CHAPTER ONE

CORPORATE ACTIVITIES OF THE CENTRAL BANK OF NIGERIA

The Bank sustained its effort at improving efficiency of its business processes through the implementation of strategic initiatives. In order to expand banking infrastructure and ensure easy access to banking services nationwide, the development and renovation of branch buildings and currency centres continued. Furthermore, the overall strategy for the use of information technology (IT) in the Bank was reviewed, in line with enterprise imperatives. To deliver on the new IT Strategy, the CBN approved a Technology Refresh Project, with the broad objective of replacing ageing IT infrastructure with systems capable of meeting the present and future IT demands of the Bank. The CBN continued to perform its corporate social responsibility functions by promoting knowledge through capacity building, youth development, provision of financial assistance to professional associations for the hosting of conferences, seminars and workshops which were of strategic national interest, and provided financial assistance to the less privileged in society, under the Alms Collection Scheme.

1.1 ADMINISTRATION

1.1.1 Board of Directors and Board Committees

The structure of the Board of Directors of the Central Bank of Nigeria (CBN) remained unchanged. Consequently, the Board of Directors comprised the Governor, Sanusi Lamido Sanusi (Chairman); four Deputy Governors, namely: Suleiman A. Barau (Corporate Services), Sarah O. Alade (Economic Policy), Kingsley C. Moghalu (Financial System Stability) and Tunde O. Lemo (Operations); and six non-executive Directors. The non-executive Directors were: Dahiru Muhammad, Samuel O. Olofin, Joshua O. Omuya, Stephen O. Oronsaye, Danladi I. Kifasi (Permanent Secretary, Federal Ministry of Finance) and Jonah O. Otunla (Accountant-General of the Federation) who joined the Board on June 30, 2011 following the retirement of Aderemi B. Ogunsanya.

The Board held six (6) regular and one (1) emergency meetings in 2011. The Committee of Governors held thirty (30) regular meetings, while the Governors' Consultative Committee held four (4) regular meetings. The Committee of

Departmental Directors held eight (8) regular meetings and six (6) extraordinary meetings, while the Pension Fund Management, the Establishment as well as Audit and Risk Management Committees held three (3) meetings each. The Financial System Stability, the Corporate Strategy, the Investment as well as the Remuneration Ethics and Anti-Corruption Committees held two (2) meetings each. The Financial and General Purpose Committee held one (1) meeting during the year under review.

Table 1.1: Membership of the Board of Directors and Attendance of Board Meetings in 2011

N/S	Name	Number of Board Meetings Attended
1	Sanusi Lamido Sanusi	6
2	Dahiru Muhammad	5
3	Danladi I. Kifasi	2
4	Jonah O. Otunla	2*
5	Joshua O. Omuya	6
6	Kingsley C. Moghalu	5
7	Sarah O. Alade	5
8	Samuel O. Olofin	6
9	Stephen O. Oronsaye	6
10	Suleiman A. Barau	6
11	Tunde O. Lemo	6

*Mr. Jonah Otunla joined the Board of the Bank in June, 2011

Table 1.2: List of Investment Committee (IC) Members and the Number of Times Members Attended Meetings in 2011

N/S	Name	Number of IC Meetings Attended
1	Sanusi Lamido Sanusi	2
2	Dahiru Muhammad	2
3	Danladi I. Kifasi	0
4	Jonah O. Otunla	2
5	Kingsley C. Moghalu	2
6	Sarah O. Alade	2
7	Suleiman A. Barau	2
8	Tunde O. Lemo	2

Table 1.3: List of Financial System Stability Committee (FSSC) Members and the Number of Times Members Attended Meetings in 2011

N/S	Name	Number of FSSC Meetings Attended
1	Sanusi Lamido Sanusi	1
2	Suleiman A. Barau	2
3	Dahiru Muhammad	1
4	Danladi I. Kifasi	1
5	Kingsley C. Moghalu	2
6	Sarah O. Alade	2
7	Stephen O. Oronsaye	1
8	Tunde O. Lemo	2

Table 1.4: List of Pension Fund Management Committee (PFMC) Members and the Number of Times Members Attended Meetings in 2011

N/S	Name	Number of PFMC Meetings Attended
1	Suleiman A. Barau	3
2	Joshua O. Omuya	2
3	Kingsley C. Moghalu	3
4	Samuel O. Olofin	2
5	Sarah O. Alade	3
6	Tunde O. Lemo	3

Table 1.5: List of Finance & General Purpose Committee (F&GPC) Members and the Number of Times Members Attended Meetings in 2011

N/S	Name	Number of F&GPC Meetings Attended
1	Suleiman A. Barau	1
2	Dahiru Muhammad	1
3	Jonah O. Otunla	1
4	Stephen O. Oronsaye	1
5	Tunde O. Lemo	1

Table 1.6: List of Corporate Strategy Committee (CSC) Members and the Number of Times Members Attended Meetings in 2011

N/S	Name	Number of CSC Meetings Attended
1	Sanusi Lamido Sanusi	2
2	Dahiru Muhammad	2
3	Jonah O. Otunla	0
4	Sarah O. Alade	2
5	Stephen O. Oronsaye	2
6	Suleiman A. Barau	2
7	Tunde O. Lemo	2

*Mr. Jonah Otunla joined the Board of the Bank in June, 2011

Table 1.7: List of Establishment Committee (EST) Members and the Number of Times Members Attended Meetings in 2011

N/S	Name	Number of EST Meetings Attended
1	Suleiman A. Barau	3
2	Samuel O. Olofin	2
3	Stephen O. Oronsaye	3
4	Tunde O. Lemo	3

Table 1.8: List of Audit & Risk Management Committee (A&RM) Members and the Number of Times Members Attended Meetings in 2011

N/S	Name	Number of A&RM Meetings Attended
1	Joshua O. Omuya	3
2	Dahiru Muhammad	3
3	Jonah O. Otunla	3
4	Samuel O. Olofin	3
5	Suleiman A. Barau	3
6	Tunde O. Lemo	3

Table 1.9: List of Remuneration Ethics and Anti Corruption Committee (REAC) Members and the Number of Times Members Attended Meetings in 2011		
N/S	**Name**	**Number of REAC Meetings Attended**
1	Stephen O. Oronsaye	2
2	Danladi I. Kifasi	0
3	Joshua O. Omuya	2
4	Sarah O. Alade	2
5	Suleiman A. Barau	1

1.1.2 The Monetary Policy Committee (MPC)

The Monetary Policy Committee (MPC) held six (6) regular and one (1) extra-ordinary meetings at which major domestic and international economic developments were reviewed and appropriate monetary policy decisions taken. The Monetary Policy Rate (MPR) was reviewed upward six (6) times, in line with the prevailing macroeconomic conditions. The decisions of the Committee were promptly communicated to the public through press briefing by the Governor and a communiqué issued at the end of each meeting.

Table 1.10: List of Monetary Policy Committee (MPC) Members and the Number of Times Members Attended Meetings in 2011		
N/S	**Name**	**Number of MPC Meetings Attended**
1	Sanusi Lamido Sanusi	7
2	Suleiman Barau	7
3	Sarah O. Alade	7
4	Kingsley Moghalu	7
5	Tunde Lemo	7
6	Sam O. Olofin	7
7	Danladi I. Kifasi	4
8	Adedoyin Salami	7
9	John Oshilaja	6
10	Chibuike C. Uche	6
11	Shehu Yahaya	5
12	Abdul-Ganiyu Garba	7

Table 1.11: MPC Decisions in 2011

Date	Rate (%)	Decision	
January 24 – 25, 2011 Communiqué No. 74	6.50	• Raised the MPR by 25 basis points from 6.25 to 6.50 per cent, with immediate effect, with a majority vote of 11:1. • Raised the Cash Reserve Requirement (CRR) ratio by 100 basis points from 1.0 to 2.0 per cent, with effect from February 1, 2011, with a majority vote of 11:1. • With effect from March 1, 2011, raised the Liquidity Ratio (LR) by 500 basis points from 25.0 to 30.0 per cent, with a majority vote of 11:1.	Corridor +/-200
March 21 – 22, 2011 Communiqué No. 75	7.50	• A majority of 9:3 members voted for an increase in MPR by 100 basis points from 6.50 to 7.50 per cent; 3 members voted for a 50 basis points increase. • Unanimous decision to: o Retain the current CRR of 2.0 per cent and the liquidity ratio of 30.0 per cent; and o Extend the CBN guarantee on interbank transactions and guarantee of foreign credit lines by three months from June 30, 2011 to September 30, 2011.	Corridor +/-200
May 23 – 24, 2011 Communiqué No. 76	8.00	• A majority of 9:1 members voted in favour of further tightening of monetary policy. Nine members were in favour of tightening and an increase in CRR from 2.0 per cent to 4.0 per cent, with effect from June 8, 2011, to align with the next reserve averaging maintenance period; 6 members voted for a 50 basis points increase in MPR from 7.5 per cent to 8.0 per cent, while 3 voted for a 25 basis points increase and 1 member voted for no change.	Corridor +/-200
July 25 – 26, 2011 Communiqué No. 77	8.75	• A majority of 10:2 members voted for tightening of monetary policy. • Raised the MPR by 75 basis points from 8.0 to 8.75 per cent by a vote of 8 in favour; 1 for a 50 basis points increase and 3 for retention at 8.0 per cent.	Corridor +/-200
September 19, 2011 Communiqué No. 78	9.25	• A majority of 8:3 members voted for tightening of monetary policy. • Seven members voted for a 50 basis points increase in MPR from 8.75 to 9.25 per cent; 1 voted for a 100 basis points increase, while 3 voted for no change. • Retained the CRR at 4.0 per cent by a unanimous decision.	Corridor +/-200
October 10, 2011 Communiqué No. 79	12.00	• Raised the MPR by 275 basis points from 9.25 per cent to 12.00 per cent with a majority vote of 8:1; • Increased CRR from 4.0 to 8.0 per cent from the maintenance period beginning from October 11, 2011 by a majority vote of 7:2 (2 members voted for an increase of CRR to 6.0 per cent); • Reduced the net open position (NOP) from 5.0 per cent to 1.0 per cent of shareholders funds with immediate effect and with full compliance by October 14, 2011; and • Suspended the reserve averaging method of computation in favour of daily maintenance until further notice.	Corridor +/-200
November 21, 2011 Communiqué No. 80	12.00	• Retained the MPR at 12.0 per cent by a unanimous vote; • Retained the CRR at 8.0 per cent by unanimous vote; • Adjusted the mid-point of target official exchange rate from ₦150.00/US$1.00 to ₦155.00/US$1.00 and maintained the band of +/-3.0 per cent; • Encouraged the Management of the Bank to continue to seek convergence between wDAS and interbank rates to reduce arbitrage opportunities, avoid speculative attacks, and the emergence of a multiple-exchange rate environment.	Corridor +/-200

1.1.3 Development of CBN Branch Offices and Other Projects

The CBN sustained the development and renovation of its branches and currency centres in order to expand banking infrastructure and ensure easy access to banking services nationwide. The construction of nine (9) new currency centres at Abakaliki, Ado Ekiti, Birnin-Kebbi, Damaturu, Dutse, Gusau, Jalingo, Lafia and Yenagoa, as well as four (4) new branches at Asaba, Lokoja, Umuahia and Uyo was completed. The Port Harcourt branch building was formally commissioned on November 18, 2011 by the President of the Federal Republic of Nigeria. The renovation of Ibadan and Benin Branch buildings was completed. The refurbishment projects of branches in Abeokuta, Abuja, Bauchi, Calabar, Ilorin, Jos and Sokoto, as well as the Lagos Office, the Abuja International Training Institute and Kano Learning Centre progressed. Contracts for the refurbishment of branches in Akure, Makurdi, Minna and Yola were awarded. The CBN Governor's new official residence was completed during the year.

1.1.4 Technology Transformation

The overall strategy for the use of information technology (IT) in the Bank was reviewed, in line with enterprise imperatives. In order to deliver on the new IT Strategy, the Bank approved a Technology Refresh Project, with the broad objective of replacing ageing IT infrastructure with systems capable of meeting present and future demands on IT resources. The approved roadmap/strategy implementation plan would guide IT investment for the next five (5) years.

The network connection in the Bank was improved, leading to increased and optimised internet bandwidth and convergence of voice and data networks. Thus, internet communication between CBN locations and external stakeholders was enhanced, thereby reducing operational cost and improving service delivery. In order to manage the growing cyber security threats, various projects to provide *security-in-depth* for the Bank's information assets were initiated.

Furthermore, as part of the Payments System Vision 2020, the Bank acquired a new Real Time Gross Settlement (RTGS) System consistent with international best practice. The system would provide robust capabilities to handle multiple and concurrent large-value transactions and support various streams of payments including net settlement positions from various netting schemes, securities and foreign exchange settlement transactions. The new system would be seamlessly integrated into the Bank's Temenos 24 (T24) and back office (Oracle enterprise resource planning (ERP)) applications. The Bank created a Treasury Single Account on T24 to consolidate all government accounts for easy management and disbursement of funds.

The electronic-Financial Analysis and Surveillance System (e-FASS) was being enhanced, and all silo applications used to capture returns from the banks and other financial institutions (OFIs) were being reviewed to enhance data integrity and timeliness, as well as to support the risk-based, consolidated and cross-border supervisory framework.

1.1.5 Library Operations

The volume of books in the Bank's library system was 97,627, compared with 95,236 in 2010. The books, journals and periodicals consulted by staff increased by 10.0 per cent to 7,689 from 6,990 in 2010. The Library continued to subscribe to electronic journals through SWETS and IPI. Of the 184 periodicals supplied, 70 were accessible on-line. Subscriptions were made to four (4) other electronic journal databases (JSTOR, EBSCOHost, AGORA and OARE) and IMF statistical database. The process of implementing an electronic Library System was initiated.

1.1.6 Legal Services

The Bank sustained its effort at strengthening its legal and regulatory framework, as well as enhancing the overall effectiveness of the financial system. Activities in this regard included: the sustained push for the re-enactment of the *BOFI Act;*

the collaboration with stakeholders for the passage of some "Quick-win-Bills" to actualise the Financial System Strategy (FSS) 2020 initiatives and management of cases involving the Bank. Others included publication in the Federal Government Gazette of the expanded definition of "Other Financial Institutions" under section 66 of the BOFIA to include "Financial Holding Company" and capacity building."

The Bank was inundated with many cases of litigation out of which 28 were decided in favour of the Bank, 2 against and one settled out of court. Most of the decisions in favour of the Bank endorsed its statutory powers to take corrective measures in furtherance of its mandate. The Bank also executed agreements with point of sale (POS) terminal manufacturers in furtherance of the cash-less policy. It pursued the passage of the *Asset Management Corporation of Nigeria (AMCON) Bill* and was awaiting the passage of bills for the establishment of the Office of the Nigerian Financial Ombudsman, the Nigeria International Financial Centre and the National Alternative Dispute Resolution Regulatory Commission.

1.1.7 Security Services

The Bank enhanced and sustained corporate security in its workplace, particularly in the areas of asset protection, personnel safety and operational resilience. The Security Committee, under the Chairmanship of the Deputy Governor (Corporate Services), comprised two other deputy governors and some departmental directors as members, and was established with the aim of providing an overall security policy and a strategic management framework for the Bank. The Bank upgraded its security equipment and collaborated with the Office of the National Security Adviser to determine the appropriate security measures to be adopted for the Bank's critical assets. In the face of emerging security challenges, the Bank collaborated with other security agencies and reinforced its security apparatus around the Head Office and the branches. Other activities carried out included: security assessment and safety audit of the Bank's facilities to determine their compliance with best practice and ensure the enforcement of the provisions of the *CBN Act 2007* on the abuse of the Naira.

1.1.8 Internal Audit

One hundred and five (105) routine audits of the identified forty-seven (47) processes across business units, fifty-four (54) departmental (Administrators' Offices) audits, one hundred and eleven (111) routine branch audits, and eighteen (18) IT audits were carried out. Twelve (12) critical investigations and other *ad-hoc* activities were conducted. Two hundred and eighty-two (282) currency disposal operations requiring audit witnesses were completed. In the absence of any material or significant irregularities or cases of fraud uncovered, a reasonable assurance opinion was expressed by the internal auditors to the effect that no major weakness in the overall governance, risk and control system was observed.

1.1.9 Risk Management

The Bank strengthened its Enterprise Risk Management system by designing initiatives to protect and reinforce the Bank's control system. In line with best practice, the Bank commenced the Risk Control Self-Assessment (RCSA) project in three phases. The first and second phases, which lasted from May - June and July - October, 2011 respectively were completed and signed-off for Finance and Information Technology Departments as well as five branches – Abuja, Enugu, Lagos, Kano and Port Harcourt. In the third phase (October-December, 2011), the project was initiated for two departments (Governors' and Reserve Management Departments) and four branches – Benin, Ibadan, Kaduna and Yola.

The Bank reinforced its Information Risk Management system with a view to delivering enhanced confidentiality, integrity and availability of information resources. The Bank commenced an initial gap analysis on its IT infrastructure and processes benchmarked to the International Standard on Information

Security Management System (ISMS) for this purpose. In addition, the internal risk framework was being reviewed to provide guidelines for identification and mitigation of information risks.

1.1.10 Strategic Initiatives and Business Process Management

The Bank sustained its effort at improving the efficiency of its business processes through the implementation of strategic initiatives. The initiatives included among others: improving the quality of banks; redefining the Financial System Strategy framework; developing an exit strategy for the Asset Management Corporation of Nigeria (AMCON); developing an enterprise-wide risk management framework; deepening economic growth through a Financial Inclusion Strategy and developing a cash holding model under the cash-less programme. In addition, the Bank approved the appointment of a consulting firm to implement the balanced scorecard to drive Corporate Performance Management and Strategy.

1.1.11 Communications

The Bank's effort at improving transparency in the conduct of monetary policy, through regular interactions with stakeholders and the general public, were sustained. These activities involved briefings and luncheons with media executives, publicising the decisions of the MPC and the Bankers' Committee. Similarly, the Management of the Bank briefed the Presidency, the National Assembly, the Federal Executive Council, the National Economic Council and committees of the two chambers of the National Assembly on the new policies of non-interest banking, the cash-less project and banking reforms and provided information on the performance of the economy.

In line with the Bank's determination to foster learning and strengthen the capacity of media practitioners to ensure accurate and objective reporting of the Bank's policies and programmes, a seminar for Finance Correspondents and Business Editors was held in Yola, Adamawa State, from September 28 to

30, 2011with the theme, "Non-Interest Banking in Nigeria: Issues, Challenges and Prospects".

1.1.12 Anti-Corruption and Ethical Issues

The Bank developed a Code of Business Ethics and Compliance (COBEC), and a Strategic Ethics and Compliance Framework (SECF) for 2011-2014, which was validated by the World Bank to ensure compliance with best practice. It conducted seminars on "Enhanced Productivity for Effective Service Delivery" for various grades of staff. It also organised workshops for its drivers and service coordinators in three zones – Kaduna, Enugu, Lagos and Ibadan with the theme; "Ethical Conduct in Service Delivery in CBN" to entrench zero-tolerance to corruption among staff.

The Bank received and processed 10,845 e-mails on various financial crimes, particularly advance fee fraud. The issues were promptly reported to the law enforcement agencies in order to protect potential victims from scammers. It received and investigated 33 complaints against deposit money banks (DMBs); and collaborated with various institutions, such as the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Economic and Financial Crimes Commission (EFCC) and the Nigerian Postal Services (NIPOST) in the fight against financial crimes. The Bank participated in the review of the draft of the National Strategy for Anti-Corruption at the Inter-Agency Task Team (IATT), in collaboration with the Office of the Attorney-General of the Federation. It also worked with the 'Justice for All' initiative and the United Kingdom's Department for International Development (DFID) to develop a Corruption Prevention Strategy Framework for Nigeria.

The CBN published "Transparency Magazine" for distribution to staff and the public and carried out mandatory ethical compliance visits to strategic business units, based on set criteria. It collaborated with the Office of the Special Adviser to the President on Ethics and Values to contribute to the achievement of the Transformation Agenda of the Federal Government. The Bank also worked with the Code of Conduct Bureau on a Memorandum of Understanding (MoU) that would help facilitate the achievement of its mandate.

1.1.13 Financial System Strategy (FSS) 20: 2020

The CBN initiated a system-wide mobilization programme to transit the country to the International Financial Reporting Standard (IFRS) and concluded work on the FSS20: 2020 portal/website www.fss2020.gov.ng. It entered into a technical assistance agreement with the German Development Agency (GTZ) to develop the FSS 2020 Reform Tool Kit and conduct due diligence on implementing institutions.

1.1.14 Staff

The Bank recruited eight hundred and twenty-seven (827) personnel, including staff of the defunct National Board for Community Banks (NBCB). The new staff comprised eleven (11) executives, six hundred and thirty-one (631) senior, one hundred and eighty-three (183) junior and two (2) contract staff. All the new hires, except ten (10), attended induction programmes to apprise them on the activities of the Bank. The Bank, however, lost the services of twenty-five (25) staff through death, four hundred and twenty-nine (429) voluntary retirements, thirty-seven (37) mandatory retirements, two (2) compulsory retirements and three (3) resignations. Furthermore, one (1) staff withdrew his service and one (1) was dismissed.

The staff strength at end-December, 2011 stood at 5,844, compared with 5,568 in the previous year. As part of the incentives to boost morale and enhance performance, the Bank promoted one thousand, nine hundred and thirty-one (1,931) staff in 2011. The promoted staff comprised seventy one (71) executives, one thousand, one hundred and sixty (1,160) senior and seven hundred (700) junior staff. Seventeen (17) approvals for study leave were granted, while seven hundred and ninety-two (792) appointments were confirmed, which comprised five hundred and twenty five (525) senior and two hundred and sixty-seven (267) junior. The Bank honoured four hundred and fifty-three (453) staff with Long Service Awards. The Bank also conducted recruitment exercises for the African Central Bank Steering and Non-Interest Banking Committees.

The Bank approved, during the year, a gender-affirmation policy that provides for 35 per cent of all positions in CBN for women.

The number of pensioners in the Bank increased from 5,095 in 2010 to 5,553, while the lingering face-off between the Bank and its pensioners was resolved by a ruling of the Supreme Court.

Figure 1.1: Recruitment of New Employees in 2011

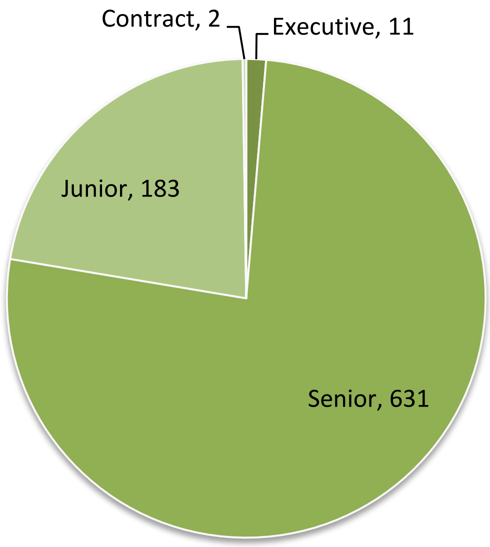
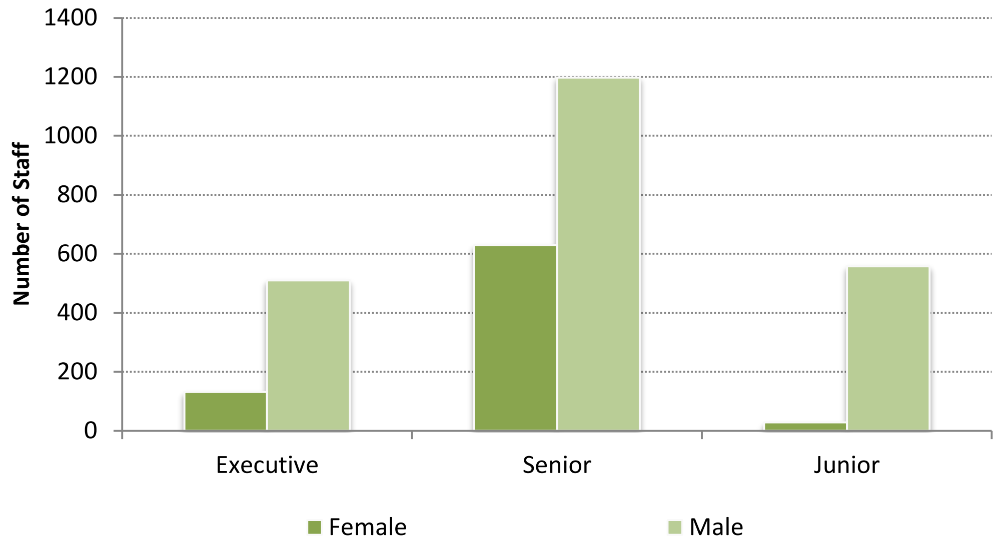


Figure 1.2: Staff Strength by Gender as at December, 2011



1.1.15 Medical Services

In order to sustain a healthy workforce, the CBN undertook various medical interventions. Seventy four thousand, two hundred and seventy (74,270) cases involving staff and their dependants were attended to at the Staff Clinic. Eleven thousand, and twenty-seven (11,027) cases were referred to various stand-by hospitals, while seventy-seven (77) staff and dependants were sent on overseas medical treatment. Seven thousand and eighty-six (7,086) persons were vaccinated. Other interventions included: corporate disease prevention screening of three thousand, five hundred and eighty-one (3,581) staff and pre-employment screening of eight hundred and twenty-six new staff. A "Healthy Lifestyle Seminar" was conducted, and one thousand, one hundred and four (1,104) executives and senior managers, as well as two thousand, five hundred and four managers (2,504) and below attended. Health Education series on topical health issues were delivered to staff during the year. Specialist clinics in Ophthalmology, Nutrition, Physiotherapy, and ENT were opened in Abuja and Lagos clinics. Side Laboratory services commenced in the Zonal Clinics (Kano, Ibadan, Bauchi and Enugu) in addition to the existing ones in Abuja and Lagos. Furthermore, the Bank sponsored medical screening for four hundred and eighty-four (484) executives in the year. Overall, a significant cure rate was achieved for staff, resulting in an improved employees' health status.

1.1.16 Training

The efforts at capacity building, through staff competency development and skills enhancement, were intensified. Consequently, the Bank sponsored staff training programmes, including workshops, conferences, seminars and courses within and outside Nigeria. Staff benefited from two thousand, six hundred and twenty-seven (2,627) training slots involving six hundred and fourteen (614) executive, one thousand, six hundred and forty-four (1,644) senior staff and three hundred and sixty-nine (369) junior staff, covering leadership development, IT/process training, In-Plant courses, organizational development, specialized skills and general management development. Four hundred and seventy-seven (477) staff benefited from foreign programmes. Entrepreneurial development seminars were also organized for members of the National Youth Service Corps (NYSC) who served in the Bank. It was aimed at preparing the youth corps members for a productive life after their mandatory service year.

1.1.17 Recreational Activities

The CBN sponsored various competitions to sustain the development of sporting activities and promote a healthy life style through physical fitness in Nigeria. These included the lawn tennis, golf and football. The fifth edition of the CBN Junior Tennis Championship took place at the Lagos Lawn Tennis Club from February 28 to March 4, 2011. In addition, the thirty-third edition of the CBN Senior Open Tennis Championship was held at the National Stadium, Lagos from May 27 to June 4, 2011. With respect to football, the First Bank of Nigeria Football Club won the final of the All Financial Institutions Football Competition played at the M. K. O. Abiola Stadium, Abeokuta, Ogun State on November 5, 2011. The final of the thirty-second edition of the Governor’s Cup Football Competition for all CBN branches played at the Kwara State Stadium, Ilorin on September 17, 2011, was won by Sokoto Branch. The Bank also sponsored the fifth edition of the CBN Governor’s Golf Tournament, which took place at the IBB International Golf and Country Club, Abuja, from December 10 - 11, 2011. In addition, the Bank's workplace gymnasium at the Bank's Corporate Head Office continued to be patronised by staff.

1.1.18 Corporate Social Responsibility

The CBN continued to perform its corporate social responsibility functions by promoting knowledge through capacity building, youth development, provision of financial and other assistance to organisations/activity groups for the hosting of conferences, seminars, workshops, etc, which were of strategic national interest. The Bank intervened in tertiary institutions under the "Centres of Excellence" projects at the University of Nigeria, Enugu Campus, University of Ibadan and Ahmadu Bello University, Zaria, as well as in twelve (12) other institutions. Additional twelve (12) projects in various institutions were awarded. It also supported physically challenged groups and gender-related issues.

The CBN also purchased Plot 658, Ahmadu Bello Way, Garki, Abuja to be converted to an International Convention Centre.

1.1.19 Staff Social Responsibility

Staff of the CBN sustained their support for the less privileged in society through regular contributions to the Alms Collection Scheme of the Bank. The cumulative contribution at end - December, 2011 stood at ₦67.49 million.

1.2 RESEARCH AND COLLABORATIVE ACTIVITIES

The CBN undertook research studies, in line with its core mandate/mission and disseminated information on key issues relating to the economy. The preliminary draft reports on a *Dynamic Stochastic General Equilibrium (DSGE) Model for Monetary Policy Analysis in Nigeria and Nigeria's External and Fiscal Sectors Models for Policy Analysis* were completed.

The regular publications of the Bank during the review period were: *the 2010 Annual Report*; the *2011 Half-Year Economic Report; the Financial Stability Report; the CBN Economic and Financial Review; 2010 Statistical Bulletin; the CBN Journal of Applied Statistics; the Monetary Policy Review;* and *the CBN Bullion*. Furthermore, two occasional papers on "*Real Exchange Rate Misalignment: An application of Behavioural Equilibrium Exchange Rate (BEER) to Nigeria"*; and "*An Assessment of the Operations of the Presidential Initiatives on Agriculture in Nigeria",* as well as a book, on *"The Changing Structure of the Nigerian Economy*", second edition, and a monograph "*Understanding Monetary Policy Series"* were also published.

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An international conference organised by the CBN on "The Nigerian Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL)" was held at the Transcorp Hilton Hotel, Abuja, from December 6 to 7, 2011. The Bank continued to collaborate with the National Bureau of Statistics (NBS) to generate a series of macroeconomic indicators, through the conduct of the *2010 National Economic Survey.*

In recognition of the existence of a pool of experts and professionals in various disciplines at the CBN, the Bank received and honoured requests for the presentation of papers from various institutions, including sub-regional, regional and global organizations, such as the West African Institute for Financial and Economic Management (WAIFEM), the African Economic Research Consortium (AERC) and the International Monetary Fund (IMF). Staff papers were also presented at international and local professional conferences, including those of the International Conference on Economic Modelling (ECOMOD) in Istanbul, Turkey; the African Econometric Society (AES); the Nigerian Economic Society (NES); the Nigerian Statistical Association (NSA); the Chartered Institute of Bankers of Nigeria; and the Farm Management Association of Nigeria (FAMAN).

Box 1: STRIDES IN MACROECONOMETRIC MODELLING AT THE CBN

The forward-looking nature of monetary policy requires the Bank to have sufficient information on the dynamics of the economic environment to enable the MPC take informed decisions. In order to achieve this, the Bank employs a 'suite of models' to facilitate the conduct of monetary policy. The existing CBN Macroeconometric Model of the Nigerian Economy (MMN) was refined and updated during the year. In addition, the Bank successfully built the Dynamic Stochastic General Equilibrium (DSGE) model.

The DSGE model, designed for policy analysis, would enable the Bank to have sufficient information to determine, among others, its monetary policy rate, the output gap, the exchange rate pass-through, the sacrifice ratio and the inflation threshold. Consequently, new features were added to reflect the peculiarities of the Nigerian economy. In addition, the model was based on microeconomic foundations and followed the new-Keynesian approach, comprised three rational economic agents -- households, firms and the monetary authority. In general, the model was found to be suitable for monetary policy analysis in Nigeria.

The Bank also commenced the building of sectoral models (fiscal, external, real and monetary) to complement the macroeconometric model. The models were designed to forecast key macroeconomic indicators in various sectors of the Nigerian economy. The sectoral models were generally disaggregated and played down the feedback effects associated with large-scale macroeconometric models. The models make use of time series forecasting techniques for projecting key macroeconomic indicators, through the simulation of policy scenarios. The preliminary work on the fiscal and external models was successfully completed.

The Bank concluded plans to produce a *Quarterly Macroeconomic Outlook* of the Nigerian Economy which would make monetary policy transparent and credible. Thus, the use of fan charts was introduced as a communication tool to inform the general public about the uncertainty relating to macroeconomic forecasts and to facilitate discussion among policy makers and experts about the distribution of forecast risks.

1.3 THE CBN BALANCE SHEET

1.3.1 Income and Appropriation

The audited financial statements of the CBN for the year ended 31st December, 2011 indicated that total income was ₦311.2 billion, a decline of 44.6 per cent from the level in 2010. The decline in income largely reflected the significant fall (-88.4 per cent) in income from realized gains on foreign currency. Similarly, operating cost declined by 23.0 per cent in 2011, thus, bringing the operating surplus before provisions to ₦80.2 billion, compared with ₦46.5 billion in 2010. In accordance with the provisions of Section 22 (1) and (2) of the *Fiscal Responsibility Act (FRA) 2007,* the sum of ₦64.1 billion was due to the Federal Government, while the balance accrued to general reserve.

1.3.2 Assets and Liabilities

The size of CBN's balance sheet increased in 2011 as total assets/liabilities grew appreciably by 66.6 per cent to ₦11.3 trillion. The assets position reflected a phenomenal growth of over 3,000 per cent in investments, driven largely by the Bank's investment in AMCON bonds and Bank of Industry Debenture, as loans and advances fell by 52.9 per cent. External reserves, Holdings of Special Drawing Rights, Federal Government Securities, Fixed assets and other assets grew by 9.6, 4.4, 12.6, 25.4 and 24.7 per cent, respectively. The corresponding increase on the liability side was driven by increases in both the CBN Instruments and other financial liabilities which grew by 1,352.2 and 279.1 per cent, respectively. Deposits, Notes and Coins in circulation, and IMF allocation of Special Drawing Rights also rose by 28.1, 13.6 and 4.4 per cent, respectively. The paid-up capital of the Bank remained at ₦5.0 billion while the general reserve fund increased by 13.3 per cent to ₦94.6 billion.

CHAPTER TWO

MONETARY POLICY, SURVEILLANCE ACTIVITIES AND OPERATIONS OF THE CBN IN 2011

Monetary management in 2011 was influenced largely by developments in the domestic and external environment. Growth in the major monetary aggregates, which remained moderate for most of the year, rose substantially towards the end of the year, exceeding the programme benchmark and the level attained at the end of the preceding year. Open market operation (OMO) was the main instrument of monetary policy, complemented with foreign exchange market interventions and discount window operations, such as the standing facilities. The Monetary Policy Rate (MPR) was reviewed upwards six times during the year, in line with the liquidity conditions. Interest rates were generally higher than in the preceding year. Also, the yields on fixed income securities across various maturities were higher than in 2010.

The Wholesale Dutch Auction System (wDAS) subsisted in the foreign exchange market, while the Naira exchange rate remained relatively stable in 2011. The payments and settlement landscape improved with increased use of e-money products. Furthermore, the CBN continued its 'clean naira note' policy and also outsourced the maintenance of currency processing machines to equipment manufacturers, for greater efficiency and cost-effectiveness. The Bank sustained its developmental functions through the Agricultural Credit Guarantee Scheme Fund (ACGSF) and infrastructure financing, among other programmes.

2.1 MONETARY OPERATIONS

2.1.1 Monetary and Credit Developments

Monetary growth rose sharply at the end of 2011 after moderate growth for most of the year and despite the tight policy stance of the Bank. The development reflected largely the substantial growth in domestic credit arising from fiscal operations and increased claims on AMCON. Consequently, the growth of key monetary aggregates at end-December 2011 exceeded the indicative benchmark for fiscal 2011 and the outcome at the end of the preceding year.

Relative to end-December 2010, the broad measure of money, M_2, grew by 15.4 per cent to ₦13,300.3 billion, compared with the growth rate of 6.9 per cent at end of the preceding year and the indicative benchmark of 13.6 per cent for fiscal 2011. The growth in M_2 was driven by the significant increase in

2

MONETARY POLICY, SURVEILLANCE ACTIVITIES AND OPERATIONS OF THE CBN

domestic credit (net) and foreign assets (net) of the banking system, but was moderated by the substantial decline of 70.3 per cent in other assets (net) of the banking system. Narrow money (M_1) grew by 21.5 per cent at end-December 2011, compared with the growth of 11.1 per cent at the end of the preceding year. Aggregate bank credit to the domestic economy (net) grew by 42.4 per cent, compared with the indicative benchmark of 29.3 per cent for fiscal 2011 and the growth of 10.0 per cent at end-December 2010. The development reflected the 52.7 and 31.3 per cent growth in net claims on the Federal Government and the private sector, respectively. Base money, the Bank's operating target for monetary policy, stood at ₦2,784.3 billion, representing an increase of 50.9 and 12.7 per cent over the level at the end of the preceding year and the indicative benchmark for 2011, respectively.

Monetary growth rose sharply at the end of 2011 despite the tight policy stance of the Bank. The development reflected largely the substantial growth in domestic credit arising from fiscal operations and increased claims on AMCON.

Table 2.1 : Key Policy Targets and Outcomes, 2007 - 2011 (per cent)

	2007		2008		2009		2010		2011	
	Outcome	Target	Outcome	Target	Outcome	Target	Outcome	Target	Outcome	Target
Growth in base money	22.6	3.3	29.6	20.8	6.8	3.6	11.6	35.9	50.9	12.7
Growth in broad money (M2)	44.2	24.1	57.8	45.0	17.6	20.8	6.90	29.3	15.4	13.6
Growth in narrow money (M1)	36.6	37.64	55.9	65.4	3.3	32.2	11.1	22.4	21.5	15.8
Growth in aggregate bank credit	276.4	-29.9	84.2	65.7	59.6	87.0	10.0	51.4	42.4	29.3
Growth in bank credit to private sector	90.8	30.0	59.4	54.7	26.6	44.9	-3.8	31.5	31.6	29.1
Inflation rate	6.6	9.0	15.1	9.0	13.9	9.0	11.8	11.2	10.3	10.0
Growth in real GDP	6.5	10.0	6.0	7.5	7.0	5.0	7.9	6.1	7.7	7.0

Source: CBN

1/ Revised

2/Provisional

Table 2.2: WAMZ Convergence Criteria, 2007 - 2011

	Target	Achievement				
		2007	2008	2009	2010	2011
Inflation rate	< 10.0 per cent	6.6	15.1	**12**	**11.8**	**10.3**
Ways & Means Advances	≤ 5.0 per cent of retained revenue of the Government	Nil	Nil	**Nil**	**Nil**	**Nil**
Deficit to GDP Ratio	≤ 4.0 per cent	0.5	0.2	**3.3**	**3.7**	**3.2**
Gross Official Reserve	≥ 3 Months of import cover	21.6	15.9	**16.3**	**7.2**	**6.5**

Source: CBN

Nigeria met all but one WAMZ convergence criteria, inflation, in 2011 despite the weak global economic recovery.

2.1.2 Liquidity Management

Monetary policy in 2011, as in the preceding year, was conducted to ensure adequate liquidity in the banking system. Liquidity management was, therefore, geared towards a continuous improvement in the liquidity condition and efficiency of the financial markets in order to achieve the objective of monetary and price stability.

The Bank embarked on a mix of policy measures to ensure price stability and a steady flow of credit to the real sector of the economy, including: six upward reviews of the Monetary Policy Rate (MPR) from 6.25 per cent in December 2010 to 12.00 per cent in December 2011 and retention of the symmetric corridor of +/- 200 basis points around the MPR. During the year, the Bank adopted an operational framework of Reserve Averaging for monetary policy implementation in an attempt to smoothen interest rate volatility. This framework was, however, suspended at an extraordinary meeting of the MPC held on October 10, 2011 to rein in liquidity surfeit arising largely from fiscal operations. In addition, the Bank reduced the net open position limit of banks from 5.00 to 1.00 per cent and later reviewed it to 3.0 per cent. Furthermore, the Bank introduced the wDAS-Forwards in the foreign exchange market to mitigate financial market risks. The

Liquidity management was, therefore, geared towards a continuous improvement in the liquidity and efficiency of the financial markets in order to achieve the objective of monetary and price stability.

Bank also adjusted the mid-point of the official exchange rate band from N150/US$1 +/-3 per cent to N155/US$1 +/-3 per cent in order to maintain adequate reserves and safeguard the value of the Naira

Other policy measures included the upward review of the Liquidity Ratio (LR) of DMBs to 30.00 per cent from 25.00 per cent, at the MPC meeting of January 24 – 25, 2011. The Bank conducted open market operations (OMOs), complemented by cash and liquidity ratios, standing facilities and repurchase transactions in moderating liquidity in the system. The domestic money market instruments were supplemented by foreign exchange market interventions at both the wholesale Dutch Auction System (wDAS) and the interbank segments. The banking sector crisis resolution, involving the transfer of non-performing loans from the balance sheets of DMBs to the AMCON, resulted in improvement in the liquidity position of banks. That position was further exacerbated by the fiscal operations of the Federal Government in the review period.

The monetary policy measures implemented in 2011 moderated the growth of banking system liquidity and interest rate volatility. Consequently, reserve money and monetary aggregates surpassed the targets for the year. Reserve money, which stood at ₦2,784.3 billion at end-December 2011, was ₦269.0 billion or 10.7 per cent above the indicative benchmark of ₦2,515.3 billion for the year. This was in contrast to the reserve money of ₦1,845.7 billion at end-December 2010, which was ₦386.7 billion (17.32 per cent) below the indicative benchmark of ₦2,232.4 billion for that year. The development was due to fiscal expansion and liquidity injection through purchases of AMCON bonds as well as the upward review of the CRR from 1 per cent to 0.8 per cent during the year.

2.1.3 Interest Rate Policy and Developments

Developments in interest rates reflected the credit and liquidity conditions in the banking system.

Developments in interest rates reflected the credit and liquidity conditions in the banking system during 2011. The MPR was raised six (6) times, from 6.25 per cent in January to 12.0 per cent in October 2011; Cash Reserve Requirement (CRR) was raised three (3) times from 1.0 per cent in January 2011 to 8.0 per cent in October; while the Liquidity Ratio (LR) was raised once from 25.0 to 30.0 per cent in January 2011. The MPC decisions signalled to the market the clear and unambiguous commitment to the attainment of the Bank's key mandate of monetary and price stability. The upward review of the MPR during the year was aimed at containing the adverse effects of excess liquidity that arose from government fiscal operations and the purchase of AMCON Bonds.

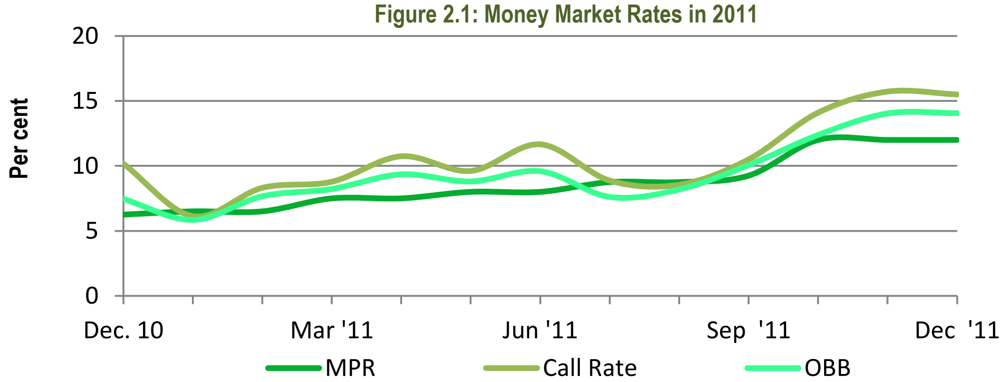
2.1.3.1 Money Market Rates

The annual average of money market rates was generally higher than their levels in 2010. The development was attributable to the suspension of the Reserve Averaging Scheme and the tight monetary policy, involving the upward review of MPR and CRR, from 6.25 and 1.00 to 12.00 and 8.00 per cent, respectively. Interbank rates remained stable in the first quarter of 2011, but fluctuated thereafter. The weighted average collaterised open-buy-back (OBB) rate increased from 7.5 per cent at end-December 2010 to 9.6 per cent at end-June 2011, and further to 14.1 per cent at end-December 2011. The annual weighted average interbank call rate and open-buy-back (OBB) rate rose to 10.71 and 9.65 per cent, from their respective levels of 4.32 and 2.86 per cent in 2010. The Nigerian Interbank Offer Rate (NIBOR) for 7-day and 30-day tenors averaged 11.70 and 12.80 per cent, respectively, in 2011, from 6.00 and 8.55 per cent in 2010.

Table 2.3: Money Market Rates (per cent)					
WEIGHTED AVERAGE					
Month	MPR	Call Rate	OBB	NIBOR 7-days	NIBOR 30-days
Dec-10	6.25	10.17	7.46	10.74	12.27
Jan-11	6.50	6.13	5.84	7.83	10.15
Feb-11	6.50	8.31	7.66	9.50	11.19
Mar-11	7.50	8.78	8.22	10.26	11.47
Apr-11	7.50	10.74	9.35	11.54	12.51
May-11	8.00	9.61	8.80	10.41	11.67
Jun-11	8.00	11.66	9.59	12.39	13.15
Jul-11	8.75	8.87	7.61	9.91	11.45
Aug-11	8.75	8.55	8.18	9.47	10.79
Sep-11	9.25	10.50	10.06	11.07	11.74
Oct-11	12.00	14.10	12.38	15.21	15.74
Nov-11	12.00	15.72	14.04	16.47	17.00
Dec-11	12.00	15.50	14.06	16.30	16.74
Average 2011	**8.90**	**10.71**	**9.65**	**11.70**	**12.80**
Average 2010	**6.08**	**4.32**	**2.86**	**6.00**	**8.55**

Source: CBN

Figure 2.1: Money Market Rates in 2011



2.1.3.2 Deposit Rates

Available data showed that, in general, DMBs' deposit rates fell in 2011. The annual average savings deposit rate fell slightly by 0.7 percentage point to 1.4 per cent. Similarly, the average deposit rates on various maturities declined to a range of 2.4 – 6.1 per cent in 2011, from a range of 2.5 – 6.9 per cent at end-December 2010.

2.1.3.3 Lending Rates

The annual weighted average prime and maximum lending rates decreased by 1.6 and 0.1 percentage points to 16.03 and 22.44 per cent, respectively, in 2011.

Figure 2.2 Savings and Lending Rates (Prime and Maximum)

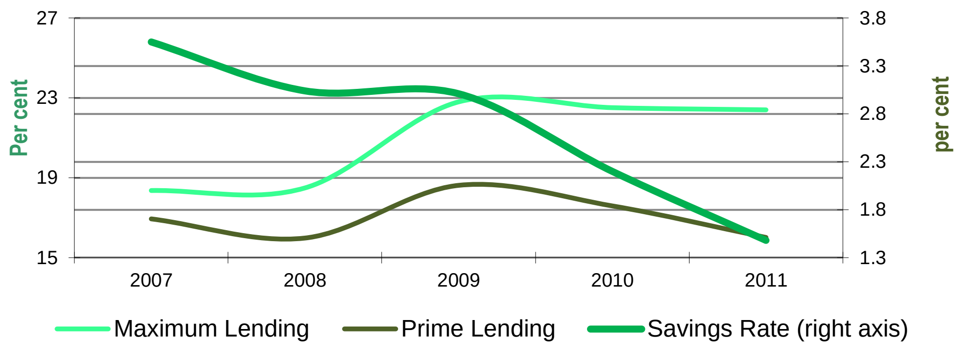
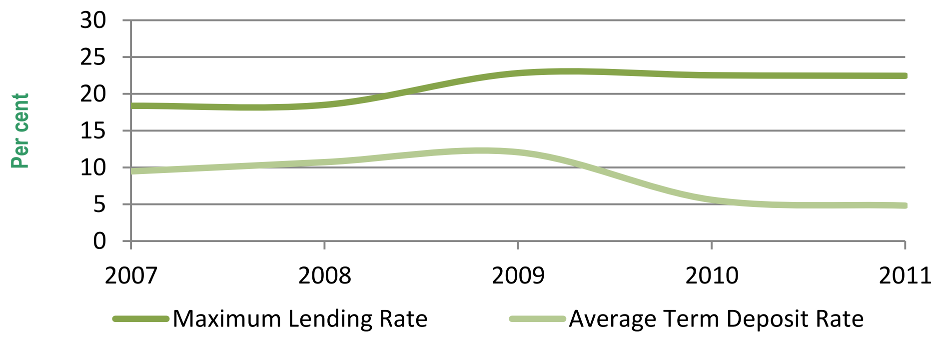


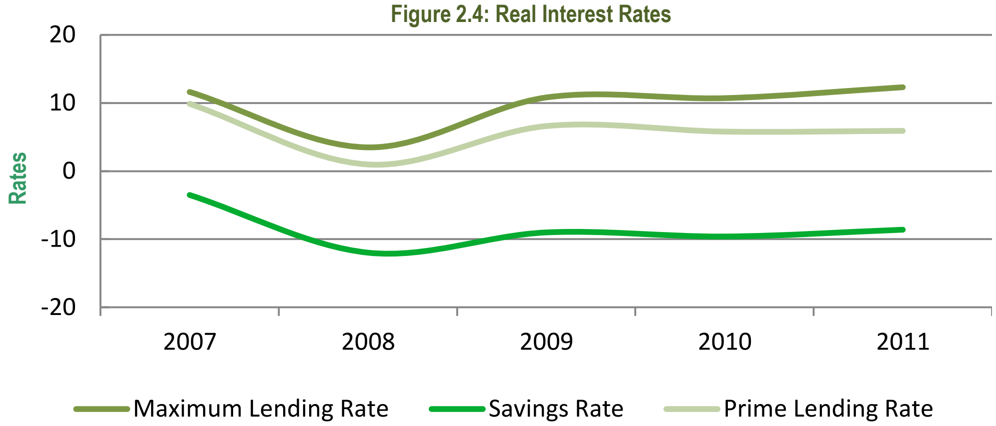
Figure 2.3: Spread between the Average Deposit and Maximum Lending Rates



The spread between the average term deposit and maximum lending rates widened to 17.6 percentage points, from 16.9 percentage points in 2010.

Consequently, the spread between the average term deposit and maximum lending rates widened to 17.65, from 16.91 percentage points in 2010. With the year-on-year inflation rate at 10.3 per cent in December 2011, all the deposit rates were negative in real terms, while lending rates were positive in real terms.

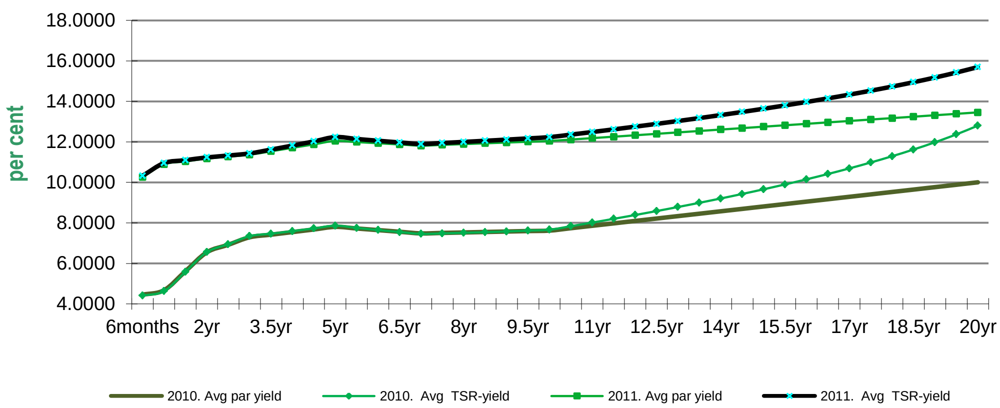
Figure 2.4: Real Interest Rates



2.1.3.4 Return on Fixed Income Securities - The Yield Curve

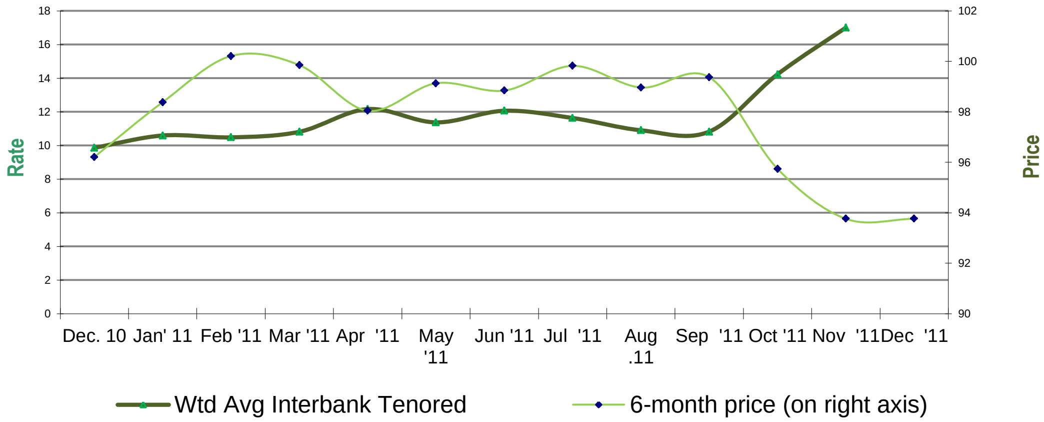
Analysis of the return on fixed income securities in 2011 showed that average yields were generally higher in 2011 than 2010. The yield curve, as in the preceding year, remained typically upward-sloping, reflecting investors' optimism about the future growth prospects of the economy. Towards the end of the year, bond yields on short-term maturities increased progressively, reflecting the impact of the upward review of the Banks' policy rate. The yield spread (the difference between the yield on the longest and shortest maturities) stood at 3.2 percentage points, compared with 5.5 percentage points recorded in the preceding year.

Figure 2.5 Government Bonds and Average Yield



A plot of the bond price of the 6-month maturity and weighted average inter-bank tenored rate showed that the bond price and interest rates typically moved in opposite directions.

Figure 2.6 Interest Rate & Price of 6-Month Maturity



2.1.4 Payments, Clearing and Settlement Developments

The CBN, in collaboration with other stakeholders, continued to take measures aimed at improving the efficiency of the payments system, including the following measures:

- Granted 14 mobile payment licences to enhance financial inclusion;
- Conducted nationwide sensitization workshops for MDAs on the adoption of end-to-end electronic payment (for government suppliers, salaries, pensions and taxes);
- Approved guidelines on the underlisted initiatives, with a view to increasing public confidence in the system:
    - Electronic payment of taxes,
    - Electronic payment of salaries and pensions by organisations with more than 50 employees, and
    - Electronic payment of government suppliers;
- Acquired a new Real -Time Gross Settlement (RTGS)system to meet the requirement of FSS20-2020;
- Followed-up on the *Payments Management Bill* earlier presented to the National Assembly, through the Federal Ministry of Justice;
- Issued a new Point-of-Sale(POS) guidelines, which define the industry structure for POS services as well as the roles and responsibilities of various stakeholders, including the introduction of a Payment Terminal Services

Aggregator (PTSA) and the introduction of a standardised T+1 settlement, amongst other things;

- Licensed six (6) Payment Terminal Service Providers (PTSPs);
- Facilitated the negotiation with POS terminal manufacturers in order to obtain discounted prices and increased local service/support;
- Sensitized the public as a means of creating awareness on the cash-less policy;
- Launched the Nigerian Electronic Fraud Forum (NeFF) to proactively manage e-fraud attempts and losses;
- Facilitated the transformation of Nigeria Interbank Settlement System (NIBSS) Plc to effectively play the role of PTSA;
- Developed a detailed Monitoring Framework to track and assess the impact of cash-less Lagos on a monthly basis, in terms of usage of electronic channels and cash circulation and cash holding rates. These would enable the CBN monitor the progress of the scheme and engender public confidence; and
- Facilitated the mass deployment of shared POS terminals by banks and service providers, under the shared services project, with a view to reducing operational cost.

The Bank also initiated a cash-less policy in 2011 as part of its efforts to further improve efficiency of the payments system, among others.

Box 2: The CBN's Cash-less Policy

The Central Bank of Nigeria (CBN) introduced a new policy that aims at reducing the amount of physical cash (coins and notes) in circulation, and encouraging more electronic-based transactions.

Objectives of the Policy were to:

- Drive the development and modernization of the country's payments system, in line with Nigeria's Vision 2020 goal of being amongst the top 20 economies by the year 2020;
- Reduce the cost of banking services (including cost of credit) and drive financial inclusion by providing more efficient transaction options and greater reach;
- Improve the effectiveness of monetary policy in managing inflation and driving economic growth;
- Curb some of the adverse consequences associated with the huge usage of physical cash in the economy, including:

a) the high cost of cash along the value chain - from the CBN & the banks to corporations, traders and individuals,

b) the high risk of using cash: such as robberies and other cash-related crimes, and
c) inefficiency and corruption, including leakages and money laundering, amongst other financial crimes.

Content of the Policy

The policy shall commence with a pilot run from January 1, 2012 in Lagos State ("tagged Cash-less Lagos") with application of the following aspects:

- Only cash-in-transit (CIT) licensed companies shall be allowed to provide cash pick-up services. Banks will cease cash in transit lodgement services rendered to merchant-customers in Lagos State from December 31, 2011. Any Bank that continues to offer cash in transit lodgement services to merchants shall be sanctioned.
- Third party cheques above ₦150, 000 shall not be eligible for encashment over the counter. Value for such cheques shall be received through the clearing house.

The service charges/fees will not apply until March 30, 2012, in order to give consumers time to migrate to electronic channels. DMBs would therefore continue to encourage their customers to migrate to available e-payments channels.

Account Application

The cash-less policy applies to all accounts, including collection accounts. Banks are expected to work with their corporate customers to arrange for suitable e-collection options.

Limits

The limits are cumulative withdrawal/deposits of ₦150,000 and ₦1,000,000 daily for individual and corporate customers, respectively.

The limits apply to the account irrespective of the payment channel used. It also applies to cash brought through CIT companies, as the CIT company only serves as a means of transportation.

Charges

The service charge for daily cumulative deposits above the limit into an account shall be borne by the account holder. However, during the pilot-run in Lagos, individuals paying money from Lagos, into an account outside Lagos, shall bear the charges for any single transaction above the daily limit.

Interstate Transactions

Charges/fees shall apply for all transactions in Lagos, and on Lagos State-based accounts.

Transactions above the cumulative daily limit initiated out of Lagos State, and affecting a Lagos based account shall not attract charges/fees, while transactions initiated from Lagos State, and affecting an account outside Lagos, shall attract charges/fees.

The policy will eventually be rolled out to other regions across the country from June 1, 2012. The policy however, does not prohibit withdrawals or deposits above the stipulated amounts, but such transactions are subject to a handling charge.

Current Awareness/Engagement Status

The CBN had engaged in various enlightenment and sensitization programmes with various stakeholders. The DMBs are expected to encourage their customers to migrate to available e-payment channels

Expected Benefits of the Policy

A variety of benefits are expected to be derived by various stakeholders from an increased utilization of e-payment. Such as:

- Increased convenience; more service options; reduced risk of cash-related crimes; cheaper access to cost of banking services for consumers;
- Faster access to funds; reduced revenue leakage; minimised cash handling costs for corporations; and
- Increased tax collections; greater financial inclusion; enhanced accountability for Government.

2.2 CURRENCY OPERATIONS

2.2.1 The Issue of Legal Tender

In order to meet the currency needs of the economy in 2011, the Bank projected an indent of 3549.52 million pieces of banknotes of various denominations. A total of 2, 649.52 million pieces or 74.6 per cent was ordered to be printed by the Nigeria Security and Minting (NSPM) Plc. Out of this order, the company delivered 2226.02 million pieces or 84.0 per cent by end December, 2011. The balance of 900 million pieces of ₦500 and ₦1000 were delivered during the year by foreign printers. The Bank's clean notes policy was sustained in 2011 through the processing of banknotes into clean and unfit notes, the withdrawal of unfit/soiled banknotes, and the re- issuance of the clean and fit banknotes into circulation. A total of 113,982 boxes valued at 793,526 billion were processed and 122,642 boxes valued at 828,398 billion audited. The total boxes audited included a closing balance of 8660 boxes in 2010 brought forward in 2011. Furthermore, a total of 6522.60 million pieces of mint notes were issued in 2011, compared to 6,677.9 million pieces issued in the corresponding period of 2010. The implementation of the approved outsourcing of maintenance of currency processing machines, in order to improve efficiency, continued under the year under review.

2.2.2 Currency in Circulation (CIC)

The currency in circulation at end-December 2011 stood at ₦1,565.76 billion, representing an increase of 13.6 per cent over the level in 2010.The growth in CIC reflected the high dominance of cash in the economy as well as an increase in economic activities. The ratio of CIC to nominal GDP, which measures the moniness of the economy, dropped from 4.7 per cent in 2010 to 4.3 per cent in 2011. The decline in the CIC/GDP ratio reflected increased use of e-payment products such as electronic payment cards.

Figure 2.7a Currency in Circulation, 2007 - 2011

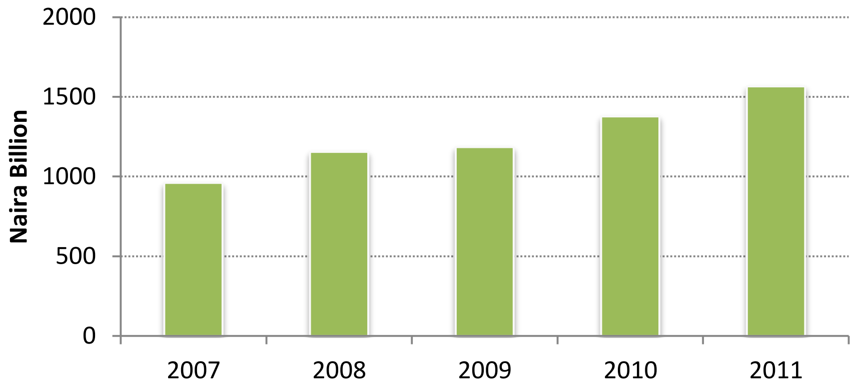
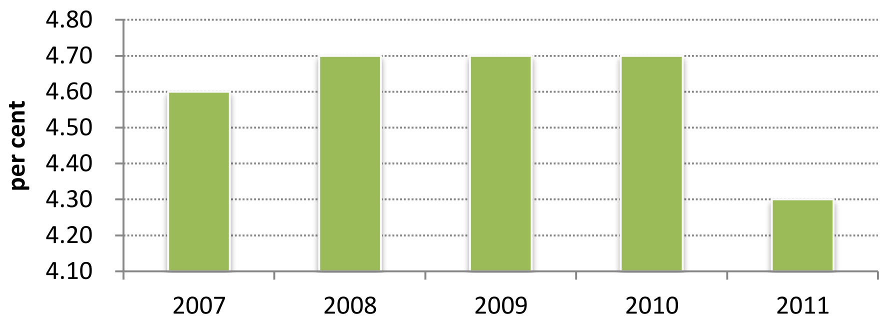


Figure 2.7b Ratio of Currency in Circulation to GDP



The denominational breakdown of the currency in circulation in 2011 is as shown below:

Coins	2007		2008		2009		2010		2011	
	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)
₦2	81.9	0.16	104.5	0.21	114.5	228.9	107.83	0.22	107.87	0.22
₦ 1	615.4	0.62	532.2	0.53	490.6	490.65	530.11	0.53	581.23	0.58
50k	738.3	0.37	463.1	0.23	454.5	227.26	434.48	0.22	529.72	0.26
25k	19	0.01	240.6	0.06	212	53	196.53	0.049	339.12	0.08
10k	2.2	0.0002	235.1	0.02	228.3	228.82	212.82	0.021	302.89	0.03
1k	0	0	51.2	0.0005	57.4	0.57	48.74	0.0048	12.75	0.08
Sub Total	**1,456.80**	**1.15**	**1,629.70**	**1.06**	**1,557.30**	**1,023.20**	**1,530.51**	**1.04**	**1,873.58**	**1.26**
Notes										
₦1000	264.4	264.4	572.9	572.91	584.4	584.39	663.76	663.7	959.45	959.45
₦500	707.2	353.6	801.9	400.93	852.8	426.4	1,027.78	513.89	726.22	363.10
₦200	1,256.00	251.3	571.6	114.32	491.9	98.38	501.27	100.25	621.75	124.31
₦100	494.9	49.5	323.6	32.36	350	35	341.12	34.11	507.90	50.77
₦50	351.3	17.6	228	11.4	344.9	17.25	782.27	39.11	777.94	38.89
₦20	823	16.5	827.3	16.55	769.5	15.39	752.65	15.1	788.67	15.77
₦10	355.9	3.6	283.2	2.83	285.5	2.85	680.61	6.81	789.13	7.89
₦5	579	2.9	533.1	2.67	720.5	3.6	837.93	4.19	865.38	4.33
Sub-Total	**4,831.70**	**959.4**	**4,141.60**	**1,153.97**	**4,399.50**	**1,183.27**	**5,587.39**	**1,377.16**	**6,036.43**	**1,564.50**
Total	**6,288.50**	**960.55**	**5,768.30**	**1,155.03**	**5,956.80**	**1,184.30**	**7,117.90**	**1,378.20**	**7,910.01**	**1,565.76**

Source: CBN

2.3 FOREIGN EXCHANGE MANAGEMENT

The Bank retained the Wholesale Dutch Auction System (wDAS) as the mechanism for the management of exchange rate in the foreign exchange market in 2011. As part of its efforts to develop a liquid, deep market, minimize risk in the Nigerian financial market and enhance the transmission of monetary policy, the Bank introduced the foreign exchange forwards market on March 23, 2011. Short-tenored forwards foreign exchange transactions were approved to provide hedging opportunities to end-users and smoothen foreign exchange demand pressure.

2.3.1 Foreign Exchange Flows

The total foreign exchange inflow into the economy amounted to US$105.11 billion, an increase of 19.3 per cent above the level in 2010. The development resulted from a significant growth in inflow through the CBN, which amounted to US$47.21 billion. This represented an increase of 69.5 per cent over the level of the previous year and accounted for 44.9 per cent of the total. The inflow through autonomous sources accounted for 55.1 per cent of the total and dropped by US$2.40 billion or 4.0 per cent to US$57.90 billion. This development was due to the fall in capital inflow and invisibles (mainly ordinary domiciliary account and over-the-counter purchases) by 48.4 and 4.3 per cent below their levels in 2010, respectively. The total foreign exchange outflow grew by 28.8 per cent from the level in 2010 to US$50.42 billion. A breakdown showed that the outflow through the CBN and autonomous sources rose by 28.6 and 33.0 per cent over the levels in the preceding year to US$48.77 billion and US$1.65 billion, respectively. Consequently, the net inflow position improved by US$5.70 billion over the position in 2010 to US$54.69 billion.

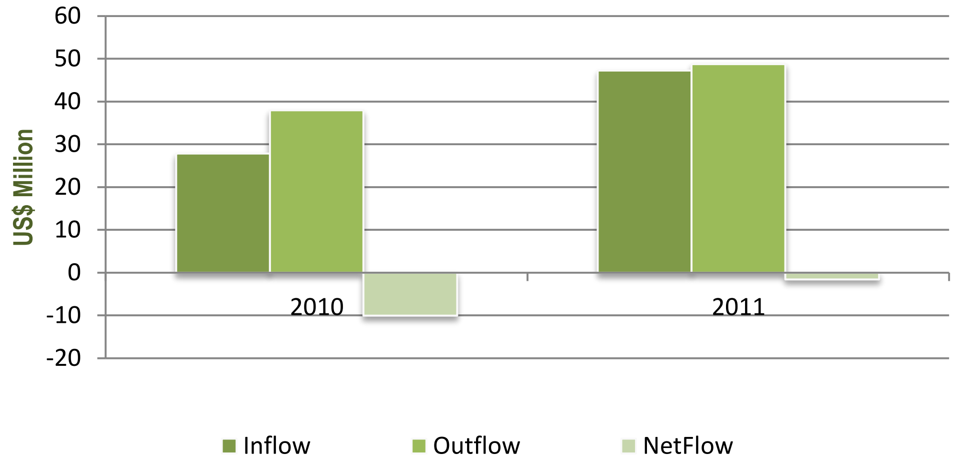
The total foreign exchange inflow into the economy amounted to US$105.11 billion, an increase of 19.3 per cent above the levels in 2010.

Analysis of foreign exchange inflow through the CBN showed that receipts from crude oil sales rose by 58.0 per cent above the level in 2010 to US$41.33 billion and accounted for 87.6 per cent of the total. The increase in receipts was as a result of the rise in crude oil output and prices in 2011. The non-oil component of inflow through the CBN grew significantly by 249.0 per cent above the level in 2010 to US$5.88 billion. This was driven by a 145.1 per cent growth in other official receipts to US$2.89 billion, wDAS purchases of US$2.0 billion and foreign exchange swaps totaling US$0.78 billion. Earnings on reserves and investments, however, fell by 56.5 per cent to US$0.22 billion as a result of the continued weak recovery of the financial markets in the developed economies.

Foreign exchange outflow through the Bank rose by 28.6 per cent to US$48.77 billion in 2011. A disaggregation of the outflow indicated that the amount that went to the foreign exchange market rose by US$11.02 billion to US$41.19 billion and accounted for 84.4 per cent of the total in 2011. Of this, total wDAS utilization was US$34.57 billion (US$29.78 billion in wDAS Sales, wDAS-forward US$2.79 billion and interbank sales of US$2.0 billion). Foreign exchange sales to BDCs amounted to US$5.91 billion, accounting for 12.1 per cent of the total and was 10.8 per cent higher than the level in 2010. Other outflows were drawings on letters of credit and National Priority Projects, which increased by 49.8 and 264.6 per cent to US$1.45 billion and US$0.07 billion, respectively. As a component of total outflow, other official payments (payments to international organizations and embassies, parastatals and estacode, NNPC/JV Cash calls, contributions and grants and miscellaneous) declined by 10.3 per cent to US$5.72 billion.

This resulted in an outflow of US$1.57 billion, compared with US$10.07 billion in 2010.

Figure 2.8: Foreign Exchange Flows through the CBN



2.3.2 Developments in the Foreign Exchange Market

Ninety-five (95) trading sessions were held in the wDAS segment of the foreign exchange market during the year, compared with ninety-six (96) in 2010. The aggregate demand for foreign exchange grew by 37.3 per cent above the level in the preceding year to US$48.2 billion. The surge in demand was attributed largely to the increased importation of petroleum products, settlements of matured letters of credit, and dividend payments. Further analysis showed that in the wDAS segment, spot and forward market demands amounted to US$42.3 billion (87.7 per cent of the total) and the BDC demand accounted for the balance. Total supply of foreign exchange rose by 37.7 per cent over the level in 2010 to US$41.6 billion. Of this, wDAS sales (wDAS and wDAS-FWD) amounted to US$33.0 billion and BDCs US$5.9 billion, an increase of 32.9 and 10.8 per cent, respectively, over the levels in 2010. The balance was accounted for by the intervention of the Bank in the interbank market through the sale of US$2.0 billion and swap contracts worth US$0.7 billion in the last quarter of 2011.

Figure 2.9: Foreign Exchange Disbursement, 2011 ($'Billion)

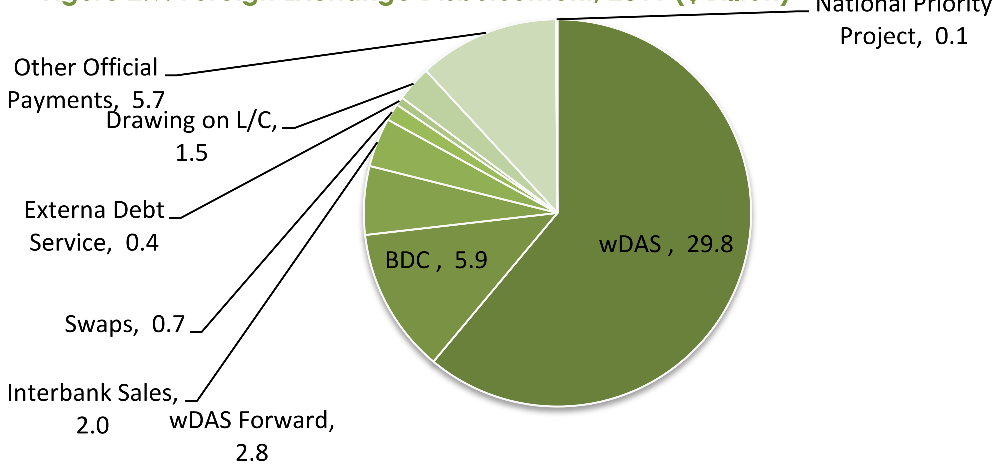


Figure 2.10: Developments in the Foreign Exchange Market

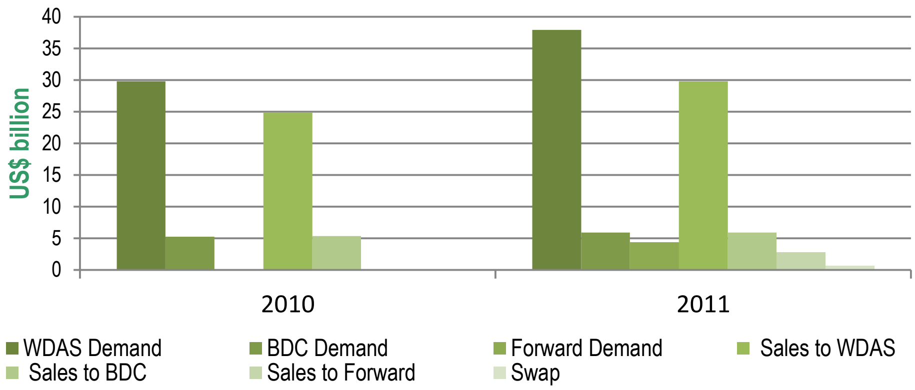
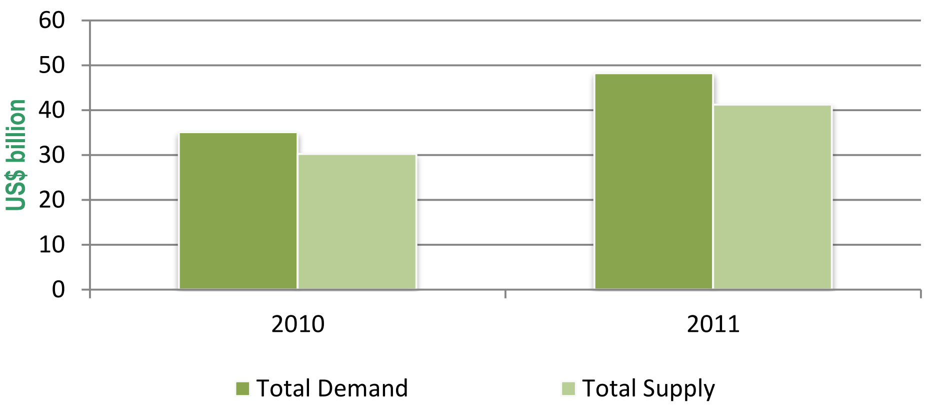


Figure 2.11: Demand for, and Supply of, Foreign Exchange



In the wDAS Forward contract segment, thirty-six (36) auctions for 1-, 2- and 3-month tenors were conducted. The total demand of US$4.4 billion comprised of 1-, 2- and 3- month tenors of US$1.9 billion, US$1.4 billion and US$1.05 billion, respectively. The Bank approved US$3.2 billion wDAS-Forward but redeemed a total of US$2.8 billion at maturity in 2011.

