

U.S. Country Commercial Guides



LIBERIA 2018

Table of Contents

<i>Doing Business in Liberia</i> _____	5
Market Overview _____	5
Market Challenges _____	5
Market Opportunities _____	5
Market Entry Strategy _____	6
<i>Political Environment</i> _____	7
<i>Selling U.S. Products & Services</i> _____	8
Using an Agent to Sell U.S. Products and Services _____	8
Establishing an Office _____	8
Franchising _____	8
Direct Marketing _____	9
Joint Ventures/Licensing _____	9
Selling to the Government _____	10
Distribution & Sales Channels _____	10
Express Delivery _____	10
Selling Factors & Techniques _____	11
eCommerce _____	11
Trade Promotion & Advertising _____	11
Pricing _____	11
Sales Service/Customer Support _____	12
Protecting Intellectual Property _____	12
Due Diligence _____	12
Local Professional Services _____	12
Principal Business Associations _____	13
Limitations on Selling US Products and Services _____	13
Web Resources _____	14
<i>Leading Sectors for US Exports & Investments</i> _____	15
Energy _____	15
Agricultural Sector _____	17
Construction _____	19
Oil and Gas _____	21
Mining and Minerals _____	23
Telecommunications _____	26

Medical Equipment and Pharmaceuticals _____	28
Travel and Tourism _____	29
Customs, Regulations & Standards _____	31
Import Tariff _____	31
Trade Barriers _____	31
Import Requirements & Documentation _____	31
Labeling/Marking Requirements _____	32
U.S. Export Controls _____	32
Temporary Entry _____	32
Prohibited & Restricted Imports _____	32
Customs Regulations _____	33
Standards for Trade _____	33
Trade Agreements _____	35
Licensing Requirements for Professional Services _____	36
Web Resources _____	36
Investment Climate Statement _____	37
Executive Summary _____	37
Openness To, and Restrictions Upon, Foreign Investment _____	38
Bilateral Investment Agreements and Taxation Treaties _____	40
Legal Regime _____	41
Industrial Policies _____	45
Protection of Property Rights _____	47
Financial Sector _____	48
State-Owned Enterprises _____	50
Responsible Business Conduct _____	51
Corruption _____	51
Political and Security Environment _____	52
Labor Policies and Practices _____	52
OPIC and Other Investment Insurance Programs _____	54
Foreign Direct Investment and Foreign Portfolio Investment Statistics _____	54
Contact for More Information _____	55
Trade and Project Financing _____	56
Methods of Payment _____	56
Banking Systems _____	56
Foreign Exchange Controls _____	57

US Banks & Local Correspondent Banks _____	57
Project Financing _____	57
Financing Web Resources _____	58
<i>Business Travel</i> _____	59
Business Customs _____	59
Travel Advisory _____	59
Visa Requirements _____	59
Currency _____	59
Telecommunications/Electronics _____	60
Liberia’s mobile and internet use continues to grow at a robust pace. Presently, mobile penetration stands at _____	60
Transportation _____	60
Language _____	61
Health _____	61
Local Time, Business Hours and Holidays _____	61
Temporary Entry of Materials or Personal Belongings _____	62
Travel Related Web Resources _____	62

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2018. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

Doing Business in Liberia

Market Overview

Liberia's economy is market-based and largely dependent on natural resources, foreign aid, and foreign direct investment. Liberia relies primarily on commodity exports (mainly rubber, iron ore, and gold) as major sources of export earnings. Binding constraints to economic growth include inadequate infrastructure (particularly roads and electricity), limited access to finance, cumbersome tax regulations, declining global market prices of export commodities, weak institutional capacity, and a shortage of skilled labor. According to the Central Bank of Liberia (CBL), real GDP growth in 2017 was 2.5 percent, an improvement over 2016's negative 1.6 percent growth. The expansion in GDP was driven mainly by increased activities in mining, especially gold, agriculture and fisheries, and services.

Average annual inflation for 2017 was 12.4 percent, up from 8.8 percent in 2016, mainly due to the depreciation of the Liberian dollar against the United States dollar and the rise in global petroleum prices. Export earnings at the end of 2017 stood at \$388.8 million, largely driven by a rise in gold, rubber, and iron ore exports, while import payments were \$1.02 billion. Liberia's leading export destinations in 2017 were the Middle East (Turkey), Europe (mainly in the Eurozone), and the United States, while imports came largely from China, neighboring African countries, and Europe. (The share of the Middle East region in total exports increased due to shipment of gold to Turkey by Turkish-owned MNG Liberia which operates the Liberty Gold Mines-Avesoro Resources in western Liberia and MNG-Gold in central Liberia). Since joining the World Trade Organization (WTO) in July 2016, the government continues to streamline relevant laws and regulations to standardize its trade and investment policies consistent with internationally acceptable norms.

Liberia celebrates its longstanding historical ties to the United States, which persist today in the form of familial relationships and robust diplomatic engagement. U.S. companies receive an exceptional welcome in Liberia, and retailers routinely seek opportunities to stock American-made goods.

Market Challenges

Over 54 percent of Liberia's estimated 4.6 million people live on less than \$1.25 a day, with a per capita income of \$455.90, according to the [World Bank](#). Tariffs, customs duties, tax rates, and other statutory fees can be arbitrary; however, the Liberia Revenue Authority (LRA) continues to centralize and standardize revenue collection systems. Limited infrastructure -- such as electricity, roads, seaports and airports, water and sewage systems, and 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. In addition, Liberian law reserves 16 sectors of the economy exclusively for Liberian citizens, and sets a capital investment threshold on 12 others as stipulated in the [Investment Act of 2010](#).

Market Opportunities

The best prospective sectors for U.S. investment include agribusiness, energy and power generation, infrastructure, construction, manufacturing, storage/packaging and warehousing, transportation, and the services sector, including financial services, professional services, information communication technology (ICT), and tourism and hospitality. Projects to reconstruct damaged infrastructure--including roads, bridges, seaports, airports, electricity and power generation, and storage facilities--represent significant investment opportunities for capital projects, particularly under the development objectives of new Liberian President George Weah. 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; and agribusiness,

including food production and processing, fruit and vegetable processing, cold storage, marketing 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 make them familiar with the business environment, as well as the legal and regulatory frameworks.

Potential investors 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 and relationships. Investors can find information and guidance on doing business in Liberia on the websites of the National Investment Commission, Ministry of Commerce and Industry, and the U.S. Embassy in Liberia.

Political Environment

For background information on the political and economic environment of Liberia, please read [U.S. Department of State Background Notes](#).

Selling U.S. Products & Services

Using an Agent to Sell U.S. 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. Liberian 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 firms, or consultancy firms can assist with references and due diligence, but do not normally offer fee-for-service reference checks. The U.S. Embassy [website](#) includes a list of economic data and reports on doing business in Liberia. Additional information on market research, business incubation, match-making, and business linkages is available on the Building Markets [website](#).

Establishing an Office

Under Liberian corporate law, all businesses are required to register or apply for a Business Registration Certificate to authorize doing business or providing 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, a sole proprietorship, a partnership, or a 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 (CBL)'s window at LBR or use the mobile money payment system; mobile money services are provided by the two leading mobile network operators, Lonestar MTN and Orange Liberia.
- Present the proof of payment to the LBR registrar where the process is completed.

The entire process takes one to four 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 publishes a [fee schedule](#) for new enterprise registrations applicable to different types of legal entities.

Franchising

Franchising is not a popular business model in Liberia. This is partly because the concept is unusual in the country's business culture, and partly 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. However, 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

There are considerable challenges to direct marketing in Liberia due to limited internet penetration, limited and ineffective postal services, lack of electricity, and low literacy rates. Mobile phone companies employ short message service (SMS) to market and advertise their products and services. Other common methods include radio advertising, television advertising, billboards, loudspeaker announcements in commercial areas, and newspaper advertisements.

Joint Ventures/Licensing

According to the Associations Law (Title 5 Liberian Code of Laws Revised), “Any business venture carried on by two or more corporations as partners shall be governed by the Partnership Law.” Partnership is defined as “An association of two or more persons to carry on as co-owners a business for profit.” 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) as well as the Liberia Business Registry (LBR). 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 are not necessarily 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., nightclubs and bars).

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

- [Ministry of Justice](#) (MOJ): permits and clearances for all security-related companies;
- [Ministry of Public Works](#) (MPW): permits and licenses required for construction companies;
- [Liberia Maritime Authority](#) (LMA): permits and licenses required for marine-related activities;
- [Ministry of Mines & Energy](#) (MME): (*website currently disabled*): permits and licenses required for operations in mining industries;
- [Ministry of Commerce & Industry](#) (MOCI), licenses and permits required for import/export of commodities;
- [National Fisheries & Aquaculture Authority](#) (NAFAA): licenses and permits required for artisanal and industrial fishing activities.

Non-Liberian citizens wishing to establish a resident domestic construction company are required to do so in partnership with a registered Liberian-owned construction, engineering, or architectural firm with at least ten

years of proven experience 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 partnerships 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

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information.

The Public Procurement and Concessions Commission (PPCC) regulates public procurement and tender processes across government. The PPCC struggles to fully regulate tenders as procurement entities largely fail to follow the procedures outlined in the Amended and Restated PPCC Act of 2010. The government of Liberia is the largest employer and the largest purchaser of goods and services in the country. However, the government lacks adequate financial resources to finance large public procurements, and seeks support from donors wherever possible. Foreign suppliers may participate in international bids for public procurement contracts. Overall, Liberia has a robust legal framework for public procurement which complies with most of the international best practices considered relevant by both the Public Expenditure and Financial Accountability (PEFA) framework and Global Integrity. However, there have been reports of procurement rules being flouted by public officials or procuring entities. Liberia is not a party or signatory to the WTO Government Procurement Agreement, nor is it a party to a free trade agreement (FTA) with the United States that contains commitments on government procurement.

Distribution & Sales Channels

In Liberia, most retail goods, including food, are imported. The majority of these goods pass through a single seaport, the Freeport of Monrovia. Importers frequently complain about the time, effort, and expense required to pass goods successfully through the Freeport. Once imported, many large businesses rely on vehicles to transport their goods to various destinations in the capital city and around the country. There is no rail or water transport network. Road infrastructure in most of the country is poor and, during the six-month rainy season, frequently impassable.

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.

Express Delivery

The Ministry of Post and Telecommunications (MOPT) provides postal services, including regular mail (letters), registered mail, express mail, expedited mail service (EMS), and delivery of parcels and packages. The MOPT also offers mail insurance, institutional mail delivery services, home mail delivery, diplomatic pouch services, drop bag service, and lock box services. Users of these services, including the EMS, have reported that they are reliable. 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 shipment 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 are shipped 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. 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 season).

Selling Factors & Techniques

Importers generally target their goods to the needs of demographics with high levels of disposable income, including large business entities, government officials, NGO workers, diplomats, civil servants, and the expatriate community. Sales and promotional materials should be in English, which is the official and commonly spoken language throughout the country.

eCommerce

E-commerce or digital marketing platforms are underdeveloped in Liberia due to the limited information communication technology (ICT) infrastructure. There is currently no online business platform in the country. Mobile telecommunication is the most ubiquitous form of communication and has experienced successful penetration in the country in recent years, due partly to relatively low promotional prices offered for mobile phones by the GSM companies. By contrast, internet has not been as fast to penetrate the Liberian market, but its usage is gaining momentum mainly in urban areas. According to the [Liberia Telecommunication Authority](#) (LTA), mobile penetration stands at approximately 75 percent while Internet penetration is at 20 percent (See detail). However, internet services are available through various service providers and the two active mobile networks using GPRS, EDGE, and WiMAX technology.

Although Liberia is laying some fiber optic cable, most internet connections are still made through VSAT connections, and are costly and unreliable. As most Liberians do not have access to the internet, the use of credit cards is extremely limited, which makes online shopping impractical. Only two or three 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, mostly large hotels and a few supermarkets. 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. The most popular social media platform is Facebook, and exchanging photos and videos through Instagram is also gaining popularity, particularly among college students.

