



Doing Business in Liberia:

2013 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Liberia

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Market Overview

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- The Government of Liberia (GOL) is revising its trade and investment laws and regulations, so information is subject to change. Detailed information can be found in the International Finance Corporation's "Doing Business" index at <http://www.doingbusiness.org/data/exploreeconomies/liberia> and on the National Investment Commission website at <http://www.nic.gov.lr/>. Other relevant information on doing business in Liberia, including a list of local law firms, can be found on Embassy Monrovia's website at http://monrovia.usembassy.gov/pol_econ.html
- Liberia's emerging economy of almost 4 million people is small and under-resourced relative to its West African neighbors.
- The United States was one of Liberia's leading trade partners in 2012, accounting for 23 percent of exports (\$85.7 million) and 15 percent of imports (\$124.7 million).
- Total 2012 exports were \$459 million and imports were \$1,065 million. Rubber and iron ore account for about 58 percent total exports. Little is manufactured in Liberia, so goods ranging from machines and equipment to petroleum products must be imported.
- Inflation in 2012 averaged 6.9 percent, led by rising food and fuel prices.
- The International Finance Corporation (IFC)-sponsored Liberian Better Business Forum, in collaboration with the Ministry of Commerce and National Investment Commission, is working to increase the efficiency of business procedures and improving Liberia's IFC "Doing Business" indicators.

Market Challenges

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- Real gross domestic product (GDP), though growing, is small and sensitive to commodity market price shocks. The International Monetary Fund (IMF) estimates 2012 nominal GDP at \$1.24 billion, and projects 2013 GDP expansion of 5.1 percent.
- Tariffs, customs, and fees can be arbitrary and are collected by GOL many agencies.

- The process of negotiating investment contracts has improved over time, but it is still slower than other regional markets.
- The judicial system is weak and unreliable. Laws relating to businesses and contracts can be inconsistent and are sometimes breached with impunity.
- Lack of records, fraudulent records, and an incomplete land use legislative framework create difficulties for land-intensive businesses.
- The labor force is largely unskilled and the literacy rate is 58 percent (2008-09 National School Census Report).
- Poor quality and limited infrastructure (roads, bridges, ports, electrical grids and water systems) pose major challenges to domestic travel, inland transport, and normal operations. The Freeport of Monrovia receives most international trade: its services are limited and expensive. Transportation outside Monrovia is difficult and expensive, particularly during the rainy season when some parts of the country become inaccessible. Security and services at the country's only international airport are in a period of transition due to management turnover.
- Liberia prohibits foreign ownership of businesses in 26 sectors.

Market Opportunities

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- Reconstruction of damaged infrastructure -- including roads, bridges, ports, airports, and power generation -- represent significant investment opportunities. The National Port Authority anticipates releasing a Master Port Plan later this year, which will detail upcoming capital projects.
- The large United Nations (UN) and international NGO presence creates a short to medium-term market for American consumer products.
- Liberia has an ideal climate for agricultural products such as rubber, coffee, cocoa, oil palm, rice and cassava.
- Iron ore, gold, and diamond mining offer other opportunities.

Market Entry Strategy

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- Potential investors may contact the National Investment Commission and the Ministry of Commerce and Industry for more information and guidance.
- Investors may obtain the most current information on upcoming opportunities directly from the Ministry of Public Works, the Ministry of Transportation, the Ministry of Agriculture, the Ministry of Lands, Mines, and Energy, the National Port Authority, and the Liberian Airport Authority.

- U.S. companies interested in doing business in Liberia should consider hiring an agent, attorney, or distributor to develop and foster local partnerships.

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COUNTRY FACT SHEET: LIBERIA

PROFILE

Population in 2011 (Millions): 4
 Capital: Monrovia
 Government: Republic

ECONOMY

	2009	2010	2011
Nominal GDP (Current Billions \$U.S.)	1.2	1.3	1.5
Nominal GDP Per Capita (Current \$US)	319	342	399
Real GDP Growth Rate (% change)	5.3	6.1	8.2
Real GDP Growth Rate Per Capita (% change)	1.0	1.8	5.4
Consumer Prices (% change)	7.4	7.3	8.5
Unemployment (% of labor force)			
Economic Mix in : N/A			

FOREIGN MERCHANDISE TRADE (\$US Millions)

	2009	2010	2011
Liberia Exports to World			
Liberia Imports from World			
U.S. Exports to Liberia	94.7	191	195
U.S. Imports from Liberia	80.4	180	158
U.S. Trade Balance with Liberia	14.4	11.3	36.6
Position in U.S. Trade:			
Rank of Liberia in U.S. Exports	145	120	133
Rank of Liberia in U.S. Imports	124	112	118
Liberia Share (%) of U.S. Exports	0.01	0.01	0.01
Liberia Share (%) of U.S. Imports	0.01	0.01	0.01

Principal U.S. Exports to Liberia in 2011:

1. Food & Kindred Products (22.1%)
2. Transportation Equipment (19.7%)
3. Machinery, Except Electrical (16%)
4. Computer & Electronic Products (10.8%)
5. Fabricated Metal Products, Nesoi (6.9%)

Principal U.S. Imports from Liberia in 2011:

1. Forestry Products, Nesoi (99.1%)

FOREIGN DIRECT INVESTMENT

	2009	2010	2011
U.S. FDI in Liberia (US \$Millions)	842	848	964
FDI in U.S. by Liberia (US \$Millions)	444	538	533

DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2012 Rank: 149 of 185
 Heritage/WSJ 2012 Index of Freedom Rank: 154 of 179

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Liberia Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. .WORLD and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports Are 3-digit NAICS Categories

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

Below are the links to background notes on Liberia:

<http://www.state.gov/r/pa/ei/bgn/6618.htm>

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Using an Agent or Distributor

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Businesses may operate in Liberia as locally incorporated entities or branches of a foreign entity, but Liberian law requires having a registered agent or an office in the country. U.S. companies are highly encouraged to exercise due diligence in hiring the services of an agent or a counsel, and to select one who demonstrates a strong familiarity with Liberia's regulatory and legal frameworks. Offers to circumvent established business procedures or draw on political connections should be treated with extreme caution. The qualified agents, who attract foreign clients, tend to be overcommitted. U.S. companies are encouraged to ensure that any agent they select has the time and means to represent them adequately. Banks, lawyers, and business associations can assist with references and due diligence. You can find a list of major law firms in Monrovia on the U.S Embassy Monrovia website, http://monrovia.usembassy.gov/pol_econ.html

Establishing an Office

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Under Liberian law only Liberian citizens may own land. Therefore, signing a rental or lease agreement is usually necessary and can be cumbersome given the pervasive land tenure disputes. The large UN and NGO presence has put upward pressure on rents and other prices. Many landlords expect commercial tenants to renovate dilapidated properties at their own expense. Landlords expect businesses to provide their own electricity as public utilities are not widespread or reliable, especially outside of Monrovia. Internet access is expensive, slow, and unreliable. There is a very limited

supply of skilled employees. Businesses retain private security services to guard their premises, or properties.

Franchising

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There are a few foreign franchises in Liberia in the remittance, petroleum, and durable goods sectors. The lack of electricity and other infrastructure, poor intellectual property rights protection, scarcity of skilled labor, and weak transportation links make establishing a franchise challenging.

Direct Marketing

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Low literacy and internet penetration, non-existent government postal delivery services, and a lack of electricity preclude direct marketing.

Joint Ventures/Licensing

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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 for joint ventures exist in the mining sector, which is becoming more of a key driver for economic growth.

Selling to the Government

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The government is the largest purchaser of goods and services, but its financial resources remain very limited. Many large procurements are donor-funded. Foreign suppliers may participate in international bids for public procurement contracts. The Amended and Restated PPCC Act of 2010 and the Public Procurement and Concession Commission (PPCC) largely fail to regulate government tenders.

Distribution and Sales Channels

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A credible agent, often in-house at the wholesale-retail traders, is crucial for effective representation in the consumer and durable goods markets. Many of the larger, Monrovia-based retailers have branch locations in other cities.

Selling Factors/Techniques

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Businesses target imported consumer and durable goods at businesses, government officials, and UN and international expatriate workers with high disposable income. Many Liberians live on less than US\$1 per day..

Electronic Commerce

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Internet penetration and credit card usage are low; and information communication technology infrastructure is limited. Expatriates do have the ability to shop online and FedEx and DHL do deliver in the Monrovia area.

