



Doing Business in Liberia: 2012 Country

Commercial Guide for U.S. Companies

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2010. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

- [Chapter 1: Doing Business In Liberia](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations, Customs and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

[Return to table of contents](#)

Chapter 1: Doing Business In Liberia

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

- Liberia is an emerging economy and Government of Liberia is revising laws and regulations pertaining to trade and investment. In September, 2011, the Ministry of Commerce and Industry launched the first policy to guide and support the growth and development of the micro, small and medium-size businesses. Some of the most detailed information on doing business in Liberia can be found in the International Finance Corporation's "Doing Business" index and on the National Investment Commission's official site: <http://www.doingbusiness.org/> and <http://www.nic.gov.lr/>
- Liberia improved 4 places in the World Bank's Doing Business 2012 Survey, ranking 151 of 183 economies surveyed. The report indicates that Liberia made cross-border trade faster by implementing online submission of customs form through the ASYCUDA (automated system of customs data) system at the Freeport of Monrovia, enhancing inspections and customs clearance process.
- The GDP grew an estimated 6.9% in 2011, led by increased rubber production and a restart of iron-ore exports. Timber shipments have begun but poor infrastructure limits progress. Off-shore oil exploration has begun by three international companies. The IMF projects growth of 9.5% in 2012, boosted by activities in agriculture sector and the restart of iron-ore production. The primary drivers of growth include agriculture and fisheries, forestry, mining and panning, manufacturing, and services.
- Inflation for 2011 averaged 8.5%, up from 7.5% at end-December 2010. The inflationary pressure was driven by food and fuel prices, and limited domestic produce supply because of poor farm-to-market roads. The exchange rate of Liberian to the U.S dollars was stable at around LRD 72.00 per USD 1.00.

- Rubber continues to dominate the export sector, accounting for about 67% of total export earnings at end-November, 2011. Cocoa export receipts in 2011 increased by 164% over the previous year's receipts due to cocoa farm rehabilitation, which led to production increases. Receipts from iron-ore exports expanded to an estimated USD 6.4 million, from USD 3.1 million in 2010, while receipts from timber exports rose to USD 18.9 million from USD 2.7 million in 2010. The resumption of logging activities, following the verification of several logging concessions, spurred the production rise.
- Total imports (USD 814.3 million) exceeded total exports (USD 295.2 million) in 2011, increasing Liberia's trade deficit and highlighting its reliance on imports.
- Mainly food, livestock, animals, beverages, tobacco, chemical products, manufactured goods, machinery, transport equipment, and petroleum products comprise imports.
- Liberia is not under UN Security Council economic sanctions. In December 2010, the Security Council renewed for 12 months its arms embargo on Liberia and travel ban on persons deemed threatening to the country's peace process.

Market Challenges

[Return to top](#)

- Liberia conducted peaceful, free and fair democratic elections on October 2011, the second since the civil war ended in 2003. The United Nations peacekeepers, numbering 7,952, assists the Government to maintain peace and security of the borders, and law and order throughout Liberia.
- Liberia remains one of the poorest countries in the world. The Liberian authorities and the IMF estimated the real GDP in 2011 to be USD 599.5 million and projected USD 656.4 million for 2012. <http://www.cbl.org.lr/>
- The judicial system is weak and unreliable. Laws applied to businesses and contracts are inconsistent and can sometimes be breached with impunity. The labor force is largely unskilled and the literacy rate is 56% (*Liberia Institute for Statistics & Geo-Information Services*).
- Poor quality road, bridge, port of entry, electrical grid, and water system infrastructure pose major challenges to domestic travel and inland transport. At present, the Freeport of Monrovia is used for most international trade; its services are limited and expensive. Security and services at the country's only international airport are improving.
- The Ministry of Commerce and Industry (MOCI) monitors prices of basic products. It sets ceilings on the prices for rice, cement, and petroleum products, but prevailing market rates are always above the official rates.
- Liberian law prohibits land ownership by non-Liberians. The Investment Act of 2010 reserves 16 business sectors for Liberian investment and restricts foreign investment in 12 other sectors to a minimum of USD 500,000. (See Liberia's Investment Climate Statement 2012). Registration of a company is not, under current practice,

interpreted as providing Liberian corporate nationality. (That is, only a company with majority Liberian ownership (51% or above) is permitted to own land.)

- Businesses in Liberia are required to register annually with the Liberia Business Registry. Tariffs and fees can be arbitrary and are sometimes collected by many government agencies. Investment negotiation is improving but is still slower than other regional markets.

Market Opportunities

[Return to top](#)

Investment is increasing and the government has demonstrated commitment to reforming trade and investment policies to encourage private sector-led economic revitalization. As part of its law reform program, the government opened the country's first Commercial Court in September 2011, presided over by three judges to handle the backlog of cases on financial and commercial disputes.

- There is tremendous demand for reconstruction of damaged infrastructure including roads, bridges, ports/airports and power generation.
- APM Terminals operates the Freeport of Monrovia on a 25-year port management concession. Since taking control of the port in February 2011, APM Terminals has among other improvements installed a state-of-the art Navis N4 Container Tracking System, 24-hour power supply to protect refrigerated cargo, and new lighting. Port dredging is underway to improve port access for larger vessels.
- A U.S. carrier, Delta Airlines, has three weekly flights between the U.S. and Liberia. Delta also offers a nonstop flight from Monrovia to Accra, boosting sub-regional trade and increasing investment opportunities in cargo storage and warehousing.
- In agriculture, principal growth sectors are expected to be in forestry, fisheries, rubber, oil palm, cocoa and coffee, food production, processing and storage.
- As of December 31, 2011, the Government Diamond Office had processed a total of 87 Kimberly Process Certificates for exports of 39,000 carats of rough diamonds valued at USD 15.05 million.
- American products are popular in Liberia for quality and durability but the local market is flooded with cheap Chinese products ranging from building materials to general household items.
- The large United Nations and international NGO presence in Liberia provide a short/medium-term market for many American products. Liberia has a legal framework to protect intellectual property rights but its enforcement is weak.

Potential investors may contact the National Investment Commission (NIC) and the Ministry of Commerce for more information and guidance. U.S. companies interested in doing business in Liberia should consider hiring an agent, attorney or distributor to develop and foster local partnerships. It would be imprudent to attempt to enter the market without doing thorough market research on Liberia to become familiar with the business environment, as well as the legal and regulatory framework.

[Return to table of contents](#)

[Return to table of contents](#)

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.

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

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

The Liberian government is revising laws and regulations pertaining to trade and investment so information may change quickly. In September, 2011, the government, through the Ministry of Commerce and Industry, launched its first policy to guide the growth and development of the micro, small and medium-size business sector in the country, <http://www.moci.gov.lr/>. The Revised Investment Incentive and Revenue Code of 2010 introduced a clear and standardized system for awarding concessions and provided guarantees against unfair expropriation. Revisions in the revenue code have lowered the maximum corporate and personal tax rate from 35% to 25%. Some of the most detailed information on doing business in Liberia is found in the International Finance Corporation's "Doing Business" index and on the National Investment Commission's official site: <http://www.doingbusiness.org/> and <http://www.nic.gov.lr/>

Using an Agent or Distributor

[Return to top](#)

An agent must be a registered business entity and may be used to bid on government tenders and to assist in marketing. U.S. companies have encountered unscrupulous and unqualified individuals presenting themselves as agents. Offers to circumvent established business procedures or draw on political connections should be treated with extreme caution. U.S. companies are highly encouraged to exercise due diligence in hiring the service of an agent or a counsel, and to select one who demonstrates a strong familiarity with Liberia's regulatory and legal frameworks. Another challenge is that a handful of qualified agents attract numerous foreign clients and 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 or due diligence. List of major law firms in Monrovia is on the U.S Embassy Monrovia website http://monrovia.usembassy.gov/pol_econ.html

Establishing an Office

[Return to top](#)

Under Liberian laws only Liberian citizens may own land. Therefore signing a rental or lease agreement is usually necessary and can be cumbersome given 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. Electrical power may need to be self-generated as public utilities are not widespread or reliable, especially outside of Monrovia. Internet access is expensive and slow. There is a very limited supply of skilled employees. Many businesses retain private security services to guard their premises, or properties.