Trade Promotion & Advertising

Many trade organizations exist, but there are few organized trade promotion programs in the country. Newspaper and television ads -- the traditional media for trade promotion -- are largely concentrated in Monrovia. Radio and, increasingly, mobile phone advertisements are popular and effective for country-wide coverage. Trade promotion and advertisements are done in English or one of the indigenous local languages. On the street, popular methods of advertising include banners, billboards, graphic designs, stickers, fliers, branding of company's assets, printing on merchandise, 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 such as petroleum products, rice, cooking oil, and cement. In the past, 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 U.S. dollars, in line with prevailing exchange rates. As a result of exchange rate fluctuations, the price 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, market forces determine the prevailing street rates. Although the MOCI has recently stepped up the enforcement of its market inspection exercises, it does not enforce the government's regulation on price tagging of commodities.

Sales Service/Customer Support

The quality of sales service and customer support varies. Generally, customer service or customer support is poor at many business centers in Liberia. Most businesses find that new employees require extensive and ongoing customer service training.

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property and Stopfakes.gov](#) for more resources.

IP in-country contacts for Liberia:

Liberia Intellectual Property Office (LIPO)
Roosevelt Gould, Director General
231-770220218
rogould2@yahoo.com

Fanta Conde Barclay, Deputy for Copyrights
231-886551574
fantaipr@gmail.com

K. Rufus Moore, Deputy for Industrial Property
231-886770220
kaifala2015@gmail.com

For more information, contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov

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](#). 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](#)), 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](#).

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 \(LCC\)](#)
- [Liberia Business Association \(LIBA\)](#), no local website but you can access LIBA USA
- [Concern Liberian International Business Organization \(COLINBO\)](#)
- Liberia Bankers Association (LBA), no website
- Liberia Marketing Association, no website
- Association of Liberian Construction Contractors (ALCC), no website
- [Engineering Society of Liberia \(ESOL\)](#)
- [Liberia Timber Association \(LTA\)](#)
- Liberia Labor Congress, no website

Limitations on Selling US Products and Services

The Liberia Investment Act of 2010 imposes general statutory limits and restrictions on foreign ownership of or entry into 16 business activities/enterprises, and sets minimum foreign capital investment thresholds in 12 others. According to Section 16 of the Act, "*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
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 manufactured 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 cream 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 plants (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.” In January 2018, a bill entitled “Business and Economic Empowerment Act” was submitted to the lower house of the legislature seeking to reinforce and expand Section 16 of the Investment law. The draft bill sets the minimum capital threshold at \$2 million and mandates 30 percent Liberian ownership for foreign investors to engage in the restricted sectors. The draft law, which is pending legislative enactment, also mandates that Liberians must hold at least 30 percent of the senior management positions in the enterprise.

Web Resources

- [U.S. Embassy Monrovia Commercial Section](#)
- [The World Bank's "Doing Business" Report](#)
- [National Investment Commission](#)
- [Ministry of Commerce and Industry](#)
- [Ministry of Finance and Development Planning](#)
- [Public Procurement and Concession Commission](#)
- [Liberia Chamber of Commerce](#)

Leading Sectors for US Exports & Investments

The National Investment Commission (NIC) has identified the following sectors as areas that provide the best investment opportunities for exports from the United States to Liberia: agriculture and agro-processing, manufacturing, energy, infrastructure, mining, tourism, education, and health. There are also a wide range of strategic investment opportunities and prospects for U.S. companies in construction of low-cost housing, telecommunications (high-speed internet service), financial services, storage and warehousing, transport (road and coastal transport), as well as fruit and vegetable processing and preservation. See NIC's [website](#) for details on investment opportunities in Liberia, <http://investliberia.gov.lr/new/index.php>

Energy

Overview

The Liberian government is working closely with its development partners to undertake measures to rebuild the country's electricity infrastructure. Liberia has one of the lowest electricity access rates in the world, with only about 8 percent of households connected to the national grid. Less than 7 percent of the population in Monrovia has regular access to electricity and less than 2 percent of the population has access in rural areas. The economy is severely constrained by a lack of access to reliable and affordable electricity. On-grid electricity sold in Monrovia currently has an average tariff of \$0.35/kWh. This makes electricity the single largest component of operational expenses in Liberia for 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. It also highlighted weak and underdeveloped infrastructure and a dysfunctional public utility system as the biggest bottlenecks to creating the enabling environment for investment in the energy sector. 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 Ministry of Mines and Energy (MME) encourages the engagement of the private sector in small-scale renewable electricity generation projects. These projects also need associated investments from the private sector in transmission and distribution networks.

The Liberia Electricity Corporation (LEC)--a state utility company--continues to restore limited electricity to parts of Monrovia. Many larger facilities such as hotels, restaurants, and office buildings use privately-owned generators to supply electricity to their premises. The rehabilitated Mount Coffee Hydroelectric Plant became fully functioning and began providing all of the LEC's electricity in July 2017. The rehabilitated hydroelectric plant took over completely from the diesel power plants that the LEC had relied on for many years, although Heavy Fuel Oil (HFO) is sometimes required as a supplemental source during the dry season. Mount Coffee can now generate 88 megawatts of power (but the current constraint is distribution), with capacity to expand to 126 MW as electrification efforts continue throughout the country. The hydro plant could enable Liberia to export electricity to the West Africa Power Pool project (WAPP) inter-connection grid, which is under construction, connecting the border regions of Liberia with neighboring countries (Guinea, Ivory Coast, and Sierra Leone). The WAPP is a multi donor-supported project intended to increase electricity access for the rural communities in border regions of 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 cross-border project.

Launched in 2013, Power Africa is a market-driven, U.S. Government-led public-private partnership to double access to electricity in sub-Saharan Africa. It offers private sector entities tools and resources to facilitate doing business in Africa's power sector. In 2016, the Electrify Africa Act institutionalized Power Africa. Learn more about the full [Power Africa toolbox](https://www.usaid.gov/powerafrica/toolbox) (<https://www.usaid.gov/powerafrica/toolbox>) or [other opportunities](#)

offered by Power Africa. By working with development partners such as Power Africa and the Millennium Challenge Corporation (MCC), the government has laid a foundation for unlocking the opportunities to modernize the electricity sector. This includes the passage of the Liberia Electricity Law and an act creating the Rural Renewable Energy Agency (RREA), a critical policy objective that has provided a framework for private sector participation in the electricity sector.

Leading Sub-Sectors

There is increasing demand for electricity from renewable energy sources. The best prospect sectors for U.S. companies include supply of solar energy to commercial and residential properties. The government welcomes public-private partnerships to construct transmission and distribution lines outside Monrovia, where more than 90 percent of the population has no 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 numerous 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 Mines and Energy](#): no website

[National Investment Commission](#)

[Ministry of Public Works](#)

[Liberia Electricity Corporation \(LEC\)](#)

[Rural Renewable Energy Agency \(RREA\)](#)

[Mt. Coffee Hydropower Rehabilitation Project](#)

[Energising Development](#)

Agricultural Sector

Overview

Agriculture is the primary livelihood for more than 60 percent of Liberia's population and provides sustenance for many households engaging in cassava, rubber, rice, oil palm, cocoa, or sugarcane production. More households engage in cassava production than any other crop. However, overall agricultural productivity is low, resulting in Liberia importing more than 80 percent of its rice, 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 one of the dominant generators of state revenues, accounting for 17.5 percent of the total export receipts in 2017. An estimated 30,000 people are employed by commercial rubber farms and up to 60,000 smallholder households are involved in growing 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.

Liberia has the 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, fruit, poultry and fish. Liberia has a suitable climate for horticulture such as production of peppers, okra, onions, tomatoes, squash, 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.

Total market size as determined from the Central Bank of Liberia's reports (Figures in Millions USD\$)

	2015	2016	2017	2018 (Estimated)
Total Local Production	896.40	882.10	904.10	939.40
Total Exports	283.30	279.30	388.80	unknown
Total Imports	1,551.40	1,201.20	1,018.20	unknown
Imports from the United States	136.60	87.90	81.60	unknown
Total Market Size	2,164.50	1,804.00	1,533.50	unknown

Total market size = (total local production + imports) - exports

Source: Central Bank of Liberia, Annual Report 2017, Page 38

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. Leading sub-sectors also include production and processing of oil palm, cocoa, and Liberia's staple foods, rice and cassava. Fish is an important protein source throughout Liberia, and in high demand in the market, offering good prospects for investment.

Opportunities

Potential opportunities include adding value to agricultural products (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 a 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. Other opportunities include private financing in the agriculture value chain, including development financing, microfinance, business development, and cross-cutting areas such as agro-inputs, agro-logistics, packaging, storage and aggregators.

Web Resources

[Ministry of Agriculture](#)

[Bureau of National Fisheries \(BNF\)](#)

[National Investment Commission \(NIC\)](#)

[ACDI/VOCA](#)

[Food and Agriculture Organization \(FAO\)](#)

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 for which the city was originally planned. 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 Liberia's key growth corridors: Monrovia-Ganta serving nearly 40 percent of the population, and Buchanan-Yekepa, characterized by the existence of major rail infrastructure.

Housing Sub-sector

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." In May 2017, the National Housing Authority (NHA), a state-owned institution, started a construction project to relocate households threatened by severe erosion in a seaside slum. Affordable housing remains one of Liberia's critical social development needs and the NHA has a program to construct low cost housing units for low-income earners. The NHA is exploring public-private partnerships to construct affordable housing facilities for low-income households. The NHA's plans include acquiring land across the country to develop low-cost housing and upgrading slum communities in urban areas. The NHA is currently the only institution providing housing on a large scale. However, the organization lacks the capacity to carry out urban construction and related infrastructure work. Moreover, unresolved legal claims to land tenure make investment outcomes uncertain in the housing sector. The lack of developed mortgage markets in the country is also an impediment to developing an enabling housing real estate market in Liberia. The CAHF reported that "the lowest recorded interest rate on a mortgage in Liberia is eight percent, and requires at least a 20 percent down payment. The cheapest newly built house by a developer recorded by CAHF is US\$20,000. Cement prices are higher than the continental average, at US\$10 for a 50-kilogram bag." The NHA is partnering with [Shelter Afrique](#), a member of the [African Union for Housing Finance](#) to implement a public housing program by negotiating and acquiring land acreages to construct affordable housing units. As a result of this partnership, the NHA has finalized a plan for the construction of 5,000 units worth over \$50 million. See the [CAHF](#) website for more information.

Leading Sub-Sectors

The best prospect sub-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. There is also a need for the supply of construction equipment, building materials, and trained construction workers. Providing low-interest financing and supporting a mortgage system for civil servants and middle income workers would be 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. The government of President George Weah, elected in December 2017, has initiated a number of large-scale infrastructure projects aimed mainly at road construction.

Web Resources

[Ministry of Public Works](#)

National Housing Authority (NHA), website inactive

Roberts International Airport, website inactive

Ecohomes Liberia, website inactive

[Shelter Afrique](#)

[African Union for Housing Finance](#)

Oil and Gas

Overview

Liberia does not have a well-developed upstream oil and gas industry. Hydrocarbon exploration activities in Liberian territorial waters started in the late 1960s, but those activities ceased due to a variety of factors. 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 2,500-4,500 meters, and exploration activities require multimillion dollar investments. Expectations for significant offshore oil discoveries dwindled as a number of international oil companies such as Anadarko Petroleum, African Petroleum, Chevron, and Exxon which had signed production sharing contracts (PSCs) with the Liberian government shut down operations in Liberia. Presently there is no ongoing offshore exploratory drilling.

The Ministry of 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. The government has embarked on reform of the oil and gas sector during the last several years taking a significant step towards ensuring transparency and accountability in the sector. The Petroleum (Exploration and Production) Law and the NOCAL Act of 2014--approved in 2016--repealed and replaced the previous "NOCAL Act of 2000" and the "Petroleum Law of 2002", respectively. These two laws were developed with the World Bank's assistance with input received from national and international consultations. The Petroleum Law separates the commercial and regulatory functions in the petroleum sector by creating two institutions: Liberia Petroleum Regulatory Authority (LPRA) and National Oil Company of Liberia (NOCAL). The newly established LPRA is responsible for granting three types of petroleum rights, including Reconnaissance Licenses, Petroleum Agreements, and Licenses for Petroleum Transportation Systems. 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. The new NOCAL Act restricts NOCAL to acting as a negotiator and requires competitive bidding for all petroleum contracts. Unlike the previous law (NOCAL Act of 2000), it 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 are subject to senate confirmation.