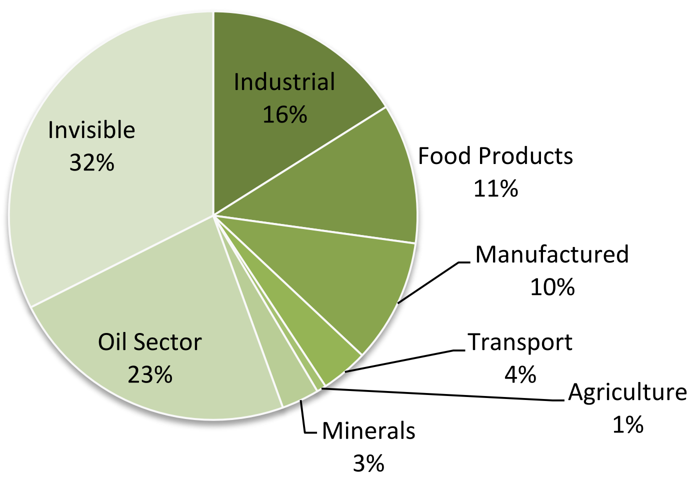
2.3.3 Sectoral Utilization of Foreign Exchange

The utilization of foreign exchange for import through the DMBs in 2011 grew by 38.9 per cent above the level in 2010 to US$47.2 billion. Of the total, US$31.9 billion (67.6 per cent) was utilized on visible trade transactions, compared with US$24.3 billion in 2010. Invisible trade transactions accounted for US$15.3 billion (32.4 per cent), compared with US$9.7 billion in 2010.

Analysis of visible trade transactions showed that mineral and oil sector imports rose by US$1.2 billion and US$4.8 billion to US$1.4 billion and US$10.9 billion, respectively, in 2011. Similarly, imports under the industrial and food products categories grew by 20.4 and 17.2 per cent to US$7.6 billion and US$5.3 billion, respectively. Furthermore, imports of transport and agriculture related goods increased by 17.6 and 9.8 per cent to US$1.8 billion and US$0.4 billion, respectively, in 2011. However, the share of manufactured products fell by 14.4 per cent from the level in 2010 to US$4.6 billion.

A disaggregation of invisible trade showed that the financial services sector constituted the bulk of invisible transactions, with a total foreign exchange outflow of US$6.8 billion, an increase of 1.4 per cent over the level in 2010. Environmental services grew substantially from US$0.1 million in 2010 to US$1.3 billion, reflecting the efforts by government to improve the environment. Transport services and education grew by 4.8 and 1.5 per cent, respectively, over the levels in 2010. The outflow by business, communication, construction, distribution and health services fell by 11.1, 28.8, 32.0, 19.3 and 78.3 per cent, respectively, below the levels in the corresponding period of 2010.

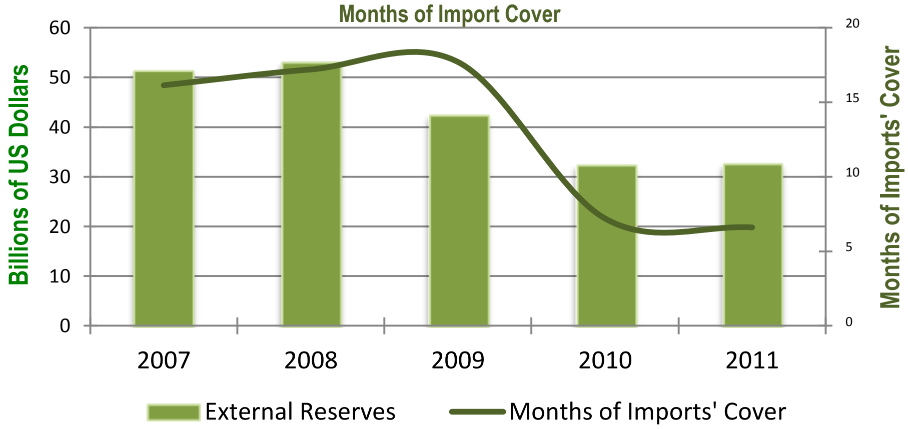
Figure 2.12: Sectoral Utilization of Foreign Exchange in 2011



2.3.4 External Reserves Management

Nigeria's gross external reserves at end-December 2011 stood at US$32.6 billion, an increase of 0.9 per cent when compared with the level at end-December 2010. The external reserves could support 6.5 months of goods and services import cover, compared with 7.9 months in 2010.

Figure 2.13: Nigeria's Gross External Reserves Position (US$billion) and Months of Import Cover

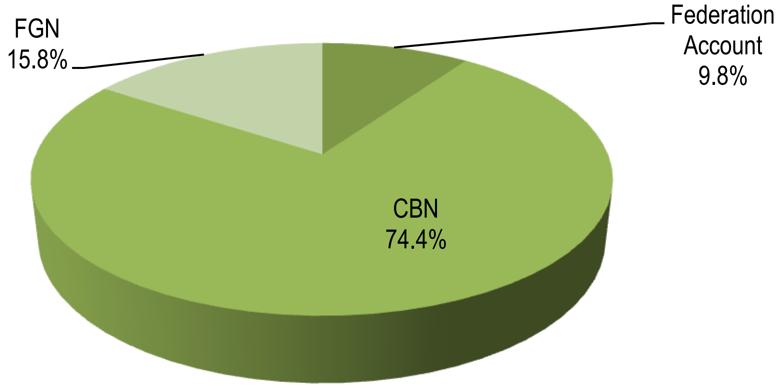


A breakdown of the external reserves by components showed that the Federation Account, the Federal Government and CBN reserves stood at US$3.2 billion, US$5.2 billion and US$24.3 billion, respectively, accounting for 9.8, 15.8 and 74.4 per cent, respectively.

The total earnings from investment of the external reserves amounted to ₦36.3 billion, 47.4 per cent lower than the level in 2010. The development was due largely to the weak economic performance and low interest rates in developed economies in 2011. As part of efforts to diversify foreign reserves and minimize risks in reserves management, the Bank's Investment Committee approved the inclusion of the Chinese yuan as part of the foreign reserves currency portfolio.

The Bank continued with the External Asset Manager Programme in 2011. The market value of the assets under the programme stood at US$9.655 billion as at December 31, 2011 and was managed by the World Bank, under the Reserve Advisory Management Programme (RAMP) and eleven other asset managers. Analysis of the performance of the programme, from its inception to December 31, 2011, showed that nine of the managers (including the World Bank) outperformed the benchmark, while three managers underperformed, albeit within the approved risk budget. The performance of the eleven asset managers is measured against the Bank of America Merrill Lynch G7 Government Index 1-3 year 100 per cent hedged to the US Dollar, while that of the World Bank is measured against the Bank of America Merrill Lynch 1-3 year US Treasury Index.

Figure 2.14: Holdings of External Reserves as at End-December 2011



Box 3: The Forwards Foreign Exchange Market

The foreign exchange forwards market provides the institutional arrangement through which foreign currencies are purchased for delivery at a predetermined exchange rate (delivery price) at a future date (settlement date). The forward rate is the future value of one currency against another.

The value is determined for a period that exceeds the spot rate in advance of 2 days (two days after the deal date). The forward rate is priced, based on the spot rate, interest differentials, interest risk differentials and a flexible built-in commission for the contract provider. The two reference currencies are referred to as currency pair. Where the forward rate is higher than the spot rate, it is referred to as forward premium; if it is less, it is referred to as forward discount. The fixed currency in the currency pair is referred to as the base currency and the variable currency is called the terms currency.

For the contracting parties, forward rate contracts provide opportunities for hedging exchange rate risk as the future exchange rate is locked in the contract and it is not affected by changes in interest rate. Its limitations, however, include the risk of an uncompetitive exchange rate in the future, absence of a secondary market, fixed contract inflexibility and the additional cost to obtain a delivery before the settlement date.

A Forward exchange rate contract could be fixed, partially optional, or fully optional. In a fixed contract, foreign currency can only be delivered at the agreed future date. Partially optional contract has two periods, the first locks in the contract until the agreed beginning date of the second period termed optional period, which stretches to settlement date during which delivery of foreign currency can occur anytime. The third variant is the fully optional contract, which gives the option of delivery of foreign currency at any time within the contract. The delivery of exchange rate before the maturity date under the fixed contract period is referred to as early delivery and attracts an additional administrative cost.

Trading under the foreign exchange forwards market in Nigeria is conducted in a multiple price Dutch Auction System referred to as the Wholesale Dutch Auction System–Forward (wDAS-FWD) in US Dollar/Nigerian Naira (currency pair) with a minimum allowable bid of US$500,000.00 by an authorized dealer. Maturity dates are set at the spot date (T+2) plus 1-, 2- and 3- month tenors. All foreign exchange bought through the forward market are not transferable in the interbank market as authorized dealers are expected to bid on behalf of their customers.

2 .4 SURVEILLANCE REPORT ON THE ACTIVITIES OF FINANCIAL INSTITUTIONS

2.4.1 Banking Supervision

The Bank intensified its banking reform programme aimed at fostering the stability of the financial system. In that regard, the Bank's surveillance activities continued to focus on the implementation of the revised prudential guidelines, the revised banking model and crisis mitigation measures through the AMCON. Other complementary measures included regular appraisal and review of banks' periodic returns, spot checks, monitoring, special investigations, risk-based and consolidated supervision. To further improve the effectiveness of supervision, the Bank issued three key supervisory guidelines, namely the Supervisory Intervention Framework, the Framework for Cross-Border Supervision, and the Risk-based Pricing Model for the industry.

To further improve the effectiveness of supervision, the Bank issued three key supervisory guidelines, namely, the supervisory intervention framework; the framework for cross-border supervision; and the risk-based pricing model for the industry.

The CBN Credit Risk Management System (CRMS) infrastructure recorded significant improvement in the management of basic credit information on customers. The database at end-December 2011 had 77,246 registered borrowers, indicating an increase of 3.3 per cent. Of this, 25,828 borrowers had 32,614 facilities with a total outstanding balance of ₦4.65 trillion. This represented a decline of ₦0.58 trillion or 11.1 per cent, compared with ₦5.23 trillion for 28,093 borrowers at end-December 2010. The development was attributed, largely, to the increased awareness among banks and customers of the critical role of the infrastructure, reinforced by the co-operation among stakeholders in the industry.

Table 2.5: Borrowers from the Banking Sector

Description	2010	2011	Absolute Change	% Change
Total No. of Borrowers	74,786	77,246	2,460	3.3
No. of Borrowers with outstanding credits	28,093	25,828	-2,265	-8.1
No. of Credits/facilities	26,367	32,614	5,958	23.7
Total outstanding balance (₦'000 bn)	**5,227**	**4,649**	**-578**	**11.1**

Derived from the Bank's CRMS

The Bank's CRMS was complemented by the activities of the three (3) licensed private credit bureaux (PCBs) in the industry. The range of products and services provided by the PCBs during the period under review were: customer identity verification, credit reports, self-enquiry, bulk portfolio review, credit rating and scoring, and referencing and credit risk assessment, among others. The growing demand for borrower/customer credit information and status enquiries by financial and non-financial entities buoyed the activities of these institutions.

Following the adoption of the new banking model, six (6) of the twenty (20) DMBs applied for commercial banking licence with international authorization, five (5) for commercial licence with national authorization, one (1) for commercial banking licence with regional authorization, four (4) for mixed holding company (HoldCo)comprised of three (3) with international authorization and one (1) with national authorization. Of these, approvals-in-principle (AIPs) were granted to twelve (12) banks that applied for monoline commercial banking licence, while final approval was granted to four that applied for HoldCo in order to restructure their operations in line with their approved compliance plans.

In order to promote financial inclusion, the CBN on June 21, 2011 issued guidelines on the Framework for the Regulation and Supervision of Institutions offering non-interest financial services in Nigeria.

In order to promote financial inclusion, the CBN, on June 21, 2011, issued guidelines on the Framework for the Regulation and Supervision of Institutions offering non-interest financial services in Nigeria. The issuance of the guidelines formally opened the window for the licensing and operation of non-interest banking, based on the principles of Islamic commercial jurisprudence, among others. At end-December 2011, Jaiz Bank Plc was licensed as a full-fledged non-interest bank with regional authorisation, while Stanbic IBTC Bank Plc was granted approval to offer non-interest (Islamic) banking products.

In addition, the CBN participated in all meetings organized by the Islamic Financial Services Board (IFSB), including its Council Meetings and those of its working groups on stress testing, liquidity risk management, capital adequacy and *Takaful* undertakings. The Bank also participated in the Board's capacity building initiatives, aimed at enhancing examiners' understanding of non-interest banking.

The CBN sustained its support for the re-capitalization drive of the eight banks in which it had intervened to contain systemic distress. In that regard, the Bank adopted mergers and acquisitions or outright sale to new investors, as part of the resolution options for the affected banks. The re-capitalization process was initially slowed down by litigations instituted by shareholders of some of the banks. Following the signing of Transaction Implementation Agreements (TIAs) between five of the intervened banks and their preferred bidder, AMCON injected funds into these banks that brought their shareholders' fund to a positive position, preparatory to their acquisition/merger with other entities. After reviewing the progress of the re-capitalization effort, three of the eight banks (Spring Bank Plc, Bank PHB Plc and Afribank Nigeria Plc) were viewed as lacking the capacity to recapitalize before the stipulated deadline of September 2011. Consequently, the CBN revoked the licences of the three banks, in accordance with the powers granted to it by the *BOFI Act 1991* (as amended), while the Nigeria Deposit Insurance Corporation (NDIC) incorporated new banks (bridge banks as provided for in Section 29 of the *NDIC Act 2006*), namely, Enterprise Bank Ltd, Keystone Bank Ltd and Mainstreet Bank Ltd. The bridge banks assumed the deposit liabilities and certain other liabilities and assets of Spring Bank Plc, Bank PHB Plc and Afribank Nigeria Plc, respectively, effective August 5, 2011. Sequel to an arrangement with the NDIC, the AMCON purchased the equity of the bridge banks on August 6, 2011. This resulted in the termination of their status as bridge banks and were subsequently re-capitalized by AMCON.

In December 2011, the shareholders of Access Bank, Ecobank, FCMB and Sterling Bank held court-ordered meetings to approve the issuance and allotment of their respective shares in consideration of the acquisition of the assets, liabilities and undertakings of Intercontinental Bank, Oceanic Bank, Finbank and Equitorial Trust Bank (ETB), respectively. By end-December 2011, the CBN and SEC had granted the necessary approval, while the courts had sanctioned the resolutions. A core investor, Union Global Partners Ltd injected funds into Union Bank, and on December 14, 2011, the bank opened a Rights Issue of 1.407 billion shares at ₦6.81035 per share (5 new shares for every 9 existing shares held), which was scheduled to close on February 10, 2012.

The Bank strengthened its collaborative effort with other stakeholders, under the aegis of the Roadmap Committee of Stakeholders on the adoption of International Financial Reporting Standards (IFRS) in Nigeria. The main objective was to ensure a phased transition to IFRS over a three-year period, beginning with the 2012 reporting date for all listed companies and major public entities. In that regard, the following milestones were attained during the year: engagement of consultants to guide the Bank on the implementation of both the Basel II and IFRS projects in the Nigerian banking system; sensitization of the industry on IFRS implementation; establishment of relevant committees and workgroups; gap/impact analysis of IFRS conversion in the banking system; and capacity building. The adoption of IFRS would facilitate the implementation of Basel II requirements by banks in Nigeria.

Following the creation of a Cross-Border Supervision Unit in the Bank in 2010, a framework for cross-border supervision was issued in 2011.The framework was intended to provide guidance on the supervision of Nigerian banks with offshore branches/subsidiaries and also on the level of cooperation expected from host countries in the supervision of cross-border entities. In that regard, the CBN, during the year under review, conducted the first joint examination with host regulators of fourteen (14) banks in five (5) WAMZ member countries, namely, Ghana, Liberia, Sierra Leone, Guinea and The Gambia. The CBN also hosted and participated in various meetings of the College of Supervisors in the West African Monetary Zone (CSWAMZ) in 2011. Other cross-border supervision activities were: the execution of additional Memoranda of Understanding (MoUs) with regulators in various jurisdictions; approvals and supervisory checks on banks with representative offices in Nigeria; as well as the supervision of the activities of the offshore operations of some Nigerian banks.

The Bank issued a number of circulars/guidelines to the DMBs, as part of its efforts to promote a safe and sound financial system.

Table 2.6: Circulars and Guidelines to DMBs in 2011

- Review of the prudential requirement of 1% provision on performing loans.
- Re: Monthly submission of credit portfolio classification by banks.
- Letter to all banks: Reporting of AMCON Bonds.
- Re: Reinstatement of capital verification for banks.
- Re: Circular to all banks on funds withdrawal by Federal, States and Local Governments and Parastatals.
- Supervisory Intervention Framework for the banking industry in Nigeria.
- Framework for Cross Border Supervision of banks.
- Guidance document to deposit money banks on the restatement of December 31, 2010 financial balances to IFRS-based figures as required by IFRS 1.
- Re: Data exchange agreements with at least two licensed credit bureaux in Nigeria.
- Request for information on capital exportation.
- Re: Management and custody of pension funds by some licensed banks.
- Corporate account opening requirements - Tax Identification Number.
- Dial-up connectivity options for external stakeholders.
- Request for information on terrorists and related accounts.
- The requirement for Credit Risk Management System (CRMS) checks for credit requests.
- Compliance with the provisions of the *Fiscal Responsibility Act 2007*.
- De-Marketing of Banks by Other Banks.
- Guarantee of Foreign Credit Lines.
- Re: Treatment of loans fully provided for by banks.
- Re: The need for banks to develop and implement a risk-based pricing model.

- All DMBs to expand their existing ATM help desks and discount houses and other financial institutions to establish help desks to handle all consumer complaints.
- Re: IT requirements for NUBAN Account Numbering Scheme.
- Time frame to access the CBN IT Application.
- Re: Circular on the need to combat card fraud.
- Inter-bank Funds Transfers and Settlement Arrangements on behalf of Payment Solution Providers.
- One year extension of transition period for NUBAN.
- Circular to all Mobile Operators.

Box 4: THE INTERNATIONAL FINANCIAL REPORTING STANDARD

The International Financial Reporting Standards (IFRS) was issued by the International Accounting Standard Board (IASB). It was issued to serve as the global accounting language for the purpose of meeting the information needs of global business investors, shareholders and financial services providers. Specifically, the IFRS is a globally-accepted set of accounting standards, framework and interpretations, adopted by the IASB and its interpretative body (The International Financial Reporting Interpretations Committee - IFRIC). For a truly global economy (where companies and accounts issuers interrelate around the globe) to be efficient, it is appropriate to have a common standard in business and financial reporting. IFRS thus, became the set of high quality, transparent and globally renowned accounting standards and framework that provide for international comparison. At the global level, such standards are regarded as a major component of a good financial system that reduces cost of capital, allowing for transparency and disclosure, as well as facilitating increase in capital formation. Its basic components include:

- International Accounting Standards – IASs;
- International Financial Reporting Standards (IFRSs);
- IASB Framework for preparation and presentation of financial statements; and
- Interpretations of International Financial Reporting.

The world-wide adoption of IFRS is expected to facilitate presentation of financial information in a manner that:

- Allows and helps evaluators and users to determine the financial status and liquidity position of a company;
- Breaks down the information about a company's activities and operations so as to show clearly its future cash flow; and
- Every organization's financial statement supports and backs one another, while giving a cohesive picture of all its activities;

The number of countries that have either moved, or are in the process of moving, to IFRS increased to 117 (involving more than 12,000 companies) at end-December 2011 from 100 at end-December 2009. At end-December 2011, 15 African countries, including Nigeria, had either adopted, converged to or made a commitment to implement IFRS.

In Nigeria, the bodies responsible for the regulation of accounting information are statutory agencies such as the Nigerian Accounting Standards Board (NASB), the Securities and Exchange Commission (SEC), Nigerian Stock Exchange (NSE) and the Central Bank of Nigeria (CBN). The NASB, established in September 1982, under the sponsorship of the Institute of Chartered Accountants of Nigeria (ICAN), is a government agency statutorily responsible for issuing Statements of Accounting Standards (SAS) in Nigeria on various accounting matters, after taking into account all peculiarities of the business environment, customs, laws and level of development. The NASB had earlier announced its decision to converge to IFRS in the last quarter of 2010, but the commencement date was later shifted to January 1, 2012 in order to ensure legal and capacity building in the project. The road map requires that the entire business community in the country would implement and converge in phases, while the phases are submerged within a general implementation framework. The general plan would ensure appropriate changes and restructuring are made to processes, systems and the people in terms of training and capacity building.

Based on this Roadmap, companies listed on the Nigerian Stock Exchange and "significant public interest entities" ("PIEs") would be required to comply with IFRS for periods ending after January1, 2012. Other PIEs would be required to comply for periods ending after January1, 2013 while small and medium sized entities would need to comply for periods ending after January1, 2014. Businesses would, therefore, be required to identify and understand the similarities and differences between the Nigeria General Accepted Accounting Practice (Nigeria GAAP), including changes that would occur within the transition period up to its full adoption and implementation. In Nigeria, the migration process to IFRS has been mixed, especially among the organizations in the first phase with commencement date of January 1, 2012. The banking and discount houses sub-sectors had the greatest momentum, while most other corporations waited on their external auditors to drive implementation and compliance. This requires that regulators would do well to institutionalize close monitoring and compliance processes.

In general, convergence to IFRS would promote uniformity in operations and auditing of companies. This is expected to have a significant impact on firms' financial performance and ultimately on their financial position. It is expected that implementation of the IFRS (Uniform Global Accounting Language) would, among other things, allow for easy access to efficient global capital; increase demand for, and enhance practice of public accountability and transparency; enhance understanding and ability to generate value from strategic activities and synergies; facilitate comparison between entities as well as enhance attraction and encouragement of foreign investors.

2.4.2 Prudential Examinations

Available data revealed that the banking industry's liquidity significantly improved in 2011. The industry's average liquidity ratio, which stood at 47.5 per cent at end-December 2010 rose by 21.6 percentage points to 69.1 per cent at end-December 2011. All the banks in the industry met the prescribed minimum liquidity ratio (LR) of 30.0 per cent at end-December 2011. The development was attributed, largely, to AMCON's intervention in the banks. Similarly, the banking industry's cash reserve ratio (CRR) was 8.0 per cent, compared with 1.0 per cent at end-December 2010. The average capital adequacy ratio (CAR) of the industry stood at 17.9 per cent at end-December 2011, representing an increase of 13.9 and 9.9 percentage points over its levels at end-December 2010 and the Basel II minimum requirement of 8.0 per cent, respectively. One (1) of the banks, however, failed to meet the CBN statutory minimum CAR of 10.0 per cent at end-December 2011, compared with eight (8) at end-December 2010.

Eight hundred microfinance banks (MFBs) were examined during the year. The exercise included the licence validation/capital verification undertaken on the

119 MFBs that were granted provisional licences in 2010, post-examination monitoring of the 50 MFBs adjudged sound in 2010, and routine examination of 631 other MFBs. The examinations revealed that 24 MFBs had either closed shop or ceased to operate in their registered offices, while two (2) were undergoing restructuring. Analysis of the examination reports of the remaining 774 MFBs indicated that 70.4 per cent of the institutions met the prescribed capital adequacy ratio of 10.0 per cent, with 52.0 per cent having capital funds in excess of the minimum regulatory capital. Also, 84.0 per cent of the institutions met the prescribed minimum liquidity ratio of 20.0 per cent, translating to an average liquidity ratio of 88.0 per cent for the sub-sector. This reflected the pervasive under-trading and placement of funds with DMBs. The average portfolio-at-risk (PAR) or non-performing loan to total, on the other hand, was 46.0 per cent, reflecting a high level of non-performing loans. A total of twenty-nine (29) MFBs, however, had PAR ratios below the prudential maximum of 2.5 per cent. Each MFB with a regulatory/ supervisory issue of concern was served an appropriate supervisory letter with prescribed timelines for compliance. Holding actions were imposed in 54 cases entailing the cessation of the grant of fresh loans and further acquisition of fixed assets.

2.4.3 Compliance with the Provisions of the Code of Corporate Governance for Banks in Nigeria

The CBN continued to monitor compliance with the Code of Corporate Governance, as part of its routine review to ensure safety and soundness in the governance structures of the DMBs in 2011. During the year, several banks experienced changes in the composition of their boards and management, and replacements were made in accordance with the requirements of extant guidelines. Accordingly, five banks made changes to their board membership, in compliance with the tenure limitation provisions of CBN’s Code, and three banks changed their external auditors following the expiration of their tenures. To ensure continuity in operations, the Bank sustained its efforts to promote the development of, and adherence to, clearly defined succession plans in the

DMBs. In addition, compliance with CBN guidelines on the appointment of Chief Compliance Officers was closely monitored.

2.4.4 Financial Crime Surveillance/Money Laundering

The on-going efforts of the CBN to combat money laundering and financing of terrorism received a boost with the enactment of the *Money Laundering Prohibition Act* (MLPA), as amended during the review period. The *Act* criminalises the financing of terrorism and addresses the issues of freezing, seizure and confiscation of both laundered money and terrorist funds. Furthermore, the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Office established in the CBN undertook some key activities. These included: the preparation of a draft AML/CFT risk-based examination manual and an AML/CFT risk–based regulation for financial institutions; review of the Inter-governmental Action Group Against Money Laundering in West Africa (GIABA) Country Report on Nigeria for 2010; and the establishment of an enforcement unit for monitoring compliance.

The Bank also developed 'Standard Account Opening Forms' for banks, in conjunction with the Committee of Chief Compliance Officers of Banks in Nigeria (CCCOBIN). Furthermore, the CBN, collaborated with the US Department of State and the US Embassy in Nigeria in respect of individuals and entities sanctioned by the United Nations (UN), in the areas of training and provision of information on Al-Qaeda in the Arabian Peninsula (AQAP). The CBN worked in the joint Inter-Departmental and Nigerian Financial Intelligence Unit (NFIU) Committee to prepare an acceptable format to receive information on politically- exposed persons (PEPs) from financial institutions and to prepare an acceptable national data base for PEPs. It investigated and provided information in respect of a request from the Nigeria Police on individuals/entities being investigated for alleged laundering of US$2.5 million; and granted the Bank of Ghana's request to undertake a working visit to the CBN in March 2012, in line with the Financial Action Task Force (FATF) Recommendation 40 on international cooperation.

2.4.5 The Special/Target Examination

A Joint CBN/NDIC risk-based examination was conducted on sixteen (16) DMBs, excluding the bridge banks and some of the CBN-intervened banks. The exercise involved assessment of risk assets to determine the extent of compliance with the regulatory thresholds on non-performing loans and capital adequacy ratio, among others. The adequacy of the risk management processes of the banks was also appraised. The assessments were concluded by allotment of ratings, based on the significance of the business activity undertaken. The findings and the recommendations for improvement were communicated to the Boards and Managements of the affected banks for appropriate action.

In addition, the CBN undertook various spot checks and *ad-hoc* reviews on the DMBs' operations. These included: the extraction of top users of banks' funds; first quarter foreign exchange review; investigation of seven (7) major petroleum products marketers' utilization of foreign exchange for importation of refined products; extraction of total public sector deposits with the DMBs; and investigation of selected banks' liquidity positions.

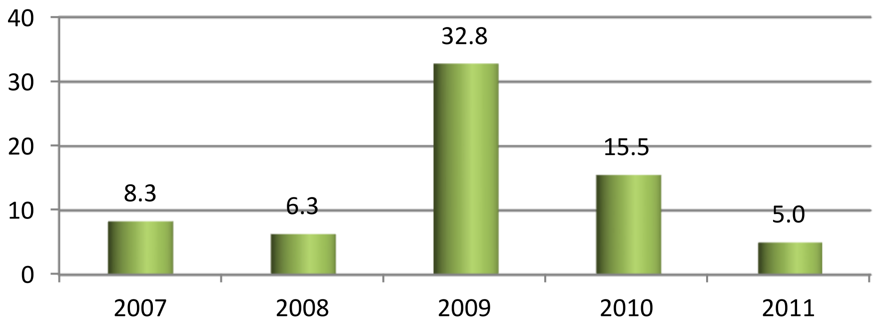
2.4.6 Foreign Exchange Monitoring/Examination

In order to enhance the supervision of the foreign exchange operations of the DMBs, a Foreign Exchange Monitoring Unit, was created by the Bank. Prior to the creation of the Unit, the review of the foreign exchange operations of banks was integrated into the Bank's routine risk-based examination. Consequently, the first quarter review of the foreign exchange operation (sources and utilization) of all the DMBs was carried out in the first half of 2011. The review focused on the various sources of foreign exchange, the quantum of BDCs sales, the impact of domiciliary accounts on the volume of foreign exchange available for the banks' use, and utilization of foreign exchange acquired. A special foreign exchange examination was conducted in the second half of 2011. The enhanced scrutiny of the foreign exchange market operations in 2011 resulted in an improvement in the enforcement of extant rules and regulations governing foreign exchange disbursement and highlighted the need to review some of the existing foreign exchange regulations.

2.4.7 Banking Sector Soundness

The health of banks significantly improved at end-December 2011 with the sale of the non-performing loans of the intervened banks to AMCON. The industry's average CAR was 17.9 per cent, compared with 4.0 per cent at end-December 2010. Further analysis showed that with the exception of one bank, other DMBs had a CAR above the 10.0 per cent minimum for the industry at end- December 2011, with the lowest at 10.0 per cent and the highest at 41.0 per cent. This was an improvement over the preceding year's level when the eight intervened banks had negative CAR. The industry's ratio of non-performing loans to total loans significantly declined to 5.0 per cent, from 15.5 per cent at end-December 2010. This was below the maximum threshold of 12.5 per cent set by the supervisory intervention framework. The development was attributed to the acquisition of non-performing loans in the industry by AMCON. All the banks in the industry met the prescribed minimum liquidity ratio (LR) of 30.0 per cent at end-December 2011. The banking industry's cash reserve ratio (CRR) was 8.0 per cent, compared with 1.0 per cent at end-December 2010. The developments indicated that the overall health of the industry had further improved.

Figure 2.15: Banks' Non-Performing Loans (% Total Credit)



2.4.8 Examination of Other Financial Institutions

On-site examination was conducted by the CBN/NDIC on nine hundred and thirty-six (936) other financial institutions (OFIs). This included the on-site examination of eight hundred (800) microfinance banks (MFBs), routine examination of eighty-five (85) primary mortgage banks (PMBs), and spot-checks on fifty-one (51) bureaux-de-change (BDCs).

A special validation/capital verification exercise was carried out on one hundred and nineteen (119) MFBs that were granted a provisional license sequel to the revocation of the licenses of two hundred and twenty-four (224) MFBs in September 2010. The exercise was undertaken to verify compliance with the conditions precedent to the granting of a final license. Routine examination was also conducted on six hundred and thirty-one (631) MFBs, in collaboration with NDIC, while special post-examination monitoring was carried out on fifty (50) others that were adjudged sound during the 2010 examination. Overall, the examination revealed that 70.4 per cent of the MFBs met the minimum regulatory capital, while 29.6 per cent had shareholders' funds unimpaired by losses below the minimum regulatory capital. The erosion of capital was due, largely, to the huge provisions made for bad loans, which stood at 46.0 per cent, and high overheads. Appropriate supervisory letters have been issued to the errant institutions. The examination further revealed that the average liquidity ratio of the sub-sector, at 88.0 per cent, was well above the prescribed minimum level of 20.0 per cent, due to under-trading and placement of available funds with DMBs. Furthermore, twenty-four (24) MFBs had either closed shop or ceased to operate in their registered offices, while two (2) were undergoing restructuring.

Similarly, a special/routine examination was conducted on eighty-five (85) PMBs, in collaboration with the NDIC. Nine (9) of them were found to be at various stages of restructuring and re-capitalization and were given three (3) months to conclude the process. The examination of the seventy-six (76) other PMBs was conducted principally to verify the claims made by the PMBs in response to the supervisory letters issued to them on the findings of the 2010 examination. It also aimed at establishing the status of the institutions with regard to the critical parameters on which their compliance with the recently issued guidelines for the sub-sector would be based. Also, on-site verification was conducted on the existence claims filed by twelve (12) PMBs, in response to the published notice on the planned revocation of the licences of sixteen (16) PMBs that were found to have ceased operations during the 2010 examination.

Post-examination monitoring was conducted on FCs during the review period as a critical follow-up action to the examination conducted in the last quarter of 2010. The issues of supervisory concern included pervasive low capital base, weak corporate governance, large volumes of delinquent facilities, and excessive exposure to capital market activities. The exercise led to an increase in the number of FCs classified as inactive, from 33 to 47, and the procurement of necessary approval to proceed with the revocation of their licences. In addition, the thirty-three (33) FCs that were either rated marginal, unsound or technically insolvent were issued supervisory letters, imposing various holding and corrective actions to be complied with within a 3-month timeframe, ending March 31, 2012. Similarly, three (3) others undergoing restructuring were given up to March 31, 2012 to conclude the restructuring exercise, failing which their licenses would be revoked.

A pilot target examination was carried out on fifty-four (54) out of the two thousand and fifty-one (2,051) BDCs with the aim of ascertaining their level of compliance with the operating guidelines, particularly in the area of utilization of foreign exchange purchased from the CBN window and autonomous sources. The exercise revealed that over 50.0 per cent of the foreign exchange purchased were from autonomous sources and were sold mainly to end-users for personal travel allowance; most BDCs did not have anti-money laundering policies and procedures in place and did not keep proper accounting records that could serve as the basis for rendering returns on their assets, liabilities, income and expenditure. Appropriate sanctions were handed down to thirty-seven (37) of the BDCs for infractions. In addition, the exercise set the stage for the commencement of regular comprehensive assessments of the operational status of BDCs with respect to their assets and liabilities, corporate governance and risk management structures.

2.5 DEVELOPMENTAL FUNCTIONS OF THE CBN

2.5.1 The Agricultural Credit Guarantee Scheme Fund (ACGSF)

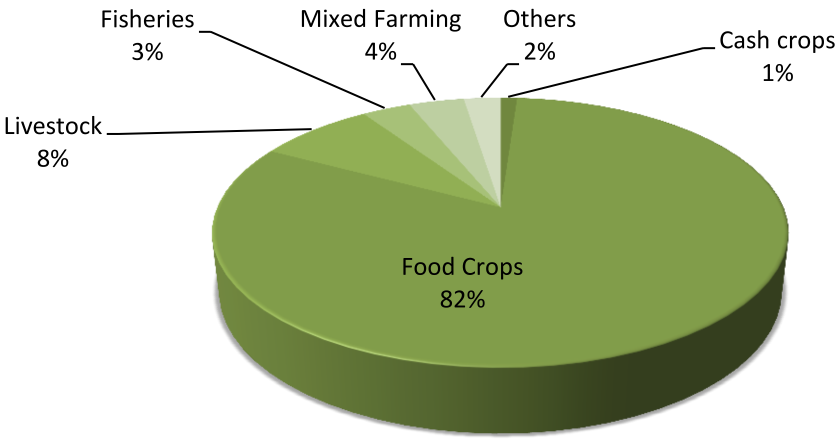
The CBN guaranteed 56,232 loans valued at ₦10.19 billion in 2011, which were, respectively 10.8 and 31.6 per cent higher than the number and value guaranteed in 2010.

A breakdown of the loans guaranteed by states showed that Katsina State had the highest volume with 8,420 loans (15.0 per cent), valued at ₦1.09 billion (10.7 per cent), followed by Kebbi State with 5,346 loans (9.5 per cent), valued at ₦0.43 billion (4.2 per cent). Jigawa State came third with 5,346 loans (9.5 per cent) valued at ₦0.29 billion (2.8 per cent). A sub-sectoral analysis of number of loans guaranteed indicated that food crops were dominant with 46,037 or 82.0 per cent, followed by livestock with 4,349 or 8.0 per cent. Mixed farming, fisheries, ‘others’, and cash crops accounted for 2,083 or 4.0 per cent, 1,842 or

3.0 per cent, 1,396 or 2.0 per cent and 621 or 1.0 per cent, respectively. Analysis of loans guaranteed by size in 2011 showed that beneficiaries with loan that amounted to ₦100, 000 or below were 32,857 or 58.3 per cent, while those above were 23,471 or 41.70 per cent. This indicated a preponderance of small holder farmers in the scheme.

Since the scheme's inception in 1978 to 2011, a cumulative of 754,528 loans valued at ₦52.34 billion had been guaranteed.

Figure 2.16: Distribution of Number of Loans Guaranteed by Purpose under ACGS in 2011



The volume of recovered loans in 2011 was 50,366, valued at ₦7.2 billion, thus bringing the cumulative volume and value of fully repaid loans since the inception of the Scheme to 543,211 and ₦31.2 billion, respectively. Analysis of repaid loans by state showed that Katsina State had the highest volume with 7,933 valuedat ₦855.0 million, followed by Kebbi and Jigawa States in second and third places, respectively. A total of 2,162 claims, valued at ₦123.7million were settled in 2011, bringing the cumulative number and value settled since the scheme's inception to 11,354 and ₦354.2 million, respectively.

Table 2.7: Distribution of Loans under the ACGSF by Volume and Value in 2011

Category	Volume	Value in ₦' billion
₦100,001 and above	23,471	8.19
₦100,000 and below	32,857	2
Total	**56,328**	**10.19**

Source: CBN

2.5.2 The Trust Fund Model (TFM)

There was no new placement of fund under the TFM in 2011. The total number of MoUs signed and the sum pledged under the model remained at fifty-six (56) and ₦5.52 billion, respectively, as in 2010.

Table 2.8: Funds Placement under the Trust Fund Model (TFM) at end–December, 2011

Type of Stakeholder	Amount (N'Billion)	Number	Remarks
Multinationals/Oil Companies	0,444	4	₦5 million less due to suspension of MISCAD
SGs/LGAs	2.438	35	
Federal Govt. Agencies	2.000	4	
Individuals/Organizations	0.634	13	
TOTAL	**5.516**	**56**	**₦5 million less due to suspension of MISCAD**

Source: CBN

2.5.3 Operations of the Agricultural Credit Support Scheme (ACSS)

No claim was settled by the Bank under the ACSS in 2011. The cumulative claims settled since the inception of the scheme in 2006 amounted to ₦844.3 million for 42 projects.

Table 2.9: Performance of the Agricultural Credit Support Scheme (ACSS)

Performance Parameter	Jan - December 2009		Jan - December 2010		Jan - December 2011		2006 - December 2011	
	No.	Value (₦) million	No.	Value (₦) million	No.	Value (₦) million	No.	Value (₦) million
Application Received from banks	5	167.0	2	1,100.0	3	1.114	199	38,992.8
Approval by banks	5	147.5	2	1,100.0	3	1.114	199	29,772.3
Project submitted to CBN for verification	5	147.5	2	1,100.0	3	1.114	108	22,467.3
Project verified	5	147.5	-	-	2	1.014	103	19,907.3
Disbursement by banks	5	147.5	2	1,100.0	3	1.114	104	20,541.3
Approval for 6% interest rebate	20	356.9	7	119.1	-	-	42	0.844,281

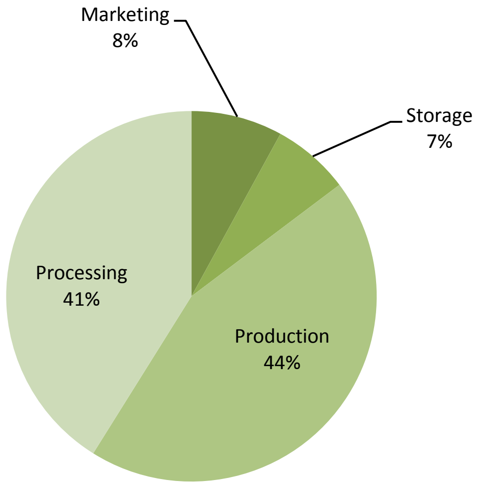
Source: CBN

2.5.4 The Commercial Agriculture Credit Scheme (CACS)

The sum of ₦56.75 billion was disbursed to 102 private projects in 2011. Additional five (5) DMBs joined the Scheme in 2011, bringing the number of participating banks to sixteen (16). Cumulatively, ₦151.02 billion had been disbursed to 190 projects (163 private projects and 27 state governments, including the FCT), leaving an undisbursed balance of ₦48.98 billion. A breakdown of disbursement by value-chain showed that production accounted for 44.2 per cent, followed by processing at 41.1 per cent. Marketing received 8.0 per cent, while storage accounted for the balance of 6.8 per cent.

A total of 32,801 jobs were created under CACS in 2011. Disbursements in respect of private projects accounted for 61.6 per cent of the total jobs created, while disbursements backed by state governments, including the FCT, accounted for the balance of 38.4 per cent.

Figure 2.17: Analysis of Private Projects under the Commercial Agriculture Credit Scheme (CACS) as at December 2011

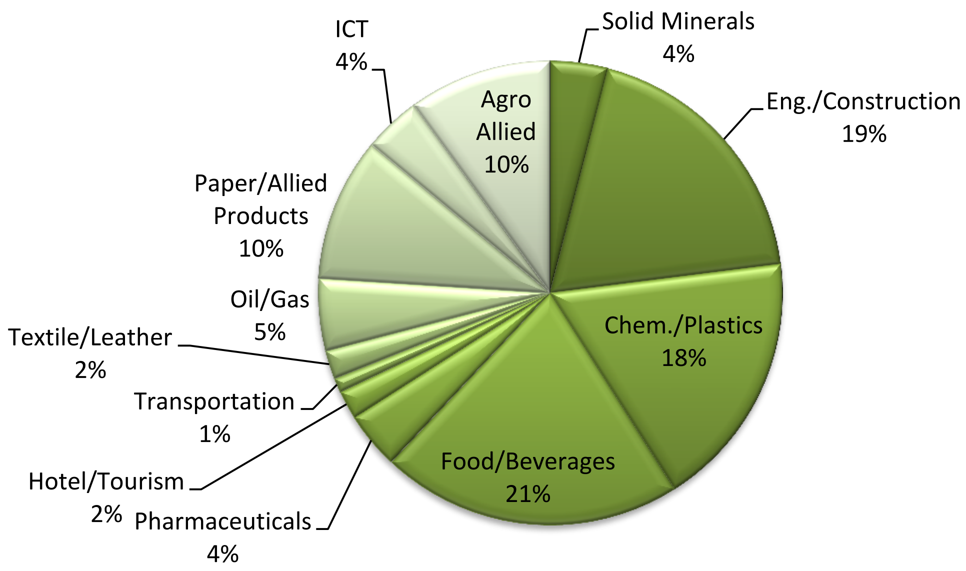


2.5.5 The SME/Manufacturing Refinancing and Restructuring Fund

The Fund, established in 2010, with an initial sum of ₦200.00 billion had additional approval for ₦35.0 billion in 2011, bringing the resources under the scheme to ₦235.0 billion. The sum of ₦30.0 billion was disbursed in the same period, bringing the cumulative to ₦220.64 billion for 486 projects. The sum of ₦11.24 billion was repaid during the review period. The sectoral distribution of disbursements showed that food and beverages had the highest share with 21.0 per cent, followed by engineering and construction and chemicals/plastics, which recorded 19.0 and 18.0 per cent, respectively. Agro-allied and paper/allied had 10.0 per cent each, oil and gas 5.0 per cent, while pharmaceuticals, ICT and solid minerals recorded 4.0 per cent each. Textile/leather, and hotel and tourism got 2.0 per cent each, while transportation got 1.0 per cent.

The Scheme had since its inception generated 16,422 new jobs, sustained the operations of 347 projects and resuscitated 9 moribund companies. In addition, capacity utilization and turnover of the beneficiaries increased from a pre-intervention level of 25.0 to 36.0 per cent and ₦2.97 billion to ₦5.34 billion, respectively. Under the Scheme, beneficiary companies accessed long-tenored funds, culminating in an annual interest cost-saving of ₦35.30 billion, while boosting the liquidity of the participating banks.

Figure 2.18: Sectoral Distribution of Loans under RRF



2.5.6 The Small and Medium Enterprises Credit Guarantee Scheme

A total of eighteen (18) applications, valued at N0.89 billion, were guaranteed under the Scheme in 2011, as against the position in 2010 when none was guaranteed.

2.5.7 The Power and Airline Intervention Fund

At end-December 2011, the sum of ₦158.87 billion had been released to the Bank of Industry (BOI). Of this, ₦144.61 billion was disbursed to 21 projects comprised of ₦58.99 billion and ₦85.62 billion for power and airline projects, respectively. The intervention in the power and aviation sub-sectors had begun to impact on the economy. Beneficiaries made an average cost-savings on interest expense of ₦19.0 billion. Furthermore, the 10 power projects financed under the initiative have a generating capacity of 679 MW. About 568.4 MW of capacity was already being generated in 2011, of which 349.2 MW was fed to the national grid.

2.5.8 Entrepreneurship Development Centres (EDCs)

The three EDCs trained 29,323 participants involving 4,113 degree holders and 25,210 non-graduates in 2011. In the process, 631 jobs were created. Since its inception, the scheme had trained 101, 847 entrepreneurs out of which 802 or 2.3 per cent were able to access ₦185.40 million from DMBs and MFBs for business start-ups, and another 4,373 secured jobs. Approval was secured for the establishment of three (3) more EDCs in the North-East, North-Central and South- South geo-political zones of the country.

2.5.9 Nigeria Incentive – based Risk Sharing System for Agricultural Lending (NIRSAL)

The CBN established NIRSAL in 2010, following an agreement with the Alliance for a Green Revolution in Africa (AGRA), to address the weaknesses of existing agricultural financing schemes. It was an innovative mechanism for unlocking finance to serve the needs of all farmers, particularly smallholder farmers, agro-processors, agribusinesses as input suppliers in the agricultural value-chain. The aim was to provide farmers with affordable financial products while reducing the risk of loans to farmers offered by the financial institutions. The scheme would build the capacity of banks to lend to agriculture, deploy risk sharing instruments to lower risks of lending, and develop a rating scheme for banks based on their commitment to lending to the agricultural sector. Since its establishment in 2010, several activities have been recorded, including engagements with both local and international stakeholders to secure their buy-in, charting the implementation road-map, and organization of a national conference. On the completion of the framework in 2011, the scheme was formally launched.

CHAPTER THREE

THE GLOBAL ECONOMY

GEnerally, the global economy experienced a slowdown in growth in 2011. Global output growth rate slowed to 3.8 per cent, compared with 5.2 per cent in 2010, due to the persistence of the Euro area debt crisis, the weak recovery of the US economy, and political crisis in the Middle East and North Africa (MENA). Global inflation remained elevated in 2011, due largely to the resurgence of commodity prices in the first half of the year, and in some economies, demand pressures fuelled by accommodative policies, strong credit growth, and capital inflows. Commodity prices initially peaked in early 2011 before declining, due to weak output and sluggish demand, resulting in a decline in global trade. The international financial market remained weak and fragile, due to the escalating Euro area crisis.

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3.1 OUTPUT GROWTH

Global output growth rate slowed to 3.8 per cent, compared with 5.2 per cent recorded in 2010, due to the persistence of the Euro area debt crisis, the weak recovery of the US economy, and political crisis in the Middle East and North Africa (MENA). Weaker global growth was fuelled by indications that the euro area economy would lapse into a mild recession, following additional fiscal consolidation, as well as the effects of tighter credit conditions on the real economy.

Global output growth rate slowed to 3.8 per cent, compared with 5.2 per cent recorded in 2010, due to the persistence of the Euro area debt crisis, the weak recovery of the US economy, and political crisis in the Middle East and North Africa (MENA).

Growth in the advanced economies recorded 1.6 per cent, compared with 3.2 per cent in 2010, as US consumers reduced their savings in reaction to the gloomy economic prospects. However, there were strong recoveries of business investments, as well as the supply-chain disruptions, after the earthquake in Japan. These developments helped in stabilising oil prices.

The U.S. economy showed a lower GDP growth rate of 1.8 per cent relative to the 2.8 per cent in 2010. This was attributed to the initial problems in getting a deal for the debt ceiling that resulted in the downgrade` of the US credit rating by Standard and Poor's (S&P). Output in the Euro area recorded a slight decline as GDP grew at 1.6 per cent, compared with 1.8 per cent in 2010, due to marked budget cuts by governments in order to curtail the region's debt crisis.

In China, the growth rate slowed down to 9.2 per cent from 10.4 per cent in 2010. China's manufacturing contracted as the European debt crisis led to a reduction in export demand in addition to sluggish domestic demand.

Developing and emerging economies also experienced a slowdown in growth, as output moved from 7.3 per cent in 2010 to 6.2 per cent. The situation was the same for the Commonwealth of Independent States (CIS) as GDP growth declined to 4.5 per cent from 4.6 per cent in 2010. Also, in Developing Asia, the Middle East and North Africa, and Latin America and Caribbean, growth decelerated to 7.9, 3.1, and 4.6 per cent, compared with their respective rates of 9.5, 4.3 and 6.1 per cent in 2010. Russia grew by 4.1 per cent compared with 4.0 per cent in 2010; and Central and Eastern Europe grew by 5.1 per cent compared with 4.5 per cent in 2010. Growth in Sub-Saharan Africa (SSA) moderated at 4.9 per cent compared with 5.3 per cent in 2010. The slight moderation in SSA growth was due, largely, to the limited spillover effects of global growth slowdown on the region, owing to its weak trade and finance linkages with the rest of the world.

Table 3.1: Changes in World Output and Prices (per cent), 2007-2011

	Output					Consumer Prices				
Region/Country	**2007**	**2008**	**2009**	**2010**	**2011**	**2007**	**2008**	**2009**	**2010**	**2011**
World Output	N/A	**3.9**	**3.0**	**5.2**	**3.8**		**3.6**	**2.0**	**N/A**	**N/A**
Advanced Economies	2.7	**0.2**	**-3.4**	**3.2**	**1.6**	**2.3**	**2.0**	**0.7**	1.1	2.3
United states	1.9	**N/A**	**-2.6**	**3.0**	**1.8**	**2.9**	**2.2**	**0.9**	0.9	2.5
Japan	2.4	-1.2	-6.3	4.4	-0.9	-0.7	-0.8	-0.9	-2.1	-0.3
European Union	3.2	0.8	-4.1	2.0	1.6	2.4	3.7	0.9	1.9	3.0
Germany	2.7	1.0	-4.7	3.6	3.0	2.3	2.8	0.2	1.3	2.2
France	2.3	0.1	-2.5	1.4	1.6	1.6	3.2	0.1	1.6	2.1
Italy	1.5	-1.3	-5.0	1.5	0.4	2.0	3.5	0.8	1.6	2.6
United Kingdom	2.7	-0.1	-4.9	2.1	0.9	2.3	3.6	2.1	3.1	4.5
Euro Area	2.9	0.5	-4.1	1.9	1.6	2.1	3.3	0.3	1.6	1.4
Other Advanced Economies	4	**1**	**-1.2**	**5.8**	**3.3**	**2.7**	**3.1**	**0.8**	2.7	3.5
Newly Industrialized Asian Economies	5.8	1.8	-0.9	8.4	4.2	2.2	4.5	1.3	2.6	3.3
Other Emerging Markets and Deeloping Countries	8.7	6.0	-2.6	7.3	6.2	6.5	9.2	5.2	6.2	6.2
Commonwealth of Independent States		5.5	-6.6	4.6	4.5		15.6	11.2	7.2	6.1
Regional Groups										
Central and Eastern Europe	5.5	3.0	-3.6	4.5	5.1	6.0	8.1	4.7	5.2	5.2
Russia	8.5	5.2	-7.9	4.0	4.1	9.0	14.1	11.7	6.6	8.9
Latin America and the Caribbean		2.9	0.4	6.1	4.6		12.0	3.6	6.4	4.8
Africa	7	5.5	2.8	5.3	4.9	6.9	11.7	10.4	7.5	8.4
Asia	11.4	7.7	7.0	9.5	7.9	5.4	7.5	3.1	6.1	7.0
Middle East	6	5.0	1.8	4.3	3.1	10.0	13.5	6.7	6.8	9.9
Western Hemisphere	5.6	4.6	-1.7	5.7	4.0	5.4	7.9	5.0	6.8	4.0
China	14.2	9.6	9.2	10.4	9.2	4.8	5.9	-0.7	3.5	5.5
Source: World Economic Outlook, January 2012										

3.2 GLOBAL INFLATION

Inflation in many regions of the world remained elevated in 2011.

Inflation in many regions of the world remained elevated in 2011 due, largely, to the resurgence of commodity prices in the first half of the year, and, in some economies, demand pressures fuelled by accommodative policies, strong credit growth, and capital inflows. In the advanced economies, inflation rose to 2.3 per cent from 1.1 per cent in 2010. US inflation, which averaged 2.5 per cent from 0.9 per cent in 2010, was restrained from further increase by the retreat in commodity prices, weak job growth and a persistent economic slack that held back wages. In the Euro area, inflation declined at a slower pace to 1.4 per cent, from 1.6 per cent, as inflationary pressures remained well contained following receding commodity prices.

In Asia, inflation rose marginally to 7.0 from 6.1 per cent in 2010. Inflation in advanced Asia, including Australia, New Zealand and the newly industrialized economies, rose to 3.3 per cent from 2.6 per cent in 2010; the Japanese inflation became less negative from -2.1 to -0.3 per cent. In developing Asia (comprised of China, India, and the ASEAN-5), inflation rose to 7.0 per cent from 5.7 per cent a year ago. However, Indian inflation which remained in double digits due to strong credit growth, a positive output gap, and accommodative policies, decelerated to 10.6 per cent from 12.0 per cent in 2010.

In Latin America and the Caribbean, inflation rose marginally to 4.8 from 6.4 per cent in 2010 and it broadly remained within target in most of the region's inflation targeters. Consumer prices in Brazil and Argentina rose to 6.6 and 11.5 per cent from their respective levels of 5.0 and 10.5 per cent in 2010.

In the Commonwealth of Independent States (CIS), headline inflation picked up and reached double digits in several of the region's economies, reflecting the sharp rise in commodity prices in the first half of the year and the high share of food in the consumption basket. During the year, inflation in CIS declined to 6.1 from 7.2 per cent in 2010.

Consumer prices in the MENA region remained elevated in 2011, driven by commodity price developments and social unrest. Inflation among the oil exporters surged to 10.8 from 6.6 per cent in 2010, but decelerated to 7.5 from 7.6 per cent among the oil importers.

In Sub-Saharan Africa (SSA), the rise in inflation was driven by an earlier surge in commodity prices, accommodative monetary conditions in some economies (including Ethiopia, Kenya, and Uganda), and the severe drought in the horn of Africa which precipitated a major humanitarian crisis in the region. As a result, SSA inflation rate rose to 8.4 from 7.5 per cent in 2010. Among oil exporters, inflation remained high, as pre-crisis rapid monetary expansion (Nigeria) and a sharp increase in domestic fuel prices (Angola) fed into domestic price increases. In Nigeria, however, inflation rate continued its deceleration to 10.3 per cent from 11.8 and 13.9 per cent in the preceding two years, owing to a series of monetary policy tightening and complementary measures undertaken during the year.

3.3 GLOBAL COMMODITY DEMAND AND PRICES

Global commodity prices peaked in early 2011 after more than two years of strong growth, before declining due to weak output in advanced countries and sluggish demand in emerging markets. The commodity price index computed by the IMF declined by 10.0 per cent between April and August, 2011. Prices of metals decreased the most, and agricultural raw materials recorded the largest individual decline, especially cotton and rubber, edible oils such as coconut and palm kernel oil, and cocoa. Overall, in 2011, agriculture, energy and metal prices declined by 19.0, 10.0 and 25.0 per cent, respectively. The rising risk aversion in global financial markets owing to lingering concerns about sovereign debt risks in the Euro area coupled with appreciation of the U.S. dollar, also contributed to the decline in commodity prices.

The rising risk aversion in global financial markets, owing to lingering concerns about sovereign debt risks in the Euro area coupled with appreciation of the U.S. dollar, also contributed to the decline in commodity prices.

Despite the fall in energy prices in 2011, the average basket price of crude oil increased to US $ 107.46 per barrel from US $ 77.45 in 2010. The rise in prices was attributable to reduced supply owing to the crises in Libya and other parts of the Middle-East and North-Africa as well as the March 2011 earthquake in Japan that led to the shutdown of its major nuclear plants and increased Japanese demand for energy imports. Oil prices stabilized towards the end of 2011, mainly due to supply developments. However, increasing geopolitical risks to oil prices emerged over Iran's nuclear programme and the international embargo on its oil exports.

The global commodity demand slowed on account of sluggish global growth, weak financial markets and an uncertain global economic outlook. Crude oil demand in the advanced economies declined to 45. 4 from 45.7 million barrels per day (mbd) in 2010, but increased in the emerging and developing economies to 44.1 mbd from 42.6 mbd, largely due to the robust economic activity in China. However, policy tightening in response to rising inflation and surging housing prices in China, which accounts for 40 per cent of global metal consumption and 18 per cent of energy consumption, dampened the demand for major commodities, especially base metals.

3.4 WORLD TRADE

Growth in world trade declined to 6.9 per cent from 12.7 per cent in 2010. The decline was attributed to the post-August turmoil in financial markets and weak demand in Europe which impacted directly on trade. Global merchandise imports fell by 8.0 per cent between August and October, 2011.

In the advanced economies, both imports and exports decreased substantially from 12.2 and 11.5 per cent in 2010 to 5.5 and 4.8 per cent, respectively. Much of the decline in the import volumes of high income countries came from a decline in European Union imports.The terms of trade, however, improved from a deficit of 1.2 per cent in 2010 to a lower deficit of 0.1 per cent. These developments affected average annual changes in trade volumes in emerging and developing economies, where exports and imports also declined but at a slower pace to 9.0 and 11.3 per cent, from 13.8 and 15.0 per cent in 2010, respectively. Developing countries' exports declined at an annualized rate of 1.2 per cent in the third quarter of 2011 and remained in decline, with the sharpest drop in South Asia where it fell at double digits because of supply disruptions caused by the flooding in Thailand. In the review period, the exports of developing Europe and Central Asia expanded slowly, while Latin American exports' growth strengthened. Consequently, the terms of trade in the emerging and developing economies improved marginally to 3.6 from 3.3 per cent in 2010.

Table 3.2: World Trade Volumes (Average Annual Percentage Change in Trade in Goods and Services), 2007 - 2011										
	Advanced					Emerging and Developing				
Volume of Trade	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
Exports	6.4	1.9	-14	11.5	4.8	9.4	4.7	-8	13.8	9
Imports	5.3	0.4	-13.6	12.2	5.5	13.5	8.4	-9.5	15	11.3
Terms of Trade	0.5	-2.4	3.8	-1.2	-0.1	0.3	2.9	-5.7	3.3	3.6
Source: World Economic Outlook, September, 2011 and January, 2012 updates										

3.5 INTERNATIONAL FINANCIAL MARKETS

3.5.1 Money Markets

The global financial market, which had appreciably recovered by end of 2009, suffered a major setback during the second quarter of 2010.

The global money market remained weak due to the escalating Euro area crisis and financial fragilities across the globe. In particular, concerns about banking sector losses and fiscal sustainability widened sovereign risk spreads for many Euro area countries. The phenomenon was unprecedented since the commencement of the Economic and Monetary Union. Bank funding dried up in the Euro area, prompting the European Central Bank (ECB) to offer a three-year Long-Term Refinancing Operation (LTRO). Bank lending conditions fluctuated or deteriorated across a number of advanced economies. Capital flows to emerging economies fell sharply.

3.5.2 Capital Markets

For a greater part of the year under review, the capital market was constrained by the Euro area debt crisis that elevated financial stability risks. Markets became more skeptical about the precarious public debt situation in many countries, especially the fringe European countries. As the year rolled on and with growth prospects lowered, concerns extended to more European countries and beyond—from Japan to the US. Worries about sovereign risk extended to concerns about the banks holding sovereign bonds, mainly in Europe. The worries resulted in a partial freeze of financial flows with banks keeping high levels of liquidity and tightening lending. Consequently, stock prices fell. The crisis in the euro area deepened and escalated as spreads on the sovereign bonds of the periphery economies reached new high levels. Concurrently, spreads of several other economies also widened to varying degrees. In the process, stock prices experienced sharp corrections, due to concerns about weak activity and financial sectors in advanced economies. Strains resurfaced in interbank markets, while credit default swap spreads on US government rose.

Following these developments, the performance of international stock markets was bearish, with global indices recording declines. In North America, the S&P 500, the S&P/TSX Composite and the Mexico Bolsa (IPC) indices decreased by 1.1, 11.1 and 4.0 per cent, respectively. In South America, the Brazilian Bovespa, the Argentine Merval and the Colombian IGBC General indices decreased by 18.9, 32.1 and 17.6 per cent, respectively. Europe's FTSE 100, CAC 40, DAX and MICEX indices decreased by 5.6, 19.0, 15.6 and 16.9 per cent, respectively. In Asia, Japan's Nikkei 225, China's Shanghai Stock Exchange-A and India's BSE Sensex indices decreased by 18.7, 22.9 and 25.0 per cent, respectively. In Africa, the Nigeria's NSE ASI, the South African JSE African ASI, the Kenyan Nairobi NSE 20, the Egyptian EGX CSE 30 and Ghanaian GSE All-Share indices, decreased by 16.3, 1.0, 28.7, 48.8 and 3.1 per cent, respectively.

The political crises in the Middle East and North Africa (MENA) region, the debt crises in the Euro-zone, the U.S. sovereign rating downgrade, and the Tsunami in Japan all contributed to the poor performance of global equities.

3

THE GLOBAL ECONOMY

Table 3.3: International Stock Market Indices as at 30TH December, 2011

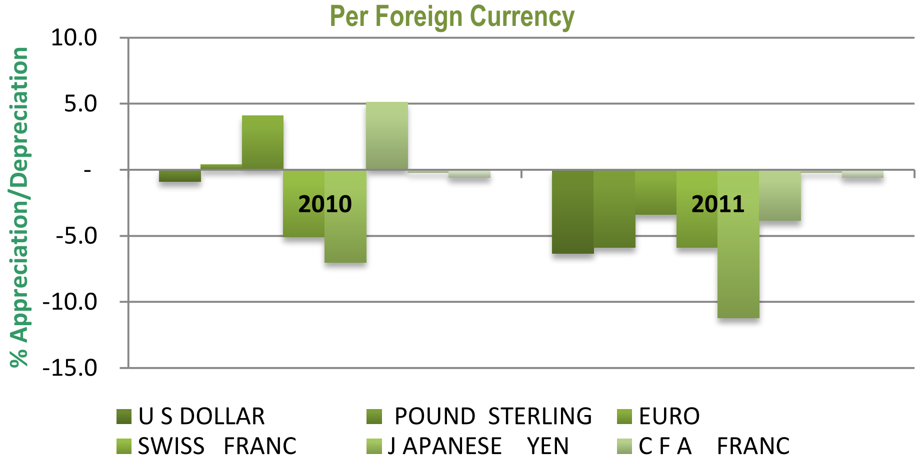
Country	Index	31-Dec-10	31-Mar-11	30-Jun-11	30-Sep-11	30-Dec-11	% Change b/w (a) and (e)
AFRICA		(a)	(b)	(c)	(d)	(e)	(f)
Nigeria	ASI	24,770.52	24,621.21	24,980.20	20,373.00	20730.63	-16.3
South Africa	JSE African ASI	32,296.50	32,204.10	31,864.50	29,674.20	31,985.67	-1
Kenya	Nairobi NSE 20	4,495.41	3,887.07	3,968.12	3,284.06	3,205.02	-28.7
Egypt	EGX CSE 30	7,073.12	5,463.72	5,373.00	4,137.35	3,622.35	-48.8
Ghana	GSE All Share	1,000.00	1,071.50	1,188.91	1,098.38	969.03	-3.1
NORTH AMERICA							
US	S&P 500	1,271.89	1,325.83	1,320.64	1,131.42	1,257.60	-1.1
Canada	S&P/TSX Composite	13,443.20	14,116.10	13,300.90	11,623.84	11,955.09	-11.1
Mexico	Bolsa	38,605.80	37,440.50	36,558.10	33,503.28	37,077.52	-4
SOUTH AMERICA							
Brazil	Bovespa Stock	69,962.30	68,586.70	62,403.60	52,324.42	56,754.08	-18.9
Argentina	Merval	3,628.48	3,388.03	3,360.64	2,084.99	2,462.63	-32.1
Columbia	IGBC General	15,368.30	14,469.70	14,067.70	12,915.80	12,665.71	-17.6
EUROPE							
UK	FTSE 100	5,899.94	5,908.76	5,945.71	5,128.48	5,572.28	-5.6
France	CAC 40	3,900.86	3,989.18	3,982.21	2,981.96	3,159.81	-19
Germany	DAX	6,989.74	7,041.31	7,376.24	5,502.02	5,898.35	-15.6
Russia	MICEX	1,687.99	1,814.65	1,662.18	1,366.54	1,402.33	-16.9
ASIA							
Japan	NIKKEI 225	10,398.10	9,708.39	9,859.79	8,700.29	8,455.35	-18.7
China	Shanghai SE A	2,987.03	3,107.15	2,892.01	2,359.22	2,304.12	-22.9
India	BSE Sensex	20,610.20	19,432.40	18,803.50	16,453.80	15,454.92	-25
Source: Bloomberg							

3.5.3 The International Foreign Exchange Market

Most currencies depreciated against the US dollar. The South African rand and the Indian rupee depreciated by 22.6 and 19.5 per cent, respectively. The UK pound lost 6.76 per cent while the Euro depreciated by 18.6 per cent. The Chinese yuan and Japanese yen both appreciated by 4.6 and 5.2 per cent, respectively. The rand depreciated the most in the African Region. The Nigerian naira, the Ghanaian cedi, the Egyptian pound, and the Kenyan shilling all depreciated by 5.1, 2.8, 4.0 and 5.3 per cent, respectively. Exchange rates were largely affected by the global economic slow-down, high energy prices, the Euro debt crisis, political unrest in the Middle East and North Africa, show U. S. economic recovery and the natural disasters in Japan.

Table 3.4: Exchange Rates of Selected Countries (Values in Currency units of US$)							
Country	**Currency**	**31-Dec-10**	**31-Mar-11**	**30-Jun-11**	**30-Sep-11**	**31-Dec-11**	**% Change b/w (a) and (e)**
AFRICA		**(a)**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**
Nigeria	Naira	150.66	155.10	152.28	159.73	158.27	5.05
South Africa	Rand	6.60	6.77	6.77	8.10	8.09	22.58
Kenya	Shilling	80.80	88.00	89.33	100.27	85.07	5.28
Egypt	Pound	5.80	5.96	5.97	5.96	6.03	3.97
Ghana	Cedi	1.42	1.44	1.42	1.45	1.46	2.82
NORTH AMERICA							
Canada	Dollar	1.00	0.97	0.96	1.05	1.02	2.00
Mexico	Peso	12.30	11.90	11.71	13.90	13.94	13.33
SOUTH AMERICA							
Brazil	Real	1.70	1.63	1.56	1.88	1.87	10.00
Argentina	Peso	4.00	4.05	4.11	4.20	4.30	7.50
Columbia	Peso	1923.90	1871.00	1770.78	1931.98	1938.50	0.76
EUROPE							
UK	Pound Sterling	0.60	0.62	0.62	0.64	0.64	6.76
Euro Area	Euro	0.70	0.99	0.97	0.82	0.83	18.57
Russia	Ruble	30.60	28.42	27.87	32.18	32.14	5.03
ASIA							
Japan	Yen	81.10	83.13	80.56	77.06	76.91	5.17
China	Remnibi	6.60	6.55	6.46	6.38	6.30	4.55
India	Rupee	44.40	44.59	44.70	48.97	53.07	19.53
Source: Bloomberg							

Figure 3.1: Annual Percentage Change in the Average Unit of Naira Per Foreign Currency



Source: Bloomberg, April 26, 2012

3.5.4 Central Bank Interest Rate Policies

Monetary policy remained accommodating in most economies in the second half of 2011, especially in many advanced economies. The Federal Reserve Bank and the Bank of England maintained interest rates at 0.25 and 0.50 per cent, respectively, throughout the year. The European Central Bank, the Peoples Bank of China and the Bank of Japan, all increased interest rates by 25, 10 and 25 basis points, respectively, in the second half of 2011. The Bank of Japan and the European Central Bank cut interest rates in October and December, 2011 by 25 and 10 basis points, respectively.

Monetary policy remained accommodating in most economies in the second half of 2011, especially in many advanced economies.

In the emerging economies, interest rate policy varied in different countries during the year. India increased its rate from 7.50 per cent in July to 8.0 per cent and again to 8.50 per cent in October 2011. The Central Bank of Brazil increased its interest rate from 12.25 to 12.50 per cent in August and later reduced it to 11.50 per cent in October 2011.

Table 3.5: Monetary Policy Rates of Selected Countries, 2010-2011 (Per cent)

	Ghana	S. Africa	Kenya	Nigeria	Brazil	Chile	USA	Japan	Euro Area	India	Russia	China	UK	Indonesia
Sept. 2010	13.5	6.0	6.0	6.25	10.75	2.5	0.0 - 0.25	0.1	1.0	6.0	7.75	5.31	0.5	6.5
Oct. 2010	13.5	6.0	6.0	6.25	10.75	2.75	0.0 - 0.25	0.0 - 0.1	1.0	6.0	7.75	5.56	0.5	6.5
Nov. 2010	13.5	5.5	6.0	6.25	10.75	3.0	0.0 - 0.25	0.0 - 0.1	1.0	6.0	7.75	5.56	0.5	6.5
Dec. 2010	13.5	5.5	6.0	6.25	10.75	3.25	0.0 - 0.25	0.0 - 0.1	1.0	6.0	7.75	5.69	0.5	6.5
2011														
January	13.5	5.5	6.0	6.5	10.75	3.25	0.0 - 0.25	0.0 - 0.1	1.0	6.0	7.75	5.69	0.5	6.5
February	13.5	5.5	5.75	6.5	11.25	3.5	0.25	0.0	1.0	6.0	8.0	6.06	0.5	6.75
March	13.5	5.5	5.75	7.5	11.25	4.0	0.25	0.0	1.0	6.0	8.0	6.06	0.5	6.75
April	13.5	5.5	6.0	7.5	11.75	4.5	0.25	0.0	1.25	5.75	8.25	6.31	0.5	6.75
May	13.0	5.5	6.25	8.0	12.25	5.0	0.25	0.0	1.25	7.5	8.25	6.31	0.5	6.75
June	13.0	5.5	8.0	8.0	12.25	5.25	0.25	0.0	1.25	7.5	8.25	6.31	0.5	6.75
July	12.5	5.5	8.0	8.75	12.25	5.25	0.25	0.0	1.5	8.0	8.25	6.56	0.5	6.75
August	12.5	5.5	8.0	8.75	12.5	5.25	0.25	0.1	1.5	8.0	8.25	6.56	0.5	6.75
September	12.5	5.5	6.25	8.75	12.5	5.25	0.25	0.1	1.5	8.0	8.25	6.56	0.5	6.75
October	12.5	5.5	16.5	9.25	11.5	5.25	0.25	0.0	1.5	8.5	8.25	6.56	0.5	6.0
November	12.5	5.5	16.5	12.0	11.5	5.25	0.25	0.0	1.5	8.5	8.25	6.56	0.5	6.0
December	12.5	5.5	18.0	12.0	11.5	5.0	0.25	0.0	1.0	8.5	8.0	6.56	0.5	6.0

Sources: US Federal Reserve, BOJ – Bank of Japan, ECB - European Central Bank, BOE - Bank of England

SARB – South Africa Reserve Bank, BOG – Bank of Ghana, POEC - Peoples Bank of China, CBN

3.6 The Impact of Global Economic Developments on the Nigerian Economy

Global developments during the year, including the general slowdown in growth, persisting European debt crisis, weak financial markets, elevated commodity prices and inflation rates, affected the Nigerian economy in several ways.

Growth in the Nigerian economy slowed, partly reflecting the deterioration in the external environment. Although the monetary policy stance remained tightened throughout 2011, Nigeria experienced a moderate exchange rate depreciation, despite recovery in oil prices.

The sharp increase in commodity prices against the backdrop of the social unrest in the MENA region had a beneficial effect on Nigeria's current accounts balance. As oil exporters generally benefitted from the price increase, Nigeria's current account rose slightly. However, the need to import petroleum products to meet the domestic supply gap resulted in a huge import bill that took a significant part of the inflow.

The economy witnessed increased capital inflows in the form of foreign direct investments (FDI) and portfolio investment, driven largely by the improved investment climate. However, the tight private external financing environment, caused largely by the Euro area debt crisis, intensified pressures in foreign exchange markets across the globe. Inflows from foreign banks remained low. Nonetheless, there was modest accretion to the external reserves and the 6.5 months of import cover realized by end-2011 was adequate to engender confidence among the trading partners.

Global developments during the year including the general slowdown in growth, persisting European debt crisis, weak financial markets, elevated commodity prices and inflation rates, affected the Nigerian economy in several ways.

There were indications of increased private capital inflow, partially reflecting confidence in the general macroeconomic stability in Nigeria and the successful conclusion of the April 2011 general elections. Nigeria issued Euro bonds of US$500 million in the first quarter of 2011 with a high patronage.

CHAPTER FOUR

FINANCIAL SECTOR DEVELOPMENTS

The Nigerian financial sector remained relatively resilient and stable in 2011, despite the elevated risks to financial stability in some advanced economies. The outcome was due to the various measures taken to sustain confidence in the system, improve liquidity and credit flows, while the supervisory framework was strengthened.

The thrust of monetary policy in 2011 was largely restrictive. The monetary policy rate was reviewed upwards six (6) times during the year. Growth in money supply was moderate for most of 2011, but increased substantially in the last quarter of the year. Growth in net domestic credit was above the indicative benchmark due, largely, to the increase in credit to both the Federal Government and the private sector. Reserve money, the Bank's operating target, also rose above the indicative benchmark for the year.

The outcome of financial developments was mixed in 2011. The ratio of broad money supply (M_2) to nominal GDP, at 36.4 per cent, was lower than the 39.5 per cent recorded at end-December 2010.

Total money market assets outstanding grew by 24.7 per cent at end-December 2011 due, largely, to the increase in the value of FGN bonds, NTBs and commercial papers (CPs). The yield on fixed income securities (NTBs and FGN bonds) was generally higher in 2011 than in 2010. The yield curve was normal for most of the year, but inverted towards the end of the year, reflecting the effects of the tight monetary policy stance of the CBN in 2011. Activities on the floor of the Nigerian Stock Exchange indicated mixed developments.