Franchising

[Return to top](#)

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

[Return to top](#)

Most advertising is by radio, newspapers, skits, and billboards. Low literacy and limited or unreliable electricity supply limit the effectiveness of print, on-line and television advertisements. Direct mail is ineffective as the fledgling postal system is not fully functioning. The Liberian Embassy in Washington in partnership with the Honorary Consul General of Liberia in Georgia sometimes organizes trade missions to Liberia. Please contact the Embassy or Liberian Consulate for information on trade missions: <http://www.liberianembassyus.org/>, <http://liberianconsulatega.com/>

Joint Ventures/Licensing

[Return to top](#)

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 boost a fair number of joint ventures as well. The agriculture, mining, and energy sectors are key drivers for economic growth, and there are opportunities for new ventures in these sectors.

Selling to the Government

[Return to top](#)

The government is the largest purchaser of goods and services. Foreign suppliers may participate in international bids for public procurement contracts. The Public Procurement and Concession Commission (PPCC) regulates government tenders. The PPCC Act of 2005 governs the PPCC and can be viewed at <http://www.ppcc.gov.lr/>. However, the government's financial resources remain extremely limited, and most large procurements are donor-funded. Foreign companies have had little success in selling unsolicited goods or services directly to the government.

Distribution and Sales Channels

[Return to top](#)

A credible agent with extensive private and public contacts is crucial for effective representation. Many of the larger, Monrovia-based retailers have branch locations in other cities. Most products enter Liberia through the Freeport of Monrovia and Roberts International Airport. Transportation outside Monrovia is difficult and expensive, particularly during the rainy season when some parts of the country become inaccessible. The equatorial climate is hot year-round with rainfall from May to October.

Selling Factors/Techniques

[Return to top](#)

Although the domestic market is limited to approximately four million consumers, the need to rebuild the infrastructure and economy provides ample opportunities for selling all manner of goods ranging from agricultural equipment to hotel services. For many Liberians, Diaspora remittances are an important source of income and disposable income is extremely limited which hinders consumption. Quality, imported goods are targeted at businesses, government officials, and UN and international expatriate workers.

Electronic Commerce

[Return to top](#)

Internet penetration and credit card usage are low and postal delivery and ICT infrastructure are virtually nonexistent. It is a premature e-commerce market, though some U.S.-based Liberians manage e-commerce shops and content publishing targeting Liberians.

Trade Promotion and Advertising

[Return to top](#)

Many trades boast trade organizations, but there is little organized trade promotion. Radio and newspaper remain the favored advertising media and capture half of the market. Other media include television (only in Monrovia), print, billboards, skits and websites. Advertising is in English or one of the 16 indigenous languages.

Pricing

[Return to top](#)

The Ministry of Commerce and Industry, through its Price Analysis and Marketing Division, monitors prices and sets price ceilings for essential commodities including rice, cement, and petroleum products. 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. The IFC-sponsored Liberian Better Business Forum and other groups are working to increase the efficiency of business procedures and improve Liberia's rank on the IFC's "Doing Business" indicators. Despite these efforts, price controls enjoy more wide-spread public support than the laws of supply and demand.

Sales Service/Customer Support

[Return to top](#)

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 Intellectual Property

[Return to top](#)

IP must be registered in Liberia under local laws to be enforced. Make note IP enforcement is very weak. 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 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

Companies can also work with both Liberia and U.S.-based trade organizations to support efforts to protect IP and stop counterfeiting, including:

- The U.S. Chamber 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 US 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 US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US 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 US 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/iprprogram_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.

Due Diligence

[Return to top](#)

U.S. firms wishing to do business in Liberia are encouraged to conduct thorough due diligence on potential business partners. 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 web site:
<http://monrovia.usembassy.gov/econcom.html>.

Local Professional Services

[Return to top](#)

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/econcom.html>.

Web Resources

[Return to top](#)

U.S. Embassy Monrovia Commercial Section:

<http://monrovia.usembassy.gov/econcom.htm>

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://ppcc.gov.lr>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- [Mining \(iron ore, diamonds, gold\) \(MIN\)](#)
- [Construction \(CON\)](#)
- [Telecommunication \(TES\)](#)
- [Power Generation \(ELP\)](#)
- [Petroleum \(OGS\)](#)
- [Financial Services \(FNS\)](#)
- [Travel/Tourism \(TRA\)](#)
- [Food Processing/Equipment \(FPP\)](#)
- [Forestry \(FOR\)](#)
- [Agriculture Services \(AGS\)](#)
- [Fisheries \(CFE\)](#)

Mining (iron, diamonds, gold) (MIN)

[Return to top](#)

Overview

[Return to top](#)

Liberia has rich mineral deposits, and the historically profitable mining sector is expanding. 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. Iron ore will represent an increasingly large proportion of exports as multibillion dollar investments from ArcelorMittal, China Union and BHP Billiton start and expand production. In September 2011, ArcelorMittal made Liberia's first export shipment of iron ore in 25 years. Much of the multibillion-dollar mineral investments will go to rebuilding railways, roads, ports, electrical plants, and other critical infrastructure. Proceeds from iron ore exports expanded to an estimated USD 6.4 million in 2011, from USD 3.1 million in 2010. The rise was solely due to the resumption of iron ore exports by ArcelorMittal. Gold mining has been mostly artisanal to date, but commercial opportunities are emerging. Mano River Resources discovered approximately 1.5 million ounces of inferred gold on a property in Grand Cape Mount County, and is now working to develop it. Amlib discovered approximately 700,000 ounces of inferred gold in Bong County. Hummingbird Resources and other companies are also conducting exploration

throughout the country. Liberia's diamond exports may increase as numerous kimberlite pipes and dykes have been discovered in the west of Liberia.

Sub-Sector Best Prospects

[Return to top](#)

Potential for support services for every aspect of iron ore mining. Skilled mine site personnel for power generation and railway reconstruction. 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 and interested parties should inquire at the Ministry of Lands, Mines, and Energy.

Opportunities

[Return to top](#)

Agreements signed with ArcelorMittal, China Union, BHP Billiton, Putu Mining Company and other large investors include commitments to rehabilitate railroads, port facilities and roads and to provide schools and healthcare facilities. The government welcomes additional companies to conduct exploration in areas that have high potential for mineral deposits, such as diamond and gold.

Web Resources

[Return to top](#)

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/

Construction (CON)

[Return to top](#)

Overview

[Return to top](#)

As Liberia's economy picks up and businesspeople, including Liberians in the Diaspora return, there continue to be opportunities for renovating and building a variety of new structures. There is also a growing demand for property renovation, office buildings, shopping centers, and low-to-middle income housings both in Monrovia and in conjunction with mining investments and plantations around Liberia. The country has two main highways, the north/south highway from Monrovia via Kakata to Nimba and the west/east highway from the Sierra Leone border via Monrovia to Buchanan. International donors are funding a number of projects, including rehabilitation of Monrovia's streets and bridges. Significant funding has been provided to date by the World Bank for road construction and rehabilitation and this is set to increase to USD 177 million over the next three years. Other major donors contributing to the development of feeder roads include the United States Agency for International Development (USAID), the European Commission (EC), and the Swedish International Development Agency (SIDA).