Trade Promotion and Advertising

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Many trade organizations exist, but there is little organized trade promotion. Radio and increasingly mobile phone advertising are favored, as newspaper circulation and television penetration are low. Advertising is in English or one of 16 indigenous languages.

Pricing

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The Ministry of Commerce and Industry, through its Price Analysis and Marketing Division, monitors prices and sets price ceilings for essential commodities -- including petroleum products, rice and cement. These price controls have resulted in product scarcity and black-market sales. Importers are required to submit cost information to the ministry for approval. The permitted mark-up varies according to product, and is based on Freight on Board value. However, invoiced prices are subject to arbitrary revision. The Ministry of Commerce requires all business entities to display price tags on their commodities in Liberian or United States Dollars, in line with the prevailing exchange rate. As a result of exchange rate fluctuations, prices for basic goods may fluctuate by up to 5% on a week-by-week basis. The government is trying to respond to businesses' concerns about the opacity of pricing and access to import/export licenses. Despite these efforts, price controls enjoy more wide-spread public support than the laws of supply and demand.

Sales Service/Customer Support

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Sales service and customer support is variable. Most businesses find that new employees require extensive and ongoing training in how to provide adequate customer service.

Protecting Your Intellectual Property

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Though IP registration is possible under local laws, enforcement in Liberia is non-existent. Registration of patents and trademarks is on a first-in-time, first-in-right basis, so firms should consider applying for trademark and patent protection before Liberian market sales distribution. Companies can work with both Liberia- and U.S.-based trade organizations to support efforts to protect IP and stop counterfeiting. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Liberian law. The U.S. Embassy Monrovia Commercial Section can provide a list of local lawyers upon request http://monrovia.usembassy.gov/pol_econ.html

Protecting Your Intellectual Property in Liberia:

Several general principles are important for effective management of intellectual property ("IP") rights in Liberia. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Liberia than in the U.S. Third, rights must

be registered and enforced in Liberia, under local laws. Your U.S. trademark and patent registrations will not protect you in Liberia. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Liberian market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Liberia. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Liberian law. The U.S. Commercial Service can provide a list of local lawyers upon request on Embassy Monrovia website.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Liberia require constant attention. Work with legal counsel familiar with Liberian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Liberian or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)

- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/ipprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. Mohammed Essay, a Commercial Specialist at the U.S. Embassy in Johannesburg, South Africa covers Liberia, More information can be found at: http://southafrica.usembassy.gov/consulate_johannesburg.html

Due Diligence

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U.S. firms wishing to do business in Liberia are encouraged to conduct thorough due diligence on potential business partners including agents, distributors, attorney, etc. Hiring a local attorney or accounting firm is recommended and contact information for attorneys, accounting firms, banks, and business associations is available on the Embassy Monrovia website: http://monrovia.usembassy.gov/pol_econ.html.

Embassy Monrovia provides fee-based commercial services that include International Company Profile and Gold Key Service. Please contact your nearest U.S Export Assistance Center, <http://export.gov/eac/>, if your company desires one of the services.

Local Professional Services

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There are several business associations. Lists of business associations, banks, accountants, lawyers and car rental services are available on the Embassy Monrovia web site: http://monrovia.usembassy.gov/pol_econ.html

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- U.S. Embassy Monrovia Commercial Section:
http://monrovia.usembassy.gov/pol_econ.html
- IFC "Doing Business" evaluation:
<http://www.doingbusiness.org/ExploreTopics/StartingBusiness/Details.aspx?economyid=111>
- National Investment Commission <http://www.nic.gov.lr>
- Ministry of Commerce and Industry <http://www.moci.gov.lr/>
- Ministry of Finance <http://www.mof.gov.lr/>
- Public Procurement and Concession Commission <http://www.ppcc.gov.lr>
- Liberia Chamber of Commerce <http://www.lcc.org.lr>
- Liberia Business Association (LIBA) <http://liberiabusinessassociation.com/>

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Mining (iron ore, diamonds, gold) (MIN)

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Liberia has rich mineral deposits, and the historically profitable mining sector is experiencing a somewhat troubled renaissance. In addition to large iron ore deposits, there are also substantial deposits of gold and diamonds as well as indications of manganese, bauxite, uranium, zinc, and lead. Liberia's diamond deposits are primarily alluvial, and artisanal mining is widespread. 2012 export figures indicate iron ore was second only to rubber. Iron ore will represent an increasingly large proportion of exports as multibillion dollar investments from ArcelorMittal, China Union and Sesa Goa start and expand production. Much of the multibillion-dollar mineral investments will go to rebuilding railways, roads, ports, electrical plants, and other critical infrastructure. Historically, gold mining was artisanal in nature, but recently publicly traded Hummingbird Resources, Aureus, and Bukon Jedeh have invested heavily in exploration. Land disputes and overlapping mining claims can be of critical concern.

Sub-Sector Best Prospects

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Iron ore and gold mining operations require significant support services ranging from catering to sample testing. Skilled mine site personnel for power generation and railway reconstruction are in short supply locally. A number of reconnaissance and exploration licenses have been issued and with commodity prices high many sites are likely commercially viable. Public tenders for concession agreements should be offered but it is suggested that interested parties inquire directly at the Ministry of Lands, Mines, and Energy.

Opportunities

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Agreements signed with international investors include commitments to rehabilitate railroads, port facilities and roads and to provide schools, domiciles and healthcare facilities. Ancillary demand for technical, geological and engineering services, and specialized mining machines and equipment is growing.

The GOL welcomes additional companies to conduct exploration in areas that have high potential for mineral deposits, such as diamond and gold.

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Ministry of Land, Mines and Energy	http://www.molme.gov.lr/
National Investment Commission	http://www.nic.gov.lr
Ministry of Commerce	http://www.moci.gov.lr/
Liberia Chamber of Commerce	http://www.chamberofcommerce.org.lr/
Liberia Business Association (LIBA)	http://liberiabusinessassociation.com/

Construction (CON)

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As Liberia's economy rebounds, there is a growing demand for property renovation, office buildings, shopping centers, and low-to-middle income housing in Monrovia and in conjunction with mining investments and plantations around Liberia.

The country has two main highways, the north/south highway from Monrovia to Nimba and the west/east highway from the Sierra Leone border to Buchanan. International donors and major investors are funding a number of projects to expand the highway and feeder road networks and to rehabilitate Monrovia's streets and bridges.

Significant port projects will arise as major investments commence exports.

Sub-Sector Best Prospects

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The construction boom has created a shortage of equipment, supplies and trained workers.

Opportunities

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Renovation work for the Roberts International Airport continues on a gradual basis but a comprehensive redevelopment and management contract will be awarded in 2013.

The National Port Authority is expected to release a Port Master Plan in 2013, which will detail port facility rehabilitation projects.

The Ministries of Public Works and Transport along with international partners prepared a Transport Master Plan for 2012-2017, which calls for the pavement of 1,513 kilometers of all-weather strategic primary network, linking Monrovia to major towns and main border points with Sierra Leone, Guinea and Ivory Coast.

In February 2013, the NHA entered a public-private financing agreement with Shelter Afrique to develop the real estate sector in Liberia. The initial proposal includes the

construction of 5,000 affordable housing units across Liberia to address acute housing needs of the low income households in the country. Additionally, the GOL has identified a 452 acre site for the construction of a low-to-middle income housing estate project to relocate one of Monrovia's busy market districts.

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Ministry of Public Works
National Port Authority
Roberts International Airport
Shelter Afrique

<http://www.mpw.gov.lr/>
<http://www.nationalportauthorityliberia.org/>
<http://www.robertsinternationalairport.com/>
<http://www.shelterafrique.org/>

Power Generation (ELP)

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Liberia's energy sector was extensively damaged during its civil war. Though some electricity has been restored to parts of Monrovia by the Liberia Electricity Corporation (LEC), privately-owned generators supply most electricity. Liberia's National Energy Policy sets a goal of providing 30% of Monrovia and 15% of Liberia with modern, reliable energy by 2015. The policy sets out clear development goals: universal energy access, least-cost energy production, and acceleration of public-private partnerships in the energy sector. The GOL's development plan centers on the flagship Mount Coffee Hydropower Plant rehabilitation project, on which preliminary work has already begun. Once completed, its 80 megawatt capacity should enable Liberia to export power to the West Africa Power Pool (WAPP) interconnection grid.