4.1 INSTITUTIONAL DEVELOPMENTS

4.1.1 Growth and Structural Changes

The structure of the Nigerian financial sector changed during the year under review in terms of the number of institutions, capital requirements and licensing of new institutions. In the banking sub-sector, the number of DMBs declined to twenty (20) from twenty-four (24), following the mergers/acquisitions of four (4) of the intervened banks by four (4) healthy banks. The number of DMBs' branches, however, increased to 5,810, from 5,799 in 2010, indicating an increase of 0.2 per cent. As at December 31, 2011 the NDIC had not obtained a final court order for the liquidation of the remaining two (2) of the thirteen (13) insolvent banks that were closed on January 16, 2006, given that the revocation of the banks' licences were the subject of litigation. Therefore, the two banks in-liquidation could not be offered for sale under the Purchase and Assumption (P

& A) resolution option during the period under review. The Bank issued promissory notes worth ₦48.0 billion to cover the shortfall between the assumed deposit liabilities and the cherry-picked assets of the eleven (11) failed banks that were liquidated. The CBN received ₦5.24 billion as liquidation dividend from the NDIC in respect of the failed banks, in line with the terms of the P & A contract.

In the other financial institutions (OFIs) sub-sector, a revised microfinance policy framework was issued by the CBN on April 29, 2011 with the following capital structure:

- Unit microfinance banks, authorized to operate in one location only, required to have a minimum paid-up capital of ₦20.0 million;
- State microfinance banks, authorized to operate within a state or the Federal Capital Territory (FCT), required to have a minimum paid-up capital of ₦100.0 million; and
- National microfinance banks, authorized to operate in more than one state including the FCT, required to have a minimum paid-up capital of ₦2.0 billion.

In addition, a new policy framework for the operation of the primary mortgage bank sub-sector was approved in November 2011. The policy provides for an increase in the minimum paid-up capital of primary mortgage institutions (PMIs) and a change of their generic name to primary mortgage banks (PMBs). The new policy categorizes the sub-sector along national and state lines, with paid-up capital as follows:

- National Primary Mortgage Banks:
  - Minimum paid-up capital of ₦5.0 billion, allowed to operate in all the states of the Federation
- State Primary Mortgage Banks:
  - Minimum paid-up capital of ₦2.5 billion, allowed to operate in only one state

The policy further provides for the development of a uniform underwriting standard for mortgage loan origination and the establishment of a second-tier mortgage finance institution. The institution is to be dedicated to the provision of mortgage refinance/liquidity, including short-term liquidity, long-term funding and guarantees for mortgage/housing finance lenders.

The new policy precludes PMBs from operating current accounts for non-mortgage customers, granting consumer or commercial loans and engaging in project management for real estate development, amongst others. It also aims at strengthening corporate governance by limiting the tenure of executive directors to a maximum of 5 years, renewable once; while that of non-executive directors is restricted to a maximum of 4 years, renewable twice. Existing PMBs are allowed a maximum of 18 months to meet the compliance deadline of April 30, 2013.The reform is expected to facilitate the provision of affordable housing for both low and medium income segments of the Nigerian society and the overall development of the housing sector.

4.1.2 Fraud and Forgery

The number of reported cases of attempted or crystalised fraud and/or forgery in the banking industry declined in 2011. There were 2,527 reported cases of attempted fraud or forgery, involving ₦29.5 billion, as against 5,960 cases involving ₦19.7 billion and US$19.2 million in 2010. Of this amount, the actual loss to the banks was ₦5.8 billion, compared with ₦11.4 billion and US$10.98 million at end-December 2010.The reduction in actual loss was accounted for by improvements in risk management practices in the banking sector. The fraud cases were perpetrated through various means, including pilfering and theft, suppression and conversion of customer deposits, illegal funds transfer and fraudulent ATM withdrawals, among others.

Box 5: The Nigerian Sustainable Banking Principles

The Nigerian Sustainable Banking Principles are an initiative spearheaded by the Bankers' Committee Sub-Committee on Economic Development and Sustainability. It has emerged as a result of recent global trends that demand greater attention to environmental and social issues in banking practices.

At the CEO Roundtable held on September 9, 2011 during the Nigerian Sustainable Finance Week, it was agreed that Nigeria's development imperative should not only be economically viable, but socially relevant and environmentally responsible. It was further agreed that the banking sector has a significant role and responsibility to deliver a positive development impact to society, whilst protecting the communities and environment in which it operates. At the Roundtable, the Governor of the Central Bank of Nigeria reinforced the need to institutionalize sustainability into Nigeria's banking culture and pledged the Central Bank of Nigeria's support for this initiative.

The Bankers' Sub-committee on Economic Development and Sustainability will lead an effort to develop industry-wide standards that would help ensure that the lending and banking operations of Nigerian banks conform to global environmental and social practices. A team of six banks (Access Bank Plc., Citibank Nigeria Limited, Diamond Bank Plc., Guaranty Trust Bank Plc., Standard Chartered Bank Nigeria Limited and Zenith Bank Plc.), with support from the Netherlands Development Finance Company (FMO), the International Finance Corporation (IFC) and an independent advisor, was constituted to form the core working-group known as the Strategic Sustainability Working Group (SSWG). Under the auspices of the Bankers' Sub-Committee, the SSWG is tasked with developing the Nigerian Sustainable Banking Principles. A Joint Commitment Statement was subsequently released in October 2011, signed by all members of the Bankers' Committee.

Furthermore, at the Bankers' Committee Annual Retreat held in Calabar in 2011, it was agreed that all banks in the sector should be included in the process of developing the guidelines thereby ensuring a balanced approach that would be reflective and inclusive of the entire sector. Therefore, each Bank and Discount House has nominated a Sustainability Champion, who would be responsible for driving the sustainability agenda within their respective institutions. Other sector stakeholders such as the NDIC, Development Finance Institutions (DFIs) and representatives of relevant Federal Ministries and Agencies have also been invited to partake in the process.

The SSWG will be working steadily over the next few months to develop an overarching set of principles with the aim of introducing good practice for the Banks in relation to:

- Direct footprint: leading by example – corporate sustainability of the Banks; and
- Indirect footprint: environmental and social risks and opportunities relating to business activities (e.g. lending, risk management, client on-boarding/credit approval processes, retail/consumer).

In addition, a set of sector-specific guidelines will be developed for each of the following priority sectors:
- Oil and Gas,
- Power (with a focus on renewable energy), and
- Agriculture (with a focus on related water resources).

The sector-specific guidelines shall provide clear and practical guidance to the institutions adopting the principles to: i) leverage financial sector investment across the value chain to drive economic growth that is environmentally responsible and socially relevant; and ii) ensure that, where possible, the approach taken is consistent with international best practice and standards.

A further commitment has also been made to raise awareness and develop lasting local capacity to manage emerging environmental and social risks and opportunities within banks' internal operations, as well as in relevant financial sector government agencies, learning institutions and service providers. Therefore, it is envisaged to roll out an industry-wide capacity building programme, following the adoption of the principles in June 2012. The SSWG, with support from IFC and FMO is currently working on identifying the capacity gaps within the industry and designing a programme that would adequately address them. A deadline of June 2012 has been given by the Bankers' Sub-Committee to formally adopt the principles.

4.1.3 Consumer Protection

The Bank strengthened its consumer protection activities in the year. A consumer protection framework was developed, which included consumer literacy and education, complaints management, fair practices and collaboration with stakeholders, amongst others. In order to enhance consumer education and promote consumer rights on financial transactions with banks and other financial institutions in Nigeria, the Consumer Protection Office was mandated to address customer/consumer complaints. The Bank also issued relevant circulars to the banks and collaborated with the Consumer Protection Council (CPC) on complaints management, consumer education and enlightenment, and information sharing.

The Bank received 1,926 complaints at end-December 2011, of which 1,510 were treated, resulting in a refund of ₦4.34 billion by banks, compared with 1,526 complaints and a refund of ₦2.20 billion in 2010. Most of the complaints bordered on conversion of invested funds, unauthorised and fraudulent withdrawals from customer accounts, excess charges, and staff matters.

4.1.4 Cheque Clearing

In 2011, the volume and value of cheques cleared nationwide increased by 11.0 per cent and 13.3 per cent to 37.72 million and ₦22.30 trillion from 33.99 million and ₦19.69 trillion, respectively, in 2010. The rise in volume was due largely to the slow implementation of the Federal Government's e-payment policy in respect of taxes, staff salaries, pensions and contractors' payments.

Clearing activities nationwide peaked at ₦2.33 trillion in November, due to the increase in business activities that preceded the end of year festivities.

The first ten Clearing Zones in terms of volume (in descending order) were: Lagos, Abuja, Port Harcourt, Ibadan, Benin, Akure, Awka, Kaduna, Owerri and Abeokuta.

Table 4.1: Volume and Value of Cheques Cleared in 2008 – 2011

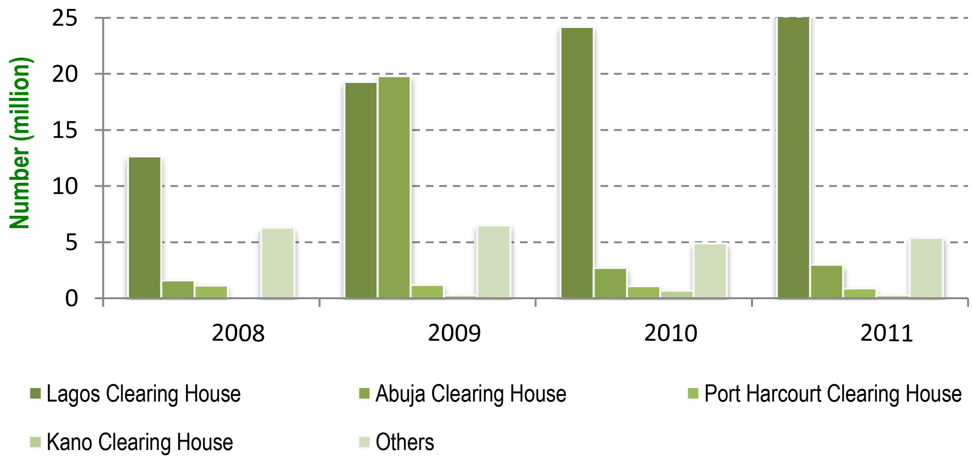
	2008		2009		2010		2011	
	Volume	Value (₦'million)	Volume	Value (₦'million)	Volume	Value (₦'million)	Volume	Value (₦'million)
Clearing System	30,172,925	43,357,416.23	29,159,780	29,390,852	33,986,062	19,687,864	37,718,585	22,302,646
Lagos Clearing House	12,686,663	19,313,680.69	19,151,133	14,279,926.24	24,187,391	13,567,260.08	28,080,232	15,804,618.42
	-42.0	-44.5	-65.7	-48.6	-72.2	-68.9	74.4	70.9
Abuja Clearing House	1,658,042	4,454,888.77	1,983,280	2,914,092.91	2,714,917	1,717,371.03	3,035,652	1,907,554.52
	-5.5	-10.3	-6.8	-9.9	-8.1	-8.7	8.0	8.6
Port Harcourt Clearing House	1,158,566	2,800,798.08	1,220,389	2,348,677.27	1,089,432	610,779.32	875,393	613,254.37
	-4.0	-6.0	-4.2	-8.0	-3.2	-3.1	2.3	2.7
Kano Clearing House	na	na	349,460	992,940.98	717,718	579,718.12	316,265	596,310.19
			-1.2	-3.4	-2.1	-2.9	0.8	2.7
Others	6,292,471	9,680,400.00	6,455,518	8,855,314.74	4,897,074	3,212,735.00	5,411,043	3,380,908.54
	-21.0	-22.0	-22.1	-30.1	-14.4	-16.3	14.3	15.2

Source: CBN

Figures in parentheses are percentages

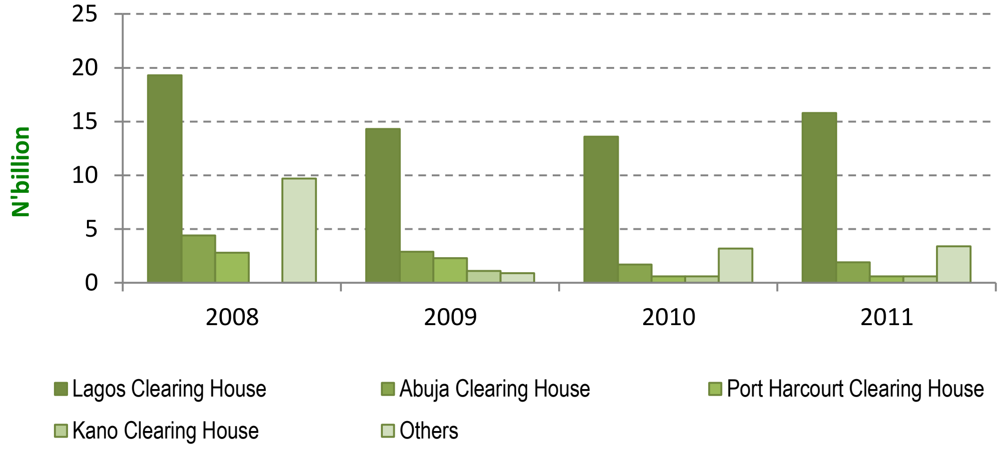
na = not applicable

Figure 4.1a: Volume of Cheques Cleared in 2008 - 2011



In terms of value of cheques cleared in 2011, the ranking,(in descending order) was Lagos, Abuja, Port Harcourt, Kano, Abeokuta, Kaduna, Benin, Awka, Uyo and Asaba.

Figure 4.1b: Value of Cheques Cleared in 2008 - 2011



The Lagos Clearing Zone accounted for 74.5 per cent (volume) and 70.9 per cent (value) of the total cheque transactions in 2011. This was attributed to the fact that Lagos remained the economic and commercial hub of Nigeria. Cheque clearing activities in the Abuja Zone, however, shrank because of the implementation of e-payment by the Federal Government for staff salaries, suppliers' and contractors' payments.

4.1.5 Inter-bank Funds Transfer (IFT)

The volume and value of interbank funds transfer, through the RTGS System (CBN Interbank Fund Transfer System – CIFTS), increased by 32.1 and 26.1 percent to 492,953 and ₦117,246.51 billion in 2011, respectively compared with 373,248 and ₦92,955.0 billion, in 2010.

4.1.6 Use of e-Money Products

The volume and value of electronic card (e-card) transactions increased significantly from 195,525,568 and ₦1,072.9 billion in 2010 to 355,252,401 and ₦1,671.4 billion, reflecting an increase of 81.5 and 55.8 per cent, respectively. The increase was attributed to enhanced public confidence in electronic card payments.

Data on various e-payment channels for the period under review indicated that ATMs remained the most patronized, accounting for 97.8 per cent, followed by web payments, 1.0 per cent, Point-of-Sale (POS) terminals, and mobile payments, 0.6 per cent each. Similarly, in value terms, ATMs accounted for 93.4 per cent, web 3.5 per cent, POS 1.9 per cent and mobile payments, 1.2 per cent.

The use of the various forms of e-payment grew significantly, due to enhanced public confidence in electronic card payments.

The number of ATMs stood at 9,640, while the volume and value of transactions amounted to 347,569,999 and ₦1,561.75 billion, at end-December 2011, respectively. These figures reflected increases of 86.7 and 63.7 per cent respectively over the volume and value of 186,153,142 and ₦954.04 billion, at end-December 2010.

The volume and value of mobile payments increased by 215.6 and 185.8 per cent from 1,156,553 and ₦6.7 billion to 3,649,374 and ₦19.0 billion, respectively, at end-December 2011.

Table 4.2: Market Share in the e-Payment Market in 2008 - 2011

e-Payment	Volume (Millions)				Value (N ' Billion)			
Segment	2008	2009	2010	2011	2008	2009	2010	2011
ATM	60.1	109.6	186.2	347.6	399.7	548.6	954.0	1561.8
% of Total	91.0	95.3	95.1	97.9	9.5	85.0	88.9	93.4
Web (internet)	1.6	2.7	7.2	3.6	25.1	84.2	99.5	58.0
% of Total	2.4	2.3	3.7	1.0	5.7	13.1	9.3	3.5
POS	1.2	0.9	1.1	2.1	16.1	11.0	12.7	31.0
% of Total	1.8	0.8	0.6	0.6	3.7	1.7	1.2	1.9
Mobile	3.2	1.8	1.2	1.9	0.7	1.3	6.7	20.5
% of Total	4.8	1.6	0.6	0.5	0.1	0.2	0.6	1.2
TOTAL	66.1	115.0	195.7	355.2	441.6	645.1	1072.9	1671.4

Source: CBN

Figure 4.2a: Volume of Electronic Card-based Transactions in 2011

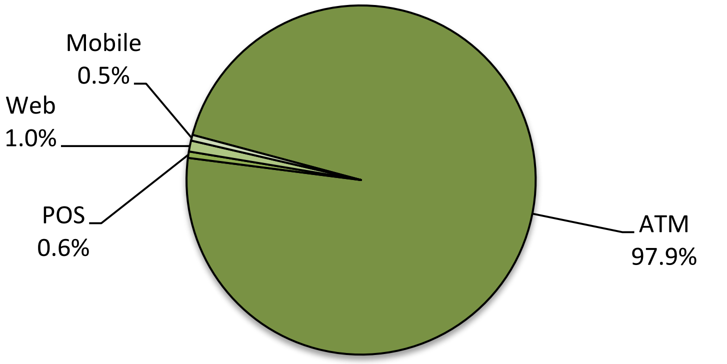
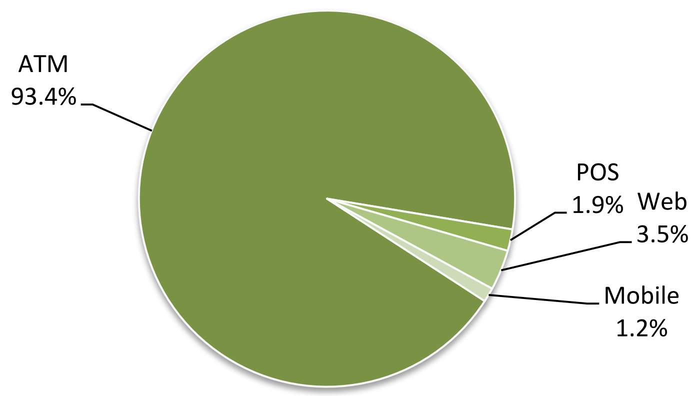


Figure 4.2b: Value of Electronic Card-based Transactions in 2011



4.1.7 Institutional Savings

Aggregate financial savings rose by ₦427.9 billion or 6.7 per cent to ₦6,858.5 billion, compared with ₦6,430.6 billion at end-December 2010. The ratio of financial savings to GDP was 18.8 per cent, compared with 32.9 per cent in 2010. The DMBs remained the dominant depository institutions within the financial system and accounted for 95.2 per cent of the total financial savings, compared with 92.6 per cent in the preceding year. Other savings institutions, namely, the PMBs, life insurance funds, the pension funds, the Nigerian Social Insurance Trust Fund, and microfinance banks accounted for the balance of 4.8 per cent.

4.2 MONETARY AND CREDIT DEVELOPMENTS

4.2.1 Reserve Money (RM)

At ₦2, 784.3 billion, reserve money (RM) grew by 50.9 per cent over the level at end-December 2010. At this level, RM exceeded the indicative benchmark of ₦2, 515.3 billion for fiscal 2011 by 10.7 per cent, compared with 11.6 per cent at end-December 2010. The growth in sources of monetary base was accounted for by the rise in net domestic assets and foreign assets (net) of the CBN. The corresponding rise in the uses of base money reflected the increase in its components, namely, currency and DMBs' reserves at the CBN.

Figure 4.3a: Reserve Money and its Components

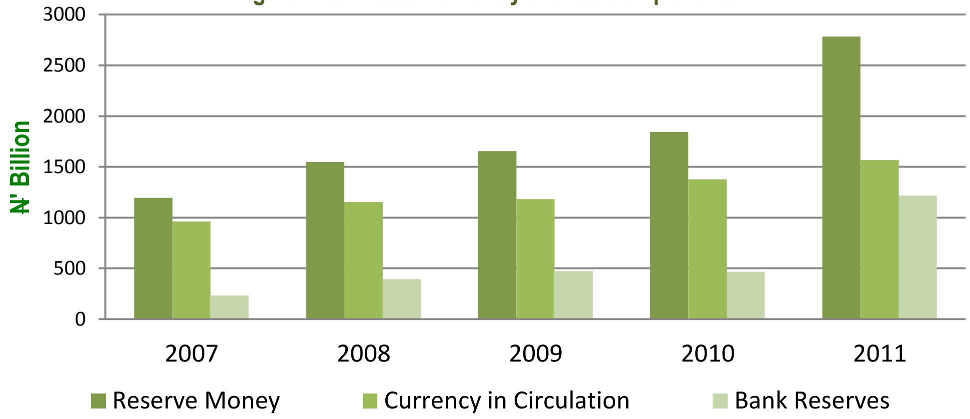
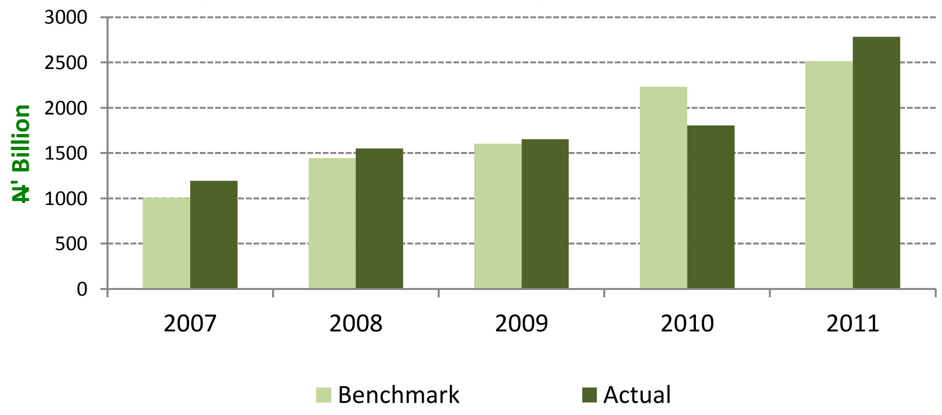


Figure 4.3b: Reserve Money Targets and Outcomes



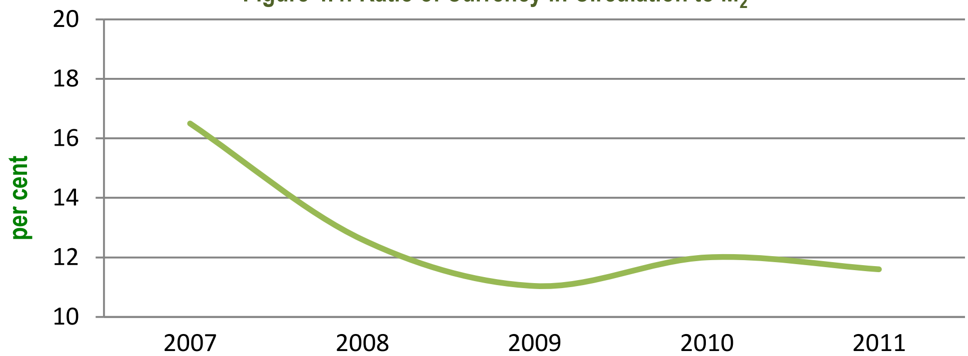
4.2.2 Broad Money (M_2)

Broad money supply (M_2) grew by 15.4 per cent at end-December 2011 to ₦13, 300.3 billion, compared with the indicative benchmark of 13.8 per cent for fiscal 2011 and the growth of 6.9 per cent at end-December 2010. The development was largely driven by the expansion in domestic credit (net) and foreign assets (net) of the banking system. Correspondingly, the growth in total monetary liabilities, M_2, was driven by the increase in its components, namely, narrow money and quasi-money.

Analysis of the composition of M_2 showed that, as in the preceding year, the distribution was skewed in favour of the highly liquid M_1, especially in the last quarter of the year, due to seasonal factors. Demand deposit and currency outside bank grew by 23.1 and 15.0 per cent, respectively, compared with 9.8 and 16.7 per cent at end-December 2010. As a proportion of the total monetary liabilities, demand deposit and currency outside bank stood at 41.1 and 9.4 per cent, respectively, at the end of the year under review. At 13.6 per cent at end-December 2011, foreign currency deposit, remained a significant component of M_2.

The movement in M_2 was largely driven by the expansion in domestic credit (net) and foreign assets (net) of the banking system.

Figure 4.4: Ratio of Currency in Circulation to M_2



4.2.3 Drivers of Growth in Broad Money

4.2.3.1 Net Foreign Assets (NFAs)

Net foreign assets of the banking system, at ₦7,180.6 billion, represented an increase of 10.4 per cent at end-December 2011, in contrast with the decline of 14.3 per cent at the end of the preceding year. The development reflected, wholly, the increase in the net foreign assets (NFA) holdings of the CBN, which rose to ₦5, 865.8 billion at end-December 2011 from ₦5, 372.3 billion at end-December 2010. As a share of M_2, NFA accounted for 54.0 per cent and contributed 5.9 per cent to its growth at end-December 2011.

4.2.3.2 Net Domestic Credit (NDC)

Credit to the domestic economy (net) grew by 42.4 per cent at end-December 2011, compared with 10.0 per cent at end-December 2010. At that level, domestic credit (net) exceeded the indicative benchmark of 29.3 per cent for fiscal 2011. The development reflected the 52.7 per cent growth in credit to the Federal Government and the 31.6 per cent rise in credit to the private sector. Net domestic credit to the economy contributed 32.1 per cent to the growth of total monetary assets (M_2) at end-December 2011.

4.2.3.3 Net Credit to Government (NCG)

Net credit to government (NCG) rose by 52.7 per cent, compared with 51.3 per cent at end-December 2010 and the indicative benchmark of 29.3 per cent for fiscal 2011. The substantial growth in credit to the Federal Government was attributable to the issuance of treasury bills and bonds during the review period. Notwithstanding, the Federal Government remained a net creditor to the banking system in 2011, as in the preceding year.

Figure 4.5: Growth in M_2 and its Sources (per cent)

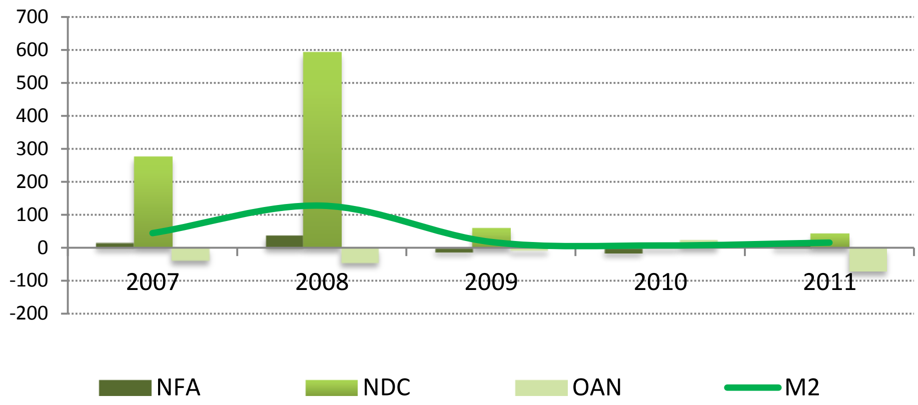


Figure 4.6: Share of NFA and NDC in M_2 (per cent)

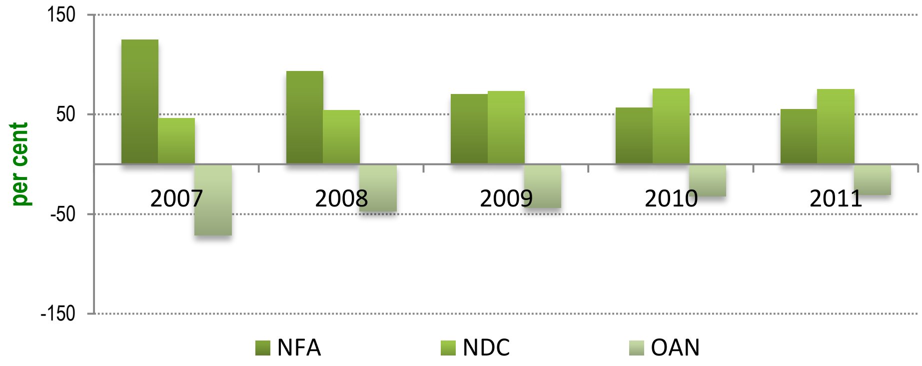


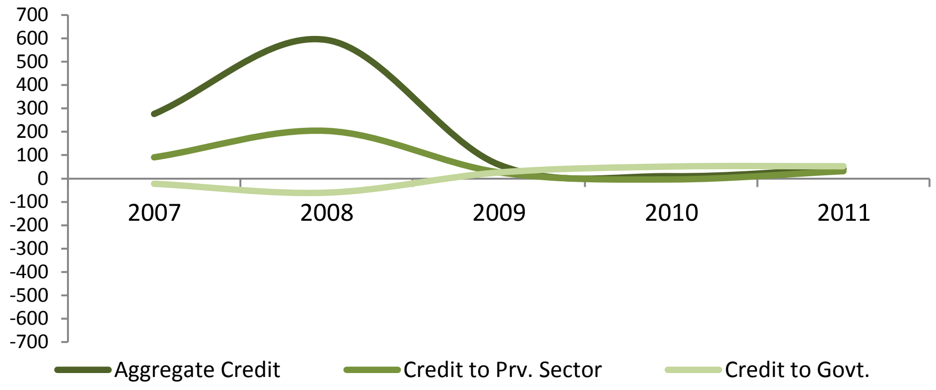
Table 4.3: Contribution to the Growth in M_2 (2007 – 2011) per cent					
	2007	**2008**	**2009**	**2010**	**2011**
Net Foreign Assets (NFA)	23.8	22.1	-11	-11.98	5.9
Net Domestic Credit (NDC)	49	39	31.9	9.84	32.1
Other Assets (net) (OAN)	-28.6	-3.3	-3.9	8.84	-22.6
M_2	**44.2**	**57.8**	**17.06**	**6.7**	**15.4**
Narrow Money (M_1)	20.7	30	1.2	4.93	10.4
Quasi Money	23.5	27.8	15.9	1.77	5
M_2	**44.2**	**57.8**	**17.06**	**6.7**	**15.4**

Source: CBN

4.2.3.4 Credit to the Private Sector (CP)

Credit to the private sector (including states and local governments and non-financial public enterprises) grew by 31.6 per cent, in contrast to the decline of 3.8 per cent at end-December 2010. Credit to the core private sector increased by 31.3 per cent, in contrast to the decline of 4.4 per cent at end-December 2010. The significant growth in credit to the private sector reflected the injection of funds by AMCON into the intervened banks.

Figure 4.7: Growth in Domestic Credit (per cent)



4.2.3.5 Other Assets (Net) (OAN)

Other Assets (net) of the banking system declined by 70.3 per cent, in contrast to an increase of 22.0 per cent at end-December 2010. Consequently, the decline in other assets (net) moderated the expansion in M_2 as it contributed negative 22.6 percentage points to its growth.

4.2.3.6 Narrow Money (M_1)

Narrow money supply (M_1), grew by 21.5 per cent at end-December 2011, compared with 11.1 per cent at end-December 2010. The currency component (COB) rose by 15.0 per cent, while demand deposit grew by 23.1 per cent, compared with their respective growth rates of 16.7 and 9.8 per cent at the end of the preceding year. As a proportion of $M_{1,}$ COB stood at 18.0 per cent at end-December 2011, 1.4 percentage point lower than the level at end-December 2010.

Figure 4.8: Growth in Monetary Aggregates (per cent)

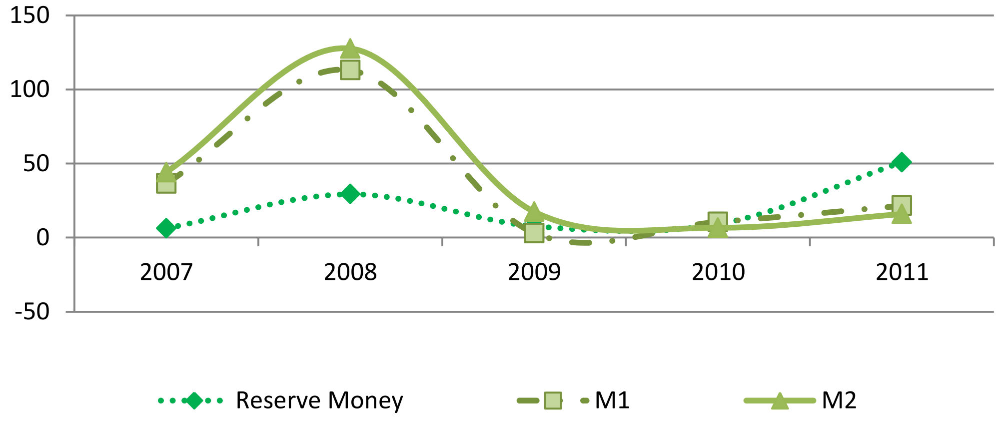


Figure 4.9: Growth in the Components of Broad Money (M_2) (per cent)

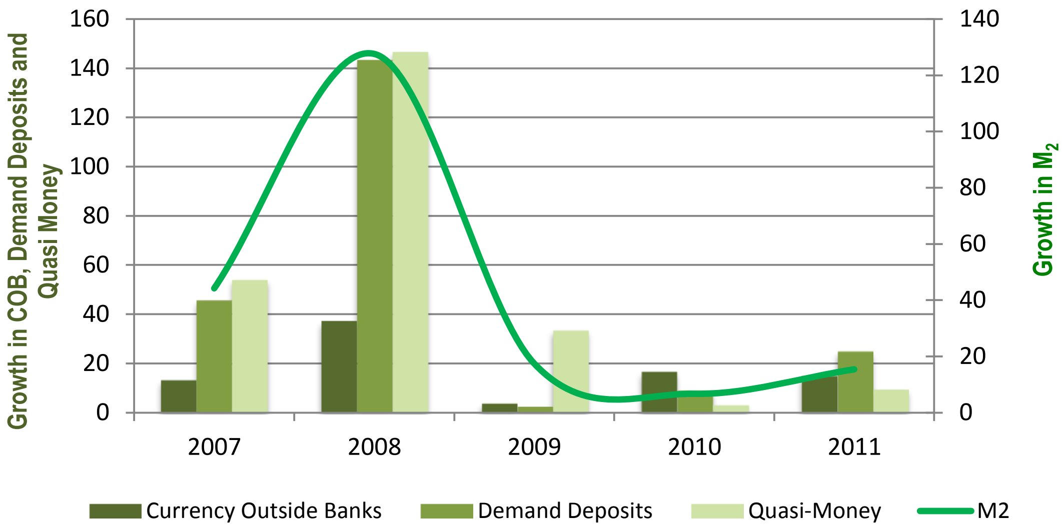


Table 4.4: Composition of Total Monetary Aggregate (M_2) (Per cent)

	2007	2008	2009	2010	2011
Net Foreign Assets	**125.1**	**93.3**	**70.3**	**56.5**	**54**
Net Domestic credit	**46.3**	**54.0**	**73.4**	**75.6**	**93.3**
Net Credit to Government	**-40.8**	-33.9	-21.2	-9.7	**-4.0**
Credit to Private Sector	**87.0**	87.9	94.8	85.3	**97.2**
Other Assets (Net)	**-71.3**	**-47.3**	**-43.9**	**-32.0**	**-47.2**
Total Monetary Assets	**100**	**100**	**100**	**100**	**100**
Money Supply (M_1)	**53.6**	**53.0**	**46.5**	**48.3**	**50.9**
Currency Outside Banks	12.7	9.7	8.6	**9.4**	**9.4**
Demand Deposit	40.9	43.2	37.9	**38.9**	**41.5**
Quasi Money	**46.4**	**47.0**	**53.5**	**51.7**	**49.1**
Time & Savings Deposit	46.4	47.0	53.5	51.7	**49.1**
Foreign Currency Deposit (FCD)	8.2	10.1	13.4	13.1	**14.8**
Total Monetary Liabilities (M_2)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: CBN

4.2.3.7 Quasi-Money

Quasi-Money grew by 9.7 per cent, compared with 3.3 per cent at end-December 2010. The development reflected, largely, the growth in foreign currency deposit with DMBs.

4.2.4 Maturity Structure of DMBs' Loans and Advances and Deposit Liabilities

The structure of DMBs' outstanding credit at end-December 2011 indicated the dominance of short-term maturities, as in the preceding year. Outstanding loans and advances maturing in one year or shorter accounted for 60.0 per cent, compared with 65.3 per cent at end-December 2010, which showed a marginal shift towards the medium to long term. The medium term (longer than one year, but less than three years) and long (three years and above) maturities improved at 15.2 and 24.8 per cent, respectively, which indicated 1.6 and 4.7 percentage points growth over the levels at end-December 2010. Similarly, short-term deposits constituted 97.8 per cent of the total, compared with 96.9 per cent at end-December 2010. Further analysis showed that 76.5 per cent of the deposit had a maturity of less than 30 days, compared with 76.3 per cent at end-December 2010, while long-term deposit of longer than three (3) years constituted only 0.1 per cent at end-December 2011, from 1.1 per cent recorded at the end of the preceding year. The dominance of short-term maturities in deposit money banks constrained their capacity to grant long-term credit.

Analysis of DMBs' outstanding credits and deposit liabilities showed that short-term maturities dominated both the credit and deposit markets.

Table 4.5: Maturity Structure of DMBs' Loans and Advances and Deposit Liabilities (per cent)

	Loans and Advances					Deposits				
Tenor/Period	**2007**	**2008**	**2009**	**2010**	**2011**	**2007**	**2008**	**2009**	**2010**	**2011**
0-30 days	49.2	46.6	50.1	46.1	33.4	74.1	72.7	73.3	76.3	76.5
31-90 days	11.3	13.4	6.4	10.0	12.2	12.3	13.1	15.0	14.4	12.6
91-181 days	5.8	7.8	7.3	3.9	6.1	4.3	6.2	4.7	3.4	4.5
181-365 days	9.5	7.5	6.5	5.3	8.3	2.6	2.7	2.7	2.8	4.21
Short term	**75.8**	**75.4**	**70.3**	**65.3**	**60.0**	**93.3**	**94.8**	**95.7**	**96.9**	**97.77**
Medium term(above I year and below 3 years)	**13.5**	**14.5**	**14.3**	**14.6**	**15.2**	**3.3**	**5.2**	**4.1**	**2.1**	**2.14**
Long term (3 years and above)	**10.7**	**10.1**	**15.3**	**20.1**	**24.8**	**3.3**	**0.03**	**0.1**	**1.1**	**0.087**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: CBN

Figure 4.10a: Maturity Structure of DMBs Loans and Advances at End-December 2011

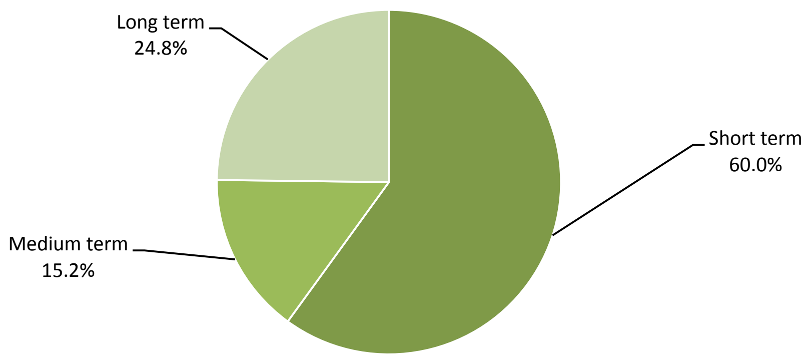
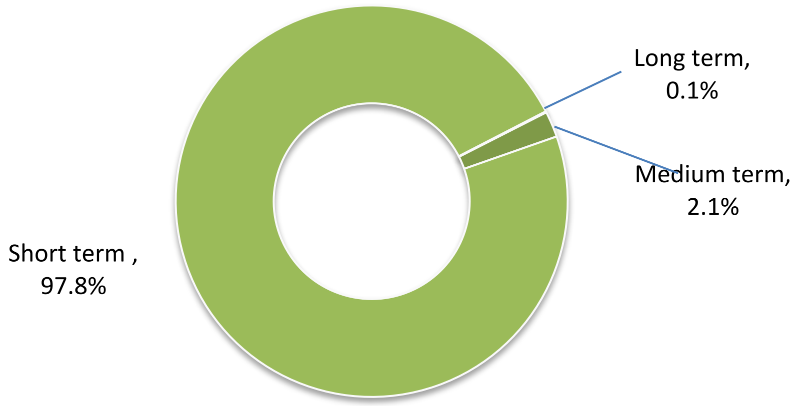


Figure 4.10b: Maturity Structure of DMBs' Deposits at End-December 2011



4.2.5 Sectoral Distribution of Credit

Credit to the core private sector by the DMBs grew by 31.3 per cent at end-December 2011, in contrast to the decline of 4.4 per cent recorded at end-December 2010. Of the amount outstanding, DMBs' credit to priority sectors constituted 36.1 per cent, of which 3.5, 17.7, 0.5 and 14.4 per cent, were disbursed to agriculture, solid minerals, exports and manufacturing, respectively. The less preferred sectors accounted for 45.8 per cent of outstanding credit, compared with 47.8 per cent at end-December 2010, while the unclassified sector accounted for the balance of 18.1 per cent.

Table 4.6:Share of Credit to the Core Private Sector, 2007 – 2011 (Per cent)

	2007	2008	2009	2010	2011
1. Priority Sector	**25.9**	**26.2**	**25.2**	**30.4**	**36.1**
Agriculture	3.2	1.4	1.4	1.7	3.5
Solid Minerals	10.7	11.3	12.7	15.3	17.7
Exports	1.4	1.0	0.5	0.6	0.5
Manufacturing	10.4	12.5	10.6	12.8	14.4
2. Less Preferred Sectors	**41.2**	**42.0**	**46.9**	**47.8**	**45.8**
Real Estate	6.2	6.2	8.3	8.7	6.2
Public Utilities	0.6	0.6	0.8	0.7	0.9
Transp. & Comm.	6.8	7.2	8.3	10.7	17.3
Finance & Insurance	9.4	9.5	13.1	11.3	4.1
Government	3.7	1.9	3.7	4.9	6.8
Imports & Dom. Trade	14.5	16.4	12.8	11.7	10.3
3. Unclassified	**32.9**	**31.8**	**27.9**	**21.8**	**18.1**
Total (1+2+3)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: CBN

Figure 4.11a: Share in Outstanding Credit to the Core Private Sector in 2011 (per cent)

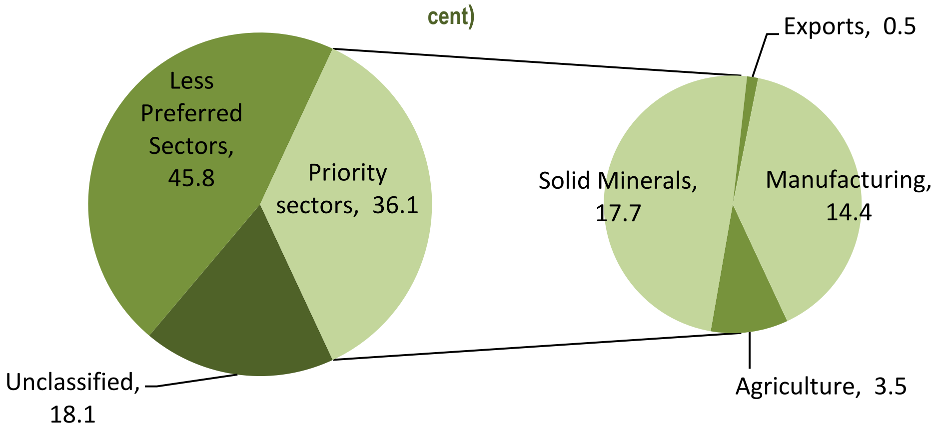
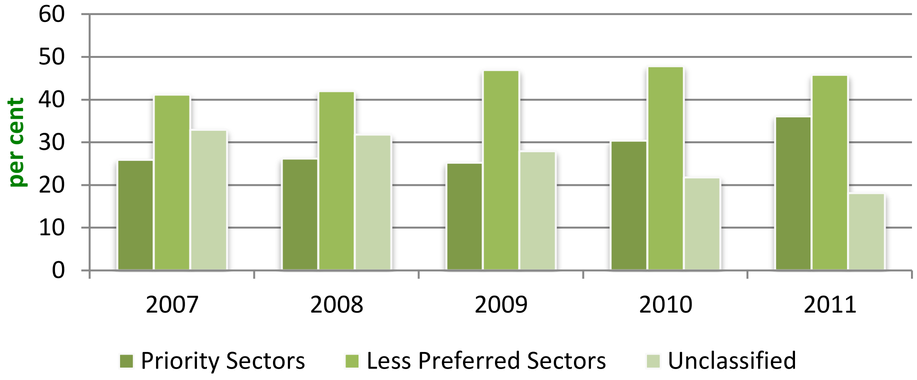


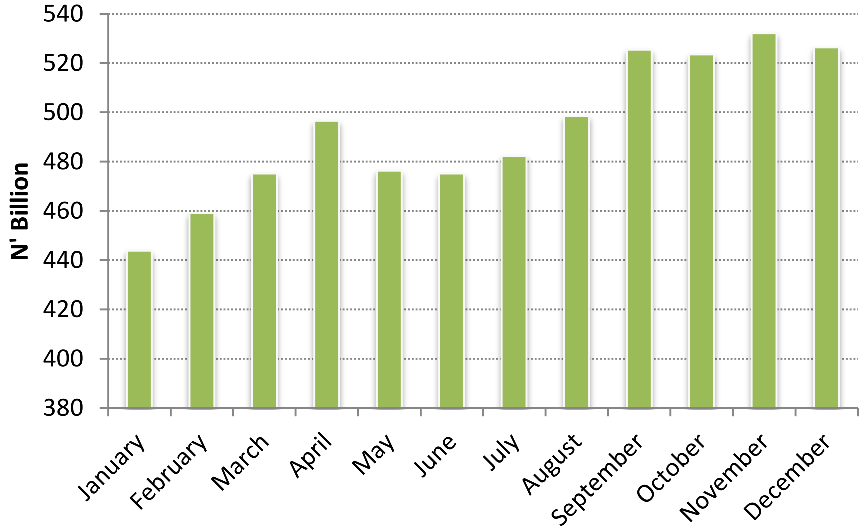
Figure 4.11b: Share in Outstanding Credit to the Core Private Sector (2007-2011)



4.2.6 Outstanding Consumer Credit

Consumer credit improved during the review period. Available data showed that outstanding DMBs' consumer credit rose by 18.6 per cent to ₦526.39 billion at end-December 2011 over the level at end-January 2011. At that level, consumer credit constituted 4.2 per cent of the total DMBs' outstanding credit to the core private sector and was 0.7 percentage points lower than the ratio of 4.9 per cent at end-January 2011. The development might be attributable to the rising incomes and enhanced confidence among consumers as well as a positive outlook of the economy, especially the financial system. Furthermore, the rising consumer credit implies greater financial inclusion, which could enhance the effectiveness of monetary policy transmission.

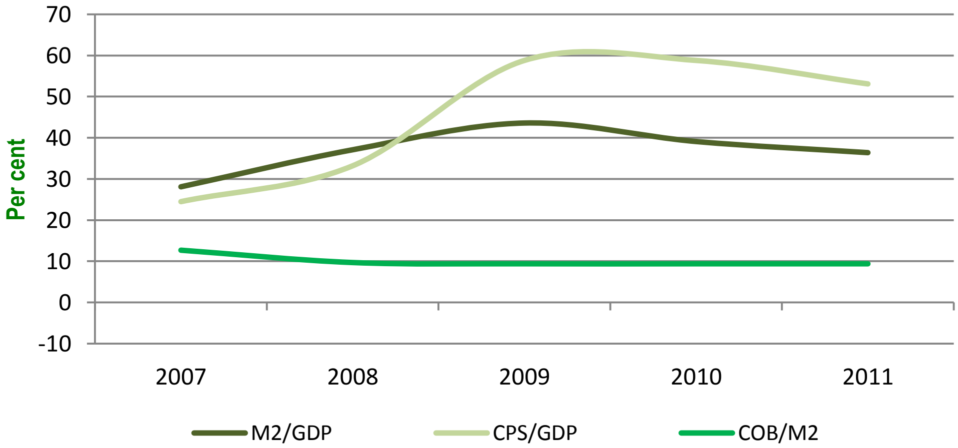
Figure 4.12: Consumer Credit in 2011



4.2.7 Financial/Banking System Development

Financial deepening was less impressive in 2011, as the ratio of M_2 to GDP stood at 36.4 per cent, down from 39.5 per cent at end-December 2010. Bank financing of the economy, measured by the ratio of private sector credit to GDP (CP/GDP) stood at 53.1 per cent at end-December 2011, compared with 58.8 per cent at end-December 2010. In addition, the intermediation efficiency indicator, as measured by the ratio of currency outside banks to broad money supply, at 9.4 per cent, remained the same as at end-December 2010.

Figure 4.13a: Ratio of Broad Money (M_2) and Credit to the Private Sector (CP) to GDP and Currency Outside Bank (COB) to M_2 (Per cent)



The ratio of financial savings to GDP declined to 17.9 per cent, from 20.2 per cent in the preceding year. The moniness of the economy, as measured by the ratio of CIC to GDP, declined slightly to 4.3 per cent from 4.7 per cent in 2010. Similarly, the size of the DMBs' assets relative to the size of the economy, indicated by the ratio of DMBs total assets to GDP, declined slightly from 58.8 per cent at end-December 2010 to 53.1 per cent in 2011.

Figure 4.13b: Ratio of Banking System's Total Assets to GDP (per cent)

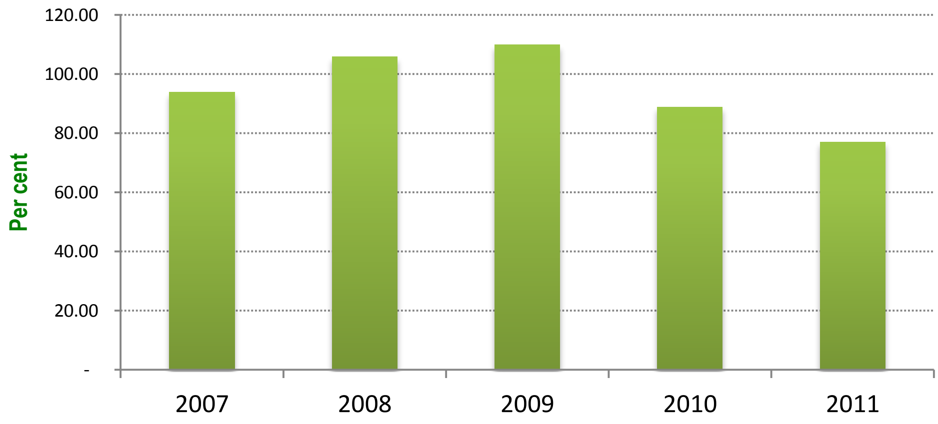


Figure 4.13c: Ratio of Deposit Money Banks' Assets to GDP (per cent)

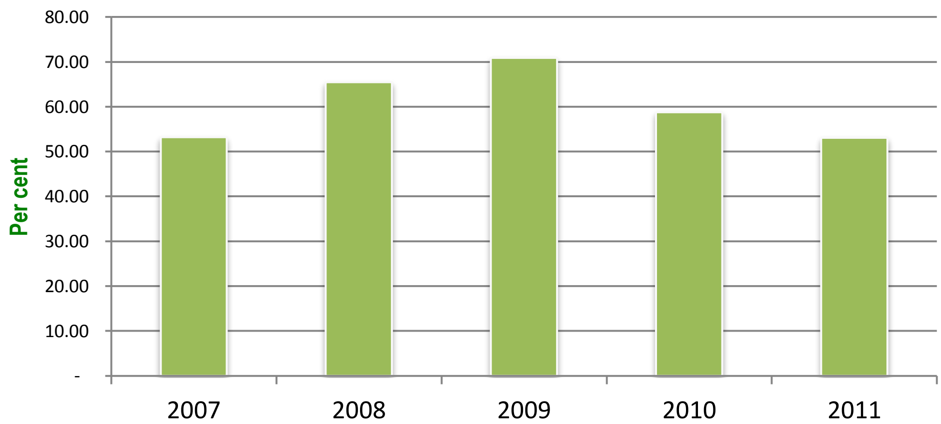


Table 4.7: Monetary Aggregates and Measures of Financial/Banking Developments, 2007 - 2011					
Aggregates (₦' billion)	**2007**	**2008**	**2009**	**2010**	**2011**
Nominal GDP	20,657.3	24,296.3	24,712.7	29,108.0	36,531.9
Broad money (M_2)	5,809.8	9,166.8	10,767.4	11,488.7	13,300.3
Quasi Money (Savings)	2,693.6	4,309.5	5,763.5	5,954.3	6,531.9
Currency in circulation	960.8	1,155.3	1,181.5	1,378.0	1,565.8
Currency Outside banks	737.9	892.8	927.2	1,082.2	1,244.8
Credit to Private Sector	5,056.7	8,059.5	10,206.1	9,703.7	12,934.3
DMBs Assets	10,981.7	15,919.6	15,522.9	17,331.6	19,396.6
CBN Assets	8,689.0	10,204.0	8,898.4	8,767.7	15,796.1
Banking System Assets	19,670.7	26,123.5	27,726.8	26,230.0	28,164.3
Monetary Ratio (per cent)					
M_2/GDP	28.1	37.7	43.6	39.1	36.4
CIC/ M_2	16.5	12.6	11.0	12.0	11.8
COB/ M_2	12.7	9.7	8.6	9.4	9.4
Quasi Money/ M_2	46.4	47.0	53.5	51.7	49.1
CIC/GDP	4.7	4.8	4.8	4.7	4.3
Cp/GDP	24.5	33.2	41.3	58.8	53.1
Cp/Non-Oil GDP	38.5	55.4	67.2	50.2	58.7
DMBs Assets/GDP	53.2	65.5	70.9	58.8	53.1
CBN's Assets/GDP	48.6	35.8	41.3	30.2	24.0
Banking System's Assets/GDP	95.2	107.5	112.2	88.9	77.1
Qm/GDP	12.9	17.5	22.8	20.2	17.9

Source: CBN

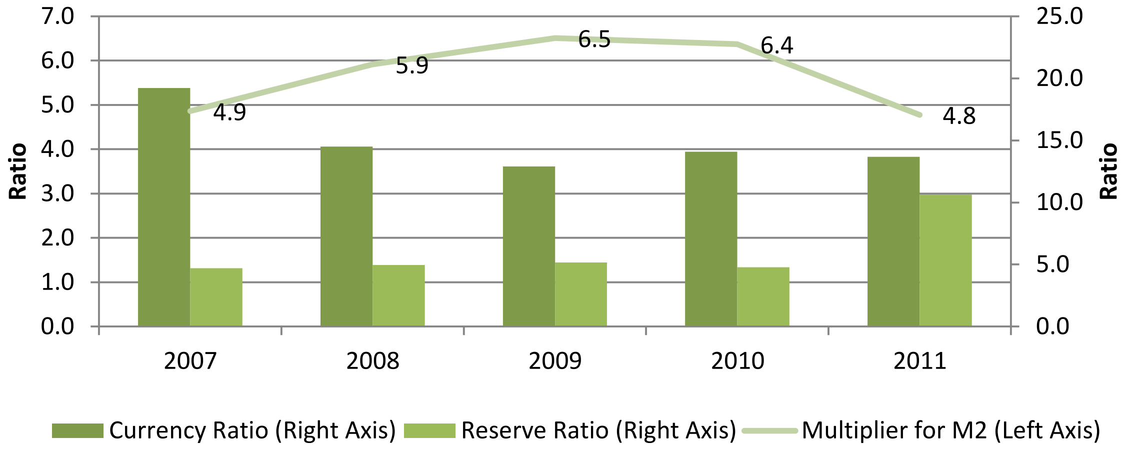
4.2.8 Money Multiplier and Velocity of Money

The broad money multiplier at end-December 2011 stood at 4.8, compared with 6.4 at the end of the preceding year and the 6.7 programmed for fiscal 2011. The decline reflected the increase in the reserve /deposit ratio from 4.8 to 10.6, offsetting the slight decline in its currency component.

Table 4.8: Money Multiplier and Velocity of M_2, 2007 - 2011					
	2007	**2008**	**2009**	**2010**	**2011**
Currency Ratio	19.2	14.5	2.9	14.1	13.7
Reserve Ratio	4.7	4.9	5.2	4.8	10.6
M_2 Multiplier	4.9	5.9	6.5	6.4	4.8
Velocity of M_2	3.6	2.7	2.3	2.5	2.7

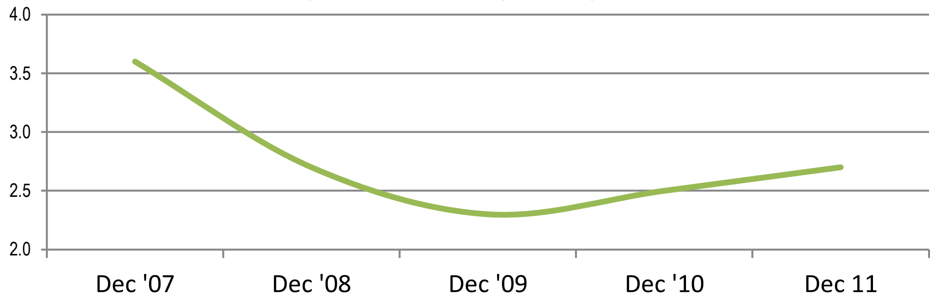
Source: CBN

Figure 4.14: Money Multiplier, Currency Ratio and Reserve Ratio, 2007 - 2011



The velocity of circulation of broad money edged up slightly, but remained relatively stable at end-December 2011. The M_2 velocity, which stood at 2.5 at end-December 2010 increased slightly to 2.7 at end-December 2011. However, it showed a declining trend over the last five years, reflecting an improvement in financial deepening in the economy.

Figure 4.15: The Velocity of Money



4.3 OTHER FINANCIAL INSTITUTIONS

4.3.1 Development Finance Institutions (DFIs)

The total assets of the five DFIs increased by 13.7 per cent to ₦359.6 billion, compared with ₦316.2 billion at end-December 2010. Analysis of the assets base of the five institutions indicated that the Bank of Industry (BOI) accounted for 53.2 per cent of the total. The Federal Mortgage Bank of Nigeria (FMBN), the Nigeria Export-Import Bank (NEXIM), the Bank of Agriculture (BOA) and the

Urban Development Bank (UDBN) accounted for 21.9, 11.4, 10.0 and 3.0 per cent of the total, respectively.

Cumulative loans disbursement by the five institutions rose to ₦129.8 billion at end-December 2011, from ₦111.8 billion at end-December 2010, representing an increase of 16.1 per cent. A breakdown of the loans disbursement indicated that FMBN, BOI, BOA, NEXIM and UDBN accounted for 42.7,29.6, 17.4, 10.2 and 0.1 per cent, respectively. The combined paid-up share capital of the five DFIs was ₦68.4 billion, compared with N50.1 billion at end-December 2010, while their combined shareholders' funds was ₦25.8 billion, owing to the substantial negative reserves of some of the DFIs. This, however, represented an improvement when compared with the negative ₦3.0 billion recorded at end-December 2010.

4.3.2 Microfinance Banks (MFBs)

The total assets/liabilities of MFBs increased by 12.0 per cent to ₦190.7 billion at end-December 2011.Similarly, the paid-up capital and shareholders' funds increased by 9.2 and 7.6 per cent to ₦45.4 billion and ₦47.3 billion, respectively. The loans and advances, and deposits also increased by 27.9 and 13.6 per cent, respectively. The development was attributed, largely, to the increased confidence occasioned by the sustained sanitization of the sub-sector in 2011. Investible funds available to the sub-sector was ₦21.6 billion, compared with ₦22.1 billion in the preceding year. The funds were sourced mainly from increased deposits (₦10.3 billion), paid-up capital (₦3.8 billion) and placements from other institutions (₦2.4 billion). The funds were used mainly to increase loans and advances (₦3.2 billion) and placement with other banks (₦2.2 billion), among others.

4.3.2.1 Maturity Structure of Microfinance Banks' (MFBs) Loans and Advances and Deposit Liabilities

Short-term investments remained dominant in the microfinance banks (MFBs) market in 2011, reflecting the structure of their deposits. Short-term loans, at end-December 2011, accounted for 89.7 per cent of the total, up from 88.0 per cent in the preceding year, while loans with maturity over 360 days accounted for 10.3 per cent, down from the 12.0 per cent at end-December 2010. Similarly, the short-term liabilities of these institutions remained dominant as deposits of less than one year maturity accounted for 93.2 per cent, while deposits of above one (1) year accounted for 6.8 per cent at end-December 2011, from the respective levels of 92.3 and 7.7 per cent at end-December 2010.

Table 4.9: Maturity Structure of Assets and Liabilities of Microfinance Banks (MFBs) (Per cent)

	2010		2011	
Tenor/Period	**Loans and Advances**	**Deposits**	**Loans and Advances**	**Deposits**
0-30 days	24.3	60.3	23.1	56.3
31-60 days	9.6	7.7	10.9	7.9
61-90 days	16.7	9.3	16.0	12.1
91-180 days	18.4	7.2	21.9	7.1
181 – 360 days	19.0	7.8	17.8	9.8
Short term	**88.0**	**92.3**	**89.7**	**93.2**
Above 180 days but below 1 year	19.0	7.8	17.8	9.8
Above 360 days	**12.0**	**7.7**	**10.3**	**6.8**
Total	**100.0**	**100.0**	**100.0**	**100.0**

Source: CBN

4.3.3 Discount Houses (DHs)

Total assets/liabilities of the discount houses declined by 1.5 per cent to ₦320.8 billion, compared with ₦362.4 billion in 2010. Total funds sourced amounted to ₦102.3 billion, compared with ₦152.2 billion in the preceding year. The funds were sourced mainly from claims on banks (₦45.7 billion),claims on others (₦24.3 billion), and money-at-call (₦15.9 billion). The funds were utilized mainly for investment in Federal Government securities (₦48.2 billion) and repayment of borrowings (₦45.0 billion), among others. Discount houses' investments in

Federal Government securities of less than 91-day maturity amounted to ₦62.2 billion, representing 33.0 per cent of their total current liabilities. This was 27.0 percentage points below the prescribed minimum of 60.0 per cent for fiscal 2011.

4.3.4 Finance Companies (FCs)

Aggregate assets/liabilities of the FCs increased by 3.4 per cent to ₦117.6 billion at end-December 2011. Similarly, total paid-up capital and shareholders' funds increased by 3.1 and 51.0 per cent to₦20.1 billion and ₦15.4 billion, respectively. Furthermore, loans and advances, fixed assets and investments increased by 4.2, 6.6 and 1.8 per cent to ₦31.9 billion,₦9.7 billion and ₦27.6 billion, respectively, at end-December 2011. Total borrowings, however, declined by 3.0 per cent to ₦78.8 billion. Investible funds available to the sub-sector were ₦6.9 billion, compared with ₦90.8 billion in the preceding year. The funds were sourced mainly from accretion to reserves (₦4.6 billion) and draw-down on balances with banks (₦0.7 billion), among others. The funds were used mainly to increase cash and short-term funds (₦1.9 billion) and loans/advances (₦1.3 billion).

4.3.5 Primary Mortgage Banks (PMBs)

Aggregate assets of the PMBs declined marginally by 0.5 per cent to ₦357.1 billion at end-December 2011.Similarly, loans and advances declined by 4.7 per cent to ₦126.6 billion. Investments, other assets and fixed assets, however, increased by 2.9, 15.5 and 24.0 per cent to ₦68.9 billion, ₦61.3 billion and ₦23.5 billion, respectively, at end-December 2011. Investible funds available to the PMBs totalled ₦28.2 billion, compared with ₦30.1 billion in 2010. The funds were sourced mainly from an increase in other liabilities (₦6.7 billion) and recovery of loans and advances (₦6.3 billion), and were utilized mainly in the acquisition of other assets (₦8.2 billion), draw down on reserves (₦7.2 billion) and increase of fixed assets (₦4.5 billion).

4.3.6 Bureaux-de-Change (BDCs)

A total of ninety-two (92) BDCs were granted approval during the review period, thus bringing the total number of approved BDCs to 2,051 at end-December 2011.

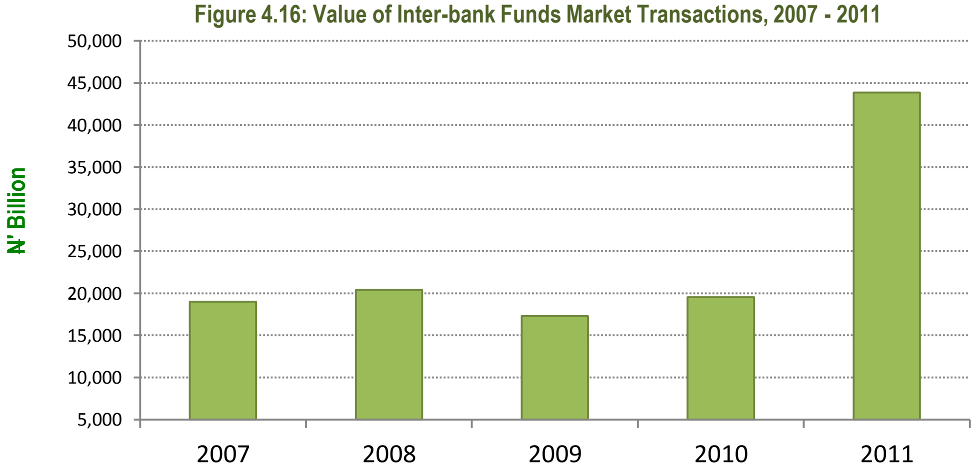
4.4 MONEY MARKET DEVELOPMENTS

Activities in the money market in 2011 were influenced mainly by the Bank's tight monetary policy stance. In particular, the Bank's policy action of upward adjustments of MPR during the year was aimed at proactively stemming inflationary pressures anticipated from the April general election expenditure, other fiscal injections, and the monetization of AMCON bonds, among others.

4.4.1 Inter-bank Funds Market

At the interbank funds market, the value of transactions increased by 124.5 per cent to ₦43,855.8 billion in 2011. The development was attributed to the monetary tightening action of the CBN. As a proportion of the total value of transactions, the inter-bank call and the open-buy-back segments accounted for 86.0 and 14.0 per cent, respectively, compared with 59.6 and 40.4 per cent in 2010. The increase in the value of interbank call transactions was attributed to the increase in borrowing by some market players who could not access the CBN repo window for lack of government securities as collateral.

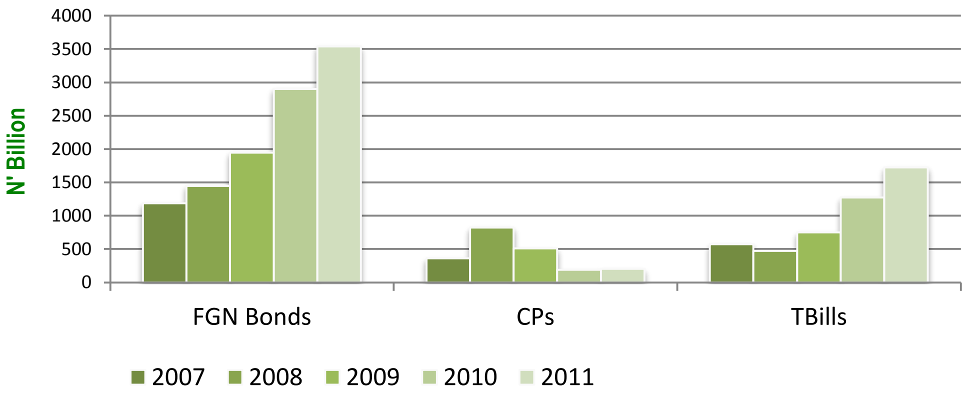
Figure 4.16: Value of Inter-bank Funds Market Transactions, 2007 - 2011



4.4.2 Money Market Assets Outstanding

The total value of money market assets outstanding, which stood at ₦4,447.3 billion at end-December 2010, grew by 24.7 per cent to ₦5,545.5 billion at end-December 2011. The development was attributed to the increase in the value of Nigerian Treasury Bills (NTBs), FGN Bonds issued to finance government fiscal operations, and Commercial Papers (CPs).

Figure 4.17: Money Market Assets Outstanding



Government securities, which comprised Nigerian treasury bills and FGN bonds accounted for 95.0 per cent of the total value of the money market assets outstanding at the end of the review year. Private sector-issued securities accounted for the balance of 5.0 per cent. This development implied that government remained the dominant player in the Nigerian money market. The ratio of the value of money market assets to GDP declined marginally by 0.099 percentage points from the level at end-December 2010 to 15.2 per cent in 2011.

Table 4.10: Composition of Money Market Assets Outstanding in 2011

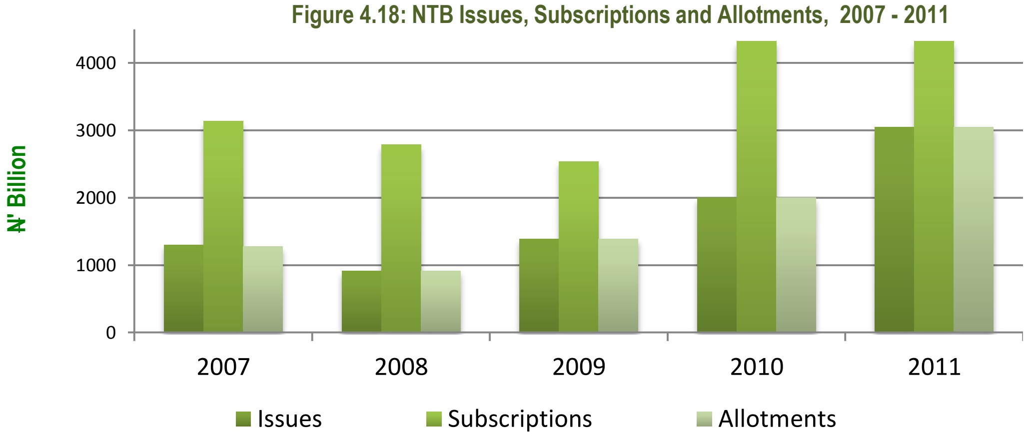
Asset	**Share in Total (%) in 2010**	**Share in Total (%) in 2011**
Nigerian Treasury Bills	28.72	31.16
Development Stocks	0.005	0.00
Commercial Papers	4.25	3.66
Bankers' Acceptances	1.78	1.32
FGN Bonds	65.24	63.86
Total	**100.00**	**100.00**

Source: CBN

4.4.2.1 Nigerian Treasury Bills (NTBs)

NTBs (91-, 182- and 364-day tenors) amounting to ₦3,048.49 billion, ₦6,512.7 billion and ₦3,048.5 billion respectively were offered, subscribed to, and allotted in 2011. The amount allotted increased by 52.1 per cent over the ₦2,004.0 billion allotted in 2010. The over-subscription was attributed to the growing preference for risk-free government securities with their more attractive yields, following the various upward reviews of the MPR.

Figure 4.18: NTB Issues, Subscriptions and Allotments, 2007 - 2011



Investors in NTBs by category, showed that DMBs took up ₦2, 001.2 billion (65.7 per cent), discount houses subscribed ₦344.9 billion (11.3 per cent), while mandate and internal funds got ₦702.6 billion (23.0 per cent). The average range of successful bid rates was between 5.56-16.99 per cent, compared with the range of 1.04 and 10.3 per cent in the preceding year. Matured NTBs repaid during the year amounted to ₦2,597.7 billion, compared with the ₦1,525.9 billion redeemed in 2010. Consequently, the value of NTBs outstanding at end-December 2011 was ₦1, 727.9 billion, reflecting an increase of 35.3 per cent over the preceding year's level.

Figure 4.19: Nigerian Treasury Bills: Breakdown of Allotments in 2011 (per cent)

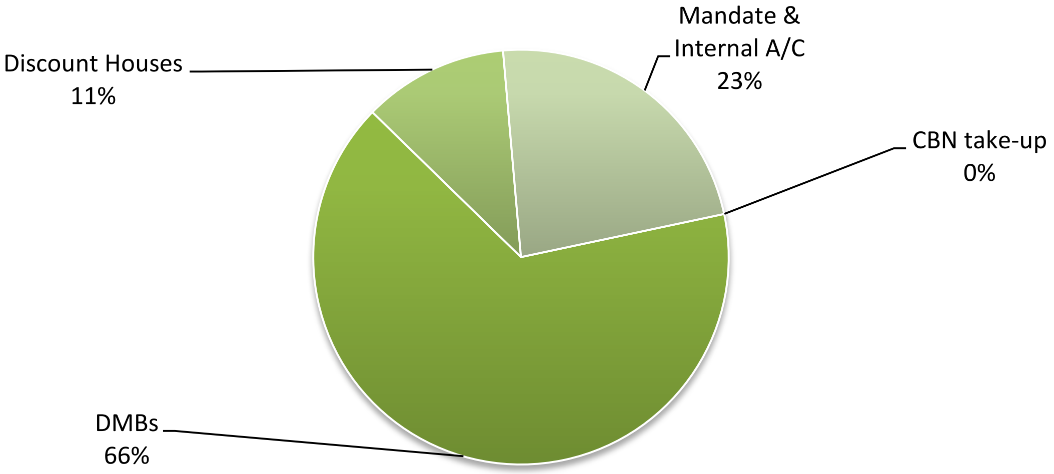


Figure 4.20: Treasury Bills Outstanding, 2007 - 2011

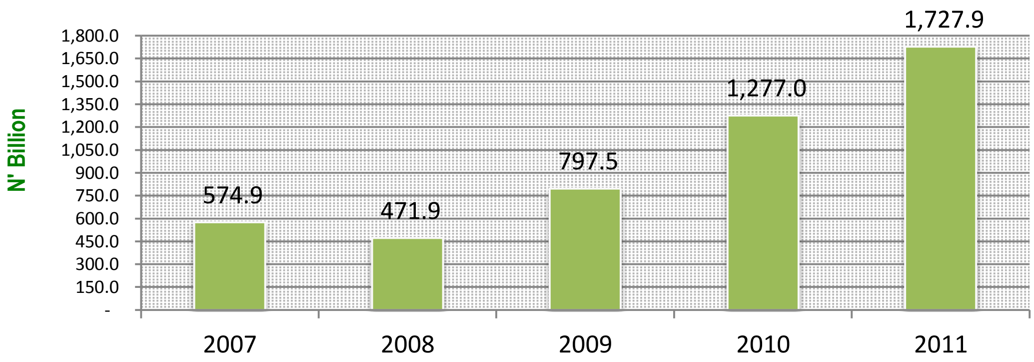


Figure 4.21: Nigerian Treasury Bills: Classes of Holders in 2011

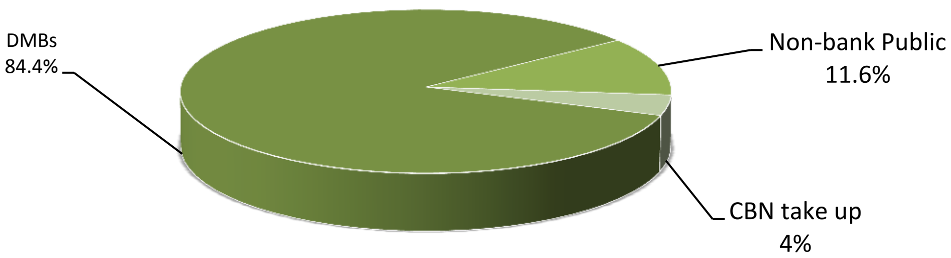


Table 4.11: Allotment of NTBs (₦'Billion), 2007 - 2011					
	2007	2008	2009	2010	2011
DMBs	587.3	383.7	838.8	1478.7	2,001.23
Mandate and Internal Fund	556.3	429.3	346.1	324.1	702.58
Discount Houses	135.5	69.1	71.1	201.2	344.68
MMD Take-up	2.4	23.4	5.0	0.0	0.0
CBN Take-up	-	7.6	0.03	0.0	0.0
Total	1,281.50	913.1	1,261.00	2,004.00	3,048.49

Source: CBN

4.4.2.2 Commercial Papers (CPs)

The value of CPs held by DMBs increased by 7.3 per cent to ₦203.0 billion at end-December 2011, as against the decline of 62.8 per cent at end-December 2010. Thus, CPs constituted 3.7 per cent of money market assets outstanding, compared with 4.3 per cent at the end of the preceding year.

