



Doing Business in Liberia: 2011 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](#)

- In 2010, Liberia slipped three places to 155 out of 183 on the International Finance Corporation's (IFC) "Doing Business" survey following several years of steady improvement; the government is determined to continue to improve its rating.
- Liberia has attracted over \$16 billion in new foreign investment since 2006, primarily in the extractive industries, and local business registration also continues to rise. The GDP grew an estimated 6.3% in 2010, up from 4.6% in 2009, due to steady increase in export demand for Liberia's primary products. The International Monetary Fund projects growth of 8.5% in 2011, influenced by increased output of mining, timber and food crops.
- Average annual inflation was an estimated 7% in 2010, down from 8% in 2009, largely due to lower fuel and domestic imported food prices.
- The March 2008 Census determined Liberia has a population of 3.5 million, with an annual growth rate of 2.1%.
- Rubber continues to dominate the export sector, accounting for nearly 70% of total exports during the period from January- to October, 2010. Export receipts from diamond and gold increased significantly due to increases in the prices of these minerals. Diamond exports rose considerably to \$8.7 million, while gold exports increased to \$5.7 million during the second quarter of 2010. Imports (\$185 million) exceeded exports (\$60.4 million) in the first half of 2010, as Liberia's balance of payments continued to deteriorate. The rapid expansion in reconstruction work, provision of basic services and essential commodities and the influx of donor funds continue to fuel import growth in this post-conflict country.
- Major import categories such as Food & Live Stock, Manufactured Goods, Machinery & Transport Equipment and Petroleum Products contributed to the heightened import expenditures.
- Liberia is no longer under UN Security Council economic sanctions. In December 2009 the Security Council renewed for 12 months its travel ban on some close associates of former Liberian President Charles Taylor, and adjusted its arms embargo to allow the Liberian Government and the UN peacekeeping mission in the country to receive certain military materiel for the same time period.

Note: The government of Liberia has revised laws and regulations related to trade and investment, such as the Investment Act of 2009 and the Revenue Code of 2009. Data

[Return to table of contents](#)

collection is improving, but many figures are estimates, as official data are being systematically collected for the first time in decades.

Market Challenges

[Return to top](#)

- Liberia is rebuilding after a prolonged civil war that ended in 2003. The United Nations peacekeepers, which now number 8,500, still provide security and stability throughout the country.
- Liberia remains one of the poorest countries in the world with an estimated real GDP per capita of \$148 in 2010. The judicial system is weak and unreliable. Laws applied to businesses and contracts are inconsistent and are routinely breached.
- The labor force is largely unskilled and the literacy rate is 55%.
- Infrastructure -- roads, bridges, ports of entry, the electrical grid, and the water system -- are all in need of major rehabilitation. Domestic travel and transport is difficult. At present, only the Freeport of Monrovia is used for international trade; its services are limited and expensive. Security and services at the country's only international airport are improving steadily.
- The Ministry of Commerce and Industry (MOCI) monitors prices on a wide range of basic products, and sets ceilings on the prices for rice, cement and petroleum products.
- Liberian law prohibits ownership of land by non-Liberians and reserves 11 business sectors for Liberian investment only, while restricting foreign investment in another 15 sectors to a minimum of \$500,000. (See Chapter 6.)
- 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%) is permitted to own land.)
- Businesses in Liberia are required to register annually with the Ministry of Commerce and Industry.
- Tariffs and fees can be arbitrary. For example, GST may be charged on trans-shipped goods, and invoiced prices may be revised upward by the government for customs duty calculations.
- There is a 20% penalty for imports that do not undergo pre-shipment inspection.
- Firms report that negotiating major investment agreements is slower and more frustrating than in 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. The Ministry of Commerce is spearheading a commercial law reform program and the National Legislature enacted Liberia's first Commercial Code and Commercial Court laws in September 2010.
- There is tremendous demand for reconstruction of damaged infrastructure including roads, bridges, ports/airports and power generation.

[Return to table of contents](#)

- The Government of Liberia has concluded a 25-year port management concession for the management and renovation of the Freeport of Monrovia, which should create demand for port services equipment and rehabilitation engineering. Other promising sectors include mining, forestry, telecommunications, petroleum exploration, financial services and travel/tourism.
- A U.S. carrier began direct flights from Monrovia to Atlanta in September 2010, and an American company now provides security and airport management services to Roberts International Airport, which has vastly improved operations, and should give rise to investment opportunities in cargo storage and warehousing.
- In agriculture, principal growth sectors are expected to be in forestry, fisheries, rubber, oil palm, cocoa, coffee, food production, processing and storage.
- The UN Security Council lifted sanctions on the export of diamonds and timber in 2007, and Liberia was admitted into the Kimberley Process Certification Scheme that same year. In October 2009, the Extractive Industry Transparency Initiative (EITI) International Board designated Liberia to be the first African EITI compliant country, and the first country to include the forestry sector in its reporting.
- American products are popular in Liberia, and the U.S. dollar is legal tender.
- The United Nations peacekeepers, plus the large number of civilian UN and NGO employees provide a short/medium-term market for many American products.
- Liberia has a solid legal framework to protect intellectual property rights, although enforcement is still weak.

Market Entry Strategy

[Return to top](#)

- 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 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.

[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](#)

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. The Ministry of Commerce and Industry has updated the handbook of procedures and processes for businesses operating in Liberia, which is available on its web site: <http://www.moci.gov.lr/>. The government is also working towards harmonizing tariffs with ECOWAS neighbors. 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](#)

The agent must be a registered business entity and may be used to bid on government tenders and 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. (Contact information is on the Embassy Monrovia website <http://monrovia.usembassy.gov/econcom.html>).

[Return to table of contents](#)

Establishing an Office

[Return to top](#)

Only Liberian citizens may purchase land. Establishing definitive property ownership in order to rent can be complex, and the presence of the large UN and NGO expatriate community has put upward pressure on rents and other prices. Many landlords expect commercial tenants to renovate dilapidated properties at their own expense. Electric power is not reliable and may have to be self-generated. Internet access is characterized by limited bandwidth and high cost. Skilled employees can be difficult to recruit. Many businesses decide to retain private security services.

Franchising

[Return to top](#)

There are a few foreign franchises in Liberia in areas such as remittances, petroleum marketing, automobiles and power generators. 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, newspaper and billboard. Low literacy, and/or lack of electricity limit the effectiveness of print, on-line or television advertisements. The domestic postal system is not yet fully functioning, so direct mail is ineffective. The Liberia Embassy in Washington in partnership with the Mayor's Commission on African and Caribbean Affairs (Philadelphia) is organizing a trade mission to Liberia commencing January 22 through February 6, 2011.