Sub-Sector Best Prospects

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Demand for electricity, especially from hydro or other renewable sources. There is a need for construction of transmission and distribution lines outside of greater Monrovia, where 98% of Liberians lack access to electricity. The GOL is investing in power generation while looking for investors to augment the nation's hydropower, solar and biomass projects.

Opportunities

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Liberia's favorable climate and abundant farmland make thermal generation from biofuels a promising area for foreign investors. Considerable potential for hydroelectric power exists. The transmission and distribution grid needs to be repaired and expanded. Liberia is a member of the (WAPP), which will establish a reliable power grid for the region, creating a common market for electricity.

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Ministry of Lands, Mines and Energy

<http://www.molme.gov.lr/>

Petroleum (OGS)

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Ongoing offshore oil exploration may offer promising prospects for the country's energy and economic future. In April 2013, the U.S petroleum giant, Exxon Mobil, acquired an 80 percent interest from Canadian Overseas Petroleum (COPL) in Liberia Block 13. NOCAL has licensed 12 offshore blocks for exploration to companies including Chevron, Anadarko, Peppercoast Petroleum (formerly Broadway), China Sinopec, European Hydrocarbons, Oranto, Repsol, and Woodside. As Liberia attracts foreign companies interested in deep-water oil exploration, NOCAL is expected to open up additional ultra-deepwater blocks for exploration. The Liberia Petroleum Refinery Company (LPRC) has increased the importation allocation for local importers of petroleum products from 48% in 2011 to 63% in 2012, in order to help expand their businesses throughout the country.

Sub-Sector Best Prospects

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

Opportunities

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Potential investment tenders for new ultra-deep off-shore blocks or resale of existing blocks may materialize. The state-owned LPRC (the monopoly importer, which has not refined petroleum since 1983) is decentralizing its operations and expanding the supply of petroleum products on the domestic market. It recently signed a rehabilitation and operation agreement for the Ganta Oil Terminal (GOT), the first petroleum storage terminal located outside Monrovia. Similar agreements could be replicated in other markets. The LPRC has aspirations to resume refining operations in coming years, which would require significant investment in plant and equipment.

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Ministry of Lands, Mines and Energy:
The National Oil Company of Liberia:
Liberia Petroleum Refinery Company

www.molme.gov.lr/
www.nocal-lr.com/
<http://www.lprclib.com/>

Food Processing/Equipment (FPP)

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Limited food processing, quality assurance and commercial preservation occurs in Liberia, though the GOL encourages it to reduce reliance on imports and support potential agricultural exports. Since 2011, the National Standards Laboratory has provided limited quality assurance services on a commercial basis. There are a variety of fruits grown locally including banana, breadfruit, mango, melon, papaya, plantain, pineapple, and citrus. Vegetables grown include collards, cucumber, eggplant, hot pepper, and pumpkin. Starches such as cassava, yams, eddoes, and potatoes are widely grown throughout the country.

Sub-Sector Best Prospects

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Investment in training, storage equipment, supply chain management, and quality assurance are required to bring Liberian products to international standards. Warehouse and cold-storage space is inadequate in Liberia.

Opportunities

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There are investment opportunities for the growing, processing, preservation and export of coffee, cocoa, maize, orange, banana, palm oil, breadfruit, cassava, and sugar cane. These fruits and vegetables can be processed into jams, candies, sugar, chocolates, juices, creams, oil and soaps. Growing U.S. demand for unique and rare spices and organic beauty products could ensure a market for Liberian spices and oil palm. Liberia presents a high potential for export to the international market for many kinds of fruits, vegetables, and starches. Accessing this huge unexplored market requires investment in quality control, post-harvest handling, storage, and efficient transport.

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Ministry of Agriculture
ACDI/VOCA

<http://www.moa.gov.lr/>
http://www.acdivoca.org/site/ID/ourwork_iberia

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Import Tariffs

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The Revenue Code of 2009 provides the regulatory basis for customs duties and standards. The cost of equipment and machinery used in the year the asset is placed into service is eligible for a tax deduction of up to 30%. The construction cost of a new hotel or tourist resort is eligible for a tax deduction of up to 30%. Additionally, the cost of buildings or fixtures used to manufacture finished products containing at least 60% local raw materials is eligible for a tax deduction of up to 10%. The GOL has begun implementing plans to harmonize tariff regimes with the ECOWAS countries.

Trade Barriers

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Foreigners are explicitly excluded from participating in a number of economic sectors. Non-tariff barriers include the inefficient port system, lack of roads and other transportation infrastructure (including electricity), and opaque administrative procedures that foster corruption. These issues, coupled with porous borders, have resulted in low trade tax collection, and high levels of smuggling and informal cross-border trade. Import or export permits are required for all goods shipped to or from Liberia.

Import Requirements and Documentation

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Importers must request permission from the Minister of Commerce to import particular 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 the Import Permit Declaration (IPD) from the Ministry of Finance. Importers proceed to the pre-shipment inspection company (currently BIVAC) to arrange pre-shipment/destination inspection, at a cost of 1.5% of the shipment's value. Pre-shipment inspections are required for goods valued at USD 3500.00 and above; the penalty for imports that do not undergo pre-shipment inspection ranges from 10% to 30%. When those steps are completed, the IPD is issued and the import is approved. After clearing customs, importers present costing information to the

Minister of Commerce for price approval. The Ministry has also streamlined the licensing regime (Import and Export Permits) with the issuance of a regulation to reduce the categories of restricted items from 33 to 27 essential ones, including rice.

U.S. Export Controls

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Liberia is subject to export controls of arms and related materiel as established by the 2009 UN Security Council Resolution 1903, which can be viewed at:
<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/656/55/PDF/N0965655.pdf?OpenElement>.

Temporary Entry

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The Customs Revenue Code provides for temporary entry of personal effects and temporary importation of other goods. The government has reportedly been assessing GST of 7% on goods that are being trans-shipped through Liberia. Since 2010, the Economic Community of West Africa (ECOWAS) introduced Value Added Tax (VAT) into the Liberia tax system to ensure consistency in both external and domestic taxation, and harmonize with other West African states.

Labeling and Marking Requirements

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The Ministry of Commerce and Industry's regulation requires that product labels show net weight, manufacture and expiration dates, ingredients, and origin. The labeling language should include English. However, this regulation is not uniformly followed as the Ministry lacks an enforcement mechanism. Products are often displayed with price-tags in USD or Liberian dollar, or both in major shopping centers.

Prohibited and Restricted Imports

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Generally, Liberian law prohibits convict-made goods and recognizes international regulations on narcotics and other contrabands. Certain goods are restricted or banned for importation. Details can be obtained from the Ministry of Commerce at <http://www.moci.gov.lr/> or the Ministry of Finance at <http://www.mof.gov.lr/>.

Customs Regulations and Contact Information

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Customs regulations are administered by the Ministry of Finance, through the Bureau of Customs and Excise. The Legislature is currently voting on draft legislation to establish an independent revenue and customs authority, Liberia Revenue Authority.

Standards

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- [Labeling and Marking](#)

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Overview

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In 2011, the Ministry of Commerce and Industry opened a USD 1 million, modern National Standards Laboratory, which was financed by the United Nations Industrial Development Organization (UNIDO). The facility nominally helps the GOL to monitor and fight against counterfeit and sub-standards goods entering the commerce of Liberia.

NIST Notify U.S. Service

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

Conformity Assessment

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The Government of Liberia opened a new National Standards Lab in 2011, with a focus on testing, measurement, and calibration of products to ensure originality and safety of their substances.

Product Certification

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There are no mutual recognition agreements with U.S. organizations.

Labeling and Marking

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The Ministry of Commerce and Industry's regulation require that product labels show net weight, manufacture and expiration dates, ingredients, and origin.