On the downstream side, all petroleum products are imported from neighboring countries because currently Liberia does not have a functioning refinery. According to the Central Bank, imported petroleum products--fuel, minerals, and lubricants--amounted to \$212.3 million in 2016, representing 21 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. The 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. There is work in progress to modernize and expand the LPRC's storage terminal. The project includes construction of bridges to accommodate trucks weighing up to two tons, a central control room, an additional operations building, and storage tanks for increased storage capacity. Should there be an upstream commercial oil discovery in the Liberian oil and gas 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 some investment opportunities 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 the LPRC begins to decentralize its operations and expand petroleum supplies on the domestic market, new marketing opportunities may arise in other parts of the country. The LPRC has a long-term plan to resume refining operations in the future, and this would require significant investment in plant, machinery, and equipment for refining and laboratory testing. Furthermore, as the demand for petroleum products increases, 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 Mines and Energy](#)

[National Oil Company of Liberia](#)

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 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 exploited via alluvial and artisanal diamond mining, are widespread in most parts of the country. The government issues Kimberly Process (KP) Origin Certificates, which enable the legal export of rough diamonds to other KP member countries. Iron ore mining plays a significant role in the Liberian economy and accounted for 16 percent of total export earnings in 2017. A number of large-scale international companies hold mineral development agreements (MDAs) for iron ore mining operations in Liberia, but the largest such operations are owned by ArcelorMittal, which is has invested heavily into the sector. This world's leading steel and mining company has both iron ore and metallurgical coal reserves in the Mount Nimba range in northern Liberia. Their multi-billion dollar mineral investments include building railways, roads, ports, electrical plants, housing facilities for workers, and other critical physical infrastructure. Low global iron ore prices have reduced Liberia's production and exports over the last few years as multinational iron ore companies around the world significantly scaled down their operations. However, ArcelorMittal continues mining Mount Gangra, one of the virgin mountains within its concession area. The company is moving ore extraction from its depleting direct shipping ore (DSO) deposit at its Tokadeh Mines to the nearby, low strip ratio and higher-grade DSO deposit at Gangra.

Artisanal mining, predominantly of gold and diamonds, takes place in parts of Liberia. Artisanal mining--traditionally carried out primarily by unlicensed and illegal miners--contributes to the country's economy through royalties and taxes paid by licensed dealers. A minority of artisanal miners hold small-scale mining licenses. 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 Mines and Energy began an initiative a few years ago aimed at formalizing the artisanal and small scale mining (ASM) sector. Its primary 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. In June 2018, the legislature ratified a Mining Development Agreement for Hummingbird Resources. Aureus Mining (now Avesoro Resources) continues to develop Liberia's first and largest commercial gold mine, New Liberty. Full commercial production at New Liberty began in March 2016. Avesoro Resource expects production from its New Liberty gold mine to rise to between 90,000 and 100,000 ounces. In the mining sector as a whole, land disputes and overlapping mining claims have become one of the critical concerns.

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

Gold	2015	2016+	2017*
Total Local Production (Ounce)	9,466	151,224	204,355
Total Exports Volume (000/Ounce)	29.1	129.6	202.2
Total Exports Value (Million USD)	26.6	116.4	187.5

Source: *Central Bank of Liberia, Annual Reports 2016, 2017*

+Revised/actual

**Projection*

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

Iron Ore	2015	2016+	2017*
Total Local Production (Mt.)	4,529,531	1,405,195	1,934,193
Total Exports Volume (000/Mt)	5,553	1,405.20	2,024.40
Total Exports Value (Million USD)	141.8	48.2	63.3

Source: *Central Bank of Liberia, Annual Reports 2016, 2017*

+ Revised/actual

** Projection*

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

Diamond	2015	2016+	2017*
Total Local Production (Carat)	65,996	60,367	59,951
Total Exports Volume (000/Crt)	61.1	60.9	58.6
Total Exports Value (Million USD)	26.8	28.7	32.8

Source: *Central Bank of Liberia, Annual Reports 2016, 2017*

+Revised/actual

**Projection*

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 renewable energy production, especially solar.

Opportunities

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 Mines and Energy.

Web Resources

Ministry of Mines and Energy, website unavailable

[National Investment Commission](#)

[Ministry of Commerce & Industry](#)

[Chamber of Commerce](#)

[Arcelor Mittal](#)

[Avesoro Resources](#)

Telecommunications

Overview

Despite its relatively small population, Liberia has an active telecommunications sector in which new telecommunications services are regularly offered to consumers. The main players in the telecom sector include two private GSM mobile network operators, Lonestar Cell MTN and Orange Liberia (formerly Cellcom), and the Ministry of Posts and Telecommunications (MPT), Liberia Telecommunication Authority (LTA) and Liberia Telecommunications Corporation (Libtelco). The 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. In the LTA's report "[Public Consultation Document on the Definition of Relevant Telecommunications Markets](#)," published in 2016, mobile penetration stands at approximately 75 percent while internet penetration is at 21 percent; both numbers are high relative to Liberia's income. See detail, According to the report, "Anecdotal evidence suggests that these 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." 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. The CCL is owned jointly by the Government of Liberia (55%), Libtelco (20%), and the two mobile network operators: Lonestar MTN (10%) and Orange Liberia (10%). 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. 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, through Libtelco, and the mobile network operators continue to invest in building a fiber ring around Monrovia and its environs to increase broadband penetration. When fully completed and functional, the cost of international connectivity will sharply decline, thus significantly increasing the numbers of internet subscribers. However, the mobile operators face major constraints including the high cost of electric power (utilities), poor national infrastructure (roads), high taxation including import duties and tariffs, an insufficient customer base, inadequate skilled manpower, problems in ensuring network security, and the high cost of network operations and maintenance.

The Liberia Telecommunication Authority (LTA) is the state-owned regulator, enforcing regulations to raise revenue and to monitor quality of telecommunication services in the country. The LTA issues licenses to radio and television stations, and each category of licenses is valid for 12 calendar months, renewable annually. Over the years, the LTA has made significant interventions to address and counter unfair market practices that could have the potential to adversely impact growth of the telecommunications 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 telecommunications services. It is the policy-making and oversight body for Liberia's ICT sector.

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 \(LTA\)](#)

[Ministry of Post & Telecommunications \(MOPT\)](#)

Liberia Telecommunications Corporation (Libtelco)

[Orange Liberia](#)

[Lonestar Cell MTN](#)

[Cable Consortium of Liberia \(CCL\)](#)

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 and multilateral donors, and non-governmental organizations (NGOs), 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 systems. Over the years, the country has suffered from a critical shortage of qualified health workers, compounded by high attrition among the existing health workers. Health workers--especially in rural communities--often complain about low salaries, late or inadequate payments, and poor living accommodations. Generally, there is an inadequate availability of essential genuine medical equipment and pharmaceutical products in the country. In spite of these general weaknesses, there are multiple areas that need U.S. investments. For instance, limited capacity translates into ample investment opportunities such as provision of health facilities, medical logistics and equipment, training of laboratory technicians, midwives, pharmacists, as well as provision of reliable medical supplies to community-based health centers.

The National Drug Service (NDS)--a state-owned pharmaceutical supply outlet--provides drugs for government-run health facilities. Even 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 2014-2015 Ebola Virus Disease (EVD) outbreak exposed the structural weaknesses and fragility of the country's health system. The Ministry of Health (MOH) 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 medicine stores. The MOH 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 range of 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, including diagnostic and critical care equipment such as ultrasounds, ECG (electrocardiography), advanced life support equipment, and digital x-ray machines.

Web Resources

[Ministry of Health & Social Welfares](#)

[National Investment Commission](#)

Liberia Medicines and Health Products Regulatory Authority (LMHRA)

Pharmacy Board of Liberia (PBL)

[Aspen Medical](#)

Travel and Tourism

Overview

Liberia's tourism industry is underdeveloped, in part because of the country's insufficient transportation networks, electricity connectivity, telecommunications systems, and accommodation facilities. Only a few attractions have facilities that cater to international visitors. The infrastructure deficit is one of the critical factors discouraging entrepreneurs from investing in this sector. As infrastructure improvements are undertaken, prospects are emerging for the sector to contribute to the economy. Liberia is endowed with rich natural resources that provide a potential tourism and hospitality market, including forests, rivers, seas, waterfalls, hills, mountains, lagoons, lakes, wetlands, and deltas. 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 Sapo 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 freed African slaves landed in 1822
- The country's 350 miles of sandy shoreline along the Atlantic Ocean
- Excellent deep sea sport fishing for tuna, marlin, mahi mahi, and wahoo

The East Nimba Reserve and the Sapo National Park fall within the upper Guinea biodiversity hotspots, and are homes to rare birds and mammals such as elephants, monkeys, antelopes and pigmy hippos. The potential tourism market includes a relatively large resident expatriate community, and the growing number of Liberian diaspora returnees, most of whom are middle class. Although the government considers tourism as one of the alternative sources of revenue generation, it is yet to develop sustainable strategies and programs to tap its potential. The sector has not received a high level of attention from the public or private sectors even though it has the potential to diversify the domestic economy away from heavy reliance on extractive industries. 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 U.S. nationals.

Leading Sub-Sectors

Sub-sector best prospects for U.S. companies including developing the ecotourism sector, sport tourism, and rural tourism, especially along the country's long stretch of coastline. Building human capacity in tourism and hospitality industry also provides best prospects for investment in the sector. Another best prospect sub-sector is a provision of facilities for rest and recreation, short-stays, vacation and holiday resorts, accommodation, as well as reliable electricity supply along Liberian beaches.

Opportunities

Investment opportunities include development and provision of touristic services, such as ecotourism activities (e.g., birds watching), hotels, resorts, restaurants, etc., along the country's 350 miles of coastline. 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](#)[National Investment Commission](#)

[Ministry of Commerce and Industry](#)

[Tourism Association of Liberia \(TAL\)](#)

[Liberian National Tourism Association \(LINTA\)](#)

[Barefoot Liberia](#)

[Liberia National Export Strategy on Tourism](#)

Customs, Regulations & Standards

Import Tariff

The Liberia Revenue Code of 2000 (as amended in 2011) provides the legal and regulatory basis for customs duties and standards. The Liberia Revenue Authority (LRA) is a semi-autonomous agency whose core mandate is to administer and enforce the Revenue Code and other related tax laws. Imports are subject to tariff duties which vary according to product types, categories, volumes, etc., and constitute a major source of government income. Import duties are specific (based on volume) for some commodities, and ad valorem (based on cost, insurance, and freight value) for others. Specific duties apply to food, beverages, petroleum products, and certain rubber products. 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 tourism sector construction projects are exempted from import duty up to 90 percent of their dutiable value. Manufactured goods exported from the production of tourism sector projects are entitled to a full rebate on import duties and a full refund of income tax and excise tax.

In 2010, Economic Community of West African States (ECOWAS) introduced a Value Added Tax (VAT) into Liberia's tax system to ensure consistency in both external and domestic taxation and harmonization with other West African countries. Liberia is currently using a single-stage Goods and Services Tax (GST) which is imposed at the manufacturing stage and on a number of services specifically listed in the Revenue Code. The GST is levied at seven to 10 percent except for communications services, which is levied at 15 percent. Although VAT is not applied in Liberia, the LRA is planning to introduce it. Contact the [LRA](#) for specific categories of duties or tariffs. The government has not finalized technical and policy preparations to implement the common tariff regime of the ECOWAS. The Liberian government is in the process of transitioning its tax system to adopt the ECOWAS Common External Tariff (CET). This 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 will have to significantly adjust its tariff schedule as it shifts to the CET, including harmonizing policies on the waivers that currently allow imports of essential goods (e.g. rice, cement) at zero tariff rates. Migrating to the CET and removing tariff waivers will significantly impact the economy's average tariff. Check more details on [customs procedures](#). Refer to the [LRA's revised customs tariff](#) for more detail.