Joint Ventures/Licensing

[Return to top](#)

Most activity is in the service sector. Some legal and accounting firms have partnered with larger foreign firms to increase recognition or credibility with potential clients.

Selling to the Government

[Return to top](#)

The government is the largest purchaser of goods and services. Foreign suppliers may bid for goods and services that involve international competitive bidding. However, the government's financial resources remain extremely limited, most large procurement tenders are backed by donor funds, and foreign companies have had little success in selling unsolicited goods or services directly to the government. Government tenders are regulated by the Public Procurement and Concession Act, which established the Public Procurement and Concession Commission in 2005: <http://ppcc.gov.lr/>.

[Return to table of contents](#)

Distribution and Sales Channels

[Return to top](#)

A credible agent with extensive private and public contacts is crucial to effective representation. Most products enter Liberia through the Freeport of Monrovia and Roberts International Airport. Transportation outside Monrovia can be difficult and expensive.

Selling Factors/Techniques

[Return to top](#)

For many Liberians, disposable income is extremely limited and Diaspora remittances are an important source of income. There is a market for quality imported goods targeted towards businesses and government officials, as well as UN and international NGO employees.

Electronic Commerce

[Return to top](#)

Most Liberians do not have access to the Internet and e-commerce is in its early stages. Use of credit cards is extremely limited. There is no home mail delivery system, due to the lack of a standard address system. Some Liberians in the United States manage e-commerce ventures such as online shops and content publishing targeting Liberians.

Trade Promotion and Advertising

[Return to top](#)

There is little trade promotion. Radio remains the favored advertising medium and captures half of the market. Other media include television (only in the capital city), print, billboards and websites. Advertising is in English or one of the 16 indigenous languages

Pricing

[Return to top](#)

The Price Analysis and Marketing Division of the Ministry of Commerce and Industry monitors prices and sets price ceilings for 'strategic commodities', including rice, cement and petroleum products. Efforts at price control can result in scarcity and black-market sale of those goods. Importers are required to submit cost information to the ministry for approval. The permitted mark-up varies according to product, and is based on FOB value. However, invoiced prices are subject to arbitrary revision.

Since February 2008, the ministry lists other sensitive items to include baby supplies, dairy products, canned fish and other basic foods such as wheat, sugar, frozen foods and livestock, drugs/pharmaceuticals, agricultural tools, building materials, toiletries, stationery/school supplies, petroleum products, auto parts, bathroom fixtures and appliances. The Ministry issued a regulation to all business entities in August 2009 to display price tags on their commodities in Liberian or United States Dollars, in line

[Return to table of contents](#)

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" indicator. However, there remains a strong perception among the public and many officials that price controls are tantamount to a right, and that the economy should be exempt from 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 Your Intellectual Property

[Return to top](#)

It is vital that companies understand that intellectual property is primarily a private right and that the U.S. Government generally cannot enforce rights for private individuals in Liberia. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. While the U.S. Government is willing to assist, there is little it can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should USG advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Liberia require constant attention. Work with legal counsel familiar with Liberian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

Protecting Your Intellectual Property in Liberia:

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

[Return to table of contents](#)

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

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Liberian market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Liberia. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Liberian law. The U.S. Commercial Service can provide a list of local lawyers upon request <http://monrovia.usembassy.gov/pdfs2/list-of-liberian-law-firms.pdf>

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

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

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

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

[Return to table of contents](#)

- 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

[Return to table of contents](#)

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 Office:

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

IFC "Doing Business" evaluation:

<http://www.doingbusiness.org/ExploreTopics/StartingBusiness/Details.aspx?economyid=111>

National Investment Commission

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

Ministry of Commerce and Industry

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

Ministry of Finance

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

Public Procurement and Concession Commission

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

[Return to table of contents](#)

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

Commercial Sectors

- [Mining \(iron, diamonds, gold\) \(MIN\)](#)
- [Construction \(CON\)](#)
- [Telecommunications \(TES\)](#)
- [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)

Overview

[Return to top](#)

The mining sector is expanding rapidly. Liberia signed a \$2.6 billion Mineral Development Agreement for iron ore with China Union in 2009, and in 2010 it signed a \$3 billion agreement with BHP Billiton and a \$1.6 billion agreement with Putu Mining Company. Before the war, iron ore mining was Liberia's economic mainstay, contributing two-thirds of total exports, half of government revenues and a quarter of GDP. Diamond and gold exports are increasing, reaching \$8.7 million and \$5.7 million respectively, during the first half of 2010. There are also deposits of bauxite, manganese, columbite, uranium, tantalite, copper, tin, lead and zinc. Liberia's diamond deposits are primarily alluvial, and artisanal mining is widespread. Kimberlite pipes may also exist, although major pipes have not been located.

Sub-Sector Best Prospects

[Return to top](#)

- Potential for support services for every aspect of iron ore mining;
- Key areas are supply chain support for operational needs, mine site personnel needs, power generation, reconstruction of rail lines, and employee support.

[Return to table of contents](#)

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.

Web Resources

[Return to top](#)

Ministry of Land, Mines and Energy
National Investment Commission
Ministry of Commerce
Liberia Chamber of Commerce

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

Construction (CON)

Overview

[Return to top](#)

Liberia continues to rebuild after years of civil war, but the country's basic infrastructure remains dilapidated. There is a growing demand for property renovation, road rehabilitation and implementation of other construction projects around the country. International donors are funding rehabilitation of roads and bridges, the power sector, water and sanitation facilities, ports and airports. Several hotel projects are underway, and there is tremendous demand for housing both in Monrovia and in conjunction with mining investments or plantations around Liberia.

Sub-Sector Best Prospects

[Return to top](#)

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

Opportunities

[Return to top](#)

A management contract for the Freeport of Monrovia has been concluded between the Government of Liberia and Maersk subsidiary APM Terminals, which will involve up to \$50 million in port reconstruction. 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 sector. Donors are focusing on expanding and improving farm-to-market roads

[Return to table of contents](#)

throughout the country. There are opportunities in low-income housing and serviced office space.