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Ministry of Finance

<http://mof.gov.lr/>

Ministry of Commerce and Industry

<http://www.moci.gov.lr/>

Liberia Business Registry

<http://www.lbr.gov.lr/>

Bureau Veritas Liberia

http://www.bureauveritas.com/wps/wcm/connect/bv_com/group/home/worldwide-locations/africa/liberia

Trade Agreements

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In August 2011, Liberian officials met with their American counterparts in Washington D.C. to discuss the Trade and Investment Framework Agreement (TIFA), which reduces trade and investment barriers between the two countries. Since February 1, 2011, Liberian made textiles and apparel articles can be exported into the U.S free of duty

under the African Growth and Opportunity Act (AGOA). In May 2011, Liberia and the EU signed a comprehensive trade agreement, known as Voluntary Partnership Agreement (VPA), aimed at controlling illegal logging and improving forest sector governance. Liberia and the United States signed the U.S-Liberia Partnership Dialogue Agreement in January 2013, followed by the first U.S-Liberia Partnership Dialogue in May, aimed at bolstering progress in agriculture, food security, human capacity development and energy development. Although, Liberia has access to regional markets, including the 250 million consumers of ECOWAS and the nearly 40 million consumers of the Mano River Union (MRU) countries, the total volume of regional trade is low due to insufficient infrastructure and trade policy. Historically, the lack of a definite trade policy has prevented Liberia from joining some regional and international trade organizations. The Ministry of Commerce and Industry has drafted a National Trade and National Industrial Policy, which is undergoing stakeholders' validation. Once adopted, the policy will aim to increase Liberia's trade capacity and infrastructure, harmonize its trade regime, and provide a blueprint for industrial development.

Web Resources

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Ministry of Finance:	www.mof.gov.lr
Ministry of Commerce and Industry:	http://www.moci.gov.lr/
National Investment Commission	http://www.nic.gov.lr
Ministry of Foreign Affairs	www.mofa.gov.lr
Liberia Business Registry	http://www.lbr.gov.lr/
Ministry of Planning & Economic Affairs	http://www.moepa.gov.lr/
Liberia Chamber of Commerce	http://www.chamberofcommerce.org.lr/
Bureau Veritas Liberia	
http://www.bureauveritas.com/wps/wcm/connect/bv_com/group/home/worldwide-locations/africa/liberia	

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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The World Bank's (WB) Doing Business 2013 Survey indicates that Liberia improved by five places from last year and is ranked 149 of 185 countries. Liberia's reduction of its corporate tax rate from 35% to 25% was a key reason for its improved ranking this year. The WB's report indicated that Liberia also made progress in reforms related to contract enforcement, construction permit issuance, and cross-border trade. The Liberia Better Business Forum, a public-private initiative of the International Finance Corporation (IFC), is collaborating with the Government of Liberia (GOL) to improve the investment climate by increasing access to finance and electricity, enhancing the tax payment system, and developing a small and medium enterprise tax policy.

The table below indicates Liberia's rankings according to various transparency and governance metrics affecting the investment climate (Note: MCC stands for Millennium Challenge Corporation. End Note.):

Measure	Year.	Index/Ranking
Heritage Economic Freedom	2013	49.3/100
World Bank Doing Business	FY13	149/185
MCC Government Effectiveness	FY13	Unsatisfactory (25/100)
MCC Rule of Law	FY13	Unsatisfactory (47/100)
MCC Inflation	FY13	Satisfactory (51/100)

MCC Fiscal Policy	FY13	Unsatisfactory (9/100)
MCC Trade Policy	FY13	Unsatisfactory (29/100)
MCC Regulatory Quality	FY13	Unsatisfactory (29/100)
MCC Business Start Up	FY13	Satisfactory (51/100)
MCC Land Rights Access	FY13	Unsatisfactory (18/100)
MCC Natural Resource Protection	FY13	Satisfactory (64/100)
MCC Access to Credit	FY13	Satisfactory (55/100)

The *Investment Act of 2010* and the *Revenue Code of 2000*, amended by the *Consolidated Tax Amendment Act of 2010*, govern investment. According to these laws, foreign investors have the same rights and are subject to the same duties and obligations as those that apply to domestic investors with several notable exceptions. The GOL seeks to empower Liberian entrepreneurs by constraining foreign investment in some sectors. Despite concerns by international donors and some business groups that the law is discriminatory and anticompetitive, the *Investment Act of 2010* mandates Liberian ownership by imposing the following restrictions:

(A) Ownership of the following business activities or enterprises shall be reserved exclusively for Liberians: supply of sand; block making; peddling; travel agencies; making and sale of ice; tire repair shops; auto repair shops with investments of less than US\$550,000; shoe repair shops; gas stations; video clubs; operation of taxis; importation or sale of second-hand or used clothing; importation or sale of used cars (except authorized dealership which may deal in certified used vehicles of their make); distribution of locally manufactured products; and the retail sale of rice, cement, timber, and planks.

(B) Foreign investors may invest in the following business activities provided they invest no less than US\$500,000. If a Liberian partner maintains at least a 25 percent equity stake, the foreign investors need only invest US\$300,000: production and supply of stone and granite; ice manufacturing; commercial printing; cinemas; production of poultry and poultry products; bakeries; sale of pharmaceuticals; operation of heavy duty trucks; sale of animal and poultry feed; entertainment centers not connected with a hotel establishment; operation of water purification or bottling plant (specifically the production and sale of water in sachets); and advertising agencies, graphics, and commercial artists.

The *Investment Act of 2010* has not effectively increased Liberian participation in commercial industries. The act officially eliminated the mandate that foreign-owned companies must employ qualified Liberians at all levels. In practice, most investment agreements dictate foreign-owned companies employ a certain percentage of Liberians at all human resource levels, including upper management.

To obtain a new concession agreement, potential investors have to engage in lengthy bidding processes. Though the *Public Procurement and Concessions Act of 2005*, the *National Competitive Bidding Regulations*, and the *Investment Act of 2010* introduced a clear, standardized, and transparent system for awarding concessions and public tenders, requests for Expression of Interest and Invitations to Bid are often poorly advertised, hampering the process from the onset. The Inter-Ministerial Concession Committee (IMCC) which includes the Ministers of Justice and Finance and the National Investment Commission Chairman, is statutorily responsible to bid, evaluate, award, and finalize concession agreements. The President sends IMCC-approved contracts to the

Legislature for ratification, after which the laws are signed by the President and should be printed into handbills by the Ministry of Foreign Affairs. Depending on contract clauses, re-ratification may be necessary if ownership transfers.

There are a number of World Bank-supported projects managed by special project management units (PMU) embedded in select ministries. These PMUs usually prepare requests for Expression of Interest and International Competitive Bidding in accordance with the procedures and policies stipulated in the WB's Guidelines. For details on current projects, please visit <http://www.worldbank.org/projects>.

Conversion and Transfer Policies

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Both Liberian dollars (LD) and U.S. dollars (USD) are legal tender in Liberia. Large-scale business and government transactions are conducted in USD, while retail transactions are conducted either in USD or LD. Contracts and tax agreements are typically specified in USD. The *Investment Act of 2010* allows unrestricted transfer of capital, profits, and dividends, "through any authorized dealer bank in freely convertible currency." The Central Bank of Liberia (CBL) regularly intervenes in the foreign exchange market through weekly auctions to stabilize the exchange rate, facilitate imports, and maintain a low inflation rate. Though conversion restrictions do not exist, the CBL currency auctions are often oversubscribed and it may take investors more than a week to exchange large sums of money. The CBL's regulation concerning the transfer 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 the amount to be transferred; however, the amount to be transferred must have been in the entity's bank account for not less than three banking days prior to the transfer.

Expropriation and Compensation

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The *Investment Act of 2010* guarantees foreign enterprises against expropriation and nationalization, "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 GOL favors signing non-exclusive concession agreements with major investors. This practice allows the GOL to sign overlapping concession agreements for different resources. For example, the GOL may sign an agricultural concession agreement, but allow itself the flexibility to also sign a mineral and/or timber concession in the same area. As multinational investors develop concession areas, some businesses buy risk insurance to mitigate against the possibility of operational disruption caused by GOL land expropriation.

Many private commercial plantations were disrupted and came under rebel control during the civil war, and then were under government-appointed management. While most private entities were not compensated for war-time losses, most plantations have since reverted to private control under renegotiated or to-be-renegotiated concession agreements. Press reports indicate a number of rubber concessions are being renegotiated. Since February 2012, the Embassy has followed the Liberia National Investment Commission's controversial concession renegotiation procedure, which in at

least one case raises concerns about a possible uncompensated expropriation of an American-owned rubber plantation.

The Embassy also is working on a long-pending real estate expropriation case at the Freeport of Monrovia. The National Port Authority (NPA) assumed control of several privately-owned warehouses after the war. The American property owner took the NPA to court to regain possession of the warehouses. Despite both Circuit and Supreme Court rulings in his favor, the American property owner has yet to regain control of the properties. In 2012, the Ministry of Justice proposed a compensation package on behalf of the NPA, which was deemed inadequate and declined by the property owner.