Sub-Sector Best Prospects

[Return to top](#)

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

Opportunities

[Return to top](#)

There is a management contract with APM Terminals for the Freeport of Monrovia, which will involve up to USD 50 million in port infrastructure development. Renovation work for the Roberts International Airport continues on a gradual basis in preparation for more international flights. Rehabilitation of the destroyed railways and port facilities is critical to the resuscitation of the iron ore mining, timber, and oil palm sectors. Donors are focusing on reconstructing and improving major roads as well as expanding farm-to-market roads throughout the country. There are opportunities in housing, hotels, restaurants and office spaces.

Web Resources

[Return to top](#)

Ministry of Public Works	http://www.mpw.gov.lr/
National Investment Commission	http://www.nic.gov.lr
Ministry of Commerce	http://www.moci.gov.lr/
National Port Authority	http://www.nationalportauthorityliberia.org/
Roberts International Airport	http://www.robertsinternationalairport.com/

Telecommunications (TES)

[Return to top](#)

Overview

[Return to top](#)

Liberalization in the telecommunications sector has led to significant competition and growth in recent years. There are four GSM mobile operators in Liberia: Cellcom, Comium, Libercell, and Lonestar-MTN. Libtelco is Liberia's CDMA (Code-Division Multiple Access) mobile operator, which offers limited land-line services. Cell phones are common but coverage can be limited as one travels upcountry. Several satellite-based internet service providers offer relatively costly and slow service. The Liberia Telecommunication Authority (LTA) leads a consortium which invested USD 25 million dollars in the Africa Coast to Europe (ACE) submarine cable project. The cable landed in Liberia in October 2011, and is expected to deliver fiber-optic services in Monrovia before the end of 2012. There are local TV stations and some satellite TV service, but the lack of electricity and low disposable income limits the television market.

Sub-Sector Best Prospects

[Return to top](#)

There are opportunities in the cellular market as existing private firms consolidate or expand operations. New opportunities for internet service providers will be available as the ACE fiber optic cable becomes operative. Liberian government and commercial offices require computer software, including database management and virus protection programs. Most major towns remain without internet services.

Opportunities

[Return to top](#)

Opportunities exist in rural telephony and internet communications as dozens of donors and international NGOs establish economic development programs afield. Government institutions covering areas such as petroleum, power generation, telecommunications, maritime, forestry, social security and finance will start investing heavily in ICT infrastructure and equipment as they gear up to monitor their various sectors. The commencement of the ACE undersea cable will open new business opportunities in Liberia, from late-2012 onward.

Web Resources

[Return to top](#)

Liberia Telecommunications Authority
National Investment Commission
Ministry of Commerce

<http://www.lta.org.lr>
<http://www.nic.gov.lr>
<http://www.moci.gov.lr/>

Power Generation (ELP)

[Return to top](#)

Overview

[Return to top](#)

Liberia's energy sector was extensively damaged during the period of conflict. Most electricity is generated by privately-owned generators, though some electricity has been restored to parts of Monrovia by the Liberia Electricity Corporation (LEC). Increasing the availability of cheaper, cleaner power to Monrovia and the rural areas will attract more investments and boost economic growth. The energy sector is being developed in Liberia, and the private sector will play a key role in building it. Liberia's National Energy Policy sets a goal of providing 30% of Monrovia and 15% of Liberia with modern, reliable energy by 2015. The government's development plan for the St. Paul River Basin hinges on the rehabilitation of the Mount Coffee Hydropower Plant to address the urgent electricity needs. The government is already in discussion with major partners aimed at restoring the hydropower plant to meet or exceed its prewar production of 64 megawatts. When rehabilitated, Liberia should be able to export power to the West Africa Power Pool (WAPP) interconnection grid. It is hoped that biofuels and hydroelectric power development will increase energy security and allow Liberia to be a carbon-neutral country.

Sub-Sector Best Prospects

[Return to top](#)

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.

Opportunities

[Return to top](#)

Liberia's favorable climate and abundant farmland make thermal generation from biofuels a promising area for foreign investors. There are also opportunities to generate energy from jatropha, sugar, oil palm, and other crops that already flourish in Liberia.

There is considerable potential for hydroelectric power, which can be harnessed either through an independent power producer or through a public-private partnership. 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.

Web Resources

[Return to top](#)

Ministry of Lands, Mines and Energy
National Investment Commission
Ministry of Commerce
Ministry of Public Works
National Oil Company of Liberia (NOCAL)

<http://www.molme.gov.lr/>
http://www.nic.gov.lr
<http://www.moci.gov.lr/>
<http://www.mpw.gov.lr/>
<http://www.nocal.com.lr/>

Petroleum (OGS)

[Return to top](#)

Overview

[Return to top](#)

The ongoing offshore oil exploration promises to be important for the country's energy and economic future. Recently, Anadarko Petroleum announced a deepwater oil discovery near the Liberia-Sierra Leone border and African Petroleum announced a significant oil find in Liberia. NOCAL has licensed 12 offshore blocks for exploration to companies including 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

[Return to top](#)

There are prospects for the upstream and downstream oil exploration products and services. Storage tanks, tank farms, and potential refinery capacity could provide build-operate-transfer opportunities are also available. Transport and logistics services for oil rig personnel are some options.

Opportunities

[Return to top](#)

Potential investment tenders for new ultra-deep off-shore blocks or resale of existing blocks may materialize. The state-owned Liberia Petroleum Refinery Corporation (LPRC) (the monopoly importer, which has not refined petroleum since 1983) facilities are in need of major repairs and upgrading. The LPRC has initiated the process of refurbishing and expanding its facilities, including the rehabilitation of the existing storage tanks, and has aspirations to resume refining operations in coming years.

Web Resources

[Return to top](#)

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

www.molme.gov.lr/
www.nocal-lr.com/

Financial Services (FNS)

[Return to top](#)

Overview

[Return to top](#)

The country's financial services sector is underdeveloped but improving. Financial services remain limited and concentrated in Monrovia. In 2011, Afriland First Bank received a license to operate in Liberia, bringing the total number of banks to nine. The other banks are: the Liberian Bank for Development & Investment, International Bank Liberia Ltd, Ecobank, First International Bank, Global Bank Liberia Ltd, United Bank for Africa, Access Bank and Guaranty Trust Bank. Afriland First Bank brings to the banking sector special skills and expertise in lending to the agricultural sector. There are also a few non-banks, financial institutions including the Liberian Enterprise Development Finance Corporation, which manages a USD 30 million OPIC fund to provide loans to local businesses. The Central Bank (CB) is reforming the sector to promote competition, strengthen regulations, modernize payment systems, develop the microfinance sector, and enhance the credit reference system. The CB is developing plans for a national capital market as well.

Note: Liberia is not subject to UN economic sanctions and there are no U.S. government restrictions on transactions with Liberian financial institutions.

Sub-Sector Best Prospects

[Return to top](#)

Opportunities in this sector include, banking and financial management software and services; merchant services; financial intermediation advisory services, as well as training services in business proposal writing

Opportunities

[Return to top](#)

Banks are expanding outside Monrovia, upgrading IT, and training new personnel. New entrants have put pressure on older banks to improve services. Banks require

technology and services associated with a credit registration system in order to expand lending. Given the preponderance of cellular phones, there may be good prospects for mobile banking technology in the near future. No competitors operate in the merchant service sector.