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)

Overview

[Return to top](#)

Most of Liberia's communications infrastructure was destroyed during the 1990-2003 civil wars. Cell phones are common but only limited land-line phones services are offered by the state-owned Liberia Telecommunication Corporation (LIBTELCO). Internet access is expensive and bandwidth is limited. Some mobile phone companies together with a few internet service providers provide wireless internet services to customers on a fee or subscription basis. There are local TV stations and some satellite TV service, but the lack of electricity and low disposable income limits that market. Four mobile phone companies now provide service, and competition in the sector is high. The sector is regulated by the Liberia Telecommunication Authority, which was established by the Telecommunications Act of 2007. In June 2010, LTA signed a \$25 million deal with France Telecom for the connection of a submarine cable communications network for Liberia, which will become commercially usable by 2012, giving rise to broadband services in the Monrovia area.

Sub-Sector Best Prospects

[Return to top](#)

- Opportunities in the cell phone market as the four existing private firms consolidate or expand;
- Liberian government and commercial offices require computer software, including virus protection programs;
- Many 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. Government

[Return to table of contents](#)

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.

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)

Overview

[Return to top](#)

The Liberia Electricity Corporation (LEC, the public utility) provides 10 MW of electricity in Monrovia with the assistance of international donors. All other electricity is privately generated. In January 2009, Liberia signed a \$150 million dollar agreement with the United States-based Buchanan Renewable Energy (BRE) to construct a 35 MW power plant, fueled by rubber wood chips, near Monrovia. Longer term, Liberia intends to rehabilitate its hydro-electric facility at Mt. Coffee. USTDA has funded a feasibility study on rehabilitation of the Mt. Coffee plant, which would produce 64 MW of low-cost electricity and prove a huge cost savings to Liberian businesses. International donors are funding rehabilitation of the transmission and distribution system and undertaking management support at the LEC. In April 2010, the LEC signed a five-year management contract with a Canadian company, Manitoba Hydro, to strengthen the capacities of the utility and deliver sustainable electricity to Monrovia and its environs. In addition to rehabilitation of the Mt. Coffee hydro-electric plant, there is a demand for small renewable energy projects throughout the country. Donors have agreed to construct 66KV lines and four 10MVA substations and distribution lines for Monrovia and its environs.

Sub-Sector Best Prospects

[Return to top](#)

- Demand for electricity, especially from hydro or other renewable sources;
- Construction of transmission and distribution lines outside of greater Monrovia, where 98% of Liberians lack access to electricity.

Opportunities

[Return to top](#)

Buchanan Renewable plans to construct a 35 MW power plant, and other investors are interested in 10 MW heavy-fuel oil facilities for Monrovia. Rehabilitation of

[Return to table of contents](#)

the Mt. Coffee hydro-electric plant would require approximately \$160 million of investment in turbines, construction services and road renovation, and while the government hopes one of the iron ore concessionaires will pay for its renovation, there are to date no firm commitments. The transmission and distribution grid needs to be repaired and expanded. Liberia aspires to participate in the regional West Africa Power Pool (WAPP).

Web Resources

[Return to top](#)

Ministry of Lands, Mines and Energy
National Investment Commission
Ministry of Commerce
Ministry of Public Works

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

Petroleum (OGS)

Overview

[Return to top](#)

Liberia is attracting companies interested in deep-water oil exploration. Responsibility for oil exploration lies with a state-owned enterprise, the National Oil Company of Liberia (NOCAL). There are 18 offshore blocks for oil exploration, and among the companies that operate these blocks are: Chevron, Texas-based Anadarko Liberia Company, Hong Kong TongTai Hong Kong/Chinese Petroleum International Corporation, Repsol (Spain), Oranto (Nigeria) and Woodside (Australia). Companies must drill at least one well within four years of initiating exploration. As reserves in neighboring Sierra Leone prove more promising, there is mounting interest in Liberia's offshore prospects.

Sub-Sector Best Prospects

[Return to top](#)

- Exploration is not yet underway, but upstream and downstream products and services have potential for investment;
- The need for storage tanks, additional tank farms and potential refinery capacity could provide build-operate-transfer opportunities;
- Oil rigs will require services such as transport and logistics for their personnel.

Opportunities

[Return to top](#)

There is potential investment in several of the off-shore blocks. The state-owned Liberia Petroleum Refinery Corporation (LPRC) (the monopoly importer, which does not refine petroleum) is in need of major repairs and upgrading. In October, 2010, the LPRC

[Return to table of contents](#)

signed a major refurbishing contract with UK-based Motherwell Bridge to expand its facilities and rehabilitate the existing storage tanks.

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)

Overview

[Return to top](#)

There are eight commercial banks operating in the country, but financial services remain limited and concentrated in Monrovia. Interest rates are high, credit is primarily granted on a short-term basis, and banks have little recourse if borrowers do not repay their loans. As the Central Bank of Liberia increases capitalization requirements (from the current level of \$8 million to \$10 million in December 2010) domestic banks may be open to partnering with foreign firms. As banks become stronger, they will compete on expanding services and locations, providing openings for financial service providers. The lack of electrical power or internet bandwidth is a constraint. **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](#)

- Financial management software and services
- Banking technology
- Financial intermediation advisory services

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 are in need of the 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.

Web Resources

[Return to top](#)

Ministry of Finance
Central Bank of Liberia

<http://www.mofliberia.org>
<http://www.cbl.org.lr/>

[Return to table of contents](#)

Liberia Bank for Development & Investment (LBDI)	http://www.lbdi.net/
International Bank	www.ibliberia.com
Ecobank Liberia Ltd.	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

Travel/Tourism Overview (TRA)

Overview

[Return to top](#)

Liberia has beautiful beaches and the coastal waters provide good prospects for sport fishing and surfing. The Sapo National Park and the East Nimba Reserve provide opportunities for eco-tourism. Other eco-tourism sites such as the Kpatawee Falls and Lake Piso areas are being considered. There is a shortage of hotel rooms, although there are a few high quality hotels, and more hotel projects are in progress. Investors have expressed interest in Liberia's tourism sector, but actual investment has been constrained by a lack of electricity and the poor road network. As the economy rebounds and the number of businesses and other visitors increase, there are across-the-board opportunities in the tourism sector

Sub-Sector Best Prospects

[Return to top](#)

- Hospitality sector, supplies and services
- Travel agencies, recreational equipment
- Beach resorts and facilities
- Water transportation services

Opportunities

[Return to top](#)

There was a surge in hotel construction in 2008 and 2009, including investment in eco-tourism outside Monrovia. Roberts International Airport continues to add additional carriers, increasing potential routes into Liberia and reducing costs of air travel. The resumption of direct flights between Liberia and the United States after 20 years will open new opportunities for both Liberian and American businesses. Liberia is becoming known for its premier surfing conditions, which may attract more budget travelers to areas such as Grand Cape Mount County in western Liberia.