Trade Barriers

The Investment Act of 2010 explicitly excludes foreigners from participating in a number of economic sectors. The Investment Act sets aside 16 business sectors or industries exclusively for Liberian citizens, and places an investment threshold to entry for non-Liberians to another 12 business sectors or industries. Non-tariff barriers include limited physical infrastructure -- roads, electricity, lack of an effective internet system, etc. -- as well as opaque administrative procedures that foster corruption and bribery. These issues, coupled with porous borders and nonexistent protection of intellectual property rights, have resulted in low trade tax collection, high levels 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) prior to importing 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 (MFDP). Importers then arrange pre-shipment through a pre-shipment inspection company (currently Bureau Veritas or BIVAC), at a cost of 1.5 percent of the shipment's value. BIVAC – Bureau Veritas Group is the exclusive pre-shipment inspection (PSI) provider for Liberia. Pre-shipment inspections are required for goods valued at US\$3,500.00 and above. The penalty for importers who fail to complete the pre-shipment inspection ranges from 10 percent to 30 percent of the shipment's value. 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. 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 free on board (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 other security and/or law enforcement entities
- Fresh fish caught by local Liberian fishermen; and
- Goods imported by parcel post not exceeding US\$1,000.

More details are available on [BIVAC website](#).

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 to be sold directly to consumers be labelled in English. MOCI conducts periodic commodity inspections at businesses to ensure the regulations are being implemented, and the Ministry has increased the frequency of these inspections in 2018. However, the MOCI lacks the mechanisms to comprehensively enforce labeling and marking requirements. Supermarkets and large consumer stores usually label their products, but the regulation is not uniformly followed throughout the country. In all supermarkets and major stores, products are often displayed with price tags either in U.S. or Liberian dollars, or both. For more information, please check the MOCI [website](#).

U.S. Export Controls

Liberia is subject to export controls of arms and related materiel as established by [UN Security Council Resolution 1903](#).

The Departments of Commerce, State, and the Treasury provide a consolidated export screening list available as an aid to exporters conducting electronic screening of potential parties to regulated transactions. The list is available to search [here](#).

Temporary Entry

The [Liberia Revenue Code](#) provides for temporary entry of personal effects and temporary importation of certain consumable goods. Refer to the [Revenue Code](#) (Sections 1424 and 14159) for details on goods on transit or to be trans-shipped through 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, and counterfeit money are either prohibited or restricted. Details can be obtained from the websites of [BIVAC](#) and the [MOCI website](#).

Customs Regulations

The LRA is principally responsible for operating Liberian customs, including the collection of taxes on goods imported into or exported from Liberia through all ports of entries, including land borders. The main categories of trade tax the LRA collects include import duties, international goods and service tax (GST), and excise tax for excisable goods. The LRA also collects other trade-related fees where applicable, including the ECOWAS Trade Levy (ETL) on imports from non-ECOWAS points of origin, customs users' fees, export fees, and royalties on mineral exports. Being the lead border agency for processing the international trade in goods, the LRA has the sole responsibility to serve as the repository for international trade statistics. While the LRA collects needed revenue on behalf of the government, the Ministry of Finance and Development Planning (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 \(LRA\)](#)

Phone: (231) 886-727666,

Email: ssaamoi@yahoo.com

Standards for Trade

Overview

The Ministry of Commerce and Industry (MOCI) has a National Standards Laboratory (NSL) for testing, measuring, and calibrating products to ensure their originality and safety. The lab is part of Liberia's efforts to be World Trade Organization (WTO)-compliant. Its mandates include establishing a reliable standard framework to facilitate trade and to enforce the criteria of the International Organization for Standardization (IOS). The NSL also helps to improve Liberia's sanitary and phytosanitary (SPS) system—regulating 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 and also trains inspectors of various regulatory bodies of government.

Standards

The NSL focuses on testing, measurement, and calibration of products to ensure originality and safety. Liberia conforms to ECOWAS regulations on biosecurity and SPS. The MOCI's Inspectorate Division also conducts routine technical inspections to ensure conformity assessment and compliance in terms of weight and measures, industrial compliance, food safety, and warehousing and storage. The NSL has three basic laboratories: chemical, microbiology, and metrology. The chemical lab tests for quality and safety of food, water, and non-food materials. The 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 training in quality management and food safety management systems.

Testing, inspection and 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 burden to U.S. exporters. Customs inspections of all kinds are handled by the [Bureau Veritas Liberia](#) or BIVAC. Accreditations are also handled by a number of agencies depending on the areas of concern. For instance, health system and products accreditations are handled by the [Ministry of Health](#) and the Liberia Medicines & Health Products Regulatory Authority (LMHRA), education system accreditations are managed by the [Ministry of Education](#) and the [University of Liberia](#), and accreditations of assorted consumer products are normally handled by the [Ministry of Commerce and Industry](#). Agriculture products are accredited by the [Ministry of Agriculture](#) and forestry and related products are accredited by the [Forestry Development Authority \(FDA\)](#) while petroleum products are accredited by the [Liberia Petroleum Refining Corporation \(LPRC\)](#). Accreditations relating to minerals and energy resources are handled by the Ministry of Mines and Energy, and those relating to land are managed by the Liberia Land Authority; financial services providers are accredited by the [Central Bank of Liberia \(CBL\)](#). Below is the list of some of the main national testing organization(s) and conformity assessment bodies in Liberia:

- [Liberia Revenue Authority](#)
- [Bureau Veritas Liberia](#):
- [Ministry of Commerce and Industry](#)
- [Ministry of Health](#)
- [Ministry of Agriculture](#)
- [Central Bank of Liberia](#)
- [Forestry Development Authority](#)
- Ministry of Mines and Energy no website
- [Liberia Petroleum Refining Corporation \(LPRC\)](#)

Publication of technical regulations

BIVAC, a French international inspection company, provides pre-shipment inspection (PSI) services on behalf of the GOL. It 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. Find more information on [BIVAC's regulations](#).

Contact Information

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. [Notify U.S.](#) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(s) and industry sector(s) of interest, and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce [National Investment Commission](#)

- [Ministry of Commerce and Industry](#)
- [Liberia Revenue Authority](#)
- [Ministry of Finance & Development Planning](#)
- [Bureau Veritas \(BIVAC\) Liberia](#)
- [Liberia Chamber of Commerce](#)
- [U.S. Embassy Liberia](#)

Trade Agreements

Liberia has bilateral and multilateral agreements with a number of countries, including the United States. The Ministry of Commerce and Industry (MOCI) is the designated authority that facilitates duty-free quotas and free trade across Liberia's borders. Liberia has three trade and investment agreements with the United States, under which the country enjoys duty-free and preferential trade benefits. They include the African Growth and Opportunity Act (AGOA), a Trade and Investment Framework Agreement (TIFA), and the Generalized System of Preferences (GSP). Together, these agreements provide duty-free access to about 6,800 products exported from eligible African countries to the United States. 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, machinery, textiles, and optical and medical instruments. Along with other ECOWAS member states, Liberia has a free trade agreement – an Economic Partnership Agreement (EPA) – with the EU, which will gradually open 75 percent of the EU market to ECOWAS countries. It also has a comprehensive timber trade agreement – Voluntary Partnership Agreement (VPA) – with the EU, which aims to control illegal logging and improve forest sector governance.

Liberia and China have agreed on a bilateral trade agreement which grants duty-and quota-free access of 99 percent of goods from Liberia to China. However, the agreement has not yet been used as Liberia currently does not export any goods other than iron ore to China. The MOCI has institutionalized duty-free stamps for the EU under the “Everything But Arms” agreement, and for China under a “Preferential Trade Agreement” with the least developed countries (LDCs). All of these preferential trade and investment agreements, like regional trade agreements including ECOWAS, are linked to cumbersome rules of origin and other non-tariff barriers to trade (NTBs) which make it difficult for Liberian businesses to exploit the opportunities offered. To date, Liberian businesses have rarely been able to export under preferential trade agreements.

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. Liberia became the 163rd member of the WTO in July 2016, and the government continues to streamline its compliance status by standardizing its trade laws, regulations, and policies. The [Liberia National Trade Policy](#) reiterates the government's commitment to remaining compliant with the WTO protocols, with emphasis on promoting private sector growth. The government has enacted laws, such as the Small Business Empowerment Act, Competition Law, Intellectual Property Law, Foreign Trade Law, Insolvency Law, and Special Economic Zones (SEZ) Act, to ensure Liberia business and investment climates are consistent with international norms. 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. Find more details on [Liberia's WTO accession](#). Liberia is ideally situated to have easy access to the growing 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, the license for financial and insurance services is managed by the [Central Bank of Liberia](#), the license for educational services is handled by [Ministry of Education](#); the license for legal services is managed by Liberia Bar Association and the [Ministry of Justice](#); and all accounting and professional services are licensed by the [Liberia Instituted of Certified Public Accountants \(LICPA\)](#).

Web Resources

[Bureau Veritas Liberia](#)

[Ministry of Commerce and Industry](#)

[Liberia Revenue Authority](#)

[Ministry of Foreign Affairs](#)

[Ministry of Agriculture](#)

[Ministry of Health](#)

[Central Bank of Liberia](#)

[Forestry Development Authority](#)

Ministry of Mines & Energy [Website](#) suspended

[SGS](#)

[Ministry of Education](#)

[Ministry of Justice](#)

[National Public Health Institute of Liberia](#)

Investment Climate Statement

Executive Summary

Liberia has a free market system and the government encourages foreign direct investment (FDI) in the economy. However, there is an ongoing legislative debate over draft legislation intended to expand on the “Liberianization” Act of 1973 and the Investment Act of 2010 by further restricting foreign investment in certain sectors. The economy runs on a free-floating exchange regime with both the Liberian and United States dollar used as legal tenders. The National Investment Commission (NIC) is the investment promotion agency responsible for crafting policies and designing programs for improving Liberia’s investment climate. In 2016, the World Bank reported Liberia’s Gross Domestic Product (GDP) at USD 2.101 billion and its per capita [Gross National Income](#) (GNI) as USD 370. The [IMF](#) has projected Liberia’s real GDP growth for 2018 at 4 percent with an average inflation rate of 9.9 percent. In 2016, [the United States’ FDI in Liberia was USD 1 billion and Liberia’s FDI in the United States was USD 461 million.](#)

Foreign investments are regulated by the 2010 Investment Act, the Revenue Code, the Public Procurement and Concessions Act, and relevant regulations such as the National Competitive Bidding Regulations. The 2010 Investment Act guarantees foreign investors the right to transfer profits outside Liberia and it provides protection against expropriation, unlawful seizure, or nationalization. Although the government continues to improve the business regulatory environment by reducing the steps and time required to start a business, Liberia lags in many important measures such as contract enforcement. The World Bank’s 2017 Doing Business Survey ranked Liberia 172 out of 190 countries for ease of doing business, with a score of 43.55/100. For concessions or long-term investment contracts, potential investors often engage in lengthy bidding and negotiation processes. There is an ad hoc cabinet level Inter-Ministerial Concessions Committee (IMCC), which negotiates concession agreements before they are ratified by the legislature and signed by the president to become law.

The government seeks to strengthen institutions and make reforms to improve the investment climate. However, progress in creating an attractive business-friendly environment is hampered by a weak regulatory environment, corruption, lack of transparency, poor infrastructure, and low private sector capacity. In 2017, Transparency International’s corruption perception index (CPI) ranked Liberia at 122th out of 180 countries with a score of 31/100. Sectors that have historically attracted significant investment include iron ore, gold, rubber, palm oil, timber, banking, and telecommunications. Liberia’s main trading partners are the United States, China, India, the European Union (EU), and Côte d’Ivoire. Currently, the export sector is driven by rubber, iron ore, and gold, which together account for about 80 percent of 2017 total exports. ([Central Bank of Liberia, 2017 Annual Report](#)). The best prospect sectors for U.S. investment are agribusiness, manufacturing, transportation, storage and warehousing facilities, energy, construction, real estate, and financial services. Key issues of concern are difficult and opaque procedures for obtaining clear title to property, lack of adequate legal protection for contracts, limited awareness of intellectual property rights (IPRs), pervasive corruption, and poor physical infrastructure.

