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FOREST TRENDS

FOREST POLICY TRADE AND FINANCE INITIATIVE

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A Guide to UNDERSTANDING FINANCIAL LOSSES TO THE GOVERNMENT OF LIBERIA

INTRODUCTION

In March, Forest Trends, a Washington DC-based NGO, published a *Rapid Assessment of Liberia's Mining Sector*[1] outlining impacts on the environment, communities most impacted by mining, and on the Government of Liberia (GoL). This briefing updates the estimate of financial losses to the GoL as of June 2026 and how they were calculated.

Here we provide evidence that the GoL likely lost more than US$91 million in revenue. Importers reported at least US$3 billion more in trade than Liberia reported. Total losses are likely significantly higher due to smuggling, fraudulent reporting and transfer pricing, unpaid obligations, and limited transparency.

Addressing these losses has become increasingly urgent as international interest in the sector grows, including from China, following geologic surveys that indicate significant lithium and other key deposits. This brings renewed attention to how the mining sector is governed and who benefits from its expansion.

[1] https://www.forest-trends.org/publications/liberia-rapid-assessment-of-the-mining-sector/

PAYMENTS TO THE GOVERNMENT OF LIBERIA

Liberia's Central Bank and the Liberia Extractive Industries Transparency Initiative *(LEITI)* report that between 2003 and 2023 at least US$844 million in payments were made by the mining sector to the GoL.

Up to 2025, importing countries report trade with Liberia at more than US$11.8 billion (gold, 57 percent of reported trade; iron ore, 41 percent; and diamonds, 2 percent (Table 1)). Other minerals account for only US$73 million, with imports of titanium reported by China Customs in the last three years accounting for more than half of this value ($39+ million).

Given that domestic sales are insignificant, this suggests that the GoL revenue collected was no more than 10 percent of these sales.

Since 2024, the Liberia Revenue Authority requires mining companies to pay a turnover tax of 2 percent. There is no reporting on whether this has been paid. However, if the turnover tax had been in place since 2007, at least an additional US$223.6 million would have been collected by the GoL.

LACK OF EQUITY/REVENUE SHARING

Under the *Mining Law*, the GoL "shall receive free of charge" 10-15 percent equity in the companies holding the largest (Class A) mining licenses. The LEITI reports that only the company ArcelorMittal Liberia has complied. There are no reports of any dividend payments to the GoL (or to communities, some of which are also entitled to equity sharing [see the Forest Trends brief on *Community Losses*]).

UNREPORTED EXPORTS

A lack of reporting by the GoL and mining companies makes it is difficult to know what income tax and dividends should have been paid. Forest Trends did, however, collate evidence that indicates that the companies are not paying their correct royalties and taxes.

For example, importing countries reported more in trade than Liberia reported as exported (Tables 1-3). Since 2011, Liberia has reported US$4.8 billion in gold exports, but importers have reported $6.3 billion in trade; Switzerland alone has reported more than US$4.5 billion in imports from Liberia.

These discrepancies are significant. Overall, between 2011-2025, **importers reported at least US$3.1 billion (or 50 percent) more in trade than Liberia reported. If royalties were paid on these shipments, then an additional US$91 million, at least, should have been collected by the GoL.**

These discrepancies could be due to smuggling goods out of Liberia and/or Liberian traders under-reporting exports as a way of evading taxes (e.g., fraudulent transfer-pricing).

EXCESS PRODUCTION

Between 2007-2024, mining companies reported over 35 million tonnes (Mt) in iron ore production more than the volumes reported in trade. (This excess does not even include pre-existing stockpiles left behind at the end of the civil war in 2003.) Thirty-five million tonnes, at an average market price, would have generated more than US$140 million in royalties.

UNDER-VALUED EXPORTS

The GoL likely lost further revenue due to trades that were made below market prices. For example, Liberia reportedly sold its rough diamonds and iron ore for an average price almost always well below the international benchmark. If these trades were at fair market prices, then sales would have produced at least an additional US$40 million in royalties and US$11 million in turnover tax.

SUMMARY OF LOSSES

Overall, it is impossible to calculate all loses due to the lack of reporting. There may, for example, be losses from unpaid import and withholding taxes, social security payments, surface rental, license fees, etc.[2] However, as shown in the *Mining Assessment*, and summarized here, what reporting there is indicates a staggering total loss. Furthermore, as the international price of gold continues to climb, so will the GoL's losses, even as companies reap windfall profits.

The *Rapid Assessment* contains immediate steps that Liberia should take to stem financial losses and compel mining company compliance. It also recommends improving planning to foster sustainable development, ensure accountability of compensation and other benefit sharing with local communities, and create a national land-use plan that includes a comprehensive network of protected areas to protect Liberia's biodiversity and attract climate finance.

[2]As an example of such losses, the forestry sector is chronically in arrears on land rental payments; a Forest Trends (2024) assessment of the industrial forestry sector found arrears of at least 48 percent of land rental invoiced to companies operating large logging concessions.

ANNEX: DETAILED ANALYSIS OF TRADE DATA

Since the *Rapid Assessment* was published, analysis of new data shows the discrepancies between importer and Liberian reporting has become even more pronounced. For example, Switzerland previously reported US$535 million in gold imports in 2025, but it has since revised that figure to more than US$1.25 billion.

Overall, since the resumption of the sector post-war (since 2003), countries have reported more than US$11.18 billion in imports of mining products from Liberia.