[Return to table of contents](#)

Web Resources

[Return to top](#)

Ministry of Information, Culture and Tourism: <http://www.micat.gov.lr/>.

(Note: Although the "Tourism" segment of the Ministry of Information, Culture and Tourism website is as yet unpopulated, we include it for possible future reference.)

The following six hotels are approved by the Embassy for occupancy by U.S. government employees because they meet Embassy requirements for comfort and security:

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	No web address

Food Processing Equipment (FPP)

Overview

[Return to top](#)

No food processing currently occurs in Liberia, although the government would like to encourage food processing to reduce food imports and support potential agricultural exports. Possibilities include chili peppers and other spices, palm oil products and seafood.

Sub-Sector Best Prospects

[Return to top](#)

- Investment in training, storage equipment and supply chain management will be necessary to bring Liberian products to international standards.

Opportunities

[Return to top](#)

International donors are funding agricultural cooperatives and many retailers are interested in expanding their offerings. Growing U.S. demand for unique and rare spices and organic beauty products could ensure a market for Liberian spices and palm butter.

[Return to table of contents](#)

Forestry Sector (FOR)

Overview

[Return to top](#)

Of Liberia's 9.58 million hectares, 45% of the total (4.5 million hectares) is designated as multiple-use forest land. At present, Liberia has ten national forests, excluding the Sapo National Park and the East Nimba Reserve. Commercial-use forest constitutes 2.3 million hectares, and 700,000 hectares is designated for community and other forest use. In 1997, timber production became an important source of revenue to finance conflict in the sub-region. Before sanctions were imposed in 2003 the industry provided up to 8,000 jobs, though many were informal and paid less than \$50 per month.

In February 2006, all timber concessions were voided as the government embarked on forestry sector reform. In September 2006, the UN Security Council lifted timber sanctions on round log exports. A Forest Law passed by the National Legislature in September 2006, along with associated regulations and a code of harvesting, meet international best practices and underscores transparency and accountability. In October 2009, the legislature passed the Community Rights Law, creating a legal framework for community rights in the management and use of forest resources. The Liberia Forest Initiative (a consortium of the Liberian and U.S. governments, the World Bank, and international NGOs) is assisting Liberia's Forestry Development Agency with reform of its revenue collection and production monitoring procedures. Since 2008, Liberia has awarded seven forest management contracts (FMCs) and four timber sale contracts (TSCs), with a total projected value of \$12.5 million from land rentals. The Swiss-based Society General De Surveillance (SGS) is managing the chain of custody system for the Liberian forestry, ensuring that timber cut in Liberia comes from a legal origin.

Sub-Sector Best Prospects

[Return to top](#)

- There is demand for timber harvesting and wood processing equipment, including plywood and high-quality veneer processing centers, as well as portable mills.
- Liberia lacks kilns or other methods to treat wood products for export.
- Growing opportunities in non-timber forest products such as bamboo, rattan, natural oils, and medicinal herbs.

[Return to table of contents](#)

Opportunities

[Return to top](#)

Chain-of-custody procedures are being put in place, and timber exports resumed on a modest scale in 2010. Capital-strapped local companies will likely seek partners for concession management and equipment procurement.

Agricultural Services (AGS)

Overview

[Return to top](#)

Agriculture is critical to economic revitalization and is the focus of the government's poverty reduction strategy. In the long-term, the government expects growth to be driven by the agriculture and services sector, but after years of civil conflict, Liberia's productive capacity must be rebuilt. Few Liberians are trained farmers, or possess the capital or equipment to produce high-quality or export-ready produce. Output and yields are low, and there is no significant food processing or value-added agricultural industry. Rice is the staple food, but over 85% is still imported.

There are some signs that Liberia is ready for foreign investment in large-scale agriculture. The Foundation for African Development Aid (ADA), a local NGO that received a \$30 million soft loan from Libya, is involved in Liberia's first large-scale mechanized rice production project, and began supplying the Liberian market in 2010 on a modest scale. There is increasing investment in plantation crops, such as rubber and oil palm, although issues of land tenure continue to delay resumption of many large-scale agricultural activities. Sime Darby, a Malaysian oil palm company, is developing the first 5,000 hectares of oil palm on a 220,000 hectare concession it acquired from the Liberian government in 2009. Coffee and cocoa are traditional Liberian crops, and there is a strong focus on increasing yields. However, the poor quality of the current crops has precluded short-term export potential and consequently interest from foreign investors.

Rubber continues to dominate the export sector, accounting for 69.7% of total exports during the first half of 2010. However, Liberia's share of the world rubber market declined during the period, because Firestone, the country's major rubber exporter, did not ship rubber in April and June of 2010, due to its ongoing replanting project. Further, many rubber plantations in Liberia, including small hold farms, remain encumbered by old rubber trees that have passed their productive lifespan. Liberian rubber producers export raw latex and block rubber, though the government is encouraging the development of more value-added processing and manufacturing. In November 2008, the government announced a temporary ban on the export of unprocessed rubber, as a means of protecting the local producers, but it eased the ban in March 2009.

[Return to table of contents](#)

The government is working to establish an 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). There is potential in agro-processing, horticulture, animal husbandry and plantation agriculture.

Sub-Sector Best Prospects

[Return to top](#)

- Wheat, consumer-ready food products, and poultry products;
- Agricultural equipment and machinery;
- Storage facilities for agriculture products;
- Food processing equipment.

Opportunities

[Return to top](#)

There are opportunities in export crops such as rubber, oil palm, coffee and cocoa.

Web Resources

[Return to top](#)

Ministry of Agriculture
Forestry Development Authority
Firestone Rubber Company

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

Fisheries Sector (CFE)

[Return to top](#)

Although there are probably hundreds of thousands of part-time fishermen, processors and mongers in Liberia, almost all fishing is artisanal. The government does not have the capability to control its coastal waters and illegal fishing by foreign trawlers is rampant. Besides imported fish from neighboring countries, artisanal fishing remains the key source of supply to the domestic market. Statistics from the Ministry of Agriculture's Bureau of Fisheries have shown that Liberia loses around \$12 million annually to illegal fishing, mainly because the country lacks a functional coast guard.