Web Resources

[Return to top](#)

Ministry of Finance	http://www.mofliberia.org
Central Bank of Liberia	http://www.cbl.org.lr/
Liberia Bank for Development & Investment (LBDI)	http://www.lbdi.net/
International Bank	http://www.ibliberia.com
Ecobank Liberia Ltd.	http://www.ecobank.com
Global Bank www.globalbankliberia.com	First International Bank http://www.fib-lib.com/
United Bank for Africa	www.ubagroup.com
Access Bank Liberia	www.accessbank.com.lr
Guaranty Trust Bank	www.gtbank.com
Afriland First Bank	https://www.afrilandfirstbank.com/liberia.html

Travel/Tourism Overview (TRA)

[Return to top](#)

Overview

[Return to top](#)

The potential for tourism is substantial given Liberia's remarkable natural assets. It offers beautiful beaches, rich and increasingly rare virgin rainforests, and an abundance of flora and fauna. Liberia's ecosystem is comprised of the upper Guinea Rainforest: another asset appealing to eco-tourists hoping to see unspoiled beauty. Sapo National Park harbors varieties of flowering plants, species of mammals, birds, reptiles and amphibians. Notable fauna include the forest elephant and the pygmy hippopotamus, as well as Jentink's Duiker, the Zebra Duiker, and the Liberian mongoose. Liberia's beaches are still relatively undiscovered, meaning they are also still uncrowded and unspoiled. Robertsport offers charter fishing trips, rainforest tours, and a nascent surfing scene that attracts adventure seekers. Lake Piso, an open coastal lagoon west of Monrovia has been designated a wetland of international importance. The travel/tourism sector represents a new market and early investors could benefit.

Sub-Sector Best Prospects

[Return to top](#)

Hospitality sector, supplies and services; travel agencies, recreational equipment; beach resorts and facilities; water or marine transportation services; customer service training; maids and hospitality employees' training services.

Opportunities

[Return to top](#)

There are opportunities hotels, restaurants, and entertainment businesses. Rehabilitating domestic airports and providing internal flight service will be more critical as the United Nation mission pulls out of Liberia and with it, its flight services. Companies could provide hospitality training, as well as employees and maids services. Roberts International Airport continues to add additional carriers, increasing potential routes into Liberia and reducing costs of air travel.

Web Resources

[Return to top](#)

Ministry of Information, Culture and Tourism:

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

The following hotels in Monrovia are approved by the Embassy for occupancy by U.S. government employees as they meet Embassy requirements for comfort and security. For accommodation outside Monrovia, please contact the Embassy's travel office.

The Cape Hotel	www.thecapehotel.com
The RLJ Kendeja Hotel & Resort	http://www.rljkendejaresort.com/
The Mamba Point Hotel	http://www.mambapointhotel.biz/
The Royal Hotel	http://royalhotelliberia.com/
The Atlantis Hotel	http://www.liberiabeachhotel.com/
The Palm Springs Hotel	http://liberiapalmspring.com/
Krystal Oceanview	http://www.krystaloceanview.net/aboutus.php
Golden Gate Hotel	

Food Processing Equipment (FPP)

[Return to top](#)

Overview

[Return to top](#)

No food processing, quality assurance, or commercial preservation occurs in Liberia, though the government encourages it to reduce reliance on imports and support potential agricultural exports. The government recently opened a National Standards Laboratory, but it is not currently equipped to provide meaningful quality assurance assistance. There are a variety of fruits grown locally including banana, breadfruit, mango, melon, papaya, plantain, pineapple, and a number of citrus fruits such as grapefruit, lime, lemon, orange, and tangerine. Vegetables grown include cabbage, collards, corn, cucumber, eggplant, hot pepper, and pumpkin. Starches such as cassava, yams, eddoes, and potatoes are widely grown throughout the country.

Sub-Sector Best Prospects

[Return to top](#)

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

[Return to top](#)

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. All of these offer opportunities for foreign investors.

Web Resources

[Return to top](#)

Ministry of Agriculture
ACDI/VOCA

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

Forestry Sector (FOR)

[Return to top](#)

Overview

[Return to top](#)

Liberia is home to the largest virgin rainforest in West Africa, accounting for an estimated 43% of the remaining tropical rainforests in the entire upper Guinea Basin. Over 40% of the country's 4.3 million hectares is covered by forest which is home to about 240 species of timber, including the highly valued African mahogany. The forestry sector is subdivided into national parks, protected areas, commercial forest management contracts, timber sales contracts, community forest, and private use areas. Pit-sawing and charcoal producing dominate the informal sector. If sustainably managed, the forest could be of significant economic importance to Liberia's growth given its high employment and revenue-generating potential. Timber demand projections coupled with potential global log supply shortages place Liberia in a prominent position to supply commercial timber globally. The government earns sector revenue through direct export fees, administrative fees, waybills, export license, permits, and block inspection fees. There is a potential for job creation in the sector through value-added manufacturing of wood products such as flooring, paneling, and office furniture. The government is currently working with Conservation International to establish a network of protected areas in biodiversity hotspots, covering approximately 1.5 million hectares of land.

Sub-Sector Best Prospects

[Return to top](#)

Timber harvesting and wood processing equipment, including plywood and high-quality veneer processing centers and portable mills. Supply of kilns to treat wood products for export is another prospect. There are growing opportunities in non-timber forest products

such as bamboo, rattan, natural oils, and medicinal herbs. There is an increasing need for skill training in value-addition to forest products.

Opportunities

[Return to top](#)

The most significant constraint to growth in the forestry sector is the lack of basic infrastructure including roads, interconnected rail networks, reliable power supplies and ports. Lack of affordable access to capital also constrains investment in the sector. Capital-strapped local companies will likely seek partners for concession management and equipment procurement. A number of donor partners are involved in the forestry sector, partnering with the government to develop a framework for revitalizing the sector. These developments will open up opportunities for jobs and growth for Liberia, and profits for investors. In October 2012, the timber chain of custody management contract should be rebid.

Web Resources

[Return to top](#)

Ministry of Agriculture
Forestry Development Authority

<http://www.moa.gov.lr/>
<http://www.fda.gov.lr/>

Agricultural Services (AGS)

[Return to top](#)

Overview

[Return to top](#)

Liberia is endowed with millions of hectares of prime farmland, the bulk of which is not currently cultivated. The country boasts ample rainfall and fertile soil. Agriculture plays a critical role in Liberian economy, contributing immensely to employment and the GDP. The United States Department for International Development, the UN Food and Agriculture Organization, the World Bank and the African Development Bank operate in the sector. The Ministry of Agriculture is helping to promote agricultural growth by strengthening value and supply chains for food crops, tree crops, and livestock.

Rubber is Liberia's biggest export earner, cultivated by large foreign companies like Firestone, the Liberia Agriculture Company, Sime Darby, and SIFCA, and Liberian smallholders. Oil palm is another important tree crop which can yield cooking oil, animal food, and raw material for cosmetics, detergents, and pharmaceuticals. Coffee and cocoa farms are undergoing rehabilitation and were significant exports in the past. Liberia imports the majority of its staple food, rice. Large-scale swamp cultivation could serve both domestic and export markets. Livestock cultivation is limited and largely informal in Liberia. The Ministry of Agriculture has a plan to promote poultry farming and the production of ruminants (sheep, goats, and pigs) by making breeding stock and commercial feed available to farmers. The government does not have a wholly functioning SPS system for agricultural exports. Liberia has not yet exported any agricultural products to the U.S. under the African Growth and Opportunity Act (AGOA).

Sub-Sector Best Prospects

[Return to top](#)

Rice, wheat, consumer-ready food products, and poultry products; agricultural equipment and machinery; storage facilities for agriculture products; food processing equipment and cold storage facilities.

Opportunities

[Return to top](#)

There are opportunities in export crops such as rubber, oil palm, coffee and cocoa. There is also a great potential for agro-processing, horticulture, animal husbandry and plantation agriculture. There are opportunities for agricultural support services in Liberia. Other investment opportunities include pest and disease control, extension services, cold storage, transport and marketing, and training and capacity building. Considerable opportunities also exist in commercial farming, rubber processing, veterinarian services, and value addition, such as converting cocoa beans into cocoa powder, butter, and liquor.