The Embassy is aware of two mining claim disputes which arose because the Ministry of Lands, Mines, and Energy (MLME) allocated mining licenses on overlapping properties. One license holder reported to the Embassy that despite holding a license dating back to the 1970s, the MLME effectively forced the license holder to sell its claim for an unsatisfactorily low price to the other license holder through MLME-arbitrated negotiations.

Dispute Settlement

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Liberia's judicial power is vested in a Supreme Court and subordinate courts similar in structure to those of the U.S. The official legal system, based on Anglo-American Common law, is shadowed by, and frequently conflicts with, local customary law based on unwritten, indigenous practices. These competing and un-reconciled legal systems lead to frequent conflicts between Monrovia-based entities and those in rural communities. The judicial system suffers from inadequately trained and poorly compensated judges and other judicial officers, often leading to faulty proceedings and corruption. Many observers believe that judgments can be purchased, and foreign firms tend to be at a disadvantage. Obtaining hearing dates may take a long time because of inadequate resources and case backlogs.

The dysfunctional court system has led the GOL to explore the use of alternative dispute mechanisms to resolve land disputes, and the USG is providing some technical assistance to support these efforts. Historically, land disputes arose because the statutory and traditional methods of allocating land were never reconciled. During and after the civil war, unscrupulous individuals falsified land deeds and sold properties to multiple buyers, compounding an already contentious situation. In 2010, the Land Commission (LC) was mandated to establish a Land Rights Policy and clarify land ownership issues. The policy was officially announced in May 2013; legislation and regulations must be enacted to give the policy full effect. The LC has commenced pilot training for alternative land dispute resolution in five of Liberia's 15 counties. In 2012, the Ministry of Justice and the Judiciary indicated a willingness to consider legally enforcing agreements reached via alternative dispute resolution mechanisms.

Concerning dispute settlement procedures, parties to an investment dispute may specify any arbitration or other dispute resolution procedure upon which they agree. The *Investment Act of 2010* 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 GOL frequently include arbitration clauses specifying dispute settlement outside of Liberia.

As part of Liberia's judicial reform agenda, the Legislature enacted a new commercial code and established a Commercial Court in 2011. In theory, the court should preside over all financial and commercial disputes. In practice, because of a dearth of regulating legislation, some cases remain unresolved. For example, the Law Reform Commission (LRC) and relevant stakeholders are drafting a bankruptcy law to protect creditors' rights so that bankruptcy cases can be adjudicated.

In July 2012, the Ministry of Lands, Mines and Energy (MLME) canceled 25 mining licenses for non-compliance on issues ranging from companies' failure to pay fees to unsanctioned mining activities. Companies with revoked licenses have the right to request a formal MLME hearing to lodge their grievances. These companies also have the right to appeal to the civil law court and the Supreme Court. One license holder reported to the Embassy that he was forced by the MLME into biased negotiations with a competing license holder.

Performance Requirements and Incentives

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The *Revenue Code of 2000* amended by the *Consolidated Tax Amendment Act of 2010* dictates that for an investment to qualify for special incentives, the investment activity must be in one of the following priority areas: tourism carried out through tourist resorts, hotels and cultural sites; manufacturing of finished products having at least 30 percent local raw material content excluding water; energy; hospitals and medical clinics; low- and medium-income housing; air, sea, rail, and road transport infrastructure, including ports; high impact information and communications technology; banking in the non-bank areas in the southeastern region of the country; poultry and horticulture; exportation of sea products; agricultural food crop cultivation and processing, including cocoa and coffee; small- and medium-scale rubber and oil palm cultivation and processing; manufacturing or assembly of finished products for export, provided that at least 70 percent of production is exported from Liberia within any 12-month period; and waste management.

The revised revenue code also authorizes the Ministry of Finance to include other investment activities, not listed above, to promote economic growth. (Note: The revised revenue code differs on investment amounts from the *Investment Act of 2010*. End note.) Under the revised revenue code, capital invested must be at least USD\$1 million for foreign owned businesses, and at least USD\$300,000 for businesses with 100 percent Liberian ownership. Foreign or domestic investment intended to establish a hospital or health clinic has a lower threshold of at least USD\$50,000. Regarding tax incentives, section 16d of the revised revenue code states, "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 years; no tax incentive under this subsection shall be valid or enforceable without legislative approval." Capital assets and other goods to be used in the project are exempted from import duty up to 100 percent of their dutiable value. The revised code reduces both the maximum annual tax on net corporate profits derived from Liberian operations and personal income tax from 35% to 25%. The maximum corporate income tax rate in Liberia is 25%, except in the case of mining companies, which may pay up to 30%. For additional information on incentives and taxation, please visit the National Investment Commission at <http://www.nic.gov.lr/> and the Ministry of Finance websites at <http://www.mof.gov.lr>.

Right to Private Ownership and Establishment

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Land ownership 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. All mineral resources in and under the seas and other waterways shall belong to the Republic. Non-citizen missionary, educational and other benevolent institutions shall have the right to own property, as long as that property is used for the purposes for which acquired; property no longer so used shall escheat to the Republic.”

Rights to land ownership and use of resources such as minerals and timber have become increasingly important issues in recent years, with increased foreign investor interest and as traditional and statutory uses of land collide. Though the GOL established a moratorium on public land sales in 2010 to resolve the conflicting land tenure systems, it continues to enter into legally binding investment agreements with firms to use land, including for mineral and agricultural concessions. As firms commence operations, local populations believe their land is being encroached upon, which leads to disputes, strikes, and sometimes violence. In the interest of minimizing lost productivity and in the absence of adjudication from the GOL, companies often make additional community-level payments 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.

Protection of Property Rights

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To ameliorate land tenure issues exacerbated by the war, in 2010 the GOL established the Land Commission (LC). The LC has drafted a Land Rights Policy to reconcile the statutory and customary land tenure systems. (Note: Customary land is owned and administered by indigenous communities according to customary practices and norms. End Note.) The policy will form the basis for a subsequent Land Rights Law, which is expected to address land administration; land use and management; and alternative dispute resolution for land cases. As part of the ongoing reform process, in July, 2012, the LC drafted a bill entitled, *An Act against Criminal Conveyance of Land*, which was submitted to the legislature by the President and passed by the Senate in August, 2012. The bill is pending concurrence by the House of Representatives. If passed, the law will codify the accountability of land surveyors and provide sanctions for those found colluding with sellers and engaging in illegal land transactions. In August 2012, the LC also launched a massive civic education, public consultation and outreach campaign on its ongoing Land Rights Policy drafting process.

Concurrently, efforts are underway at the *Liberian Center for National Documents and Records Agency* (CNDRA) to populate a land cadastre for proper recording and mapping of land title deeds. This effort is designed to clarify property demarcation and reduce concession-community overlap. Additionally, the Ministry of Lands, Mines and Energy has a mining cadastre of mining rights and is establishing a land cadastre to clarify property rights. It is not clear how the LC, CNDRA, and MLME are coordinating these cataloguing efforts to ensure a coordinated and transparent record management

system. Database maintenance has been problematic in the past, which led to faulty, publicly available cadastre records.

Liberia is a member of the World Intellectual Property Organization and the African Regional Intellectual Property Organization, and a contracting party to international conventions and treaties on the protection of intellectual and industrial property rights, including the Berne, Paris, Lisbon, Vienna, Washington conventions and the Madrid Agreement. The Constitution of Liberia does guarantee the protection of private property and the Act adopting the New Copyright Law of Liberia, approved in July 1997, provides the legal and administrative framework for protection of intellectual and industrial property rights. The Copyright Office (CRO) and the Industrial Property Office (IPO) operates under the Ministry of Commerce and Industry, but lack capacity to manage intellectual property issues. The Ministry has prepared a draft amendment to the New Copyright Law of 1997 to be submitted to legislature, with clauses to merge the CRO and IPO.