Sub-Sector Best Prospects

[Return to top](#)

- Fishing vessels, equipment and inputs;
- Electronic navigation equipment;
- Fishing support services;
- Cold storage facilities.

[Return to table of contents](#)

Opportunities

[Return to top](#)

There are opportunities in cold storage facilities and cold chain equipment for export of seafood.

[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. Duties on imported goods range from as low as 2.5% to as high as 25%. A penalty of 20% is charged on imports that do not obtain pre-shipment inspection certification. Presently, the government is working on tax reforms to harmonize Liberia's taxation and tariff regimes with its ECOWAS neighbors.

Trade Barriers

[Return to top](#)

Non-tariff barriers include the inefficient port, 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. In February 2009, the Ministry of Finance established a one-stop-shop at the Freeport of Monrovia to streamline the customs processes, and in November 2009 it launched an automated system of customs data ("ASYCUDA") to fully automate processes and reduce customs clearance procedures. 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](#)

The importer must write a letter (requesting permission to import a specific quantity and quality of commodity from a particular country or trading zone) to the Minister of Commerce via the Division of Foreign Trade. The letter is accompanied by the invoice and bill of lading. Once authorization to import is received, the importer may purchase

[Return to table of contents](#)

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 or destination inspection, at a cost of 1.5% of the shipment's value. There is a 20% fee for goods that arrive without pre-shipment inspection. 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. There are separate procedures for rice imports.

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 the 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](#)

Product labels should show the net weight of the product, manufacture and expiration date, ingredients and origin. The labeling language should include English.

Prohibited and Restricted Imports

[Return to top](#)

Liberian law prohibits convict-made goods. Liberia recognizes international regulations on narcotics and other contraband.

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](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)

[Return to table of contents](#)

- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)
- [Contacts](#)

Standards Organizations

[Return to top](#)

The Ministry of Commerce, through its Bureau of Standards, is charged with assessing the quality of goods, but there is not currently a lab capable of quality testing. A number of ministries and agencies (including the Ministries of Agriculture; Health and Social Welfare; Public Works; Lands, Mines and Energy and Transport as well as the Liberia Telecommunications Authority and the Forestry Development Authority) issue technical regulations on products within their jurisdiction. There are currently no standards organizations operating in Liberia. Liberia has adopted 220V, 50 cycles for electricity in order to harmonize with neighboring countries. In December 2009, the Ministry of Commerce set up a National Standard Board to curb the proliferation of substandard goods including food, cosmetics and insecticides.

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/>

Testing

[Return to top](#)

There are no known laboratories to test products. The Ministry of Commerce intends to establish a product testing laboratory for its Standards Bureau, with a focus on testing pharmaceuticals and food products.

Product Certification

[Return to top](#)

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

Trade Agreements

[Return to top](#)

Liberia is AGOA-eligible and has signed a Trade and Investment Framework Agreement with the United States. The government is in the final phase of arrangements with U.S.

[Return to table of contents](#)

Customs for the implementation of the AGOA Apparel Visa System, which will permit Liberia to export textiles to the U.S. duty-free. Liberia has also signed an Open Skies agreement. Liberia is not yet a member of the WTO but has observer status. Liberia has longstanding trade agreements with the European Economic Community (EC), ECOWAS, and the Mano River Union (MRU) countries. 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](#)

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](#)

There is growing investor interest in Liberia, particularly in agriculture, construction, the extractive industries and tourism. UN sanctions were lifted on timber exports in 2006 and on diamond exports in early 2007. Liberia is now Kimberley Process compliant. The removal of sanctions opened the door to investment activity in those sectors. Liberia has demonstrated consistent annual progress since its 2007 debut in both the International Finance Corporation (IFC) "Doing Business" ranking and the Transparency International corruption index, and now ranks in the top half of African nations in both indices. The National Investment Commission has recorded over \$16 billion in new foreign investment since 2006, primarily in the extractive industries, and local business registration also continues to rise. (Note: All currency amounts are in U.S. dollars. End note.)

Five years of democratic rule have helped the economy to gain modest growth. Much of Liberia's infrastructure -- including roads, the electrical grid, and communication systems -- remains in disrepair, but progress, supported by the substantial infusion of international development assistance, continues. Facilities for foreign visitors are adequate in the capital, Monrovia, but virtually non-existent in the rest of the country. There is a tremendous demand for jobs. The unemployment rate in the formal economy is estimated at 25% of the available labor force; however, most other Liberians are self-employed in the informal sector or contribute to a family business or farm. Most labor is unskilled, and the illiteracy rate is estimated to be 45%. While there are virtually no landline phones, cell phone service is widely available and coverage is being extended

[Return to table of contents](#)

into rural areas. Although satellite Internet access is available, it remains unreliable and relatively expensive, especially for high-speed connections. Major foreign investors typically are expected to include support for schools, clinics, and other social services as part of any concession agreement.

There are three serious challenges the Liberian government must address as it works to ensure equitable economic growth and reduce poverty: land tenure disputes, corruption, and the related factor of a dysfunctional judicial system. Expanded investment in promising sectors such as agriculture, forestry, mining, energy or tourism, and the ability to provide affordable housing for more Liberians, depends on rapid clarification of the tangled land tenure regimes and a significantly improved judicial system.

Openness to Foreign Investment

[Return to top](#)

The impact of years of violence and bad governance undermined the rule of law and created unchecked opportunities for corruption. The government benefited from the Governance and Economic Management Assistance Program (GEMAP), which sought to institute accountability, responsibility, and transparency in the fiscal management of the government in key state-owned enterprises. GEMAP, which concluded in 2009, has had a positive effect in many areas that influence foreign investment decisions, including mining and forestry policies, and transparency in the procurement process. However, lack of training, inadequate salaries and a culture of corruption have created a judicial system that actively hampers investment.

Liberia slipped by three spots on the IFC's 2011 "Doing Business" ranking in 2010 to 155 out of 183 countries. The Liberia Better Business Forum, a public-private initiative of the IFC established in late 2007, is guiding proposals to further improve the business climate. In principle, the government aims to create an open, nationality-neutral investment climate that would encourage the energy, ideas, and capital that create jobs and provide lower prices and higher value for consumers. However, political pressure remains to "empower" domestic businesses by constraining foreign investment.