Web Resources

[Return to top](#)

Ministry of Agriculture

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

Forestry Development Authority

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

Firestone Rubber Company

<http://www.firestonenaturalrubber.com>

Golden Veroleum Liberia

<http://www.veroleum.com/>

Fisheries Sector (CFE)

[Return to top](#)

Overview

[Return to top](#)

Liberia's vast coastline and wide continental shelf offers some 20,000 sq km of fishing ground. Fish is a staple in Liberian diets, and fishing is part of Liberian cultural and traditional life. However, there is not sufficient equipment, training, or facilities to increase the country's marine and freshwater catch. The majority of fishing is artisanal, with fishermen venturing out in small wooden boats with little equipment. Their catch is sold fresh or smoked, and consumed locally. With a total annual catch currently below 10,000 tons, the fishery sector has room for exponential growth to supply both domestic and international markets. Lack of facilities contributes to a limited amount of industrial fishing taking place. Species available in the Liberia water comprise of snapper, grunter, sole, tuna, barracuda, mackerel, round scad, lobster, blue marlin and shrimp.

Sub-Sector Best Prospects

[Return to top](#)

Best prospects exist in supply of storage facilities; food processing equipment; and industrial fishing equipment and facilities.

Opportunities

[Return to top](#)

There are investment opportunities in facilities like freezers, cold storage units, and processing equipment to add value for the export market. In the future, there may be opportunities to provide marine services.

Web Resources

[Return to top](#)

Ministry of Agriculture

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

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

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 Government of Liberia has begun implementing plans to harmonize tariff regimes with the ECOWAS countries.

Trade Barriers

[Return to top](#)

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. The Ministry of Commerce and Industry has embarked on the formulation of a National Trade and a

National Industrial Policy, with the aim of increasing Liberia's trade capacity and infrastructure, harmonizing its trade regime, and providing a blueprint for industrial development.

Import Requirements and Documentation

[Return to top](#)

An importer must write a letter to the Minister of Commerce requesting permission to import particular goods from a particular country or trading zone, specifying the quantity and quality of the goods. This letter is accompanied by the invoice and bill of lading. When the importer receives import authorization, he/she may purchase the Import Permit Declaration (IPD) from the Ministry of Finance. The importer proceeds 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; and 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. Upon arrival, after clearing customs, the importer presents costing information to the Minister of Commerce for price approval. However, there are separate procedures for rice importation.

U.S. Export Controls

[Return to top](#)

Liberia is not subjected to U.S. export controls. In December 2009, the UN Security Council lifted its arms embargo on the Government of Liberia for a period of one year, and is expected to extend that date through December 2011. The Arms Embargo remains in effect for individuals and non-governmental entities.

Temporary Entry

[Return to top](#)

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.

Labeling and Marking Requirements

[Return to top](#)

The Ministry of Commerce and Industry's regulation requires that products labels show the net weight, manufacture and expiration date, ingredient and origin. The labeling language should include English. However, this regulation is not effectively executed as the Ministry lacks a mechanism to enforce the labeling and marking requirements. Products are often displayed with price-tags in USD or Liberian dollar, or both in major shopping centers.

Prohibited and Restricted Imports

[Return to top](#)

Generally, Liberian law prohibits convict-made goods as well as recognizes international regulations on narcotics and other contrabands.

Customs Regulations and Contact Information

[Return to top](#)

Customs regulations are administered by the Ministry of Finance, through the Bureau of Customs and Excise. <http://www.mof.gov.lr/>

Standards

[Return to top](#)

- [Standards Organizations](#)
- [Overview](#)
- [Conformity Assessment](#)
- [Product Certification](#)
- [Labeling and Marking](#)

Standards Organizations

[Return to top](#)

Overview

[Return to top](#)

The Ministry of Commerce and Industry has dedicated a USD 1 million, modern National Standards Laboratory. The laboratory project was financed by the United Nations Industrial Development Organization (UNIDO). The opening of the facility helps the government 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

[Return to top](#)

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

[Return to top](#)

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

Labeling and Marking

[Return to top](#)

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

Trade Agreements

[Return to top](#)

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 April 2011, a Liberian entrepreneur exported Liberia's first textile/clothing shipment into the U.S under the AGOA Textile Visa arrangement, which came into effect in February. 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. 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 little 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.

Web Resources

[Return to top](#)

Ministry of Finance:	www.mof.gov.lr
Ministry of Commerce:	http://www.moci.gov.lr/
National Investment Commission	http://www.nic.gov.lr
Ministry of Foreign Affairs	www.mofa.gov.lr
Liberia Chamber of Commerce	http://www.chamberofcommerce.org.lr/

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
- [Corporate Social Responsibility](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

The World Bank's Doing Business 2012 Survey indicates that Liberia made cross-border trading faster by implementing online submission of customs forms available through ASYCUDA (an automated system of customs data), enhancing inspections and customs clearance at the Freeport of Monrovia. The report ranks Liberia 151 of 183 economies surveyed, an improvement of four places from last year. The Liberia Better Business Forum, a public-private initiative of the IFC, is collaborating with the Ministry of Commerce, the Liberia Chamber of Commerce and the Liberia Business Association to guide the implementation of Liberia's first ever policy program on supporting micro, small and medium enterprises. The World Bank's report indicates that Liberia is one of 13 economies globally that made it easier to do business in the areas of starting a business, getting credit (and access to finance) and trading across borders. The Government of Liberia in partnership with USAID implemented Liberia's Governance and Economic Management Assistance Program (GEMAP) during the period 2006-2010, and is currently implementing the Governance and Economic Management Support (GEMS)

program, both of which promote accountability in fiscal management and facilitate foreign direct investment (see paragraph 26 for details).

The following table indicates Liberia's ranking according to various metrics of transparency and good governance in 2011:

<u>Measure</u>	<u>Year</u>	<u>Index/Ranking</u>
TI Corruption Index	2010	11/47 African countries
Heritage Economic Freedom	2011	46.5
World Bank Doing Business	FY12	151/183
MCC Gov't Effectiveness	FY12	24%
MCC Rule of Law	FY12	46%
MCC Control of Corruption	FY12	78%
MCC Fiscal Policy	FY12	2%
MCC Trade Policy	FY12	4%
MCC Regulatory Quality	FY12	32%
MCC Business Start Up	FY12	46%
MCC Land Rights Access	FY12	15%
MCC Natural Resource Mgmt	FY12	71%

The GOL seeks to empower domestic businesses and support Liberian entrepreneurs by constraining foreign investment in some sectors. In 1998, the GOL promulgated a "Liberianization Policy," that set aside 26 business activities exclusively for Liberians. Donor and foreign business opposition groups claimed the law was discriminatory and anticompetitive; a revised Investment Act of 2010 reduced the number of Liberian-reserved activities to 16 businesses and set a threshold on 12 others, as follows:

(A) Ownership of the following business activities or enterprises shall be reserved exclusively for Liberians.

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

(B) Foreign investors may invest in the following business activities provided they invest no less than USD 500,000. If a Liberian partner maintains at least a 25% equity stake, the foreign investors need only invest USD 300,000:

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

Note: *The Investment Act of 2010 repealed and replaced the Investment Incentive Act of 1973.*

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, including upper management of foreign owned companies, but compliance with the Act has been inconsistent. For example, the Ministry of Labor has repeatedly delayed issuing work permits for expatriates and intervened in hiring decisions.

To obtain a new concession agreement, potential investors engage in lengthy bidding processes. The contracting agency, frequently the Ministries of Agriculture or Lands, Mines and Energy, prepares a request for Expression of Interest and an invitation to bid, based on the National Competitive Bidding Regulations. The President appoints an Inter-Ministerial Concession Committee (IMCC), which includes the Minister of Justice, the Minister of Finance and the Investment Commission Chairman as statutory members and others from the concession entity. The IMCC conducts the bidding process and concession awarding and selects a technical team to handle due diligence and bidder evaluation. The President sends IMCC-approved contracts to the Legislature to be ratified.