4.4.2.3 Bankers' Acceptances (BAs)

Holdings of BAs by the DMBs declined by 7.3 per cent to ₦73.4 billion in 2011, as against the increase of 27.2 per cent at end-December 2010. Consequently, BAs accounted for 1.3 per cent of money market assets outstanding, down from 1.8 per cent at end-December 2010. The development reflected the decline in investors' preference for BAs.

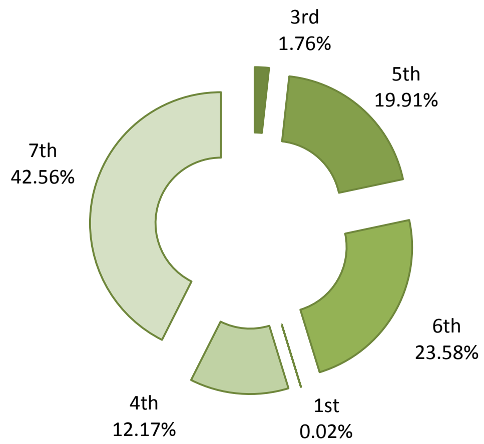
4.4.2.4 Federal Republic of Nigeria Development Stocks (FRNDS)

There was no issue of FRNDS during the year. The outstanding FRN Development Stocks which stood at ₦0.2 billion in 2010 were redeemed in 2011.

4.4.2.5 FGN Bonds

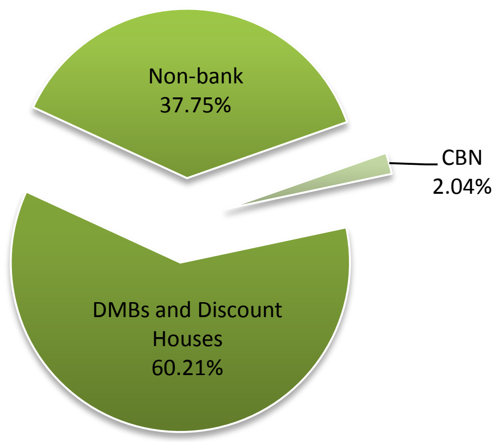
In the year under review, there was one issue, and the reopening of the 4th, 5th, 6th and 7th FGN-Bond series. As a result, FGN bonds outstanding at the end of the year was ₦3,541.2 billion, compared with ₦2,901.6 billion at the end of the preceding year, representing an increase of ₦639.6 billion (22.0 per cent). The high patronage of FGN Bonds was attributed to the high level of liquidity in the banking system, the investors' preference for long-term instruments, and the attractive coupon yield on the bonds. Of the total outstanding bonds, 0.02, 1.75, 12.17, 19.92 and 23.58 per cent respectively, were for the 1st, 3rd, 4th, 5th and 6th FGN Bonds, while the balance of 42.6 per cent was for the 7th FGN Bond.

Figure 4.22: Outstanding FGN Bonds



The structure of holdings of FGN Bonds showed that 60.2 per cent was held by DMBs and discount houses, the non-bank public held 37.6 per cent, and the Central Bank of Nigeria, 2.0 per cent.

Figure 4.23: FGN Bonds by Holders



In order to strengthen the banking sector, AMCON Bonds were issued in exchange for the acquired non-performing facilities of banks and for the recapitalization of intervened/nationalized banks. The first tranche of bonds issued by AMCON was redeemed for cash at the CBN, while the recapitalization bonds were used to access CBN's standing facility window. The nationalized/intervened banks were the majority holders of these bonds and therefore experienced greater liquidity challenges. In order to improve liquidity in the system, the CBN purchased the sum of ₦3,206.8 billion worth of AMCON bonds of different maturities from the affected banks.

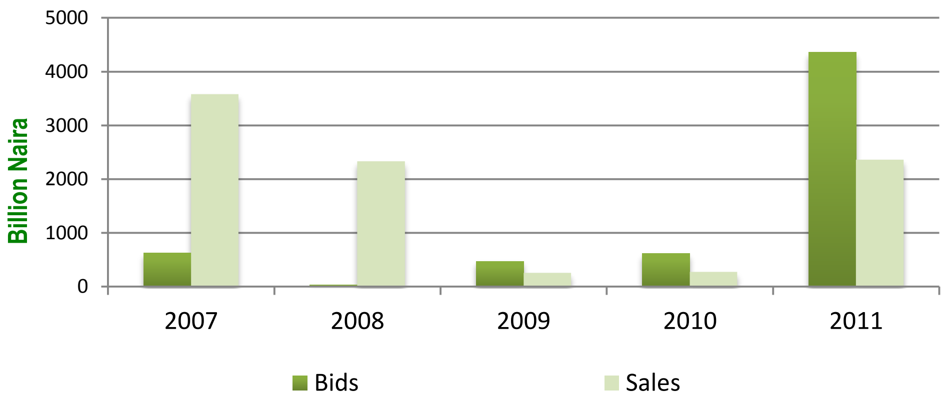
4.4.3 Open Market Operations (OMOs)

In line with the restrictive monetary policy stance occasioned by the need to curtail inflation OMO, auctions were conducted throughout the year to mop-up excess liquidity in the banking system. The highest level of OMO sales was in October 2011 when there was need to mop-up the huge inflow of funds into the banking system, following the purchase of AMCON Bonds from DMBs. The two-way quote trading and repurchase transactions complemented OMOs.

4.4.4 OMO Auctions

OMO auctions were conducted throughout the year, except in February 2011. CBN bills worth ₦643.6 billion were sold in October, of which ₦552.0 billion were AMCON Bonds. CBN bills worth ₦2,362.1 billion of various tenors, ranging from 6 to 359 days were sold in 2011, compared with ₦270.6 billion sold in 2010. The total CBN bills offered and subscribed to was ₦933.4 billion and ₦4,362.3 billion, respectively, in 2011, with bid rates ranging from 14.5 to 19.6 per cent. The stop rates at the auctions ranged from 6.6 to 18.1 per cent, for the various maturities offered. CBN bills valued at ₦861.8 billion matured and were repaid during the year, with an outstanding amount of ₦1,500.7 billion at end–December 2011.

Figure 4.24: OMO Issues and Sales, 2007 - 2011



4

FINANCIAL SECTOR DEVELOPMENTS

4.4.5 The Two–way Quote Trading in NTBs

NTBs of maturities ranging from 15 to 22 days were traded on the two-way quote trading platform in 2011. The bid rates ranged from 7.3 to 9.5 per cent, while the offer rates ranged from 6.6 to 9.0 per cent. Bills worth ₦1.0 billion were bought at 9.0 per cent, while sales totalled was ₦0.3 billion at the deal rate of 7.3 per cent in the only trade held in the year. There was a sharp decline when compared with the bills issued and total sales of ₦52.0 billion and ₦26.0 billion, respectively, in 2010.

4.4.6 Discount Window Operations

4.4.4.1 CBN Standing Facilities

The CBN standing facilities were accessed by DMBs and discount houses throughout the year in order to enable them meet their short-term liquidity needs and invest their surpluses. The applicable rates remained within the corridor around the MPR of +/- 200 basis points for the standing lending facility (SLF) and standing deposit facility (SDF), respectively, throughout the year under review.

4.4.4.1.1 Standing Deposit Facilities (SDFs)

Patronage of the standing deposit facilities by DMBs and DHs significantly declined in 2011 due, largely, to the effects of the Bank's monetary tightening stance and the fact that SDFs were suspended between March 9 and October 10, 2011 when the reserve averaging scheme was operational. The average daily deposit stood at ₦173.0 billion, compared with ₦212.3 billion in 2010. Interest paid on the deposit also increased significantly to ₦703.7 million, from ₦12.5 million in 2010. The SDF rate, which was increased to 4.3 per cent in January, rose further to 10.0 per cent in October, in line with adjustment in MPR.

4.4.4.1.2 Standing Lending Facilities (SLFs)

The average daily request for SLFs in 2011 was ₦42.6 billion, compared with ₦41.0 billion in 2010. The lending facility rate was maintained at 200 basis points above the Monetary Policy Rate and, therefore, rose from 8.3 per cent at end-January to 14.0 per cent at end-December 2011.

4.4.4.2 Over-the-Counter Transactions (OTCs)

NTBs worth ₦11,159.4 billion were traded in 44,360 deals at the secondary market in 2011, compared with ₦8,652.2 billion in 34,542 deals in the preceding year. This represented an increase of 29.0 and 28.4 per cent in value and volume, respectively.

4.4.4.3 Over-the-Counter Transactions (OTCs) in FGN Bonds

In 2011, FGN Bonds worth ₦8,947.6 billion were traded in 65,319 deals at the secondary market, compared with ₦18,962.7 billion in 197,406 deals in the preceding year. This represented a decrease of 52.8 and 66.9 per cent in value and volume, respectively, owing to the decline in trading by the Primary Dealers and Market Makers (PDMMs).

4.4.4.4 Foreign Investment

During the year under review, ₦260.1 billion and ₦337.0 billion, respectively, were invested in NTBs and FGN Bonds, as against ₦132.5 billion and ₦109.6 billion respectively invested in 2010. The renewed interest by foreigners reflected the significant recovery in the global economy from the effects of the global economic and financial crisis and the search for investment opportunities in emerging and developing economies.

4.4.4.5 CBN Promissory Notes

One–year tenored promissory notes worth ₦371.6 billion were issued to two DMBs, following the purchase and assumption arrangement of four liquidated banks. The interest rates ranged from 3.9 to 11.0 per cent. The sum of ₦116.1 million was redeemed.

4.4.4.6 CBN Guarantees

The Bank sustained the guarantee of interbank transactions, foreign credit lines and pension funds placements with deposit money banks in 2011. The guarantee that was expected to terminate on June 30, 2011 was extended for the intervened banks till December 2011, following the successful signing of Transaction Implementation Agreements (TIAs) with respective investors and the subsequent mergers and acquisitions.

Outstanding interbank guarantees at end-December, 2011 were ₦275.2 billion, compared with ₦904.6 billion in the corresponding period of 2010.

4.4.4.7 Repurchase Transactions (Repo)

The repo market remained active throughout the year, but the total request for repo transactions increased significantly from June till the end of the year, as a result of the liquidity condition in the banking system. Total value of transactions stood at ₦3, 279.6 billion in 2011, at rates ranging from 9.3 to 15.0 per cent, compared with the total request of ₦470.2 billion in 2010 at rates ranging from 9.3 to 10.8 per cent.

4.4.4.8 Open-Buy-Back (OBB) Transactions

The total value of transactions at the OBB stood at ₦22,353.0 billion in 2011, reflecting an increase of 18.6 per cent above the ₦18,845.0 billion recorded in 2010. The development was attributed to tight liquidity in the banking system.

4.5 CAPITAL MARKET DEVELOPMENTS

4.5.1 Developments in the Nigerian Capital Market in 2011

The Board of the Securities and Exchange Commission (SEC) approved a new Code of Corporate Governance for public companies, under its regulatory purview in order to entrench transparency and accountability in the Nigerian capital market. The new Code, which came into effect on April 1, 2011, outlined the responsibilities and duties of the Board, including the mode of

The Board of the Securities and Exchange Commission (SEC) approved a new Code of Corporate Governance for public companies, under its regulatory purview, in order to entrench transparency and accountability in the Nigerian capital market.

appointment, structure, remuneration and board composition of public companies. It further stated the standard requirements on matters relating to reporting format, protection of shareholders' rights, risk management, insider trading, whistle blowing policy, accountability, communication policy, code of ethics and resolutions, among others. As part of measures to instill discipline in the Exchange, the NSE directed stock broking firms to separate their accounts from clients' accounts.

The Council of the Nigerian Stock Exchange (NSE) restructured its operations during the review year. Consequently, the directorate of strategy and business development was divided into two separate units. The business development arm was merged with the listings department, while the strategy unit formed part of the Office of the Chief Executive of the Exchange. A new Director General was appointed for the Nigerian Stock Exchange.

In order to stem the persistent tide of losses at the capital market and attract foreign and local institutional investors, the NSE launched investor clinics across the country. Under the aegis of the investor clinic, the Exchange collaborated with brokers and dealers to provide investment information and education to investors, particularly on portfolio management.

The NSE also launched two new products to address the problems of low investor confidence and illiquidity in the market. These were:

- The Sim Capital Alliance Value Fund listed on July 28, 2011 to give investors the opportunity to own shares in a scheme that invests in equities and non-equities, providing access to a "packaged" investment product that is traded on the Exchange; and

- The ABSA New Gold Exchange Traded Fund (ETF) launched on December 19, 2011. The Fund provides investors direct access to an efficient and cost-effective investment in gold and currency hedging.

As part of efforts aimed at internationalising its operations, the NSE consolidated its thirty-three (33) industry sectors into twelve (12) that better reflect the structure of the Nigerian economy and streamlined it with international industrial classifications. Consequently, all listed companies on the Exchange were reclassified into the new sectors, thereby reducing restrictions that previously deterred prospective issuers. Furthermore, the number of trading hours on the stock exchange was increased from five (5) to seven (7) hours daily to accommodate more trading activities, as well as allow more foreign investors to participate.

In order to improve its communication with the investing public and other stakeholders, the NSE, on March 12, 2011, commissioned a Contact Centre where stakeholders could make enquiries on issues concerning the stock market. The Centre opens for 12 hours, and enquiries and complaints could be made in the country's three major languages and in "pidgin" English.

Furthermore, Nigeria's first Sovereign Eurobond, worth US$500.0 million, was admitted for trading on the London Stock Exchange. On cross-border listing, the SEC commenced collaboration with regulators in the West African sub-region to facilitate the formation of a single stock exchange in order to address the challenges of cross-border listings on exchanges within the sub- region.

In addition, nine (9) companies, which comprised three (3) dormant companies that had applied for voluntary delisting and six (6) deposit money banks that had either nationalized or restructured, were delisted from the *NSE Daily Official list* at end-December 2011.

Other developments in the market during the year included: the introduction of market making, company share buy-back, securities lending, revision of listing requirements, and short-selling activities.

4.5.2 The Nigerian Stock Exchange (NSE)

Activities on the floor of the NSE in 2011 indicated mixed developments. Aggregate volume and value of traded securities declined by 11.8 and 21.9 per cent, respectively, while the aggregate market capitalization of the 250 listed securities rose by 3.6 per cent to close at ₦10.3 trillion, from ₦9.9 trillion at end-December 2010. The increase in total market capitalization was attributed to the introduction of Exchange Traded Funds (ETF) and increases in state and corporate bonds issues. The market capitalization of the 201 listed equities declined by 17.7 per cent to close at ₦6.5 trillion, from ₦7.9 trillion at end-December 2011 and constituted 63.1 per cent of the total market capitalization. The development was due, largely, to the delisting of the three nationalized banks, price depreciation recorded by the blue-chip companies, and equity exposure cuts by funds and asset managers to cover positions in the US and Euro Zone. The debt securities component, consisting of twenty-five (25) Federal Government Bonds (₦2.1 trillion), eleven (11) Sub-National Bonds (₦0.3 trillion), and twelve (12) Corporate Bonds/Debenture (₦1.4 trillion) accounted for the balance. The top twenty (20) most capitalized stocks had a market capitalization of ₦5.4 trillion, representing 52.4 and 83.1 per cent of the aggregate market capitalization and equities market capitalization, respectively.

Aggregate market capitalization as a percentage of GDP was 28.1 per cent, compared with 33.6 per cent in 2010.The ratio of the value of stocks traded to GDP stood at 1.7 per cent, compared with 0.3 per cent in 2010, while the turnover value as a percentage of market capitalization was 6.1 per cent, compared with 8.0 per cent in 2010.The annual turnover value (measured as the ratio of the total value of stocks traded to the total value of stocks listed on the NSE) fell by 21.9 per cent, as against the increase of 16.3 per cent in 2010.

Figure 4.25: Trends in Market Capitalization and NSE Value Index, 2006 - 2011

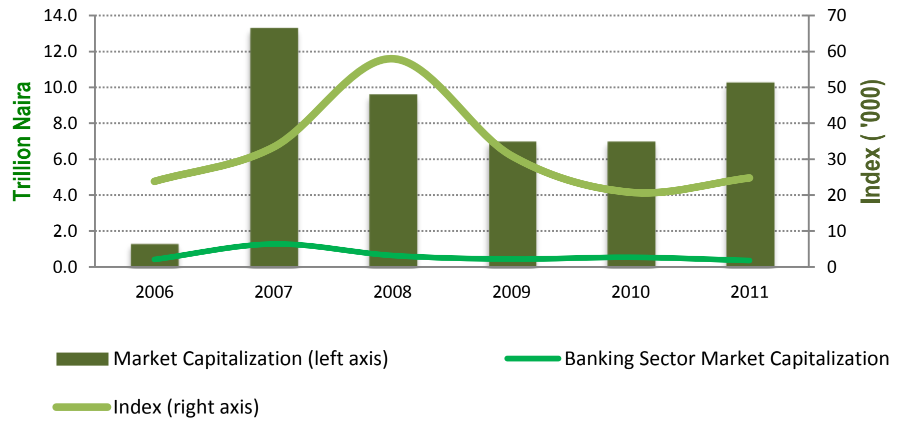


Figure 4.26: Aggregate Market Capitalization

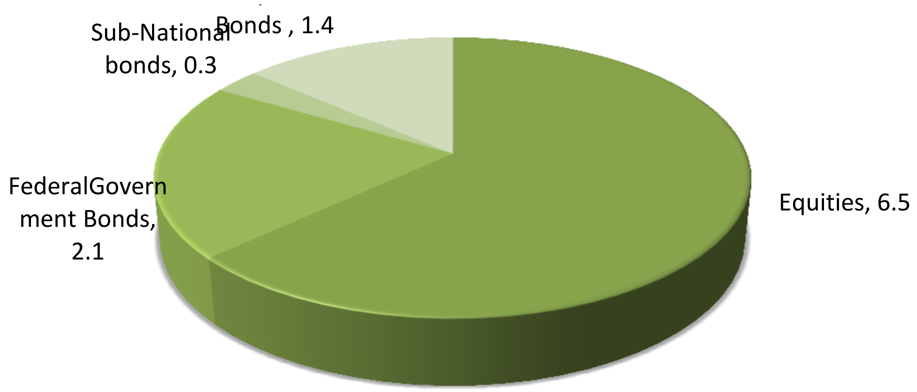


Table 4.12: Indicators of Capital Market Developments in the Nigerian Stock Exchange (NSE), 2007 - 2011					
	2007	**2008**	**2009**	**2010**	**2011**
Number of Listed Securities	309	299	266	264	250
Volume of Stocks Traded (Turnover Volume) (Billion)	138.1	193.1	102.9	93.3	82.3
Value of Stocks Traded (Turnover Value) (Billion Naira)	2100.0	2400.0	685.7	797.6	622.6
Value of Stocks/GDP (%)	8.9	10.0	10.0	0.3	1.7
Total Market Capitalization (Billion Naira)	13294.6	9,535.80	7,032.10	9,918.20	10,282.20
Of which: Banking Sector (Billion Naira)	*6432.2*	*3715.5*	*2238.1*	*2710.2*	*1839.3*
Total Market Capitalization/GDP (%)	56.0	39.7	28.5	33.6	28.1
Of which: Banking Sector/GDP (%)	*27.1*	*15.5*	*9.1*	*9.2*	*5.0*
Banking Sec. Cap./Market Cap. (%)	41.8	39.0	31.8	27.3	17.5
Annual Turnover Volume/Value of Stock (%)	6.6	8.0	15.0	15.0	13.2
Annual Turnover Value/ Total Market Capitalization (%)	15.8	25.2	9.8	8.0	6.1
NSE Value Index (1984=100)	57,990.22	31,450.78	20,827.17	24,770.50	20,730.63
Growth (In percent)					
Number of Listed Securities	7.6	-2.6	-11.0	-0.8	-5.3
Volume of Stocks	278.4	39.8	-46.9	-9.3	-3.2
Value of Stocks	346.5	14.3	-71.4	16.3	-20.1
Total Market Capitalisation	159.6	-27.8	-26.3	41.0	4.0
Of which: Banking Sector	*200.2*	*-42.2*	*-39.8*	*21.1*	*-32.1*
Annual Turnover Value	346.5	14.3	-71.4	16.3	-21.9
NSE Value Index	74.7	-45.8	-33.8	18.9	-17
Share of Banks in the 20 Most Capitalized Stocks in the NSE (%)	65.0	70.0	59.0	80.0	40.0

Source: Securities and Exchange Commission

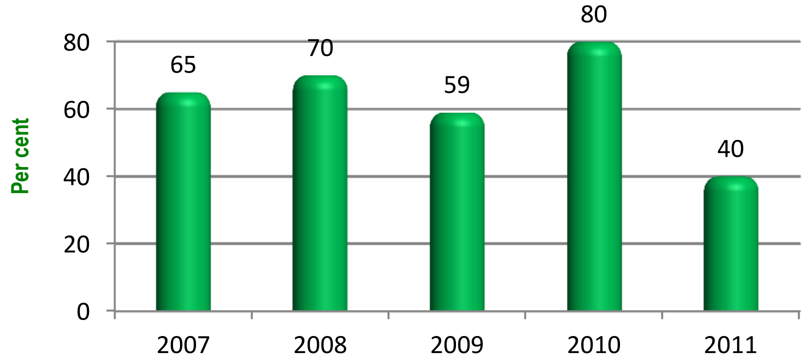
4.5.2.1 The Secondary Market

The secondary market segment of the NSE was bearish in 2011. The cumulative volume and value of shares traded stood at 82.3 billion shares and ₦622.6 billion, respectively, in 1,235,467 deals, compared with 93.3 billion shares and ₦797.6 billion in 1,925,375 deals at end-December 2010. On an average daily activity, the Exchange recorded 334.6 million shares valued at ₦2.5 billion, compared with 377.9 million shares valued at ₦3.2 billion in 2010. In terms of volume, value and number of deals, the equities segment maintained its dominance of trading activities in the stock market as it accounted for 99.99, 79.10 and 99.98 per cent, respectively. The banking sub-sector accounted for 58.3 and 60.9 per cent of the total volume and value of transactions, respectively. The insurance sub-sector accounted for

The secondary market segment of the NSE was bearish in 2011.

19.1 and 3.2 per cent of the total volume and value of transactions, respectively. The Industrial loan and preference stock sub-sectors remained inactive in the review period. The top twenty (20) listed companies, by turnover volume, constituted 72.7 per cent of the total volume of transactions, while the financial services sector contributed 83.9 per cent. Similarly, the top twenty (20) listed companies, by turnover value, constituted 85.0 per cent of the total. The financial services sector constituted 58.0 per cent of this. Further analysis showed that of the top twenty (20) listed companies, the banking sub-sector accounted for eight (8) and constituted 40.0 per cent of the total.

Figure 4.27: Share of Banks in the 20 Most Capitalized Stocks in the NSE, 2007 - 2011



4.5.2.2 The NSE Value Index

The Nigerian Stock Exchange (NSE) All-Share Index declined by 16.3 per cent to close at 20,730.63, compared with 24,770.52 in the preceding year. The development reflected the fall in share prices of most of the listed stocks on the NSE.

The NSE-30 fell by 14.9 per cent to close at its year-end level of 923.77, compared with 1,081.95 at end-December 2010. Similarly, the four sectoral indices, namely, the NSE Food/Beverage, the NSE Banking, the NSE Oil/Gas and the NSE Insurance fell significantly by 26.7, 34.7, 42.0 and 14.7 per cent respectively to close at 589.60, 274.26, 220.11 and 143.54.

4.5.2.3 The New Issues Market

The primary segment of the market recorded increased activity, as reflected in the rise in the number of applications received and issues offered for public subscription. The development reflected a gradual restoration of confidence in the market with investors making recourse to the stock market. The NSE approved thirty-four (34) applications valued at ₦2.2 trillion, compared with thirty-one (31) applications valued at ₦2.44 trillion in 2010. All the issues were fully subscribed. The non-bank corporate sub-sector accounted for 64.8 per cent of the total new issues approved, with twenty-two (22) applications valued at ₦1,972.3 billion, while the banking sub-sector accounted for 17.6 per cent, with six (6) applications valued at ₦103.1 billion. Similarly, the NSE received six (6) applications (17.6 per cent of the total) for state governments bond issues valued at ₦149.8 billion.

The primary segment of the market recorded increased activity reflected in the rise in the number of applications received and issues offered for public subscription.

Further analysis of the approved new issues showed that the sum of ₦304.7 billion was raised through rights issue; ₦22.3 billion, preference shares; ₦1,890.0 billion, bonds issue (including six State Government bonds); listing by introduction, ₦2.2 billion; share placements, ₦5.0 billion; and others accounted for the balance.

Figure 4.28: New Issues by Sector

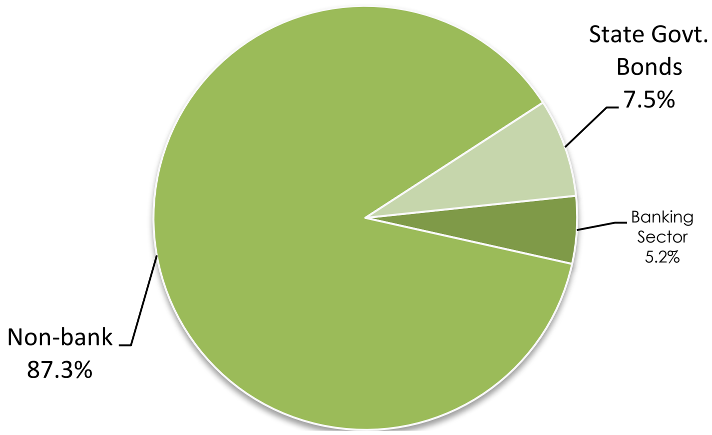
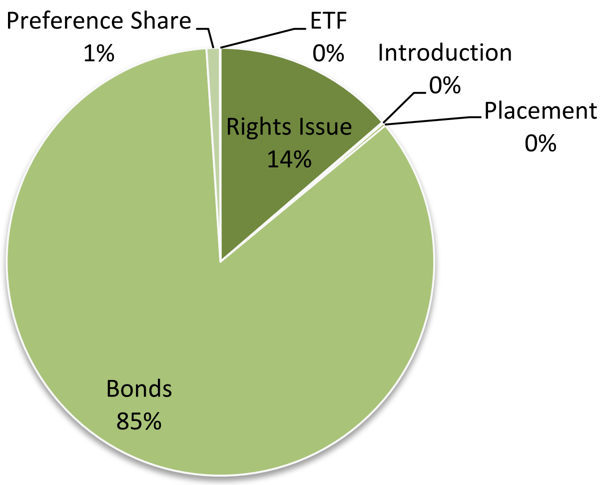


Figure 4.29 New Issues by Type



CHAPTER FIVE

FISCAL POLICY AND GOVERNMENT FINANCE

Nigeria's fiscal policy thrust in 2011 was to ensure fiscal consolidation, improve physical infrastructure, boost employment generation, and foster inclusive economic growth. At ₦11,116.9 billion or 31.4 per cent of GDP, the Federation Account revenue (gross) increased by 52.2 per cent above the level in 2010. The development was attributed to enhanced receipts from oil and non-oil revenue sources. The sum of ₦6,158.3 billion was transferred to the Federation Account, reflecting an increase of 28.7 per cent above the level in the preceding year.

Favourable oil prices in the international market and enhanced production resulted in a substantial accretion to the excess crude account savings, from US$2.2 billion at end-2010 to US$5.2 billion at end-2011.

At ₦3,553.5 billion and ₦4,712.1 billion, Federal Government-retained revenue and aggregate expenditure grew by 15.0 per cent and 12.3 per cent respectively, above their levels in 2010. The fiscal operations of the Federal Government resulted in an overall deficit of ₦1,158.5 billion, or 3.3 per cent of GDP. Provisional data on state government finances indicated an overall deficit of ₦131.9 billion, while that of the local governments revealed a surplus of ₦2.6 billion.

Consequently, general government's consolidated expenditure was ₦9,774.3 billion, or 27.6 per cent of GDP, while aggregate revenue was ₦8,486.5 billion. This resulted in an overall deficit of ₦1,287.8 billion or 3.6 per cent of GDP, and financed largely from the domestic financial market.

Federal Government consolidated debt stock was ₦6,519.6 billion, or 18.4 per cent of GDP, at end-2011, compared with ₦5,241.7 billion, or 17.8 per cent of GDP, at end-2010. External debt stock rose by US$1.1 billion to US$5.7 billion, following additional disbursement of concessional loans by the multilateral institutions and other non-Paris bilateral and commercial debts. Domestic debt grew by 23.5 per cent to ₦5,622.8 billion as a result of borrowing to finance critical infrastructure by the Federal government. Overall, in consonance with the fiscal consolidation strategy of the Federal Government, the rate of debt accumulation moderated to 24.4 per cent in 2011, from 37.3 per cent in 2010.

5.1 THE FISCAL POLICY THRUST

The main thrust of fiscal policy in the 2011 Budget was to ensure fiscal consolidation, improve physical infrastructure, boost employment generation, and foster inclusive economic growth. The 2011 Budget, the first in the 2011 – 2013 Medium Term Fiscal Framework (MTFF), was set within the First National Implementation Plan (FNIP) of Vision 20:2020.The budget encapsulated policies that would attract foreign investment and facilitate private sector growth as catalysts for greater wealth creation, employment generation and rapid economic growth. Therefore, consistent with the 2011-2013 MTFF and the FNIP of the Vision 20:2020, the 2011 Budget was underpinned by four pillars drawn from *Nigeria's Economic Growth Strategy*. These were:

- Fostering inclusive growth and job creation;
- Optimizing capital spending by rationalizing recurrent expenditure and maximizing government revenue;
- Accelerating the implementation of reforms to enhance the quality and efficiency of public expenditure; and,
- Ensuring greater prudence in the management of the nation's financial resources.

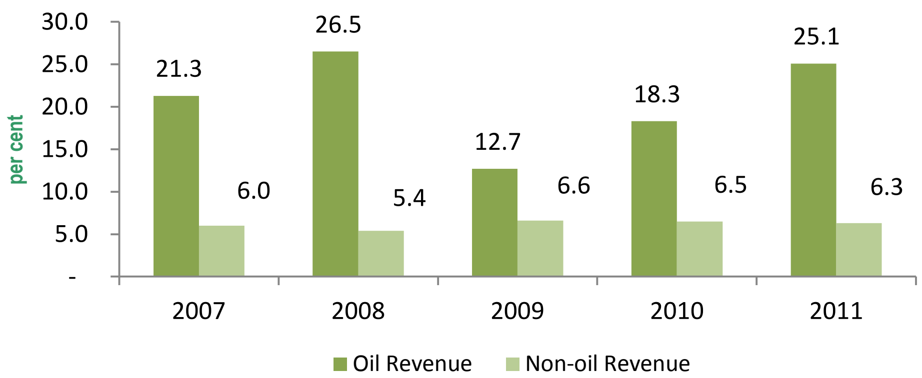
Other ancillary targets included accelerating implementation of the Public Private Partnership (PPP) policy, through the creation of a Viability Gap Fund, to encourage private sector participation and enhance private sector investment in critical infrastructure.

5.2 FEDERATION ACCOUNT OPERATIONS

5.2.1 Federally-collected Revenue

Total federally-collected revenue rose by 52.2 per cent to ₦11,116.9 billion in 2011 and constituted 31.4 per cent of GDP. The development was attributed to enhanced receipts from both oil and non-oil revenue sources.

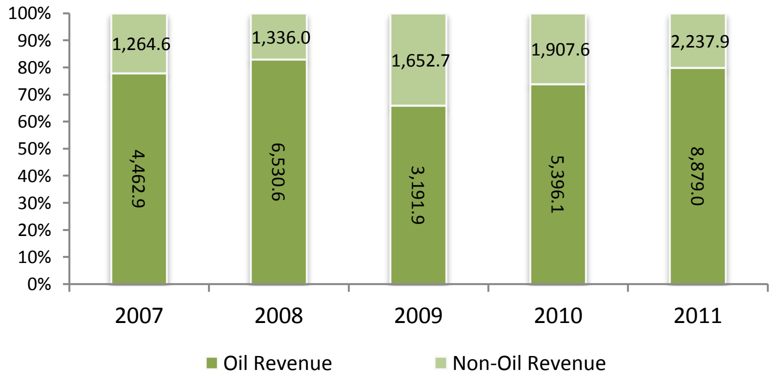
Figure 5.1: Oil and Non-oil Revenue (per cent of GDP), 2007 - 2011



Of the total receipts, oil revenue (gross) accounted for ₦8,879.0 billion representing 79.9 per cent of the total(25.1 per cent of GDP), indicating an increase of 64.5 per cent above the level in 2010. A breakdown showed that revenue from crude oil and gas exports grew significantly by 34.9 per cent to ₦2,287.9 billion. In the same vein, receipts from petroleum profit tax (PPT) and royalties increased by 104.5 per cent to ₦3,976.3 billion, while revenue from domestic crude oil sales rose by 49.4 per cent to ₦2,608.8 billion. The development reflected improved crude oil production, occasioned by the relative peace in the Niger Delta region, as a result of the amnesty programme of the Federal Government, and increased export receipts, driven by sustained demand and favourable prices in the international market. The sum of ₦1,008.8 billion was deducted from the gross oil receipts for the Joint Venture Cash (JVC) calls, ₦3,854.8 billion in respect of excess crude/PPT/royalty proceeds and "others", leaving a balance of ₦4,015.4 billion for distribution to the three tiers of government.

Total federally-collected revenue increased by 52.2 per cent to ₦11,116.8 billion in 2011, and constituted 31.4 per cent of GDP.

Figure 5.2: Federation Account: Composition of Revenue (Naira Billion), 2007 - 2011



Gross revenue from non-oil sources increased by 17.3 per cent to ₦2,237.9 billion representing 20.1 per cent of the total or 6.3 per cent of GDP. A breakdown indicated that Value Added Tax (VAT) rose by 15.4 per cent to ₦649.5 billion, while corporate tax (CT) and customs/excise duties rose by 6.6

and 41.8 per cent, to ₦700.5 billion and ₦438.3 billion, respectively. The Independent Revenue of the Federal Government and custom levies also grew by 18.8 and 51.6 per cent, to ₦182.5 billion and ₦156.8 billion, respectively. The rise in most of the components of the non-oil revenue reflected improved economic activities, particularly in the second half of the year, resulting in enhanced collection by the revenue-collecting agencies.

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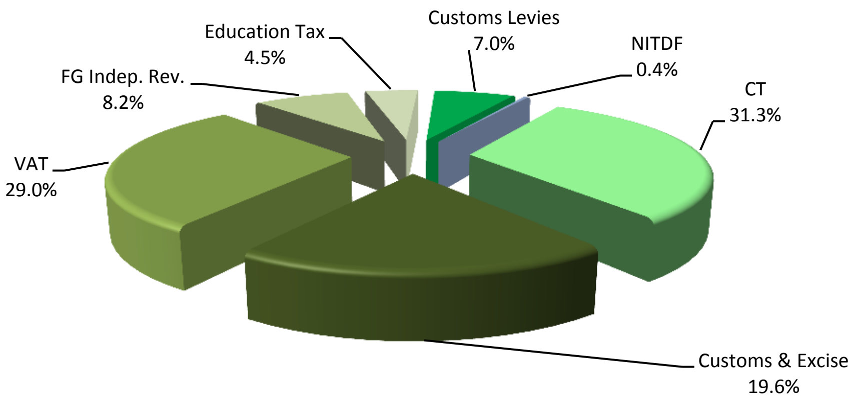
Figure 5.3: Composition of Non-oil Revenue in 2011



The sum of ₦94.9 billion was deducted from the non-oil revenue as cost of collection, leaving a distributable balance of ₦2,142.9 billion.

5.2.2 Federation Account Distribution

The sum of ₦6,158.4 billion accrued to the Federation Account, indicating an increase of 28.7 per cent over the level in 2010. Of this amount, ₦623.5 billion, ₦182.5 billion and ₦267.1 billion were transferred to the VAT Pool Account, the FG Independent Revenue, and 'other transfers'[1], respectively, leaving a net revenue of ₦5,085.3 billion. In addition, ₦450.0 billion, ₦873.6 billion, ₦502.4 billion and ₦30.5 billion were drawn from the excess crude account for excess crude revenue-sharing, share of the difference between provisional and actual budget, budget augmentation, and NNPC refunds to state and local governments, respectively. These amounts were added to the federally-collected revenue (net) to boost the distributable total to ₦6,941.8 billion.

[1]This includes the Education Tax, Customs Levies, and the National Information Technology Development Fund.

Analysis of the distribution among the three tiers of government[2], showed that the Federal Government (including Special Funds) received the sum of ₦3,240.8 billion, state governments ₦1,658.8 billion, and local governments ₦1,278.8 billion, while the sum of ₦763.4 billion was shared among the oil-producing states as 13% Derivation Fund.

5.2.3 VAT Pool Account Distribution

The sum of ₦623.5 billion was transferred to the VAT Pool Account, representing an increase of 15.4 per cent over the level in 2010. Analysis of the distribution among the three tiers of government[3] showed that the Federal Government (including the FCT) received ₦93.5 billion, while state and local governments shared ₦311.8 billion and ₦218.2 billion, respectively.

5.3 GENERAL GOVERNMENT FINANCES

5.3.1 Aggregate Revenue

Provisional data showed that at ₦8,486.5 billion, the aggregate revenue of the three tiers of government in 2011 comprised ₦5,085.3 billion from the Federation Account, ₦1,376.1 billion, the budget augmentation (including share of the difference between budget and actual federation revenue), ₦450.0 billion from excess crude revenue-sharing, ₦30.5 billion as NNPC refunds to states and local governments, and ₦623.5 billion from VAT. Others were ₦182.5 billion from the Federal Government Independent Revenue, and ₦36.6 billion from 'other funds'[4]. Revenue exclusive to the sub-national (state and local) governments included ₦536.6 billion, ₦132.8 billion and ₦32.5 billion respectively from internally-generated revenue, grants and the stabilisation fund.

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[2]The Federation Account revenue sharing formula is as follows: FG (52.68%), SGs (26.72%) and LGs (20.60%), while 13.0% of net oil revenue is shared among oil-producing states.

[3] The VAT Pool Account revenue sharing formula is as follows: FG (15%), SGs (50%) and LGs (35%).

[4]This constitutes unspent balances from the Federal Government budget and other receipts by state and local governments not classified elsewhere.

Table 5.1: SOURCES OF FUNDS FOR THE THREE TIERS OF GOVERNMENT IN 2011 (Naira Billion)

SOURCE	Federal Government			State Governments			Local Governments	Grand Total
	FG's Share	FCT	Sub-Total	States	13%	Sub-Total		
Share from Federation Account	2,359.0	44.9	**2,403.9**	1,219.3	522.0	**1,741.3**	940.0	**5,085.3**
Augmentation 1/	618.7	12.0	**630.7**	319.9	178.9	**498.8**	246.6	**1,376.1**
Share from Excess Crude	202.3	3.9	**206.2**	104.6	58.5	**163.1**	80.6	**450.0**
NNPC Refunds	-	-	**-**	15.0	4.0	**18.9**	11.5	**30.5**
Share of VAT	87.3	6.2	**93.5**	311.8	-	**311.8**	218.2	**623.5**
FG Independent Revenue	182.5	-	**182.5**	-	-	**-**	-	**182.5**
Internally-Generated Revenue				509.3		**509.3**	27.3	**536.6**
Less State Allocation to LG				*14.0*		***14.0***		***14.0***
Net Internally-Generated Revenue				495.3		**495.3**	27.3	**522.6**
Grants and Others				88.7		**88.7**	44.1	**132.8**
Stabilization Fund				11.2		**11.2**	21.3	**32.5**
State Allocation to LG							14.0	**14.0**
Others	36.6		**36.6**					**36.6**
TOTAL	**3,486.5**	**67.0**	**3,553.5**	**2,565.7**	**763.4**	**3,329.1**	**1,603.8**	**8,486.5**

1/ Includes share of difference between provisional distribution and actual budget

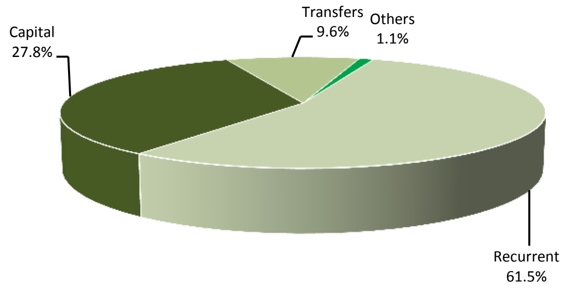
Source: Federal Ministry of Finance
Office of the Accountant-General of the Federation
Fiscal returns from state and local governments Survey

5.3.2 Aggregate Expenditure

At ₦9,774.3 billion, the aggregate expenditure of general government rose by 11.2 per cent from the level in 2010.

At ₦9,774.3 billion, the aggregate expenditure of general government increased by 11.2 per cent from the level in 2010. As a proportion of GDP, it represented 27.6 per cent, compared with 29.8 per cent in 2010. A breakdown showed that the outlay on recurrent activities at ₦6,011.9 billion (17.0 % of GDP), accounted for 61.5 per cent, and capital expenditure at ₦2,715.5 billion (7.7 % of GDP), represented 27.8 per cent. Transfers and 'others' at ₦935.9 billion (2.6 % of GDP) and ₦111.0 billion (0.3% of GDP), respectively, accounted for 9.6 and 1.1 per cent of the total.

Figure 5.4: Composition of General Government Expenditure in 2011



5.3.3 Consolidated Fiscal Balance and Financing

The fiscal operations of general government resulted in a primary deficit of ₦528.4 billion (1.5 % of GDP), and an overall deficit of ₦1,287.8 billion (3.6 % of GDP), compared with ₦1,206.9 billion (4.1 % of GDP) in 2010. The deficit was financed, largely, with borrowing from the non-bank public and the domestic banking system.

5.4 FEDERAL GOVERNMENT FINANCES

5.4.1 Overall Fiscal Balance and Financing

The current balance in 2011 reflected a surplus of ₦239.0 billion, or 0.7 per cent of GDP, compared with a deficit of ₦20.2 billion, or 0.1 per cent of GDP in the preceding year. The primary balance recorded a deficit of ₦631.3 billion, or 1.8 per cent of GDP, relative to ₦689.8 billion or 2.3 per cent of GDP in 2010. The overall fiscal operations of the Federal Government resulted in a deficit of ₦1,158.5 billion, or 3.3 per cent of GDP, compared with the deficit of ₦1,105.4 billion, or 3.7 per cent of GDP, in 2010. The deficit was within the WAMZ primary convergence criterion target of 4.0 per cent, and outperformed the position in the preceding two fiscal years. The overall budget deficit was financed mainly from domestic sources.

The overall fiscal operations of the Federal Government resulted in a notional deficit of ₦1,158.5 billion, or 3.3 per cent of GDP, compared with the deficit of ₦1,105.4 billion, or 3.7 per cent of GDP, recorded in 2010.

Figure 5.5: FG Fiscal Deficit (per cent of GDP)

5.4.2 Federal Government-retained Revenue

The Federal Government-Retained revenue rose to ₦3,553.5 billion, from ₦3,089.2 billion in 2010. Analysis of the revenue showed that the share of the Federation Account was ₦2,403.9 billion, or 67.7 per cent of the total; the VAT Pool Account amounted to ₦93.5 billion (2.6%); the Federal Government Independent Revenue was ₦182.5 billion (5.1%); the excess crude (including augmentation) accounted for ₦836.9 billion (23.6%), while 'others' accounted for the balance of ₦36.7 billion (1.0%).

The Federal Government retained revenue increased to ₦3,553.5 billion, from ₦3,089.2 billion in FY2010.

Figure 5.6: Composition of Federal Government-retained Revenue in 2011

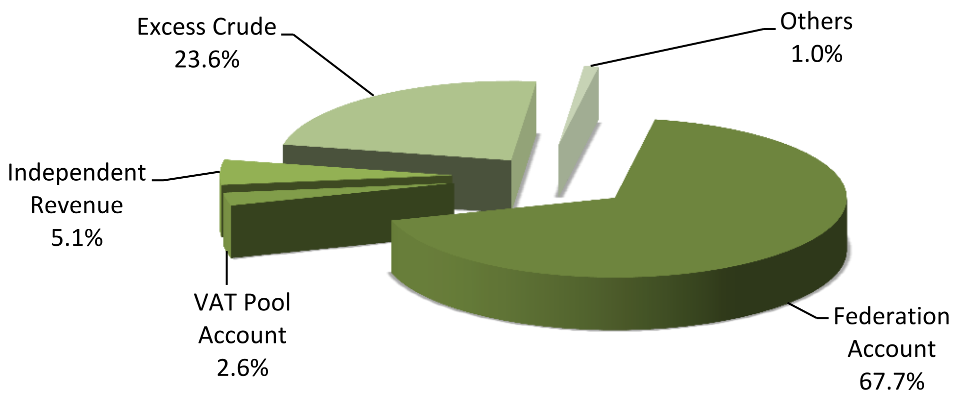
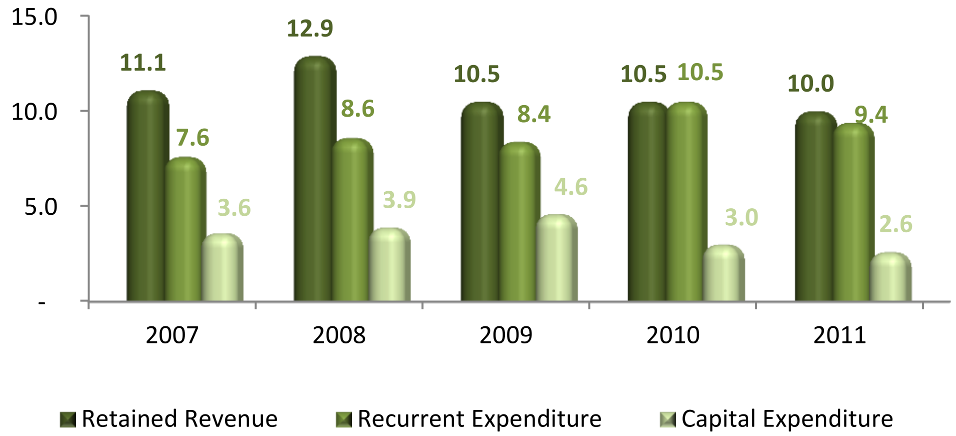


Figure 5.7: Federal Government Revenue and Expenditure (per cent of GDP)

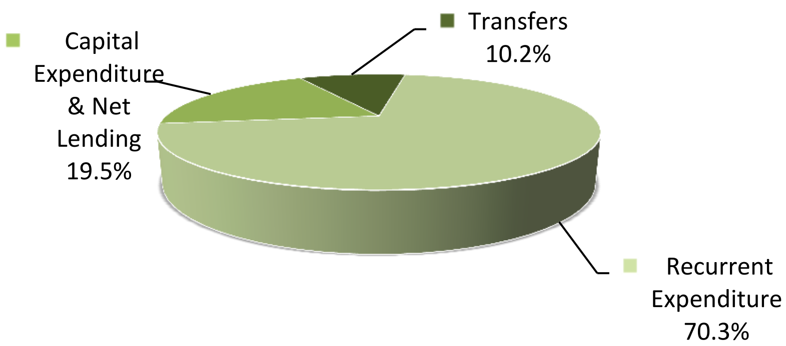


5.4.3 Total Expenditure of the Federal Government

The estimated aggregate expenditure of the Federal Government grew in absolute terms by 12.3 per cent to ₦4,712.1 billion in 2011. As a proportion of GDP, it contracted slightly to 13.3 per cent, from 14.2 per cent in the preceding fiscal year. The non-debt expenditure increased from the level in 2010 by 10.7 per cent. Total debt service payments amounted to ₦527.2 billion, representing 11.2 per cent of the total expenditure, or 1.5 per cent of GDP.

Aggregate expenditure of the Federal Government increased in absolute terms by 12.3 per cent to ₦4, 712.1billion in 2011.

Figure 5.8: Composition of Federal Government Expenditure in 2011



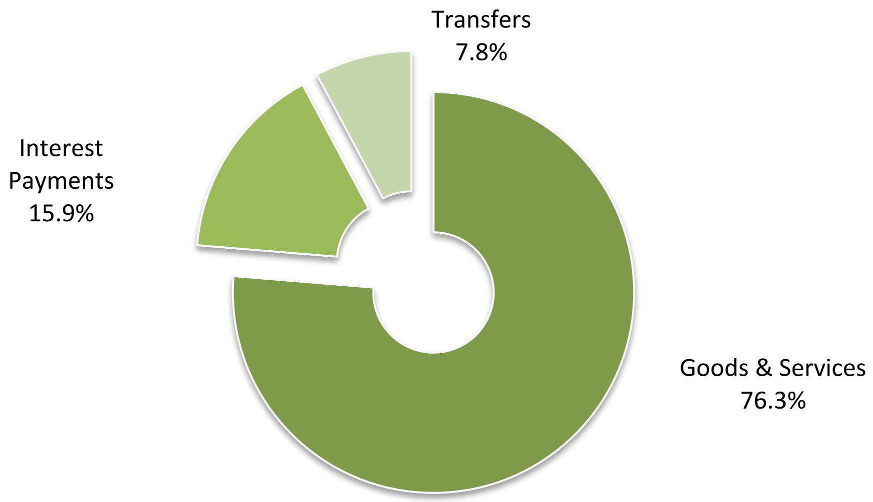
5.4.3.1 Recurrent Expenditure

At ₦3,314.5 billion, recurrent expenditure expanded in absolute terms by 6.6 per cent over the level in 2010 and accounted for 70.3 per cent of the total expenditure. However, as a percentage of GDP, it shrank to 9.4 per cent, from

10.5 per cent in 2010, reflecting the policy stance to rationalize recurrent expenditure. Interest payments increased by 26.8 per cent and the goods and services component fell by 0.7 per cent. Analysis of the goods and services component, at ₦2,527.3 billion (76.3% of total), showed that personnel cost and pensions amounted to ₦1,854.0 billion (73.4%),while overhead cost was ₦673.3 billion (26.6%). Furthermore, interest payments[5] rose to ₦527.2 billion or 1.5 per cent of GDP (15.9 % of total). A breakdown indicated that ₦41.8 billion was expended on external debt service and ₦485.4 billion spent on domestic debt service. Transfers to the Federal Capital Territory (FCT) and other special funds (stabilization fund, development of natural resources and ecology) accounted for ₦260.1 billion (7.8 % of the total).

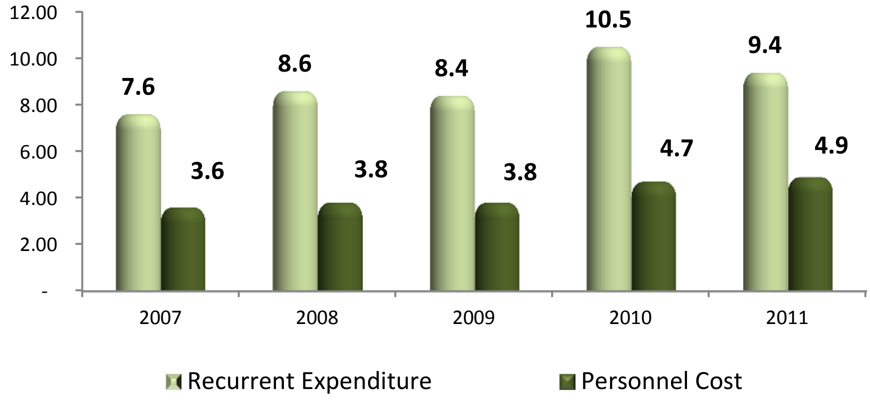
Recurrent expenditure shrank to 9.4 per cent of GDP, reflecting the consolidation stance of the Federal Government in FY2011.

Figure. 5.9: Economic Classification of FG Recurrent Expenditure in 2011



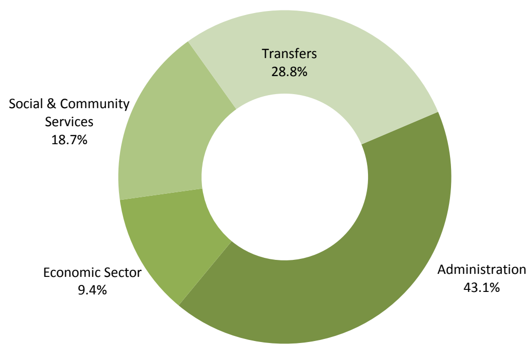
[5]This includes interest payments on ways and means.

Figure 5.10: FG Recurrent Expenditure & Personnel Cost (per cent of GDP)



The functional classification of recurrent expenditure showed that the outlay on administration grew by 12.6 per cent to ₦1,427.1 billion and accounted for 43.1 per cent of the total. Similarly, transfer payments increased by 8.9 per cent to ₦956.2 billion and constituted 28.8 per cent of the total. Expenditure on economic services, at ₦310.5 billion, accounted for 9.4 per cent of total recurrent expenditure. Within the economic sector, agriculture, transport, communications and roads/construction collectively absorbed 80.6 per cent. The expenditure on social and community services sector accounted for 18.7 per cent of the total recurrent expenditure.

Figure 5.11: Functional Classification of Federal Government Recurrent Expenditure in 2011



5

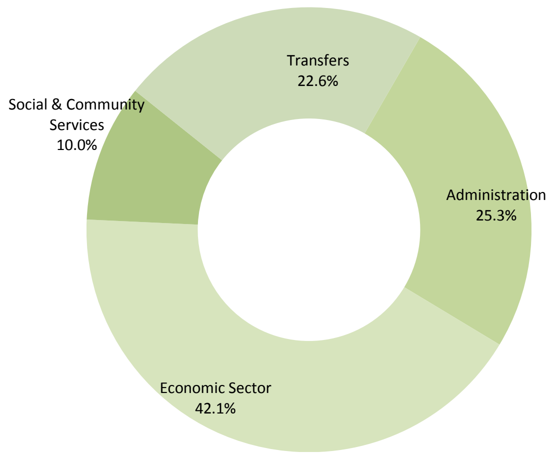
FISCAL POLICY AND GOVERNMENT FINANCE

5.4.3.2 Capital Expenditure

Capital expenditure rose by 3.9 per cent to ₦918.5 billion, or 2.6 per cent of GDP, and accounted for 19.5 per cent of the total expenditure, reflecting the decision of the Federal Government to optimize capital spending. As a proportion of Federal Government revenue, capital expenditure was 25.8 per cent, exceeding the stipulated minimum target of 20.0 per cent under the WAMZ secondary convergence criteria. Analysis of capital expenditure showed that outlays on economic services accounted for ₦385.5 billion, or 42.1 per cent of the total, compared with 46.6 per cent in the preceding year. Within the economic services sector, manufacturing, mining/quarrying, agriculture/natural resources, transport/communications and roads/construction absorbed 72.4 per cent. Public investments in social and community services accounted for 10.0 per cent of the total. As a ratio of capital spending, expenditure on education declined to 3.9 per cent in 2011 from 9.9 per cent in the preceding year, while that on health rose from 4.0 per cent in 2010 to 4.3 per cent in 2011.

Capital expenditure increased by 3.9 per cent to ₦918.5 billion and accounted for 19.5 and 2.6 per cent of total expenditure and GDP, respectively.

Figure 5.12: Functional Classification of Federal Government Capital Expenditure in 2011



Box 6: FISCAL CONSOLIDATION AS A STRATEGY FOR DEFICIT AND DEBT REDUCTION

In order to improve public finances, tackle the challenges of reducing deficits/debts and restore fiscal sustainability in a regime of weak global economic recovery, many advanced and emerging countries embarked on fiscal consolidation (FC) in 2011. According to the Organization of Economic Co-operation and Development (OECD, 2011),FC refers to a government economic policy that is intended to reduce deficits and the accumulation of debts. Such policy, which is essential for financial and macroeconomic stability, is expected to spell out government's efforts to lower the level of deficit while simultaneously limiting the generation of new debt obligations. In fact, many of the advanced and emerging economies initiated the FC strategy through a combination of spending cuts and tax hikes.

Ostensibly, the essence of FC appears to conflict with the desire to stimulate economic growth, as slamming the brakes on government spendings too quickly could hurt economic recovery and worsen job creation prospects. As argued by Trichet, Jeane-Claude of the European Central Bank (ECB), the most effective strategy for fiscal consolidation is to 'systematically adjust fiscal spendings while simultaneously boosting long-term growth'. Therefore, the success of FC depends on its design/implementation and the potential long-run benefits must be balanced against its short-run adverse effects on growth and job creation.

The need to embrace FC in Nigeria followed the implementation of various fiscal stimulus packages by the Federal Government (FG), beginning from fiscal year 2009 through 2010, to arrest the slowdown in economic activities, create the enabling environment for greater private sector participation in the economy and accelerate sustainable economic growth. These included: the disbursement of ₦200 billion through the deposit money banks (DMBs) under the Commercial Agricultural Credit Scheme (CACS) to boost commercial and mechanized agriculture; the investment of ₦361.2 billion in critical infrastructure; and the injection of a ₦100 billion multilateral loan in the critical sectors of the economy. Others were the ₦113.1 billion Presidential Intervention/Quick-Win projects and the ₦140.0 billion targeted intervention in critical infrastructure/ job creation.

The implementation of these discretionary fiscal measures in the face of revenue leakages significantly raised government expenditure and resulted in a sharp increase in deficit and debt built-up. Consequently, in absolute terms, the fiscal deficit surged from ₦0.047 trillion in FY2008 to ₦0.81 trillion in 2009 and further to ₦1.11 trillion by 2010. Similarly, the consolidated debt rose significantly by 35.7 per cent to ₦3.82 trillion at end of 2009 and further ballooned to ₦5.24 trillion at the end of FY2010, representing a 37.3 per cent hike over the level in 2009.

The consequent realization, by the last quarter of 2010, of the bourgeoning fiscal deficit and debt, by the last quarter of 2010, necessitated the paradigm shift with regards to stimulus spending. Accordingly, the FG, in the 2011 Budget which was set within the 2011–2013 Medium Term Expenditure and Fiscal Strategy, embraced the FC strategy as a means of curtailing expenditure, reducing fiscal deficits and lessening the accumulation of debt to an optimal level, over a period of three years.

The FC strategy focused on:

- Implementing wide-ranging public financial management reforms to improve the quality and efficiency of fiscal spending, as well as to steadily rationalize recurrent expenditure and optimize capital expenditure;
- Accelerating the implementation of the Public-Private-Partnership (PPP) policy by creating the Viability Gap Fund to encourage greater private sector participation in the economy;
- Maximizing, diversifying and accelerating the identification as well as the resolution of revenue leakages through various interventions, including (i) strengthening of pre-shipment inspection for crude oil and gas; (II) conduct of audits of all revenue generating agencies such as the Nigerian National Petroleum Corporation (NNPC) and agencies required to remit internally-generated revenue to the Treasury; and (iii) Fast-track reforms by the Federal Inland Revenue Service (FIRS) and the Nigerian Customs Service (NCS) to boost non-oil revenue and
- Improving the risk management strategies to hedge against commodity (crude oil) price volatility through the establishment of the Nigeria Sovereign Wealth Fund (NSWF) which would entrench greater prudent management of the exhaustible oil wealth for the purpose of inter-generational equity and as a platform for counter-cyclical policy measures, as well as a catalyst for attracting investment in critical infrastructure.

Importantly, the consistency of government policies in the short to medium term would, to a large extent, determine the extent of success of the FC initiatives as an effective means of reducing fiscal deficits and debt accumulation in the economy over time. Also, necessary precautions would have to be taken to ensure that the FC strategy does not impede economic growth and job creation, even in the short run.

5.5 STATE GOVERNMENTS' FINANCES[6]

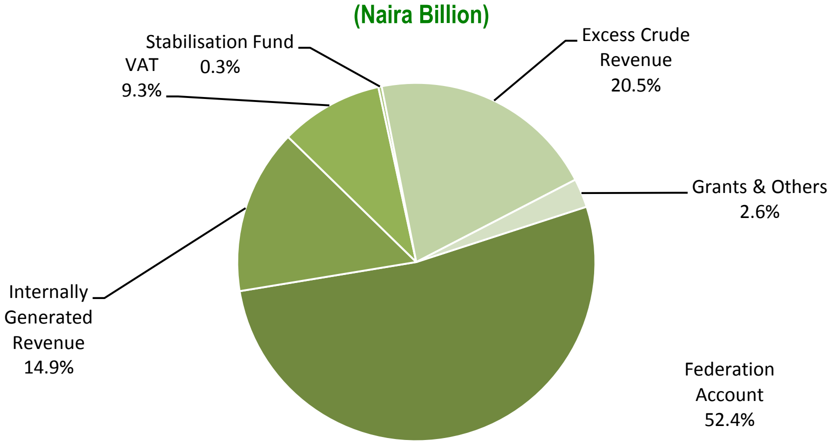
5.5.1 Overall Fiscal Balance and Financing

Provisional data on state governments' finances (including FCT) indicated an increase in the overall deficit to ₦131.9 billion, up from ₦103.7 in 2010.

Provisional data on state governments' finances (including the FCT) showed that, in absolute terms, the overall deficit increased from ₦103.7 billion in 2010 to ₦131.9 billion in 2011. As a ratio of GDP, however, the deficit remained the same as in 2010 at 0.4 per cent. The deficit was financed largely through borrowing from the DMBs.

[6] The provisional data are from the CBN survey returns from 36 states and the FCT.

Figure 5.13: State Governments' Revenue in 2011 (Naira Billion)



5.5.2 Revenue

Total revenue of the state governments increased by 7.8 per cent to ₦3,410.1 billion, or 9.6 percent of GDP, compared with ₦3,162.5 billion or 10.7 per cent of GDP in 2010. The analysis of the sources of revenue indicated that allocations from the Federation Account (including 13.0% Derivation Fund) was ₦1,786.3 billion, or 52.4 per cent; the VAT Pool Account was ₦318.0 billion, or 9.3 per cent; Internally Generated Revenue (IGR) was ₦509.3 billion, or 14.9 per cent; the Stabilization Account was ₦11.2 billion, or 0.3 per cent; the Excess Crude Account (including budget augmentation and refund to the state governments by the NNPC) totalled ₦696.7 billion or 20.5 per cent; and grants/others amounted to ₦88.7 billion, or 2.6 per cent. The IGR fell below the level in 2010 by 32.8 per cent, indicating a slowdown in the drive for internal revenue. In terms of tax efforts, measured as the ratio of IGR to total revenue (IGR/TR), Lagos State ranked highest with 54.9 per cent, followed by Abia and Ogun States, with 37.1 and 28.7 per cent, respectively, while Borno State ranked the least with 3.4 per cent. In terms of state governments' effort at improving internally-generated revenue, Ondo State topped, with an increased IGR/TR ratio from 2.1 per cent in 2010 to 8.6 per cent in 2011, followed by Kogi and Bauchi States in the second and third positions, respectively. Overall, the

Total revenue of the state governments rose by 7.8 per cent to N3,410.1 billion, or 9.6 per cent of GDP.

consolidated IGR/TR ratio of the state governments fell from 24.0 per cent in 2010 to 14.9 per cent.

Table 5.2: State Governments' Revenue

Item	State Governments' Revenue				Share in Overall GDP	
	2010		2011 1/		2010	2011
	Amount (₦' Billion)	Share (%)	Amount (₦' Billion)	Share (%)	%	%
Federation Account 2/	1,353.7	42.8	1,786.3	52.4	4.6	5.0
Excess Crude Revenue 3/	500.1	15.8	696.6	20.5	1.7	2.0
VAT	275.6	8.7	318.0	9.3	0.9	0.9
Internally Generated Revenue	757.9	24.0	509.3	14.9	2.6	1.4
Stabilisation Fund	51.0	1.6	11.2	0.3	0.2	0.03
Grants & Others	224.2	7.1	88.7	2.6	0.7	0.3
Total	**3,162.5**	**100**	**3,410.1**	**100**	**10.7**	**9.6**

1/ Including FCT

2/ Including 13% Derivation Fund

3/ Including Budget Augmentation and Foreign Exchange Rate Gains

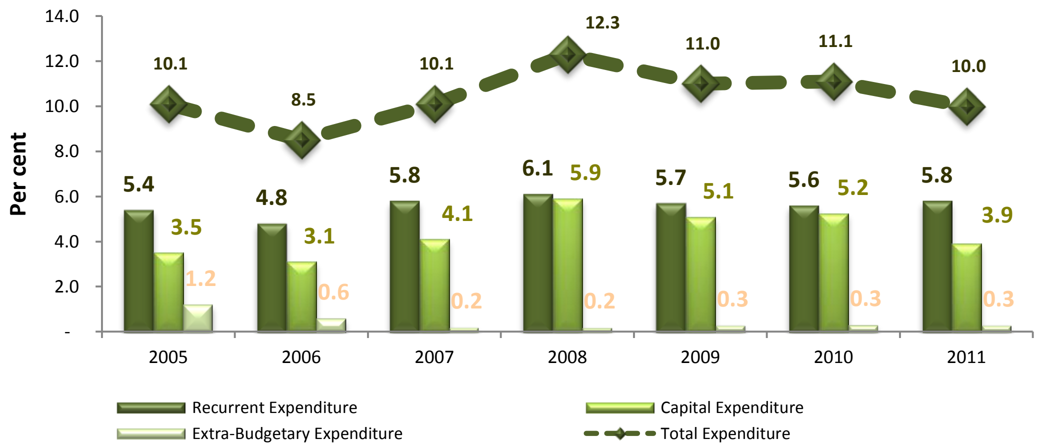
Sources: Federal Ministry of Finance
Office of the Accountant-General of the Federation
Fiscal returns from state and local governments Survey

5.5.3 Expenditure

Estimated total expenditure of the state governments increased by 8.4 per cent to ₦3,542.0 billion, or 10.0 per cent of GDP. A breakdown showed that, at ₦2,055.8 billion or 5.8 per cent of GDP, recurrent expenditure was 24.7 per cent higher than the level in the preceding year and accounted for 58.1 per cent of the total.

The total expenditure of the state governments grew by 8.4 per cent to ₦3,542.0 billion, or 10.0 per cent of GDP.

Figure 5.14: State Governments' Expenditure (per cent of GDP)



At ₦1,375.2 billion, or 3.9 per cent of GDP, the capital expenditure was 9.7 per cent below the level in 2010 and accounted for 38.8 per cent of the total. Similarly, extra-budgetary expenditure grew by 16.3 per cent and accounted for 3.1 per cent of the total.

Analysis of spending on primary welfare sectors indicated that expenditure on education decreased by 17.0 per cent from the level in 2010 to ₦212.6 billion and accounted for 6.0 per cent of total expenditure. Also, the expenditure on health, agriculture, water supply and housing also fell by 14.6, 12.6, 32.4 and 48.4 per cent, respectively, relative to their levels in 2010 to ₦119.6 billion, ₦116.4 billion, ₦57.0 billion and ₦29.2 billion. On the whole, aggregate expenditure on primary welfare sectors amounted to ₦534.8 billion, or 1.5 per cent of GDP, and accounted for 15.1 per cent of the total.

Figure 5.15: State Governments' Expenditure in Key Sectors for 2011 (per cent of Total Expenditure)

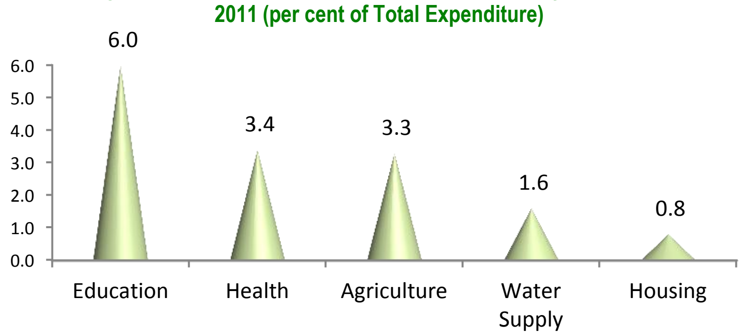
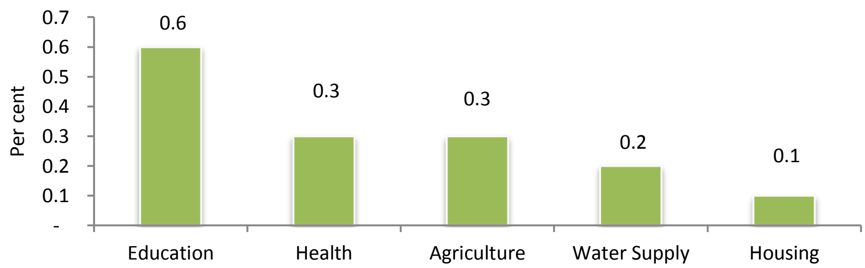


Figure 5.16: State Governments' Expenditure in Key Sectors for 2011 (per cent of GDP)



5

FISCAL POLICY AND GOVERNMENT FINANCE

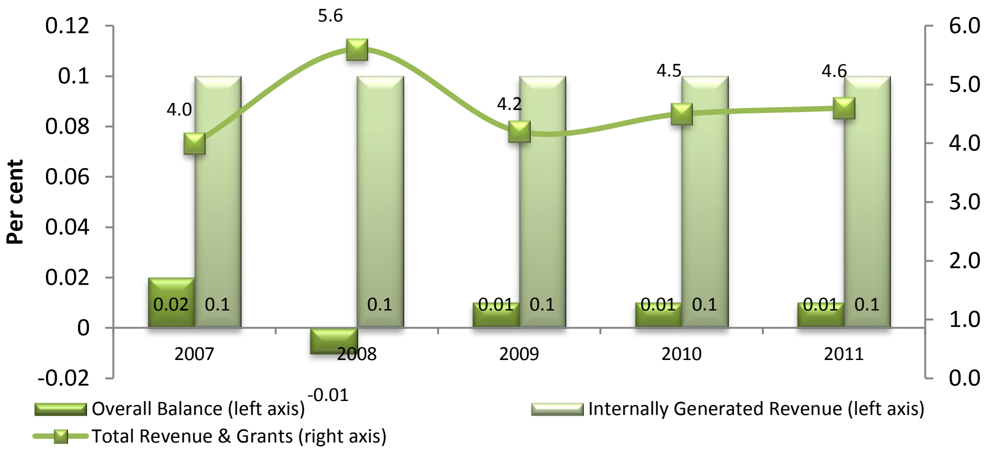
5.6 LOCAL GOVERNMENTS' FINANCES[7]

5.6.1 Overall Fiscal Balance and Financing

Provisional data on local governments' fiscal operations indicated a surplus of ₦2.6 billion, compared with a surplus of ₦2.5 billion in 2010.

Provisional data on local governments' fiscal operations indicated a surplus of ₦2.6 billion.

Figure 5.17: Local Governments' Revenue & Overall Balance (Per cent of GDP)



5.6.2 Revenue

The total revenue of local governments, at ₦1,603.8 billion, represented an increase of 18.0 per cent over the level in 2010. The sources of the revenue comprised allocations from the Federation Account (₦940.0 billion), Share of Excess Crude Account (₦80.7 billion), NNPC refunds to LGs (₦11.5 billion), budget augmentation (₦246.6 billion) VAT (₦218.2 billion), IGR (₦27.3 billion), grants/'others' (₦44.1 billion), stabilization fund (₦21.3 billion), and state allocation (₦14.0 billion).

The total revenue of local governments was estimated at ₦1,603.8 billion, indicating an increase of 18.0 per cent.

[7] The provisional data are from the CBN survey returns from 727 LGAs while 47 LGAs were estimates.

Table 5.3: Local Governments' Revenue

Item	Local Governments' Revenue				Share in Overall GDP	
	2010		2011		2010	2011
	Amount (₦' Billion)	Share (%)	Amount (₦' Billion)	Share (%)	%	%
Federation Account	716.0	52.7	940	58.6	2.4	2.7
Excess Crude Revenue	158.9	11.7	80.7	5.0	0.5	0.2
FGN Refunds to LG	121.6	8.9	11.5	0.7	0.4	0.03
Budget Augmentation	78.7	5.8	246.6	15.4	0.3	0.7
Exchange Rate Gain	7.1	0.5	0	0	0.02	0
VAT	189.1	13.9	218.2	13.6	0.6	0.6
Internally Generated Revenue	26.2	1.9	27.3	1.7	0.1	0.1
Stabilization Fund	12.6	0.9	21.3	1.3	0.04	0.1
State Allocation	12.7	0.9	14.0	0.9	0.04	0.04
Grants & Others	36.3	2.7	44.1	2.7	0.1	0.1
Total	**1,359.2**	**100**	**1,603.8**	**100**	**4.5**	**4.6**

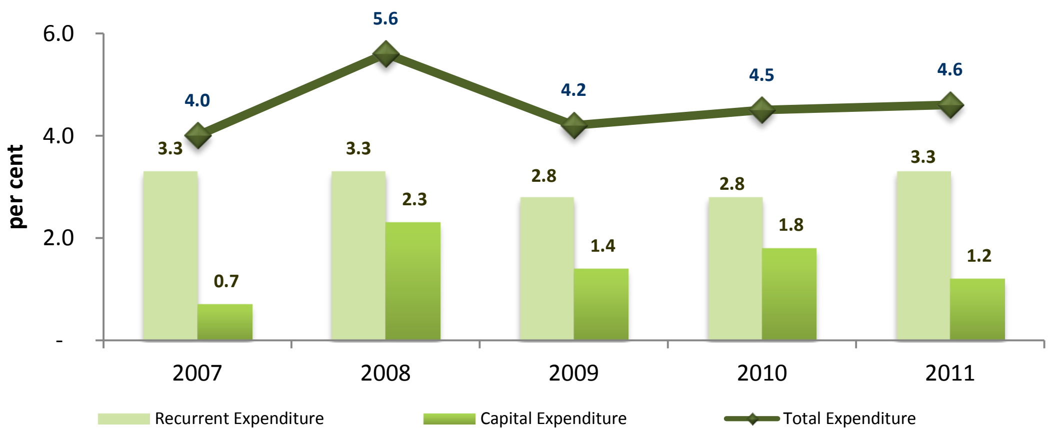
Sources: Federal Ministry of Finance
Office of the Accountant-General of the Federation
CBN survey of state and local governments.