Table 1

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	122 of 180	http://www.transparency.org/research/cpi/overview

World Bank's Ease of Doing Business	2017	172 of 190	https://tradingeconomics.com/liberia/ease-of-doing-business
Doing Business"			
Global Innovation Index	2017	N/A	https://www.globalinnovationindex.org/analysis-indicator
U.S. FDI in partner country (M USD, stock positions)	2016	USD 1,000	http://www.bea.gov/international/factsheet/
World Bank GNI per capita	2016	USD 370	https://data.worldbank.org/?indicators=NY.GNP.PCAP.PP.KD&locations=LR

Openness To, and Restrictions Upon, Foreign Investment

Policies Towards Foreign Direct Investment (FDI)

The government of Liberia supports domestic and foreign investments to drive the economy. Liberia’s economy is based on a free enterprise system with both the United States dollar (USD) and Liberian dollar (LRD) accepted as legal tender. Despite efforts to improve the general investment climate, Liberia still lags behind many countries in sub-Saharan Africa. The NIC is the investment promotion agency that facilitates foreign investment, promotes investment policy reforms, and serves as the chief negotiator for concession agreements. It collaborates with other trade and investment-related agencies such as the Ministry of Commerce and Industry (MOCI), National Bureau of Concessions (NBC), and the Public Procurement and Concessions Commission (PPCC). While the NIC handles the policy aspects of concession agreements, the NBC monitors compliance and evaluates performance of both the concessionaires and the government. The NBC’s mandate includes providing technical assistance to agencies involved with the implementation of concessions as well as developing and maintaining a central repository for concession information. The [Liberia Chamber of Commerce \(LCC\)](#), whose membership is open to both local and foreign businesses, is the only organization in the country that is authorized to issue Certificates of Origin (CO) to exporters. The LCC convenes formal business roundtable discussions around critical policy issues affecting the larger business community.

Limits on Foreign Control and Right to Private Ownership and Establishment

Foreign and domestic private entities have the right to establish and own business enterprises and engage in all forms of remunerative activity. In the 2010 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. For example, foreign investors are required to apply for new residence permits annually at a cost of USD 3,000. In addition, the 2010 Investment Act imposes general statutory limits on foreign ownership of or entry into 16 business activities/enterprises, and sets minimum foreign capital investment thresholds in 12 others. According to the 2010 Investment Act:

Ownership of the following 16 business activities/enterprises 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, (7) Tire repair shops, (8) Auto repair shops with investment of less than USD 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, and (16) Importation and sale of used cars (except authorized dealerships, which may deal in certified used vehicles of their make).

Foreign investors may invest in the following 12 business activities provided they meet minimum capital investments thresholds:

(1) Production and supply of stone and granite, (2) Ice cream 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 2010 Investment Act 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, the aggregate shareholding of the Liberians must be at least 25 percent and the total capital invested shall not be less than USD 300,000. After the restrictions put in place by the 1973 “Liberianization” Act and the 2010 Investment Act failed to effectively increase Liberian participation in commercial industries, in December 2014 the government vowed to strictly enforce its 25 percent local procurement rule—as stipulated in the Small Business Empowerment Act of 2014—by allocating at least 25 percent of government procurement contracts to Liberian-owned businesses. At least 5 percent of these contracts shall be allocated to women-owned SMEs. The 2010 Investment Act eliminated a prior mandate that foreign-owned companies must employ qualified Liberians at all levels. However, most investment agreements dictate that foreign-owned companies employ a defined percentage of Liberians at all senior management levels, and it can be difficult to recruit qualified staff for these positions. If passed, the draft “Business and Economic Empowerment Act,” which is pending in the legislature, would reinforce and expand this law to additional sectors of the economy, setting the minimum capital threshold at USD 2 million. The draft law would also mandate that Liberians hold at least 30 percent of the senior management positions in the enterprise.

Business registration regulations enable a foreign company to open a fully-owned subsidiary. Certified documentation of proof of a holding company is required along with other necessary documents during registration. While the Liberian constitution restricts land ownership to citizens, the acquisition of public land by non-Liberians is possible through leasehold, which can run for 25-50 years, but exceptions are permitted under the law. The government does not maintain investment screening (approval) mechanisms for inbound foreign investment. There are no laws especially intended to disadvantage U.S. investors or single them out; generally, Liberians welcome U.S. investment as well as American products, which they consider to be of exceptional quality.

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. After nearly ten years of negotiations, Liberia became a member of the [World Trade Organization \(WTO\)](#) on July 14, 2016. The WTO has not yet conducted Liberia’s Trade Policy Review (TPR); the frequency of each country’s review varies according to its share (volume) of world trade.

The following links list countries for which [OECD](#), [WTO](#) (in context of a trade policy), and UNCTAD have conducted investment policy reviews:

Business Facilitation

All businesses are required to register and/or obtain an authorization to conduct business or provide services in Liberia. All business entities must register with the Liberia Business Registry (LBR). The LBR’s business

registration services are accessible to local and foreign companies at its head office in Monrovia. A foreign company establishing a subsidiary in Liberia 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 a service, or take part in a bid in Liberia, it must apply to the LBR for an “Authority to do Business” in Liberia. The LBR does not have an online business registration platform. A foreign company must obtain investment approval from the NIC to benefit from investment incentives (<http://investliberia.gov.lr/new>). More detailed information is available on the World Bank’s Investing Across Borders website: <http://iab.worldbank.org/Data/ExploreEconomies/liberia#starting-a-foreign-business>.

Certain business categories require a notarization by the government. American companies are advised to refer to the U.S. Embassy in Monrovia (<https://lr.usembassy.gov/business/>) for advice on registration processes. In general, the LBR aims to implement a single window registration process and the wait-time required to register a business ranges from 3-4 working days. Foreign investors must use a local counsel when establishing a subsidiary in Liberia. The LBR’s business facilitation mechanism does not provide different treatment for women and underrepresented minorities. The registration procedures and standards are the same across all categories of people.

UNCTAD (<http://investmentpolicyhub.unctad.org/Publications/Details/148>) provides an outline of investment facilitation proposals. The World Bank (<http://iab.worldbank.org>) provides quantitative indicators on economies’ laws, regulations and practices affecting how foreign companies invest across sectors, start businesses, access industrial land, and arbitrate disputes. It also provides indicators from economies on the ease of starting a limited liability company, based on a survey of incorporation lawyers (<http://www.doingbusiness.org/data/exploretopics/starting-a-business#close>). Global Entrepreneurship Network (www.GER.co) provides links to business registration sites worldwide. The site’s 10 green dot rating indicates whether a website provides clear and complete instructions for registering a limited liability company.

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 the NIC’s website, <http://investliberia.gov.lr/new/>

Bilateral Investment Agreements and Taxation Treaties

Liberia has Bilateral Investment Treaties (BITs) with the following countries: BLEU (Belgium-Luxembourg Economic Union), France, Germany, and Switzerland (<http://investmentpolicyhub.unctad.org/IIA/CountryBits/118#iiaInnerMenu>). It also has the following Treaties with Investment Provisions (TIPs): Trade and Investment Framework Agreement (TIFA) with the Economic Community of West African States (ECOWAS), ECOWAS Supplementary Act on Investment, Liberia-U.S. TIFA, ECOWAS Energy Protocol, Cotonou Agreement, Revised ECOWAS Treaty, AU Treaty, ECOWAS Protocol on Movement of Persons and Establishment, and ECOWAS Treaty. In March 2018, Liberia signed on to the African Continental Free Trade Area and associated Protocol on the Free Movement of People (<http://investmentpolicyhub.unctad.org/IIA/CountryOtherIias/118#iiaInnerMenu>). Liberia also 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 the Multilateral Investment Guarantee Agency (MIGA) Convention, The International Centre for Settlement of Investment Disputes (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.

BITs with third countries are available at the following link:<http://investmentpolicyhub.unctad.org/IIA/IiasByCountry#iiaInnerMenu>

A list of all countries with which the United States currently has bilateral investment treaties is available at: <http://www.state.gov/e/eb/afd/bit/117402.htm> and free trade agreements (FTAs) at <http://www.ustr.gov/trade-agreements/free-trade-agreements>. (The NAFTA and all U.S. FTAs (except Bahrain) entered into since 2002 contain investment chapters.)

A list of all countries with which the United States has bilateral income tax treaties is available at: <https://www.irs.gov/businesses/international-businesses/united-states-income-tax-treaties-a-to-z>.

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. It has enacted the Competition Law, Foreign Trade Law, Intellectual Property Act and the Insolvency and Restructuring Act (*Chapter 8 of Commercial Code*). These laws align with existing laws, statutes, policies, and regulations to promote a transparent and predictable business environment, and foster competition on a non-discriminatory basis. Generally, the legal and regulatory procedures in Liberia fall below international norms in terms of transparency, application, 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 and there is no centralized online location where key regulatory actions or their summaries are published. However, the MOCI has a portal (website) of the collection of business-related laws and regulations (<http://www.moci.gov.lr/2content.php?sub=164&related=16&third=164&pg=sp>). The Liberia Legal Information Institute also maintains an online repository to access legal documents including legislative acts (<http://www.liberlii.org>). Also regularly available are press releases, newspaper articles, radio talk-shows, and handouts that enable public discussions of proposed new laws or draft bills that may have a significant impact.

Significant investment, both foreign and domestic, exists in Liberia, especially in the extractive sectors, and the government continues to streamline relevant laws to align with the WTO protocols. However, ministries and agencies often have overlapping responsibilities, which can result in inconsistent application of the laws. Some officials can be arbitrary or heavy-handed when resolving conflicting regulatory issues. Regulatory agencies include the Forestry Development Authority (FDA), which regulates issues arising in forestry sector; the Civil Aviation Authority (CAA), which regulates aviation businesses; the Liberia Telecommunications Authority (LTA), which regulates telecommunications activities; the Liberia Maritime Authority (LMA), which regulates issues arising in the maritime sector; the National Port Authority (NPA), which owns and regulates port infrastructures; the Liberia Revenue Authority (LRA), which administers tax collections, tariffs and customs, and provides tax or customs related services; the Liberia Extractive Industry Transparency Initiative (LEITI), which monitors, reconciles, and reports on payments made by extractive companies to the government and to local communities, and the *Liberia Land Authority* (LAA), which has a mandate for land policy, land administration, and oversight of land management regulation and use functions.

The World Bank (<http://rulemaking.worldbank.org/>) provides data for 185 economies on whether governments publish or consult with public about proposed regulations.

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 continues to standardize and harmonize 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. Liberia is a new member of the WTO, having completed negotiations of its accession terms in July 2016. 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 to build up crucial trade infrastructure based on international standards to encourage fair competition in line with the WTO standards.

Legal System and Judicial Independence

Liberia has three independent branches of government. The Judicial Branch of government is vested in the Supreme Court, subordinate magistrate, and county courts. The judicial system has no courts of appeal, and appeal cases from county courts go directly to the Supreme Court, placing a tremendous burden on the Supreme Court's panel of five judges. The 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 ambiguous. All courts are sanctioned to apply both statutory and customary laws; there is a system of customary law recognized in the court system by the Judiciary Law of 1972. There is also a traditional court system in rural areas that is governed by the 2001 Revised Rules and Regulation Governing the Hinterland of Liberia (<https://www.documents.clientearth.org/library/download-info/regulation-2001-revised-rules-and-regulations-governing-the-hinterland-of-liberia/>). 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 that 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 a Commercial Court consisting of a panel of judges that was established to resolve commercial transactions and contractual issues. In theory, the court presides over all financial, contractual, and commercial disputes, serving as an additional avenue to expedite commercial and contractual cases. In practice, weak capacity and a lack of adequate regulatory frameworks limit the court's effectiveness. The court does not have a mandate to hear IP claims. There is a commission that hears claims of unfair labor practices.

Laws and Regulations on Foreign Direct Investment

To obtain a new concession agreement or long-term investment contract, potential investors engage in lengthy bidding and negotiation processes. Other legal instruments relating to foreign investment include the Revenue Code, Public Procurement and Concessions Act, Competition Law, Commercial Code, Financial Institution Act (Banking Law), Foreign Trade Law of Liberia, Association Law, Special Economic Zone Act and Liberia Intellectual Property Act. The Public Procurement and Concessions Act and related laws theoretically provide standardized and transparent systems, and procedures for awarding concessions and public tenders. The laws provide guidelines for requests for Expressions of Interest (EOI), International Competitive Bids (ICB), and Invitations to Bid (ITB), but they are often poorly advertised, hampering the process from the onset. If a ministry or agency proposes to grant a concession, it requests a Certificate of Concession from the Ministry of Finance and Development Planning (MFDP). Upon receipt of the certificate, the concession entity requests the President of Liberia constitute an ad hoc Inter-Ministerial Concession Committee (IMCC), which is chaired by

the NIC. Statutory members of the IMCC include the Ministers of Justice, Finance and Development Planning, Labor, and Internal Affairs. The IMCC is responsible for reviewing and evaluating bids as well as negotiating, approving, and awarding concession agreements in line with the Public Procurement and Concessions Act. The President of Liberia submits the IMCC-awarded concessions to the Legislature for approval and ratification. A ratified concession becomes law after having been signed by the president and printed into handbills by the Ministry of Foreign Affairs. Depending on contract clauses and stipulations, a re-negotiation and subsequent round of ratification may be necessary in certain cases, such as ownership transfers. There is no primary “one-stop-shop” website for investment or website for investment laws, rules, procedures, and reporting requirements for investors. However, the NIC can provide sector-specific investment counseling and/or advisory services at investors’ request. 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;

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

<http://investliberia.gov.lr/new/>: 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.