Conversion and Transfer Policies

[Return to top](#)

Both Liberian dollars (LRD) and U.S. dollars (USD) are legal tender in Liberia. Most large-scale business and government transactions (such as taxes) are conducted in USD, while most street and small retail transactions are in LRD. The Investment Incentive Code allows the transfer of funds associated with investments, including profits. There are no restrictions on converting or transferring investment funds. The Central Bank of Liberia

(CBL) conducts weekly foreign exchange auctions of up to USD 1 million, aimed at stabilizing the exchange rate, facilitating imports and keeping inflation low. During the first half of 2011, the CBL auctioned USD 15.9 million. As the auctions are often oversubscribed, it may take investors more than a week to exchange large sums of money. ATMs are not connected to global electronic banking networks and travelers' checks and credit or debit cards are rarely accepted.

The CBL's regulation concerning the transfer of foreign currency stipulates that every business house or entity or individual wishing to make a foreign transfer of funds may do so without limitation as to the amount to be transferred; provided, however, that the amount to be transferred must have been in the entity's bank account for not less than three (3) banking days prior to the transfer. An individual who does not have a bank account will, however, be allowed an over-the-counter transfer of up to USD 5,000 at a time, provided that there shall not be more than two over-the-counter transfers of up to USD 5,000 each, within a thirty (30) day period at any given bank.

Expropriation and Compensation

[Return to top](#)

Many private commercial plantations came under rebel control and later government-appointed management during the civil war. While private entities were in large part not compensated for their war-time losses, most plantations have since reverted to private control.

The Embassy is working on one real estate expropriation case at the Freeport of Monrovia. The National Port Authority (NPA) came to control several privately-owned warehouses after the war. The American property owner took the NPA to court to regain possession of the warehouses and despite both Circuit and Supreme Court rulings in his favor, has yet to regain control of the properties.

Multinational firms often report having to pay fees to minor GOL agencies that were not part of the firms' initial investment agreements. In the interest of time some firms pay them, and some firms opt to try to only pay what was specified by their contracts.

The GOL favors signing non-exclusive concession agreements with major investors which allow it 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 concession in the same area. As multinational investors continue to develop concession areas, some are expressing concern and taking out insurance to protect against operational disruption caused by the GOL.

Liberia's statutory and traditional land tenure systems do not reconcile. The Monrovia-centric GOL and multinational firms sign legally binding investment agreements with real estate provisions. When the firms stake their claims, local communities believe the companies are encroaching on community land. This leads to frequent disputes which can turn violent. Absent a smoothly functioning court system and in the interest of minimizing lost productivity, the companies often find themselves making additional land and/or labor payments to soothe tensions with the surrounding communities.

Dispute Settlement

[Return to top](#)

Liberia's criminal and civil legal systems are similar to those in the United States. The judicial power is vested in a Supreme Court and subordinate courts. The official legal system based on Anglo American Common law is shadowed by a local customary law based on unwritten traditional practices for the indigenous people. However, as the judges and other judicial officers are poorly compensated, the judicial system is weak.

As a result, judgments can be purchased, and foreign firms tend to be at a disadvantage. Due to the backlog of cases, hearings are usually held following lengthy waiting periods. The Liberian government is committed to judicial reform, and the national legislature enacted a modern Commercial Code and an Act Establishing A Commercial Court in Liberia. The Commercial Court came into being in September 2011 to handle cases resulting from financial and commercial disputes. The Ministry of Commerce is working with the major local business associations, in collaboration with the IFC-sponsored Liberia Better Business Forum, to initiate programs aimed at commercial law reform. Liberia does not have general bankruptcy law to protect creditors' rights. There is a provision in the Central Bank's New Financial Institutions Act of 1999, which deals with voluntary and compulsory liquidation of financial institutions.

Performance Requirements and Incentives

[Return to top](#)

In an effort to attract foreign investment, the Investment Act of 2010 prohibits nationalization of private enterprises. As part of its efforts to make Liberia a more attractive place for investors, the government in late 2010 carried out a thorough review of the incentives offered under the Investment Incentives Act of 1973. The revised incentive code brings Liberia in line with international best practices, by granting foreign investors the same rights and subjecting them to the same duties and obligations as those that apply to domestic investors. However, there are efforts to encourage all companies to hire Liberians. Section 216 of the Liberian Labor Law, approved July 2011, stipulates that "the Ministry shall not issue a permit to work in Liberia unless it is satisfied that there is no suitably qualified Liberian available to carry out the work required by the employer."

In the Investment Act of 2010, incentives are available to foreign and domestic investors for approved investment projects in the following priority areas, as defined by the government: tourism carried out through tourist resorts, hotels, and cultural sites; manufacturing of finished products having at least 60% local raw material content; energy; hospitals and medical clinics; low and medium income housing; air, sea, rail and road transport infrastructure; high impact information and communications technology; and banking in non-bank areas in the southeastern region of the country. Under the revised investment code, economically viable and strategically located investments up to, or in excess of USD 20 million are eligible for special incentive packages, through the IMCC, chaired by the National Investment Commission (NIC). Capital assets and other goods to be used in the project are exempted from import duty up to 100% of their dutiable value. The revised code reduced 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%, though it could be raised to 30% for the mining industry. Liberia's Incentive Act of 2010 introduces a clear, standardized,

and transparent system for awarding concessions and provides guarantees against unfair expropriation. It also ensures the ability of investors to repatriate capital and profits and obliges the government to protect intellectual property rights. For additional information on incentives, please visit the National Investment Commission (NIC) website at <http://www.nic.gov.lr/>

Right to Private Ownership and Establishment

[Return to top](#)

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."

The 2006 Forestry Reform Law states that natural forests are owned by the Republic, with two exceptions (Chapter II, Section 2.1). Rights to land ownership and to use of resources such as minerals and timber are likely to evolve in coming years, and the government has established the National Land Commission to address questions of land tenure in August 2009. Although the institution has yet to advance any material reforms and is not yet a forum for adjudicating disputes.

Foreign investors may lease land for periods up to 50 or more years, with options for renewal. In the case of concessions on undeveloped land, leases of up to 65 years may be available. Many foreign businesses have entered into long-term leases, but disputes over land ownership and squatters' rights remain contentious, particularly for large concessions. Violence based on land disputes erupted in Nimba and Grand Cape Mount Counties in 2011. As more agricultural and forestry concessions begin operations, disputes over land use may be expected between investors and local communities.

Protection of Property Rights

[Return to top](#)

Conflicts between customary and statutory land tenure systems have not been reconciled. The official archives, including property deeds and secured property interests, were looted during the war and disputes over real estate ownership are difficult to adjudicate. The lack of adequate facilities and salaries for judicial officers also degrades enforcement of property rights as judges sometimes decide cases in favor of the highest bidders. The Ministry of Lands, Mines and Energy, which is in charge of survey and validation of land claims, has established an office for implementing a national mining cadastre that could eventually incorporate land title registrations. In 2010, the GOL established the Land Commission to unravel land tenure issues. The Commission has made minimal progress developing interim policy guidelines and procedures, which are a prerequisite to lifting the Moratorium the GOL placed on the

sale of public lands in 2006. The Commission has completed an inventory of land dispute cases in Circuit and Magisterial Courts in five of Liberia's fifteen counties.

Liberia is a member of the World Intellectual Property Organization (WIPO) and a contracting party to international conventions and treaties on the protection of intellectual and industrial property rights, including the Berne, Paris, Lisbon, Vienna and 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) manage these issues, but lack the capacity to function effectively.