5.6.3 Expenditure

The expenditure of the local governments was 18.0 per cent higher than the level in 2010 and represented 4.6 per cent of the GDP.

At ₦1,601.2 billion, the total expenditure of local governments indicated an increase of 18.0 per cent above the level in 2010, and represented 4.6 per cent of the GDP. A breakdown indicated that recurrent outlay stood at ₦1,179.4 billion or 73.7 per cent, while capital expenditure amounted to ₦421.8 billion, or 26.3 per cent of the total.

Figure 5.18: Local Governments' Expenditure (per cent of GDP)



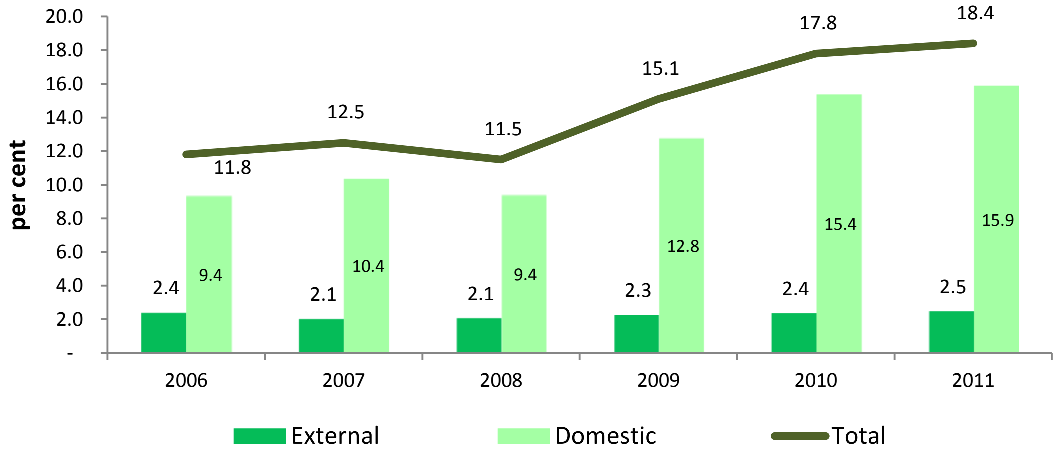
A breakdown of recurrent expenditure showed that personnel cost was ₦748.1 billion, while overhead cost and the consolidated fund charges/others amounted to ₦231.7 billion and ₦199.6 billion, respectively. Analysis of capital expenditure by function revealed that the share of administration was ₦52.4 billion, economic services (₦211.8 billion), social and community services (₦148.6 billion), and transfers (₦9.0 billion).

5.7 CONSOLIDATED FEDERAL GOVERNMENT DEBT

The consolidated Federal Government debt stock, as at end-December 2011, was ₦6,519.6 billion, or 18.4 per cent of GDP, compared with ₦5,241.7 billion, or 17.8 per cent of GDP in 2010. Analysis of the debt showed that the domestic component constituted 86.2 per cent and the external 13.8 per cent. The increase reflected, largely, the substantial borrowing through the issuance of FGN Bonds and treasury bills to finance projects (both recurrent and capital) and the settlement of contractual obligations. Consequently, the stock of FGN Bonds rose from ₦2,901.6 billion in 2010 to ₦3,541.2 billion and accounted for 63.0 per cent of the total, while Nigerian Treasury Bills grew from ₦1,277.1 billion in 2010 to ₦1,727.9 billion and accounted for 30.7 per cent of the total. At end-December 2011, external debt outstanding increased by 23.8 per cent to US$5.7 billion (₦896.8 billion), while the domestic component increased by 23.5 per cent from its level in 2010.

The stock of Federal Government domestic debt outstanding at end-December 2011 stood at ₦5, 622.8 billion, representing an increase of 23.5 per cent over the level in 2010.

Figure 5.19: Consolidated Public Debt Stock (per cent of GDP)



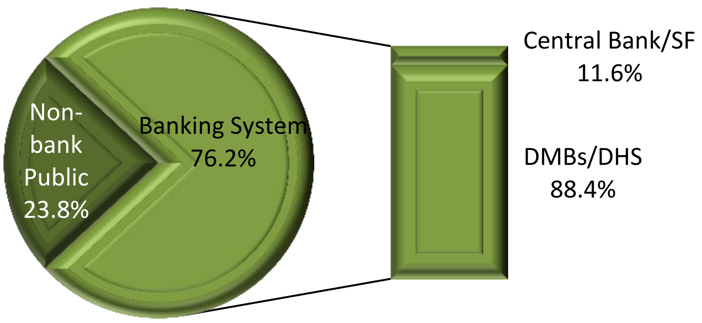
5.7.1 Domestic Debt

The stock of Federal Government domestic debt at end-December 2011 was ₦5,622.8 billion, representing an increase of 23.5 per cent over the level in FY2010. The development reflected the substantial borrowing through the issuance of FGN Bonds and Nigerian Treasury Bills. The banking system remained the dominant holder of the outstanding debt instruments with 76.2 per cent, and the non-bank public accounted for the balance of 23.8 per cent. Disaggregation of the banking system's holdings indicated that ₦3,790.8 billion, or 88.4 per cent, was held by the DMBs and DHs, and ₦495.2 billion or 11.6 per cent by the CBN and the Sinking Fund.

The analysis of debt indicators revealed that at 18.4 per cent, the debt stock/GDP ratio remained low relative to the maximum international threshold of 30.0 per cent of GDP.

Analysis of the maturity structure of the domestic debt showed that instruments of two (2) years and below accounted for ₦3,124.9 billion or 55.6 per cent, followed by instruments of above two (2) to five (5) years at ₦1,064.4 billion, or 18.9 per cent; those with tenors of five (5) to ten (10) years totalled ₦715.2 billion or 12.7 per cent, and tenors of over ten (10) years at ₦718.3 billion, or 12.8 per cent.

Figure 5.20: Composition of Domestic Debt Stock by Holder in 2011



5.7.2 External Debt

At US$5.7 billion, Nigeria's external debt grew by 23.8 per cent over the level at end-December 2010. The rise reflected the drawdown of additional multilateral loans by the Federal Government, amounting to US$351.2 million, as well as borrowings from the international capital market, including the issuance of Euro-bond amounting to US$500 million. Of the external debt outstanding, the share of multilateral institutions was US$4.6 billion and accounted for 80.6 per cent, while 'others' amounting to US$1.1 billion accounted for the balance.

5.7.3 Debt Service Payments and Debt Indicators

Total debt service payments[8] stood at ₦591.5 billion, or 1.7 per cent of GDP, and comprised ₦54.1 billion, or US$0.35 billion, for external and ₦537.4 billion for domestic debt. The external debt service consisted of amortization (principal repayment) of ₦35.7 billion, or 66.0 per cent, and actual interest payments of ₦18.4 billion, or 34.0 per cent. Domestic debt service indicated that amortization stood at ₦19.4 billion, or 3.6 per cent, while interest payment was ₦518.0 billion, or 96.4 per cent of the total debt service payments.

The analysis of debt indicators revealed that at 18.4 per cent, the debt stock/GDP ratio remained low relative to the maximum international threshold of 30.0 per cent in 2011. The debt service/revenue ratio worsened from 13.2 per cent in 2010 to 16.6 per cent in 2011, implying that a higher proportion of the total revenue was devoted to debt service during the year.

[8]This represents actual debt service payments by the Debt Management Office which may differ from the figures in the Federal Government finances table that indicates contribution to the external creditors' fund.

Table 5.4: Debt Service Payments (Naira Billion) and Debt Sustainability Indicators (per cent)

Indicators	International Thresholds	2007	2008	2009	2010	2011
External Debt Service (Interest Payments)*	-	117.2	9.0	17.4	15.3	18.4
Amortization - External Debt	-	11.4	46.2	46.5	38	35.7
Domestic Debt Service (Interest Payments)	-	185.4	233	271.3	19.5	518.0
Amortization - Domestic Debt	-	67.3	238.3	207.4	334.7	19.4
Total Debt Service	-	381.2	526.5	542.5	407.4	591.5
Total Debt/GDP	30	12.5	11.5	15.1	17.8	18.4
Total External Debt/GDP	30	2.1	2.1	2.3	2.3	2.5
Total Domestic Debt/GDP	40-60	10.4	9.4	12.8	15.4	15.9
Total External Debt/Export (%)	100	5.3	4.3	7.0	6.3	5.8
Total Debt Service/Revenue (%)	20-25 (Max.=25)	16.3	16.5	20.5	13.2	16.6
Total Debt/Revenue (%)	250	111.8	89.0	144.5	169.7	183.5

Sources: Debt Management Office, Central Bank of Nigeria, Office of the Accountant General of the Federation

CHAPTER SIX

REAL SECTOR DEVELOPMENTS

The growth of the economy remained relatively strong in 2011. The real Gross Domestic Product (GDP), measured in 1990 basic prices, grew by 7.4 per cent, compared with 8.0 per cent in 2010. Growth in 2011 was broad-based but driven mainly by the non-oil sector, which grew by 8.9 per cent, while the oil sector grew by 1.5 per cent. Agriculture grew by 5.7 per cent, led by livestock and fishery. Wholesale and retail trade grew by 11.3 per cent and building and engineering construction by 12.3 per cent. The services and industrial sectors grew by 13.3 and 1.3 per cent, respectively. The moderation in inflationary pressure witnessed in 2010 was sustained in 2011 but remained above the single digit. The moderate inflation recorded was attributable, largely, to good agricultural harvest, increase in crude oil production, sustained investment in infrastructure by Government and a non-accommodating monetary policy. Further expansion in output was, however, constrained by poor infrastructure, the most serious of which was inadequate power supply.

6.1 DOMESTIC OUTPUT

Provisional data from the National Bureau of Statistics (NBS) indicated that the estimated Gross Domestic Product (GDP), measured at 1990 constant basic prices, stood at ₦833.4 billion in 2011. This indicated a GDP growth of 7.4 per cent in 2011, compared with 8.0 per cent in 2010 and an annual average of 7.0 per cent over the period 2007 – 2011 period. The 7.4 per cent GDP growth rate was, however, higher than the target growth rate of 7.0 per cent for the year. In terms of contribution to GDP growth, the services sub-sector contributed the largest with 2.4 percentage points. This was followed by agriculture with a contribution of 2.3 percentage points; wholesale

The Gross Domestic Product (GDP), measured at 1990 constant basic prices, was estimated at ₦833.4 billion in 2011, indicating a growth rate of 7.4 per cent. This was lower than the 8.0 per cent recorded in 2010, but higher than the target growth rate of 7.0 per cent for the year and the average annual growth rate of 7.0 per cent for the period 2007 – 2011.

and retail trade contributed 2.1 percentage points; and building and construction 0.2 percentage point. Industry as a group made a contribution of 0.3 percentage point.

The development in 2011 was attributed largely to the conducive macroeconomic environment. The specific factors included the favourable credit conditions, which enhanced financing of the private sector, and the stable supply of petroleum products. Others included the favourable weather conditions which boosted agricultural output, increase in crude oil production, sustained investment in infrastructure by government, building and construction activities across the country and expansion in the telecommunications sub-sector.

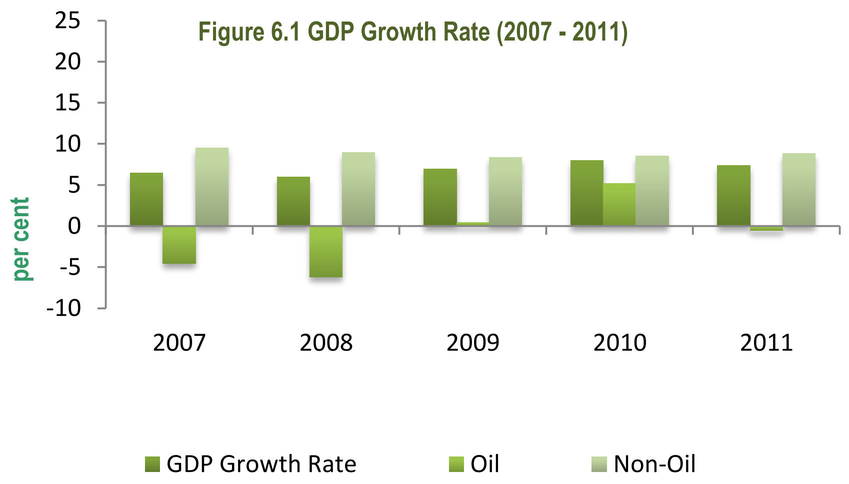


Table 6.1: Sectoral Growth Rates of GDP at 1990 Constant Basic Prices (per cent)					
Activity Sector	**2007**	**2008**	**2009**	**2010 1/**	**2011 2/**
1. Agriculture	**7.2**	**6.3**	**5.9**	**5.6**	**5.7**
Crop Production	7.3	6.2	5.8	5.6	5.7
Livestock	6.9	6.9	6.5	6.5	6.2
Forestry	6.1	6.1	5.9	5.8	5.9
Fishing	6.6	6.6	6.2	6.0	5.9
2. Industry	**-2.2**	**-3.4**	**2.0**	**5.6**	**1.3**
Crude Petroleum	-4.5	-6.2	0.5	5.0	-0.6
Solid Minerals	12.8	12.8	12.1	12.3	11.5
Manufacturing	9.6	8.9	7.9	7.6	7.6
3. Building & Construction	**13.0**	**13.1**	**12.0**	**12.1**	**12.3**
4. Wholesale & Retail Trade	**15.2**	**14.0**	**11.5**	**11.2**	**11.3**
5. Services	**9.9**	**10.4**	**10.8**	**11.9**	**13.3**
Transport	7.0	7.0	6.8	6.7	6.8
Communications	32.9	33.2	34.2	34.5	34.8
Utilities	4.9	3.7	3.2	3.3	3.4
Hotel & Restaurant	13.0	12.9	11.9	12.0	12.1
Finance & Insurance	5.0	4.8	4.0	4.0	4.0
Real Estate & Business Services	11.4	11.4	10.6	10.4	10.1
Producers of Govt. Services	5.9	6.0	5.9	5.7	5.6
Comm., Social & Pers. Services	10.6	10.7	9.8	9.7	9.9
TOTAL (GDP)	**6.5**	**6.0**	**7.0**	**8.0**	**7.4**
NON-OIL (GDP)	**9.5**	**9.0**	**8.3**	**8.5**	**8.9**

Table 6.2: Sectoral Contribution to Growth Rates of GDP at 1990 Constant Basic Prices (percentage points)					
Activity Sector	**2007**	**2008**	**2009**	**2010 1/**	**2011 2/**
1. Agriculture	**3.0**	**2.8**	**2.5**	**2.4**	**2.3**
Crop Production	2.7	2.4	2.2	2.1	2.1
2. Industry	**-0.6**	**-0.5**	**0.4**	**1.2**	**0.3**
Crude Petroleum	-1.0	-0.9	0.1	0.8	-0.1
3. Building & Construction	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
4. Wholesale & Retail Trade	**2.3**	**2.3**	**2.0**	**2.0**	**2.1**
5. Services	**1.6**	**1.7**	**1.8**	**2.1**	**2.4**
Communication	0.6	0.7	1.0	1.3	1.6
TOTAL (GDP)	**6.5**	**6.0**	**7.0**	**8.0**	**7.4**
NON-OIL (GDP)	**9.0**	**9.4**	**8.3**	**8.5**	**8.9**

1/ Revised
2/ Provisional
Source: NBS

Non-oil GDP recorded a growth rate of 8.9 per cent, compared with 8.5 per cent in 2010. The improved performance in the sector was driven largely by the agricultural sector which grew by 5.7 per cent, underpinned by robust growth in all its components. Other drivers of growth in non-oil GDP included services, building and construction, and wholesale and retail trade, which recorded growth rates of 13.3, 12.3 and 11.3 per cent, respectively. In the services sub-sector, communications recorded the highest growth rate of 34.8 per cent, reflecting the sustained liberalisation and expansion of telecommunications services. At 7.9 per cent, the growth in Industrial output (excluding crude petroleum) was sustained in 2011. A sub-sectoral analysis indicated that, solid minerals and manufacturing output grew by 11.5 and 7.6 per cent, respectively. The sustained implementation of the Federal Government amnesty programme, which paved the way for relative peace and, consequently, led to increased crude oil production in 2011, stability in the price and supply of petroleum products, continued government investment in critical infrastructure development, accounted for the performance. Other government programmes and policies, especially those in support of small- and medium-scale enterprises, also buoyed industrial growth.

Figure 6.2: Sectoral Share in GDP, 2007 - 2011

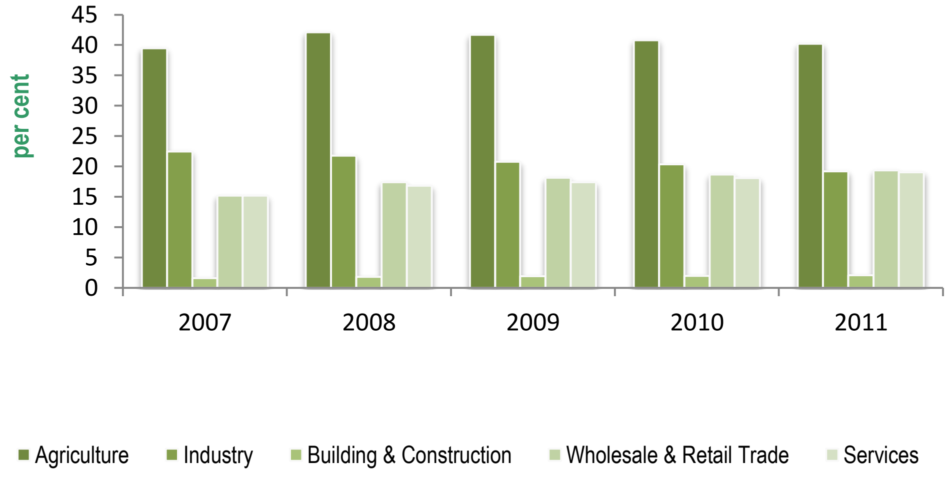


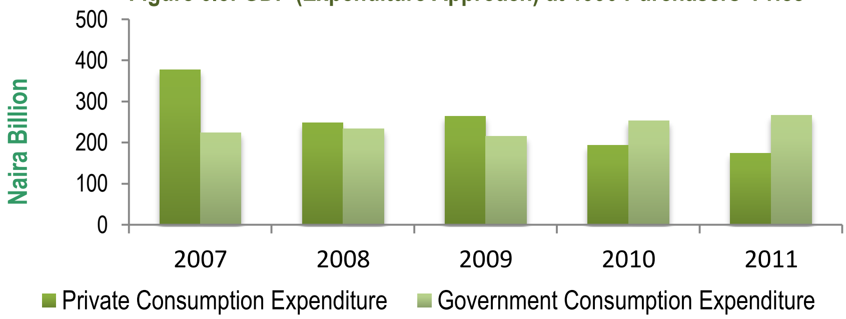
Figure 6.3: Growth Rate of Major Sectors of Non-oil GDP, 2007 - 2011

A sectoral analysis of the real GDP indicated that agriculture's share in total GDP was 40.2 per cent, slightly lower than the 40.8 per cent recorded in 2010. The share of industry increased marginally from 20.4 per cent in 2010 to 21.0 in 2011, while crude oil in GDP declined from 15.9 per cent in 2010 to 13.5 per cent. The share of solid minerals and manufacturing components of industry remained minuscule. Services as a group had a share of 17.7 per cent of GDP, of which communications, finance and insurance, utilities and transport accounted for 5.7, 2.9, 2.9 and 2.5 percent, respectively.

Figure 6.4: Contribution to Growth Rate of Non-oil GDP, 2007 - 2011

Provisional data showed that real domestic demand at 1990 purchasers' price (GDP by Expenditure approach) fell by 0.6 per cent to ₦521.2 billion in 2011, compared with ₦524.6 billion in 2010. Private consumption was ₦174.4 billion, while government final consumption expenditures totalled ₦267.0 billion in 2011, compared with ₦193.5 billion and ₦253.8 billion, respectively, in the preceding year. This indicated a decrease of 9.9 per cent in real private consumption expenditure and an increase of 5.2 per cent in real government consumption expenditure. Investment (gross fixed capital formation) and net exports grew by 3.0 and 2.0 per cent, respectively, in real terms. The increase in government consumption was attributed mainly to the rise in government's investment in security and critical infrastructure.

Figure 6.5: GDP (Expenditure Approach) at 1990 Purchasers' Price



6.2 AGRICULTURE

6.2.1 Agricultural Policy and Institutional Support

The Federal Ministry of Agriculture and Natural Resources launched the Agricultural Transformation Action Plan (ATAP), 2011-2015, as the anchor for the Transformation Agenda of the Federal Government. The objectives of the plan were to facilitate the attainment of food security, diversify the economy, create more jobs, and generate foreign earnings. In specific terms, additional 20 million tonnes of food would be produced, while 3.5 million new jobs would be created in the agricultural sector over the four-year period. The key components of the plan involve reforms in input supply management, particularly fertilizer, marketing institutions, financing the agricultural value-chain, and creating an investor-friendly framework for agricultural investment.

Under the input supply management reform, government withdrew from direct participation in the purchase and distribution of fertilizers to farmers. The distribution of fertilizers and other agricultural inputs would be undertaken by the private sector to enhance efficiency. The policy would also improve farmers' access to the commodity as Government would pay 10%

achievement fees to companies that meet supply targets. Government also intensified effort to ensure the rapid expansion of agro-dealer networks across the country. To this end, 60 one-stop agro-input shops were established across the country in 2011, with plans to build additional 18 shops in 2012.

The reform of the marketing institutions would support the establishment of marketing firms along agricultural value-chains by private sector institutions to coordinate market standards and promote export activities. In addition, agricultural commodity exchanges would be established to improve market access and stabilize prices.

In order to strengthen the financing of the agricultural value-chain, the Nigeria Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL), initiated in 2010, was formally launched in 2011. The scheme would focus on the agricultural value-chain and provide strong incentives for banks to lend to agriculture. The NIRSAL would stimulate innovations in agricultural lending, encourage bank lending to the sector, eliminate state dependency by banks for deploying loanable funds to agriculture, leverage DMBs' balance sheet for lending to agriculture, build a business approach to lending to the sector, and motivate banks to share in the risk.

The sum of US$500 million earmarked for the scheme would be administered by a non-bank financial institution. The five components of the scheme include: a Risk sharing Facility (US$ 300 million), an Insurance Facility (US$ 30million), a Technical Assistance Facility (US$ 60million), an Agricultural Bank Rating Mechanism (US$ 10 million), and a Bank Incentives Mechanism (US$ 100 million).

The agricultural investment component of the plan seeks to attract private investors into areas of high food production to set up food processing plants, reduce current high levels of post-harvest losses, and link farmers in clusters to food processing plants. The plan also seeks to establish more staple crop processing zones. The zones would offer fiscal incentives, such as tax breaks on import of agricultural processing equipment; and tax holidays for food processors and supportive infrastructure, such as power, roads, logistics, storage facilities and cargo airports. Furthermore, six priority crops, namely, rice, cassava, sorghum, cotton, tomato and maize in which Nigeria has competitive advantage, as well as livestock and aquaculture, have been identified and accorded priority with a view to increasing productivity and output.

The Rural Finance Institution Building Programme (RUFIN) in pursuit of its mandate, part of which was to enhance access to rural financial services, linked 3,508 rural microfinance institutions (RMFIs)to 32 participating MFBs and other banks. Through this linkage, ₦119.2 million was provided to village savings and credit associations for on-lending to their members /clients. In addition, various capacity building programmes were conducted for personnel of RMFIs and MFBs for all RUFIN participating states.

6.2.2 Agricultural Production

At 270.6 (1990=100), the provisional aggregate index of agricultural production increased by 5.7 per cent. Although the growth rate in 2011 remained unchanged from 2010, it was lower than the national sectoral target of 8.0 per cent. The prevalence of favourable weather conditions across the country's ecological zones and implementation of the various intervention programmes largely accounted for the growth in the sector.

6.2.2.1 Crop Production

The output of staples increased by 5.7 per cent in 2011, as in 2010. Estimated output for 'other crops' increased by 6.5 per cent, compared with 6.1 per cent in the preceding year. The performance of the crops sub-sector was buoyed by favourable weather conditions, private sector investments in food production, the creation of staple crop processing zones (SCPZ), reduced post-harvest losses, and the continuation of various government programmes initiated in

2010. Cassava output grew by 6.0 per cent, due to the increased use of improved cassava cuttings and expansion of processing facilities across the country. Also, government's directive on the use of at least 10.0 per cent of cassava flour in baking bread boosted output in cassava production. Rice production increased by 5.0 per cent, compared with 4.0 per cent in 2010.

Table 6.3: Growth in Major Crops Production (per cent)

Crop	2010	2011	Crop	2010	2011
Wheat	5.5	6.3	Plantain	5.5	6.5
Sorghum	4.0	5.4	Potatoes	5.8	6.8
Rice	4.0	5.0	Yam	4.8	5.4
Maize	5.9	6.5	Cassava	6.9	6.0
Millet	4.9	5.2	Rubber	5.6	5.9
Soya -Bean	8.4	8.6	Palm Oil	8.3	9.7
Beans	6.1	6.5	Cocoa	6.6	8.3

6.2.2.2 Livestock

Livestock output remained at 6.4 per cent in 2011, as in 2010. Analysis of the sub-sector showed that poultry and beef production increased by 5.2 and 8.7 per cent, respectively, when compared with their levels in 2010. The growth in the sub-sector was propelled by the support provided by government to expand the livestock value-chain, including the continued utilization of modern abattoirs, and sanitary sales outlets established across the country. Other factors were improved control of livestock diseases, and increased investment in poultry farming.

6.2.2.3 Fishery

Fishery production grew by 5.9 per cent to 804,223 tonnes from its level in 2010. The development reflected the improved usage of fish cage structures and dam reservoirs, coupled with increased investment in fish farming in the country. Despite of the impressive growth in the fishery subsector, the output was 46.4 per cent lower than the estimated national annual demand of 1.5 million tonnes.

6.2.2.4 Forestry

Forestry products increased by 5.9 per cent to 174.8 million cubic metres in 2011, higher than the 4.8 per cent increase in 2010. The growth was driven mainly by the increased demand for wood products. In addition, the Forestry Research Institute of Nigeria (FRIN) sustained the supply of improved breeder seedlings to replace the harvested tree stocks in order to sustain wood production in the country.

6.2.3 Agricultural Prices

The prices of most of Nigeria's agricultural export commodities were higher in 2011 when compared with the previous year. Despite of this development, the overall index computed, in US dollar terms, stood at 416.3 (1990=100), representing a decrease of 2.1 per cent from the level in 2010. The price of cocoa declined by 4.9 per cent below the level in the previous year due largely, to the increase in supply, arising from the relative peace in Ivory Coast, the leading global producer. However, other export commodities showed price increases during the year under review. Copra recorded the highest price increase of 54.3 per cent over the 2010 level due, largely, to strong demand. Similarly, cotton, coffee, soya beans, and palm oil recorded price increases of 49.7, 38.3, 25.3 and 25.2 per cent, respectively. The development was occasioned by supply cuts as a result of bad weather conditions in some producing countries. In naira terms, the all-commodities price index increased by 1.5 per cent to 6190.7 (1990=100) in 2011, ostensibly due to the depreciation of the Naira vis-a-vis the US dollar. Except for cocoa which declined by 2.71 per cent, compared with 2010, indices of all other commodities rose. Copra, cotton, coffee, soya beans and palm oil recorded price increases of 57.7, 52.9, 41.6, 28.3 and 28.1 per cent, respectively.

6.3 INDUSTRY

6.3.1 Industrial Policy and Institutional Support

The former Ministry of Commerce and Industry was transformed into the Ministry of Trade and Investment. The rationale was to ensure a seamless harmonization of domestic and foreign investment policy for focused growth and development. The mandate of the new Ministry was to attract investments into the country, coordinate trade activities, as well as oversee small and medium enterprises.

In order to encourage foreign investments, the Ministry created trade and investment desks in major Nigerian embassies to act as facilitators and provide guidance on business opportunities in Nigeria. The Ministry also launched the Nigeria Agribusiness and Agro-Industries Development Initiative (NAADI) to foster growth in the agribusiness sub-sector. With the success of the backward integration policy in the cement sub-sector in 2010 (which led to considerable expansion in local manufacturing capacity in 2011), the Ministry extended the same policy to the agricultural sector, targeting sugar and rice production in 2011.

In order to bridge the manpower gap in the industrial sector, the Ministry of Trade and Investment embarked on several specialized and vocational training programme for budding entrepreneurs. Some of the programmes included: the Train-to-Work Programme; SMEDAN's Young Entrepreneurs Programme; the African-Diaspora Partnership for Empowerment and Development; and the Human Capital Development Centre which would enable the country to leverage on the opportunities in the US *African Growth and Opportunity Act* (AGOA). It also equipped the Model Skills Training Centre in Abuja, and created three additional ITF Area Offices at Lekki, Lagos State, Warri, Delta State, and Yenagoa, Bayelsa State.

In 2011, policy also focused on promoting domestic manufacturing, through guided patronage of locally made products. Some of the policy initiatives in this regard included: approval of ₦119.82million loans for manufacturers of motorcycle tyres and tubes; establishment of a long-term Automotive Development Fund for concessionary lending; and establishment of a Mechanics Credit Scheme (with a take-off fund of ₦1.0 billion).

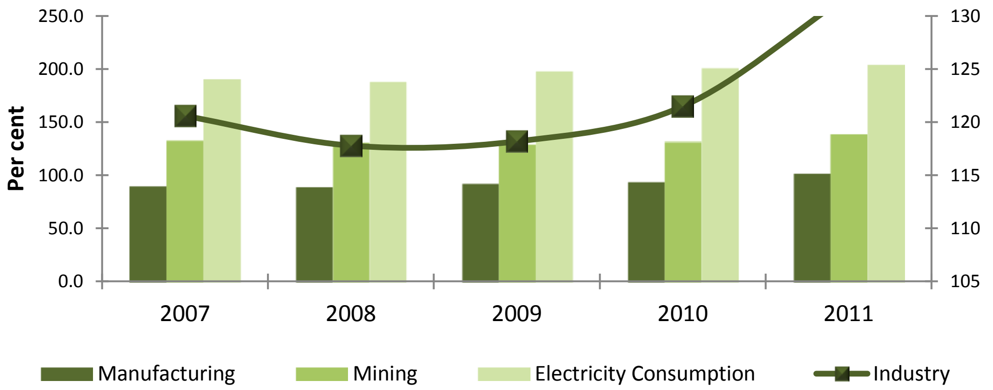
The Federal Government continued its quest to boost power supply with a two-pronged approach. The first was to ensure steady supply with respect to current installed capacity, while fast-tracking the completion of new generation plants to add new capacities. Since the launch of the road map for the power sector reforms, generation has stabilized above 3,500Mw and the frequency of grid collapse has drastically reduced. The achievement was attributed to the massive investment in the rehabilitation of generating plants, upgrading of the transmission lines, and expansion of the distribution network. Private sector participation, through better grid metering and a revenue collection management programme rendered the billing system more efficient, thereby growing the revenue base of the companies. Regarding the addition of new capacities, work reached an advanced stage in ten power plants across the country in 2011. The plants were expected to add 4,771MW to current installed capacity. Seven of them (Olorunshogo, Sapele, Ihovbor, Gbarain, Omoku, Geregu, and Omotosho) were scheduled for commissioning in December 2012.

The second approach was to fully privatize the power sector for greater efficiency. Eighteen successor companies to the PHCN became independent entities. Except for the Transmission Company of Nigeria (TCN), all others were being privatized. In the first quarter of 2011, the Bureau of Public Enterprises called for expressions of interest in the generation and distribution companies and received 929 bids, out of which 529 were for distribution while the rest were for generation. The overwhelming interest in the sector, as manifested in the large number of bids, was attributed to the Multi Year Tariff Order (MYTO) which was aimed at ensuring that investors would be able to cover their costs. The Board of the Nigeria Bulk Electricity Trading Company was inaugurated in 2011.

6.3.2 Industrial Production

At 132.0 (1990=100), the estimated industrial production index for 2011 rose by 8.7 per cent over the level in 2010. The improved performance of the industrial sector in 2011 resulted from the continuation of policies and programmes put in place the previous year. The growth was driven by increased activities in all the sub-sectors, reflecting renewed efforts of government to transform the economy. Also, the continuation of policies and programmes put in place in 2010, such as the intervention fund for the manufacturing sector, significantly improved the performance of the industrial sector. The indices of the manufacturing, mining and electricity sub-sectors increased by 7.4, 5.4 and 4.3 per cent, respectively, compared with the levels in 2010.

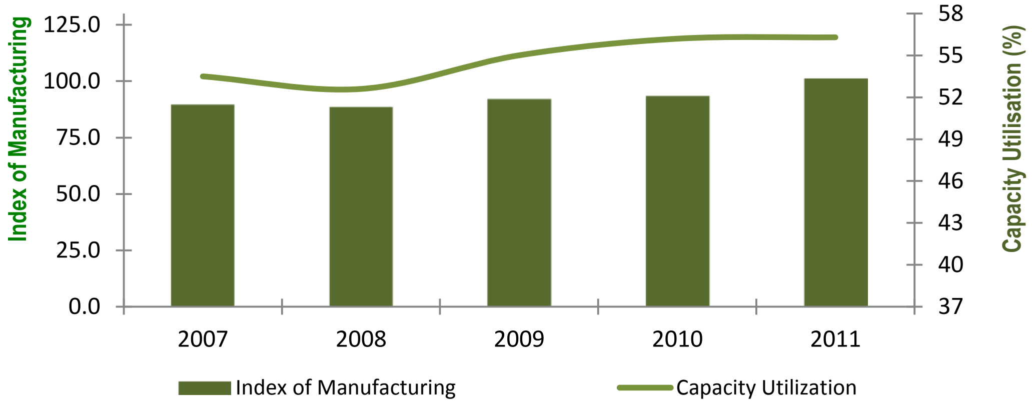
Figure 6.6: Index of Industrial Production, 2007 - 2011 (1990 = 100)



6.3.2.1 Manufacturing

The index of manufacturing production, estimated at 101.2 (1990=100), rose by 7.4 per cent above the level in 2010, while the average capacity utilisation rate of the manufacturing sub-sector showed a marginal improvement from 56.2 to 56.9 per cent in 2011. The increase was mainly due to the improved performance in the cement, sugar and confectioneries, electronics and electrical components, and motor vehicle assembly sub-sectors.

Figure 6.7: Index of Manufacturing Production and Capacity Utilisation



6.3.2.2 Extractive Industry

6.3.2.2.1 Oil & Gas

The implementation of the *Nigerian Local Content Policy Act*, which was enacted in April 2010, continued in 2011. Aspects of the Act yet to be implemented include: a local component manufacturing strategy, the development of Indigenous Marine Vessels, and an Offshore Assets Acquisition Strategy. Others are the: establishment of the Nigerian Content Development Fund and the development of the Nigerian Oil and Gas Employment/ Training Strategy.

a. Crude Oil Production, Refinery Utilization, Petroleum Products and Prices

i. Crude Oil and Condensates Production

Nigeria's aggregate crude oil production, including condensates and natural gas liquids, was 792.05 million barrels, averaging 2.17mbd in 2011. This represented a 1.9 per cent increase, compared with 777.45 million barrels or 2.13 mbd produced in 2010.The increase in production was attributed, largely, to the relative peace in the Niger Delta region, following the success of the Federal Government's amnesty programme.

> *The abated restive militancy in the Niger Delta continued in 2011. This paved the way for improved crude production*

6 REAL SECTOR DEVELOPMENTS

ii. Refinery Utilization

In 2011, the actual refining capacity of the three (3) refineries increased by 4.1 percentage points, from 30.5 per cent in 2010. The Port Harcourt Refining Company (PHRC) and the Kaduna Refining and Petrochemical Company (KRPC) recorded an increased capacity of 8.0 and 5.1 per cent, respectively, while the Warri Refining and Petrochemical Company (WRPC) had a decline of 2.0 per cent. The total output of petroleum products from the refineries was 4.9 million tonnes in 2011, representing an increase of 7.6 per cent, compared with 4.5 million tonnes refined in 2010. The increase in output of the refineries was attributed to the rehabilitation and maintenance works on oil-processing facilities and pipelines, specifically, the restoration of System 2C. Of the total quantity of refined products, fuel oil accounted for the largest share of 28.7 per cent, while Premium Motor Spirit (PMS), Automotive Gas Oil (AGO), Dual Purpose Kerosene (DPK), and Low Pour Fuel (LPG) and others accounted for 27.5, 22.4, 15.7, 2.5 and 3.2 per cent, respectively. In terms of actual output, the WRPC, PHRC and KRPC refined 2.3, 1.6, and 0.9 million tonnes of products, respectively.

iii. Petroleum Products Consumption

The total volume of petroleum products consumed in 2011 was 22.3 billion litres. This represented an increase of 5.3 per cent, compared to 21.2 billion litres consumed in 2010. A breakdown by product showed that PMS had the highest figure of 17.1 billion litres (76.4 per cent of total). This was followed by AGO, with 2.9 billion litres (12.8 per cent of total), DPK, with 2.0 billion litres (9.0 per cent of total), LPFO, with 319.6 million litres (1.4 per cent of total), Liquefied Petroleum Gas (LPG), with 31.8 million litres (0.1 per cent of total), and Asphalt & Others with 51.5 million litres (0.2 per cent of total).

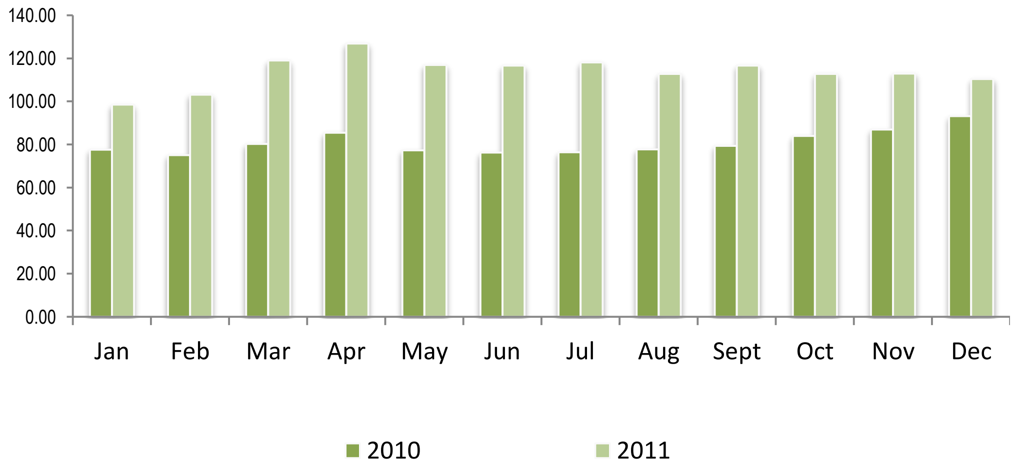
iv. Prices

The average spot price of Nigeria's reference crude, the Bonny Light, (37° API), stood at US$113.77 per barrel in 2011, compared with an average of US$80.81 per barrel in 2010. This translated to an increase of 40.8 per cent. Disruption of activities in the Sarir Oilfield at Sirte basin, Libya in February saw the price of Nigeria's Bonny Light rising from US$103.23 to US$126.91 in April. Other contributory factors to the high average price of the Bonny Light and, indeed, other crudes in 2011 were supply cuts in the North Sea, the Gulf of Mexico and China, and seasonal demand increases from Asian refineries.

The average spot price of Nigeria's reference crude, the Bonny Light, (37°API) stood at US$113.77 per barrel in 2011, compared with an average of US$80.81 per barrel in 2010.

The average prices of other crude streams, such as the West Texas Intermediate (WTI) at US$94.69; the UK Brent at US$111.92 and the Forcados at US$114.52, exhibited a similar trend as the Bonny Light. The average price of OPEC's basket, which comprised twelve (12) variants of crude, also increased by 38.7 per cent from US$77.45 to US$107.46 per barrel in 2011, mainly due to the loss in Libyan crude, El Sider.

Figure 6.8: Bonny Light Monthly Prices in 2010 and 2011



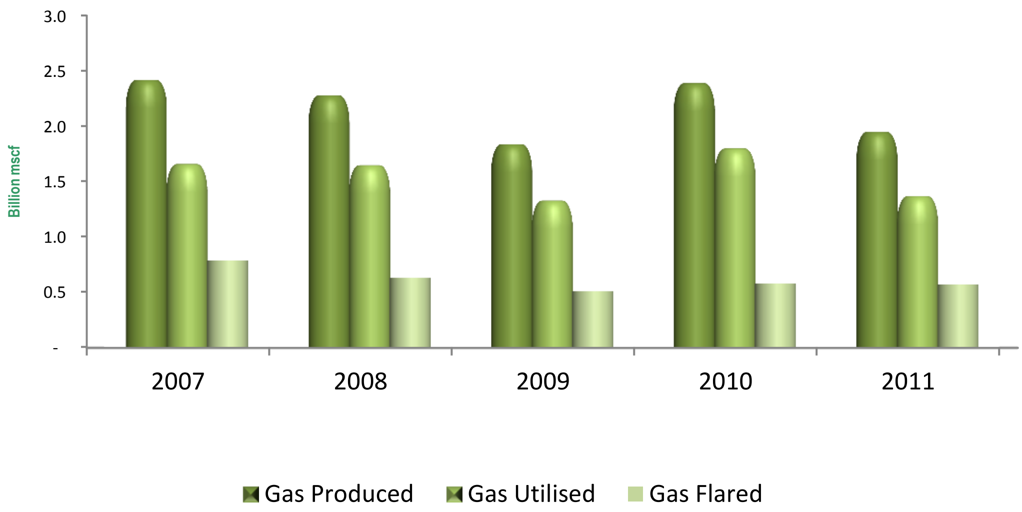
b. Gas

The cost regimes for gas-to-power and gas-to-industry, which were introduced in 2010 to ensure sustainability of supply, provided a strong impetus for the local gas market in 2011. The power, cement and steel sub-sectors were the major users.

i Gas Production and Utilization

The volume of gas produced in 2011 decreased to 1.9 billion mscf from 2.4 billion mscf, representing a decline of 18.7 per cent in 2010. Of the total, 70.6 per cent was utilized, while 29.4 per cent was flared. Out of the volume utilized, 49.5 per cent was sold to industries, including the power, cement and steel companies, while 25.5 per cent was re-injected, and gas lifted accounted 11.3 per cent. Gas sold to Nigeria Liquefied Natural Gas (NLNG) Company, used as fuel as well as gas converted to natural gas liquids, accounted for 7.6, 4.4 and 1.7 per cent, respectively.

Figure 6.9: Gas Production and Utilization (2007 - 2011)



6.3.2.2.2 Solid Minerals

a. Institutional Support for the Sector

The Federal Government sustained its reform of the solid minerals sector in 2011. Areas of focus were: governance, institutional and human capital development, poverty reduction initiatives, and resuscitation of abandoned projects. During the year, the minerals and mining regulations were released, while the Geosciences Research and Analytical Laboratory in Kaduna was upgraded with additional equipment. Also, as part of capacity building in the subsector, additional artisanal miners and gemstones cutters, polishers and beads makers were trained under the Train-the-Trainers programme. The government also made concerted efforts to revamp the Nigeria Iron Ore Mining Company (NIOMCO) which was expected to be the major iron ore supplier to Ajaokuta Steel Company Limited.

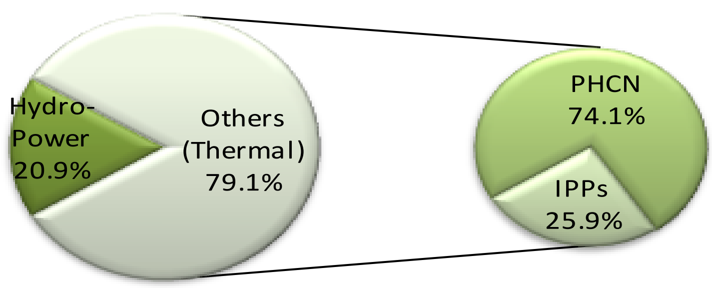
b. Solid Minerals Production

Efforts to boost mining activities in the country enhanced the aggregate output of solid minerals by 11.1 per cent to 53.61 million tonnes in 2011. All the principal minerals, especially limestone, barite, sand & stone aggregates, laterite, shale and lead/zinc contributed to the growth in output.

6.3.3 Electricity Generation

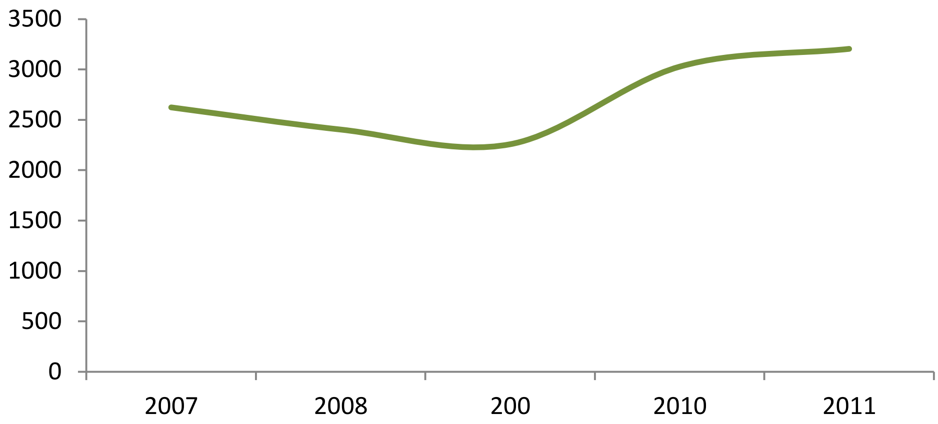
Total installed electricity generation capacity stood at 9287 MW in 2011, reflecting an increase of 5.4 per cent over the level in 2010. The additional capacity came from Olorunshogo II power plant which commenced operation in the year. A disaggregation of the installed capacity showed that hydro-power and thermal power accounted for 20.9 and 79.1 per cent, respectively. Further analysis showed that the former Power Holding Company of Nigeria (PHCN) had 74.1 per cent of the total installed capacity, while the Independent Power Plants (IPPs) accounted for the balance.

Figure 6:10 Nigeria' Power System Composition in 2011



At 3,086.1 mega-watts per hour (MW/h), electricity generation increased by 1.9 per cent above its level in 2010. The increase was attributed to improved gas supply to the thermal stations, refurbishment of power generation stations, and the commencement of operation at the Olorunshogo II Power Plant.

Figure 6.11: Electric Power Generation



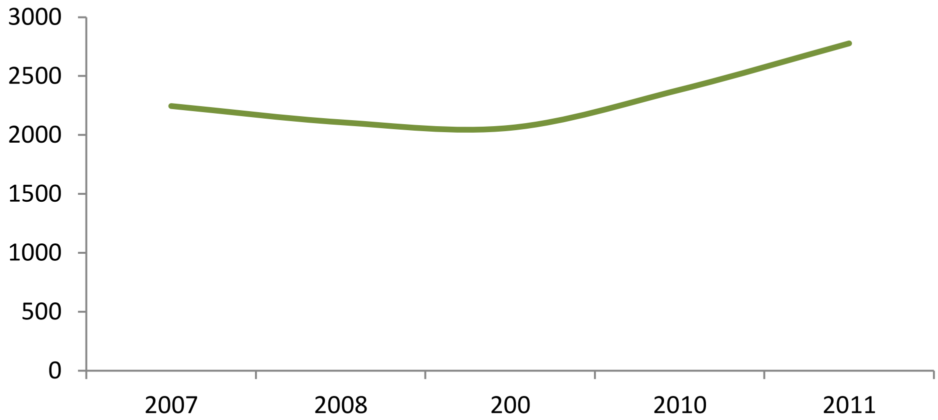
6.3.4 Energy Consumption

At 194.7 (1990=100), the index of energy consumption fell marginally by 0.2 per cent, compared with a decline of 3.2 per cent recorded in 2010. In absolute terms, aggregate energy consumed in 2011 stood at 17.6 million tonnes of coal equivalent (tce), compared with 17.7 million tce in the preceding year, representing a marginal decline of 0.4 per cent. The decline was attributed to the decline in the consumption of coal, hydro-power and natural gas which fell by 14.2, 7.7 and 6.4 per cent, respectively.

6.3.4.1 Electricity Consumption

At 2,703.0MW/h, electricity consumption increased by 13.4 per cent above the level of 2,383.1 MW/h in 2010. The development was attributed to enhanced generation and improvement in transmission and distribution infrastructure.

Figure 6.12: Electric Consumption, 2007 - 2011



6.3.4.2 Hydropower Consumption

At 3,305,962.9 ton coal equivalent (tce), hydropower consumption in 2011 declined by 7.7 per cent, compared with the level in 2010. This was due to a fall in electricity generated at the Kainji and Jebba power plants, which declined by 34.5 and 14.3 per cent, respectively.

6.3.4.3 Coal Consumption

Aggregate coal consumption in 2011 was estimated at 39,213.4 tonnes, representing a decrease of 14.2 per cent, compared with 45,713.1 tonnes recorded in 2010. The decline in coal consumption was as a result of the shift to other sources of energy which are more environmentally- friendly.

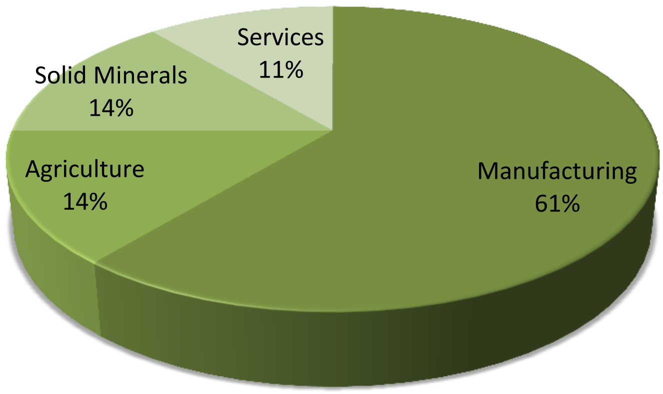
6.3.5 Industrial Financing

6.3.5.1 The Nigeria Export-Import Bank (NEXIM)

The sum of ₦8.55 billion was disbursed by NEXIM, under different facilities, to beneficiaries in 2011. Of this amount, ₦6.94 billon and ₦960.00 million were for standing and export credit guarantee facilities, respectively. The refinancing and rediscounting facility got ₦445.00 million, while ₦200.00 million and ₦2.00 million were disbursed under the direct lending and start-your-own business facilities, respectively.

A sectoral distribution showed that the manufacturing sector received the highest amount of ₦5.20 billion or 61.0 per cent of the total, while the agricultural and solid mineral sectors got 14.0 and 13.9 per cent, respectively, and the service sector accounted for the balance of 11.1 per cent.

Figure 6.13: Sectoral Distribution of NEXIM's Credit in 2011



6.4 TRANSPORTATION AND COMMUNICATIONS

6.4.1 Aviation Services

6.4.1.1 Policy and Airport Development

The sub-sector witnessed a boost as the rehabilitation of airports across the country commenced. The rehabilitation works covered eleven (11) airports: Murtala Muhammed International Airport, Lagos; Murtala Muhammed Airport (General Aviation Terminal), Lagos; Nnamdi Azikwe International Airport, Abuja; Port Harcourt International Airport, Port Harcourt; Kaduna Airport, Kaduna; Margaret Ekpo International Airport, Calabar; Benin Airport, Benin-City; Akanu Ibiam International Airport, Enugu; Sam Mbakwe Airport, Owerri; Yola Airport, Yola; and Yakubu Gowon Airport, Jos. The cost of the special renovations and upgrades was put at ₦19.0 billion. The Federal Airports Authority of Nigeria (FAAN) maintained international standards for passenger safety and security. This resulted in a relatively safe year with no recorded accident in the programmed regular flight category.

6.4.1.2 Domestic Operations

The operations of airlines on domestic routes witnessed improvements in 2011. The number of passengers airlifted increased by 2.8 per cent, from 10.7 million in 2010 to 11.0 million in 2011. Aircraft movement increased by 6.1 per cent to 218,482 in 2011. The increase in passenger traffic and aircraft movement reflected increased government funding and regulation, an improvement in airline service delivery and greater public confidence in the sector.

6.4.1.3 International Operations

The operational performance of airlines on the international routes improved significantly in 2011, as the number of passengers airlifted on the routes increased by 21.9 per cent to 3.9 million in 2011, compared with 3.2 million in 2010. International flights also increased by 24.1 per cent, from 34,981 in 2010 to 43,395. The development was attributed to an improved business climate in the country, stable macroeconomic policies, improved infrastructure, and an enhanced investor confidence in the economy.

6.4.2 Railway Services

The Nigerian Railway Modernisation Project, which started in 2009 continued in 2011. The major projects in 2011 were: the rehabilitation of the 488 km Lagos-Jebba track with 97.0 per cent completion; rehabilitation of 636 km Jebba-Kano track with 80.0 per cent completion; and mobilization of contractors for the eastern and Zaria-Kaura Namoda lines rehabilitation. Other major projects were: workshop and training school rehabilitation with 80.0 per cent completion; procurement of additional 40 wagons and rehabilitation of two locomotives; procurement of three railroad recovery vehicles, as well as the rehabilitation of stations, buildings, bridges and culverts. During the year, the Nigeria Railway Corporation (NRC) entered into a number of MoUs with some strategic business partners which included the Osun

The Nigerian Railway Modernization Project which started in 2009 continued in 2011.

State Government for the running of freight and passenger train services and the Reynolds Construction Company (RCC) for the lifting of 100,000 metric tons of lump stone and sand traffic.

In terms of passenger carriage, the mass transit service of the NRC moved 3.1 million passengers in 2011, compared with 1.5 million in 2010, an increase of 107.7 per cent. The freight moved stood at 181,860 tons in 2011, as against 139,377 tons in 2010, an increase of 30.5 per cent. In addition, the corporation generated ₦684.8 million revenue in 2011, compared with ₦287.1 million in 2010, an increase of 138.5 per cent.

6.4.3 Maritime Services

The Nigerian maritime sector remained attractive for investors. During the year, a leading ship building firm from Asia signed an agreement to build a US$7.0 billion shipyard in Bayelsa State. The Federal Government continued the pursuit of key maritime programmes in the areas of security, safety, labour, marine environmental practices, human capacity building, and development of infrastructure, in recognition of the need to have a platform for promoting indigenous tonnage and capacity.

The Joint Committee of Freight Forwarders (JACOFF), was formed to bring almost all the freight forwarding associations under the same umbrella to engender transparency and probity in the sector. It was part of the on-going reform programmes in the maritime sector. The Federal Government intensified efforts to promote the utilization of inland waterways. It continued the dredging of the lower River Niger from Lokoja to Onitsha to harness economic benefits and reduce the risks associated with road haulage.

The cargo throughput handled in Nigerian ports increased by 10.5 per cent, from 74,910,284 in 2010 to 82,763,384 metric tons in 2011. Similarly, ship traffic at Nigerian ports increased in 2011 with the number of ocean-going vessels at

5,327, reflecting an increase of 7.4 per cent. The gross tonnage of ocean-going vessels increased by 13.1 per cent to 122.0 million, compared with 108.6 million in 2010. Laden container traffic throughput increased by 22.2 per cent, from 668,697 units in 2010 to 817,246 in 2011.

6.4.4 Communications

The communications sector sustained its growth in 2011, driven mainly by the Global System of Mobile Communications (GSM). However, the challenge of quality service delivery persisted.

Table 6.4: The Nigerian Telecommunications Market Statistics, 2007 - 2011

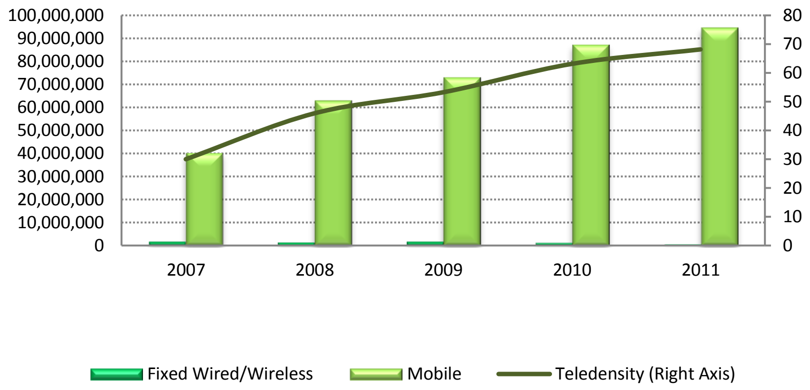
	2007	2008	2009	2010	2011
No. of Active Fixed Wired/Wireless Lines ('000)	1,580	1,308	1,481	1,050	753
No. of Active Digital Mobile Lines (million)	55.24	62.99	73.1	87.29	94.63
No. of National Carriers	2	2	2	2	2
No. of Operating ISPs	117	83	-	-	-
No. of Active Licensed Fixed Line Operators	29	20	22	-	-
Number of Licensed Mobile Operators	4	9	8	8	8
Teledensity	29.98	45.93	53.23	63.11	68.13
Cumulative Investment (US$ million)	11,500	12,000	18,000	-	-

Source: Nigerian Communications Commission (NCC)

As at end-December 2011, the combined active subscriber base of the telecommunications sub-sector had increased by 8.0 per cent, over its level in December 2010, to a total of 95,886,714 active lines (719,406 fixed wired/wireless and 95,167,308 mobile lines). Thus, the teledensity increased from 63.11 to 68.5 lines per 100 inhabitants over the same period. This has consistently exceeded the International Telecommunication Union (ITU) minimum standard of 1:100. In addition, the sub-sector grew by 35.0 per cent in 2011 and accounted for 5.6 per cent of the GDP.

Other developments in the sub-sector included the successful implementation of the compulsory SIM card registration which started in May 2010; the introduction of a mobile money policy by the CBN to promote financial inclusion; the e-registration exercise carried out by the Independent National Electoral

Figure 6.14: Trends of Total Connected Lines and Teledensity, 2007 - 2011



Commission (INEC), and the launching of the NigComSat-1R at the Xichang Satellite Launch Centre, among others.

The sector in 2011 witnessed the creation of a new Information and Communication Technology (ICT) Ministry. Two e-libraries were established in each state of the federation by the Universal Service Provision Fund (USPF) of the NCC. The project was aimed at sensitising Nigerians on IT usage and boosting IT education in the country.

6.5 CONSUMER PRICES

Inflationary pressure was largely contained in 2011 though the rate remained above the single digit. Data from the NBS showed that the all-items composite Consumer Price Index (CPI) stood at 126.0 (November 2009=100) in December 2011, compared with 114.2 in December 2010. This represented a year-on-year headline inflation of 10.3 per cent, which was lower than the rate at end-December 2010 by 1.5 percentage points. A trend analysis indicated that inflation dropped from12.1 per cent at end- January 2011, to 9.3 per cent in August, before assuming an upward trend to 10.3 per cent from the end of the third quarter to end-December 2011. Core inflation (all-items, less farm produce) was 12.1 per cent at end-January, but fell to 10.9 per cent at end-August 2011. It fell further to close at 10.8 per cent at end-December 2011. Food inflation, which was 10.3 per cent at end-January, fell to 9.2 and 8.7 per cent at end-June and end-August, respectively, before trending upwards to close at 11.0 per cent at end-December, 2011.

Urban inflation followed a similar pattern with headline inflation as the all-items index closed the year at 9.0 per cent, compared with 10.7 per cent at end – December 2010. Core urban inflation and food urban inflation were 9.7 and 9.8 per cent at end-December, compared with 9.8 and 11.6 per cent in 2010, respectively.

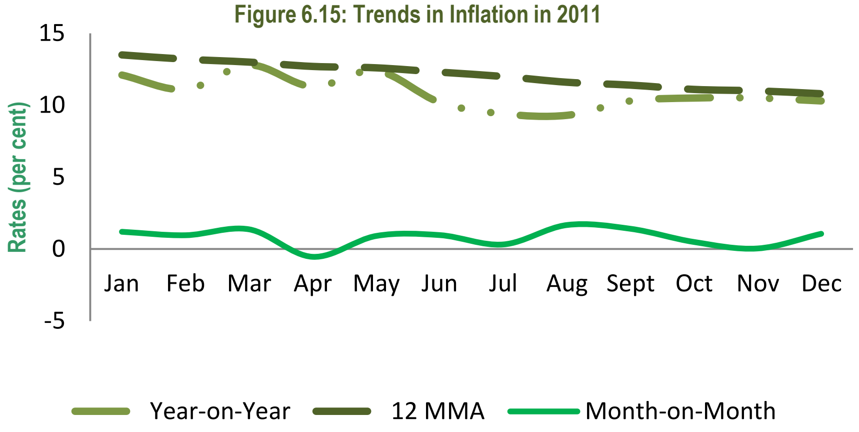
Inflationary pressure was largely contained in 2011 though the rate remained above the single digit.

All three components of rural inflation also declined in 2011. At 11.3 per cent at end-December 2011, the all-items inflation fell by 1.4 percentage points, compared with end-December 2010. Similarly, rural core and rural food inflation both fell from 11.9 per cent each at end-December to 11.7 per cent each.

Table 6.5: Annual Headline Inflation Rates (Year-on-Year) (per cent)

	2007	2008	2009	2010	2011
January	8	8.6	14	14.4	12.1
February	7.1	8	14.6	15.6	11.1
March	5.2	7.8	14.4	14.8	12.8
April	4.2	8.2	13.3	15	11.3
May	4.6	9.7	13.2	12.9	12.4
June	6.4	12	11.2	14.1	10.2
July	4.8	14	11.1	13	9.4
August	4.2	12.4	11	13.7	9.3
September	4.1	13	10.4	13.6	10.3
October	4.6	14.7	11.6	13.4	10.5
November	5.2	14.8	12.4	12.8	10.5
December	6.6	15.1	13.9	11.8	10.3
Average	***5.4***	***11.5***	***12.6***	***13.8***	***10.9***

Figure 6.15: Trends in Inflation in 2011



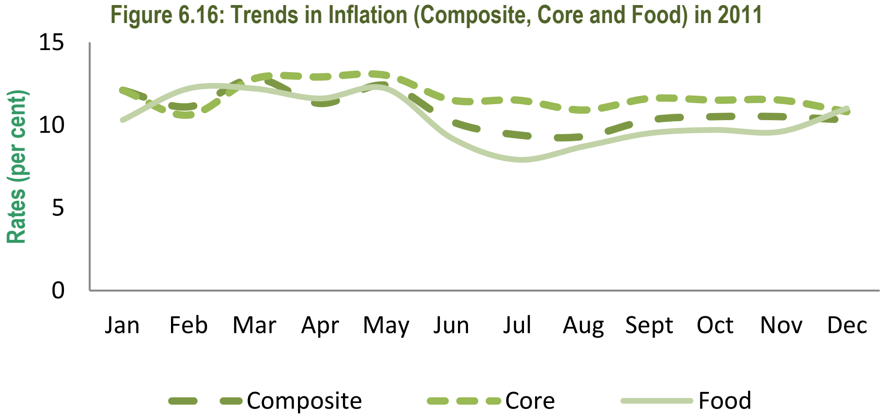
1/ 12 MMA is a 12-month moving average

The 12-month moving average headline inflation rate was 10.8 per cent in 2011, compared with 13.7 per cent at end-December 2010.

The inflation trend in the year was attributed to several factors such as the prevalence of favourable weather conditions in the year, which led to good harvests for most crops, relative stability of the naira exchange rate, and improved supply and relatively stable prices of petroleum products. The inflation rate at the end of the year exceeded both the national and the WAMZ single-digit inflation rate targets.

Inflationary rate at the end of the year exceeded both the national and the WAMZ single-digit inflation rate target.

Figure 6.16: Trends in Inflation (Composite, Core and Food) in 2011



6.6 UNEMPLOYMENT

The National Bureau of Statistics (NBS), in 2011, conducted the General Household Survey (GHS) under the auspices of the Annual NBS/CBN Collaborative Survey initiative. The result of the survey showed that the national unemployment rate increased to 23.9 per cent in 2011, from 21.4 per cent in 2010. The unemployment rate in the rural and urban areas was 25.6 and 17.1 per cent, compared with 20.7 and 22.8 per cent, respectively, in 2010. The unemployment rate by gender was 23.5 and 24.3 per cent for males and females, respectively.

Table 6.6: Labour Statistics, 2007 - 2011

	2007	2008	2009	2010	2011
Total Population	144,925,607	149,563,227	154,349,250	159,288,426	167,912,561
Economically Active	81,448,191	84,054,533	86,744,278	89,520,095	92,384,738
Labour Force	59,294,283	61,191,700	63,149,835	65,170,629	67,256,090
Employed	51,763,909	52,074,137	50,709,317	51,224,115	51,181,884
Unemployed	7,530,374	9,117,563	12,440,517	13,946,515	16,074,205
Newly Unemployed	463,323	1,587,189	3,322,954	1,505,997	2,127,691
Unemployment Rate (%)	12.7	14.9	19.7	21.4	23.9

Source: NBS

Table 6.7 Unemployment Rate by State in 2011

State	Rate	State	Rate	State	Rate
Abia	11.2	Enugu	25.2	Niger	39.4
Adamawa	33.8	Gombe	38.7	Ogun	22.9
Akwa Ibom	18.4	Imo	26.1	Ondo	12.5
Anambra	12.2	Jigawa	35.9	Osun	3.0
Bauchi	41.4	Kaduna	30.3	Oyo	8.9
Bayelsa	23.9	Kano	21.3	Plateau	25.3
Benue	14.2	Katsina	28.1	Rivers	25.5
Borno	29.1	Kebbi	25.3	Sokoto	17.9
Cross River	18.2	Kogi	14.4	Taraba	12.7
Delta	27.2	Kwara	7.1	Yobe	35.6
Ebonyi	23.1	Lagos	8.3	Zamfara	42.6
Edo	35.2	Nasarawa	36.5	FCT Abuja	21.1
Ekiti	12.1				

Source: NBS

Table 6.8 Unemployment Rate by Educational Level, Age Group and Gender

	2009			2010			2011		
Items	**Urban**	**Rural**	**Composite**	**Urban**	**Rural**	**Composite**	**Urban**	**Rural**	**Composite**
Educational Group									
Never Attended School	20.6	20	20.1	19.2	17.7	17.9	19	22.8	22.4
Below Primary	18.4	22.9	22.3	24.9	23.1	23.5	-	-	-
Primary	15.1	14.7	14.8	21.8	21.8	21.8	15.5	22.7	21.5
Secondary	21.4	25.3	23.8	-	-	-	-	-	-
Modern School	-	-	-	-	-	-	14.5	27.5	24.3
Post Secondary	13.9	26.4	21.3	-	-	-	-	-	-
JSS	-	-	-	24.5	22.4	23.1	16.6	36.9	33.4
Vocational/Commercial	-	-	-	27.9	24.1	25.7	34.5	27	28.7
SSS	-	-	-	24.2	23.6	23.9	13.9	22.5	20.1
A Levels	-	-	-	-	-	-	34.1	29.7	31
NCE/OND/Nursing	-	-	-	22.3	20.4	21.5	17.2	22.5	20.2
B.A/B.Sc./B.Ed./HND	-	-	-	24	21.5	23.1	16.8	23.8	20.2
Tech/Professionals	-	-	-	-	-	-	5	27.9	20.6
M.Sc/M.AM.Admin	-	-	-	20.7	18.5	20.1	3.2	8.3	5.1
Doctorate	-	-	-	19.6	19.6	19.6	11.1	7.7	9.1
Others	-	-	-	22	23.7	22.8	31.3	36.1	35.5
Age Group									
15-24	49.9	39.6	41.6	26	24.8	25.2	33.5	38.2	37.7
25-44	16.3	17.3	17.1	22.7	19.6	20.7	16.3	24.1	22.4
45-59	10	12.1	11.5	20.8	19.3	19.9	12.5	19.6	18
60-64	18.2	16.2	16.7	22.5	20.6	21.3	17.8	22.1	21.4
Gender									
Male	17.2	16.9	17	21.6	18.5	19.6	16.9	25.1	23.5
Femal	21.7	23.9	23.3	24.2	23.1	23.5	17.2	26.1	24.3
National	**19.2**	**19.8**	**19.7**	**22.8**	**20.7**	**21.4**	**17.1**	**25.6**	**23.9**

Source: NBS/CBN/NCC GHS 2009 & 2010

6.7 THE SOCIAL SECTOR

6.7.1 Demography

The National Population Commission (NPC) estimated Nigeria's population at 167.9 million in 2011, based on an annual population growth rate of 2.3 per cent. A breakdown of the figure showed that 82.1 million or 48.9 per cent were females while males accounted for 85.8 million or 51.1 per cent.

6.7.2 Education

The education sector was plagued by instability in 2011, arising from various prolonged strike actions, the closure of a number of illegal universities, as well as an accreditation crisis in some tertiary institutions.

The Education Tax Fund (ETF) Act was amended to become *Tertiary Education Tax Fund (TETFUND) Act* for funding tertiary education in the country. Furthermore, nine (9) federal universities were established in Ebonyi, Kogi, Nasarawa, Gombe, Taraba, Katsina, Jigawa, Ekiti, and Bayelsa States. The National Universities Commission (NUC) embraced a cross-border university education approach to encourage foreign universities to offer degree programmes in Nigeria.

During the period, the Federal Government approved a new education system, the 1-6-3-3-4 to replace the existing 6-3-3-4. The new system entails a compulsory one-year early childhood education (ECE) for five-year old pupils, six years of primary, three years of junior secondary, three years of senior secondary, and four years of higher education.

The Nigerian Educational Research and Development Council (NERDC) introduced the new Senior Secondary School Curriculum in 2011. The new curriculum has five core subjects – English Studies, General Mathematics, Entrepreneurial Trade, Computer Studies, and Civic Education. It also has four distinct fields of study – Senior Secondary Education Science, Humanities, Technology and Business, with 34 entrepreneurial trades to provide the required skills for job creation and poverty eradication.

6.7.3 Health

In a bid to expand the scope of health care delivery, the Federal Government vigorously pursued collaboration with foreign partners in 2011. These efforts culminated in the signing of a number of MoUs. These included: public health collaboration between the governments of Nigeria and Austria collaboration on Reproductive Health between the Nigerian government and the United Nations Population Fund; renewal of the MoU between the Nigerian government and the University of Texas MD Anderson Cancer Centre on cancer control; and the Workforce Training and Capacity Building between the government of Nigeria and the Griffith University, Australia.

Achievements in the sector included the reduction of the wild polio virus transmission by 95.0 per cent; the establishment of mass cancer screening centres and the Nigeria Centre for Disease Control; and distribution of over four million insecticide-treated nets and 17.5 million free contraceptive commodities.

Others were: completion of the FGN/VAMED project at the University of Benin Teaching Hospital (UBTH), Benin-City, and at Obafemi Awolowo University Teaching Hospital (OAUTH), Ile-Ife; and the establishment of a stem cell transplantation centre at UBTH. In addition, the Avian Influenza Intensive Care Unit at the University of Abuja Teaching Hospital (UATH), Gwagwalada, was commissioned.

6.7.4 Poverty

Anecdotal evidence showed that the measures of the poverty level in Nigeria worsened in 2011, when compared with their levels in 2010. The estimated poverty measures, using the relative, absolute and US dollar-per-day, were 71.5, 61.9 and 62.8 per cent, respectively.

Table 6.9 Nigeria's Poverty Profile

	2004	2010	2011
Estimated Population (Million)	126.3	163	168
Relative Poverty (%)	54.4	69	71.5
Absolute Poverty (%)	54.7	60.9	61.9
Dollar Per Day (%)	62.8	61.2	62.8

Source: NBS Nigeria Poverty Profile 2010 Report; 2011 figures are estimates.

CHAPTER SEVEN

EXTERNAL SECTOR DEVELOPMENTS

In 2011, the overall Balance of Payments (BOP) position swung from a deficit of ₦1,491.5 billion or 4.4 per cent of Gross Domestic Product(GDP) in 2010, to a surplus of ₦47.1 billion, representing 0.1 per cent of GDP. The current account recorded a surplus of ₦1, 336.8 billion which surpassed the deficit of ₦831.4 billion in the capital and financial account. However, the current account surplus, as a percentage of GDP declined from 5.9 per cent in 2010 to 3.6 per cent attributed mainly to the higher deficits in the services and income accounts. The impressive performance of export trade reflected favourable development in the oil sector. The price of Nigeria's reference crude, Bonny Light (37^0 API), grew on an annualized basis from an average of US$81.6 per barrel in 2010 to US$113.8 in 2011, an increase of 39.5 per cent. Similarly, the volume of crude oil production and exports increased from an average of 2.1 and 1.6 mbpd in 2010 to 2.2 and 1.7 mbpd, respectively. The capital and financial account outcome constituted 2.2 per cent of GDP. External debt increased, but remained within a tolerable limit. The external reserves rose slightly by 0.9 per cent to US$32.6 billion at end-December 2011, and could finance 6.3 months of current import commitments. Movement in the Naira/US dollar exchange rate was relatively stable throughout the year in all segments of the foreign exchange market. The external sector however remained vulnerable and faces the challenges of non-diversification and rising external debt.

7.1 BALANCE OF PAYMENTS

7.1.1 Major Developments

The external sector improved in 2011 with an estimated overall balance of payments surplus of ₦47.1 billion (US$0.3 billion), or 0.1 per cent of GDP, in contrast to a deficit of ₦1, 491.5 billion (US$10.0 billion) in 2010. The surplus in the current account declined to ₦1, 336.8 billion (US$8.8 billion), or 3.6 per cent of GDP, which was lower than the ₦1, 993.0 billion (US$13.4 billion), or 5.9 per cent of GDP, recorded in 2010. This development was accounted for by the widened deficits of 18.8 and 20.0 per cent in both services and income accounts (net). Inward transfers, however, increased by 7.8 per cent to ₦3, 355.2 billion (US$22.0 billion). The capital and financial account recorded a deficit of ₦831.4 billion (US$5.4 billion), or 2.2 per cent of GDP, compared with the surplus of ₦305.6 billion (US$2.1 billion), or 0.9 per cent of GDP in 2010. External debt stock increased by 23.8 per cent from US$4.6 billion in 2010 to US$5.7 billion, but remained sustainable.