All imports of intellectual property must be so identified on the import permit, rather than being identified as "general merchandise." All businesses dealing in intellectual property must reflect that on their business registration form. The Liberia Copyright Office recorded over 217 businesses in 2012, particularly by songwriters, movie producers and authors holding intellectual property rights. Holders of intellectual property rights have theoretical access to judicial redress, but laws pertaining to patents, trademarks, and industrial designs are not enforced. There is a general lack of knowledge about what constitutes intellectual property infringement in Liberia, and most Liberians do not understand that a person has to pay for the use of intellectual property. Broadcasters do not tend to pay royalties for use of protected material. Infringement of intellectual and industrial property rights such as duplication of movies, music and books is prevalent. Counterfeit drugs, apparel, cosmetics, mobile phones, computer software and hardware are sold openly.

Transparency of Regulatory System

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The impact of years of violence and bad governance undermined the rule of law and created widespread opportunities for corruption. Regulatory harmonization continues across ministries and agencies with conflicting rules and regulations including but not limited to: forestry legislation -- reform commenced in 2006 and is ongoing; petroleum legislation -- reform commenced in 2012 and is ongoing; mining legislation -- expected to be revised, commencing in 2013; and fisheries legislation -- reform began in 2010 and is ongoing. Lack of legislation has not hindered significant investment in many sectors. When regulatory issues arise, GOL officials can be arbitrary or heavy-handed when resolving conflicts. For example, over the course of 2011, the GOL failed to properly regulate the majority of commercial forestry licenses it issued. After reports of irregularities and corruption, investigations found that the licenses conflicted with forestry reform laws, leading to President Sirleaf's imposition of a moratorium on timber exports.

Liberia is a member of the worldwide Extractive Industries Transparency Initiative (EITI) and was the first African nation to be validated as EITI compliant. The Liberian Extractive Industries Transparency Initiative's (LEITI) has successfully launched all annual reports in compliance with EITI guidance since 2007. LEITI reporting aims to publicize GOL revenue payments made by private companies in hopes of reducing opportunities for graft and corruption. In 2012, LEITI increased the scope of its

reporting to include not just GOL ministries but also state-owned enterprises and agencies, potentially examining sizeable revenue streams at fiscally opaque state agencies. LEITI has also started nominally sanctioning non-compliant reporting companies, though it remains to be seen if such companies will submit to financial penalties.

Efficient Capital Markets and Portfolio Investment

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In 2012, 77 bank branches provided basic banking services throughout Liberia, but no capital market or portfolio investment options existed. The Central Bank of Liberia (CBL), with International Monetary Fund (IMF) assistance, commenced treasury bill operations in May 2013. To better promote banking sector efficiency, safety, and stability, the IMF also has provided technical assistance to the CBL in support of its gradual transition from a compliance-based to a risk-based supervision model. The CBL has established its Consumer Protection Unit to ensure customer protection and boost confidence in the banking system.

During 2012, the CBL recorded stable growth in the banking sector in terms of total assets, loans and deposits, which it attributed to Liberia's growing economy. With the exception of three banks, the banking system continues to be well capitalized and liquid. Poor asset quality and high loan loss provisions have made bank profitability a challenge. According to the CBL, five of nine banks are in violation of its Guidelines Concerning Supervisory Intervention, because they reported non-performing to total loan ratios above the statutory limit of 10%. While financial institutions allocate credit on market terms to foreign and domestic investors, the historically high rate of non-performing loans has led banks to offer short-term (less than 18 months), high-interest loans (12-20%) that constrain capital investment and limit new business development. There is no effective credit rating system, and many firms lack business records necessary for credit approval. Banks rely on the CBL's Credit Reference System, a manually-updated spreadsheet containing derogatory information about certain creditors. The obstacles to domestic travel, including poor roads and inclement weather, and communication increase the risk in accepting collateral outside Monrovia and the lack of reliable land title hampers access to credit.

The Liberian market offers the private sector few credit instruments. Most private companies also do not issue debt, in part because there is no government benchmark, and in part because there is not a culture of using such investment instruments. Informal credit clubs called *sousous* exist in which members contribute funds to the group, which in turn makes short-term (one to three month), high-interest loans to members. The United States Overseas Private Investment Corporation (OPIC) funded a non-banking financial institution, the Liberian Enterprise Development Finance Company (LEDFC). Since 2007, LEDFC invested USD\$5 million of a USD\$20 million fund in small- and medium-sized Liberian companies. During 2012, LEDFC's implementing partner became insolvent, found an interested buyer, and experienced lengthy delays in the CBL's consideration of LEDFC's request to transfer ownership, causing an inability to issue new loans.

Competition from State Owned Enterprises

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Liberia has more than 20 state owned enterprises (SOEs) and regulatory agencies, some of which exist statutorily but are non-functioning. The most notable operating SOEs affecting private enterprise include: the National Port Authority (NPA), the Liberia Electricity Corporation, Roberts International Airport, the Liberia Civil Aviation Authority, the National Oil Company of Liberia, the Forestry Development Authority, and the Liberia Maritime Authority. The history of SOEs is characterized by high levels of corruption, financial opaqueness, cronyism, and mismanagement. Liberia's *Public Financial Management Law of 2009* set out rules governing SOE management and operations. The severely under-resourced Bureau of State Enterprise, which is responsible for SOE oversight, does little to deter dubious SOE practices. Questionable procurement, licensing, and design-operate-transfer procedures are common complaints against some SOEs.

Corporate Social Responsibility

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The GOL expects foreign investors to offer social services to local communities in which they operate. Concession contracts dictate service provision, including, but not limited to: road and infrastructure development; school construction; and health service provision. Even after a concession is ratified by the legislature, most investors find that communities expect the firms to negotiate separately with local leaders for additional services. This process can be cumbersome, lead to delays, and greatly increase costs.

A consortium of foreign investors and GOL officials launched the Corporate Responsibility Forum in 2009. This organization encourages responsible investment, good corporate citizenship and collective action for development based on generally accepted CSR principles such as the OECD Guidelines for Multinational Enterprises. More information can be found at <http://www.crforumliberia.org>.

Political Violence

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2011's presidential and parliamentary elections were the first organized by the Liberian Government, following the UN-assisted elections in 2005. This marked an important step in Liberia's efforts to advance democracy and to promote peace and security. The Armed Forces of Liberia (AFL) were completely demobilized and with USG assistance a modern, professional force has been trained, though is still reliant on international support and not fully capable. The Liberian National Police (LNP) has also been restructured and includes an Emergency Response Unit, which has the ability to respond rapidly to address sudden tactical police emergencies. The presidential Special Security Service (SSS) was restructured into a new Executive Protection Service (EPS), and continues to provide a high level of protection for the President. Though UN troops are gradually being withdrawn as Liberia's security forces gain in strength and experience, Liberia's peace remains stable but fragile and potential for political violence remains high. Increasing freedom and transparency for the Liberian people has led to vigorous pursuit of perceived rights, which results in active, often acrimonious, political debate. Though professional journalistic capacity is low, a free and open media environment has increased political awareness among Liberians. As noted previously, access to land remains a volatile issue, and there is a significant potential for public protests and demonstrations to become politicized.

Corruption

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The GOL is fighting corruption, but it remains endemic in the Liberian social fabric. The 2012 Transparency International Corruption Perception Index showed that Liberia improved by 16 places over 2011, ranking 75 of 176 countries. The 2012 Mo Ibrahim Governance Index revealed that Liberia ranked 34 of 52 African countries. The report indicates Liberia scored highest in the governance category of participation and human rights and lowest in that of sustainable economic opportunity.

Travelers to Liberia are likely to encounter officials who solicit bribes (often euphemistically referred to as "cold water", "my Saturday", or "my Christmas"). Multinational firms often report having to pay fees to GOL 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 Legislature and the Executive Mansion.

Despite a number of USG and other donor-funded assistance projects, lack of training, inadequate salaries, and a culture of corruption with impunity have created a weak judicial and regulatory system that hampers 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. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are detailed below.

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: The OECD Anti-bribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Anti-bribery Convention through the U.S. FCPA.

United Nations Convention against Corruption: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

Inter-American Convention against Corruption: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>).

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial

Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Anti-bribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See

also new Anti-bribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.

- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrprt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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Liberia has a few bilateral trade agreements, but some of the agreements have remained inactive for years. In December 2012, the GOL announced that Liberia was selected by the Millennium Challenge Corporation (MCC) Compact program as eligible to develop a compact proposal. The Ministry of Commerce is working with both international and domestic partners to harmonize tariffs, engage regional and global

bodies, and strengthen the regulatory environment. The Ministry has drafted the nation's first-ever trade policy, currently being validated by the GOL and its partners, which includes streamlining Liberia's tariffs and customs procedures, as part of the GOL's efforts to qualify for WTO accession and the West Africa Customs Union.