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. Holders of intellectual property rights have access to judicial redress but enforcement is minimal. In the first three quarters of 2011, the Liberia Copyright Office recorded a little over 75 businesses, particularly by songwriters, movie producers and authors holding intellectual property rights. Infringement of intellectual and industrial property rights, including duplication of movies and music is prevalent. Counterfeit drugs, apparel, cosmetics, computer software and hardware are sold openly. Broadcasters do not tend to pay royalties for use of protected material.

Transparency of Regulatory System

[Return to top](#)

The impact of years of violence and bad governance undermined the rule of law and created unchecked opportunities for corruption. The GOL benefited from USAID's Governance and Economic Management Assistance Program, which sought to institute accountability, responsibility, and fiscal transparency in the government and key state-owned enterprises. GEMAP, which concluded in 2009, had a positive influence on foreign investment decisions by affecting mining and forestry policies and procurement process transparency. The five-year, USD 45 million successor USAID GEMS program will continue to build capacity and improve economic governance through targeted technical assistance and formal classroom training at key GOL ministries. GEMS will also engage with key GOL institutions on the concession management for Liberia's economic development and implementation of GOL's information and communication technology (ICT) strategy. Despite these and other donor-funded programs, lack of training, inadequate salaries and a culture of corruption have created a judicial system that actively hampers investment.

The Liberian government continues to improve Liberia's ranking in the "Doing Business" index by making regulations more transparent, accountable, and effective. For example, in July 2011, the government launched its first phase of the Integrated Financial Management Information System (IFMIS) aimed at preventing fraud, waste and abuse in government's ministries and agencies. The IFMIS is also intended to integrate the general financial transactions of ministries and agencies under single monitored internet system to ensure efficiency and transparency in the public sector business. Information on the implementation of the consolidated public financial management systems can be found on the Ministry of Finance website: <http://mof.gov.lr/> . Harmonization of the regulatory environment across ministries and agencies with conflicting rules and

regulations is ongoing. However, regulators can still be arbitrary or heavy-handed, and limited capacity means existing regulations are not always enforced. The government has established a one-stop shop at the Freeport of Monrovia to streamline the customs processes, and is operating an automated system of customs data (ASYCUDA) to fully automate processes and reduce customs clearance procedures.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

Liberian banking system provides basic banking services, but there is no effective capital market or options for portfolio investment. Although the IMF has qualified the Central Bank of Liberia (CBL) of being capable of implementing a Treasury bill operation, the T-Bill market has yet to be launched. In the first quarter of 2011, the CBL created its Treasury Operations Section and has been providing training and resources to ensure the bank's preparedness for such operations. The CBL has done the preparatory work to commence the sale of treasury bills. The bank held a T-bill mock auction early 2011, involving the participation of eight of the nine commercial banks in Liberia.

While financial institutions allocate credit on market terms to foreign and domestic investors alike, the historically high rates of non-performing loans mean banks are more willing to grant short-term (less than 18 months), high-interest loans (between 12-20%) that constrain capital investment and limit new business development. Commercial lending has increased with total CBL lending for the quarter ending June 2011 up 38.5% over the same quarter in 2010. The CBL reports that non-performing loans have increased significantly, from LRD 1,143 million at quarter end-June, 2010 to LRD 2,703 million at quarter end-June 2011. CBL's total assets were approximately LRD 45,238 million at the quarter ending June 2011. Minimum capital requirements were raised to USD 10 million in December 2010. The minimum capital adequacy ratio was increased from 8% to 10% in 2008. During the first half of 2011, total assets of the banking industry increased by 15%, the deposit base increased by 16% and gross loans also increased by 16%.

Although the banking sector has shown steady growth in recent years, it remains challenged by low profitability. This is due to several factors, including high loan provisions associated with poor quality of collateral assets, high operating costs, and limited financial instruments for investing excess liquidity. The weak judicial system means financial institutions find it difficult to recover bad loans through the courts. Though a new Commercial Court was established in the fall of 2011 litigate such cases. In addition, there is no effective credit rating system, and many firms lack the business records necessary for credit approval. The obstacles to domestic travel and communication increase the risk in accepting collateral outside Monrovia and the lack of reliable land title hampers access to credit.

The United States has programs to support investment in small and medium Liberian companies, some of which provide services, such as lodging, communications, and construction, which improve the overall investment climate. CHF International, the Overseas Private Investment Corporation (OPIC) and the Robert L. Johnson Companies partnered to create the Liberia Enterprise Development Finance Corporation (LEDFC), a non-bank financial institution that provides financing to Liberian-owned small and medium enterprises (SMEs). The goal of LEDFC is to support the promotion of private

enterprise growth and job creation in Liberia to assist the development of a dynamic local business environment. To date, LEDFC has given about 130 loans across all sectors of the economy, worth USD 5 million, which has created about 800 jobs for Liberians. The United States African Development Foundation (USADF) is focusing on women for capacity building in its 2011 programming activities in Liberia. Women remain the most marginalized population in Liberia and, because of their low level of education and capacity; they constitute the largest number of farmers in the country. USADF's portfolio in 2011 consists of 33 active project grants worth USD 3.9 million, targeting both urban and rural initiatives to improve food security through agriculture and small business activities.

The Liberian market offers the private sector few credit instruments. 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, *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.

Competition from State Owned Enterprises

[Return to top](#)

Liberia has more than 20 state owned enterprises (SOEs) and regulatory agencies, some of which only exist statutorily, but are no longer functional. The functional SOEs include: the National Port Authority (NPA), Liberia Telecommunication Corporation (LIBTELCO), Liberia Water & Sewer Corporation (LWSC), Liberia Electricity Corporation (LEC), Robert International Airport (RIA), Liberia Civil Aviation Authority (LCAA), Forestry Development Authority (FDA), National Social Security and Welfare Corporation (NASSCORP). The statutory but dysfunctional SOEs include, Liberia Industrial Free Zone Authority (LIFZA), Liberia Rubber Development Authority (LRDA), Liberia Produce Marketing Corporation (LPMC), and Liberia Sugar Corporation (LSC). The history of SOEs in Liberia is characterized by a high level of corruption, cronyism, low capacity and mismanagement. Liberia's Public Financial Management Law of 2009 set out rules governing the management and operations of the SOEs. The law also defines the mandate and scope of an SOE, as a commercial enterprise or any other organization established by law, in which government has controlling shares. The Bureau of State Enterprise (BSE) is a parastatal organization responsible for SOE financial and management oversight but it lacks the government's budgetary support needed to be effective.

The government plans a two-pronged restructuring strategy for SOEs before 2012. Firstly, it intends to dissolve or privatize SOEs that have become obsolete, unnecessary or appropriate for private ownership. Secondly, there are ongoing plans to improve efficiency and economic governance at those remaining SOEs. The government formulated an SOE Working Group, spearheaded by the Ministry of Finance to develop multi-year strategic and operational frameworks for Liberian SOEs. However, the frameworks have yet to be implemented due to lack of political will and the fear of ramifications of the resulting layoffs.

Corporate Social Responsibility

[Return to top](#)

Foreign investors typically are expected to offer social services to local communities where they operate as a gesture of goodwill. Concession contracts outline what services an investor is expected to provide, such as road building, school construction or maintenance of health clinics. Even after a concession is ratified by the legislature, most investors find that communities expect them to negotiate separately with local leaders for additional services, a process that can be cumbersome or lead to delays and increased costs.

A consortium of large foreign investors launched a Corporate Responsibility Forum in Liberia in 2009. While the initiative is still in the early stages, it provides information and resources to foreign investors on how to follow generally accepted CSR principles such as the OECD Guidelines for Multinational Enterprises. ArcelorMittal has developed an internal corporate responsibility governance structure, aimed at enhancing the company's participation and contribution to the implementation of the Liberia Extractive Industries Transparency Initiative (LEITI). There is a growing trend for large concessionaires to meet with county-level government officials and other stakeholders in the field to establish better communication at the local level.