Figure 7.1: Balance of Payments (per cent GDP), 2007 - 2011

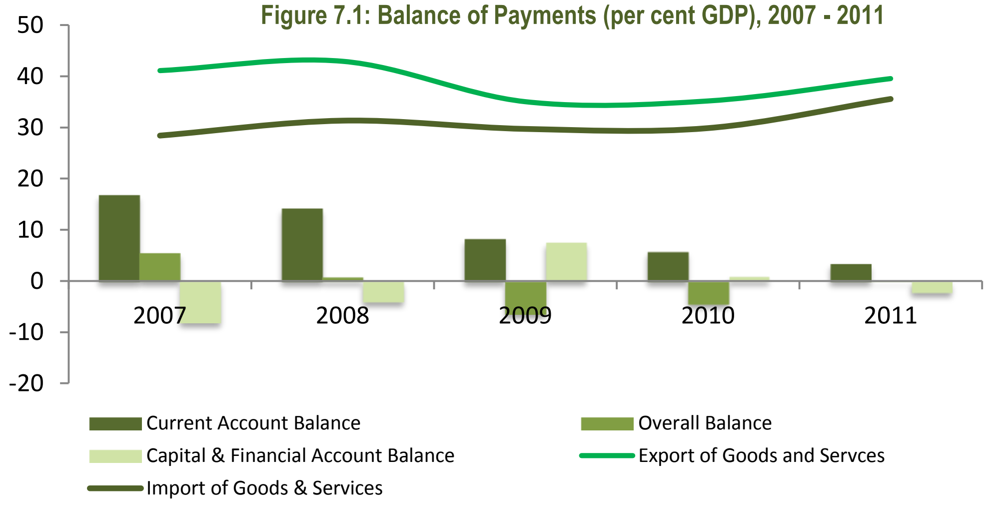


Table 7.1: Summary of the Provisional Balance of Payments Statement 1/

	N' billion				US$' billion			
	2008	2009	2010	2011	2008	2009 2/	2010 3/	2011
CURRENT ACCOUNT	3,450.59	2,057.95	1,993.00	1,336.79	29.30	13.97	13.42	8.76
Goods	5,438.77	3,773.35	4,546.10	4,746.35	46.18	25.62	30.61	31.11
Exports (fob)	10,161.49	8,356.39	11,490.30	14,231.45	86.27	56.74	77.37	93.27
Imports (fob)	-4,722.72	-4,583.04	-6,944.20	-9,485.10	-40.10	-31.12	-46.76	-62.16
Services(net)	-2,621.05	-2,453.71	-2,743.23	-3,259.47	-22.25	-16.66	-18.47	-21.36
Credit	268.32	330.24	463	521.06	2.28	2.24	3.12	3.41
Debit	-2,889.37	-2,783.95	-3,206.22	-3,780.53	-24.53	-18.90	-21.59	-24.78
Income(net)	-1,784.95	-2,144.67	-2,921.79	-3,505.31	-15.15	-14.56	-19.67	-22.97
Credit	278.77	139.26	149.96	138.10	2.37	0.95	1.01	0.91
Debit	-2,063.71	-2,283.93	-3,071.75	-3,643.40	-17.52	-15.51	-20.68	-23.88
Current transfers(net)	2,417.82	2,882.98	3,111.92	3,355.22	20.53	19.58	20.95	21.99
Credit	2,480.72	2,952.02	3,183.76	3,427.82	21.06	20.04	21.44	22.46
Debit	-62.91	-69.04	-71.84	-72.61	-0.53	-0.47	-0.48	-0.48
CAPITAL AND FINANCIAL ACCOUNT	-992.28	1862.6	305.56	-831.41	-8.42	12.65	2.06	-5.45
Financial account(net)	-992.28	1,862.60	305.56	-831.41	-8.42	12.65	2,06	-5.45
Assets	-2,157.31	248.21	-834.77	-3,096.42	-18.32	1.69	-5.62	-20.29
Direct investment (Abroad)	-124.65	-227.09	-137.03	-125.67	-1.06	-1.54	-0.92	-0.82
Portfolio investment	-560.5	-122.35	-167.85	-247.64	-4.76	-0.83	-1.13	-1.62
Other investment	-1,275.80	-966.05	-2,021.37	-2,676.05	-10.83	-6.56	-13.61	-17.54
Reserve assets	-196.37	1,563.69	1,491.48	-47.06	-1.67	10.62	10.04	0.31
Liabilities	1,165.03	1,614.39	1,140.33	2,265.01	9.89	10.96	7.68	14.84
Direct investment (in reporting economy)	971.54	1,273.82	905.73	1,360.31	8.25	8.65	6.10	8.91
Portfolio investment	157.16	70.94	556.59	792.36	1.33	0.48	3.75	5.19
Other investment liabilities	36.33	269.64	-321.99	122.34	0.31	1.83	-2.17	0.74
NET ERRORS AND OMISSIONS	-2,458.31	-3,920.55	-2,298.56	-505.39	-20.87	-26.62	-15.48	-3.31
Memorandum Items:								
Current Account Balance as % of G.D.P	14.20	8.30	5.86	3.58	14.20	8.30	5.86	3.58
Capital and Financial Account Balance as % of G.D.P	-4.08	7.51	0.90	-2.23	-4.08	7.51	0.90	-2.23
Overall Balance as % of G.D.P	0.81	-6.31	-4.39	-0.13	0.81	-6.31	-4.39	-0.13
External Reserves - Stock (US $ million)	53,000.36	42,382.49	32,339.25	32,639.78	53,000.36	42,382.49	32,339.25	32,639.78
Number of Months of Imports Equivalent	15.86	16.34	7.92	6.30	15.86	16.34	7.92	6.30
External Debt Stock (US$ million)	3,720.00	3,947.30	4,578.77	5,666.58	3,720.00	3,947.30	4,578.77	5,666.58
Effective Central Exchange Rate (N/$)	117.78	147.27	148.51	152.59	117.78	147.27	148.51	152.59
Average Exchange Rate (N/$)	118.53	148.90	149.74	153.85	118.53	148.90	149.74	153.85
End-Period Exchange Rate (N/$)	132.56	149.58	150.66	158.27	132.56	149.58	150.66	158.27

1/ The conversion for BOP purposes was based on the mid-point or the effective central exchange rate.

2/ Provisional

3/ Overall balance mirrors the movement in external reserves

Source: CBN, Statistics Department

7.2 THE CURRENT ACCOUNT

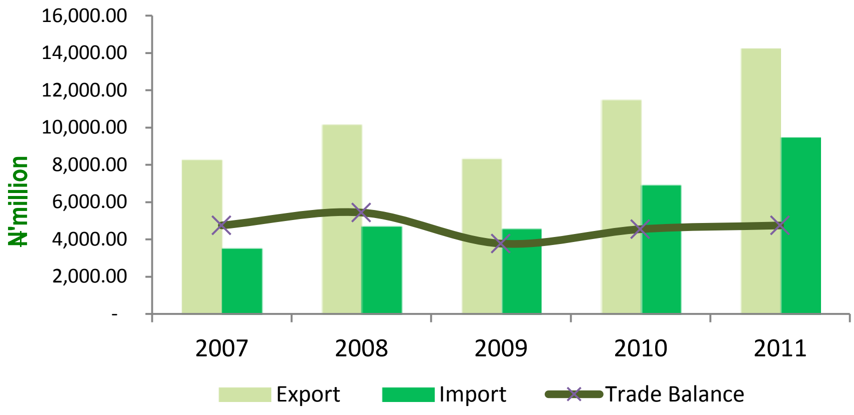
The current account recorded a surplus of ₦1,336.8 billion (US$8.8 billion) in 2011 compared with the ₦1,993.0 billion surplus (US$13.4 billion) in 2010. Trade surplus (goods account) increased by 4.4 per cent from ₦4,546.1 billion (US$30.6 billion) in 2010 to ₦4,746.3 billion (US$31.1 billion), owing to higher exports of ₦14,231.5 billion, or 38.2 per cent of GDP, which outweighed import bills of ₦9,485.1 billion or 25.4 per cent of GDP. The deficit in the services account widened by 18.8 per cent to ₦3,259.5 billion in the review period. Similarly, deficit in the income accounts enlarged by 20.0 per cent to ₦3,505.3 billion, owing to increased repatriation of dividend and distributed profits by non-resident investors. Current transfers (net), representing mainly home remittances by Nigerians abroad, increased by 7.8 per cent to ₦3,355.2 billion (US$22.0 billion).

The current account recorded a surplus of ₦1,336.8 billion (US$8.8 billion), reflecting the growth in higher exports of 38.2 per cent of GDP which outweighed import bills of 25.4 per cent of GDP and increased home remittances.

7.2.1 The Goods Account

The goods account (fob), adjusted for balance of payments, recorded a surplus of ₦4,746.3 billion, indicating an increase of 4.4 per cent. Aggregate exports grew by 23.9 per cent and represented 38.2 per cent of GDP. This reflected the substantial earnings from crude oil exports. The oil and non-oil components of unadjusted merchandise trade (imports and exports) increased by 30.7 and 22.8 per cent, to ₦16,789.8 billion and ₦7,676.8 billion, respectively. The oil sector component continued to dominate total trade as its share increased marginally from 67.3 per cent in 2010 to 68.6 per cent in 2011. The degree of openness of the economy, as measured by the ratio of total trade/GDP was 65.6 per cent as against 56.2 per cent in 2010.

Figure 7.2: Value of Imports, Exports and Trade Balance



7.2.1.1 Imports: Cost and Freight (c&f)

The total imports unadjusted for balance of payments increased by 34.4 per cent to ₦10,235.2 billion (27.4% of GDP). The huge import bills were as a result of higher demand, to meet domestic production gaps, industrial needs in the form of raw-materials and capital goods, as well as imports for production in the oil sector. A breakdown of imports, using returns by DMBs on foreign exchange utilization, revealed that oil sector imports accounted for 34.1 per cent of the total, industrial imports (23.8%), food products (16.4%), manufactured goods (14.6%), transport (5.5%), minerals (4.5%), and agricultural sector imports (1.1%).

The huge import bills were as a result of higher demand, to meet domestic production gaps, industrial needs in the form of raw-materials and capital goods, as well as imports for production in the oil sector.

(a) Imports by End-User

Analysis of aggregate imports by end-users revealed that the share of consumer goods declined by 0.06 percentage point to 43.3 per cent in 2011. Within the category, durable consumer goods constituted the bulk of the imports with a share of 28.6 per cent. Capital goods and raw material imports as a group constituted 56.1 per cent, with raw materials (chemicals) and capital goods (spare parts and agricultural machinery) accounting for 12.5 and

43.6 per cent, respectively. Miscellaneous (unclassified imports) accounted for the remaining 0.6 per cent.

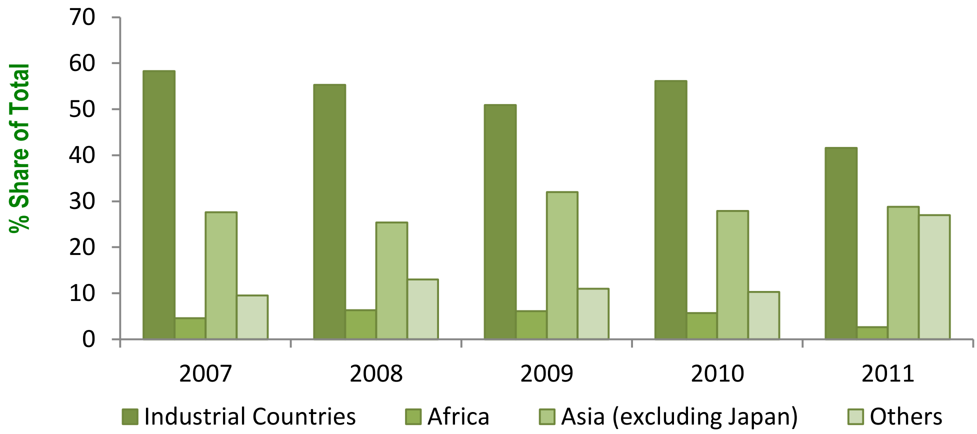
Figure 7.3: Imports by Major Groups in 2011

(b) Non-oil Imports by Country of Origin

A disaggregation of imports by country showed that, imports from Asian countries (excluding Japan) was the dominant source in 2011 and accounted for 39.6 per cent. The Peoples' Republic of China ranked highest in the group, with a share of 20.0 per cent of the total. Imports from industrialized countries accounted for 35.5 per cent, up from 35.0 per cent in 2010, with the USA topping the list with a share of 11.4 per cent. The share of imports from African countries declined from 2.7 per cent in 2010 to 2.1 per cent in the review period.

Available data revealed that imports from Asian counties (excluding Japan) became the dominant source in 2011 and accounted for 39.6 percent.

Figure 7.4: Non-oil Imports by Origin in 2011



7.2.1.2 Exports: Free on Board (fob)

The value of total exports grew by 23.9 per cent in 2011 to ₦14,231.5 billion, reflecting the substantial earnings from crude oil exports occasioned by the high international price of crude oil, as well as stable domestic production.

Aggregate exports grew by 23.9 per cent in 2011 to ₦14,231.5 billion (US$93.3 billion), reflecting the substantial earnings from crude oil exports occasioned by the high international price of crude oil, as well as stable domestic production. The oil sector accounted for 96.6 per cent of the total, while non-oil exports accounted for the remainder. The continued dominance of oil exports has made the Nigerian economy susceptible to external shocks.

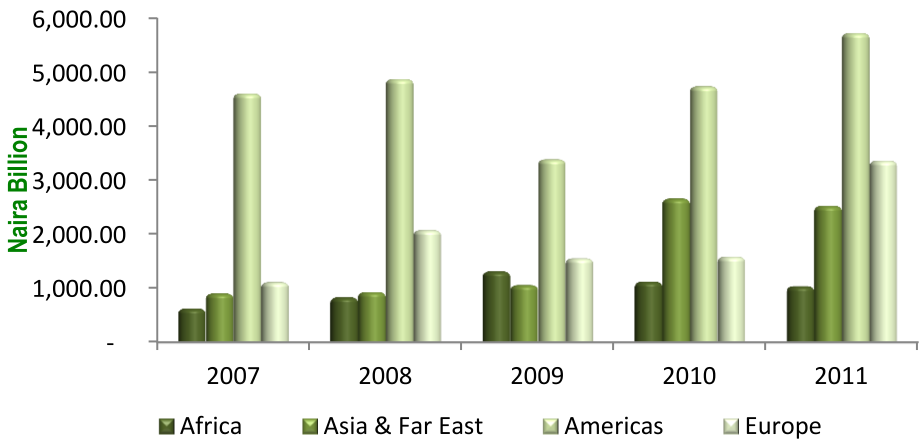
[a] Direction of Oil Exports

The US remained the largest single importer of Nigeria's crude oil, accounting for 29.2 per cent of the total.

The Americas as a group constituted the largest buyer of Nigeria's crude oil, followed by European and Asian countries. The value of oil exports to the Americas increased from ₦4,746.2 billion in 2010 to ₦5,736.3 billion. On a country-by-country basis, the United States of America (USA) remained the largest single importer of Nigeria's crude oil, accounting for 29.2 per cent of the total. Other countries in the group were Uruguay (7.2%), Canada (6.3%), Argentina (1.9%), Peru (0.6%) and Brazil (0.2%).

The share of Asia and the Far East declined by 6.4 percentage points to 20.0 per cent in the review period. In value terms, the share of exports to Asia and the Far East was ₦2,529.3 billion, with imports from India dominating the group, followed by Indonesia. Despite the Eurozone crisis, the share of the European countries' oil imports from Nigeria increased substantially from 131.5 million barrels in 2010 to 228.0 million barrels. The value also increased by 112.2 per cent to ₦3,368.9 billion with the Netherlands dominating the group, followed by Spain, France and Italy. The share of crude oil exports to African countries remained the lowest at 8.2 per cent, dominated by imports from South Africa, Cameroun, Ghana and Cote d'Ivoire. In the ECOWAS sub-region, Ghana was the largest importer of Nigeria's crude oil, followed by Cote d'Ivoire and Senegal.

Figure 7.5: Direction of Crude Oil Exports, 2007 - 2011



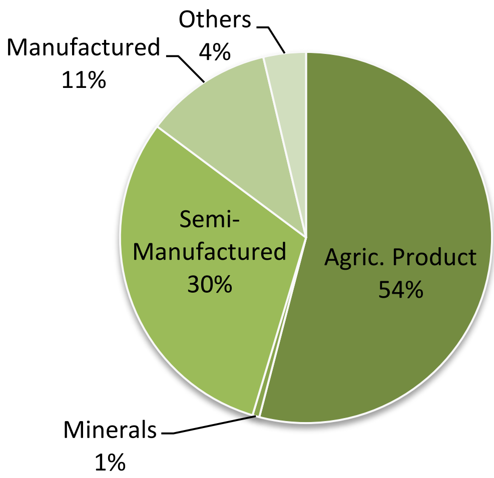
[b] Non-oil Exports

The value of non-oil exports increased by 22.4 per cent to ₦485.2 billion in 2011. This was attributed mainly to enhanced agricultural produce especially coca beans, and improvement in production, processing and packaging of Nigeria's manufactured and semi-manufactured products for overseas markets. Despite this development, the non-oil sub–sector contributed only 3.4 per cent of the total exports.

Further analysis of non-oil exports by product showed that agricultural produce, semi-manufactured goods, manufactured goods and solid minerals accounted for 54.1, 30.6, 11.1 and 0.6 per cent of the total, respectively. Other exports, which comprised petroleum-by products, charcoal, crafts and cement/lime products, accounted for the remaining 3.7 per cent.

The agricultural produce category, which contributed 54.1 per cent of the total non-oil exports, comprised cocoa beans, rubber, cotton, fish/shrimp, and others. In the semi-manufactured category, leather and processed skins accounted for 18.1 per cent, followed by cocoa products, contributing 4.3 per cent, while others accounted for 7.8 per cent of the total.

Figure 7.6: Non-oil Exports by Product in 2011



[c] Non-oil Exports to the ECOWAS Sub-Region

Aggregate non-oil exports to the ECOWAS sub-region stood at US$251.7 million in 2011. Non-oil exports to Ghana ranked highest with US$100.6 million, followed by Niger, Togo, Benin, Cote d' Ivoire and Burkina Faso with US$45.9 million, US$42.2 million, US$18.5 million, US$17.5 million and US$9.2 million, respectively. Other importing countries from Nigeria included Guinea, Mali, Liberia and Senegal. The dominant export products continued to be tobacco, plastics, rubber, footwear and poly bags.

[d] Activities of Top 100 Non-oil Exporters

Gross export proceeds by the top 100 exporters amounted to US$2.0 billion in 2011. A ranking of the earnings by exporter revealed that Olam Nigeria Limited retained the first position as in 2010 with receipts of US$444.0 million, or 22.2 per cent of the total, largely through the export of sesame seeds and cocoa beans to Japan and Europe. Bolawole Enterprises Nigeria Limited also retained second position with earnings of US$146.0 million, or 7.3 per cent of the total, from exports of cocoa beans largely to the Netherlands. Unique Leather Finishing Company ranked third with US$124.1 million, or 6.2 per cent, exports of leather to Italy. Imoniyame Holdings Limited and Saro Agro Allied Limited that ranked fourth and fifth with US$97.8 million or 4.9 per cent, and US$79.5 million or 4.0 per cent, respectively in 2011. Clean State Commodities Limited and Kolorkote Nigeria Limited were ranked ninety-ninth and hundredth with exports valued at US$0.3 million each.

7.2.2 The Services Account

The deficit in the services account (net) widened by 18.8 per cent from ₦2,743.2 billion in 2010 to ₦3,259.5 billion. This was attributed to out-payments in respect of financial services, personal and business travels, insurance, computer and information services, professional and technical services, as well as operational leasing activities. However, deficits on freight, communications and construction services reduced. The deficit in respect of transportation, travels, government services and other business services accounted for 30.5, 28.2, 4.9 and 28.3 per cent of total outflows, respectively.

The deficit in the services account (net) widened by 18.8 per cent from ₦2,743.2 billion in 2010 to ₦3,259.5 billion.

Figure: 7.7 Percentage Share of Major Invisible Services

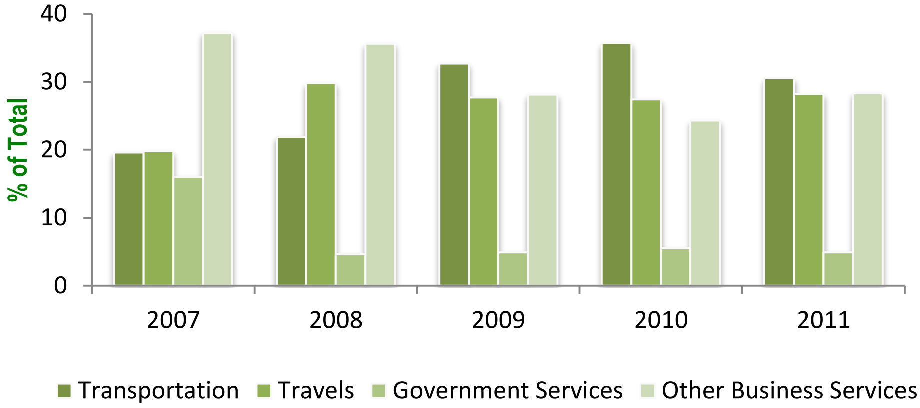


Table: 7.2 Percentage Share of Major Invisible Transactions					
Items	**2007**	**2008**	**2009**	**2010**	**2011**
Transportation	19.6	21.9	32.7	35.7	30.5
Travel	19.8	29.8	27.7	27.4	28.2
Insurance Services	1.9	2.5	2.8	2.7	3.3
Communication Services	1.7	1.7	1.2	1.3	0.8
Construction Services	0.6	0.6	0.5	0.7	0.4
Financial Services	0.0	0.0	0.1	0.1	1.4
Computer and Information Services	1.8	1.8	1.3	0.7	0.8
Royalties and Licence Fees	1.6	1.6	0.9	1.2	1.0
Government Services	16	4.6	4.9	5.5	4.9
Personal, Cultural & Recreational Services	0.0	0.0	0.0	0.3	0.4
Other Business Services	37.2	35.62	28.1	24.3	28.3

7.2.3 The Income Account

The deficit in the income account widened by 20.0 per cent to ₦3,505.3 billion in the period under review. The development was attributed to higher out-payments in respect of dividends and distributed profits, which increased by 20.5 percent to ₦3,097.9 billion. Both interest earnings on external reserves and other investment assets by the monetary authorities declined by 4.7 and 35.6 per cent to ₦389.1 billion and ₦64.8 billion, respectively. This was attributed to low interest rates in major financial centres accentuated by a continued lull in global economic recovery.

7.2.4 Current Transfers

The surplus in current transfers (net) widened by 7.8 per cent to ₦3,355.2 billion in 2011. The inward transfers, largely accounted for by personal home remittances, increased by 6.9 per cent in the review period. Also, general government transfers, which are expenses on foreign embassies and payments to international organizations, rose by 17.3 per cent.

Table 7.3: Current Transfers (₦ Billion), 2009 - 2011

	2009	2010	2011
INFLOWS (credit)			
1.General government (grants, ODA, Technical Assistance & gifts)	236.9	240.3	282.0
2. Other sector workers' remittances and other transfers in kind	2,715.1	2,943.4	3,145.8
OUTFLOWS (debit)			
1.General government (Payments to International Organizations & other payments)	17.5	25.3	18.0
2. Other sector workers' remittances and other transfers	51.5	46.6	54.6
NET CURRENT TRANSFERS	2,883.0	3,111.9	3,355.2

7.3 THE CAPITAL AND FINANCIAL ACCOUNT

The capital and financial account, at 2.2 per cent of GDP, registered a deficit of ₦831.4 billion (US$5.4 billion), as against the surplus of ₦305.6 billion (US$2.1 billion) in 2010. However, the account witnessed increased foreign direct investment (FDI) flows occasioned by an improved investment climate, especially in the oil sector, with the relative calm in the Niger-Delta region. Also, there was enhanced portfolio inflow in money market instruments as non-residents can now repatriate their capital within a year. Provisional data on FDI inflows, which comprised equity capital, reinvested earnings and other capital, increased significantly by 50.2 per cent to ₦1,360.3 billion (US$8.9 billion). FDI inflows were largely into the oil and gas, banking, manufacturing and telecommunications sub-sectors. The outward FDI

The capital and financial account at 2.2 per cent of GDP, registered a deficit of ₦831.4 billion (US$5.4 billion), as against the surplus of ₦305.6 billion (US$2.1 billion) recorded in 2010.

flows declined by 8.3 per cent to ₦125.7 billion in 2011 as a result of the lull in global economic activities occasioned by the political crisis in the Middle East and North African (MENA)countries and the Eurozone debt crisis.

Portfolio investment registered an increase of 42.4 per cent over its level in the preceding year. The increased inflow was accounted for by equity securities, (49.9 per cent) and debt securities (50.1 per cent), of total portfolio flows in the economy. The outward portfolio investment increased significantly by 47.5 per cent to ₦247.6 billion in 2011.

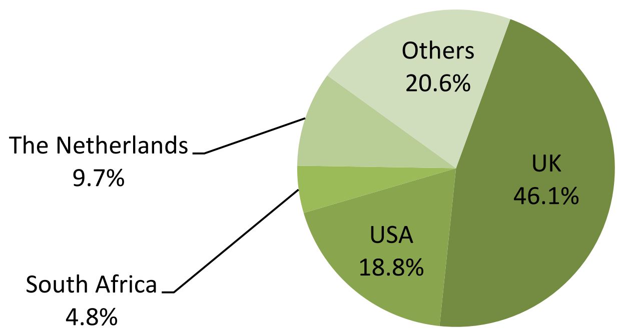
A breakdown of other investment liabilities revealed that external debt rose while fresh commitments increased debt stock from US$4.6 billion in 2010 to US$5.7 billion. These loans were additional disbursements from the International Development Agency (IDA), the African Development Bank (AfDB), and other non-Paris club creditors as well as the issuance of a US$500.0 million 10-year Eurobond. Other investment assets rose from ₦2,021.4 billion in 2010 to ₦2,676.0 billion, attributable largely to 'other sector' claims on the economy.

The external reserves at US$32.6 billion recorded accretion of US$0.3 billion over its end-December, 2010 level. This could support 6.3 months of imports, as against the 3 months requirement under the convergence criteria of the West African Monetary Zone (WAMZ).

7.4 CAPITAL IMPORTATION

Aggregate capital importation in 2011 was US$7.9 billion, as against US$6.0 billion in 2010. The highest inflow came from the United Kingdom (46.1%), followed by the United States (18.8%), the Netherlands (9.7%) and South Africa (4.8%). Other countries accounted for the remainder (20.6%).

Figure 7.8: Capital Importation by Country in 2011 (Per cent)



Further analysis of capital inflows by economic sector showed that the stock market received a boost and accounted for 51.0 per cent of the total. Investment inflow to the capital market amounted to US$4.0 billion, which was used for the purchase of shares, indicating renewed investors' confidence in the Nigerian capital market, following a series of reforms. The banking, financing and manufacturing sub-sectors accounted for 11.1, 10.8 and 6.6 per cent of total capital importation, respectively. Other sectors accounted for the remaining 20.5 per cent.

Figure 7.9: Capital Importation by Sector in 2011 (Per cent)

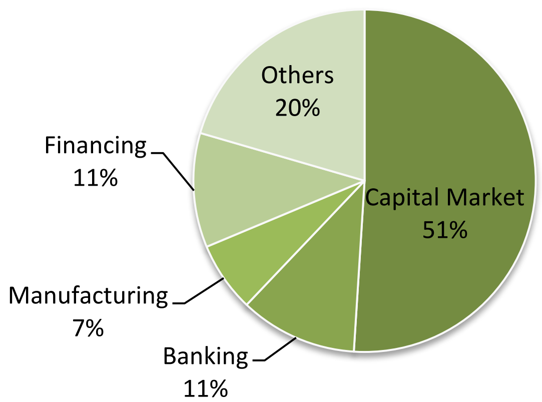


Table 7. 4: Capital Importation: Country and Sector Inflows (US$ Million)									
	2008	**2009**	**2010**	**2011**		**2008**	**2009**	**2010**	**2011**
United Kingdom	4,105	731	2,732	3,644	Banking	4,681	2,624	909	876
United States	4,950	3,296	1,241	1,485	Shares	3,424	1,479	3,161	4,030
South Africa	468	224	537	381	Financing	749	205	171	851
Mauritius	216	77	161	278	Telecommunication	717	336	479	296
Netherlands	154	186	0.1	765	Prod./Manufacturing	504	294	854	520
Cyprus	83	64	45	64	Serv icing	94	33	179	48
Switzerland	73	69	58	47	Brewery	-	60	25	73
Luxembourg	-	4	121	25	Oil and Gas	641	114	89	22
Germany	18	23	62	221	Trading	63	37	35	26
Denmark	213	-	3	-	Construction	130	13	43	42
Sweden	22	10	90	52	Hotels	-	-	2	-
China	36	139	9	58	Transport	14	50	3	-
United Arab Emirates	151	18	75	49	Marketing	21	28	0	1
Others	682	459	860	834	Others	133	27	44	1,118
TOTAL	**11,171**	**5,300**	**5,994**	**7,903**	**TOTAL**	**11,171**	**5,300**	**5,994**	**7,903**

Source: CBN, Trade and Exchange Department

A breakdown of capital importation into its major components revealed that of the total of US$7.9billion, FDI was (22.2%), portfolio investment (57.1%), and other investments – trade credit, loans, currency deposits and other claims (20.7%). FDI inflows increased significantly by 140.5 per cent over its level in 2010 as a result of increased investment in equities. Portfolio flows at US$4.5 billion increased by 14.8 per cent, from US$3.9 billion in 2010, accounted for by 46.7 per cent growth in equities, 9.6 per cent growth in money market instruments, and 0.8 per cent growth in bonds. In the other investment category, loans, which accounted for the bulk of the inflows, increased by 15.1 per cent.

Table 7.5: New Capital Inflows (US$' Thousand)				
NATURE OF CAPITAL	2008	2009	2010	2011
Foreign Direct Investment - Equity	4,597,675.27	3,305,678.28	668,350.88	1,498,906.99
Foreign Direct Investment - Other capital	63,605.92	20,719.32	60,602.15	254,439.30
Portfolio Investment - Equity	2,349,962.47	1,443,228.96	2,979,446.68	3,691,505.55
Portfolio Investment - Bonds	420,057.17	12,617.39	68,476.84	66,489.97
Portfolio Investment - Money Market Instruments	659,672.97	84,151.70	883,844.21	755,126.69
Other Investments - Trade Credits	15,000.00	7,915.11	154.88	1,366.51
Other Investments - Loans	2,735,581.53	816,670.00	1,399,457.35	1,611,294.41
Other Investments - Currency Deposits	-	9,199.97	-	-
Other Investments - Other Claims	328,133.49	2,708.16	2,225.41	24,640.31
TOTAL	**11,169,688.82**	**5,702,888.88**	**5,994,150.02**	**7,903,769.73**

Source: CBN, Trade and Exchange Department

7.5 THE INTERNATIONAL INVESTMENT POSITION (IIP)

Provisional data revealed that the deficit in net International Investment Position (IIP) widened to US$10.3 billion, from US$9.8 billion in 2010, reflecting an increased claims on the economy. The IIP account revealed that the value of total foreign assets and liabilities amounted to US$98.3 billion and US$108.6 billion respectively, compared with US$83.9 billion and US$93.7 billion in 2010. Both foreign assets and liabilities increased by 17.1 and 15.8 per cent, respectively.

Further analysis revealed that, assets abroad – direct investment, portfolio investment, external reserves and "other foreign assets" amounted to US$5.9 billion, US$14.1 billion, US$32.6 billion and US$45.7 billion, respectively. Both direct and portfolio investment stocks abroad increased by US$823.6 million and US$1.4 billion respectively in 2011. Compared with 2010, the total official reserves increased by 0.9 per cent to US$32.6 billion in 2011 and accounted for 33.2 per cent of Nigeria's total foreign assets.

The stock of liabilities, valued at US$108.6 billion, comprised direct investment (US$69.2 billion), portfolio investment (US$23.3 billion) and other liabilities (loans and foreign currency deposits) US$16.0 billion.

Figure 7.10: Assets and Liabilities: International Investment Position (IIP)

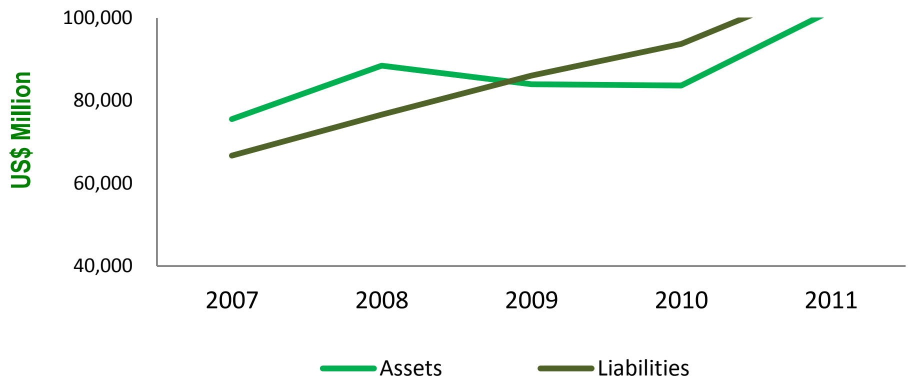


Figure 7.11: Net International Investment Position

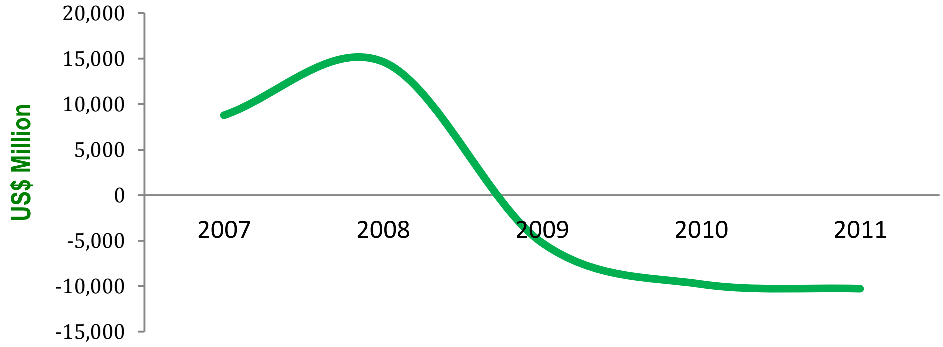


Table 7.6: International Investment Position (IIP) of Nigeria (2007-2011) [Millions of dollars]

Type of Asset/Liability	2007	2008	2009	2010	2011
Net international investment position of Nigeria	**8,786.67**	**14,665.88**	**-5,224.41**	**-9,772.48**	**-10,272.20**
Assets	**75,505.24**	**91,275.85**	**80,804.65**	**83,935.26**	**98,279.48**
Direct investment abroad	1,506.42	2,564.69	4,118.29	5,041.01	5,864.59
Portfolio investment abroad	6,208.32	10,967.09	11,797.86	12,739.73	14,092.16
Equities	5,643.86	9,710.55	10,472.09	11,508.15	12,995.82
Debt Securities	564.47	1,256.55	1,325.78	1,231.59	1,096.35
Other foreign assets	16,457.34	24,743.70	22,506.00	33,815.27	45,682.95
Trade Credits	1,812.57	2,122.47	51.74	5,133.12	6,609.49
Loans	1,167.69	1,459.61	1,842.22	2,069.69	2,269.28
Currency and Deposits	13,477.08	21,161.62	20,612.04	26,612.46	36,804.18
Reserve Assets	51,333.15	53,000.36	42,382.49	32,339.25	32,639.78
Liabilities	**66,718.57**	**76,609.97**	**86,029.06**	**93,707.74**	**108,551.68**
Direct investment	37,329.54	45,578.18	54,227.71	60,326.67	69,241.56
Portfolio investment	12,368.69	13,702.99	14,368.88	18,116.78	23,309.58
Equities	6,794.49	5,834.69	6,327.36	8,506.64	11,098.92
Debt Securities	5,574.20	7,868.30	8,041.52	9,610.14	12,210.66
Other Investment Liabilities	16,107.37	17,328.80	17,432.47	15,264.28	16,000.53
Trade Credits	-	-	-	-	-
Loans	9,643.14	11,138.25	11,655.32	9,712.42	9,074.85
Currency and Deposits	6,464.23	6,190.55	5,777.15	5,551.86	6,925.68

Source: CBN, Statistics Department

7.6 EXCHANGE RATE MOVEMENTS

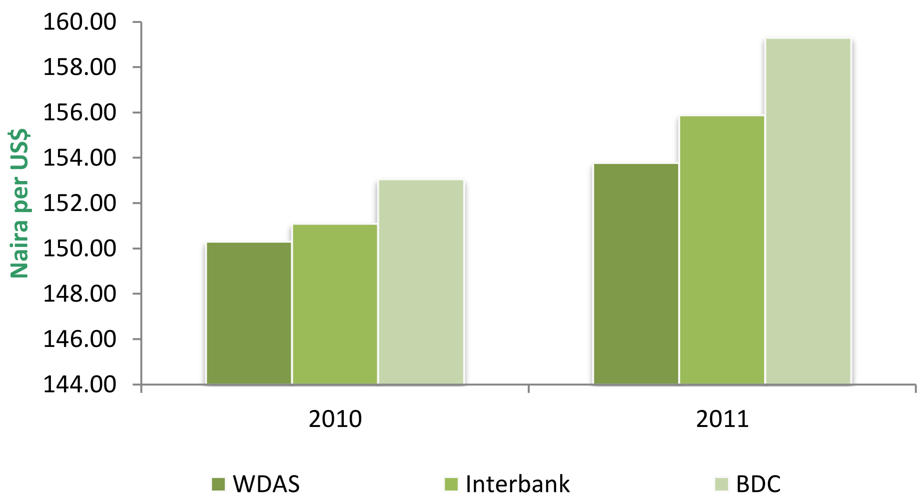
The exchange rate of the Naira to the US dollar averaged ₦153.86 per US dollar at the wDAS segment of the foreign exchange market in 2011, a depreciation of 2.3 per cent, compared with the level in 2010. At the inter-bank and BDC segments, the Naira depreciated by 3.1 and 3.9 per cent to ₦155.89 and ₦159.31 per US dollar, respectively. The year commenced with the mid-point exchange rate

The exchange rate of the Naira to the US dollar at the wDAS segment of the foreign exchange market, in 2011, depreciated by 2.3 per cent, compared with the level in 2010.

The premium between wDAS/interbank and wDAS/BDC rates widened from 0.5 and 1.8 percent in 2010 to 1.3 and 3.5 per cent, respectively, in 2011.

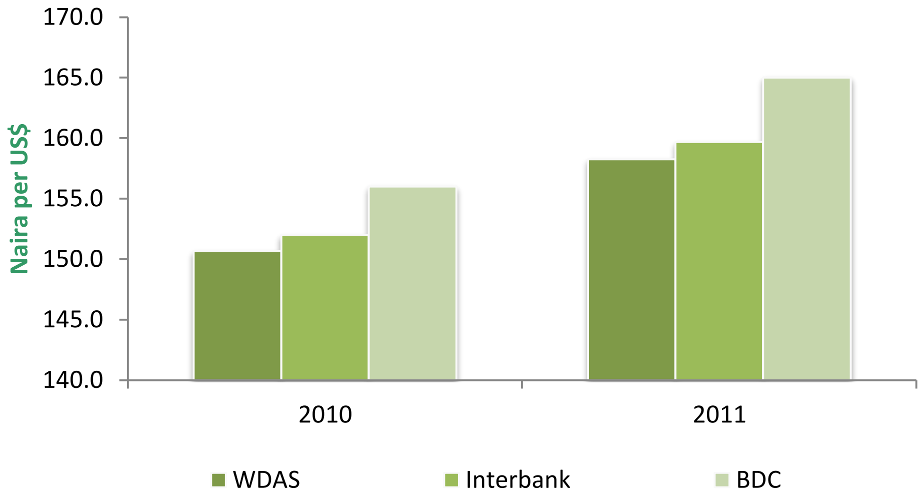
band of ₦150/US$. However, due to the pressure on the foreign exchange market and external reserves, in the fourth quarter of the year, the Bank adjusted the mid-point exchange rate band to ₦155.00 per US dollar and maintained the band of +/-3.0 per cent. This was aimed at reducing arbitrage opportunities and speculative attacks. Following these developments, the premium between wDAS/interbank and wDAS/BDC rates widened from 0.5 and 1.8 per cent in 2010 to 1.3 and 3.5 per cent, respectively, in 2011.

Figure 7.12: Average Yearly Exchange Rate of the Naira per US Dollar



The end-period exchange rate of the Naira in all the segments of the foreign exchange market depreciated. At the wDAS and interbank markets, it depreciated by 4.8 per cent below their levels in 2010 to ₦158.27 and ₦159.70 per US dollar, respectively. At the BDC segment, the Naira depreciated against the US dollar by 5.5 per cent when compared with the level in 2010, to ₦165.00 per US dollar.

Figure 7.13: End-Period Exchange Rate of the Naira per US Dollar



Analysis of the nominal exchange rate of the domestic currency, relative to other major international currencies, showed that the Naira exchanged at an average of ₦244.26, ₦212.10, ₦172.17, ₦1.19 and ₦40.62 to the British pound sterling, Euro, Swiss francs, Japanese yen and Saudi riyal, respectively. This showed a depreciation of 5.8, 6.9, 16.8, 11.3 and 2.7 per cent, respectively, relative to the levels in 2010. At the regional level, the Naira exchanged at an average of ₦0.32 and ₦239.70 per CFA francs and WAUA, a depreciation of 7.0 and 5.6 per cent, respectively, when compared with the levels in 2010.

The wDAS-forward rates for 1-,2- and 3- month tenors all opened in March 2011 at ₦/$151.31/US$ and closed at ₦156.84/US$ in December 2011. When compared with the spot rates for the respective periods, the Naira traded at a premium. The US dollar, which traded at a discount of 11.9 per cent at the beginning of the year, showed a discount of 10.8 per cent at end-December 2011.

7.7 The Nominal Effective Exchange Rate (NEER) and the Real Effective Exchange Rate (REER)

The average 13-currency Nominal Effective Exchange Rate (NEER) indices rose by 4.4 per cent over the level in 2010 to 101.18, which showed a loss of competitiveness of the Naira. The 13-currency REER index opened at 93.31 in January 2011, and closed 8.8 percentage points lower at December 2011, showing a drop in year-on-year inflation in the Nigerian economy in 2011 relative to 2010.

Figure 7.14: Nominal and Real Effective Exchange Rate Indices, 2008 - 2011

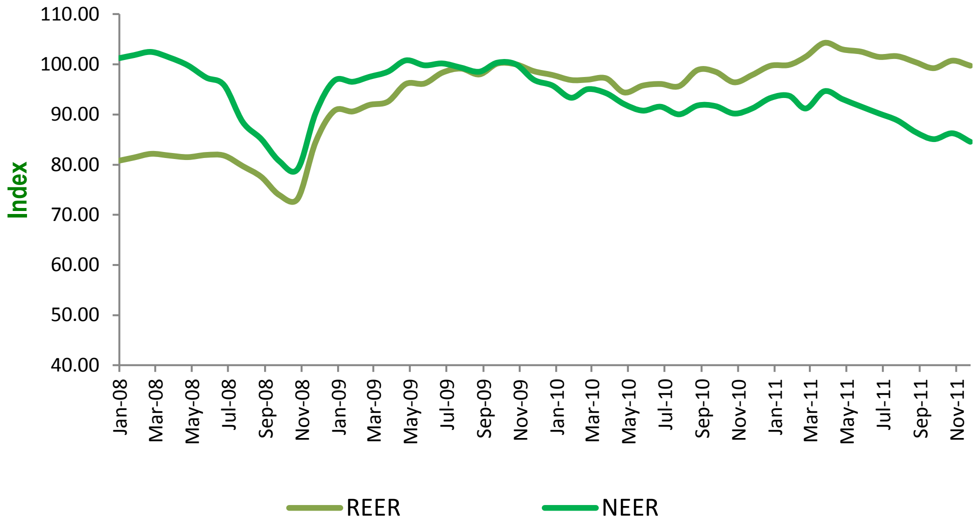


Table 7.7: Nominal and Real Effective Exchange Rate Indices (November 2009=100)

	December 2010		**December 2011**		
	Monthly Index	Annual Average	Monthly Index	Annual Average	%Change in Annual Average
NEER	97.87	96.88	99.73	101.18	4.4
REER	91.21	92.31	84.56	89.91	(2.6)

CHAPTER EIGHT

INTERNATIONAL AND REGIONAL INSTITUTIONS

The 2011 Spring and Annual Meetings of the Bretton Woods Institutions (BWIs) focused on global economic recovery, surveillance, capital flows, reform of the BWIs, and climate finance, among others. Members observed that the varied rates of recovery across the globe and reliance on quantitative easing by advanced economies contributed to a surge in capital flows, increased risks to financial stability, and promoted speculative movements in commodity prices. At the continental level, the African Union (AU) leaders pledged about US $380 million in support of drought relief in East Africa. Also the African Ministers of Trade agreed on a draft Action Plan for boosting Intra-African Trade. At the sub-regional level, the ECOWAS Convergence Council of Ministers of Finance and Central Bank Governors, clarified the roles of the various institutions involved in the implementation of the multilateral surveillance mechanism within ECOWAS Member states, and adopted, in principle, the harmonized convergence criteria.

8.1 THE INTERNATIONAL MONETARY SYSTEM

8.1.1 International Monetary Fund/World Bank Annual Meetings

The 2011 Spring and Annual Meetings of the Bretton Woods Institutions (BWIs) were held in Washington D.C., USA, from April 11 – 17 and September 19 – 25, 2011, respectively. The meetings comprised those of the Ministers of the Inter-governmental Group of 24 (G-24), the International Monetary and Financial Committee (IMFC) and the Development Committee, amongst others.

The Ministers and Governors at the IMF/World Bank Meetings:

- Noted that the global economic recovery continued at different rates in many countries. Though risks of recession abated in advanced economies, unemployment remained high, and growth sluggish. In contrast, most developing countries maintained a strong growth momentum, reflecting robust macroeconomic frameworks;
- Observed that the prospects for a sustained global recovery remained uncertain, due to continued fragilities in most advanced economies. Of

particular concern were the weak financial systems and a rapid increase in sovereign debt in some advanced economies, as well as debt sustainability issues in some countries in the Euro area;

- Stressed that the varied rates of recovery and reliance on the use of quantitative easing by advanced economies contributed to a surge in capital flows, increased risks to financial stability, speculative movements in commodity prices, and overheating of the economy in many emerging markets;
- Indicated the need for urgent action to deal with the consequences of food and energy price increases, and address the impediments to food and energy security; and
- Underscored the importance of the IMF and the World Bank to proactively respond to the developmental needs of the (MENA) region.

At the meeting of the Inter-Governmental Group of Twenty-Four (G-24), which was preceded by the G-24 Technical Group and the Bureau meetings, the Ministers:

- Expressed concern about the threat to the global economic recovery and underscored the need for urgent and coordinated action to address the crisis of confidence in advanced economies (AEs), to prevent spillover effects on emerging markets and developing countries (EMDCs);
- Called for more decisive action by the Euro authorities to address the sovereign debt crisis and restore confidence in financial markets;
- Stressed the need for urgent action to deal with the consequences of volatile commodity prices and long-term impediments to food and energy security;
- Underscored the need for strategies that are inclusive, dynamic, and guarantee fair opportunities for women, youth, and the poor;
- Emphasized the need for protection of the voice and representation of EMDCs through an increase in the chairs held by EMDCs, including the addition of a third chair for sub-Saharan Africa; and

- Called for concrete proposals on job creation in the upcoming World Development Report (WDR).

8.1.2 The Group of Developing Eight (D8) Seminar

The Bank hosted a two-day Seminar for the group of eight developing countries (D-8) on July 18 and 19, 2011 on the theme: 'Enhancing Global Financial Supervisory Standards and Practices'.

Participants agreed, among others:

- That for good corporate governance to thrive in member countries, board and senior management must lead in risk governance by checking the risk appetite of banking institutions;
- That regulators should design appropriate mechanisms for undertaking surveillance, monitoring, and conduct of regular stress tests of the financial systems, as well as the implementation of IFRS;
- That non-interest banking requires capacity building, awareness campaign, and amendment of existing laws to enable non-interest banks exist and operate, side by side with traditional banks;
- That it was important to provide an enabling infrastructure for cross-border cooperation in supervision and regulation, and ensure consistency in the practice of cross-border supervision; and
- Urged members to learn from Bangladesh the success of its micro finance banking scheme.

8.1.3 International Commodity Organizations

8.1.3.1 The Organization of Petroleum Exporting Countries (OPEC)

The Organization of Petroleum Exporting Countries (OPEC) held two Ordinary meetings, the 159th and the 160th meetings, in 2011. The 159th meeting was held in June 2011 at the Organization's Headquarters in Vienna, Austria, to discuss a possible increase in member countries' production quota. The meeting centred on the effect of high oil prices on fluctuating global growth in 2011. The meeting ended in a deadlock with no decisions being taken. This outcome led to the board convening the 160th meeting on December 14, 2011 in which the oil market developments were reviewed using supply/demand projections. Members noted that the heightened 2011 price volatility was predominantly a reflection of increased levels of speculation influenced by geopolitical tensions, rather than as a result of supply/demand fundamentals. The meeting noted that the downside risks facing the global economy included: the sovereign debt crisis in the Euro-zone; persistently high unemployment in the advanced economies; and inflation risk in the emerging economies. Given global demand uncertainties, the meeting, therefore, decided to maintain the current production level of 30.0 mbd, including production from Libya. It was also agreed that Member Countries would, if necessary, take steps, including voluntary downward adjustments of output, to ensure market balance and reasonable price levels. Member Countries further confirmed their preparedness to swiftly respond to developments that might have a detrimental impact on orderly market developments.

8.1.4 Bilateral Relations

8.1.4.1 The Nigeria-Niger Joint Commission

The Nigeria-Niger Joint Commission for Cooperation was held in Maradi, Niger Republic, from July 25 to 30, 2011. The decisions centred on: easing the difficulties in the remittance of funds to eliminate currency trafficking across borders; and the development of cluster industries to enhance the economic growth of the two countries.

8.2 REGIONAL INSTITUTIONS

8.2.1 The African Development Bank (AfDB)

The Board of Directors of the African Development Bank (AfDB) Group approved on May 26 , 2011, two sovereign guaranteed programmes, worth US$ 200 million, to the Nigerian Export-Import Bank (NEXIM), and US$ 500 million to the Bank of Industry (BOI) for financing domestic-oriented SMEs in Nigeria. A portion of the proceeds would be used to support Technical Assistance for capacity building at NEXIM, BOI and the SMEs.

Also, the AfDB agreed to contribute US $146 million for the conservation and sustainable use of natural resources and energy efficiency under the Lake Chad Basin Regional Programme. The AfDB had worked closely with five implementing countries (Central African Republic, Cameroon, Niger, Nigeria and Chad) on the programme design. The AfDB funds would be complemented by a Global Environment Facility (GEF) grant of US$ 20.5 million, approved by its Council during its forty-first meeting held in Washington, D.C. from November 9 to 10, 2011.

8.2.2 The Association of African Central Banks (AACB)

The Association of African Central Banks (AACB) held its 2011 Continental Seminar on the theme, "*Financing Development in Africa: What role for Central Banks?" The* seminar was hosted by the National Bank of Rwanda in Kigali, from May 30 to June 1, 2011.

Participants at the seminar, agreed that central banks have key roles to play in financing development and recommended that AACB member central banks revisit their laws to include financing development, especially where such provisions are not explicit in existing laws. Members expressed their desire to leverage on the experiences of Nigeria, The Gambia, and Egypt, in their efforts to finance development in their respective countries.

The 35th Ordinary Meeting of the Assembly of Governors of the Association of African Central Banks (AACB) was held in Lilongwe, Malawi on August 12, 2011. The meeting was preceded by the meetings of the AACB Technical Committee and the AACB Bureau.

The Assembly:

- Noted the delay in the take-off of the study by the joint African Union Commission (AUC) - AACB Committee on the creation of the African Central Bank (ACB);

- Observed a decline in the performance of member countries under the African Monetary Cooperation Programme (AMCP) convergence criteria, despite the stronger economic growth rates recorded in 2010; and
- Approved amendments to the Statute of the Association of African Central Banks (AACB), to allow for the transfer of AACB membership status from one sub-region to another and made additional provisions in the statutes to allow for the transfer of the Bank of Tanzania from the Southern to East African sub-Region.

8.2.3 The African Central Bank (ACB) Steering Committee

The second meeting[9] of the Working Group of the Steering Committee of the African Central Bank (ACB) was held at the Steering Committee's Secretariat in Abuja, Nigeria, from December 12 to 16, 2011. The meeting reviewed the Terms of Reference, Work Programme, Action Plan, Timelines and a Budget for the establishment of the African Central Bank.

It was recommended that the Executive Secretary of the AACB and the AUC extend the contracts of the experts to cover the proposed period of study.

8.2.4 The Experts Meeting on the African Monetary Fund

The Fifth Experts Meeting for the Validation of the Statue and Annexes of the African Monetary Fund was held in Addis Ababa, Ethiopia, from July 27 to 28, 2011.

The meeting validated the 11 articles of the Statute covering definitions, establishment, purpose and objectives, membership, authorized share capital, among other issues. The Draft Statute would be forwarded to the African Union Conference of Ministers of Economy and Finance for consideration, after which it would be submitted to the Assembly of Heads of State of the African Union (AU) for adoption.

[9] The first meeting to draw up the work programme was held in November 2011.

8.2.5 The African Union (AU)

The Seventh Ordinary Session of the Conference of African Ministers of Trade was held on November 29, 2011 in Accra, Ghana. The meeting considered and recommended the draft Action Plan on boosting Intra-African Trade for adoption by the Council of Ministers, with a view to fast-tracking the project.

In a related development, the AU also convened a Conference in Addis Ababa, Ethiopia, on August 25, 2011 to raise funds for drought relief in East Africa. African leaders pledged US $380 million in support of the cause. The African Development Bank donated US $300 million for long-term development in the Horn of Africa, to be spent by 2013.

8.2.6 The Committee of 10 (C-10)

The Committee of 10 African Finance Ministers and Central Bank Governors (C-10) held its sixth meeting in Cairo, Egypt, on October 30, 2011. The Committee, at the end of the meeting:

- Noted that a 1.0 per cent drop in OECD countries' growth rate could translate into a 10.0 per cent drop in Africa's exports as well as a 0.5 per cent loss in Africa's GDP growth rate;
- Urged Europe to undertake decisive measures to address underlying structural problems, and the G-20 to bring the global economy back on a sustainable growth trajectory; and
- Noted, with great concern, recent speculative attacks against some African currencies and called on the authorities to undertake necessary measures, promptly and collaboratively, to combat this practice.

8.2.7 The African Economic Conference (AEC)

The Sixth African Economic Conference (AEC) was held in Addis Ababa from October 25 to 28, 2011, with the theme, "Green Economy and Structural Transformation".

Participants at the conference noted:

- That the transformation of Africa's economy had to start with agriculture;

- That a green development would involve massive re-forestation, water management, and soil conservation, which would be crucial in improving the productivity of farms and raising the income of farmers;
- That structural economic transformations would require huge energy generation from the continent's abundant energy resources, whose opportunity cost was close to zero; and
- That Africa's structural economic transformation and 'greening' could only come about if the continent caught up with the technology levels enjoyed by developed countries.

8.2.8 The Africa Trade Forum (ATF)

The inaugural meeting of the Africa Trade Forum (ATF) was held on November 22, 2011 in Addis Ababa, with the theme: **"**Accelerating Intra-African Trade and Enhancing Africa's Participation in Global Trade". The forum noted that:

- With intra-Africa trade at just about 11.0 per cent of total African trade, as compared to 72.0 per cent of trade with Europe and 52.0 per cent with Asia, there was room for expansion of trade among African countries; and
- Implementation of trade agreements and protocols by Regional Economic Communities (RECs) was necessary to improve intra-African trade. That in order to expand intra-African trade, the continent had to move forward from trading primary products to manufacturing products, invest in human capital, improve infrastructure and logistics, and invest in institutional capacity building.

8.3 SUB-REGIONAL INSTITUTIONS

8.3.1 The Fourth West African Monetary Zone (WAMZ) Trade Ministers' Forum

The Fourth West African Monetary Zone (WAMZ) Trade Ministers' Forum was convened by the West African Monetary Institute (WAMI) and held in Freetown, Sierra Leone, from May 18 to 19, 2011.

The major highlights of the Forum included the following:

- The election of the Minister of Trade and Industry of the Republic of Sierra Leone, Dr. Richard Konteh, as Chairman of the Forum for the next year;
- That henceforth the Forum would hold twice a year;
- The adoption of a common standard for products and services that would be applicable throughout the ECOWAS sub-region would eliminate the need for multiple cross-border certification;
- The need to adopt an exchange rate mechanism among member States' currencies to facilitate intra-Zone trade without recourse to the U.S dollar and other convertible currencies; and
- The need to encourage the domestication of WAMZ and ECOWAS trade rules by incorporating them into national trade policies.

8.3.2 The Statutory Meetings of Sub-Regional Institutions

The 2011 Mid-Year Joint Statutory Meetings of the West African Monetary Agency (WAMA), the West African Monetary Institute (WAMI), and the West African Institute for Financial and Economic Management (WAIFEM) were held in Conakry, Guinea, from July 8 to 15, 2011. A meeting of the College of Supervisors of the West African Monetary Zone was also held on the fringe of the statutory meetings. The meeting considered collaborative initiatives on cross border issues and consolidated supervision.

The report indicated that the economies of ECOWAS grew strongly against the backdrop of a moderate rise in commodity prices. However, the sub-region's fiscal and external positions worsened on the convergence scale.
The WAIFEM report indicated that 13 training and capacity building programmes were executed and 388 senior/executive-level staff benefited from the various training programmes.

The Key issues included the following: that vacant positions in WAMI and WAMA to be filled by the Central Bank of Nigeria; the outstanding financial obligations to the West African Central Bank (WACB) Capital and Stabilization and Cooperation Fund; and a need for greater involvement of the Central Banks in the next phase of the ECOWAS single currency.

8.3.3 The ECOWAS Convergence Council

The Sixth Ordinary Session of the ECOWAS Convergence Council of Ministers of Finance and Governors of Central Banks was held in Lome, Togo, on October 14, 2011. The meeting reviewed documents relating to the creation of a single currency in the ECOWAS sub-region, as adopted by the ECOWAS Convergence Council. These included the Guidelines on the Formulation of a Multi-year Programme on Convergence within ECOWAS; Draft Supplementary Act on Convergence and Macroeconomic Stability Pact among Member States; and Draft Supplementary Amendment of a regional decision on the Creation of a Multilateral Surveillance Mechanism of Economic and Financial Policies of Member States.

The Council:

- Clarified the role of the various institutions involved in the implementation of the multilateral surveillance mechanism within ECOWAS Member states;
- Directed the ECOWAS Commission and WAMA to, henceforth, work in harmony on multilateral surveillance and convergence issues;
- Agreed to ensure speedy ratification and implementation of ECOWAS Protocols and decisions and legal instruments;
- Expressed its commitment to intensify efforts to reduce high budget deficits and promote sustainable budget policies and debts;
- Adopted, in principle, the harmonized convergence criteria, pending the outcome of studies on establishing such issues as Member States' optimal fiscal pressure, budget deficits and internal revenue generation;
- Approved the guidelines for the formulation of the multi-year programme on convergence within ECOWAS; and

- Directed that a revised matrix be designed reflecting all the completion datelines and possible remarks on the road map to the ECOWAS single currency.

APPENDIX A

FINANCIAL STATEMENTS

Appendix A1

Balance Sheet
As at 31 December 2011

	Note	2011 ₦' Million	2010 ₦' Million
Assets:			
External reserves	2	5,426,974	4,953,779
Holdings of Special Drawing Rights	3	401,734	384,833
Nigerian Government Securities	4	388,688	345,131
Loans and advances	5	150,848	320,163
Investments	6	4,099,652	107,191
Other assets	8	593,301	475,647
Fixed assets	9	261,057	208,192
		11,322,254	**6,794,936**
Liabilities:			
Deposit accounts	10	5,308,807	4,145,816
Central Bank of Nigeria instruments	11	1,537,535	105,878
Notes and coins in circulation	12	1,566,047	1,378,135
International Monetary Fund allocation of Special Drawing Rights	14	401,779	384,870
Other financial liabilities	15	2,227,908	587,647
		11,042,076	**6,602,346**
Capital and reserves:			
Share capital	18	5,000	5,000
General reserve fund	19	94,575	83,477
Fixed assets revaluation reserve	20	61,575	57,069
Foreign currency revaluation reserve	21	94,144	14,070
Reserve on fund managers' investments	22	24,884	32,974
		280,178	**192,590**
Liabilities and Equity		**11,322,254**	**6,794,936**

______________________	Governor	23 February 2012
______________________	Director	23 February 2012
______________________	Director	23 February 2012
______________________	Director of Finance	23 February 2012

The accounting policies on pages 205 to 210 and the notes on pages 211 to 227 form part of these financial statements.

APPENDIX A

FINANCIAL STATEMENTS

Appendix A2

Income and Expenditure Statement
For The Year Ended 31December2011

	Notes	2011 ₦'Million	2010 ₦'Million
Interest income	23	196,418	106,742
Interest expense	24	(77,021)	(33,921)
Net Interest Income		**119,397**	**72,821**
Realised gain on foreign currency	21	41,022	354,712
Other operating income	25	**150,771**	**134,648**
		311,190	**562,181**
Provision no longer required/(Provision for bad and doubtful debts)	26	7,048	(206,400)
Operating Costs	27	(238,085)	(309,288)
Surplus before appropriation		80,153	46,493
Appropriation:			
Transfer to general reserve fund	19	16,031	11,623
Transfer to Federal Government of Nigeria under S.5 (3) of the Central Bank of Nigeria Act 2007	16	64,122	34,870
		80,153	**46,493**

The accounting policies on pages 205 to 210 and the notes on pages 211 to 227 form part of these financial statements.

APPENDIX A

FINANCIAL STATEMENTS

Appendix A3

Statement of Cash Flows
For The Year Ended 31December 2011

	Notes	2011	2010
		₦'Million	N'Million
Cash flow generated from/ (utilized by) operating activities			
Cash generated from/ (utilised by) operating activities	28	4,611,059	(1,127,029)
Net cash generated from/ (utilised by)operating activities		4,611,059	(1,127,029)
Cash flow utilised by investing activities			
Purchase of fixed assets		(52,281)	(58,567)
Proceeds from sale of fixed assets		321	12
Deposit for shares		-	(5,493)
Increase in Investment		(3,992,461)	(18,667)
Net investment in Government bonds		(43,557)	44,440
Net cash utilised by investing activities		(4,087,978)	(38,275)
Cash flow utilised by financing activities			
Surplus paid to the Federal Government of Nigeria		(32,985)	(39,712)
Net cash utilised by financing activities		(32,985)	(39,712)
Increase/ (Decrease) in cash and cash equivalents		490,096	(1,205,016)
Balance at the beginning of the year		5,338,612	6,543,628
Increase/ (Decrease) in cash and cash equivalents		490,096	(1,205,016)
Balance at the end of the year		5,828,708	5,338,612
The balance at the end of the year is analysed as follows:			
Bank balances		5,769,581	5,218,256
Sundry currencies		59,127	120,356
		5,828,708	5,338,612

Appendix B1

SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies were adopted by the Bank in the preparation of its financial statements and have been consistently applied:

a. Basis of presentation

These are the financial statements of the Central Bank of Nigeria (CBN or the Bank), a body corporate established by the Central Bank of Nigeria Act of 1958 as amended by the CBN Act No. 7 of 2007. The financial statements are prepared under the historical cost convention as modified by the valuation of certain fixed assets and comply with the accounting policies set out below:

b. Consolidation

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over their operations, have not been consolidated. These entities are not consolidated because their activities and accounting policies are different from those of the Bank. Such entities are accounted for as long-term investments.

c. Foreign currency activities

Foreign currency transactions are recorded in Naira, using the exchange rates prevailing at the dates of the transactions. Differences arising at the dates of settlement are recognized in the income and expenditure account.

At the balance sheet date, assets and liabilities denominated in foreign currencies are converted to Naira, using the closing rate except where a balance is to be settled at a contracted rate, then that rate is used. All differences arising on conversion are taken to the income and expenditure account, except differences on long-term foreign currency monetary items which are deferred and taken to the income and expenditure account on a systematic basis over the remaining lives of the monetary items concerned.

d. External reserves

Gold reserves are held for long-term purposes and are not being traded. It is carried at cost.

External reserve balances at year-end are converted into Naira in accordance with the policy in “c” above. All gains and losses realized on external reserve balances are recognized as follows: revaluation gains and losses on reserves due to the Federal Government of Nigeria (FGN) are for the account of the FGN and, consequently, all translation profits and losses are transferred to the respective deposit accounts of the FGN: Revaluation gains and losses on external reserve balances of the Bank are transferred to its Foreign Currency Revaluation Reserve Account.

e. Loans and receivables

The following assets have been classified as loans and receivables for the purposes of assessing their recoverability: loans and advances; amounts due by liquidator of distressed banks; and other assets.
A specific credit risk provision is established to provide for Management's estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. This provision is made for each account that is not performing in accordance with the terms of the related facility. The basis is as follows:

Interest and/or principal outstanding for over	Classification	Provision
90 days but less than 180 days	Sub-standard	10%
180 days but less than 360 days	Doubtful	50%
360 days and over	Lost100%	

In addition, a provision of 1% is made for all performing risk assets to recognize losses in respect of risks inherent in any credit portfolio. The 1% provision is applicable to only loans and advances.

Provisions for losses on doubtful receivables are recognized in the income and expenditure account.

When a loan is deemed not collectible, it is written off against the related provision for loan losses and subsequent recoveries are credited to income.

Risk assets in respect of which a previous provision was not made are written directly to the income statement when they are deemed to be not collectible.

In addition to the above basis, Management subjectively makes provisions for loans on the basis of their assessment of the likelihood of recoverability of the facility, and/or risks inherent in such facilities.

f. Investment securities

The Bank's investments in securities are categorized into: long-term investments and short-term investments.

(i) Long term investments

Long-term investments are equity and debt held by the Bank over a long period of time to earn income.

Long-term investments are carried at cost. When there has been a permanent decline in the value of an investment, the carrying amount of the investment is written down to recognize the loss. Such a reduction is charged to the income statement. Reduction in the carrying amount is reversed when there is an increase, other than temporary, in the value of the investment, or if the reasons for the reduction no longer exist.

(ii) Nigerian Government Securities

Nigerian Government Bonds represent debt instruments issued by the Federal Government of Nigeria (FGN) in which the Bank has invested. These bond issues are normally underwritten by the Bank and the investments arise as a result of crystallization of its underwriting commitment.

Treasury bills of the Federal Government of Nigeria are initially recorded at cost and subsequently measured at amortized cost.

Treasury bonds and development stocks are initially recorded at cost, plus the incidental cost of acquisition and subsequently measured at amortised cost. A decline in value is not taken into account unless it is considered to be permanent. Where a permanent decline in the value of such bonds and development stock are deemed to have occurred, the carrying amounts of these bonds are written down to recognize the loss.

Interest earned on investment securities is reported as interest income. Dividend received is reported as dividend income.

g. Fixed Assets

All items of fixed assets are initially recognized at cost. Cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent measurement –Fixed assets at historical cost

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income and expenditure account during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight line basis to write down the cost/valued amounts of fixed assets to their residual values over their estimated useful life at the following rates:

Land and Buildings	2.0%
Motor Vehicles:	
Buses	12.5%
Cars	20.0%
Lorries	10.0%
Plant and equipment	
Air conditioners, generators and water pumps	15.0%
Currency processing machines	10.0%
Furniture and Fittings	20.0%
Computer software/hardware	33.3%

Costs related to fixed assets under construction or in the course of implementation are disclosed as capital work-in-progress. The attributable cost of each asset is transferred to the relevant category immediately the asset is put into use and then subjected to depreciation.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the income and expenditure account for the year.

h. Borrowings (loans)

Borrowings are recognized initially at their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Interest paid on borrowings is recognized in the income and expenditure accounts for the year on a prorata basis.

i. Currency in circulation

Currency issued by the Bank represents a claim on the Bank in favour of the holder. The liability in respect of notes and coins in issue at the balance sheet date is stated at the nominal value of the currency.

j. Central Bank of Nigeria instruments

Central Bank of Nigeria instruments comprises Promissory Notes and Open Market Operations Bills.

Central Bank of Nigerian Promissory Notes represent short- to medium-term debt instruments issued by the Bank to commercial banks assuming net liabilities under the Purchase and Assumption distress resolution programme for banks which could not meet the minimum capital requirement for licensed banks. Promissory Notes are recognized at the face value of the instrument.

Open Market Operations Bills represent short-term debt instruments of the Bank issued to commercial banks as a liquidity management tool. They are recognized at cost less any unamortized premiums/discounts.

Interest paid on these instruments is recognized in the income and expenditure account for the year.

k. Retirement benefits

The Bank operates a defined benefit plan and a contributory retirement savings scheme as required by the Pension Reforms Act of 2004. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Bank and the employees pay fixed contributions into a separate entity. The Bank contributes 15% of basicsalary, housing and transport allowances of the qualifying employees while the employeescontribute 7.5% on the same basis towards the pension plans.

For the defined benefit plan, the employer's obligation is calculated periodically by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial deficit arising from adjustments and changes in actuarial assumptions are to be amortised systematically over a period of not more than three (3) years.

For defined contribution plans, the Bank pays contributions to privately administered pension fund administrators on a monthly basis. The contributions are recognized as employee benefit expense in the income and expenditure account. The Bank has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

l. Provisions

Provisions are recognized when the Bank has a present obligation, whether legal or constructive, as a result of a past event for which it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

i. Internal Currency insurance

This provision is accumulated to cover possible losses that could arise on currency stock held within the Bank and in transit. The provision is determined as premium payable to provide insurance cover over such losses.

ii. Contingency/Guarantees

Contingency/Guarantees provisions are determined on the basis of experts' valuation (where applicable) and/or the best estimate by Directors of the Bank of the probable resources required to meet the Bank's present obligations, if and when they crystallise.

iii. Self-insurance schemes

The Bank operates self-administered insurance schemes through duly constituted trustees for all potential losses for currency in transit and in vaults and for replacement and major repairs for its fleet of vehicles. Annual appropriations are made, based on past experience.

These schemes are fully funded and managed independent of the Bank's operations.

m. Sale and repurchase agreements

The Bank has entered into repurchase agreements as part of its monetary policy activities. Securities purchased under agreements to resell are recorded under the heading "Loans and Advances" as loans and receivables. Securities sold under agreement to repurchase are disclosed as reverse repurchase agreements included in deposit accounts.

The underlying Securities purchased under repurchase agreements are not recorded by the Bank. Likewise, underlying securities sold under repurchase agreements are retained in the books of the Bank.

The differences between the purchase and sale prices are treated as interest and recognized on an accrual basis.

n. Appropriations

In accordance with Section 22(1) and (2) of the Fiscal Responsibility Act (FRA) 2007, the Bank makes an annual appropriation representing twenty per cent of the operating surplus of the Bank for the year to a general reserve fund.

All remaining surplus after the statutory appropriation to the general reserve fund is payable to the Federal Government of Nigeria not later than one month following the deadline for publication of the financial statements of the Bank. This is in accordance with Section 22(1) and (2) of the Fiscal responsibility Act (FRA) 2007.

o. Cash flow

For the purpose of the cash flow statement, cash and cash equivalents comprise sundry currency balances and bank balances with foreign banks.

p. Revenue recognition

Interest income and expenses are recognised on a time proportion basis, taking account of the principal outstanding amount and the rate over the period to maturity.

Interest income and expenses are recognised in the income and expenditure account for all interest-bearing instruments on an accrual basis. Where the instrument is deemed to be non-performing, interest income is suspended and recognized on a cash basis. Interest income and expense include the amortization of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its determined amount at maturity.

Fees and commissions, where material, are amortized over the life of the related service. Otherwise fees, commissions and other income are recognized as earned upon completion of the related service.

Dividends are recognized when the right to receive payment is established.

Other revenue arising from the provision of services to clients is recognized on an accrual basis in accordance with the substance of the relevant transaction.

q. Currency issuance and management expenses

Note-printing and coin-minting expenses include ordering, printing, minting, freight, insurance and handling costs. These costs are recorded as prepaid expenses and subsequently released to the income and expenditure account when the currency is delivered to the Bank.

Appendix B2

Notes to the Financial Statements for the year ended 31 December, 2011

1. General Information

The Central Bank of Nigeria (CBN or the Bank)is the apex regulatory authority of the banking system in Nigeria .It was established by the ***Central Bank of Nigeria Act of 1958***, as amended by theCBN Act No7 of 2007. It commenced operations on 1 July 1959.

The issued capital of the Bank is wholly owned by the Federal Government of Nigeria .The principal objectives of the Bank are to ensure monetary and price stability,issue legal tender currency in Nigeria, maintain external reserves to safeguard the international value of the legal tender currency, promote a sound financial system in Nigeria, act as banker to the Federal Government and Federal Government Parastatals, and provide financial advice to the Federal Government of Nigeria.

2. External reserves

	2011 ₦' Million	2010 N' Million
Convertible Currencies (see notes 2a and 2b)	5,426,932	4,953,737
International Monetary Fund Reserve tranche	23	23
Gold	19	19
	5,426,974	4,953,779
(a) Convertible currencies comprise:		
Current account with foreign banks	1,468,602	821,585
Time deposits and money employed	1,486,411	1,872,343
Domiciliary accounts	809,914	469,834
Other foreign securities	1,602,878	1,669,619
Sundry currencies and travellers' cheques	59,127	120,356
	5,426,932	4,953,737

Included in convertible currencies is an amount of ₦2,839 billion, (2010 – ₦2,047 billion), which represents the Naira value of foreign currencies held on behalf of customers in various foreign accounts for letters of credit transactions and other purposes. The corresponding liability for this amount is included in deposits. (see note 10b)

Appendix B2 (Cont'd)

	2011 ₦' Million	2010 N' Million
(b) Convertible currencies are further analysed by Currency		
United States Dollar	4,883,747	4,064,423
British Pounds Sterling	117,885	193,191
Euro	398,211	688,903
Japanese Yen	3,102	4,230
Chines Renminbi	15,787	
Others	8,200	2,990
	5,426,932	4,953,737

3. Holdings of Special Drawing Rights		
At 1 January	384,833	352,465
Acquisitions during the year	-	34,274
Interest earned in the year	1,729	992
Charges for the year	(1,734)	(1,034)
Revaluation gains/(loss)	16,906	(1,864)
At 31 December	**401,734**	384,833

4. Federal Government Securities		
Nigerian Treasury Bills	113,974	44,169
Nigerian Treasury Bonds	202,412	228,651
Nigerian Development Stocks	-	9
FGN Bonds	72,302	72,302
	388,688	345,131

The CBN invested in Nigeria Treasury Bonds with coupon rates of 5% - 12.5%. The last Treasury bond will mature on 15 October 2024. The Bank as directed by the Federal Government through a refinancing arrangement purchased promissory notes issued by the Federal Government of Nigeria to Union Trustees in respect of loans granted to Transnational Corporation of Nigeria Plc. by a consortium of banks (represented by Union Trustees Limited). The promissory notes have been converted to 5.5%, 7th FGN Bonds worth N72 billion on 19th August 2010 with the maturity date of 19th February 2013.

