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## IMF sees Liberia growth surge

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Monrovia - Liberia's economic growth, already motoring at nearly 8% thanks to reconstruction after a civil war, will surge above 11% on average in the coming five years, the International Monetary Fund said.

In a statement released late on Monday, an IMF team which visited earlier this month said however the West African country could not sustain its huge foreign debt, which totals nearly \$4bn, and needed comprehensive debt relief.

Once the world's fifth biggest iron ore exporter, a strategic US Cold War ally and home to the world's largest rubber plantation, Liberia's economy collapsed during an on-off 1989-2003 civil war.

The rising gross domestic product (GDP) growth rates expected by the IMF puts Liberia in the same fold as other post-conflict success stories like Mozambique, which became a darling of donors with sustained growth rates approaching 10% in the 1990s after the end of its own civil war.

"Liberia's economic recovery continues to strengthen, and medium term prospects have improved. In 2006, real GDP growth is estimated to have increased by 7.8%, driven mainly by construction, the recovery in the agricultural sector, and the donor-funded expenditures in the country," the IMF team said.

"A similar growth rate is projected for 2007. Over the period 2008-2012, growth is now projected to average over 11%, buoyed by the expected revival of mining, forestry and agricultural sectors," it said.

Arcelor-Mittal, the world's biggest steel company, is investing \$1bn in an iron ore mine in Liberia, including building a railway and upgrading port facilities.

### Foreign debt 'unsustainable'

**Ellen Johnson-Sirleaf, a former World Bank economist, took over as Africa's first elected woman president in Liberia last year after beating populist international soccer legend George Weah in a run-off vote.**

**Harvard-trained Johnson-Sirleaf inherited a country ruined by years of violence and corruption, saddled with foreign debts recently estimated at around \$3.7bn, half of it in accrued interest, and one of the world's highest debt to GDP ratios.**

**The new president spent much of her first year in office touring foreign capitals to enlist the support of donors, but Liberia can not qualify for international debt relief until it clears its debts to the IMF and World Bank, which make up more than \$1.5bn of the debt burden.**

**Washington, a close ally of Liberia which was founded in 1847 by black slaves freed from the United States, has backed efforts to cancel Liberia's debt.**

**At a donor conference in Washington in February, the United States said it had identified \$150m of US money in the IMF which could be redirected to clear Liberia's debts to the Fund.**

**Washington, Liberia's largest creditor, has already pledged to write off \$391m under the Heavily Indebted Poor Countries Initiative (HIPC) administered by the IMF and World Bank.**

**Qualifying for HIPC would open the way for further debt relief under the Multilateral Debt Relief Initiative agreed in 2005 by the G8 club of rich nations.**

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