<http://www.moci.gov.lr/>: Ministry of Commerce and Industry (MOCI) advises the government and designs policies and programs for the development and promotion of trade, commerce, and industry (Note: the MOCI website is temporarily inoperable.)

Competition and Anti-Trust Laws

The MOCI is responsible for inspecting and reviewing transactions for competition-related concerns. It is also responsible for the administration, investigation, and enforcement of competition-related issues in line with the Competition Law. The law was enacted in 2016 in order to allow the government to comply with the WTO requirements to encourage a free market economy by promoting fair competition. The Government of Liberia (GOL) does not have anti-trust laws.

Expropriation and Compensation

The 2010 Investment Act guarantees and 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 (METCO vs. NPA, 2002-2015) in which the claimant (METCO) 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 could 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 allow 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 MIGA Convention that guarantees the protection of foreign investments.

Dispute Settlement

ICSID Convention and New York Convention

Liberia is a member of the ICSID Convention – also known as the Washington Convention – and the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards – also known as the New York Arbitration Convention. The Commercial Code is the specific domestic legislation, which provides for enforcement of awards under the 1958 New York Convention and/or under the ICSID Convention. The Investment Act provides that “the courts of Liberia shall have jurisdiction over the resolution of business disputes, parties to an 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/en/Pages/about/Database-of-Member-States.aspx>

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>

Investor-State Dispute Settlement

Liberia is a member of the ICSID Convention and a signatory to the MIGA Convention that guarantees the protection of foreign investments. The Civil Procedure Law governs both domestic and international arbitrations taking place in Liberia; 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. The administration of 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 BIT or FTA with an investment chapter with the United States. 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. Liberia is also a signatory to the ECOWAS Treaty containing investment-state dispute settlement (ISDS) provisions. There is no recent history of extrajudicial action against foreign investors in Liberia.

International Commercial Arbitration and Foreign Courts

The 2010 Investment Act 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 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. There are other codes, statutes, and legislative provisions – including the Liberian Civil Procedure Law – governing commercial arbitration and recognizing arbitration as a means of resolution between private parties in commercial transaction, based on the model of United Nations Commission on International Trade Law (UNCITRAL). 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. The U.S. Embassy is not aware of investment disputes involving state owned enterprises (SOEs) and foreign investors.

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. The Central Bank of Liberia (CBL) runs a Credit Reference System (CRS) which provides limited credit information on borrowers' creditworthiness to commercial banks and non-bank financial institutions, which use the system to generate credit information on potential borrowers.

Industrial Policies

Investment Incentives

The government offers different forms of investment incentives to foreign investors as stipulated in the Revenue Code and the 2010 Investment Act. The NIC and the MFDP are the authorities, which provide such incentives. Foreign investors who meet the statutory eligibility criteria for incentives must apply to the Minister of Finance and Development Planning. The Revenue Code specified that the investment activity must be in one of the following sectors in order to qualify for incentives: Tourism - carried out through tourist resorts, hotels, and cultural sites; Manufacturing or assembly for export - with at least 60 percent local raw material content; Energy - equipment and machinery, capital spare parts, and specialized capital goods; Hospitals and medical clinics; Low and medium income housing; Transport infrastructure - equipment and machinery, capital spare parts and specialized capital goods; Information technology - high impact ICT; Banking - in non-bank areas such as the southeastern region; Horticulture and poultry - equipment and machinery, capital spare parts, and specialized capital goods; Exportation of sea products - equipment and machinery, capital spare parts, and specialized capital goods; Agricultural and food crop cultivation - equipment and machinery, capital spare parts, and specialized capital goods, and; Waste management - equipment and machinery, capital spare parts, and specialized capital goods

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 duties, and goods and services tax exemptions. Tax incentives are subject to legislative approval as stated in the Revenue Code: "for investments exceeding USD 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 Minister of Finance 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. For example, in October 2017 the government passed the Forestry Industrial Development & Employment Regime Act of 2017. The act incentivizes forestry companies to accelerate investment in processing industry by offsetting investments in downstream industries--such as saw mills, dryers, plywood factories, etc.--against a portion of the tax bill that comes from the bid premiums. Information on how to access special investment incentives is available on the NIC's website: http://investliberia.gov.lr/new/page_info.php?&7d5f44532cbfc489b8db9e12e44eb820=Mzk3

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

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

Liberia Revenue Authority (LRA): <http://www.lra.gov.lr/>

Ministry of Finance & Development Planning (MFDP): <https://www.mfdp.gov.lr>

Foreign Trade Zones/Free Ports/Trade Facilitation

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

However, in October 2017, the President of Liberia signed into law the Special Economic Zone Act (SEZA), which authorized the establishment of the Liberia Special Economic Zone Authority (LSEZA). The act combines the Liberia Industrial Free Zone Authority (LIFZA) and Monrovia Industrial Park (MIP), and allows the LSEZA to set aside exclusive areas for industrial production, and processing for domestic and export markets. The SEZA further incorporates all levels of the value chains of industries located within Special Economic Zones (SEZs) into SEZ exempt status. The LSEZA is responsible for proposing, regulating, supervising, and monitoring all areas or sites it may earmark as SEZs in the country. The LSEZA coordinates with other agencies such as the NIC, the MOCI, and the LRA to issue applicable licenses, permits, certificates, and other required authorizations. The SEZ Act mandates the LSEZA to set up a one-stop shop providing necessary administrative services including registration and issuance of licenses, permits, and certificates. According to the SEZ Act, “national tax and incentive regimes designated by applicable law shall not apply in the SEZs; an entire SEZ or any part thereof would constitute a customs-controlled area.” The LSEZA will collaborate with the MOCI and the NIC to promote the export sector through the National Export Strategy, which focuses on the manufacturing and export of agriculture products including oil palm, rubber, cocoa, and fish products. The government recently established the LSEZA and started implementing the law.

Performance and Data Localization Requirements

The GOL, through the Decent Work Act, mandates local employment; the act stipulates that “the Ministry (Ministry of Labor) 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 March 2018, the Ministry of Labor issued a notice requiring all employers to regularize the employment status of their employees in preparation for a planned nationwide labor inspection in line with the Decent Work Act. In practice, foreign investors usually face difficulty in finding the right skills for certain high profile technical or managerial positions. However, the 2010 Investment Act eliminates a mandate that foreign companies must employ qualified Liberians “at all levels.” There are no excessively onerous visa, residence, work permit, or similar requirements that inhibit mobility of foreign investors and their employees; however, long term investors must renew their residence and work permits annually. Liberia 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” stamp. 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 GOL requires the residence/work permits to be renewed annually and charges a fee for renewal. There are no government-imposed conditions that hinder companies’ abilities to invest in Liberia.

The NIC has a “local content” policy included in certain major investment contracts mandating a certain percent of domestic content, goods, or raw materials. Although the “local content” policy exists, in practice the government has not followed the “forced localization” policies intended to compel foreign investors to use domestic content in goods or technology. 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. Information on investment and details on specific performance requirements can be obtained from the NIC (<http://investliberia.gov.lr/new/>).

The 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. In February 2018, the President of Liberia constituted a nine-member committee mandated to review all agreements and contracts currently in place with concessionaires.

Protection of Property Rights

Real Property

Property rights and interests are protected but the enforcement mechanisms are usually weak. Mortgage and liens do not exist. Land ownership in Liberia is restricted to Liberian citizens. 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." Acquisition of land by foreign and/or non-resident investors is only possible through rent or leasehold. Leases ordinarily run for 25-50 years, but exceptions are permitted under the law. Land ownership, lease, and use are governed by both statutory and customary laws. 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. There is no definite record for the exact proportion of land without clear title although the government encourages property owners to register land titles. A significant proportion of land is without clear title, and the Liberia Land Authority (LLA) has estimated that less than 20 percent of the country's total land is formally registered. The Liberia Land Authority (LLA) acts as a one-stop shop for all land issues including land governance, land administration, land management, and land policy and planning. It guides and implements the government's land policy, which categorizes land into Public Land, Government Land, Customary Land, and Private Land.

The U.S. Embassy is aware of concessions-related land challenges that 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. According to the World Bank's Doing Business Survey (2018), Liberia scored 31.04 out of 100 in registering property with a rank of 183. See more details at: <http://www.doingbusiness.org/data/exploreeconomies/liberia>

Intellectual Property Rights (IPR)

The Liberia Intellectual Property Act of 2014 covers such areas as domain names, traditional knowledge, transfer of technology, and patents/copyrights, etc. The law provides the legal and administrative framework for the protection of copyrights and IPR. The Intellectual Property Act requires setting up the "Liberia Intellectual Property Office (LIPO)" as a corporate semi-autonomous agency functioning under the administrative oversight of the MOCI. The LIPO includes a Copyright Department dealing exclusively with copyrights and an Industrial Property Department dealing with industrial property rights issues. The legal and regulatory environments for IP protections in Liberia are weak: the level of IP law enforcement is poor and infringements on rights are common. Although the MOCI exercises oversight on IP issues, it does not have an effective system in place or technical capacity 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 unfamiliar with IP rights and there is a general lack of knowledge about what constitutes an IP infringement. Infringement of IPR 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 in various markets, stores, shops, and by vendors. With responsive legal environment and effective enforcement mechanisms, the IP law could improve the protections of IPR in Liberia. Liberia is not listed in USTR's 2017 Special 301 Report (<https://ustr.gov/issue-areas/intellectual-property/special-301/2017-special-301-review>). It is not also listed in the notorious market report (See 2017 listings at: <https://ustr.gov/sites/default/files/files/Press/Reports/2017%20Notorious%20Markets%20List%201.1.18.pdf>)

Liberia is not listed on the USTR's 2017 Out-Of-Cycle Review of Notorious Markets, or in the 2018 Special 301 Report. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>. For questions concerning completion of this section or anything related to IP, please email: EB-A-IPE-DL@state.gov.

Financial Sector

Capital Markets and Portfolio Investment

The government does not have foreign portfolio investments abroad and there is no domestic capital market or portfolio investment option, such as a stock market, in the country. Therefore, private sector investors have limited credit and investment options. The Central Bank of Liberia (CBL) uses financial instruments such as Treasury bills (T-bills) in an effort to develop a capital market. 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. The CBL continues to promote interbank market, money market, secondary market, and investor's education as well as public awareness. It drafted a framework on interbank lending and foreign exchange trading market (IFXM) and guideline on repurchase and reverse repurchase agreement (Repo).

Money and Banking System

According to the CBL, banking services within Liberia are provided by nine commercial banks, 90 branch outlets (payment windows/annexes), a development finance company and a deposit-taking microfinance institution. Eight of the commercial banks are foreign banks. There are numerous intermediate financial services providers across the country, such as licensed foreign exchange bureaus, microfinance institutions, credit unions, rural community finance institutions, and village savings and loans associations. The CBL reported that commercial banks' balance sheets indicate strong growth in the performance of the banking sector in 2017; however, the growth was driven mainly by the depreciation of the Liberian dollar (LRD) against the United States dollar (USD). In 2017, total assets of the sector rose by 30 percent compared with 5 percent in the previous year and total deposits grew by nearly 20 percent compared with only 4 percent growth in 2016. The sector recorded an average capital position of USD 15.3 million, which exceeds the CBL mandatory minimum capital requirement of USD 10 million and represents an increase of 13 percent compared to the average capital for 2016; it also indicates excess liquidity and low profitability. Liquidity remains strong with a ratio of 42 percent, which is in excess of the CBL required minimum liquidity ratio of 15 percent; this excess liquidity indicates a lack of worthy investment opportunities in the economy, (*Central Bank of Liberia, 2017 Annual Report*, <https://www.cbl.org.lr/2content.php?sub=155&related=29&third=155&pg=sp>). Non-interest income, such as fees and commissions, constitutes the largest portion of the banking sector's income.