Seeking to empower Liberian businesses, the government in 1998 promulgated a "Liberianization Policy," that set aside 26 business activities exclusively for Liberians. Following opposition from donors and foreign businesses that claimed the law was discriminatory and anti-competitive, a revised Investment Act of 2009 reduced the number of sectors reserved for Liberians to 16. These sectors include:

- Block making with cement, clay or like materials
- Supply of sand, stone and granite
- Operation of gas stations
- Peddling
- Video clubs
- Travel agencies

[Return to table of contents](#)

- Distribution in Liberia of locally manufactured products (this provision shall not prevent manufacturers or producers from transporting or otherwise distributing their products to Liberian citizens or qualified persons for resale)
- Importation or sale of second-hand or used clothing
- Retail sale of rice and cement
- Ice making or sale of ice
- Importation and sale of used cars (except authorized dealerships which may deal in certified used vehicles of their make)
- Tire repair shops
- Auto repair shops with investments of less than \$50,000
- Operation of taxis
- Shoe repair shops
- Retail sale of timber and planks

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

- Production and supply of stone and granite
- Ice cream manufacturing
- Commercial printing
- Advertising agencies, graphics and commercial arts
- Cinemas
- Production of poultry and poultry products
- Operation of water purification or bottling plant (excludes the production and sale of water in sachets)
- Entertainment centers not connected with a hotel establishment
- Sale of animal and poultry feed
- Operation of heavy-duty trucks
- Bakeries
- Sale of pharmaceuticals

The Act has not been effective in increasing Liberian participation in commercial industries, nor has enforcement been consistent. The Investment Act of 2009 eliminated the mandate that qualified Liberians be employed at all levels, including upper management of foreign-owned companies. Nevertheless, as a matter of practice, the Ministry of Labor has delayed work permits for expatriates and intervened in hiring decisions.

To obtain a concession for new investments requires a lengthy, multi-step process, but much progress has been made to ensure that procedures and requirements are transparent to potential investors. First, the concession entity 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), including the Ministers of Justice and Finance and the Chairman of the National Investment Commission, to handle the bidding process and award the contract. The IMCC selects a technical team, including representatives of the contracting agency, to handle the technical aspects of the bid. A technical evaluation committee, also from

[Return to table of contents](#)

within the IMCC, will evaluate the bidders and award the contract. The President sends the contract to the legislature to be ratified.

The following table indicates Liberia's ranking according to various metrics of transparency and good governance in 2010:

<u>Measure</u>	Index/Ranking
Transparency Int'l Corruption Index	87/178
Heritage Economic Freedom	46.2
World Bank Doing Business	155/183
MCC Government Effectiveness	29%
MCC Rule of Law	35%
MCC Control of Corruption	69%
MCC Fiscal Policy	7%
MCC Trade Policy	3%
MCC Regulatory Quality	21%
MCC Business Start Up	53%
MCC Land Rights Access	2%
MCC Natural Resource Management	53%

Conversion and Transfer Policies

[Return to top](#)

Both Liberian and U.S. dollars are legal tender. Most business and government transactions (such as taxes) are conducted in U.S. dollars; most street transactions are in Liberian ("Liberty") dollars. The Investment Incentive Code allows the transfer of funds associated with investments, including profits. 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, and its US dollar sales, which rarely exceed \$750,000 are often oversubscribed, so large investors may find it takes more than one week to exchange large sums of money. ATMs are not connected to global electronic banking networks and travelers' checks and credit/debit cards are rarely accepted.

The Central Bank of Liberia regulates foreign exchange transfers. Transfer of sums in excess of \$10,000 must be reported to the Central Bank of Liberia, and no more than \$7,500 in foreign currency banknotes can be moved out of the country at one time. Larger sums must be transferred via bank draft or other financial instruments. Persons without a Liberian bank account are limited to two outgoing \$5,000 over-the-counter cash wire transfers per month.

Expropriation and Compensation

[Return to top](#)

The Embassy is aware of one claim by a U.S. firm of expropriation (looting) by LURD rebels who attacked Monrovia in 2003, before the current government was elected.

[Return to table of contents](#)

The claimant has not been in touch with the Embassy since 2004. The Government of Liberia hopes to burnish its image as a destination for foreign investment, so appropriation of foreign assets by the current government remains highly unlikely.

Dispute Settlement

[Return to top](#)

Liberia's legal system is similar to the criminal and civil law in the United States, but laws are not implemented consistently or predictably. Investors cannot rely on the court system as a fair arbiter of disputes. Judges and other judicial officers are poorly paid, courthouses are in disrepair, and administrative support is weak. Judgments can be purchased, and foreign firms tend to be at a disadvantage. In 2008 an unreasonable court finding caused a major foreign rubber company to cease operations, and frivolous suits have been used to harass other investors. Due to the backlog of cases, it can be years before a hearing takes place. The Sirleaf government is committed to judicial reform, and there are plans underway to expand Alternative Dispute Resolution mechanisms and legislation has been passed to create a commercial court, but implementation will take time. The Ministry of Commerce, in collaboration with the IFC-sponsored Liberia Better Business Forum, has initiated 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](#)

The Investment Act of 2009 prohibits nationalization of private enterprises and aims to attract foreign investment. It grants foreign investors the same rights and subjects them to the same duties and obligations as those that apply to domestic investors and citizens for purposes of business registration, dispute settlement and labor and environmental requirements. However, there are efforts to encourage all companies to hire Liberians. Section 216 of the Liberian Decent Work Bill 2009 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".

The Revenue Code of 2009 allows for special tax incentives for foreign investors who invest at least \$9 million in priority sectors, such as tourism, energy, health care, housing, transportation infrastructure, information and communication technology and banking. There are additional incentives for those investors who pursue projects outside of the greater Monrovia area. Investment incentives may include exemption from customs duty, tax exemption on profits re-invested in fixed assets and provision for loss carry-over and accelerated depreciation of fixed assets. The Investment Act encourages industrial enterprises which utilize, to the highest possible extent, Liberian labor at all levels and contribute to advancing national skills through training schemes. The National

[Return to table of contents](#)

Investment Commission of Liberia (NIC) implements the Code, and more details are available on the NIC website: <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 Liberia's 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 a Land Commission to address questions of land tenure.

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 County in late 2008. There were no reported land disputes in 2010 that erupted into violence, but as more agricultural and forestry concessions begin operations, clashes over land use may be expected between investors and local communities. The government established the National Land Commission in August 2009, although the institution has yet to advance any material reforms and is not yet a forum for adjudicating disputes.