Political Violence

[Return to top](#)

This year's presidential and parliamentary elections were the first organized by the Liberian Government, following the UN-assisted elections in 2005. This marks an important step in Liberia's efforts to advance democracy and to promote peace and security. The Armed Forces of Liberia (AFL) was 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 and to address sudden tactical police emergencies. Though UN troops are gradually being withdrawn as Liberia's security forces gain in strength and experience, the November 7 election-time altercation between the LNP and political party members of the Congress for Democratic Change highlights how fragile the peace remains. 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, there are free and open media that have increased political awareness amongst Liberians. As noted previously, access to land remains a volatile issue.

Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an

effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

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 the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery 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 Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: 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. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: 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>) [Insert information as to whether your country is a party to the OAS Convention.]

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.) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

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>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: <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.

POST INPUT: Public sector corruption, including bribery of public officials, remains a major challenge for U.S. firms operating in Liberia. Corruption is widespread and deeply entrenched in all aspects of the Liberian society and has become an issue of national concern. In its fight against public sector corruption, the Liberian Government created the Anti-Corruption Commission in 2008, which does not have power to prosecute. In August 2011, the President of Liberia submitted to the National Legislature a bill that, if enacted into law, will strengthen the Anti-Corruption Commission to exclusively persecute cases involving corruption and related financial crimes.

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 Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery 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/hrrpt/>.
- 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

[Return to top](#)

Liberia has a few bilateral trade agreements, but some of the agreements have remained inactive for years. In 2011, the GOL, with support from ECOWAS, USAID and the Millennium Challenge Corporation (MCC), drafted a policy aimed at improving Liberia's trade practices, including cross-border trade. In 2011, MCC launched a threshold program designed to harmonize tariffs, engage regional and global bodies, and strengthen the regulatory environment. When implemented, the nation's first-ever trade policy, which the GOL and its partners are validating, will streamline tariffs and customs procedures and qualify the country for WTO accession.

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. Liberia is eligible for trade benefits under the African Growth and Opportunity Act (AGOA) and in April 2011 exported its first apparel shipment under the textile visa system. 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. Although, Liberia has access to regional markets, like 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 little due to insufficient infrastructure. Under the MRU arrangements, trade with member states is duty free and any goods seeking benefit must be accompanied by a proof of origin documentation.

OPIC and Other Investment Insurance Programs

[Return to top](#)

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. 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 2011, as the Central Bank of Liberia strengthens its foreign exchange reserves. However, the country will continue to run large current account deficits until it begins once again to export raw materials and value-added products.

Labor

[Return to top](#)

The Liberian labor force is predominantly illiterate and unskilled, and most Liberians lack basic computer skills. The adult literacy rate for Liberia is estimated at 57%. The literacy rate for those below age 35 is estimated at 15%. Many concessionaires required to employ a certain percentage of Liberians report a lack of qualified local labor as their biggest operational hindrance. 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.

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. In this regard, no employer shall discriminate against an employee because of membership in a labor organization. The Ministry of Labor requires employers to demonstrate a goodwill effort to hire a qualified Liberian before it will grant work visas to foreigners, and some foreign investors find this process to be a lengthy one.

In July 2011, the legislature merged the “Decent Work Bill” together with the “Minimum Wage Law” to create a new Labor Law of Liberia. The labor law is intended to improve worker incentives, expectant parent leave, and private sector minimum wage. Under the Liberian laws, labor organizations and associations have the right and freedom to draw up their constitutions and rules with regards to electing their representatives, organizing their activities, and formulating their programs. The laws specify that no industrial labor union or organization shall exercise any privilege or function for agricultural workers and no agricultural labor union or organization shall exercise any privilege or function for industrial workers. However, the bill has not yet been signed by the President.

Foreign-Trade Zones/Free Ports

[Return to top](#)

The government of Liberia 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 450 hectare parcel of land set aside by the Legislature for industrial purposes in the 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 (NIC) manages free trade zones and is currently working on a long term redevelopment plan to establish active industrial parks and special economic zones in other parts of Liberia.

Foreign Direct Investment Statistics

[Return to top](#)

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, service and manufacturing sectors.

Currently, Liberia’s export sector relies heavily on rubber, which accounts for about 59% of total exports. Iron ore will represent an increasing large proportion of exports as multibillion dollar investments from ArcelorMittal, China Union and BHP Billiton start and expand production. In September 2011, ArcelorMittal made Liberia’s first export shipment of iron ore in 25 years. The main export destinations for Liberia 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 newly established Liberia Business Registry (LBR) has registered a total of 4,950 businesses as of November 2011, of which 625 are foreign owned. (Note: Businesses in Liberia must register annually. End

note.) The LBR was established in April 2011, as one-stop business registries to simplify and speed up the process of starting a business, allowing entrepreneurs to register their businesses within 48 hours.

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

2006	2007	2008	2009
\$108	\$132	\$200*	\$378*

Source: *World Investment Report, UNCTAD*

***Estimate**

Web Resources

[Return to top](#)

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

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

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

How Do I Get Paid (Methods of Payment)

[Return to top](#)

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, such as credit cards, are not offered in Liberia. Only one bank, Ecobank Liberia, offers international Visa debit card services for its customers.

How Does the Banking System Operate

[Return to top](#)

New banks are entering the market, and existing banks are expanding their services and branch networks throughout the country. 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 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. There is an ongoing expansion of banking services in the country, with the number of bank branches increasing from 74 in 2010 to 77 in 2011 covering ten of Liberia's fifteen counties.

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. Larger 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

[Return to top](#)

Liberian and U.S. dollars are both legal tender, with a floating exchange rate. 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/>

U.S. Banks and Local Correspondent Banks

[Return to top](#)

International Bank is partially U.S.-owned. The Nigerian-owned United Bank for Africa (UBA) has a branch in New York, and Ecobank operates in most West African countries.

Project Financing

[Return to top](#)

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 and the European Commission.

Web Resources

[Return to top](#)

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
Central Bank of Liberia (CBL)	http://www.cbl.org.lr/
International Finance Corporation (IFC)	http://www1.ifc.org/

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

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

[Return to top](#)

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. 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.

The list of major car rental companies is available at:
<http://monrovia.usembassy.gov/pdfs2/list-of-car-rental-companies.pdf>.

Visa Requirements

[Return to top](#)

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 5 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, US Embassy in Liberia:	http://monrovia.usembassy.gov/consular.html

Telecommunications

[Return to top](#)

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 and hotels, 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.

Transportation

[Return to top](#)

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 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

[Return to top](#)

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

Health

[Return to top](#)

There are few clinics or hospitals, 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

[Return to top](#)

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.

Liberian annual National Holidays in 2012 are as follows:

New Year's Day**	January 01
Armed Forces Day	February 11
Decoration Day	March 09
J. J. Robert's Birthday	March 15
Fast and prayer Day	April 08
Unification Day**	May 14
Independence Day	July 26
Flag Day	August 24
Thanksgiving Day	November 03
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.

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>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research and Trade Events

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

Contacts

[Return to top](#)

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

Market Research

[Return to top](#)

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

[Return to top](#)

There was a Trade Mission to Liberia from January 30 to February 10, 2010, organized by the Liberian Embassy in Washington, to enable American companies to explore business opportunities. Please click on the link below for information on upcoming trade events in the U.S.

Please click on the link below for information on upcoming trade events.
<http://www.export.gov/tradeevents/index.asp>

[Return to table of contents](#)

[Return to table of contents](#)

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.

[Return to table of contents](#)