In August 2011, Liberian officials met with their American counterparts to discuss their Trade and Investment Framework Agreement (TIFA) to reduce trade and investment barriers. This was the third meeting of the United States-Liberia TIFA Council, which provides a high-level forum for advancing cooperation on bilateral trade and investment issues. Liberia enjoys preferential access to the United States' market under special access and duty reduction programs, including the Generalized System of Preference (GSP) and the African Growth and Opportunity Act (AGOA). The country is a signatory to the Convention on the Settlement of Investment Disputes between State and Nationals of other States. In May 2011, Liberia and the EU signed a comprehensive trade agreement, known as Voluntary Partnership Agreement (VPA), aimed at controlling illegal logging and improving forest sector governance. Liberia also belongs to the Economic Community of West Africa States (ECOWAS), the African Union (AU), New Partnership for Africa's Development (NEPAD) and the Multilateral Investment Guarantee Agency (MIGA). Although Liberia has theoretical access to sizable regional markets including the 250 million consumers of ECOWAS and the nearly 40 million consumers of the Mano River Union (MRU), the total volume of regional trade is low because of poor infrastructure. Under the MRU, trade with member states is duty free and any goods seeking benefit must be accompanied by proof-of-origin documentation. In October 2012, the GOL signed a treaty connecting Liberia to the West African Power Pool (WAPP) to increase the flow of electricity access to the rural communities by 2016.

U.S. Overseas Private Investment Corporation (OPIC)/Other Investment Insurance Programs

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OPIC provides coverage for investors in Liberia. The U.S. Government restored Liberia's eligibility for the Generalized Systems of Preferences in 2006. The Liberian dollar is a fully-convertible currency and operates on a free float with no predetermined path. Contracts and agreements are typically denominated in USD. It is therefore unlikely that OPIC would ever be required to pay an inconvertibility claim. There has not been any major risk of currency depreciation in 2012, as the Central Bank of Liberia continues to strengthen its foreign exchange reserves. However, the country will continue to run large current account deficits until raw material exports expand significantly.

Labor

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The Liberian labor force is predominantly illiterate and unskilled, and most Liberians lack basic computer skills. According to UNESCO's statistics (2010), the adult literacy rate for Liberia is estimated at 60.8 percent and the youth (15-24) literacy rate 76.5 percent. Less than 12 percent of the FY 2012-13 national budget is allocated to the education sector. Demand for jobs is tremendous, as the formal economy employment rate is estimated at only 25%. About 80% of the workforce is engaged in the informal sector, contributing to family businesses or small-scale farms.

The Ministry of Labor requires employers to demonstrate goodwill efforts to hire qualified Liberians before it will grant work visas to foreigners, and some foreign investors find this process to be a lengthy one. Many investment contracts require businesses to employ a certain percentage of Liberians, including top management positions. Foreign managers report a lack of qualified local labor as their biggest operational hindrance.

Employees enjoy freedom of association, and they have the right to establish and become members of organizations of their own choosing without previous authorization or coercion. Employers are prohibited from discriminating against an employee because of membership in a labor organization. Employee association members frequently demand and strike for compensation at times of ownership transition or to seek payment of obligations owed by pre-conflict employers. Under Liberian laws, labor organizations and associations have the right and freedom to draw up their constitutions and rules for electing their representatives, organizing activities, and formulating programs. The laws specify that no industrial labor union or organization shall exercise any privilege or function for agricultural workers and no agricultural labor union or organization shall exercise any privilege or function for industrial workers.

In July 2011, the legislature merged the *Decent Work Bill* together with the *Minimum Wage Law* to create a new *Decent Work Bill*. The new labor law is intended to improve worker incentives, expectant parent leave, and private sector minimum wage. In September 2012, the Liberian House of Representatives passed the *Decent Work Bill* and it is pending Senate concurrence.

Foreign-Trade Zones/Free Ports

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The GOL established the Liberia Industrial Free Zone Authority (LIFZA) in 1975 to encourage and promote foreign cooperation and investments in the country. The LIFZA is one of the statutory but dysfunctional state owned enterprises in Liberia. The Monrovia Industrial Park (MIP) is a 450-hectare parcel of land set aside by the Legislature for industrial purposes in Gardnersville Township outside Monrovia. According to Liberia's investment policy, industries that establish within a free zone area are entitled to waive import duties and corporate taxes. The National Investment Commission manages free trade zones and is currently working with the IFC's investment climate team to draft a law that will establish active industrial parks and guide the development of the Special Economic Zones in Liberia.

Foreign Direct Investment Statistics

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Though Liberia has a limited domestic market of roughly four million people, having to rebuild the post-conflict economy from scratch provides many foreign investment opportunities in the agriculture, services, and manufacturing sectors. The *Amended and Restated Public Procurement & Concessions Act of 2010* gives the Public Procurement and Concessions Commission (PPCC) oversight responsibilities for procurement of goods, works and services as well as the granting of concessions in Liberia.

Currently, Liberia's export sector relies heavily on rubber, which last year accounted for about 59% of total exports. Iron ore will represent an increasingly large proportion of exports as multibillion dollar investments from ArcelorMittal, China Union and Sesa Goa start and expand production. In September 2011, ArcelorMittal made Liberia's first

export shipment of iron ore in 25 years. Liberia's main export destinations include Europe, the United States, and China. The country's main imports are food and live animals, machinery and transport equipment, manufactured goods, and petroleum products.

Business registration statistics indicate that the Liberia Business Registry (LBR) registered a total of 8,518 local businesses and 1,190 foreign owned businesses as of December 15, 2012. (Note: The list of foreign-owned businesses includes locally incorporated and registered businesses owned by Non-Liberians, as well as entities established under different legal jurisdictions which sought to operate business in Liberia. End note.) Operating under the Ministry of Commerce and Industry, the LBR is a one-stop-shop business registration center established to allow entrepreneurs to register a business within 48 hours.

Annual FDI in Liberia in Millions of USD (most recent data available)

2006	2007	2008	2009	2010	2011
\$108	\$132	\$200*	\$378*	\$390*	\$390*

Source: World Investment Report, UNCTAD

***Estimate**

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Government of Liberia

National Investment Commission

<http://www.nic.gov.lr>

Ministry of Commerce

<http://www.moci.gov.lr/>

Ministry of Finance

<http://www.mof.gov.lr/>

Department of Revenue, Ministry of Finance

<http://www.mof.gov.lr/content.php?sub=77&related=17&res=77&third=77>

Ministry of Planning and Economic Affairs

<http://www.mopea.gov.lr/>

Embassy of Liberia in Washington

<http://www.embassyofliberia.org/>

Consular (visa) information <http://www.embassyofliberia.org/consular/index.html>

International Financial Institutions

IFC "Doing Business"

<http://www.doingbusiness.org/ExploreEconomies/?economyid=111> or

U.S. Government

U.S. Embassy Monrovia Economic Section (includes list of lawyers, AGOA Fact Sheet, and Liberia Business Handbook): http://monrovia.usembassy.gov/pol_econ.html

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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How Do I Get Paid (Methods of Payment)

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Payment can be arranged through internationally accepted payment modes such as confirmed irrevocable letters of credit, bills for collection, and open accounts. Some basic financial services, including merchant services, are not offered in Liberia. Only two banks, Ecobank Liberia and United Bank for Africa (UBA), offer international Visa debit card services for its customers. Many commercial banks operate Money Gram and Western Union outlets for payments and fund transfers.

How Does the Banking System Operate

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Banking regulations can be found on the website of the Central Bank of Liberia, <http://www.cbl.org.lr/>. There are nine commercial banks operating in Liberia. Afriland First Bank is the latest to enter the market and the only bank to offer agricultural loans. Access Bank is the only microfinance commercial bank in the country. Banking institutions operate essentially as repositories for funds and provide short-term trade financing and operating capital. Banks have historically had no domestic instruments into which to place liquidity and the Central Bank imposes a 22% reserve requirement. Banks rely on fees or charges for transactions for services such as fund transfers, deposit/withdrawal, and cashing checks. ATMs are not connected to global electronic banking networks and traveler's checks and credit/debit cards are rarely accepted. Banking services are expanding in 10 of Liberia's 15 counties; bank branches totaled 77 in 2012. Large sums must be transferred via bank draft or other financial instruments. Persons without a Liberian bank account are limited to two outgoing USD 5,000 over-the-counter cash wire transfers per month.