5. Loans and advances	2011 ₦' Million	2010 N' Million
Overdraft balances & short-term advances	68,929	263,571
Staff loans	6,081	5,165
Loans to DMBs on Commercial Agricultural Credit Scheme (Note 15)	154,163	95,606

AppendixB2 (Cont'd)

	2011 ₦' Million	2010 N' Million
Advances to Federal Mortgage Bank of Nigeria	9	9
Other loans	13,325	12,794
Long-term loans (see 5(b))	552,746	603,319
	795,253	**980,464**
Provision for loan losses (Note 5a):	**(644,405)**	**(660,301)**
	150,848	**320,163**

5a Movement in provision for loan losses	2011 ₦' Million	2010 ₦' Million
At 1 January	660,301	497,395
Eliminated through forbearance	-	(36,940)
	660,301	460,455
Provision for the year	577,581	199,846
Provision no longer required	(593,477	-
At 31 December	644,405	660,301

Overdraft balances and short-term advances

Overdraft balances represent lending to customers and are collateralized by Treasury Bills and Federal Government Bonds.

Other loans

Other loans represent accommodation to distressed and liquidated banks. These have been fully provided for.

5b Long term loans:	2011 ₦' Million	2010 ₦' Million
At 1 January	603,319	637,000
Addition in the year	500,000	3,694
Repayments during the year	(550,573)	(435)
Eliminated through forbearance	-	(36,940)
	552,746	603,319

APPEND IX B2

NOTES TO THE FINANCIAL STATEMENTS

AppendixB2 (Cont'd)

Details of benefitting banks and amounts granted by CBN:

	2011	2010
Mainstreet Bank ltd. (formerly Afribank Plc)	-	50,000
Keystone Bank ltd. (formerly Bank PHB Plc)	-	70,000
Finbank Plc	-	50,000
Intercontinental Bank Plc	-	100,000
Oceanic Bank Plc	-	100,000
Societe Generale Bank Ltd	2,685	3,258
Enterprise Bank plc. (formerly Spring Bank Plc)	-	60,000
Union Bank Plc	-	120,000
Wema Bank Plc	50,061	50,061
Asset Management Corporation of Nigeria	500,000	-
	552,746	**637,000**

Except for Societe Generale Bank Ltd., long term loans to deposit money banks represent Central Bank of Nigeria's 7-year special intervention support to under-capitalized deposit money banks at an interest rate of 5.75% per annum as at 31 December 2011 (2010: 3.25% per annum). A provision of 100% has been effected in the financial statements as at 31 December 2011 for the loan balance. Repayment in the year was financed with Assets Management Corporation of Nigeria (AMCON) issued bonds.

Included in long term loans is Central Bank of Nigeria's ten year bank recapitalization intervention fund to the Asset Management Corporation of Nigeria at an interest rate of 2% per annum. There would be a bullet repayment at the end of the facility tenor while interest payment is on quarterly basis. A provision of 100% has been effected in the financial statements as at 31st December 2011 for this fund.

During the year, the banking licenses of Afribank plc, BankPHB plc and Spring Bank plc were revoked. Three new Bridge Banks (Mainstreet Bank ltd., Keystone Bank ltd. and Enterprise Bank ltd.) were formed to purchase the legally transferrable assets and assume the deposits and other liabilities of the three banks respectively through Purchase and Assumptions agreement between the Nigeria Deposit Insurance Corporation and the Bridge Banks. The Assets Management Corporation of Nigeria has acquired 100% holding in the Bridge Banks as at 5th August 2011.

6. Investments	Percentage Holding %	**2011 ₦' Million**	**2010 ₦' Million**
Investments in subsidiaries and associates:			
Abuja Securities & Commodity Exchange	51	408	408
Africa Finance Corporation	42	57,958	57,958
Asset Management Corporation of Nigeria	50	5,000	250
Bank of Industry	40	2,708	2,708
National Economic Reconstruction Fund	33	100	100
Nigerian Agricultural Cooperative and Rural Development Bank	40	4,027	4,027

AppendixB2 (Cont'd)

		2011 ₦' Million	2010 ₦' Million
Nigeria Deposit Insurance Corporation	60	1,380	1,380
Nigerian Security Printing and Minting Company Plc (NSPMC)	77	23,575	13,390
Nigerian Export Import Bank	40	25,000	25,000
		120,156	**105,221**
Other Investments:			
Agricultural Credit Guarantee Scheme Fund	40	1,200	1,200
Asset Management Corporation of Nigeria (AMCON) Bonds		3,476,783	-
Federal Mortgage Bank of Nigeria		60	60
Nigerian Interbank Settlement System	4	53	53
International Islamic Liquidity Management Corporation of Malaysia	7	743	-
Bank of Industry Debenture		500,000	-
6% Perpetual Debentures in Nigerian Export Import Bank		1,250	1,250
		3,980,089	2,563
		4,100,245	107,784
Provision for diminution in value of investments		(593)	(593)
		4,099,652	**107,191**

The Bank invested in AMCON Bonds during the year as part of its liquidity management function. The AMCON bonds have yield of 10.13% - 13% and are expected to mature in December 2013, August 2014 and October 2014. The income earned on the bonds during the year has been recognized in the income and expenditure account.

The Bank invested in the debenture stock by the Bank of Industry (BOI). The investment is for the funding of intervention activities initiated by the Bank and was executed through the BOI. The sum of N300 billion will be applied to power projects and N200 billion applied to the refinancing/restructuring of Deposit Money Banks' existing loan portfolios to Nigerian small and medium scale enterprise and the manufacturing sector. As at 31st December, 2011, a total of N390.26 billion has been disbursed to the BOI and the balance of N109.74 billion is included in sundry payables (Note 15).

7. Amount paid out in respect of the following distressed banks	**2011 ₦' Million**	**2010 ₦' Million**
African Express Bank	691	663
African International Bank	5,202	2,300
All States Trust Bank	16,037	15,922
Assurance Bank	4,475	4,475

APPENDIX B2

NOTES TO THE FINANCIAL STATEMENTS

	2011 ₦' Million	2010 ₦' Million
City Express Bank	5,372	5,372
Gulf Bank	6,201	6,108
Hallmark Bank	2,999	2,979
Lead Bank	3,821	3,821
Trade Bank	7,510	7,303
	52,308	48,943
Provision for doubtful balances	(52,308)	(48,943)

The Bank entered into Purchase and Assumption arrangements with the Nigeria Deposit Insurance Corporation (NDIC) and some banks over private sector deposits and certain capital assets of some distressed banks in liquidation. Accordingly, the Bank issued promissory notes for the net liabilities assumed. See Note 11 for the liability in respect of the promissory note issued.

8. Other assets

	2011	2010
Due from Agricultural Credit Guarantee Scheme Fund	810	711
Accrued interest receivable	13,163	13,805
Accounts receivable	29,751	29,738
Deposit for shares	4,947	20,625
Sundry receivables (Note (8a) below)	554,829	415,484
	603,500	**480,363**
Provision for doubtful balances	(10,199)	(4,716)
	593,301	**475,647**

Deposit for shares represents deposits made by the Bank with respect to equity of the Bank of Industry. The shares have not been allotted as at 31st December 2011.

8a. Sundry receivables are further analysed as:

	2011	2010
Deferred interest and prepayments	102,459	8,292
IMF Quota	433,744	402,747
Cheques in clearing	15,233	3,522
Others	3,393	923
	554,829	**415,484**

Appendix B2 (Cont'd)

9. Fixed Assets

	Land & buildings	Plants & equipment	Furniture & fittings	Computers	Motor vehicles	Capital work in progress	Total
	₦'M	₦'M	₦'M	₦'M	₦'M	₦'M	₦'M
2011:							
Cost/valuation:							
At 1-January	79,001	20,491	2,004	7,425	2,084	127,316	238,321
Adjustments	454	(627)	(103)	223	1,364	6,015	7,326
Additions	30	6,891	913	1,338	1,615	41,494	52,281
Disposals	-	(70)	-	-	(447)	-	(517)
At 31-December	**79,485**	**26,685**	**2,814**	**8,986**	**4,616**	**174,825**	**297,411**
Accumulated depreciation:							
At 1 January	10,466	11,739	1,855	5,381	688	-	30,129
Adjustments	1,027	2,815	(312)	(1,269)	559	-	2,820
Charge for the year	133	1,294	186	1,441	551	-	3,605
Disposals	-	(3)	-	-	(197)	-	(200)
At 31-December	**11,626**	**15,845**	**1,729**	**5,553**	**1,601**	**-**	**36,354**
Net book value	**67,859**	**10,840**	**1,085**	**3,433**	**3,015**	**174,825**	**261,057**

During the year, the Bank conducted a fixed asset verification exercise and effected adjustments as deemed necessary.

9. Fixed Assets Cont'd

2010:							
Cost/valuation:	₦'M	₦'M	₦'M	₦'M	₦'M	₦'M	₦'M
At 1 January	79,001	27,042	2,191	5,881	4,021	77,709	195,845
Additions	-	5,192	270	2,352	1,146	49,607	58,567
Disposals	-	-	-	-	(25)	-	(25)
Adjustments	-	(11,743)	(457)	(808)	(3,058)	-	(16,066)
At 31-December	**79,001**	**20,491**	**2,004**	**7,425**	**2,084**	**127,316**	**238,321**
Accumulated depreciation:							
At 1 January	8,444	19,076	1,880	5,432	1,831	-	36,663
Charge for the year	2,022	946	367	694	261	-	4,290
Disposals	-	-	-	-	(25)	-	(25)
Adjustments	-	(8,283)	(392)	(745)	(1,379)	-	(10,799)
At 31-December	**10,466**	**11,739**	**1,855**	**5,381**	**688**	**-**	**30,129**
Net Book Value	**68,535**	**8,752**	**149**	**2,044**	**1,396**	**127,316**	**208,192**

Appendix B2 (Cont'd)

10. Deposit accounts

	2011 ₦' Million	2010 ₦' Million
Government deposits:		
-Capital/settlement accounts	1,431,683	1,703,128
-Domiciliary accounts	809,914	469,834
Other Accounts (Note 10a)	2,028,686	1,576,786
Financial Institutions:		
-Current/settlement accounts	278,686	302,527
-Bank's reserve accounts	759,838	93,541
	5,308,807	**4,145,816**

10a. Other accounts are further analysed as follows:

	2011 ₦' Million	2010 ₦' Million
FGN PPT Naira funding account	869,851	508,898
Special reserve account	656	627
FGN excess crude oil proceeds (Naira funding) account	310,035	273,347
Letters of credit consolidated account	223,657	314,653
FGN (External creditors) funding account	5,992	42,767
NNPC/ NAPIMS cash call account	6,353	6,353
Deposits for Naira draft account	5,747	2,832
Monetary policy stabilization account	-	4,618
IMF Securities Account	430,817	397,373
Sovereign Wealth Fund	156,482	-
Sundry accounts	19,096	25,318
	2,028,686	**1,576,786**

10b. Foreign currency deposits held on behalf of customers for letters of credit transactions and other purposes are analysed below:

	2011 ₦' Million	2010 ₦' Million
Domiciliary accounts	809,914	469,834
Other accounts	2,028,686	1,576,786
	2,838,600	**2,046,620**

11. Central Bank of Nigeria instruments

Central Bank of Nigeria Promissory Notes (see 11(a))

	2011 ₦' Million	2010 ₦' Million
At 1 January	1,128	-
Issues during the year	3,365	4,030
Redemption in the year	(4,237)	(2,993)
Accrued interest	19	91
At 31 December	275	1,128

Open Market Operations - CBN bills (Note11(b)):

	2011 ₦' Million	2010 ₦' Million
At 1 January	104,750	50,800
Issued during the year	2,362,439	270,750
Redemption during the year	**(929,929)**	**(216,800)**

APPENDIX B2

NOTES TO THE FINANCIAL STATEMENTS

At 31 December	1,537,260	104,750
Total Central Bank of Nigeria Instruments	1,537,535	105,878

Appendix B2 (Cont'd)

(11a) The CBN issued Promissory Notes to Ecobank Nigeria Plc. and United Bank for Africa Plc as part of a Purchase and Assumption Arrangement over the private sector deposits and certain assets of African International Bank Limited and Hallmark Bank Plc (Ecobank Nigeria Plc), City Express Bank Plc (United Bank for Africa Plc). The Promissory Notes have a tenor of 1 year and carry coupon rates of 9.05% - 12.99%.

(11b) Central Bank of Nigeria Bills represents bills of the Bank issued to commercial banks as a liquidity management tool. These instruments have tenors ranging from 7 days – 365 days and carry discount rates ranging from 7.3% - 17.05% per annum.

	2011 ₦' Million	2010 ₦' Million
12. Notes and coins in circulation		
Notes	1,564,885	1,376,993
Coins	1,162	1,142
	1,566,047	**1,378,135**
13. Employment benefit liabilities		
Defined Contributory scheme:		
At 1 January	-	-
Contributions/Deductions	4,540	4,345
Amount remitted to selected PFAs	(4,412)	(4,345)
At 31 December	**128**	**-**

The Bank operated a non-contributory defined benefit pension scheme (Legacy scheme) for pensioners and staff. An actuarial valuation is conducted by qualified independent actuaries yearly and the Bank provides for any deficit arising from actuarial valuation. An actuarial valuation was carried out by Messrs HR Limited (Consultants and Actuaries) as at 30th June 2011 which reported a surplus position of N4.18 billion. For retired staff under the defined benefit scheme, the Bank is obliged to pay pension until death of the last pensioner.

In accordance with the Pension Reform Act of 2004 and following approval from the National Pension Commission, the Bank introduced contributory defined contribution schemes to replace the non-contributory defined benefit schemes. Under the contributory scheme, the employee contributes 7.5% of basic salary, housing and transport allowances and the employer contributes 15% on the same basis. New employees joining the Bank from 1st January 2008 would join the defined contribution scheme. Remittances are made to the PFAs on a monthly basis. The Bank has twelve (12) approved Pension Fund Administrators under the defined contribution scheme.

From 31st December 2009, the Bank approved the discontinuance of the defined benefit scheme and its substitution with defined contribution scheme to forestall any future actuarial deficit going forward in respect of remaining employees. The Bank gave an ultimatum of eighteen (18) months from 31st December 2009 for all staff to migrate to the defined contribution scheme. A total of 498 staff exited during the period 1st January to 31st December 2011. From 1st July 2011, all staff operate under the defined contribution scheme.

APPEND IX B2

NOTES TO THE FINANCIAL STATEMENTS

Appendix B2 (Cont'd)

14. IMF Allocation of Special Drawing Rights	2011 ₦' Million	2010 N' Million
At 1 January	384,870	388,982
Revaluation	16,909	(4,112)
At 31 December	**401,779**	384,870

Special Drawing Rights (SDR) are issued by the International Monetary Fund (IMF) to member countries and represent allocations available to member countries in managing and meeting their sovereign payment obligations. The IMF calculates the daily value of the SDR in terms of the United States of America (US) Dollars by reference to a valuation basket of four currencies (USD, GBP, Euro& Japanese Yen). The applicable interest rate on SDR is set at the weekly interest rates on the basis of a weighted average of interest rates on the short-term instruments in the markets of the currencies included in the SDR allocation basket.

15. Other financial liabilities	₦' Million	₦' Million
Interest payable	595	408
Accrued charges	118,860	83,972
Surplus payable to the Federal Government of Nigeria (Note 16)	64,422	28,352
Sundry payables	405,683	223,797
Unearned income	908,052	4,139
Employee benefit liabilities (Note 13)	128	-
Payable to DMO on Commercial Agricultural Credit Scheme	200,000	200,000
Payable to Asset Management Corporation of Nigeria (AMCON)	500,000	-
IBRD – SME loan	51	51
Bank of Tokyo-Commodity loan	1	1
Other provisions (Note 17)	30,116	46,927
	2,227,908	**587,647**

The Bank, on 6 March 2009, obtained the approval of the Federal Government to mobilize the sum of ₦200 billion through the issuance of Federal Government Bonds for disbursement to Commercial Agric Farmers as part of CBN's developmental role in the economy. In that regard, the CBN signed an MoU with the DMO to source and issue the said bond at the rate of 10.14% which is the average of the marginal rates for the three-year bond from March to July 2009. The Bank has paid a total amount of N155 billion to the Deposit Money Banks for disbursement to the farmers A total repayment of ₦998, 380,000 was received in the course of the year leaving a balance of N154 billion (note 5).

16. Surplus payable to Federal Government of Nigeria

	2011 ₦' M	2010 ₦' M
At 1 January	28,352	33,194
Transfer from income and expenditure account	64,122	34,870
Paid during the year	(28,052)	(39,712)
At 31 December	**64,422**	**28,352**

17. Other provisions

	At 1 January ₦' Million	Additional Provision ₦' Million	At 31 December ₦' Million
2011:			
Contingency (Note 17a)	31,890	(19,800)	12,090
Internal currency insurance funds (Note 17b)	4,434	2,989	7,423
Agricultural credit fund (Note 17c)	10,603	-	10,603
At 31 December	**46,927**	**(16,811)**	**30,116**
2010			
Contingency	31,890	-	31,890
Internal currency insurance funds	4,434	-	4,434
Agricultural credit fund	-	10,603	10,603
At 31 December	**36,324**	**10,603**	**46,927**

(a) Contingency provisions represent provisions in respect of probable legal obligations (note 29a).

(b) The Bank makes provisions for internal currency insurance, based on the premium that would be payable to external insurers had they been engaged. Losses incurred are indemnified against these provisions.

(c) The Agricultural Credit Guarantee Fund was set aside to provide guarantees to third party lenders on behalf of participating agricultural enterprises. Amounts provided were based on the guarantees issued by the Bank.

18. Capital

	2011 ₦' Million	2010 N' Million
Authorised share capital	100,000	100,000
Issued and fully paid up:		
At 31 December	5,000	5,000

Section 4(1) of the Central Bank of Nigeria Act No 7 2007 gave approval to the increase in authorized capital of the Bank from N5 billion to N100 billion. S4 (2) provides that all the capital of the Bank shall be subscribed and held only by the Federal Government of Nigeria.

19. General reserve fund

	2011	2010
At 1 January	83,477	71,854
Transfer from appropriation account	16,031	11,623
Transfer to Federal Government of Nigeria*	(4,933)	-

APPENDIX B2

NOTES TO THE FINANCIAL STATEMENTS

At 31 December	**94,575**	**83,477**

*This represents additional transfer to the Federal Government of Nigeria made necessary based on the now adopted relevant provision of the Fiscal Responsibility Act 2007 which took effect in 2008 but implemented by the Bank during the year.

20. Fixed assets revaluation reserve

At 1 January	57,069	63,143
Realised on disposal/verification exercise carried out during the year	4,506	(6,074)
At 31 December	**61,575**	**57,069**

21. Foreign currency revaluation reserve

At 1 January	14,070	379,982
Net gain/(loss) on revaluation during the year	121,096	(11,200)
	135,166	368,782
Realized gaintransferred to income and expenditure account	**(41,022)**	**(354,712)**
At 31 December	**94,144**	**14,070**

The foreign currency revaluation reserve is used to record exchange movements on long-term monetary assets of the Bank. Unrealised losses or gains on revaluation of these assets are recorded in the account and upon realisation of the assets, the corresponding gain or loss is transferred to the income and expenditure account.

22. Reserve on fund managers' investments	**2011**	**2010**
At 1 January	32,974	64,167
Movement during the year	(8,090)	(31,193)
At 31 December	**24,884**	**32,974**

23. Interest income

Analysis by type		
Time deposits and money employed	23,567	31,520
Federal Government Securities	32,107	33,995
Asset Management Corporation of Nigeria (AMCON)	73,844	-
Loans and advances	66,900	41,227
	196,418	**106,742**
Analysis by geographical location:		
Domestic	172,851	75,222
External	23,567	31,520
	196,418	**106,742**

24. Interest expense

Central Bank of Nigeria Instruments	50,276	4,593
Interest on Treasury Bonds	2,446	2,608
Deposit Balances	4,029	3,660
Interest subsidy on Commercial Agricultural Credit Scheme	20,270	23,060
	77,021	**33,921**

All interest was paid locally

25. Other operating income

Fees	3,067	2,475
Foreign exchange earnings	114,699	80,540
Commissions	63	26
Dividend Income	214	-
Gain on sale of fixed assets	4	12
Realized gain on fund managers' investments	12,748	37,734
Other income	19,976	13,861
	150,771	**134,648**

26. Provisions

Loans and advances	(15,896)	199,845
Promissory notes issued	3,365	4,030
Investments	-	60
Other assets	5,483	2,465
	(7,048)	**206,400**

27. Operating costs

Currency issue expenses	47,337	57,932
Staff Costs	66,488	97,785
Administrative expenses	31,529	52,967
Banking Sector Resolution Cost Sinking Fund	50,000	50,000
Donations	102	1,473
Depreciation charge	3,605	4,290
Repairs and maintenance	2,070	8,410
Consultancy fees	5,711	9,814
Bank charges	359	386
Audit fees	200	200
Directors'related expenses	843	307
Centres of excellence	4,752	1,229
Realised loss on fund managers' investments	1,224	-
Intervention activities*	23,865	24,495
	238,085	**309,288**

*Intervention activities are made up of Trust Fund for collaborative programmes, Nigerian incentive based risk sharing and intervention fund for SME (BOI) and power.

28. Cash generated from operating activities

Reconciliation of surplus for year to cash generated from operating activities:	**2011**	**2010**
Surplus before appropriation	80,153	46,493
Adjustments for:		
Depreciation	3,605	4,290
Profit on disposal of fixed assets	(4)	(12)
Provisions	(23,859)	217,003
Realised loss/(gain) on fund managers	-	(37,734)
Realised gain on foreign exchange currency	(41,022)	(354,712)
Net cash (utilised)/generated from operating activities	**18,873**	**(124,672)**

APPENDIX B2

NOTES TO THE FINANCIAL STATEMENTS

Changes in working capital:		
Decrease/(increase) on loans and advances	185,211	(95,520)
increase/(decrease) in foreign currency revaluation reserve	121,096	(11,200)
(Decrease) in fund managers' reserve	(8,090)	(31,193)
(increase)/Decrease in other assets	(123,137)	100,911
Increase/(Decrease) in deposit accounts	1,162,991	(942,426)
Increase in Central Bank of Nigeria instruments	1,428,292	55,078
Increase in notes and coins in circulation	187,912	196,307
Revaluation (loss)/gain on IMF allocation of SDR	16,909	(4,112)
Increase/(Decrease) in other financial liabilities	1,621,002	(270,202)
Cash generated/(utilised) by changes in working capital	4,592,186	(1,002,357)
Cash generated/(utilised) by operating activities	**4,611,059**	**(1,127,029)**

Appendix B2 (Cont'd)

29. Contingent liabilities and commitments

(a) Legal proceedings

There were a number of legal proceedings outstanding against the Bank as at 31 December 2011 with contingent liabilities of ₦1,808 billion (2010=₦3,154 billion). The Directors estimate that provision made for the contingent liability will be adequate to meet any liability that may crystalise.

The Directors are also of the opinion that all known liabilities and commitments which are relevant in the assessment of the state of affairs of the Bank have been taken into consideration in the preparation of these financial statements.

(b) Capital and other commitments

	2011 ₦' Million	2010 N' Million
Intervention funds	645,837	1,054,700
FX forwards and currency swaps	151,369	-
Capital Commitments	96,979	95,053
	894,185	1,149,753

Intervention funds balance of ₦646 billion (2010-₦1,055 billion) represents commitments made in respect of Commercial Agricultural Credit Guarantee Scheme, Small and Medium Enterprises Credit Guarantee Scheme and the Banking Sector Resolution Cost Sinking Fund.

The Bank had commitments to deliver foreign currencies to counter parties at an agreed future date and at an agreed rate. The contractual amounts of these off balance sheet financial instruments have been shown.

(c) Guarantees

	2011 ₦' Million	2010 N' Million
Deposit Money Banks	125,412	897,680
Discount Houses	149,803	42,160
Pension Fund Administrators	34,985	110,170
	310,200	**1,050,010**

The Bank during the year guaranteed local interbank balances and balances with other financial institutions. Guarantees represent total exposure to the Nigerian Financial Sector for foreign credit lines extended to deposit money banks.

30. Related party information

The Bank entered into banking transactions with related parties in the normal course of business. These transactions include the sale and purchase of currencies, services, loans, deposits, and foreign currency transactions.

31. Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Appendix B3

REPORT OF THE INDEPENDENT JOINT AUDITORS TO THE BOARD OF DIRECTORS OF THE CENTRAL BANK OF NIGERIA

Report on the Financial Statements

We have audited the accompanying financial statements of Central Bank of Nigeria ("the Bank") set out on pages 202 to 228, which comprise the balance sheet as at 31 December, 2011, the income statement, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

In accordance with the provisions of the *Central Bank of Nigeria Act*, the Board of Directors are responsible for the preparation of the financial statements which give a fair presentation of the state of affairs of the Bank at the end of the year and its income and expenditure.

The responsibilities include ensuring that:

i. the Bank keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Bank and comply with the requirements of the *Central Bank of Nigeria Act*;

ii. appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities;

iii. the Bank prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and

iv. it is appropriate for the financial statements to be prepared on a going concern basis.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the *Central Bank of Nigeria Act*.

The Directors are of the opinion that the financial statements give a fair presentation of the state of the financial affairs of the Bank and of its income and expenditure and cash flows.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Sanusi Lamido Sanusi, CON
Chairman
24th February 2011

Stephen Oronsaye, CFR
Director
24th February 2011

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Bank on pages 202 to 204 for the year ended 31 December 2011 have been properly prepared in accordance with the accounting policies set out on pages 205 to 210 and comply with the provisions of the *Central Bank of Nigeria Act No. 7 of 2007*and other applicable regulations.

Chartered Accountants
Abuja, Nigeria
28 February 2012

Chartered Accountants
Lagos, Nigeria
28 February 2012

APPENDIX C

GLOSSARY OF SELECTED TERMS

Approval in Principle: This refers to the grant of an initial permit/permission to any financial institution, pending the time it would meet the necessary requirements for operation to qualify it for a formal licence.

Balance of Payments (BOP): These are records of economic transactions between the residents of a country and the rest of the world during a given period of time. The major components of a BOP are the ***current account, the capital account and the official settlement balance***. The current account comprises transactions arising from the sale or purchase of goods and services and unrequited transfers, while the capital account is the record of assets and financial transactions. The official settlement account is used to equalise any imbalance that may exist in the current and capital accounts so that all the BOP accounts sum to zero.

Balance of Payments Position: see ***Foreign Exchange and Balance of Payments Position***

Bank Credit is a major determinant of the money supply and it embraces the amount of loans and advances given by the CBN as well as deposit money banks to economic agents. This is the banking system credit to the economy which can be broken down into bank credit to government and the private sector.

Capital Expenditure: Payment for non-financial assets used in the production process for more than one year. Loan amortisation (capital repayment) is included.

Cost of Capital is the cost incurred in securing funds or capital for productive purposes. The cost includes interest rate, legal, administrative and information search charges. This means that cost of capital is likely to be greater than or equal to interest rates on loans.

Cost of Funds: This refers to net expenses incurred in raising funds, including a reasonable profit margin. The expenses include the interest on deposits, reserve requirements and other administrative expenses, as a proportion of total funds borrowed.

Credit Risk: Credit risk arises from potential that an obligor is either unwilling to perform an obligation, or its ability to perform such an obligation is impaired, resulting in loss to the Bank. In addition to direct accounting loss, credit risk should be viewed in the context of other economic exposures which include opportunity costs, transaction costs and expenses associated with non-performing assets over and above the accounting loss.

Debentures are fixed interest-bearing securities. They are usually of two types, debenture with floating charge and debenture with fixed charge. Debenture holders are creditors to the company rather than owners.

Debt Stock/GDP: This measures the level of domestic indebtedness relative to the country's economic activity.

Discount House is a financial institution devoted to trading in government secondary instruments (treasury bills and certificates and other eligible instruments). The discount house submits bids from authorised dealers, including its needs for OMO instruments, to the Central Bank and facilitates the payments and settlement of the transactions.

Distressed Banks: These are banks with problems relating to illiquidity, poor earnings and non-performing assets. The extreme case of distress is referred to as insolvency, which implies that a bank's liabilities are more than its assets.

Dutch Auction System (DAS): This is a method of exchange rate determination, through auction, where the bidders pay according to their bid rates. The ruling rate is arrived at with the last bid rate that clears the market where the authorities elect to operate a single exchange rate.

Equity Price Risk: Equity price risk is the risk to earnings or capital resulting from adverse changes in the value of the equity-related portfolios of a financial institution. The price risk could relate to changes in the overall level of equity prices or price volatility that is determined by firm specific characteristics.

Exchange Rate: This is the price of one currency in terms of another.

External Assets: These are the reserves held by the monetary authorities, as well as the banking and non-bank public, in foreign countries. Thus, external assets comprise the external reserves and the private sector holdings of foreign exchange.

External Reserves: These are portions of foreign exchange receipts saved by the monetary authorities for the purpose of enhancing the creditworthiness of the economy, protecting the international value of the domestic currency, and financing temporary shocks in the balance of payments. Reserves are held in the form of monetary gold, the reserve position at the International Monetary Fund (IMF), Special Drawing Rights (SDRs), and foreign bank balances.

Federation Account: This is an account opened by the Federal Republic of Nigeria into which all revenues of the Federation are paid for eventual distribution to all tiers of government in Nigeria.

Fiscal Deficit refers to the excess of expenditure over revenue of government. It is usually assessed by its size in relation to the nominal Gross Domestic Product (GDP). The fiscal deficits may be financed in various ways – external borrowing and internal borrowing (banking system and non-bank public). It is inflationary when financed by the banking system, especially the central banks.

Fiscal Operations: This refers to government financial transactions involving the collection, spending and borrowing of government for a given period.

Fixed Deposit Rate: When deposits are for a fixed period of time, say 90 or 180 days, the interest rates paid are called fixed deposit rates. They normally attract higher interest rates; early withdrawals may attract interest penalties.

Foreign Exchange: This is a means of international payments. It includes the currencies of other countries that are freely acceptable in effecting international transactions.

Foreign Exchange and Balance of Payments Position: The foreign exchange position is the difference between foreign exchange receipts and foreign exchange disbursements. If receipts are higher than disbursements, there is a net inflow or an accretion to reserves. On the other hand, if receipts are lower, there is a net outflow and the reserves would be depleted. The balance of payments position is the difference between the receipts by the residents of one economy from the rest of the world and the payments by these residents to the rest of the world. An excess of receipts over payments shows a balance of payments surplus, while the reverse represents a deficit. When foreign exchange receipts and payments are adjusted for valuation changes in reserves, the net position would be identical to the balance of payments position.

Foreign Exchange Risk*:* Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Foreign exchange risk may also arise as a result of exposures of banks to interest rate risk arising from the maturity mismatching of foreign currency positions.

Government Expenditure: Payment or flow of financial resources out from government.

High-powered Money: *see* ***Monetary Base***

Inter-bank Interest Rate: This is the rate that applies to transactions among banks, mostly for overnight and other short-term funds.

Interest Rate is the price of money. It is the opportunity cost of holding money and the return for parting with liquidity.

Interest Rate Risk*:* Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustments within a specified period. Interest rate risk is usually assessed from two perspectives: the earnings perspective which focuses on the impact of variation in interest rate on accruals or reported earnings, and the economic value perspective which reflects the impact of fluctuations in interest rates on the economic value of a financial institution.

Interest rate risk also includes risks associated with the term structure of interest rates and basis risk. Basis risk is also known as spread risk and it arises when a bank prices its assets and liabilities using different interest rate basis. On the other hand, risks associated with the term structure of interest rates are also known as the yield curve risk. The impact of shifts in the yield curve on earnings is evaluated using stress tests.

Internal Balance: This refers to a state of convergence between domestic output and absorption or expenditure. When output is identical with expenditure, internal balance is considered to have been achieved and the rate of inflation is expected to be stable. The achievement of the savings-investment identity is also viewed as internal balance. Monetary and fiscal policies and external debt management measures are usually applied to achieve internal balance.

Key Risk Indicator: A key risk indicator is a risk item that has been assessed to be important, given all relevant factors. This indicator is used to monitor exposure to risks and could be quantitative or qualitative in nature. It should be forward-looking in order to serve as an effective risk mitigant.

Liquidity Ratio: This ratio is defined as the ratio of total specified liquid assets to total current liabilities and reflects the liquidity position of a bank.

Liquidity Risk: Liquidity risk is the potential loss to a bank, arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable costs or losses. Liquidity risk should not be seen in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other bank risks, such as credit, market and operations risks.

Market Capitalisation is the market value of a company's issued share capital. It is the product of the current quoted price of shares and the number of shares outstanding. The term is also used as a performance indicator of the capital market.

Maximum Lending Rate: This refers to the rate charged by banks for lending to customers with a low credit rating.

Minimum Rediscount Rate: This refers to the amount that is charged by the CBN for lending to banks in the performance of its function of lender of last resort and also as a signal of the desired direction of monetary policy.

Monetary Base (or High-powered Money or Reserve Money) comprises certain liabilities of the CBN and includes currency with the non-bank public and total bank reserves. The main sources of monetary base are the net foreign assets of the CBN, net claims on government, claims on government, claims on deposit money banks, and other assets (net) of the CBN.

Money Supply (or Money Stock) refers to the total value of money in the economy and this consists of currency (notes and coins) and deposits with deposit money banks (DMBs). For purposes of policy, there are two variants of money supply in Nigeria – M1 and M2. M1 is the narrow measure of money supply which includes currency in circulation with the non-bank public and demand deposits (current accounts) at the deposit money banks. M2 is the broad measure of money supply and includes M1 and savings and time deposits at the DMBs. Savings and time deposits are also called quasi-money. M2 measures total liquidity in the economy. Excess liquidity is the amount of liquidity over and above the optimum level of liquidity, determined by the levels of output and prices.

Net Foreign Assets (NFA) constitute the foreign exchange holdings of the CBN and the deposit money banks, after netting out the claims of foreigners. Changes in NFA should reflect developments in the balance of payments. A deficit in the balance of payments would lead to a decrease in foreign asset holdings and ultimately the money stock. A surplus in the balance of payments produces the opposite effect.

New Issues are securities raised in the primary market for the first time.

Nominal Exchange Rate: The nominal exchange rate is the price of one currency relative to another. The real exchange rate is the nominal exchange rate deflated by changes in relative prices.

Nominal Interest Rate: This is the actual rental value paid for the use of money or credit. It includes the effects of inflation and uncertainty.

Offer for Sale is an offer by shareholders to sell existing shares to the public. The sale is effected usually through stockbrokers and does not affect the capital base of a company.

Offer for Subscription is an invitation by a company to the public to subscribe to new issues. This increases the capital base of the company.

Open Market Operations involve the discretionary power of the CBN to purchase or sell securities in the financial markets in order to influence the volume of liquidity and levels of interest rates which ultimately would affect money supply. When the CBN sells financial instruments, the liquidity (excess reserves) of the banking system reduces. This restricts the capacity of banks to extend credit or induce monetary expansion. On the other hand, when the CBN purchases such instruments, it injects money into the system and banks' ability to expand credit is enhanced.

Operational Risk: Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is present in virtually all banking transactions and activities.

Other Assets (net) is the other assets of CBN, deposit money banks less (their) other liabilities.

Preference Shares are shares of companies on which dividends must be paid before any other shares.

Prime Lending Rate: This is the interest rate applied to loans made to customers with the highest rating. For each bank, this rate also represents the minimum lending rate.

Prudential Guidelines: These are guidelines and practices which all licensed banks are required to adhere to in reviewing and reporting their performance, particularly in the areas of credit portfolio classification and disclosure; the provision for non-performing facilities and interest accrual; the classification of other assets; and off-balance sheet engagements.

Real Exchange Rate: This is the nominal exchange rate deflated by change in relative prices. *See also* ***Nominal Exchange Rate***

Real Interest Rate: This is the nominal interest rate adjusted for expected inflation. In order to encourage savings, real interest rate is expected to be positive.

Recurrent Expenditure: Expenditure on goods and services (other than capital assets) used in the process of production within one year. Interest on loans is included.

Required Reserves are a fraction of commercial and merchant banks' money held for the purpose of backing up their deposit operations and partly to control the level of liquidity in the economy. They are made up of cash reserves and liquid assets and specified in the form of ratios. The cash reserves ratio is the percentage of deposit money banks' cash deposits with the CBN in relation to their total demand, savings and time deposits. The liquidity ratio is the percentage of banks' liquid assets to their total deposits liabilities.

Reserve Money: *see* ***Monetary Base***

Reserve Requirement refers to the proportion of total deposit liabilities which the deposit money banks are expected to keep as cash in vaults and deposits with the CBN. The CBN can control the money stock by varying the requirement as desirable. Usually, banks keep reserves over and above the legal requirement for safety. The cash ratio requires the deposit banks to keep a certain proportion of their total deposit liabilities in cash balances with the CBN, while the liquidity ratio stipulates the proportion of total deposits to be kept in specified liquid assets, mainly to safeguard the ability of banks to meet depositors' cash withdrawals and ensure confidence in the banking system. The CBN also has powers to call for special deposits from banks for the purpose of controlling liquidity.

Rights Issues are shares offered to companies' existing shareholders in proportion to the number of shares held and usually at below the market price to make the offer attractive.

Savings Deposit Rate: The savings deposit rate is the amount paid by banks for funds withdrawable after seven days' notice. This restriction is, however, seldomly applied.

Total Reserves: This is the sum of required reserves and excess reserves.

Vault Cash: Deposit money banks keep "petty cash" in their vaults for emergency transactions before they can access their accounts with the CBN. The amount so kept is called vault cash.

Ways and Means Advances constitute a portion of credit by the CBN to government. These are temporary loans to government to bridge shortfalls in revenue. Statutorily, the CBN must not give more than 12.5 per cent of government's current revenue.

Yield Curve: Shows the relationship between the rate of interest and the time to maturity of different financial assets.

Appendix D
Policy Circulars and Guidelines Issued in 2011

1. BANKING SUPERVISION

S/N	Name of Circular	Reference No.	Date Issued
1.	Review of the prudential requirements of 1% provision on performing loans	BSD/DIR/GEN/CIR/04/013	7/1/2011
2.	Re: Monthly submission of credit portfolio classification by banks	BSD/DIR/GEN/CPC/04/026	2/2/2011
3.	Letter to all banks: Reporting of AMCON Bonds	BSD/DIR/GEN/AMC/04/034	18/2/2011
4.	Re: Reinstatement of capital verification for banks	BSD/DIR/GEN/CVB/04/001	15/3/2011
5.	Re: Circular to all banks on funds withdrawal by Federal, States, Local Governments and Parastatals	BSD/DIR/GEN/FWG/04/044	15/3/2011
6.	Supervisory intervention framework for the banking industry in Nigeria	BSD/DIR/GEN/SIF/04/043	15/3/2011
7.	Framework for Cross Border Supervision of banks	BSD/DIR/GEN/CBF/04/002	4/4/2011
8.	Guidance document to deposit money banks on the reinstatement of December 31, 2010 financial balances of IFRS-based figures as required by IFRS 1	BSD/DIR/GEN/AMC/04/034	11/4/2011
9.	Re: Data exchange agreements with at least two licensed credit bureaus in Nigeria	BSD/DIR/GEN/DEA/04/004	12/4/2011
10.	Request for information on capital exportation	BSD/DIR/GEN/ICE/04/005	13/4/2011
11.	Re: Treatment of loans fully provided for by banks	BSD/DIR/GEN/LWO/04/006	21/4/2011
12.	Re: Management and custody of pension funds by some licensed banks	BSD/DIR/GEN/LTB/04/007	3/5/2011
13.	Corporate account opening requirements – Tax Identification Number	BSD/DIR/GEN/LTB/04/070	13/6/2011
14.	Dial-up connectivity options for external stakeholders	BSD/DIR/GEN/DCO/04/080	20/6/2011
15.	Re: Treatment of loans fully provided for by banks	BSD/DIR/GEN/LPF/04/008	6/7/2011
16.	Request for information on terrorists and related accounts	BSD/DIR/GEN/TRA/04/088	1/8/2011
17.	The requirement for Credit Risk Management System (CRMS) checks for credit requests	BSD/DIR/GEN/CRM/04/089	2/8/2011
18.	Compliance with the provisions of the Fiscal Responsibility Act 2007	BSD/DIR/GEN/DMB/04/091	9/8/2011
19.	De-Marketing of Banks by Other Banks	BSD/DIR/GEN/DOB/04/104	22/9/2011
20.	Guarantee of Foreign Credit Lines	BSD/DIR/GEN/FCL/04/115	14/10/2011
21.	Re: Treatment of loans fully provided for by banks	BSD/DIR/GEN/LFP/04/010	18/10/2011
22.	Re: The need for banks to development and implement a risk-based pricing model	BSD/DIR/GEN/RPM/04/120	20/10/2011

2. FINANCIAL POLICY & REGULATION DEPARTMENT

S/N	Reference No.	Name of Circular	Date Issued
1.	FPR/DIR/CIR/AML/CFT/01/001	The Circular informed Stakeholders of the Gazetting of the AML/CFT Regulation. The Circular also m\Mandated Deposit Money Banks to Comply with the Provisions of the Regulation.	5/5/2010
2	FPR/DIR/GDL/01/002	The Circular Listed the Various Names Associated with a Terrorist Group (AQI) and	17/6/2010

		Required Banks to Render Returns upon Discovery of any Related Account within their Institutions.	
3	FPR/DIR/CIR/AML/CFT/01/002	This Circular Required Banks to Forward all AML/CFT Returns to the Director, Financial Policy & Regulation Department.	8/7/2010
4	FPR/DIR/CIR/CFP/Vol.1/003	The Circular Directed Banks to Review their Processes for Handling exited Staff Matters and to Issue Favourable/Adverse Clearances within 60 days of the date of receipt of the request for clearance.	15/7/2010
5		This Policy Listed the Terms/Conditions for the Grant of Liquid Asset Status to State Governmental Bonds.	9/9/2010
6	FPR/DIR/CIR/FXM/01/004	The Circular informed Stakeholders of the Revocation of the Licences of Class 'A' Bureaux De Change	02/11/10

FINANCIAL MARKETS DEPARTMENT

S/N	Name of Circular	Reference No.	Date Issued
1.	Guidelines for FX derivatives and modalities for CBN FX forwards	FMD/DIR/GUI/FXF/VOL/1/001	31/1/2011
2	Guidelines for the operation of the Foreign Exchange Market – Wholesale Dutch Auction System (WDAS-FWD)	FMD/FED/CIR/GEN/01/083/11	22/3/2011
3.	Guidelines for foreign Exchange Derivatives in the Nigerian Financial Markets	FMD/FED/CIR/GEN/01/084/11	22/3/2011
4.	Guidelines for the use of AMCON Bonds in CBN Operations	FMD/DIR/CIR/GEN/01/001	8/4/2011
5.	Suspension of reserve averaging scheme and change in cash reserve requirement	FMD/DIR/GEN/CIR/02/004	11/10/2011

TRADE AND EXCHANGE DEPARTMENT

S/N	Name of Circular	Reference No.	Date Issued
1.	The appointment of six (6) additional inspections Agent for the inspection of Oil and Gas export from Nigerian under the Nigerian Export Supervision Scheme (NESS).	TED/FEM/FPC/GEN/01/005	11/2/2011
2.	Director to all Authorised Dealer banks to endorse the Department of Petroleum Resources (DPR) permit used for importation of petroleum products. This was to reduce incidence of opening multiple L/Cs for importation of Petroleum Products.	TED/FEM/FPC/GEN/01/007	13/5/2011
3.	The lifting of restriction of foreign investors from investing in Federal Government Bonds with tenor of less than one year. The circular stipulated that foreign investors can now invest in Government Bond of any tenor.	TED/FEM.FPC/GEN/01/009	24/6/2011
4.	Foreign Exchange Cash Sales to Bureaux De Change (BDCs) by banks. Authorised Dealers are allowed to sale a maximum of US$1,000,000.00 BDC per week and BDC are allowed to buy from only one Authorised Dealer per week from autonomous funds.	TED/FEM/FPC/GEN/01/012	12/8/2011
5.	Foreign Exchange Cash Sales to Bureaux De Operators	TED/FEM/FPC/GEN/01/013	12/8/2011

	by CBN was increased from USD50,000.00 to USD100,000.00 with effect from Wednesday 17th August, 2011.		
6.	All Authorized Dealers were requested to submit relevant document evidencing the utilization of foreign exchange for the importation of the following products: • Petroleum Products, • Cement, • Rice, and • Wheat	TED/FEM/FPC/GEN/01/014	15/8/2011
7.	Companies engaged in product SWAP arrangement with NNPC/PPMC are barred from acceding WDAS funds for consummation of petroleum products imports. Instead, they use the proceeds of the SWAP to fund the transactions.	TED/FEM/FPC/GEN/01/018	5/10/2011
8.	All remittance in respect of dividends, capital and proceeds of investment, proceeds of sales of international air ticket and consultancy services shall henceforth be consummated through the use of autonomous funds.	TED/FEM/FPC/GEN/01/020	13/10/201 1
9.	Policy measure to streamline petroleum products importation. Authorised Dealers establishing Letters of Credit and Bills for collection for the Importation of Petroleum Product s are required to obtain prior approval from the CBN and to submit shipping documents after the transaction.	TED/FEM/FPC/GEN/01/021	13/10/201 1
10.	In the continuous effort to sustain stability in the foreign exchange market, the Central Bank of Nigerian shall from time to time intervene in the inter-bank market to either buy or sell. Any Authorised Dealer interested in participating in the CBN intervention will do so by submitting bid and offer rate for a specific amount and the spread between the bid and offer rates shall not exceed 20 pips (i. e 20 kobo)	TED/FEM/FPC/01/025	20/10/201 1

5. BANKING AND PAYMENTS SYSTEM DEPARTMENT

S/N	Reference No.	Name of Circular	Date Issued
1.		**The Circular made Clarifications on the Policy of N10 million Maximum cap for single Cheque Payment as follows:** • Cheques (to include Bank Drafts and Manager Cheque) • In-House Cheques Drawn by all Classes of Account holders of the same Bank and or Branch • Across-the-Counter Cash Withdrawals with Cheque by Customers of Banks • Dividend/Interest Warrant • All Classes of Cheques Issued Prior to the Take-Off Date of the Policy with Value Higher than N10 Million, but yet to be paid after January 1, 2010. Cheques in this Category were Allowed to be Presented within Two Weeks from January 4, 2010.	4/1/2010
2		**Circular on Accreditation of Cheque Printers :** The Circular Notified the Public that the CBN has Approved the	1/3/2010

APPENDIX D

POLICY CIRCULARS AND GUIDELINES

		Accreditation and Re-accreditation of 14 Cheque Printers Under "Nigeria Cheque Printer Accreditation Scheme" (NICPA)	
3		**Standards and Guidelines on Automated Teller Operations in Nigeria:** • No ATM Owner of Acquirer shall Discriminate Against any Card Scheme or Issuer • ATM Complaints to be Responded to within a Maximum of 72 Hours from the Date of Receipt the Complaints • PIN Change shall be Provided Free of Charge Throughout the Entire Value Chain • The ATM Downtime (Due to Technical Fault) is not more than Seventy-Two (72) Hours Consecutively and Helpdesk Contacts should be Adequately Displayed • All ATM Surcharges are to be fully Disclosed to Customers • Every ATM shall have Cameras which shall View and Record all Persons using the Machines and every Activity at the ATM. Where the User of an ATM Blocks His Image for Camera Capture, the ATM shall be Capable of Aborting the Transaction. • Liability Shifts in the Event of ATM Fraud is Provided.	04/2010
4		**Nigerian Uniform Bank Account Number (NUBAN) Standards:** -The Proposed NUBAN is a 10-digit Bank Account Number format, with the Following Structure: - Account Serial Number - A Check Digit constructed to support a Modulus Check, which Enables the Presenting Bank to Perform Checks • The Check Digit is Derived from an Algorithm that Operates on a Combination of the 3-Digit CBN-Assigned Bank Code and the 9-Digit Account Serial Number. • Every Bank is Required to Create and Maintain a NUBAN Code for Every Customer Account (Current, Savings, etc) in its Customers Records Database, and the NUBAN Code should be the Only Account Number to be used at all Interfaces with a Bank Customer. • The Bank Customer should be provided with only the NUBAN Code Supplied by the Customer to the Relevant Internal Account Number within the Bank's Technology System. • Effective Date for the Implementation is 9 Months	19/8/2010
5		**Circular on Interoperability and Interconnectivity of the Payments System Infrastructure in Nigeria:** The Circular stipulated that all Parties to the Nigerian Switching Infrastructure shall ensure that: • All Terminal Access Devices (POS and ATM etc) are Configured to Accept and Process All Payment Cards Schemes and other Electronic Payment Instruments that are Acceptable in Nigeria on or before 1st December 2010. • Their Switching Systems connect to the Nigeria Central Switch and only One Other Private Switch of their Choice as Determined by their Business Case. All	25/8/2010

			Participants with Multiple Connection to Private Switches are hereby given till December 1, 2010 to Terminate all multiple Connections as appropriate.	
6			**Circulars on the Need to Combat Card Fraud:** • No Debit Card should be Issued on an Account without a Written Request from the Account Holder. Henceforth, DMBs shall bear Liability for any Fraud Perpetrated with the Use of Cards Issued without written Request from the Account Holder, and such Card must be Delivered in such a Manner that the Confidentiality of the Information is not Compromised. • DMBs should set and Implement Mandatory Daily Limits for ATM Cash Withdrawals. All other related Transactions, including POS and WEB Purchases should be Subject to Stringent Limits as Agreed and Documented between the DMBs and their Customers. It is the Responsibility of the DMBs to Ensure that the Agreements are Documented and that such Limits are Embedded with the Card so as to Automatically initiate a trigger when Limits are exceeded. • The Use of 2nd Level Authentication for Internet Transactions is now Mandatory for all Payment Cards. It is the responsibility of the Issuer to Ensure that Transactions Emanating from its WEB Merchants are Properly Scrutinized and Operations are Permitted Only After 2nd Level Verification. • DMBs must Send SMS Alerts to the Telephone/emails Addresses of Cardholders whenever there is a Debit Transaction via Payment Card. Evidence of the Dispatch of such Messages would be required in Cases of no-receipt of the Alerts by Account Holders as a Result of Telephone Network Failures. • Cardholders should be Provided with a Facility to Block their Accounts Immediately from their Mobile Phones whenever the SMS Alert is received in Respect of Suspicious Transactions so as to Prevent Further Fraudulent Transactions from being Perpetrated. • All Card Issuing Banks should deploy Fraud Monitoring Tools that have the Capability to Monitor the normal spending trends of a Card Holder as ell as Automatically Stop Abnormal Transactions that are Perceived to be Fraudulent. The Block shall only be Lifted by Express Instruction by the Card Holder. • The Use of Temporary Staff, i.e Students on Industrial Attachment/Vacation Job, NYSC Members and Contract Staff for Card Management and Issuance/Distribution of PIN Mailers should be stopped forthwith.	30/8/2010
7			Circular on Compliance with Due Diligence in the Deployment of Point of Sale (POS) Terminals: The Circular Stipulated that the Deposit Money Banks should: • Conduct Proper KYC on all their Merchants with POS • Set Merchants Limits Based on the Volume of Business/Commercial Activities • Set Customer Limit Based on Card Class • Instruct Merchants to Enforce Cardholder's	19/10/2010

		Identification at the Point of Payment for Transactions above a Specific Limit as Agreed Between the Bank and the Merchant.	
8		**Circular to All Approved Mobile Payments Scheme Operators: The Circular Stipulated that the Sixteen Mobile Payment Scheme Operators should observe the following:** • A four-month, closed pilot run in no more than four Locations, one Urban Area and Three Rural Area • The Pilot run should be limited to not more than 5,000 Participants and not more than 100 agents. • Not to commence Media Campaign during the Pilot Run.	13/12/2010

6. CURRENCY OPERATIONS

S/N	Name of Circular	Reference No.	Date Issued
1.	**List of Armoured Vehicles deployed by Deposit Money Banks Issued 8th February, 2011:** • The circular was issued to inform all Deposit Money Banks and the Registered Cash-In-Transit Companies that all existing bullet proof and armoured cash in transit vans should undergo a re-certification process with Standards Organization of Nigeria (SON) to ensure that they meet the requirements for operations.	COD/DIR/GEN/CIT/04/048	8/2/2011
2.	**Approval of Registration of Cash-in-transit and Currency Sorting Operators by the Central Bank of Nigeria issued on the 23rd March, 2011:** • The circular was issued to inform all Deposit Money Banks that the under listed companies have been given full registration and as cash-in-transit operators and Approval-In-Principle as Currency Sorting (Processing) Operators with effect from November, 2010: a Bankers Warehouse Limited b Integrated Cash Management Limited (ICMS)	COD/DIR/GEN/CIT/04/052	23/3/2011
3.	**Industry Policy on Retail Cash Collection and Lodgment (IITP/C/001) issued 20th April, 2011:** • The goal of the policy was to reduce the high usage of cash, moderate the cost of cash management and also encourage the use of electronic payment channels, particularly Point of Sales (POS). • The circular stated a daily cumulative limit of ₦150,000 and ₦1,000,000 of free cash withdrawals and lodgment by individuals and corporate customers respectively with DMBs.	COD/DIR/GEN/CIT/05/031	20/4/2011

4.	**Modalities on Implementation of Cash Policy for Cash-Less Lagos:** • The circular provides clarifications on the implementations strategy and other relevant information of the Cash Policy for the Cash Less Lagos Pilot Scheme which commenced on 1st January 2012.		19/12/2011

Table 1
Selected Interest Rates
(Per cent)

	2007				2008				2009				2010 /1				2011 /2			
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Government Securities																				
Treasury Bill Issue Rate	6.85	6.59	7.10	7.75	8.50	8.30	8.80	8.70	4.00	7.40	6.40	6.40	1.49	3.05	5.23	9.10	8.89	8.83	9.32	15.67
Minimum Rediscount Rate																				
Monetary Policy Rate 3/	10.00	8.00	8.00	9.50	9.50	10.25	9.75	9.75	9.75	8.00	6.00	6.00	6.00	6.00	6.25	6.25	7.50	8.00	9.25	12.00
Deposit Rates (Weighted Average)																				
Savings	4.30	3.78	3.05	3.19	2.94	2.79	2.75	2.92	2.62	2.67	2.36	3.33	3.03	1.95	1.49	1.51	1.41	1.40	1.46	1.41
Call	4.19	3.60	3.87	4.03	3.78	4.02	4.47	4.63	5.36	4.55	6.04	4.80	2.66	1.63	3.34	1.82	4.67	6.50	1.73	5.00
Term Deposits Maturing in:																				
7 days	5.55	5.74	6.12	5.82	6.46	5.98	5.92	6.64	5.90	6.71	6.08	5.77	2.91	2.64	1.80	1.77	2.04	2.06	2.13	3.39
1 month	10.48	10.25	10.43	10.18	10.61	11.26	12.13	11.65	12.92	11.69	11.12	12.73	7.36	4.51	3.58	3.66	4.21	4.52	4.71	6.58
3 months	10.46	10.24	10.37	10.29	10.40	11.96	12.81	12.26	12.84	12.63	12.17	13.15	8.60	4.98	5.16	4.63	5.36	5.14	5.49	6.80
6 months	10.00	10.00	9.49	9.53	9.72	11.76	13.06	12.45	12.57	13.12	12.42	13.34	7.59	4.85	4.40	3.50	4.44	5.26	4.79	5.63
12 months	8.30	8.02	8.12	7.92	10.01	11.95	12.95	12.41	11.44	12.67	13.25	12.17	5.55	4.90	3.68	3.53	4.25	4.68	4.47	7.12
Over 12 months	9.31	10.06	9.45	9.67	9.69	12.11	13.26	12.51	13.02	13.24	4.98	14.13	6.59	4.23	2.17	5.49	5.16	7.39	7.36	6.13
Lending Rates (Weighted Average)																				
Prime	17.18	16.92	16.46	16.46	15.23	15.17	14.77	15.26	19.19	19.08	18.91	19.55	19.03	17.65	16.66	15.74	15.81	15.76	15.87	16.75
Maximum	18.92	18.74	18.27	18.21	17.58	18.03	19.24	21.15	22.62	22.67	22.81	23.77	23.62	22.03	22.20	21.86	22.02	22.02	22.09	23.21
Average Term Deposit	9.02	9.05	9.00	8.90	9.48	10.83	11.69	11.32	11.45	11.68	10.00	11.88	6.43	4.35	3.47	3.76	4.25	4.84	4.82	5.94
Spread (Maximum Lending-Average Term Deposit)	9.91	9.69	9.28	9.31	8.09	7.19	7.55	9.83	11.17	10.99	12.81	11.89	17.19	17.68	18.74	18.09	17.77	17.18	17.27	17.27
Inter-bank call Rate (weighted average)	7.68	8.46	6.24	8.99	9.37	11.23	15.42	12.17	20.60	18.60	9.70	4.68	1.50	2.73	2.71	8.03	8.78	11.66	10.50	15.50

1/ Revised
2/ Provisional
3/ MRR was changed to MPR in December 2006

Source: Central Bank of Nigeria

Table 2														
Loans Guaranteed under ACGSF By Size and Purpose														
(January - December, 2011)														
Purpose	5,000 & Below		5,001 - 20,000		20,001 - 50,000		50,001 - 100,000		Above 100,000		Total		Percentage of Total	
	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)
LIVESTOCK														
Poultry	-	-	11	170.0	223	16,800.5	258	45,338.0	2,144	1,433,279.9	2,636	1,495,588.4	5	14.7
Cattle	-	-	27	270.0	296	14,839.0	283	31,579.0	278	157,312.0	884	204,000.0	2	2.0
Sheep/Goat	-	-	6	85.0	239	11,000.0	40	3,609.5	99	47,148.5	384	61,843.0	1	0.6
Others	-	-	-	-	5	180.0	54	8,620.0	386	108,032.0	445	116,832.0	1	1.1
Sub-Total	**-**	**-**	**44**	**525.0**	**763**	**42,819.5**	**635**	**89,146.5**	**2,907**	**1,745,772.4**	**4,349**	**1,878,263.4**	**8**	**18.4**
FISHERIES	**-**	**-**	**10**	**175.0**	**123**	**5,695.0**	**104**	**10,518.0**	**1,605**	**573,279.5**	**1,842**	**589,667.5**	**3**	**5.8**
MIXED FARMING	**-**	**-**	**257**	**33,180.0**	**536**	**37,180.0**	**394**	**56,985.0**	**896**	**223,880.0**	**2,083**	**351,225.0**	**4**	**3.4**
FOOD CROPS														
Vegetables	-	-	89	1,672.4	567	26,260.6	426	30,834.4	349	77,227.5	1,431	135,994.9	3	1.3
Beans	-	-	-	-	2	100.0	4	346.5	63	22,713.0	69	23,159.5	0	0.2
Soya Beans	-	-	-	-	14	680.0	3	260.0	48	13,314.0	65	14,254.0	0	0.1
Grains	50	235.00	3,794	60,539.3	10,586	452,718.0	10,812	904,048.9	10,738	2,775,254.6	35,980	4,192,795.8	64	41.1
Tuber/Roots	-	-	112	1,597.0	837	38,075.0	1,706	153,471.5	5,741	2,262,668.0	8,396	2,455,811.5	15	24.1
Sub-Total	**50**	**235.00**	**3,995**	**63,808.7**	**12,006**	**517,833.5**	**12,951**	**1,088,961.3**	**16,939**	**5,151,177.1**	**45,941**	**6,822,015.7**	**82**	**66.9**
CASH CROPS														
Oil Palm	-	-	3	60.0	12	570.0	40	3,200.0	157	78,110.0	212	81,940.0	0	0.8
Rubber	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ginger	-	-	-	-	-	-	-	-	1	500.0	1	500.0	0	0.0
Cotton	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Groundnuts	-	-	227	4,255.3	84	3,779.7	11	1,080.0	40	7,210.0	362	16,324.9	1	0.2
Cocoa	-	-	-	-	7	310.0	11	1,000.0	28	8,955.0	46	10,265.0	0	0.1
Sub-Total	**-**	**-**	**230**	**4,315.3**	**103**	**4,659.7**	**62**	**5,280.0**	**226**	**94,775.0**	**621**	**109,029.9**	**1**	**1.1**
OTHERS	**-**	**-**	**4**	**75.0**	**245**	**11,175.0**	**240**	**20,167.5**	**907**	**412,228.3**	**1,396**	**443,645.8**	**2**	**4.4**
Total	**50**	**235.00**	**4,540**	**102,079.0**	**13,776**	**619,362.7**	**14,386**	**1,271,058.3**	**23,480**	**8,201,112.3**	**56,232**	**10,193,847.3**	**100.00**	**100.0**

Table 3

Currency in Circulation (Naira Billion)

Year	Month	Vault Cash	Currency Outside Banks	Currency in Circulation
2007	December	222.9	737.9	960.8
	January	197.9	668.0	865.9
	February	179.1	687.6	866.7
	March	229.0	662.8	891.8
	April	224.1	674.8	898.9
	May	256.7	660.2	916.9
2008	June	245.2	673.1	918.3
	July	231.8	705.1	936.9
	August	221.3	727.0	948.3
	September	219.6	756.8	976.4
	October	223.0	743.2	966.1
	November	243.8	744.3	988.2
	December	262.7	892.7	1,155.3
	January	225.4	839.2	1,064.6
	February	209.3	814.9	1,024.2
	March	233.7	804.1	1,037.8
	April	224.4	823.8	1,048.1
	May	262.5	764.4	1,026.9
2009	June	260.1	746.5	1,006.6
	July	241.4	766.9	1,008.3
	August	259.6	759.9	1,019.4
	September	253.1	778.7	1,031.9
	October	238.8	781.3	1,020.1
	November	257.2	851.4	1,108.6
	December	254.3	927.2	1,181.5
	January	247.7	820.5	1,068.2
	February	237.3	812.1	1,049.4
	March	252.9	833.6	1,086.5
	April	241.3	831.3	1,072.6
	May	239.3	817.4	1,056.7
2010	June	268.2	795.4	1,063.6
	July	271.2	805.7	1,076.9
	August	272.5	822.2	1,094.7
	September	244.5	880.9	1,125.4
	October	278.3	874.9	1,153.2
	November	335.3	892.3	1,227.6
	December*	295.8	1,082.3	1,378.1
	January	307.0	1,033.4	1,340.4
	February	312.2	1,024.7	1,336.8
	March	303.7	1,112.7	1,416.4
	April	351.2	1,141.1	1,492.3
	May	346.6	1,055.2	1,401.8
2011	June**	337.5	1,016.4	1,354.0
	July**	303.9	1,039.8	1,343.6
	August**	319.2	1,060.5	1,379.7
	September**	330.6	1,012.4	1,343.0
	October**	321.4	1,038.2	1,359.6
	November**	321.6	1,069.1	1,390.7
	December**	320.9	1,244.8	1,565.8

* Revised

** Provisional

Table 4
Money Supply and Its Determinants
(Naira million)

Category	Dec-07	Dec-08	Dec-09	Dec-10 1/	Dec-11 2/
1.Domestic Credit (net)	**2,688,236.5**	**4,951,860.3**	**7,917,041.4**	**8,708,545.5**	**12,403,176.5**
(a) Claims on Federal Government (net)	-2,368,484.4	-3,107,688.6	-2,302,294.7	-1,121,798.6	-531,164.8
By Central Bank	-4,074,422.8	-4,532,113.6	-3,731,603.8	-2,884,013.4	-3,548,750.3
By Deposits Money Banks	1,705,938.5	1,424,425.0	1,429,309.2	1,762,214.8	3,017,585.5
(b) Claims on Private Sector	**5,056,720.9**	**8,059,548.9**	**10,219,336.1**	**9,830,344.1**	**12,934,341.3**
By Central Bank	236,025.2	260,148.8	551,459.4	532,171.0	3,319,895.5
By Deposits Money Banks	4,820,695.7	7,799,400.1	9,667,876.7	9,198,173.1	9,614,445.8
(i) Claims on State and Local Governments 3/	**87,753.6**	**149,765.1**	**310,324.3**	**369,809.8**	**513,218.7**
By Central Bank	0.0	0.0	0.0	0.0	0.0
By Deposits Money Banks	87,753.6	149,765.1	310,324.3	369,809.8	513,218.7
(ii) Claims on Non-Financial Public Enterprises	**0.0**	**0.0**	**13,249.4**	**0.0**	**0.0**
By Central Bank	0.0	0.0	13,249.4	0.0	0.0
By Deposits Money Banks					
(iii) Claims on Other Private Sector	**4,968,967.3**	**7,909,783.8**	**9,895,762.5**	**9,460,534.3**	**12,421,122.7**
By Central Bank	236,025.2	260,148.8	538,210.1	632,171.0	3,319,895.5
By Deposits Money Banks	4,732,942.1	7,649,635.0	9,357,552.4	8,828,363.2	9,101,227.1
(2) Foreign Assets (net) 4/	**7,266,512.1**	**8,550,430.3**	**7,593,321.8**	**6,506,618.6**	**7,180,637.8**
By Central Bank	6,570,263.7	7,270,807.4	6,522,239.5	5,372,285.8	5,865,759.3
By Deposits Money Banks	696,248.4	1,279,622.9	1,071,082.3	1,134,332.8	1,314,878.5
(3) Other Assets (net)	**-4,144,922.1**	**-4,335,455.3**	**-4,729,736.1**	**-3,689,633.7**	**-6,283,475.1**
Total Monetary Assets	**5,809,826.5**	**9,166,835.3**	**10,780,627.1**	**11,525,530.3**	**13,300,339.2**
Quasi-Money 5/	**2,693,554.3**	**4,309,523.1**	**5,763,511.2**	**5,954,260.5**	**6,531,913.0**
Money Supply	**3,116,272.1**	**4,857,312.2**	**5,017,115.9**	**5,571,269.9**	**6,768,426.2**
Currency Outside Banks	**737,867.2**	**892,675.6**	**927,236.4**	**1,082,185.2**	**1,244,848.6**
Demand Deposits 6/	**2,378,404.9**	**3,964,636.7**	**4,089,879.5**	**4,488,974.8**	**5,523,577.6**
Total Monetary Liabilities	**5,809,826.5**	**9,166,835.3**	**10,780,627.1**	**11,525,630.3**	**13,300,339.2**
GROWTH RATE OVER THE PRECEDING DECEMBER (%)					
Credit to the Domestic Economy (net)	**276.4**	**84.2**	**59.9**	**10.0**	**42.4**
Credit to the Private Sector	**90.8**	**59.4**	**26.6**	**-3.8**	**31.6**
Claims on Federal Government (net)	**-22.3**	**-31.2**	**25.9**	**51.3**	**52.7**
By Central Bank	**-45.7**	**-11.2**	**17.7**	**22.7**	**-23.0**
Claims on State and Local Governments	**8.8**	**70.7**	**107.2**	**19.2**	**38.8**
Claims on Non-Financial Public Enterprises	**-100.0**	**0.0**		**0.0**	**0.0**
Credit to the Other Private Sector	**94.3**	**59.2**	**25.1**	**-4.4**	**31.3**
Foreign Assets (net)	**15.2**	**17.7**	**-11.2**	**-14.3**	**10.4**
Other Assets (net)	**-38.4**	**-4.6**	**-9.1**	**22.0**	**-70.3**
Quasi-Money	**54.2**	**60.0**	**33.7**	**3.3**	**9.7**
Money Supply (M1)	**36.6**	**55.9**	**3.3**	**11.1**	**21.5**
Broad Money (M2)	**44.2**	**57.8**	**17.6**	**6.9**	**15.4**

NOTES :

1/ Revised

2/ Provisional

3/ For the purpose of monetary and credit survey, credit to government sector refers strictly to Federal Government and excludes state and l

4/ External assets and liabilities were converted into naira at the official rate on the balance sheet date, except holdings purchased at the AF

5/ Quasi-Money consists of Time, Savings and Foreign Currency Deposits of Deposit Money Banks excluding takings from Discount Houses.

6/ Demand Deposits consist of state, local and parastatals deposits at the CBN; state, local and private sector deposits as well as demand
non-financial public enterprises at Deposit Money Banks.