Non-performing loans and poor asset quality, which depress profitability in the sector, remain major challenges. The ratio of non-performing loans (NPLs) to total loans increased from 11.8 percent in 2016 to 13.6 percent in 2017, (*Central Bank of Liberia, 2017 Annual Report*, <https://www.cbl.org.lr/2content.php?sub=155&related=29&third=155&pg=sp>). The current level of NPLs is partly influenced by the weak export sector and the low prices of Liberia's primary export commodities. Commercial banks face persistent challenges in profit generation and loan repayment. In one attempt to address the situation, the CBL – with support from the Liberia Bankers Association and commercial banks – publishes the names of non-complaint and delinquent borrowers in daily newspapers; individual commercial banks sometimes publish both names and photographs. 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 between 12 and 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 that are necessary for credit approval. Banks rely on the CBL's Credit Reference System, a manually updated spreadsheet which is not yet automated. The Credit Reference System contains credit history and/or any derogatory information about certain creditors and it provides credit information on borrowers to commercial banks and non-bank financial institutions. The CBL also has a collateral registry, mostly used to vet and support MSMEs, which has been digitized.

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. There are no clear or definitive rules on hostile takeovers. The obstacles to domestic travel including an insufficient and poorly maintained road network, 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. Alternative financial services are available, such as Rural Community Finance Institutions (RCFIs) and digital financial services including mobile money services. The RCFIs are involved in the payment of civil servants' salaries, particularly teachers and health workers in rural regions; they also provide salary-based loans, and money transfer services including remittances and mobile money transactions. In 2017, mobile money activities expanded nationwide as agent networks and users increased. There are two mobile money providers: Lonestar Cell MTN and Orange Communication.

Foreign Exchange and Remittances

Foreign Exchange Policies

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 payments, or royalties). Liberian law allows for the transfer of dividends and net profits after tax to investors' home countries. The 2010 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 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 there could be considerable delays associated with attempts to exchange large sums of money.

Liberia has a floating exchange rate system with both LRD, known as "Liberty" notes, and USD used as legal tender. The exchange rate is determined by market supply and demand. 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 more than 70 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.

The Annual Report on Exchange Arrangements and Exchange Restrictions, published by the International Monetary Fund (IMF), describes the foreign exchange regimes of every IMF member: <https://www.imf.org/en/Publications/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions/Issues/2017/01/25/Annual-Report-on-Exchange-Arrangements-and-Exchange-Restrictions-2016-43741>

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 USD 1 million 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 USD 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 (KYC) rules. The thresholds are USD 25,000 and above for individuals, and USD 40,000 and above for corporations. Liberia does not engage in currency manipulation tactics. The channels through which remittances are sent in Liberia are Western Union, Money Gram, RIA Money Transfer, and wire transfer. 25 percent of inward remittances in USD must be cashed out in LRD. There are also some non-bank money-transfer outlets known as “hawala” systems, which informally transfer money, mainly to neighboring countries.

Sovereign Wealth Funds

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

State-Owned Enterprises

Liberia has nearly 20 SOEs most of which are wholly government-owned, with a workforce of more than 10,000 people. The SOEs operate in several sectors including port services, airports and civil aviation, electricity supply, oil and gas, water and sewage, agriculture and forestry, maritime, petroleum importation and storage, and information and communication technology (ICT) services. The SOEs are semi-autonomous, and their boards of directors are generally governed by relevant government ministries and the board members appointed by the President of Liberia. Liberia’s SOE sector remains a key part of its economic development agenda, and the management and operation of the SOEs is guided by the Public Financial Management (PFM) Law. 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 synchronized links to all the SOEs in the economy. Through the SOEs Financial Performance Report, the Ministry of Finance and Development Planning tracks the performance of SOEs as individual entities as well as the performance of SOEs sector; the report includes income statements, balance sheets, and cash flow statements of the SOEs. The country fact sheets provide information on competition from SOEs in the oil, gas and mining sectors for over 50 countries (<https://resourcegovernance.org/countries>). Information on SOEs in OECD and partner countries is available at: <http://www.oecd.org/daf/ca/soemarket.htm>

Privatization Program

There are no established and harmonized programs or policies for privatization.

Responsible Business Conduct

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. Generally, the government expects foreign investors to offer social services to the local communities in which they operate and to contribute to the county social development fund, which is intended to support development activities in communities adjacent to concessions. The government can and frequently does include in concession agreements clauses that oblige investors to provide social services such as educational facilities, health care, and other essential amenities. Concession contracts dictate service provision including, but not limited to, road and infrastructure development, school construction, and health services. Even after a concession has been ratified by the legislature, most investors find that communities expect them to negotiate separately with community leaders for the provision of additional social services. This negotiation process can be cumbersome, lead to delays and confusion, and greatly increases operational costs.

The authorities do not clearly define RBC, and there are not policies or a national action plan to promote or encourage RBC. The government does not factor RBC policies or practices into its procurement decisions. It 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 weaknesses, 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), and workers' organizations/unions that promote or monitor RBC of foreign companies in certain sectors. However, the NGOs and CSOs that are monitoring or advocating for RBC do not conduct their activities in a structured and coordinated manner. The GOL does not maintain a National Contact Point (NCP) for OECD multinational enterprises guidelines.

Corruption

The law does not provide explicit criminal penalties for official corruption, although criminal penalties exist for economic sabotage, mismanagement of funds, bribery, and other corruption-related acts. Corruption is both a real and perceived problem in Liberia's public and private sectors. Corruption persisted throughout the government and Transparency International's 2017 corruption perception index ranked Liberia 122 out of 180 countries surveyed. Some officials engaged in corrupt practices with impunity. Low pay for civil servants, minimal job training, and little judicial accountability exacerbated official corruption and contributed to a culture of impunity. There are laws, regulations, and institutions to counter public sector corruption including conflict-of-interest in awarding government procurement contracts. However, general weakness in the judicial system hinders effective implementation of these laws and regulations. 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. 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 currently 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 U.S. government 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 U.S. government 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 systems, regulatory systems, 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 reports on corruption allegations implicating both the legislative and the executive branches. The government does not provide NGOs involved in investigating corruption cases any special protection.

Resources to Report Corruption

Contacts at government agencies responsible for combating corruption:

Liberia Anti-Corruption Commission (LACC), Monrovia, Liberia (<http://lacc.gov.lr>)

General Auditing Commission (GAC), Monrovia, Liberia (<http://www.gac.gov.lr>)

Contacts at "watchdog" local organization operating in Liberia:

Anderson Miamen, Executive Director, Center for Transparency and Accountability in Liberia (CENTAL) (<http://www.tiliberia.org/>) Telephone Number: (231) 886-818855, (231) 886-677860, Email: admiamen@cental.org

Political and Security Environment

In 2017, Liberia peacefully conducted two rounds of presidential and general elections. The election of George Weah as President of Liberia marked a major political transition for public institutions, which are already facing capacity and budgetary challenges. Weah's inauguration as the new President of Liberia on January 22, 2018 ended former President Ellen Johnson Sirleaf's 12 year administration and marked Liberia's first peaceful transfer of power from one elected president to another since 1944. Although there could be potential for sporadic and isolated political violence, no infrastructure has been damaged by any such unrest in recent years. Increasing freedom of speech for Liberians as well as the free media landscape in the country has led to vigorous pursuit of civil liberties, which results in active, often acrimonious political debates. There are a number of radio stations and newspapers in the country. The government has identified land disputes, and high rates of youth and urban unemployment as potential threats to security, peace, and political stability.

On March 30, 2018, the United Nations Mission in Liberia (UNMIL) officially withdrew from the country after several extensions of the peacekeeping mandate, the most recent of which permitted UNMIL to remain through the conclusion of the 2017 elections. The Liberia National Police (LNP) and the Armed Forces of Liberia (AFL) are principally responsible for Liberia's security. Other special security entities include the Executive Protection Service (EPS), Drug Enforcement Agency (DEA), Liberia Immigration Service (LIS), and National Security Agency (NSA). The United States and other international donors have assisted in training the AFL and Liberia's law enforcement agencies to be effective in responding to emergency situations.

The Armed Conflict Location & Event Data Project (ACLED) (<http://www.acleddata.com/>) provides visuals showing trends in political violence in Asia and Africa.

Labor Policies and Practices

Much of the Liberian labor force is illiterate and unskilled as most Liberians, particularly those in the rural areas, lack basic vocational or computer skills. Liberia does not have reliable or official data on labor force

statistics such as the unemployment rate. According to the Liberia Institute for Statistics and Geo-Information Services (LISGIS), only about 52 percent of adult Liberians are literate—meaning they can read and write in any language—with a lower literacy rate in rural areas. In its Household Income and Expenditure Survey (HIES 2016), LISGIS reported that on the average, the literacy rate among males is 30 percent higher than the rate among females. The percentage of the population with a university education is less than 10 percent.

Liberia's domestic market is too small to support high volume (cost effective) production. The majority of formally employed Liberians work for the government. The LISGIS estimates a relatively lower unemployment rate (3.9 percent) in the formal sector. However, this masks the fact that 4 out of 5 Liberian workers (80 percent) are estimated to be engaged in "vulnerable employment" and/or "informal employment." Unemployment is particularly high among the youth. Young women also have a harder time finding employment than young men. According to a 2018 International Labor Organization (ILO) report, more than 18.8 percent of males and 34.2 percent of females are unemployed. The informal and vulnerable employment sectors are characterized by inadequate earnings as well as difficult or dangerous conditions that undermine workers' basic rights. There are migrant workers throughout the country, particularly in the services sector and at artisanal diamond and gold mines. The Ministry of Labour (MOL) largely attributes the high proportions of people in the vulnerable and informal employment sectors to the weak capacity of the private sector to create more employment opportunities. It also cites as a factor Liberians' reliance on the government for employment opportunities. The manufacturing sector is relatively weak, due to high production costs driven by limited financing opportunities for the private sector and poor infrastructure, including limited access to electricity. There is an acute shortage of specialized labor skills, particularly in medicine, ITC, and science, technology, engineering and mathematics (STEM).

The labor law gives preference to employing Liberian citizens, and most investment contracts require companies to employ a defined percentage of Liberians, including in top management positions. 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. The Decent Work Act guarantees freedom of association, and employees have the right to establish and become members of organizations of their own choosing without prior authorization, with the exception of civil servants and employees of SOEs. In term of formal labor, the new government has signaled its intent to enforce 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 membership in a labor organization. Unions are independent from the government and political parties. Employees through their associations or unions often demand and, sometimes, strike for compensation. When a company's ownership changes, workers sometimes seek payment of obligations owed by previous owners or employers. The labor law provides that labor organizations including trade or employees' 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. 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 wage issues remained critical in negotiating CBAs, labor unions are shifting their attention and demands to other socioeconomic issues, such as better housing, health, and education facilities. The law prohibits unions from engaging in partisan political activity, such as active political campaigns during elections period. Workers, except civil servants, have the right to strike provided that the MOL is notified of their intent to do so. 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 rights for workers and contains provisions on employment and termination of employment, minimum conditions of work, occupational safety and health, workers' compensation, industrial relations, and employment agencies. It also provides for periodic reviews of the labor market as well as adjustments in wages as the labor conditions dictate. The MOL does not have an adequate or effective inspection system to identify and remedy 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. In March 2018, the MOL urged all employers to regularize and make full disclosure of their foreign employees in line with the Decent Work Act.