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. There have been cases of fraud by government-licensed land surveyors.

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

[Return to table of contents](#)

and industrial property rights, including the Berne, Paris, Lisbon, Vienna and Washington conventions and the Madrid Agreement. 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 2010, the Liberia Copyright Office recorded fewer than 50 businesses, including songwriters, movie producers, and authors, holding intellectual property rights. Infringement of intellectual and industrial property rights is prevalent. Movies and music are duplicated. Counterfeit drugs, apparel, cosmetics, and 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 Liberian government continues to improve Liberia's ranking in the "Doing Business" index by making regulations more transparent, accountable, and effective. For example, in 2010, the government launched the Integrated Tax Administration System (ITAS) and the website link for its Revenue Department to streamline bureaucratic procedures and reduce the cost of compliance to taxpayers, with an eye to facilitating imports and investment. The government's implementation of GEMAP and agreement with policy prescriptions advanced by the International Monetary Fund (IMF) are showing results. New regulations are improving the transparency of the government's Public Procurement and Concession Commission (PPCC): <http://ppcc.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.

In 2010, the National Legislature ratified key legislation that will improve the environment for all investors, including the Investment Act, a new Revenue Code and the establishment of a commercial court.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

The Liberian banking system provides basic banking services but there is no effective capital market or options for portfolio investment. While financial institutions allocate credit on market terms to foreign and domestic investors alike, the historically high rates of non-performing loans mean banks grant only short-term (less than 18 months), high-interest loans (between 12%-20%) that constrain capital investment and limit new business development. Total assets of the eight commercial banks were approximately \$385 million in 2010. Minimum capital requirements were raised to \$8 million in 2009, and will be further increased to \$10 million in December 2010. The minimum capital

[Return to table of contents](#)

adequacy ratio was increased from 8 percent to 10 percent in 2008. Banks have continued to reduce the proportion of non-performing loans since 2003 and loan quality is improving as banks expand their operations in the rural areas of Liberia.

The Liberian market offers the private sector few credit instruments. Liberia reached Completion Point under the Highly Indebted Poor Countries (HIPC) Initiative in June 2010, liberating the government to borrow for the first time in two decades. While the Central Bank of Liberia plans to issue short-term debt instruments during the 2010-2011 fiscal year, government borrowing will remain very modest in the near term. Private companies also do not issue debt, in part because there is no government benchmark, and in part because there is a perceived lack of appetite for such investment instruments.

The weak judicial system means financial institutions find it difficult to recover bad loans through the courts. 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. In 2007, the Overseas Private Investment Corporation (OPIC) committed \$20 million to the Liberia Enterprise Development Finance Corporation (LEDFC) to support small and medium Liberian enterprises. LEDFC, which works closely with the commercial banks, is the first non-bank financial institution licensed by the Central Bank of Liberia to support small and medium enterprises. This program is helping to strengthen the financial sector and improve access to capital by growing Liberian firms. To date, LEDFC has given 47 loans worth over \$3.4 million, creating about 500 direct jobs for Liberians. The United States African Development Foundation (USADF) has invested \$1.67 million in Liberia to stimulate job creation and improve income levels by supporting cooperatives and enterprises, including farmer cooperatives. USADF's portfolio in Liberia consisted of 25 investment projects in 2010. These projects provide sustainable jobs, technology transfer, food security, financial and general management training.

Competition from State Owned Enterprises

[Return to top](#)

Liberia has approximately 15 state-owned enterprises, parastatals and regulatory agencies. The history of SOEs in Liberia is characterized by a high level of corruption, cronyism and mismanagement. However, President Sirleaf's administration has embarked upon a series of vigorous reforms since taking office in 2006. A number of SOEs, including some autonomous agencies, have been granted minimal budget allocations that will ensure their eventual dissolution. The GEMAP framework and other initiatives are improving financial and operational performance at several SOEs, notably the National Port Authority (NPA), Roberts International Airport (RIA), the Forestry Development Authority (FDA) and the Liberia Petroleum Refinery Corporation (LPRC).

[Return to table of contents](#)

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 decision by the government to privatize SOEs offers opportunities for local and foreign entrepreneurs, notably in areas such as agriculture, aviation and transport services, petroleum refining and marketing, and port management and power generation.

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 often specifically 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, some 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.

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.

Political Violence

[Return to top](#)

There has been no significant political violence since the signing of the Accra Comprehensive Peace Agreement in 2003 and the deployment of 15,000 UN peacekeepers throughout Liberia. The former Armed Forces of Liberia (AFL) was completely demobilized and with USG assistance a modern, professional force is being trained. By the end of 2010, the AFL will reach initial operational capability, but will still rely on international support. The Liberian National Police is also being restructured and includes an Emergency Response Unit (ERU), which has the ability to respond rapidly and to address sudden tactical police emergencies. UN troops, which now number 8,500, are gradually being withdrawn as Liberia's security forces gain in strength and experience. Increasing freedom and transparency for the Liberian people has led to vigorous pursuit of perceived rights, which results in active, often acrimonious, but non-violent political debate. Access to land remains a volatile issue that has led to violent disputes on the local level.

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

[Return to table of contents](#)

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 the UN Convention Against Corruption, 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 December 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

[Return to table of contents](#)

Antibribery Convention through the U.S. FCPA. Liberia is not a party to the OECD Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (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. Liberia 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 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>)

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see www.coe.int/greco.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Liberia does not have an

[Return to table of contents](#)

FTA with the United States. 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 a major challenge to economic development, poverty alleviation, democratic governance, the judiciary and the rule of law in Liberia. In an effort to fight corruption in both public and private sectors,

[Return to table of contents](#)

the Liberian government adopted several anti-corruption measures between 2006 and 2009. This was climaxed by the establishment of an autonomous Anti-Corruption Commission in August 2008, known as the Liberia Anti-Corruption Commission (LACC).

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 212 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/sc_country.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210>.
- 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.

[Return to table of contents](#)

See

<http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.

- 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 92 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. The country does not have a definite trade policy, which has prevented it from joining regional and international trade organizations. Liberia attained World Trade Organization observer status in 2007, but a transparent trade regime has become a pre-requisite for full WTO membership. In 2011, the Millennium Challenge Corporation will begin a threshold program in Liberia designed to improve trade policy and practices, specifically in harmonizing tariffs, engaging regional and global bodies, and strengthening the regulatory environment.