Foreign-Exchange Controls

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Liberian and U.S. dollars are both legal tender, with a floating exchange rate. There are no restrictions on converting or transferring investment funds. However, the Central Bank of Liberia conducts a foreign exchange auction only once per week. Its U.S. dollar sales, which rarely exceed USD 750,000, are often oversubscribed; and large investors may find it takes more than one week to exchange large sums of money. Transfer of sums in excess of USD 10,000 must be reported to the Central Bank, and no

more than USD 7,500 in foreign currency banknotes can be moved out of the country at any one time. The Central Bank of Liberia conducts foreign exchange auctions that provide access to foreign currency. Daily exchange rates are available at the CBL website at: <http://www.cbl.org.lr/> There are several foreign exchange bureau in and around Monrovia, some of which are not registered with the Central Bank. Inflow of remittances is one of the major sources of foreign exchange for the Liberian economy.

U.S. Banks and Local Correspondent Banks

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International Bank is partially U.S.-owned. The Nigerian-owned United Bank for Africa (UBA) has branches in 20 African countries, with subsidiaries in New York and London, while Ecobank operates in 29 African countries. Guaranty Trust Bank has subsidiaries in a few African countries and United Kingdom.

Project Financing

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Financing for large projects is almost exclusively sourced from outside Liberia. Many reconstruction projects are funded by international donors, primarily the United States, the World Bank, the European Commission and the African Development Bank.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Multilateral Development Bank

The World Bank <http://www.worldbank.org/>

International Finance Company (IFC) <http://www1.ifc.org>

International Monetary Fund (IMF) <http://www.imf.org/external/index.htm>

African Development Bank (AfDB) <http://www.afdb.org/en/>

European Investment Bank (EIB) <http://www.eib.org/>

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Chapter 8: Business Travel

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Business Customs

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Business wear in Liberia tends to be formal (business suit and tie), although Liberians will wear a traditional tie-dyed, or cotton shirt on some occasions, and more casual wear is appropriate for activities such as outdoor site visits. The usual greeting is a Liberian handshake (which ends with a snap), and it is polite to greet everyone individually when entering a room. Visitors should arrive for appointments promptly, but it is not unusual for meetings to be delayed or cancelled on very short notice. It is prudent to confirm appointments before setting out.

The Ministry of Posts provides some postal services in the country. It also provides an expedited mail service (EMS) promising a five-day delivery time to the US. It is not advisable to send anything of value through the Liberian postal system. Commercial air courier services are available through DHL, FedEx and UPS. Four cell phone companies provide services in Monrovia and other areas, although coverage is not available in all parts of the country. U.S. cellular phones do not always work in Liberia and it is advisable to rent or purchase a local cellular phone. Credit cards are rarely accepted, even by major hotels. Travelers should exercise caution in using credit cards at those few establishments that do accept them. Traveler's checks can be cashed at an unfavorable rate at a few banks and hotels. U.S. and Liberian dollars are legal tender; it is advisable to carry some amount of small-denomination in U.S. currency for tips and incidental purchases.

Travel Advisory

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A visa and proof of vaccination against Yellow Fever are required for entry to Liberia. The Department of State advises American citizens to plan travel to Liberia carefully, given the shortage of hotels and transportation challenges. There are some taxis and public transport available at the airport, but they are not always reliable or safe. It is advisable to arrange an airport pick up or drop off in advance between Monrovia and the airport. (See following section on Transportation.) The most updated information is available at http://travel.state.gov/travel/cis_pa_tw/cis/cis_950.html.

Visa Requirements

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All arriving travelers must present a valid Liberian visa and immunization certificate with proof of a Yellow Fever vaccination. Airport visas are only issued in emergency cases and require approval of the Immigration Commissioner in advance. There is a USD 25 airport tax on departing passengers which is embedded in ticket prices. Information on Liberia's visa requirements is available from the Liberian Embassy in the United States at: <http://www.embassyofliberia.org/consular/index.html>. Information on visas for Liberians traveling to the United States is available at:

<http://travel.state.gov/visa/index.html> or <http://www.unitedstatesvisas.gov/>

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>
State Department Visa Website: <http://travel.state.gov/visa/index.html>
United States Visas.gov: <http://www.unitedstatesvisas.gov/>
Consular Section, U.S. Embassy in Liberia:
<http://monrovia.usembassy.gov/consular.html>

Telecommunications

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There is no national land-line communications system aside from the limited land-line phone services offered by the state-owned Liberia Telecommunication Corporation (LIBTELCO). Liberia has four licensed cellular service providers operating on Global System for Mobile Communication (GSM) technology. GSM phones and calling cards are readily available, including at the airport, hotels and major restaurants, and are activated upon purchase. The largest GSM service provider, owned by MTN Group SA, introduced limited GPRS access for "pull-email" in 2008 but there is only limited BlackBerry service (voice, but not data, with AT&T). LoneStar-MTN and Cellcom are the two leading mobile phone operators in the country. Internet access is available at small "business centers" in Monrovia, and most of the major hotels provide wireless access, albeit slow. Bandwidth is low and internet subscription fees are high, due in part to high overhead costs. In January 2013, Libtelco activated Liberia's connection to the fiber optic cable network. The fiber optic cable network is fully functional and operational in parts of Monrovia, and large customers, like the GSM companies, have begun connecting to the fiber backbone.

Transportation

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The airport is about 40 miles from Monrovia and there are no car rental agencies or reliable bus or taxi services on-site. Visitors should avoid the yellow taxis and pre-arrange transportation through a hotel or business contact. When traveling outside Monrovia, four-wheel drive vehicles are advised. Roads are mostly unpaved, in disrepair and during the rainy season impassable. Liberia has a tropical climate with the rainy season from May to October and the dry season from November to April.

http://travel.state.gov/travel/cis_pa_tw/cis/cis_950.html

Language

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English is the official language and is generally spoken in Monrovia and its environs. There are 16 tribes each with its own language.

Health

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There are few hospitals, clinics or health facilities and their quality is not up to U.S. standards. Travelers should purchase medical evacuation insurance:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_950.html

Local Time , Business Hours, and Holidays

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Liberia is on Greenwich Mean Time (GMT). Business hours are normally from 8:00 a.m. to 5:00 p.m. Most government offices are closed before 5:00 p.m. Some international organizations and UN Agencies work a half-day on Friday.

Liberian annual National Holidays in 2013 are as follows:

New Year's Day	January 01
Armed Forces Day	February 11
Decoration Day	March 13
J. J. Robert's Birthday	March 15
Fast and prayer Day	April 12
Unification Day	May 14
Independence Day	July 26
Flag Day	August 24
Thanksgiving Day	November 07
William V.S. Tubman's Birthday	November 29
Christmas Day	December 25

Please note: * Celebrated on Monday in lieu of Sunday.

** Celebrated on Friday in lieu of Saturday.

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U.S. State Department travel information:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_950.html

U.S. visa information:

<http://travel.state.gov/visa/index.html> or <http://www.unitedstatesvisas.gov/>

Liberian Embassy in the United States:

<http://www.embassyofliberia.org/consular/index.html>

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Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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National Investment Commission: <http://www.nic.gov.lr/>
Ministry of Commerce and Industry: <http://www.moci.gov.lr/>
Liberia Chamber of Commerce: <http://lcc.org.lr>
The Marketplace:
(Business Development Service & Incubator) <http://themarketplacebds.com/incubator.php>
Building Markets <http://liberia.buildingmarkets.org/>
Business Start-up Center Monrovia (BSC)
<http://www.bidnetwork.org/en/organization/bsc-business-start-center-monrovia>

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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The Liberian Embassy in Washington, D.C. in collaboration with the Houston International Trade Development Council, the Liberian Consulate General of Atlanta and Philadelphia organize trade missions to Liberia. The missions have included U.S. businesses interested in hotels, hospitality, tourism, power, energy, banking, finance, agriculture, healthcare delivery, real estate development, technology, merchandise imports/exports, ICT, and general infrastructure projects. Also, please click on the link below for information on upcoming trade events in the U.S:

<http://www.export.gov/tradeevents/index.asp>

Please click on the link below for information on upcoming trade events in Liberia:

<http://www.liberiatio.gov.lr/>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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