominations for tips and incidental purchases. Very few commercial banks or hotels will cash traveler's checks, and those that do, often have unfavorable rates. Large sums

of money must be transmitted via bank draft or other financial instruments. Sums in excess of \$10,000 must be reported at the port of entry, and no more than \$7,500 in foreign currency banknotes can be moved out of the country at one time. Larger sums must be transferred via bank drafters, EFT or other financial instruments.

### Telecommunications/Electric

Liberia's telecommunications sector includes the print media (newspapers), radio, television, mobile and fixed-line telephones, and internet. While radio is predominantly used throughout the country, television and newspaper are concentrated in Monrovia due to limited infrastructure and the high illiteracy rate. Presently, about 65 percent of Liberia's population has access to mobile telephone service, and nearly four percent of the residents have access to broadband internet service. Ministry of Posts and Telecommunication provides some postal services including an expedited mail service (EMS) to the U.S. It is not advisable to send valuables through the Liberian postal system, because of the system's limited security. Postal services are largely manually handled. DHL, FedEx, and UPS provide commercial air courier services. Liberia Telecommunication Corporation (Libtelco), a national operator, is the only fixed-line telephone provider. It provides limited commercial telephone and internet services, mainly to government ministries and agencies.

Currently, Liberia has three licensed cellular service providers operating global system for mobile (GSM) communication technology. Mobile phones and accessories including SIM and calling cards are commonly sold at stores, supermarkets, hotels, major restaurants, airport, and even by street vendors. There is no mobile phone coverage in some remote areas and U.S. cellular phones, especially if locked, do not work in Liberia. It is advisable to purchase a cell phone and a SIM card with a **registered** local number while on business trips. Some internet service providers (ISP) and internet cafés in Monrovia provide commercial internet services to the public. A few major hotels provide WiFi access but it is usually slow and oversubscribed. Generally, bandwidth is low and internet subscription fees are expensive because of high overhead costs due to lack of constant power supply. In Liberia the standard voltage is 120V, the standard frequency is 60Hz and power sockets (outlet types) that are used are type A and B.

### Transportation

**Road Networks:** The majority of roads in Liberia are unpaved and unable to provide all-year access to either county or district headquarters. Roads are often impassable during the rainy season. Consequently, vehicle tariffs, operating costs and transportation fares tend to be high. When traveling outside Monrovia, four-wheel drive vehicles are advised. Liberia has a tropical climate with rainy season beginning in May through October and dry season from November through April.

<http://travel.state.gov/content/passports/english/country/liberia.html>.

**Aviation:** The Roberts International Airport (RIA) is a single runway airport located near a town called Harbel, about 40 miles (64 km) outside Monrovia. There are a few car rental agencies or taxi services in Monrovia offering onsite airport services upon request, and these have to be pre-arranged. Visitors should avoid yellow taxis by pre-arranging transportation through a hotel or business contact. James Spriggs Payne Airport is a smaller single runway airport located in Monrovia, and it is used for internal or domestic flights. Currently, the RIA is undergoing major renovation including extensive work on the runway and the construction of a modern terminal.

**Sea Ports:** The country has four ports under its National Port Authority (NPA) and they include the Freeport of Monrovia, Buchanan Port, Greenville Port and Harper Port. The Freeport of Monrovia is the largest and accounts for nearly all of Liberia's maritime trade. The marginal wharf (main pier) of the

Freeport of Monrovia is 600 meters long and capable of berthing 3 to 4 ships, depending on the vessel size. The Port of Buchanan is located 272 kilometers southeast of Monrovia and is the second largest port for the country. It is mainly used by concession companies principally as an outlet for the mining and timber industries. Greenville and Harper Ports are currently closed.

NPA is an International Ship and Port Facility Security (ISPS) compliant as the Freeport of Monrovia and Port of Buchanan are Security Level One ports, and Greenville Port is a Security Level Two port.

### Language

English is the official, popular and common language in Liberia, and is spoken throughout the country. There are 16 tribes each of whom has its own tribal language or dialect that is spoken mainly amongst family members, kinsmen or tribal groups.

### Health

There are few hospitals, clinics or health facilities and their quality generally falls below the U.S. standards. The hospitals and health facilities in Liberia are, however, poorly equipped and incapable of providing many high-standard medical services. Travelers should purchase medical evacuation insurance: <http://travel.state.gov/content/passports/english/go/health/evacuation.html>.

Liberia was one of the worst affected countries in the 2014 Ebola outbreak in West Africa. The epidemic severely overwhelmed the country's healthcare system, but the government and its international are building and strengthening the health system. Many medical facilities became dysfunctional and have not fully recovered. The WHO declared Liberia Ebola free for the second time in September 2015. Currently there are no potential health risks or epidemics in the country. As there is neither an effective garbage removal service nor a functioning sewer system, sanitation throughout urban areas is very poor, which increases the potential for disease. Upper respiratory infections and diarrhea are common, as well as more serious diseases such as typhoid and malaria. For more information on health related issues in Liberia, you may refer to, <http://travel.state.gov/content/passports/en/country/liberia.html>.

### Local Time, Business Hours and Holidays

Liberia is on Greenwich Mean Time (GMT). Employment in Liberia is mainly governed by the Liberian Labor Law (Decent Work Act), which dictates that working hours cannot exceed eight (8) hours per day or forty-eight (48) hours a week. Business hours are normally from 8:00 a.m. to 5:00 p.m., but most government offices are closed before 5:00 p.m. Some international organizations and UN Agencies work a half-day on Friday, closing by 12:00 noon or 1:00pm. Below is the list of Liberian holidays that are observed nationwide during the year 2017.

January 2*, Monday	New Year's Day
February 11, Saturday	Armed Forces Day
March 8, Wednesday	Decoration Day
March 15, Wednesday	J.J. Roberts Birthday
April 14, Friday	Fast and Prayer Day

May 14, Sunday	National Unification Day
July 26, Wednesday	Independence Day
August 24, Thursday	Flag Day
November 9, Thursday	Thanksgiving Day
November 29, Wednesday	William V.S. Tubman Birthday
December 25, Monday	Christmas Day

**Note:** *New Year's Day is January 1, but it will be observed on Monday in lieu of Sunday.*

#### Temporary Entry of Materials or Personal Belongings

The Liberia Revenue Code 2000, as Amended in 2011, provides for exemption of duty payment on goods imported by or on account of the President of Liberia, Government of Liberia, local government bodies, representatives of foreign governments or public international organizations, as reasonably used households and personal effects in reasonable quantities, under special circumstances relating to senior government officials, and as personal effects for personal use of people arriving from abroad.

#### Travel Related Web Resources

- U.S. State Department travel information: <http://travel.state.gov/content/passports/english/country.html>
- U.S. visa information: <http://travel.state.gov/content/visas/english.html>
- Liberian Embassy (USA): <http://www.liberianembassyus.org/index.php?page=consular>
- DHL Express Liberia: [http://www.dhl.com/en/lr/country\\_profile/office\\_express.html](http://www.dhl.com/en/lr/country_profile/office_express.html)
- FedEx (Express): <http://www.fedex.com/lr/contact/>
- UPS Local Office: <http://www.ups.com/content/corp/worldwide/africa/Liberia.html>
- Ministry of Post & Telecommunication: <http://www.mopt.gov.lr/>
- Bureau Veritas Liberia: <https://verigates.bureauveritas.com/wps/wcm/connect/29cf6c004d1fd6bf964bbbed3ae22b828/GSIT+-+Liberia+Datashet+Rev+24.pdf?MOD=AJPERES>