In October 2009, the government began a series of capacity-building programs, in collaboration with ECOWAS, to formulate a trade policy that would qualify Liberia for WTO membership. The policy is currently being drafted by a consultant and a Technical Committee, headed by the Ministry of Commerce and Industry. In February 2007, Liberia signed the Trade and Investment Framework Agreement (TIFA) with the United States to reduce trade and investment barriers between the two countries. Liberia is eligible for trade benefits under the African Growth and Opportunity Act (AGOA), though the country did not make use of AGOA trade preferences in 2010. Liberia has long-standing trade agreements with the European Economic Community (EC), ECOWAS, and neighboring Mano River Union (MRU) countries.

OPIC and Other Investment Insurance Programs

[Return to top](#)

OPIC provides coverage for investors in Liberia. The U.S. restored Liberia's eligibility for the Generalized Systems of Preferences in February 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 is less risk of currency depreciation in 2010, as the Central

[Return to table of contents](#)

Bank of Liberia strengthens its foreign exchange reserves, but Liberia 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 literacy rate is believed to be about 15% for those below age thirty-five. Many skilled professionals have emigrated.

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.

Labor legislation was revised in 2007, repealing a decree that prohibited workers from striking and repealing section 1508 (3), which permitted employees to be dismissed without cause. According to Liberian law, labor organizations and associations have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities, and to formulate their programs. The labor law specifies that no industrial labor union or organization shall exercise any privilege or function for agricultural workers and no agricultural labor union or organization shall exercise any privilege or function for industrial workers. In 2010, the legislature passed into law the "Decent Work Bill" to improve work conditions and workers' rights.

Foreign-Trade Zones/Free Ports

[Return to top](#)

In 1976, the government of Liberia created the Liberia Industrial Free Zone Authority (LIFZA) to promote industrial and corporate growth, but the FTZs have been inactive for a long time. Almost no manufacturing is done in Liberia.

Foreign Direct Investment Statistics

[Return to top](#)

Investment and commercial activity continue to increase. The National Investment Commission reported approximately \$175 million in new investment in 2010, with 70% of that total in the services sector. Business registration data confirm the sharp increase in investment activity. According to statistics from the Bureau of Domestic Trade at the Ministry of Commerce, partial year figures of total businesses registrations as of October 31, 2010 (foreign and domestic) increased 4.2% over the previous year, from 7,445 firms in 2009 to 7,759 firms. The Ministry registered 1,219 foreign owned businesses in 2010, a 23.8% increase over the 2009 figure. (Note: businesses must register annually. End note.)

[Return to table of contents](#)

Detailed investment statistics are not available. However, according to International Financial Statistics, the stock of foreign direct investment in Liberia from 2004 (when statistical estimates resumed after the civil conflict) through 2009 is \$641 million. The

International Monetary Fund estimates Liberia's 2009 GDP at \$880 million, with FDI stock representing 73% of GDP and 2009 FDI flows representing 11% of 2009 GDP. Liberia has limited, if any, foreign direct investment abroad.

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/
„	http://www.mofliberia.org/
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, banks and business associations):

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

[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. Banking regulations can be found on the Central Bank web site: <http://www.cbl.org.lr/>

There are eight commercial banks operating in Liberia: the Liberian Bank for Development and Investment (LBDI); International Bank Liberia Ltd. (IB); Ecobank Liberia Ltd.; Global Bank, First International Bank, United Bank for Africa, Access Bank Liberia Ltd and Guaranty Trust Bank (GT). The Central Bank has issued a provisional license to the Cameroon-based Afriland First Bank, which plans to launch its operation in 2011. Access Bank is the only microfinance commercial bank in the country. Seven of the eight commercial banks are foreign owned.

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 fee income from fund transfers and on cost of transaction charges such as deposit/withdrawal, or 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, with over 40 branches and payment outlets across the country. However, effective banking outside the capital remains difficult due to poor transportation and communication networks. Both Liberian and U.S. dollars are legal tender. Most business and official transactions (such as taxes) are conducted in U.S. dollars, while most street transactions are in Liberian dollars. The Investment Act allows for the transfer of funds associated with investments, including profits.

[Return to table of contents](#)

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 \$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 \$10,000 must be reported to the Central Bank, and no more than \$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 \$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 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/ccp/default.htm>

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

[Return to table of contents](#)

Central Bank of Liberia (CBL)

<http://www.cbl.org.lr/>

Liberian Bank for Development & Investment (LBDI)

<http://www.lbdi.net/>

International Bank

www.ibliberia.com

ECOBANK

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

www.accessbank.com.lr

Guaranty Trust Bank

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

[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](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [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 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 postal system is rebuilding and, while effective for messages to major institutions within Monrovia, international couriers are advisable for important communications, especially from overseas. Include the recipient's mobile phone number on the envelope to facilitate delivery in the absence of standardized street addresses.

Liberia is a cash-based economy. Credit cards are rarely accepted, even by most major hotels, and 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. Carry a supply of small-denomination 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, so transport to Monrovia should be arranged in advance. (See following section on Transportation.)

[Return to table of contents](#)

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>

Return to table of contents

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 \$25 airport tax on departing passengers that is embedded into the ticket price. 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 options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Consular Section of the US Embassy in Liberia:
<http://monrovia.usembassy.gov/consular.html>

Telecommunications

[Return to top](#)

There is no functioning national land-line communications system, with only limited land-line phone services offered by the state-owned Liberia Telecommunication Corporation (LIBTELCO). Liberia operates on Global System for Mobile Communication (GSM) technology, with four licensed providers. 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 Communications (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 slowly. Bandwidth is low and Internet subscription fees are high, due in part to high overhead costs such as the need to self-generate power.

[Return to table of contents](#)

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 in disrepair and during the rainy season many upcountry roads are 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 and 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. Liberian annual holidays in 2011 are as follows:

New Year's Day**	January 01 (Saturday)
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 (Saturday)
Independence day	July 26
Flag Day	August 24
Thanksgiving Day	November 03
William V.S. Tubman's Birthday	November 29
Christmas Day(Observed)*	December 25 (Sunday)

Please note:

* Celebrated on Monday in lieu of Sunday.

** Celebrated on Friday in lieu of Saturday.

[Return to table of contents](#)

Web Resources

[Return to top](#)

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](#)

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	www.chamberofcommerce.org.lr

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. <http://www.export.gov/tradeevents.html>

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

[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: www.buyusa.gov/westafrica/en

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)**.

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: Market_Research_Feedback@trade.gov

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](#)