OPIC and Other Investment Insurance Programs

There is potential for the operation of the Overseas Private Investment Corporation's (OPIC) programs in the Liberian economy. Generally, financing for large-scale projects is sourced from international bilateral and multilateral donors including the United States, the EU, the World Bank, the African Development Bank, and the IMF. Potential for project financing under OPIC's programs exist in the energy, road construction, agricultural value addition, healthcare delivery system, education, and water and sanitation sectors. There is an existing OPIC agreement between Liberia and United States 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 supported 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 USD 20 million direct loan to International Bank Liberia (IB) to support long-term lending to the Liberian private sector in the construction, services, manufacturing, agribusiness, hospitality, and transportation sectors. There are other international bodies, such as China and India EXIM Banks, which are providing significant investment financing or insurance to their firms in Liberia, but their presence does not make it difficult for U.S. firms to compete.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

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

	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data:
Economic Data	Year	Amount	Year	Amount	
Liberia					
Gross Domestic Product (GDP) (M USD)	2015	USD 2,034	2016	USD 2,101	https://data.worldbank.org/country/liberia
Foreign Direct Investment	Host Country Statistical Source		USG or International Statistical Source		USG or International Source of Data:

			Statistical Source		
U.S. FDI in Liberia (M USD, stock positions)	2015	USD 1,065	2016	USD 1,041	BEA data available at https://www.bea.gov/international/factsheet/factsheet.cfm?Area=420
Liberia's FDI in the United States (M USD, stock positions)	2015	USD 501	2016	USD 461	BEA data available at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % Liberia GDP	2015	35.45	2016	N/A	https://www.theglobaleconomy.com/Liberia/Foreign_Direct_Investment/

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.

Contact for More Information

Embassy Monrovia Economic & Commercial Section
 Email: Monrovia-Commerce@state.gov

Trade and 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 the United Bank for Africa (UBA), offer international Visa debit card services for their 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 waiting period ranges from a few hours to three business days. CBL regulations limit individuals without bank accounts to two over-the-counter transfers of up to USD\$5,000 within a 30-day period.

For more information about the methods of payment or other trade finance options, please read the [Trade Finance Guide](#).

Banking Systems

The CBL is responsible for licensing, regulating, and overseeing the financial sector in Liberia. In 2017, the banking sector recorded growth in key balance sheet indicators including liquidity, capital position, and net shareholders' worth. Total banks' assets rose by 30.1 percent, total capital by 38.4 percent, total deposits by 19.4 percent, and total loans by 36.1 percent. However, the CBL attributed the banking sector's growth mainly to the depreciation of the value of the Liberian dollar against the U.S. dollar. Liquidity for the sector remained high during the year with a liquidity ratio of 41.8 percent, far above the CBL's mandatory 15 percent minimum requirement. Most banking institutions operate as repositories for funds and provide short-term trade financing and operating capital to businesses that have good credit records. 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 manual Credit Reference System (CRS) which provides information to banks and non-bank financial institutions about borrowers' credit history, including any derogatory information. The CBL has a centralized Collateral Registry used by financial and non-financial institutions to register security interests in movable property only. Its primary objective is to create access to finance for businesses, especially micro-, small and medium enterprises (MSMEs). The system is used by legal entities and individuals clients/creditors. There are no clear or definitive rules on hostile takeovers. The obstacles to domestic travel--including poor roads, lack of affordable electricity, and unreliable communication links--increase the risk of accepting collateral based outside Monrovia. The unreliable land title 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 increased from 11.8 percent in 2016 to 13.6 percent in 2017. The CBL, in collaboration with the Liberia Bankers Association and commercial banks, has attempted to address this situation by "naming and shaming" delinquent borrowers and barring noncompliant borrowers from accessing future financial services. While financial institutions allocate credit on market terms to foreign and domestic investors, the historically high rate of NPLs has led banks limit credit to short-term (less than 18 months), high-interest rate (12-20 percent) loans. This constrains capital investment and limits new business development. Generally, banks rely on fees

and interest charged for transactions and services such as fund transfers, deposits and withdrawals, checks, and letters of credit. Few banks offer modern digital financial products and services, including ATMs, point of sale (POS) terminals, electronic fund transfers (EFTs), 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 outside urban areas, but the service is becoming more accessible to the rural population. However, there is potentially high demand for mobile money services given the country's poor financial infrastructure and the costs and risks associated with keeping cash at home. There is a thriving non-bank financial sector, including licensed, regulated, and supervised institutions. The sector comprises foreign exchange bureaus, credit unions, village savings and loan associations (VSLAs), rural community finance institutions, microfinance institutions, a development finance company, mobile money services, and insurance companies. Most of these institutions, particularly those in the informal sector, make short-term, high-interest rate loans to their members. A list of the CBL's regulations can be found on its [website](#).

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, loans, or interest. The exchange rate is determined by market demand and supply forces. However, the CBL occasionally intervenes in the foreign exchange market through foreign exchange auctions and government T-bill auctions in order to stabilize the exchange rate, facilitate imports, maintain a low inflation rate, and spur economic growth. The CBL uses its foreign exchange auction as an intervention only, and it is not a regular practice. Large-scale business and government transactions are conducted in USD, while retail or day-to-day routine transactions are conducted largely in Liberian dollars. 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 Liberian dollars in commercial banks, licensed foreign exchange bureaus, petrol stations, and large supermarkets. It is advisable for foreign investors to conduct foreign exchange transactions at commercial banks or established licensed forex bureaus. There are many foreign exchange bureaus in and around Monrovia, some of which are not registered with CBL. However, it may take several days to exchange large sums of money due to a shortage of foreign exchange. Remittance inflows are a major source of foreign exchange in the Liberian economy. Transfer of sums in excess of USD\$10,000 must be reported to CBL, and no more than USD\$7,500 in foreign currency banknotes can be moved out of the country at any one time.

US Banks & Local Correspondent Banks

One of Liberia's nine commercial banks, International Bank (IB), 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 correspondent banking relationships in Liberia. The U.S. Embassy in Monrovia is not aware of any specific country programs currently offered by ExIm Bank 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 the 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 paving, are funded by international donors, including the United States, the World Bank, the IMF, the EU, the African Development Bank, the government of China, and the Japanese International

Cooperation Agency (JICA). Procurements for these projects are opened to U.S. bidders through international competitive bids (ICB).

Multilateral Development Banks:

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 for 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](#) and the [World Bank](#).

List of Multilateral Development Banks:

- [The World Bank](#)
- [International Finance Company](#) (IFC)
- [International Monetary Fund](#) (IMF)
- [African Development Bank](#) (AfDB)
- [European Investment Bank](#) (EIB)

Financing Web Resources

- [Commercial Liaison Office to the African Development Bank](#)
- [Commercial Liaison Office to the World Bank](#)
- [Trade Finance Guide: A Quick Reference for U.S. Exporters](#)
- [Export-Import Bank of the United States](#)
- [Country Limitation Schedule](#)
- [Overseas Private Investment Corporation](#) (OPIC)
- [Trade and Development Agency](#)
- [Small Business Administration's Office of International Trade](#)
- [USDA Commodity Credit Corporation](#)
- [U.S. Agency for International Development](#)

Business Travel

Business Customs

Acceptable business etiquette includes wearing formal dress, a business suit and tie, or traditional attire. 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 is 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), but a traditional handshake is common for formal and business situations. 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 at short notice. It is prudent to confirm appointments prior to setting out for meetings. Liberians tend to speak their minds in business meetings, 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. Bargaining in business transactions is acceptable until an agreeable price can be reached.

Travel Advisory

A valid visa and proof of vaccination against yellow fever are required for entry into Liberia. Since August 2014, Liberia’s Ministry of Health has implemented Ebola screening procedures at Roberts International Airport (RIA) for 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 a 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. The Department of State advises American citizens to carefully plan travel to Liberia, 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 Ivoirian authorities. Corruption at border crossings is regularly reported, and travelers may be asked for money prior to crossing the border. Further information is available on the State Department [consular information sheet for Liberia](#).

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 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](#) and [Consular Section, U.S. Embassy in Liberia](#).

Currency

The local currency is Liberian dollars (LD) which come in paper denominations of five, ten, twenty, fifty, one hundred and five hundred. There are no coins in circulation. The U.S. dollar (USD) is commonly accepted as

legal tender alongside the LD, and cash is usually required for most purchases or payments at large-scale establishments such as hotels and customs posts. Liberia has a floating exchange rate system, and the LD-USD exchange rate fluctuates, sometime on a daily basis, based on foreign-exchange market demand. For instance, between January 2018 and July 2018 the LRD depreciated against the USD by 25 percent. 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 or outside markets. A number of commercial banks offer modern electronic financial/banking products and services including ATM cards, point of sale (POS) terminals, and electronic fund transfers (EFTs). Credit cards and traveler’s checks are not commonly accepted even by major hotels, but major supermarkets in Monrovia do accept Visa cards at their POS terminals. Travelers should exercise caution in using credit cards wherever they are accepted. Travelers are also advised to carry some amount of USD 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 USD\$10,000 must be reported at the port of entry, and no more than USD\$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/Electronics

Liberia’s mobile and internet use continues to grow at a robust pace. Presently, mobile penetration stands at approximately 75 percent while internet penetration is at 20 percent. Anecdotal evidence suggests the penetration rates are inflated by the fact that many users have multiple SIM cards to take advantage of lower on-net prices and promotions. Currently, Liberia has two main mobile network operators (MNOs) operating global system for mobile (GSM) communication technology. They use GSM, 3G/4G, and WiMAX technology to provide a wide array of services including voice/SMS, fixed-wireless, and mobile data/internet service in the mass market segment, and value added services for government and private sectors organizations. Their combined wireless access networks cover approximately 75 percent of the population. Mobile phones and accessories, including SIM and calling cards, are commonly sold at stores, supermarkets, hotels, major restaurants, airport, and even by street vendors. It is advisable to purchase a cell phone and a SIM card with a registered local number while on business trips. There are a number of internet service providers (ISPs) providing fixed wireless voice, data, and internet services to a small number of customers, mainly businesses and NGOs. Although most of their customers are in the Monrovia area, they sometime service customers in remote sites using VSATs. A few major hotels provide WiFi access but it is usually slow and oversubscribed. Generally, bandwidth is low and internet subscription fees can be expensive because of high overhead costs due to lack of constant power supply. In Liberia the standard voltage is 120V/220V, the standard frequency is 60Hz/50 Hz and power sockets (outlet types) that are used are type A and B.

The Liberia Telecommunication Corporation (Libtelco) is a national operator providing only fixed-line telephone and internet services, mainly to government ministries and agencies. The Ministry of Post and Telecommunications provides some postal services, including an expedited mail service (EMS) to the United States. It is not advisable to send valuables through the Liberian postal system because of the system’s limited security features. Currently, Liberia does not have a national postal address system, or a unique address system where individuals can be easily traced or contacted in terms of postal service delivery, security, healthcare delivery, and other socioeconomic activities. Postal services are largely manually handled. DHL, FedEx, and UPS provide commercial air courier services.

Transportation

The majority of roads in Liberia are unpaved and do not provide all-year access to all county capitals or large towns. 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](#) from May through October and dry season from November through April.

The Roberts International Airport (RIA) is a single runway airport located near a town called Harbel, about 40 miles (64 km) outside Monrovia. The upgrade of the runway and a terminal is nearing completion. 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 domestic or regional flights. Currently, the RIA is undergoing major renovation including extensive work on the runway and the construction of a modern terminal. The country has four ports under its National Port Authority (NPA): 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 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 and most 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 among 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 poorly equipped and incapable of providing many high-standard medical services. Travelers should purchase [medical evacuation insurance](#). As there is neither an effective garbage removal service nor a functioning sewer system, sanitation throughout urban areas is poor, thus increasing 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, check [health related issues in Liberia](#).

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 hours per day or 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 or 1:00 p.m. Below is the list of Liberian holidays that are observed nationwide during 2018.

January 1	Monday	New Year's Day
February 12*	Monday	Armed Forces Day
March 14	Wednesday	Decoration Day
March 15	Thursday	J.J. Roberts Birthday

April 13	Friday	Fast and Prayer Day
May 14	Monday	National Unification Day
July 26	Thursday	Liberian Independence Day
August 24	Friday	Flag Day
November 1*	Thursday	Thanksgiving Day
November 29	Thursday	W.V.S. Tubman Birthday
December 25	Tuesday	Christmas Day

* To be observed on Monday in lieu of Sunday

Temporary Entry of Materials or Personal Belongings

The Liberia Revenue Code 2000 provides for exemption of duty payment on goods imported by or on account of the President of Liberia, the Government of Liberia, as well as representatives of foreign governments or international organizations. It also provides exemption for 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](#)
- [U.S. visa information](#)
- [DHL Express Liberia](#)
- [FedEx \(Express\)](#)
- [UPS Local Office](#)
- [Ministry of Posts & Telecommunication](#)
- [Bureau Veritas Liberia](#)