For 2011 to 2025, where the data permit direct comparisons, importers reported 1.4 times the trade reported by Liberia: US$10.9 billion versus only US$7.8 billion (Table 1).

Forest Trends *works to conserve forests and other ecosystems through the creation and wide adoption of a broad range of environmental finance, markets, and other payment and incentive mechanisms. This report was released by Forest Trends' Forest Policy, Trade, and Finance, which seeks to create markets for legal forest products, while supporting parallel transformations away from timber and other commodities sourced illegally and unsustainably from forest areas.*

Other publications can be found at www.forest-trends.org.

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The Rapid Assessment of Liberia's Mining Sector can be found at Forest Trends website:

TABLE 1 The value of trade in mining products from Liberia, 2003-2025, as reported by importing countries and by Liberia

	VALUE OF TRADE (US$ million)						
YEAR	**GOLD**	**IRON ORE**	**DIAMONDS**	**TITANIUM**	**OTHER**	**IMPORTER TOTAL**	**EXPORTER TOTAL**
2003	1	2	-	-	0	3	
2004	0	28	-	-	0	29	
2005	0	32	-	-	0	32	
2006	0	10	-	-	0	10	
2007	2	15	2	-	0	18	
2008	10	26	8	-	0	43	
2009	17	12	8	-	0	37	
2010	53	26	15	-	0	95	
2011	101	24	13	-	0	139	156
2012	162	246	8	-	0	416	155
2013	129	457	8	-	0	594	352
2014	113	441	14	-	1	568	341
2015	128	251	12	-	0	391	178
2016	229	88	9	-	0	326	227
2017	311	83	11	-	0	405	359
2018	359	184	15	1	0	559	431
2019	223	346	13	0	0	584	415
2020	237	408	9	2	0	657	495
2021	429	430	14	3	2	878	702
2022	699	394	13	8	4	1,117	851
2023	871	397	19	14	8	1,309	946
2024	1,020	291	26	9	3	1,350	912
2025	1,252	353	1	16	1	1,622	1,285
TOTAL (2011-						**10,916**	**7,806**
GRAND TOTAL	**6,347**	**4,547**	**217**	**53**	**20**	**11,184**	
% of total trade	57%	41%	2%	0%	0%		

Source: China Customs, all other importer data from UN Comtrade; Liberia: Central Bank (2024 & 2025), all other years LEITI

The discrepancies arise from differences between Liberia's and importers' reporting of the gold and iron ore trade (Table 2).

TABLE 2 Discrepancies in the trade of a) gold and b) iron ore, as reported by Liberia and by importing countries

	GOLD (US$ million)			IRON ORE (US$ million)		
YEAR	Liberia	Importers	Difference	Liberia	Importers	Difference
2011	22	101	-79	104	24	80
2012	26	162	-136	117	246	-129
2013	21	129	-108	314	457	-143
2014	14	113	-99	299	441	-142
2015	9	128	-119	142	251	-109
2016	156	229	-73	42	88	-46
2017	239	311	-72	86	83	3
2018	192	359	-167	226	184	42
2019	164	223	-59	235	346	-111
2020	194	237	-43	289	408	-119
2021	340	429	-89	347	430	-83
2022	543	699	-156	286	394	-108
2023	682	871	-189	246	397	-151
2024	896	1,020	-125	190	291	-101
2025	1,277	1,252	25	529	317	212
GRAND TOTAL	**4,775**	**6,264**	**-1,490**	**3,452**	**4,358**	**-906**

Source: China Customs, all other importer data from UN Comtrade; Liberia: Central Bank (2024 & 2025), all other years LEITI

Many of the discrepancies remain for gold when considering volumes (rather than values) in trade (Table 3), but for iron ore, Liberia reported greater volumes in exports between 2016 to 2025, even though importers reported US$675 million more in trade over the same period (Table 2). The data also indicates that Liberia's reported production volumes exceeded its reported exports, especially for iron ore.

TABLE 3 Discrepancies in the volume of trade of a) gold and b) iron ore, as reported by Liberia and by importing countries

	GOLD (thousand troy ounces)				IRON ORE (million tonnes; Mt)			
YEAR	Production	Liberia exports	Importers	Difference	Production	Liberia exports	Importers	Difference
2011	16		79		1.9		0.1	
2012	21		117		2.4		2.1	
2013	19		106		4.9		4.5	
2014	15		99		4		5.2	
2015	9		121		4		5.5	
2016	125	125	216	-91	1.4	1.3	1.7	-0.4
2017	186	183	293	-110	3.9	3.2	1.5	1.7
2018	181	183	321	-138	4.8	4.8	3.1	1.7
2019	163	162	187	-25	4.4	4.8	4.7	0.1
2020	140	141	148	-7	4.9	4	5.1	-1.1
2021	252	252	273	-21	5	3.8	3.6	0.2
2022	369	238	430	-192	5	4.6	4.5	0.1
2023	438	428	483	-55	5.1	3.6	4.1	-0.5
2024	442	442	455	-13	5.2	3.5	3.6	-0.1
2025	461	436	388	48	14.9	3.6	3.5	0.1
GRAND TOTAL	**2,837**	**2,590**	**3,716**	**-604**	**71.8**	**37.2**	**52.9**	**1.8**

Source: Importer: UN Comtrade; Central Bank (2024 & 2025), all other years LEITI (note LEITI did not report volumes in trade prior to 2016)