

I have felt for a period of time that Development and Sustainable News were too close to one another in content. So, I have dropped Sustainable News and have introduced a regular contribution that will focus on the economy of Sierra Leone.



President Bio's view of the economy of Sierra Leone and what he intends to do to improve its performance

I welcome you all.

I am delighted that the International Monetary Fund has resumed their engagement with my new administration by organizing this High-Level Forum on Economic management.

You all may be aware that on March 7 and 31, Sierra Leoneans went to the polls and voted for change in the New Direction. In the days following my assumption of power, Sierra Leoneans have shown a high level of maturity towards one another. Winners have been magnanimous in victory and losers have accepted their loss with serenity.

This election has therefore solidified our credentials as a peace-loving people who have put the past few weeks behind them and ready to move forward. I very much thank the leadership of all political parties especially the All People's Congress for quickly coming to terms with the change of Government.

As you may be aware, my Government has been in power for less than two weeks, and our transition team was formed only a week ago. The team has been busy engaging key stakeholders on policy issues, and during this period, we have come to realize the enormous challenges that the country faces.

At the same time, we are cognizant of the hopes and aspirations of our people, who gave us the mandate to lead this country for the next five years. As we gradually settle down and take stock of the state of the nation, we will form some views on how we can navigate these difficult circumstances.

In that regard, I very much appreciate the focus of this seminar on discussing the present economic vulnerabilities and challenges and suggesting ways to quickly bring back sanity to the policy environment.

During the Presidential campaign, I told the people of Sierra Leone that the economic situation is appalling and requires hard choices which I am strongly committed to deliver on.

Initial assessment by the Governance Transition Team reveals that my administration will be faced with the worse economic situation since independence.

Before now, Government cannot pay monthly salaries without borrowing or heavy reliance on overdraft facility at the Bank of Sierra Leone which now stands at over 160 billion Leones.

More serious is that today, Sierra Leone's external debt is at the level of 2.0 billion dollars and domestic debt is 4.9 trillion Leones.

With the signing of new agreements on the eve of the elections, Sierra Leone is already in a debt crisis, which in collaboration with our development partners we must urgently address.

In addition, the health of the banking system is significantly challenged by the financial conditions of two state owned banks that have huge non-performing loans, some to politically exposed persons.

This, coupled with low levels of economic growth, high incidence of poverty, lack of economic diversification, high unemployment and challenging business environment for private sector development have further exacerbated the problems.

It is in light of these challenges I pledged to the People of Sierra Leone, which are well articulated in my Manifesto that we must restore economic discipline by substantially reducing leakages in domestic revenue mobilization and controlling expenditures to finance development programmes.

As a demonstration of my Government's commitment, we have initially taken the following revenue measures:

- Suspended all duty waivers except those covered under the Vienna Convention
- Directed all Ministries, Departments and Agencies that collect and retain Government revenues to transfer all revenues into the Consolidated Revenue Fund with immediate effect consistent with provisions of the Fiscal Management and Control Act 2017
- Suspended the export of timber logs with immediate effect

For the first time in two years, Government will pay salaries of 150 billion Leones including payment of NASSIT contributions without recourse to domestic borrowing.

We would broaden revenue enhancing measures towards achieving our target of at least 20 percent of GDP.

In addition, we will soon put in place measures to harmonize public sector wage bill including state owned enterprises, limit excessive overseas and local travels, control procurement and maintenance of vehicles.

It is clear that we cannot deliver on these without the support of our development partners. I hope that the Forum will provide us with the opportunity to deepen our understanding of the challenges ahead of us, and guide us to take the urgently required measures, a key part of which is resumption of the dialogue with both the IMF and other development partners.

Ladies and gentlemen, I believe we won this election on the strength of our programmes and ideas for the future of this country as systematically presented in the New Direction.

As we take on the reins of government and match towards economic recovery, we will be guided by the promises we made to Sierra Leoneans. We promised a change in the New Direction to the people, a change that restores sanity in economic and financial management, a change that provides quality service delivery to the people of Sierra Leone.

This change would only be realized when we make progress on transforming the economy, improving governance and human development, and by improving on value for money on infrastructural development.

Finally, let me affirm my commitment to renegotiate with the IMF to resume implementation of Extended Credit Facility Programme aimed at restoring economic stability.

I wish you all a successful deliberation.

Brigadier (Rtd.) Julius Maada Bio  
President of the Republic of Sierra Leone

Source: <http://www.thepatrioticvanguard.com/sierra-leone-president-bio-outlines-economic-policy-priorities>

### Looking in more detail at specific figures:

The top individual income and corporate tax rates are 30 percent. Other taxes include goods and services and interest taxes. The overall tax burden equals 14.5 percent of total domestic income.

Over the past three years, government spending has amounted to 18.4 percent of total output (GDP), and budget deficits have averaged 4.2 percent of GDP. Public debt is equivalent to 53.4 percent of GDP.

Markets	Last	Reference	Previous	RangeFrequency
Currency	7860	Jun/18	7860	2450 : 7860 Daily
GDP	Last	Reference	Previous	RangeFrequency
GDP Annual Growth Rate	5.7 %	Dec/17	6.3	-21.1 : 20.7 Yearly
GDP	3.67 USD Billion	Dec/16	4.21	0.32 : 5.02 Yearly
GDP per capita	455 USD	Dec/16	438	272 : 563 Yearly
GDP per capita PPP	1366 USD	Dec/16	1316	816 : 1692 Yearly
Labour	Last	Reference	Previous	RangeFrequency
Unemployment Rate	4.5 %	Dec/17	4.6	3.4 : 4.7 Yearly
Population	7.4 Million	Dec/16	7.24	2.3 : 7.4 Yearly
Prices	Last	Reference	Previous	RangeFrequency
Inflation Rate	15.33 %	Dec/17	16.26	