Source: Central Bank of Nigeria

Table 5
Banking System Credit to the Economy
(Naira Million)

End of Month	Aggregate Credit to the Economy	Credit to Federal Govt	Credit to Private Sector	Credit to State &Local Governments	Credit to Non-Financial Public Enterprises	Credit to 'Other' Private Sector	Central Bank Credit to: Federal Government	Central Bank Credit to: Private Sector	Central Bank Credit to: State &Local Governments	Central Bank Credit to: Non-Financial Public Enterprises	Central Bank Credit to: 'Other' Private Sector	Deposit Money Banks Credit to: Federal Government	Deposit Money Banks Credit to: Private Sector	Deposit Money Banks Credit to: State & Local Governments	Deposit Money Banks Credit to: 'Other'Private Sector
2007															
January	-262,342.7	-2,598,554.7	2,336,212.0	71,142.9	13,249.4	2,251,819.8	-3,203,935.2	42,879.8	0.0	13,249.4	29,630.4	605,380.6	2,293,332.2	71,142.9	2,222,189.4
February	-97,763.2	-2,469,053.1	2,371,289.9	48,906.2	13,249.4	2,309,134.3	-3,068,463.6	31,723.3	0.0	13,249.4	18,473.9	599,410.5	2,339,566.6	48,906.2	2,290,660.3
March	540,315.8	-2,508,626.6	3,048,942.3	53,475.9	13,249.4	2,982,217.1	-3,312,619.4	39,329.0	0.0	13,249.4	26,079.6	803,992.8	3,009,613.3	53,475.9	2,956,137.4
April	456,853.0	-2,754,698.0	3,211,551.0	50,962.3	13,249.4	3,147,339.4	-3,585,162.8	38,574.2	0.0	13,249.4	25,324.8	830,464.8	3,172,976.8	50,962.3	3,122,014.6
May	988,694.1	-2,436,619.1	3,425,313.2	34,373.6	13,249.4	3,377,690.3	-3,295,495.4	66,896.6	0.0	13,249.4	53,647.2	858,876.3	3,358,416.6	34,373.6	3,324,043.1
June	888,710.9	-2,615,012.0	3,503,723.0	40,279.2	0.0	3,463,443.7	-3,596,910.4	58,781.8	0.0	0.0	58,781.8	981,898.4	3,444,941.2	40,279.2	3,404,661.9
July	1,086,789.1	-2,742,458.0	3,829,247.1	47,539.3	0.0	3,781,707.7	-3,883,809.2	28,870.7	0.0	0.0	28,870.7	1,141,351.2	3,800,376.4	47,539.3	3,752,837.1
August	1,414,020.8	-2,495,428.9	3,909,449.7	55,552.6	0.0	3,853,897.1	-3,746,062.4	32,763.4	0.0	0.0	32,763.4	1,250,633.6	3,876,686.3	55,552.6	3,821,133.6
September	1,740,308.5	-2,462,861.0	4,203,169.5	58,996.8	0.0	4,144,172.7	-3,818,351.5	39,218.9	0.0	0.0	39,218.9	1,355,490.5	4,163,950.6	58,996.8	4,104,953.8
October	1,789,865.7	-2,625,690.8	4,415,556.4	61,786.4	0.0	4,353,770.0	-3,980,395.2	98,541.9	0.0	0.0	98,541.9	1,354,704.5	4,317,014.5	61,786.4	4,255,228.1
November	2,515,492.5	-2,197,226.5	4,712,718.9	91,889.0	0.0	4,620,829.9	-3,831,026.5	93,523.4	0.0	0.0	93,523.4	1,633,800.0	4,619,195.5	91,889.0	4,527,306.5
December	2,688,236.6	-2,368,484.3	5,056,720.9	87,753.6	0.0	4,968,967.3	-4,074,422.8	236,025.2	0.0	0.0	236,025.2	1,705,938.5	4,820,695.7	87,753.6	4,732,942.1
Monthly Average	**1,145,765.1**	**-2,522,892.7**	**3,668,657.8**	**58,554.8**	**5,520.6**	**3,604,582.4**	**-3,616,387.9**	**67,260.7**	**0.0**	**5,520.6**	**61,740.1**	**1,093,495.1**	**3,601,397.1**	**58,554.8**	**3,542,842.3**
2008															
January	2,918,850.5	-2,419,584.3	5,338,434.8	104,540.4	0.0	5,233,894.4	-4,196,604.8	151,654.9	0.0	0.0	151,654.9	1,777,020.4	5,186,779.9	104,540.4	5,082,239.5
February	3,282,957.9	-2,456,442.8	5,739,400.7	94,935.8	0.0	5,644,464.9	-4,326,255.6	164,782.2	0.0	0.0	164,782.2	1,869,812.8	5,574,618.5	94,935.8	5,479,682.7
March	3,462,330.5	-2,501,996.3	5,964,326.8	101,999.7	0.0	5,862,327.1	-4,474,048.8	145,417.9	0.0	0.0	145,417.9	1,972,052.4	5,818,908.9	101,999.7	5,716,909.2
April	3,599,023.0	-2,895,186.4	6,494,209.4	82,508.7	0.0	6,411,700.7	-4,813,325.6	167,383.8	0.0	0.0	167,383.8	1,918,139.3	6,326,825.6	82,508.7	6,244,317.0
May	3,693,217.7	-3,094,241.2	6,787,458.9	109,331.7	0.0	6,678,127.2	-4,751,320.0	149,452.4	0.0	0.0	149,452.4	1,657,078.8	6,638,006.4	109,331.7	6,528,674.7
June	4,038,236.3	-2,716,445.3	6,754,681.6	99,399.9	0.0	6,655,281.7	-4,413,045.0	114,037.1	0.0	0.0	114,037.1	1,696,599.7	6,640,644.5	99,399.9	6,541,244.5
July	4,907,125.3	-2,433,993.0	7,341,118.3	127,555.1	0.0	7,213,563.2	-4,432,987.4	89,863.4	0.0	0.0	89,863.4	1,998,994.4	7,251,254.9	127,555.1	7,123,699.7
August	4,438,433.7	-2,986,658.7	7,425,092.4	99,602.5	0.0	7,325,489.9	-4,974,053.2	239,880.9	0.0	0.0	239,880.9	1,987,394.5	7,185,211.5	99,602.5	7,085,609.0
September	4,244,627.1	-3,230,039.3	7,474,666.4	96,140.3	0.0	7,378,526.1	-5,107,624.4	171,846.4	0.0	0.0	171,846.4	1,877,585.2	7,302,820.0	96,140.3	7,206,679.7
October	4,254,703.7	-3,439,071.7	7,693,775.4	115,024.8	0.0	7,578,750.6	-5,193,020.4	228,463.4	0.0	0.0	228,463.4	1,753,948.7	7,465,312.0	115,024.8	7,350,287.3
November	4,337,279.2	-3,635,992.3	7,973,271.5	149,033.2	0.0	7,824,238.3	-5,248,564.0	247,452.5	0.0	0.0	247,452.5	1,612,571.8	7,725,818.9	149,033.2	7,576,785.8
December	4,951,860.3	-3,107,688.6	8,059,548.9	149,765.1	0.0	7,909,783.8	-4,532,113.6	260,148.8	0.0	0.0	260,148.8	1,424,425.0	7,799,400.1	149,765.1	7,649,635.0
Monthly Average	**4,010,720.4**	**-2,909,778.3**	**6,920,498.8**	**110,819.8**	**0.0**	**6,809,679.0**	**-4,705,246.9**	**177,532.0**	**0.0**	**0.0**	**177,532.0**	**1,795,468.6**	**6,742,966.8**	**110,819.8**	**6,632,147.0**
2009															
January	5,001,648.4	-3,506,931.1	8,508,579.5	264,287.9	0.0	8,244,291.6	-4,583,401.3	295,217.5	0.0	0.0	295,217.5	1,076,470.1	8,213,362.0	264,287.9	7,949,074.0
February	4,324,858.2	-4,143,119.9	8,467,978.1	260,251.6	0.0	8,207,726.5	-5,040,270.0	340,924.2	0.0	0.0	340,924.2	897,150.2	8,127,053.9	260,251.6	7,866,802.3
March	4,620,518.2	3,605,924.4	8,226,442.6	210,869.8	0.0	8,015,572.8	-4,658,177.1	313,611.6	0.0	0.0	313,611.6	1,052,252.8	7,912,830.9	210,869.8	7,701,961.2
April	5,038,211.1	-3,106,511.3	8,379,909.0	213,670.0	0.0	8,166,239.1	-4,350,533.7	324,755.9	0.0	0.0	324,755.9	1,008,835.8	8,055,153.1	213,670.0	7,841,483.1
May	5,246,649.1	-3,262,697.1	8,509,346.3	250,069.4	0.0	8,259,276.9	-4,304,546.8	321,497.9	0.0	0.0	321,497.9	1,041,849.6	8,187,848.3	250,069.4	7,937,778.9
June	5,406,926.5	-3,150,018.1	8,556,944.7	251,661.2	0.0	8,305,283.5	-4,348,811.3	336,125.0	0.0	0.0	336,125.0	1,198,793.2	8,220,819.7	251,661.2	7,969,158.5
July	5,723,916.2	-3,302,158.3	9,026,074.5	274,338.8	0.0	8,751,735.7	-4,393,800.8	423,809.9	0.0	0.0	423,809.9	1,091,642.5	8,602,264.6	274,338.8	8,327,925.8
August	6,394,216.5	-3,280,802.2	9,675,017.7	280,416.2	0.0	9,394,601.5	-4,309,740.0	468,378.8	0.0	0.0	468,378.8	1,028,937.8	9,206,638.9	280,416.2	8,926,222.7
September	6,854,251.4	-2,957,111.8	9,811,363.3	294,951.7	0.0	9,516,411.6	-3,970,780.4	445,686.8	0.0	0.0	445,686.8	1,013,668.6	9,365,676.4	294,951.7	9,070,724.8
October	7,131,494.8	-2,722,121.4	9,853,616.2	282,892.8	0.0	9,570,723.4	-3,977,385.1	362,376.3	0.0	0.0	362,376.3	1,255,263.7	9,491,239.9	282,892.8	9,208,347.1
November	7,424,739.0	-2,585,242.4	9,989,981.5	302,620.3	0.0	9,687,361.2	-3,949,873.5	398,900.9	0.0	0.0	398,900.9	1,384,631.0	9,591,080.6	302,620.3	9,288,460.4
December	7,917,041.1	-2,302,294.7	10,219,336.1	310,324.3	13,249.4	9,895,762.5	-3,731,603.8	551,459.4	0.0	13,249.4	538,210.1	1,429,309.2	9,667,876.7	310,324.3	9,357,552.4
Monthly Average	**5,923,705.9**	**-2,559,423.7**	**9,102,049.1**	**266,362.8**	**1,104.1**	**8,834,582.2**	**-4,301,577.0**	**381,895.4**	**0.0**	**1,104.1**	**380,791.2**	**1,123,233.7**	**8,720,153.8**	**266,362.8**	**8,453,790.9**

Table 5 Cont.
Banking System Credit to the Economy
(Naira Million)

End of Month	Aggregate Credit to the Economy	Credit to Federal Govt	Credit to Private Sector	Credit to State &Local Governments	Credit to Non-Financial Public Enterprises	Credit to 'Other' Private Sector	Central Bank Credit to					Deposit Money Banks Credit to			
							Federal Government	Private Sector	State &Local Governments	Non-Financial Public Enterprises	'Other' Private Sector	Federal Government	Private Sector	State & Local Governments	'Other'Private Sector
2010															
January	7,767,070.1	-2,314,928.2	10,081,996.3	310,251.1	13,249.4	9,758,497.8	-3,892,223.4	489,199.3	0.0	13,249.4	489,199.3	1,577,295.2	9,579,549.7	310,251.1	9,269,298.5
February	8,160,595.3	-1,908,865.9	10,069,461.1	304,693.3	13,249.4	9,751,518.5	-3,577,465.3	418,836.0	0.0	13,249.4	405,586.6	1,668,599.4	9,650,625.1	304,693.3	9,345,931.9
March	8,401,200.1	-1,649,471.8	10,050,671.9	321,814.4	13,249.4	9,715,608.1	-3,434,395.3	438,681.9	0.0	13,249.4	425,432.6	1,784,923.4	9,611,990.0	321,814.4	9,290,175.6
April	8,627,031.1	-1,552,194.1	10,079,225.2	331,350.3	13,249.4	9,734,625.5	-3,424,015.6	375,827.9	0.0	13,249.4	375,827.9	1,871,821.4	9,690,148.0	331,350.3	9,358,797.7
May	8,895,874.0	-1,131,095.1	10,026,969.1	315,763.9	13,249.4	9,697,955.8	-3,043,976.1	362,234.9	0.0	13,249.4	362,234.9	1,912,881.0	9,651,484.7	315,763.9	9,335,720.8
June	8,612,940.0	-1,489,877.5	10,102,817.5	319,167.1	0.0	9,783,650.4	-3,272,806.1	396,545.3	0.0	0.0	396,545.3	1,782,928.5	9,706,272.2	319,167.1	9,387,105.1
July	8,595,036.6	-1,315,669.0	9,910,705.6	286,697.3	0.0	9,624,008.3	-3,270,122.2	488,181.4	0.0	0.0	488,181.4	1,954,453.2	9,422,524.2	286,697.3	9,135,826.9
August	9,326,102.8	-787,098.6	10,113,201.4	294,724.9	0.0	9,818,476.5	-2,748,070.5	493,564.1	0.0	0.0	493,564.1	1,960,971.9	9,619,637.3	294,724.9	9,324,912.4
September	9,309,837.5	-1,026,277.3	10,336,114.8	341,241.2	0.0	9,994,873.6	-3,037,356.8	564,780.9	0.0	0.0	564,780.9	2,011,079.5	9,771,333.9	341,241.2	9,430,092.7
October	9,460,245.2	-1,074,120.6	10,534,365.8	384,831.2	0.0	10,149,534.6	-2,894,776.9	664,063.8	0.0	0.0	664,063.8	1,820,656.3	9,870,302.1	384,831.2	9,485,470.8
November	9,547,259.2	-1,201,120.1	10,748,379.3	365,652.0	0.0	10,382,727.3	-2,976,072.8	683,581.8	0.0	0.0	683,581.8	1,774,952.7	10,064,797.6	365,652.0	9,699,145.6
December /1	8,708,545.6	-1,121,798.6	9,830,344.1	369,809.8	0.0	9,460,534.3	-2,884,013.4	63.2171.0	0.0	0.0	632,171.0	1,762,214.8	9,198,173.1	369,809.8	8,826,363.2
Monthly Average	**8,784,311.5**	**-1,381,043.1**	**10,157,021.0**	**328,833.0**	**5,520.6**	**9,822,667.6**	**-3,204,607.8**	**488,681.6**	**0.0**	**5,520.6**	**498,430.8**	**1,823,564.8**	**9,653,069.8**	**328,833.0**	**9,324,070.1**
2011 /2															
January	8,685,737.1	-730,969.8	9,416,706.9	391,043.7	0.0	9,025,663.2	-2,823,207.4	532,558.4	0.0	0.0	532,558.4	2,092,237.5	8,884,148.5	391,043.7	8,493,104.9
February	8,614,160.0	-684,129.5	9,178,289.6	355,550.5	0.0	8,822,739.0	-2,965,983.0	424,370.6	0.0	0.0	424,370.6	2,301,853.5	8,753,919.0	355,550.5	8,398,368.4
March	8,206,788.3	-1,240,158.0	944,946.3	376,771.7	0.0	9,070,174.6	-3,401,443.7	437,507.5	0.0	0.0	437,507.5	2,161,285.8	9,009,438.9	376,771.7	8,632,667.2
April	9,121,783.4	-778,250.7	9,900,034.2	364,193.4	0.0	9,535,840.7	-2,544,344.0	447,451.8	0.0	0.0	447,451.8	1,766,093.2	9,542,582.4	364,193.4	9,088,388.9
May	8,963,191.4	-886,057.3	9,849,248.7	379,325.5	0.0	9,469,921.2	-2,718,423.3	633,818.1	0.0	0.0	633,818.1	1,832,366.0	9,215,430.6	379,327.5	8,836,103.1
June	8,908,469.3	-1,064,748.7	9,973,208.0	420,237.9	0.0	9,552,970.1	-2,730,017.1	741,650.6	0.0	0.0	741,650.6	1,665,268.4	9,231,557.4	420,237.9	8,611,319.4
July	8,142,218.6	-1,824,654.7	9,967,073.3	369,903.9	0.0	9,597,169.4	-3,460,542.2	807,873.6	0.0	0.0	807,873.8	1,635,687.5	9,159,199.5	369,903.9	8,789,295.6
August	9,990,749.2	-908,735.9	10,899,485.1	411,873.8	0.0	10,487,611.3	-2,988,275.1	832,612.0	0.0	0.0	838,612.0	2,079,539.1	10,060,873.1	411,873.8	9,646,999.3
September	9,981,560.4	-1,144,455.1	11,126,015.4	400,160.8	0.0	10,725,854.6	-3,244,660.3	885,611.9	0.0	0.0	885,611.9	2,100,205.3	10,240,403.5	400,160.8	9,840,242.7
October	10,848,392.8	-1,364,710.5	12,213,103.3	432,826.2	0.0	11,780,277.1	-3,988,605.4	2,720,191.7	0.0	0.0	2,720,191.7	2,623,894.9	9,492,911.7	432,826.2	9,060,085.5
November	11,226,977.1	-1,191,654.3	12,418,631.4	405,517.0	0.0	12,013,114.4	-3,668,978.8	2,705,242.0	0.0	0.0	2,705,242.0	2,477,324.5	9,713,389.4	405,517.0	9,307,872.4
December	12,403,176.5	-531,164.8	12,934,341.3	513,218.7	0.0	12,421,122.7	-3,548,750.3	3,319,895.5	0.0	0.0	3,319,895.5	3,017,585.5	9,614,445.8	513,218.7	9,101,227.1
Monthly Average	**9,591,100.3**	**-1,029,140.8**	**9,901,757.0**	**401,718.6**	**0.0**	**10,208,538.2**	**-3,173,602.6**	**1,207,398.6**	**0.0**	**0.0**	**1,207,898.7**	**2,146,111.8**	**9,409,858.3**	**401,718.8**	**8,983,806.2**

/1 Revised
/2 Provisional

Table 6										
Summary of Deposit Money Banks' Activities										
	2007 /1	2008 /1	2009 /1	2010 /1	2011 /2	2007 /1	2008 /1	2009 /1	2010 /1	2011 /2
Item	(Naira Million)					Growth Rate (%)				
Reserves	659,631.3	910,673.4	655,864.4	583,822.1	1,287,075.1	-1.6	38.1	-28.0	-11.0	120.5
Aggregate Credit (Net)	7,076,493.0	9,897,796.2	11,340,061.5	11,217,244.8	12,878,259.1	74.0	39.9	14.6	-1.1	14.8
Loans and Advances	4,493,303.9	7,602,165.8	8,451,378.2	6,629,580.7	6,489,761.8	92.1	69.2	11.2	-21.6	-2.1
Total assets	10,981,693.6	15,919,559.8	17,522,858.2	17,331,559.0	19,396,633.8	53.1	45.0	10.1	-1.1	11.9
Total Deposit Liabilities	5,001,470.5	7,960,166.9	9,150,037.7	9,784,542.4	11,452,763.2	54.1	59.2	14.9	6.9	17.0
Demand deposits	2,307,916.2	3,650,643.9	3,386,526.5	3,830,282.0	4,920,850.2	54.1	58.2	-7.2	13.1	28.5
Time, Savings & Foreign Currencies Deposits	2,693,554.3	4,309,523.1	5,763,511.2	5,954,260.5	6,531,913.0	54.2	60.0	33.7	3.3	9.7
Foreign Assets (Net)	696,248.4	1,279,622.9	1,071,082.3	1,134,332.8	1,314,878.5	-1.2	83.8	-16.3	5.9	15.9
Credit from Central Bank	49,741.6	132,195.3	409,159.1	418,714.0	294,984.1	-21.0	165.8	209.5	2.3	-29.5
Capital Accounts	2,225,394.2	3,364,693.4	4,930,613.0	2,217,804.4	3,682,121.4	60.2	51.2	46.5	-55.0	66.0
Capital & Reserves	1,712,986.5	2,788,537.4	2,201,836.0	429,609.0	2,486,966.7	64.2	62.8	-21.0	-80.5	478.9
Other Provisions	512,407.7	576,156.0	2,728,777.1	1,788,195.5	1,195,154.7	48.2	12.4	373.6	-34.5	-33.2
Average Liquidity Ratio (%) /1	49.7	43.7	31.0	29.6	25.5	-30.5	-34.1	-15.8	-4.8	-13.8
Average Loan/Deposit Ratio (%) /1	71.6	82.8	88.0	76.9	46.9	-13.9	4.2	1.7	-12.1	-39.0

/1 Revised
/2 Provisional

Table 7
Deposit Money Banks' Sources and Application of Funds
(Naira Million)

Item	2007 /1		2008		2009 /1		2010		2011	
	Sources	Application	Sources	Application	Sources	Application	Sources	Application	Sources	Application
Assets										
Reserves	-76,853.9	0.0	0.0	121,576.5	-23,657.6	0.0	-34,043.2	0.0	**0.0**	**41,578.9**
Foreign assets	0.0	22,375.2	0.0	500,156.8	-22,565.8	0.0	-11,164.1	0.0	**-125,026.6**	**0.0**
Claims on Central Government	-543,510.5	0.0	-180,450.9	0.0	0.0	101,251.3	0.0	94,667.8	**0.0**	**377,661.2**
Claims on State & Local Government	-8,126.1	0.0	0.0	732.0	0.0	19,727.4	0.0	4,157.8	**0.0**	**107,701.7**
Claims on Private Sector	-767,665.0	0.0	0.0	72,849.2	0.0	80,113.3	-954,169.1	0.0	**-206,645.2**	**0.0**
Claims on Other Financial Institutions	-363,309.2	0.0	0.0	196,518.0	-24,662.7	0.0	0.0	23,934.8	**0.0**	**114,686.0**
Unclassified Assets	-776,739.9	0.0	0.0	294,468.3	0.0	92,228.6	-97,416.6	0.0	**-184,403.4**	**0.0**
Liabilities										
Demand Deposits	0.0	-1,228,858.7	377,843.2	0.0	163,341.5	0.0	34,651.4	0.0	**678,265.6**	**0.0**
Time, Savings & Foreign Currency Deposits	0.0	-1,007,699.1	191,350.2	0.0	0.0	0.0	85,851.2	0.0	**94,722.6**	**0.0**
Money Market Instruments	0.0	-82,342.2	0.0	-2,924.6	43,709.2	0.0	0.0	-34,296.3	**12,936.5**	**0.0**
Bonds	0.0	-8,472.5	7,817.2	0.0	0.0	-3,340.6	843.6	0.0	**2,966.2**	**0.0**
Foreign Liabilities	26,106.9	0.0	0.0	-21,645.3	0.0	-38,197.9	393.6	0.0	**41,827.1**	**0.0**
Central Government Deposits	0.0	-63,505.6	7,695.9	0.0	0.0	-28,116.1	24,018.9	0.0	**0.0**	**-162,599.8**
Credit from Central Bank	21,237.3	0.0	1,319.5	0.0	0.0	-46,949.9	0.0	-45,589.9	**51,554.2**	**0.0**
Capital Accounts	0.0	-73,970.2	104,561.0	0.0	403,437.8	0.0	0.0	-1,131,709.7	**0.0**	**-242,626.9**
Unclassified Liabilities	0.0	-96,325.4	339,832.8	0.0	0.0	-268,206.2	91,804.6	0.0	**0.0**	**-351,492.9**
Funds Sourced & Used	**2,583,548.8**	**2,583,548.9**	**1,210,870.6**	**1,210,870.6**	**681,374.5**	**681,374.5**	**1,334,356.4**	**1,334,356.4**	**1,398,347.5**	**1,398,347.5**

/1 Revised
/2 Provisional

Table 8

Summary of Community Banks/Microfinance Banks' Activities

(Naira Million, unless otherwise stated)

Item	2006	2007	2008	2009	2010 /1	2011 /2
Number of Licensed CBs/MFBs	757	709	745	828	801	821
Number of Reporting CBs/MFBs	757	709	745	828	801	821
Number of Non-Reporting CBs/MFBs						
Capital and Reserves	12,619.90	14,250.70	33,361.30	45,258.60	43,997.50	47,332.20
Total Assets	55,056.10	55,616.10	115,124.50	158,795.90	170,338.90	190,721.20
Deposit Liabilities	34,008.80	33,088.30	58,481.30	72,750.60	75,739.60	86,044.00
Loans & Advances	16,498.60	16,450.80	42,024.40	55,818.90	52,867.50	67,632.40
Investments	3,868.20	2,592.40	7,317.70	7,753.60	8,674.20	11,855.50
Average Loan/ Deposit Ratio (%)	48.51	49.72	71.86	76.73	69.80	78.60
Percentage Change (%)						
Number of Reporting Banks	4.41	-6.34	5.08	11.14	-3.26	2.50
Capital and Reserves	25.52	12.92	134.10	35.66	-2.79	7.58
Total Assets	19.52	1.02	107.00	37.93	7.27	11.97
Deposit Liabilities	18.40	-2.71	76.74	24.40	4.11	13.61
Loans & Advances	13.41	-0.29	155.46	32.82	-5.29	27.93
Investments	7.63	-32.98	182.28	5.96	11.87	36.68
Sectoral Distribution of Loans & Advances						
(i) Agriculture and Forestry	956.10		2,961.57	5,957.80	5,102.90	4,600.90
(ii) Mining & Quarrying	405.00		345.28	491.98	520.40	579.00
(iii) Manufacturing	1,088.7		2,032.4	2,625.0	2,172.8	2,430.6
(iv) Real Estate and Construction	839.8		2,267.9	2,411.5	2,257.4	1,859.3
(v) Commerce	4,504.0		2,126.8	25,036.7	23,333.8	36,741.6
(vi) Transportation/Communication	2,087.4		2,649.2	3,357.0	2,642.1	2,973.5
(vii) Others	6,608.5		16,054.9	20,554.9	16,957.0	27,727.2
Deposits and Lending Rates (average %)						
(i) Savings deposits	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**
(ii) Time/Term deposits	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**
(iii) Interest rate on Loan & Advances	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**	**Negotiable**

/1 Revised

/2 Provisional

Table 9					
Discount Houses' Statement of Assets and Liabilities					
(Naira Million)					
Item	**2007**	**2008**	**2009**	**2010 /1**	**2011 /2**
ASSETS					
CASH AND BALANCES WITH BANKS	635.6	7,240.0	2,398.3	5,917.8	2,415.5
i) Cash on hand	1.5	1.3	0.7	1.0	1.5
ii) Balances with CBN	-5,133.6	2,099.2	695.8	1,090.2	1,282.6
iii) Balances with other banks	5,767.7	5,139.5	1,701.8	4,826.6	1,131.4
CLAIMS ON FEDERAL GOVERNMENT	178,572.8	217,303.1	230,233.2	261,044.8	223,277.5
i) Treasury Bills	115,365.9	45,578.1	52,366.0	60,883.4	60,768.4
ii) FGN Bonds	52,517.3	171,725.0	177,867.2	200,161.4	162,509.1
iii) Treasury Certificate Maturing	0.0	0.0	0.0	0.0	0.0
iv) Treasury Bonds	0.0	0.0	0.0	0.0	0.0
v) Eligible Development Stock	10,689.6	0.0	0.0	0.0	0.0
CLAIMS ON STATE GOVERNMENTS	0.0	0.0	0.0	1,350.6	5,186.8
CLAIMS ON BANKS	86,569.3	155,487.8	2,150.4	8,767.1	10,807.4
i) Money at Call	7,000.0	20,121.9	0.0	6,700.0	10,751.9
ii) Loans and Advances	0.0	5,601.2	0.0	500.0	0.0
iii) Commercial Bills:	79,569.3	129,764.7	2,150.4	1,019.9	0.0
a) Bankers Acceptances	0.0	0.0	0.0	0.0	0.0
b) Promissory Notes	0.0	0.0	0.0	0.0	0.0
c) Negotiable Certificate of Deposit	0.0	0.0	0.0	0.0	0.0
d) Stabilisation Securities	0.0	0.0	0.0	0.0	0.0
iv) Others	0.0	0.0	0.0	547.2	55.5
CLAIMS ON OTHER FINANCIAL INSTITUTIONS	1,784.2	0.0	0.0	0.0	0.0
Money at Call	0.0	0.0	0.0	0.0	0.0
Loans and advances	0.0	0.0	0.0	0.0	0.0
Commercial Bills:	0.0	0.0	0.0	0.0	0.0
a) Promissory Notes	0.0	0.0	0.0	0.0	0.0
b) Negotiable Certificate of Deposit/Others	1,784.2	0.0	0.0	0.0	0.0
CLAIMS ON OTHERS	21,102.5	23,057.7	88,269.1	60,375.5	35,048.4
i) Commercial Bills	15,835.2	17,529.3	67,770.2	40,134.5	12,553.2
ii) Loans and Advances	5,267.2	4,794.3	20,863.9	19,200.8	17,899.0
iii) Others	0.0	734.1	-365.0	1,040.3	4,596.2
OTHER ASSETS	9,038.0	13,401.0	22,250.1	23,745.4	42,436.2
FIXED ASSETS	563.6	665.0	653.1	1,207.4	1,581.3
TOTAL ASSETS	298,266.0	417,154.6	345,954.1	362,408.5	320,753.1
LIABILITIES					
CAPITAL AND RESERVES	22,849.1	33,684.3	41,997.3	41,374.9	49,612.2
i) Paid-up Capital	11,086.5	11,544.6	14,590.6	15,590.6	15,645.2
ii) Statutory Reserves	4,217.4	5,828.8	7,873.9	8,553.2	10,535.8
iii) Share Premium	1,614.6	1,737.3	4,737.3	4,737.3	4,737.3
iv) Other Reserves	3,581.9	9,665.1	7,762.9	6,579.2	11,019.8
v) General Reserve	2,348.6	4,908.5	7,032.6	5,914.7	7,674.0
MONEY-AT-CALL	97,049.8	195,901.0	206,713.2	247,727.7	152,927.7
i) Commercial Banks	91,982.1	192,751.5	180,874.1	221,977.1	127,372.8
ii) Merchant Banks	0.0	0.0	0.0	0.0	0.0
iii) Non-Bank Financial Institutions	2,800.0	0.0	0.0	0.0	0.0
iv) Others	2,267.7	3,149.5	25,839.2	25,750.6	25,554.9
v) Associated Treasury Notes	0.0	0.0	0.0	0.0	0.0
OTHER AMOUNT OWING TO:	158,579.5	42,145.9	69,467.9	22,833.1	54,242.5
i) Commercial Banks	146,330.9	30,830.5	63,419.4	21,020.3	40,672.6
ii) Merchant Banks	0.0	0.0	0.0	0.0	0.0
iii) Non-Bank Financial Institutions	1,000.0	0.0	0.0	0.0	0.0
iv) Others	11,248.7	11,315.4	6,048.5	1,812.8	13,569.9
BORROWINGS	3,239.6	118,201.0	16.9	5,850.0	3,000.0
i) Central Bank of Nigeria	0.0	0.0	0.0	0.0	0.0
ii) Overdrafts	0.0	85.4	16.9	0.0	0.0
iii) Other Banks	3,239.6	118,115.6	0.0	5,850.0	3,000.0
OTHER LIABILITIES	16,548.0	27,222.4	27,758.8	44,622.9	60,970.7
TOTAL LIABILITIES	**298,266.0**	**417,154.6**	**345,954.1**	**362,409.5**	**320,753.1**

/1 Revised
/2 Provisional

Table 10

Summary of Assets and Liabilities of Finance Companies

(N' Million)

Item	2007 /1	2008 /2	2009 /3	2010 /4	2011 /5
1 Cash and Cash Items	3,820.10	5,965.30	5,364.20	5,821.60	5,157.60
2 Investments	12,756.00	34,442.30	28,742.60	27,123.30	27,644.90
3 Due from other Finance Companies	11,458.90	21,792.00	27,648.10	22,044.00	24,029.60
4. Loans and Advances	26,779.10	50,387.80	32,345.60	30,646.30	31,939.70
5. Fixed Assets	3,687.6	6,881.2	7,593.4	9,046.5	9,697.8
6. Other Assets	7,302.9	14,711.5	16,442.5	19,099.9	19,124.1
Total Assets	65,804.6	134,180.1	118,136.4	113,781.6	117,593.7
1.Capital and Reserves	14,856.7	25,201.5	11,984.8	10,216.1	15,369.3
2. Share Deposits	0.0	0.0	0.0	0.0	0.0
3. Due to other Finance Companies	156.7	7,108.9	8,197.8	8,351.3	8,867.7
4. Borrowings	39,948.5	83,132.9	87,698.7	81,232.1	78,766.9
5. Other Liabilities	10,842.7	18,736.8	10,255.1	13,982.1	14,589.8
Total Liabilities	65,804.6	134,180.1	118,136.4	113,781.6	117,593.7

/1 81 Finance Companies out of 112 reported

/2 56 Finance Companies out of 113 reported

/3 75 Finance Companies out of 114 reported. 2009 data are revised.

/4 Revised

/5 Provisional

Table 11
Value of Money Market Assets
(Naira Million)

	2007	2008	2009	2010 /1	2011 /2
Treasury Bills	574,929.4	471,929.4	797,482.0	1,277,100.0	1,727,910.0
Treasury Certificates	0.0	0.0	0.0	0.0	0.0
Development Stocks	620.0	520.0	520.0	220.0	0.0
Certificates of Deposits	0.0	0.0	0.0	0.0	0.0
Commercial Papers	363,369.5	822,700.9	509,079.1	189,216.4	203,008.3
Bankers' Acceptances	81,834.0	66,398.7	62,243.6	79,172.3	73,406.1
FGN Bonds	1,186,150.5	1,445,999.6	1,974,930.0	2,901,600.0	3,541,200.0
Total	**2,206,903.4**	**2,807,548.6**	**3,344,254.7**	**4,447,308.7**	**5,545,524.4**
Growth (%)					
Treasury Bills	-18.0	-17.9	69.0	60.1	35.3
Treasury Certificates	0.0	0.0	0.0	0.0	0.0
Eligible Development Stocks	-13.9	-16.1	0.0	-57.7	-100.0
Certificates of Deposits	0.0	0.0	0.0	0.0	0.0
Commercial Papers	77.6	126.4	-38.1	-62.8	7.3
Bankers' Acceptances	4.3	-18.9	-6.3	27.2	-7.3
FGN Bonds	84.2	21.9	36.6	49.9	22.0
Total	**35.5**	**27.2**	**19.1**	**33.0**	**24.7**

/1 Revised
/2 Provisional

Table 12

Treasury Bills: Issues and Subscriptions

(Naira Million)

Period	Issues	Subscriber		
		Central Bank	Deposit Money Banks	Non-Bank Public /1
2007				
January	115,000.0	0.0	71,400.0	43,600.0
February	90,106.6	0.0	63,600.0	26,500.0
March	138,000.0	0.0	97,400.0	40,600.0
April	139,466.7	0.0	40,300.0	96,700.0
May	115,106.6	0.0	106,300.0	72,700.0
June	106,356.2	0.0	63,200.0	43,200.0
July	105,110.5	0.0	62,400.0	42,600.0
August	125,106.6	6,473,306.0	86,700.0	38,300.0
September	98,000.0	13,113,475.0	57,600.0	39,400.0
October	86,466.7	0.0	112,300.0	50,400.0
November	100,106.6	3,393,845.0	128,400.0	56,600.0
December	85,356.2	2,089,232.0	235,100.0	104,900.0
Total	**1,304,182.4**	**25,069,858.0**	**1,124,700.0**	**655,500.0**
Average	**108,681.9**	**2,089,154.8**	**93,725.0**	**54,625.0**
2008				
January	100,110.4	159.4	57,147.0	42,804.1
February	75,106.6	0.0	37,756.2	37,350.3
March	78,000.0	6,217.4	33,250.2	38,532.4
April	76,466.7	1,197.9	30,750.1	44,518.7
May	89,451.5	0.0	28,701.8	60,749.7
June	75,356.2	2.3	27,931.2	47,422.7
July	60,110.5	0.0	30,104.5	30,006.0
August	50,761.6	0.0	19,599.6	31,162.0
September	54,344.9	0.0	23,233.1	31,111.9
October	101,466.7	1.0	58,528.8	42,936.9
November	85,106.6	6.5	57,476.6	27,623.5
December	70,000.0	0.0	48,291.5	21,708.5
Total	**916,281.6**	**7,584.3**	**452,770.6**	**455,926.7**
Average	**76,356.8**	**632.0**	**37,730.9**	**37,993.9**
2009				
January	115,470.0	30.0	87,680.0	27,760.0
February	80,110.0	0.0	64,460.0	15,650.0
March	80,000.0	0.0	41,510.0	38,490.0
April	101,360.0	0.0	47,780.0	53,580.0
May	120,220.0	0.0	95,430.0	24,790.0
June	120,000.0	0.0	79,070.0	40,930.0
July	125,360.0	0.0	83,030.0	42,330.0
August	105,220.0	0.0	76,180.0	29,040.0
September	91,760.0	0.0	54,440.0	37,320.0
October	170,260.0	0.0	127,410.0	42,850.0
November	120,220.0	0.0	74,640.0	45,580.0
December	162,560.0	0.0	125,240.0	37,320.0
Total	**1,392,540.0**	**30.0**	**956,870.0**	**435,640.0**
Average	**116,045.0**	**2.5**	**79,739.2**	**36,303.3**
2010				
January	149,830.0	0.0	140,590.0	9,240.0
February	100,220.0	0.0	97,910.0	2,310.0
March	65,000.0	0.0	54,960.0	10,040.0
April	160,490.0	0.0	127,420.0	33,070.0
May	100,220.0	0.0	93,530.0	6,690.0
June	158,700.0	0.0	116,150.0	42,550.0
July	250,910.0	0.0	185,640.0	65,270.0
August	141,160.0	0.0	130,260.0	10,900.0
September	206,570.0	0.0	165,740.0	40,830.0
October	167,010.0	0.0	151,870.0	15,140.0
November	205,930.0	0.0	175,890.0	30,040.0
December	297,910.0	0.0	239,910.0	58,000.0
Total	**2,003,950.0**	**0.0**	**1,679,870.0**	**324,080.0**
Average	**166,995.8**	**0.0**	**139,989.2**	**27,006.7**
2011				
January	205,590.0	0.0	167,610.0	37,980.0
February	216,920.0	0.0	173,140.0	43,780.0
March	284,060.0	0.0	205,670.0	78,390.0
April	215,070.0	0.0	148,200.0	66,870.0
May	204,600.0	0.0	131,360.0	73,240.0
June	340,240.0	0.0	210,770.0	129,470.0
July	209,740.0	0.0	156,800.0	52,940.0
August	218,920.0	0.0	142,430.0	76,490.0
September	280,570.0	0.0	202,370.0	78,200.0
October	309,950.0	0.0	167,550.0	142,400.0
November	242,930.0	0.0	140,340.0	102,590.0
December	319,910.0	0.0	176,590.0	143,320.0
Total	**3,048,500.0**	**0.0**	**2,022,830.0**	**1,025,670.0**
Average	**254,041.7**	**0.0**	**168,569.2**	**85,472.5**

/1 Includes Discount houses, Government parastatals, Savings type institutions, etc.

Table 13				
Holding of Treasury Bills Outstanding				
(Naira Billion)				
Period	Total Outstanding	Central Bank including Rediscount	Deposit Money Banks	Others
2007 /1				
January	690.00	22.94	505.92	161.14
February	675.11	20.60	521.17	133.33
March	698.11	16.39	547.16	134.55
April	732.57	13.86	547.21	171.51
May	727.57	14.00	662.26	51.31
June	716.93	0.62	647.72	68.58
July	705.93	0.58	646.98	58.37
August	705.93	0.67	663.16	42.10
September	677.93	0.65	676.94	0.34
October	625.93	0.14	615.79	10.00
November	600.93	3.61	591.32	6.00
December	574.93	5.94	551.42	17.57
Average	**677.66**	**8.33**	**598.09**	**71.23**
2008				
January	574.93	5.21	524.31	45.40
February	574.93	2.75	525.48	46.70
March	574.93	3.15	559.57	12.21
April	574.93	3.55	519.67	51.72
May	574.93	3.55	519.67	51.72
June	574.93	6.32	495.29	73.32
July	534.93	6.91	452.01	76.00
August	500.58	7.96	446.67	45.95
September	471.93	7.10	400.83	64.00
October	471.93	7.44	382.68	81.81
November	471.93	4.27	388.93	78.73
December	471.93	0.41	352.41	119.11
Average	**531.07**	**4.88**	**463.96**	**62.22**
2009				
January	532.40	0.62	386.79	144.98
February	521.93	0.00	404.43	117.50
March	546.93	2.94	400.96	143.03
April	561.93	3.77	376.28	181.88
May	601.93	1.26	408.69	191.98
June	641.93	23.42	417.14	201.37
July	676.93	3.11	476.53	197.28
August	711.93	5.69	539.59	166.65
September	753.58	2.08	559.72	191.78
October	787.48	1.38	650.34	135.76
November	792.48	1.53	667.32	123.63
December	797.48	1.90	644.78	150.80
Average	**660.58**	**3.98**	**494.38**	**162.22**
2010	**660.58**	**3.98**	**494.38**	**162.22**
January	837.32	0.00	710.97	126.35
February	837.32	0.00	645.32	192.00
March	837.32	0.00	634.30	203.02
April	837.32	0.00	511.34	325.98
May	837.32	0.00	578.96	258.36
June	901.02	0.00	785.23	115.79
July	977.03	0.00	679.85	297.18
August	1,017.97	0.00	764.25	253.72
September	1,064.27	24.48	658.32	381.47
October	1,106.34	24.48	729.58	352.28
November	1,191.12	24.48	698.25	468.39
December	1,277.10	24.48	925.32	327.30
Average	**976.79**	**8.16**	**693.47**	**275.15**
2011				
January	205,590.00	0.00	178,590.00	27,000.00
February	216,920.00	0.00	198,920.00	18,000.00
March	284,060.00	0.00	245,060.00	39,000.00
April	215,070.00	0.00	186,070.00	29,000.00
May	204,600.00	0.00	165,600.00	39,000.00
June	340,240.00	0.00	260,240.00	80,000.00
July	209,740.00	0.00	162,740.00	47,000.00
August	218,920.00	0.00	158,920.00	60,000.00
September	280,570.00	0.00	226,570.00	54,000.00
October	309,950.00	0.00	204,950.00	105,000.00
November	242,930.00	0.00	163,930.00	79,000.00
December	319,910.00	0.00	215,910.00	104,000.00
Average	**254,041.67**	**0.00**	**197,291.67**	**56,750.00**

/1 Revised

Table 14 Open Market Operations				
Period	Total Bids (N 'Million)	Amount Sold (N 'Million)	Average Tenor (Days)	Average Yield (%)
2007				
January	0.0	0.0	0	0.0
February	68,200.0	80,100.0	50	7.3
March	216,900.0	227,100.0	71	7.3
April	50,300.0	80,100.0	100	7.7
May	62,400.0	100,100.0	48	7.2
June	14,000.0	563,500.0	74	7.7
July	170.0	82,200.0	57	6.7
August	37,750.0	304,500.0	86	7.1
September	0.0	461,000.0	99	6.7
October	19,500.0	528,700.0	77	6.8
November	24,000.0	570,000.0	106	7.3
December	134,200.0	585,300.0	223	8.1
Total	**627,420.0**	**3,582,600.0**		
Average	**52,285.0**	**298,550.0**	**83**	**6.7**
2008				
January	0.0	148,300.0	229	213.0
February	0.0	174,770.0	265	249.0
March	0.0	210,350.0	206	213.0
April	10.0	291,650.0	160	159.0
May	24.0	205,530.0	168	168.0
June	0.0	439,200.0	160	159.0
July	0.0	760,080.0	171	169.0
August	0.0	101,460.0	194	191.0
September	0.0	0.0	0	0.0
October	0.0	0.0	0	0.0
November	0.0	0.0	0	0.0
December	0.0	0.0	0	0.0
Total	**34.0**	**2,331,340.0**		
Average	**2.8**	**194,278.3**	**129**	**126.8**
2009				
January	68,540.0	20,290.00	2	n/a
February	0.0	0.00	n/a	n/a
March	71,000.0	42,000.00	3	n/a
April	128,150.0	95,150.00	4	n/a
May	77,100.0	39,250.00	4	n/a
June	126,850.0	57,800.00	5	n/a
July	n/a	n/a	n/a	n/a
August	n/a	n/a	n/a	n/a
September	n/a	n/a	n/a	n/a
October	n/a	n/a	n/a	n/a
November	n/a	n/a	n/a	n/a
December	n/a	n/a	n/a	n/a
Total	**471,640.0**	**254,490.0**	**18**	
Average	**78,606.7**	**42,415.0**	**4**	
2010 /1				
January	0.0	0.0	0	0.0
February	0.0	0.0	0	0.0
March	0.0	0.0	0	0.0
April	280,500.0	120,000.0	186	2.4
May	116,942.0	40,000.0	130	2.4
June	200.0	2,000.0	44	1.2
July	0.0	0.0	0	0.0
August	0.0	0.0	0	0.0
September	70,250.0	24,000.0	79	5.1
October	2,000.0	2,000.0	181	8.6
November	47,250.0	29,500.0	240	10.0
December	99,181.0	53,250.0	148	7.4
Total	**616,323.0**	**270,750.0**		
Average	**51,360.3**	**22,562.5**	**84**	**3.1**
2011				
January	1,277.1	35.8	1241.32	0.0
February	1,337.1	55.2	1281.86	0.0
March	1,439.6	30.7	1408.93	0.0
April	1,499.6	29.6	1470.01	0.0
May	1,541.6	32.6	1508.99	0.0
June	1,561.4	19.4	1542	0.0
July	1,611.4	17.0	1594.43	0.0
August	1,641.4	13.3	1628.1	0.0
September	1,607.8	3.4	1604.41	0.0
October	1,710.8	79.3	1631.44	0.0
November	1,725.8	93.6	1632.14	0.0
December	1,727.9	69.3	1658.61	0.0
Average	**1,556.8**	**39.9**	**1,516.85**	**0.0**

/1 Revised

Table 15

Transactions on the Nigerian Stock Exchange

Items	2007	2008	2009	2010 /1	2011 /2
Volume of Stocks ('000)					
Government	0.0	0.0	0.0	11.0	0.0
Industrial	2,869.9	3,571.2	412.8	0.0	6.7
Second-Tier Securities	257,208.5	201,514.0	1,127,466.5	1,369,489.4	243,633.0
Bonds	0.0	0.0	0.1	2.0	0.0
Equities	137,852,243.5	192,867,507.7	101,724,204.4	92,317,994.3	82,102,020.8
Total	**138,112,321.9**	**193,072,592.9**	**102,852,083.8**	**93,687,496.7**	**82,345,660.5**
Number of Deals					
Government	0	0	0	5	0
Industrial	37	138	15	0	33
Second-Tier Securities	4,788	8,759	1,043	1,182	253
Bonds	0	0	1	2	0
Equities	2,610,195	3,526,734	1,738,306	1,924,125	1,235,181
Total	**2,615,020**	**3,535,631**	**1,739,365**	**1,925,314**	**1,235,467**
Value of Stocks (N' Million)					
Government	0.0	0.0	0.0	14.1	0.0
Industrial	1,136.5	3,528.9	412.8	0.0	17.1
Second-Tier Securities	845.1	1,822.8	1,372.3	702.5	144.7
Bonds	0.0	0.0	0.1	0.0	0.0
Equities	1,074,038.8	1,673,791.9	683,932.1	799,194.3	622,443.9
Total	**1,076,020.4**	**1,679,143.7**	**685,717.3**	**799,911.0**	**622,605.7**
Market Capitalization (N' Million)	**13,294,584.9**	**9,535,819.5**	**7,030,841.5**	**9,918,218.7**	**10,282,244.8**
Value Index of Equities (1984 = 100)	**57,990.2**	**31,450.8**	**20,827.2**	**24,770.5**	**20,730.6**

/1 Revised

/2 Provisional

Source: Nigerian Stock Exchange

Table 16
Market Capitalisation of Quoted Companies: Equities Only
(Naira Thousand)

CATEGORY	2007	2008	2009	2010	2011 /1
AGRICULTURE	**30,924,310.0**	**34,041,823.9**	**19,899,543.4**	**17,331,955.6**	**22,162,860.1**
FINANCIAL	**6,903,133,644.4**	**4,079,523,775.3**	**2,455,225,199.6**	**2,885,224,164.1**	**2,013,252,151.8**
Banking	6,432,245,733.3	3,715,544,229.6	2,238,130,310.2	2,710,167,833.0	1,839,313,950.9
Managed Funds	6,620,913.4	0.0	0.0		0.0
Insurance	419,016,997.7	313,873,459.7	201,522,031.5	147,896,811.9	140,982,339.4
Other Financial Institutions	0.0	47,885,886.0	13,572,857.8	12,718,530.3	12,074,171.0
Real Estate Investment Trust	0.0	2,220,200.0	2,000,000.0	14,440,989.1	Re-classified
Mortgage	45,250,000.0	54,202,386.3	24,850,814.5	23,154,065.5	20,881,690.5
MANUFACTURING	**2,075,963,486.2**	**1,343,077,748.7**	**1,591,107,747.6**	**3,935,471,347.6**	**2,001,395,869.1**
Breweries	569,614,151.5	472,657,836.3	599,067,028.7	881,806,021.9	1,100,737,056.1
Building Materials	498,299,115.8	177,229,727.7	300,124,243.6	2,063,168,046.6	Re-classified
Chemical & Paints	24,252,251.6	20,898,952.4	14,929,765.0	21,507,491.5	Re-classified
Food, Beverages & Tobacco	900,869,005.7	561,302,464.7	594,372,544.5	880,718,117.1	663,727,747.3
Industrial and Domestic Products	16,972,126.1	25,716,839.7	19,676,872.0	17,484,154.2	Re-classified
Packaging	15,952,014.0	43,535,290.1	25,210,330.2	28,712,726.8	Re-classified
Healthcare	46,519,124.7	38,576,816.5	36,124,724.1	41,442,326.5	Re-classified
Textiles	3,485,696.8	3,159,821.2	1,602,239.4	632,462.9	0.0
Automobile & Tyres					2,386,334.6
Household Durables					13,655,782.5
Household Products					220,888,948.5
HEALTHCARE					**33,677,670.4**
CONGLOMERATES					**64,089,327.4**
COMMERCIALS	**838,526,906.0**	**886,263,192.5**	**528,164,461.2**	**637,025,809.0**	**0.0**
Automobile & Tyres	31,525,103.7	17,466,607.8	8,023,488.2	4,755,379.4	Re-classified
Conglomerates	317,563,740.0	178,921,497.3	233,275,243.2	294,157,765.4	Re-classified
Commercial / Services	27,431,138.3	83,170,810.3	28,099,539.9	14,613,343.0	0.0
Computer & Office Equipments	2,839,664.8	10,732,356.0	5,646,712.7	4,698,426.8	Re-classified
Footwear	415,811.3	1,315,303.0	298,898.9	244,170.9	0.0
Machinery (Marketing)	1,290.5	1,290.5	1,290.5	1,290.5	0.0
Petroleum (Marketing)	458,750,157.5	594,655,327.5	252,819,287.8	318,555,432.9	0.0
CONSTRUCTION/REAL ESTATE					**129,352,427.9**
INDUSTRIAL GOODS					**1,912,341,706.0**
NATURAL RESOURCES					**8,326,882.1**
OIL &GAS					**217,464,195.0**
SERVICES	**152,388,325.5**	**641,699,446.4**	**204,284,024.9**	**231,900,469.7**	**68,511,321.3**
Construction	38,232,556.4	106,870,970.6	60,279,219.4	92,633,786.8	Re-classified
Real Estate	25,707,000.0	29,524,000.0	21,845,999.9	22,701,249.9	Re-classified
Advertising					2,017,748.6
Apparel Retailers					244,170.9
Engineering Technology	2,587,042.0	5,722,433.0	2,161,697.0	3,298,759.9	0.0
Airline Services	31,143,060.0	20,107,386.3	10,514,865.6	13,641,261.3	0.0
Printing & Publishing	18,254,066.7	8,323,289.5	10,476,916.0	10,187,738.3	5,865,418.5
Hotel,Hospitality & Tourism	16,337,480.9	28,764,850.0	9,956,087.1	17,291,774.9	38,013,335.4
Automobile and Auto Part s Retailers					1,195,959.2
Maritime	9,329,569.4	22,921,488.3	7,076,852.9	8,767,782.4	0.0
Aviation		1,740,000.0	1,740,000.0	1,740,000.0	0.0
Road Transport	3,993,550.0	2,818,090.0	1,145,320.0	798,710.0	753,500.0
Courier/Freight/Delivery					2,094,825.4
Employment Solutions					1,186,175.9
Speciality					5,439,797.9
Leasing	4,860,000.0	6,660,000.0	4,161,544.4	2,474,025.3	0.0
Information, Communications & Telecommunications	0.0	54,168,881.8	67,217,124.7	52,105,502.3	Re-classified
Media	0.0	26,480,000.0	7,708,397.8	6,259,878.5	4,000,000.0
Transport Related Services					7,700,389.4
ICT					**62,009,178.3**
ETFS					**988,000.0**
ASeM: ALTERNATIVE SECURITIES MARKET					**4,072,137.0**
The Foreign Listing	292,250,544.6	273,395,670.7	163,729,199.5	188,356,567.6	0.0
Total	**10,293,187,216.7**	**6,957,453,501.0**	**4,989,385,147.5**	**7,913,752,224.6**	**6,537,643,726.3**

/1 Provisional

Source: Nigerian Stock Exchange

Table 17

Value Index of All Common Stocks Listed by Sector on the Nigerian Stock Exchange

(1984 = 100)

Category	2007	2008	2009 /1	2010 /1	2011 /2	Growth Rate (%)				
						2007	2008	2009 /1	2010 /1	2011 /2
A G R I C U L T U R E	**174.22**	**153.9**	**83.1**	**54.3**	**70.3**	**68.4**	**-11.7**	**-46.0**	**-34.6**	**29.4**
F I N A N C I A L	**38891.2**	**18441.3**	**10248.8**	**9039.7**	**6383.9**	**173.0**	**-52.6**	**-44.4**	**-11.8**	**-29.4**
Banking	36238.3	16795.9	9342.6	8491.3	5832.4	160.9	-53.7	-44.4	-9.1	-31.3
Managed Funds	37.3				0.0	90.7				
Insurance	2360.7	1418.8	841.2	463.4	447.0	595.2	-39.9	-40.7	-44.9	-3.5
Other Financial Institutions		216.5	56.7	39.8	38.3			-73.8	-29.7	-3.9
Real Estate Investment Trust		10.0	8.3	45.2	Re-classified			-16.8	442.0	
Mortgage	254.9	245.0	103.7	72.5	66.2		-3.9	-57.7	-30.1	-8.7
M A N U F A C T U R I N G	**11695.7**	**6071.3**	**6641.8**	**12330.3**	**6346.4**	**52.0**	**-48.1**	**9.4**	**85.6**	**-48.5**
Breweries	3209.1	2136.6	2500.7	2762.8	3490.4	11.4	-33.4	17.0	10.5	26.3
Building Materials	2807.3	801.2	1252.8	6464.1	Re-classified	20.8	-71.5	56.4	416.0	
Chemical & Paints	136.6	94.5	62.3	67.4	Re-classified	164.2	-30.9	-34.0	8.1	
Food, Beverages & Tobacco	5075.4	2537.3	2481.1	2759.4	2104.7	132.4	-50.0	-2.2	11.2	-23.7
Industrial and Domestic Products	95.6	116.3	82.1	54.8	Re-classified	124.8	21.6	-29.3	-33.3	
Packaging	89.9	196.8	105.2	90.0	Re-classified	240.4	119.0	-46.5	-14.5	
Healthcare	262.1	174.4	150.8	129.8	Re-classified	52.7	-33.5	-13.5	-13.9	
Textiles	19.6	14.3	6.7	2.0	0.0	39.0	-27.3	-53.2	-70.4	-100.0
Automobile & Tyres					7.6					
Household Durables					43.3					
Household Products					700.4					
HEALTHCARE					**106.8**					
CONGLOMERATES					**203.2**					
C O M M E R C I A L S	**4724.1**	**4006.3**	**2204.7**	**1995.9**	**0.0**	**19.0**	**-15.2**	**-45.0**	**-9.5**	
Automobile & Tyres	177.6	79.0	33.5	14.9		150.1	-55.5	-57.6	-55.5	
Conglomerates	1789.1	808.8	973.8	921.6		-17.3	-54.8	20.4	-5.4	
Commercial / Services	154.5	376.0	117.3	45.8		29391.9	143.3	-68.8	-61.0	
Computer & Office Equipments	16.0	48.5	23.6	14.7		146.9	203.3	-51.4	-37.5	
Footwear	2.3	5.9	1.2	0.8	0.0	64.0	153.8	-79.0	-38.7	
Machinery (Marketing)	0.0	0.0	0.0	0.0	0.0	-97.1	-19.8	-7.7	-24.9	
Petroleum (Marketing)	2584.5	2688.1	1055.3	998.1	0.0	49.7	4.0	-60.7	-5.4	
CONSTRUCTION/REAL ESTATE					**410.2**					
INDUSTRIAL GOODS					**6064.0**					
NATURAL RESOURCES					**26.4**					
OIL &GAS					**689.6**					
S E R V I C E S	**858.5**	**2900.8**	**852.7**	**726.6**	**217.2**	**132.2**	**237.9**	**-70.6**	**-14.8**	**-70.1**
Construction	215.4	483.1	251.6	290.2		100.2	124.3	-47.9	15.3	
Real Estate	144.8	133.5	91.2	71.1		47.2	-7.8	-31.7	-22.0	
Advertising					6.4					
Apparel Retailers					0.8					
Engineering Technology	14.6	25.9	9.0	10.3	0.0	548.7	77.5	-65.1	14.5	
Airline Services	175.5	90.9	43.9	42.7	0.0	376.7	-48.2	-51.7	-2.6	
Printing & Publishing	102.8	37.6	43.7	31.9	18.6	685.5	-63.4	16.2	-27.0	-41.7
Hotel, Hospitality and Tourism	92.0	130.0	41.6	54.2	120.5	144.1	41.3	-68.0	30.4	122.5
Automobile and Auto Part s Retailers					3.8					
Maritime	52.6	103.6	29.5	27.5	0.0	474.7	97.1	-71.5	-7.0	
Aviation		7.9	7.3	5.5	0.0			-7.7	-24.9	
Road Transport	22.5	12.7	4.8	2.5	2.4		-43.4	-62.5	-47.7	-4.5
Courier/Freight/Delivery					6.6					
Employment Solutions					3.8					
Speciality					17.2					
Leasing	27.4	30.1	17.4	7.8	0.0		10.0	-42.3	-55.4	
Information, Communications & Telecommunications		244.9	280.6	163.3				14.6	-41.8	
Media		119.7	32.2	19.6	12.7			-73.1	-39.0	-35.3
Transport Related Services					24.4					
ICT					**196.6**					
ETFS					**3.1**					
ASeM					**12.9**					
The Foreign Listing	**1646.5**	**1235.9**	**683.5**	**590.1**	**0.0**	**62.2**	**-24.9**	**-44.7**	**-13.7**	
Total	**57990.2**	**31450.8**	**20827.2**	**24770.5**	**20730.6**	**74.7**	**-45.8**	**-33.8**	**18.9**	**-16.3**

/1 Revised

/2 Provisional

Source: Nigerian Stock Exchange

Table 18
Federation Account Operations
(Naira Billion)

	2007	2008	2009	2010	2011 1/
Total Revenue(Gross) 2/	**5,727.5**	**7,866.6**	**4,844.6**	**7,303.7**	**11,116.9**
Oil Revenue (Gross)	**4,462.9**	**6,530.6**	**3,191.9**	**5,396.1**	**8,879.0**
Crude Oil / Gas Exports	1,851.0	2,251.4	897.8	1,696.2	2,287.9
PPT and Royalties etc.	1,500.6	2,812.3	1,256.5	1,944.7	3,976.3
Domestic Crude Oil Sales	1,094.6	1,462.5	953.0	1,746.3	2,608.8
Other Oil Revenue	16.8	4.4	84.5	8.8	6.0
Less:					
Deductions 3/	1,807.0	3,261.2	1,174.8	2,393.7	4,863.6
Oil Revenue (Net)	**2,655.9**	**3,269.5**	**2,017.2**	**3,002.4**	**4,015.4**
Non- Oil Revenue	**1,264.6**	**1,336.0**	**1,652.7**	**1,907.6**	**2,237.9**
Corporate Tax	327.0	416.8	568.1	657.3	700.5
Customs & Excise Duties	241.4	281.3	297.5	309.2	438.3
Value-Added Tax (VAT)	301.7	404.5	468.4	562.9	649.5
FG Independent Revenue	268.7	114.0	73.2	153.6	182.5
Education Tax	51.8	47.2	139.5	114.5	101.7
Custom Levies	74.1	72.2	98.5	103.4	156.8
National Information Technology Development Fund (NITDF)	-	-	7.5	6.8	8.6
Less:					
Deductions 3/	42.2	52.6	69.8	125.5	94.9
Non- Oil Revenue (Net)	**1,222.5**	**1,283.4**	**1,582.9**	**1,782.0**	**2,143.0**
Federally - collected revenue + Transfers	**3,878.4**	**4,552.8**	**3,600.1**	**4,784.5**	**6,158.4**
Less	**684.2**	**621.7**	**768.4**	**918.6**	**1,073.1**
Transfer to Federal Govt. Ind. Revenue	268.7	114.0	73.2	153.6	182.5
Transfer to VAT Pool Account	289.6	388.3	449.7	540.3	623.5
Other Transfers 4/	125.9	119.4	245.6	224.7	267.1
Federally Collected Revenue (Net)	**3,194.2**	**3,931.1**	**2,831.7**	**3,865.9**	**5,085.3**
Memorandum Items:					
Deductions:	**1,849.1**	**3,313.8**	**1,244.5**	**2,519.2**	**4,958.5**
Oil Revenue	**1,807.0**	**3,261.2**	**1,174.8**	**2,393.7**	**4,863.6**
JVC Cash calls	550.0	579.1	809.6	962.9	1,008.8
Excess Crude Proceeds	1,168.5	1,728.5	60.4	615.8	1,226.2
Excess PPT & Royalty	88.5	953.6	218.0	179.3	1,812.2
Others	-	-	86.7	635.7	816.4
Non -oil Revenue	**42.2**	**52.6**	**69.8**	**125.5**	**94.9**
4% FIRS collection cost	13.1	16.7	22.7	26.3	28.7
7% NCS collection cost	16.9	19.7	20.8	21.6	29.5
Cost of collection for VAT	12.1	16.2	18.7	22.5	26.0
Others	0.1	0.0	7.5	55.1	10.7

1/ Provisional
2/Includes other receipts from Education Tax, FGN Independent Revenue and Levies
3/ As contained in memorandum items
4/ Includes Education Tax and Customs levies
Source: Federal Ministry of Finance

Table 19 Federally Collected Revenue Distributions (Naira Billion)					
	2007	2008	2009	2010	2011 1/
Federally Collected Revenue (Net)	**3,194.2**	**3,931.1**	**2,831.7**	**3,865.9**	**5,085.4**
Add					
Other Revenue	797.0	1,637.0	1,706.1	1,365.3	1,856.5
Excess Crude	499.6	1,106.9	812.4	886.5	450.0
Share of Budgtary Difference	49.1	67.8	119.1	-	873.6
Revenue Augmentation	248.3	462.2	615.9	439.0	502.4
Exchange Rate Gain/NNPC Refund	-	-	158.7	39.9	30.5
Total Revenue	**3,991.2**	**5,568.2**	**4,537.8**	**5,231.2**	**6,941.8**
Distributed as Follows					
Statutory Allocation	**3,194.2**	**3,931.1**	**2,831.7**	**3,865.9**	**5,085.4**
Federal Government	1,500.8	1,847.0	1,353.6	1,830.9	2,403.9
State Government	761.2	936.8	686.6	928.7	1,219.3
Local Government	586.9	722.3	529.3	716.0	940.0
13% Derivation	345.3	425.0	262.2	390.3	522.0
Excess Crude	**499.6**	**1,106.9**	**812.4**	**886.5**	**450.0**
Federal Government	229.0	249.3	296.8	405.0	206.2
State Government	116.1	395.7	265.0	225.6	104.6
Local Government	89.5	391.2	145.0	159.9	80.6
13% Derivation	64.9	70.7	105.6	96.0	58.5
Share of Diff.Btw. Provisional Distribution and Actual Budget	**49.1**	**67.8**	**119.1**	**-**	**873.6**
Federal Government	22.5	31.1	54.6	-	400.4
State Government	11.4	15.8	27.7	-	203.1
Local Government	8.8	12.2	21.3	-	156.6
13% Derivation	6.4	8.8	15.5	-	113.6
Federation Revenue Augmentation	**248.3**	**462.2**	**615.9**	**439.0**	**502.4**
Federal Government	113.8	211.9	282.3	201.2	230.3
State Government	57.7	107.5	143.2	102.0	116.8
Local Government	44.5	82.8	110.4	78.7	90.0
13% Derivation	32.3	60.1	80.1	57.1	65.3
NNPC REFUND TO SGs & LGs	**-**	**-**	**158.7**	**39.9**	**30.5**
Federal Government	-	-	72.7	18.3	-
State Government	-	-	36.9	9.3	15.0
Local Government	-	-	28.4	7.1	11.5
13% Derivation	-	-	20.6	5.2	4.0
VAT POOL	**289.6**	**388.4**	**449.6**	**540.3**	**623.5**
Federal Government	43.4	58.2	67.4	81.1	93.5
State Government	144.8	194.2	224.8	270.2	311.8
Local Government	101.4	135.9	157.4	189.1	218.2
Total Statutory Revenue and VAT Distribution	**4,280.9**	**5,956.5**	**4,987.5**	**5,771.5**	**7,565.3**
Federal Government	1,909.5	2,397.5	2,127.5	2,536.5	3,334.4
State Government	1,091.3	1,649.9	1,384.1	1,535.7	1,970.5
Local Government	831.1	1,344.4	991.8	1,150.8	1,497.1
13% Derivation	448.9	564.7	484.0	548.5	763.4

1/ Provisional
Sources: Federal Ministry of Finance and Central Bank of Nigeria.

Table 20
Summary of General Government Finances
(N' Billion)

	2007	2008	2009	2010	2011 1/
Total Revenue (Gross) 2/	**7,225.5**	**10,940.5**	**7,753.5**	**10,375.8**	**13,779.1**
Oil Revenue (Gross)	**4,462.9**	**6,530.6**	**3,191.9**	**5,396.1**	**8,879.0**
Less:					
Deductions	1,807.0	3,261.2	1,174.8	2,393.7	4,863.6
Oil Revenue (Net)	2,655.9	3,269.4	2,017.1	3,002.4	4,015.4
Add:					
Revenue Augmentation from Excess Crude	685.1	1,679.8	1,706.1	1,334.8	1,856.4
Revenue from Oil Sources	**3,341.0**	**4,949.2**	**3,723.2**	**4,337.2**	**5,871.8**
Non-Oil Revenue (Gross) 2/	**1,264.6**	**1,336.0**	**1,652.7**	**1,907.6**	**2,237.9**
of which: VAT	289.6	404.5	468.4	562.9	649.5
International Trade Taxes	241.4	281.3	297.5	309.2	438.3
Company Income Tax	327.0	416.8	568.1	657.3	700.5
Less:					
Deductions	42.2	52.6	69.8	125.5	94.9
Non-Oil Revenue (Net)	1,222.4	1,283.4	1,582.9	1,782.1	2,143.0
Add:					
SG Internally-Generated Revenue 3/	305.7	441.1	461.2	757.9	495.3
LG Internally-Generated Revenue 4/	21.3	23.1	26.1	27.2	41.3
Grants & Others	257.7	243.9	269.2	352.8	165.3
Revenue from Non-Oil Sources	**1,807.1**	**1,991.5**	**2,339.4**	**2,920.0**	**2,844.9**
Add:					
Balances in FG Special Accounts for the Previous Year	-	-	-	214.6	28.0
Others	228.2	686.0	446.3	384.8	75.9
Total Collected Revenue (Net)	**5,376.3**	**7,626.7**	**6,508.9**	**7,856.6**	**8,820.6**
Transfers:					
Education Tax & Other Levies	144.9	119.4	245.6	224.3	258.5
Others 5/	-	-	-	49.7	75.6
TOTAL REVENUE	**5,231.4**	**7,507.3**	**6,263.3**	**7,582.5**	**8,486.5**
TOTAL EXPENDITURE	**5,394.4**	**7,644.6**	**7,258.0**	**8,789.4**	**9,774.3**
Recurrent Expenditure	**3,133.7**	**3,972.6**	**3,925.8**	**5,222.8**	**6,011.9**
Goods & Services	**2,809.9**	**3,525.1**	**3,541.1**	**4,636.8**	**5,252.5**
Personnel Cost	1,530.0	1,664.5	1,697.4	2,217.4	3,150.7
Pension	161.0	208.2	269.4	272.6	216.6
Overhead Cost	917.6	1,261.5	1,246.4	1,775.9	1,389.9
Others	201.3	390.9	327.9	371.0	495.3
Interest Payments	**323.8**	**447.5**	**384.7**	**586.0**	**759.4**
Foreign	103.2	59.0	37.2	39.9	41.8
Domestic	220.6	388.5	347.5	546.1	717.6
Capital Expenditure	**1,757.9**	**2,979.2**	**2,800.0**	**2,942.9**	**2,715.5**
Transfers	**458.9**	**632.5**	**465.5**	**528.3**	**935.9**
NDDC	24.0	60.1	51.3	44.9	56.1
NJC	43.0	58.5	78.0	91.0	95.0
UBE	35.3	44.0	39.3	46.1	64.6
Subnational Governments' Transfers	216.4	271.8	169.2	179.5	263.6
Special funds	140.2	198.1	124.1	147.5	260.1
Other Transfers	-	-	3.6	19.3	196.5
Others (incl. sub. govt. extrabudgetary exp.)	**43.9**	**60.3**	**66.7**	**95.4**	**111.0**
Balances					
Current Balance	1,594.9	2,842.0	1,805.3	1,736.0	1,427.7
Primary Balance	160.8	310.3	(610.0)	(620.9)	(528.4)
OVERALL BALANCE	**(163.0)**	**(137.2)**	**(994.7)**	**(1,206.9)**	**(1,287.8)**
FINANCING	**163.0**	**137.2**	**994.7**	**1,206.9**	**1,287.8**
Foreign (Net)	6.1	38.3	101.7	82.6	114.6
Domestic (Net)	156.9	98.8	893.0	1,124.3	1,173.2
Banking System	188.1	131.0	279.3	841.8	673.1
CBN/Sinking Fund	-	(4.2)	318.5	118.5	6.2
DMBs	188.1	135.2	(39.2)	723.3	666.9
Non-Bank Public	40.2	82.8	796.8	354.5	355.8
Other Funds	(71.4)	(114.9)	(183.1)	(72.0)	144.3

1/ Provisional
2/ Non-Oil Revenue (Gross) for 2007-2010 were revised to capture FG Independent Revenue
3/ This excludes SG statutory allocation to LGs in 2011
4/ This includes SG statutory allocation to LGs in 2011
5/ Includes Transfer to FCT and NITDF
Source: Federal Ministry of Finance

Table 21 Summary of Federal Government Finances (Naira Billion)					
	2007	2008	2009	2010	2011 1/
FEDERAL GOVERNMENT RETAINED REVENUE	**2,333.7**	**3,193.4**	**2,643.0**	**3,089.2**	**3,553.5**
Share of Federation Account	1,500.9	1,847.0	1,353.6	1,830.9	2,403.9
Share of VAT Pool Account	43.4	58.3	67.4	81.1	93.5
Federal Government Independent Revenue	268.7	114.0	73.2	153.6	182.5
Share of Excess Crude Account	299.1	492.2	815.4	464.1	836.9
Others	221.6	682.0	333.3	559.5	36.7
TOTAL EXPENDITURE	**2,450.9**	**3,240.8**	**3,453.0**	**4,194.6**	**4,712.1**
Recurrent Expenditure	**1,589.3**	**2,117.4**	**2,128.0**	**3,109.4**	**3,314.5**
Goods and Services	1,235.4	1,538.1	1,712.5	2,546.2	2,527.3
Personnel Cost	761.2	942.8	952.6	1,380.5	1,722.4
Pension	106.1	137.9	195.7	183.5	131.5
Overhead Cost	368.1	457.4	564.2	982.3	673.3
Interest Payments	213.7	**381.2**	**251.8**	**415.6**	**527.2**
Foreign	103.2	59.0	37.2	39.9	41.8
Domestic	110.5	322.2	214.5	375.8	485.4
Transfers	**140.2**	**198.1**	**163.7**	**147.5**	**260.1**
FCT & Others(Special funds)	140.2	198.1	163.7	147.5	260.1
Capital Expenditure & Net Lending	**759.3**	**960.9**	**1,152.8**	**883.9**	**918.5**
Domestic Financed Budget	759.3	960.9	1,152.8	883.9	918.5
Budgetary	759.3	960.9	1,152.8	883.9	918.5
Transfers	**102.3**	**162.6**	**172.2**	**201.3**	**479.0**
NDDC	24.0	60.1	51.3	44.9	56.1
NJC	43.0	58.5	78.0	91.0	95.0
UBE	35.3	44.0	39.3	46.1	64.6
Others	0.0	0.0	3.6	19.3	263.4
BALANCES					
Primary Surplus(+)/Deficit(-)	96.5	333.8	(558.2)	(689.8)	(631.3)
Current Surplus(+)/Deficit(-)	744.4	1,076.1	515.0	(20.2)	239.0
OVERALL SURPLUS(+)/DEFICIT(-)	**(117.2)**	**(47.4)**	**(810.0)**	**(1,105.4)**	**(1,158.5)**
FINANCING	**117.2**	**47.4**	**810.0**	**1,105.4**	**1,158.5**
Foreign (Net)	-	-	29.8	75.0	73.3
Domestic (Net)	212.3	150.7	577.6	1,110.5	855.3
Banking System	159.8	67.9	175.6	749.7	496.4
Central Bank	0.0	-4.2	-	118.5	6.2
Deposit Money Banks	159.8	72.1	175.6	631.3	490.2
Non-Bank Public	40.2	82.8	395.0	354.5	355.8
Privatization Proceed	12.3	0.0	7.0	6.4	3.0
Other Funds 3/	- 95.1	-103.3	202.6	(80.2)	229.9

1/ Provisional

Source: Federal Ministry of Finance

Table 22
Functional Classification of Federal Government Recurrent Expenditure
(Naira Billion)

	2007	2008	2009	2010	2011 1/
ADMINISTRATION	**626.3**	**731.0**	**820.8**	**1,267.1**	**1,427.1**
General Administration	310.1	369.6	437.9	694.5	699.2
National Assembly	62.8	68.7	106.4	149.7	164.7
Defence	72.1	95.8	54.8	198.7	283.2
Internal Security	181.3	196.9	221.7	224.2	280.0
ECONOMIC SERVICES	**179.1**	**313.8**	**317.2**	**413.0**	**310.5**
Agriculture	32.5	65.4	22.4	28.2	41.2
Roads & Construction	71.3	94.5	80.6	57.1	195.9
Transport & Communications	32.2	67.4	90.0	42.4	13.1
Others	43.1	86.5	124.1	285.3	60.3
SOCIAL & COMMUNITY SERVICES	**256.7**	**332.9**	**354.2**	**550.9**	**620.7**
Education	150.8	164.0	137.1	170.8	335.8
Health	81.9	98.2	90.2	99.1	231.8
Others	24.0	70.7	126.9	281.0	53.1
TRANSFERS	**527.2**	**739.7**	**635.8**	**878.4**	**956.2**
Public Debt Charges (Int)	213.7	381.2	251.8	415.6	527.2
Domestic	110.5	322.2	214.5	375.8	485.4
Foreign	103.2	59.0	37.3	39.9	41.8
Pensions & Gratuities	106.2	137.9	195.7	183.5	131.5
FCT & Others	178.0	198.1	163.7	147.5	260.1
Contingencies (Others)	-	-	-	-	-
External Obligations	-	-	-	-	-
Extra-Budgetary Expenditure	-	-	-	-	-
Deferred Customs Duties	-	-	-	-	-
Unspecified Expenditure	-	-	-	-	-
Others 3/	29.3	22.5	24.5	131.7	37.4
TOTAL	**1,589.3**	**2,117.4**	**2,127.9**	**3,109.4**	**3,314.5**

1/ Provisional

Sources: Federal Ministry of Finance, Office of the Accountant-General of the Federation
Central Bank of Nigeria

Table 23
Functional Classification of Federal Government Capital Expenditure
(Naira Billion)

	2007	2008	2009	2010	2011 1/
ADMINISTRATION	**227.0**	**287.1**	**315.9**	**264.6**	**232.6**
General Administration	178.3	210.3	212.2	171.1	138.0
National Assembly	9.2	15.6	24.2	4.4	0.8
Defence	24.3	32.3	47.3	28.8	28.1
Internal Security	15.2	28.9	32.1	60.3	65.7
ECONOMIC SERVICES	**358.4**	**504.4**	**506.0**	**412.2**	**386.5**
Agriculture & Natural Resources	94.1	106.0	138.9	78.0	62.9
Manuf., Mining & Quarrying	8.1	12.7	31.0	20.6	7.6
Transport & Communications	31.4	80.1	106.2	68.9	58.8
Housing	5.8	8.9	-	20.4	22.0
Roads & Construction	105.7	126.9	138.5	195.4	150.7
National Priority Projects	-	-	-	-	-
JVC Calls/NNPC Priority Projects	-	-	-	-	-
PTF	-	-	-	-	-
Counterpart Funding	1.6	2.0	3.4	-	-
NDDC	-	-	-	-	-
Others	111.7	167.8	88.1	29.0	84.4
SOCIAL & COMMUNITY SERVICES	**150.9**	**152.1**	**120.7**	**147.4**	**91.9**
Education	46.8	48.8	43.4	87.9	35.4
Health	96.9	97.2	52.5	35.0	39.5
Others	7.2	6.1	24.8	24.6	17.0
TRANSFERS	**23.0**	**17.3**	**210.2**	**59.7**	**207.5**
Financial Obligations	-	-	-	-	-
Capital Repayments	-	-	-	-	-
Domestic	-	-	-	-	-
Foreign	-	-	-	-	-
External Obligations	-	-	-	-	-
Contingencies	-	-	-	-	-
Capital Supplementation	23.0	17.3	210.2	59.7	207.5
Net Lending to States/L.G.s/Parast.	-				
Grants to States	-				
Others	-				
TOTAL	**759.3**	**960.9**	**1,152.8**	**883.9**	**918.5**

1/ Provisional
Sources: Federal Ministry of Finance, Office of the Accountant-General of the Federation
Central Bank of Nigeria

Table 24

State Governments' and FCT Finances

(Naira Billion)

	2007	2008	2009	2010	2011 1/
Total Revenue plus Grants	**2,065.4**	**2,934.8**	**2,590.7**	**3,162.5**	**3,410.1**
Share of Federation Account 2/	1,109.3	1,709.2	973.8	1,353.7	1,786.3
Share of Excess Oil Revenue	258.9	354.1	376.8	322.4	167.0
Budget Augmentation	-	-	272.8	162.9	510.7
Exchange Gain/NNPC Refund	-	-	58.9	14.8	18.9
Share of VAT 3/	144.4	198.1	229.3	275.6	318.0
Internally Generated Revenue	305.7	441.1	461.2	757.9	509.3
Grants & Others	209.4	179.0	188.0	224.2	88.7
Share of Stabilization Fund	37.7	53.4	29.7	51.0	11.2
Total Expenditure	**2,116.1**	**3,021.6**	**2,776.9**	**3,266.2**	**3,542.0**
Recurrent Expenditure	**1,217.4**	**1,505.6**	**1,426.1**	**1,648.4**	**2,055.8**
Personnel Cost	361.9	380.3	438.5	505.3	680.2
Overhead Cost	328.8	448.5	353.5	402.8	484.9
CRF Charges	99.4	153.6	144.4	181.9	70.9
Pensions	54.9	70.3	73.7	89.1	85.1
Debt Charges	110.1	66.3	133.0	170.3	232.2
Transfer to LGs	112.2	145.5	101.7	106.8	68.9
Other Transfers	104.2	126.3	67.5	72.7	208.7
Others	45.9	114.8	113.8	119.5	224.8
Capital Expenditure	**854.8**	**1,455.7**	**1,284.2**	**1,522.4**	**1,375.2**
Extra-Budgetary Expenditure 3/	**43.9**	**60.3**	**66.7**	**95.4**	**111.0**
Current Balance 4/	**848.0**	**1,429.2**	**1,164.6**	**1,514.1**	**1,354.4**
Overall Balance 4/	**(50.7)**	**(86.8)**	**(186.2)**	**(103.7)**	**(131.9)**
Financing	**50.7**	**86.8**	**186.2**	**103.7**	**131.9**
External Loans	5.9	38.3	8.0	7.6	41.3
Internal Loans	25.7	60.2	162.3	88.1	170.4
Other Funds	19.1	(11.7)	16.0	8.0	(79.8)

1/ Provisional and comprises 36 states and FCT

2/ Gross Statutory Allocation

3/ Includes contribution to external debt fund and other deductions at source

4/ positive (+) sign connotes surplus while negative (-) sign connotes deficit

Sources: State Governments' Ministries of Finance and Office of the Accountant-General of the Federation's reports

Table 25					
Functional Classification of State Government Recurrent and Capital Expenditure					
(Naira Billion)					
	2007	**2008**	**2009**	**2010**	**2011 1/**
TOTAL EXPENDITURE	**2,116.1**	**3,107.8**	**2,776.9**	**3,266.2**	**3,542.0**
RECURRENT EXPENDITURE	**1,217.4**	**1,591.8**	**1,426.1**	**1,648.4**	**2,055.8**
ADMINISTRATION	**318.0**	**465.0**	**321.7**	**427.9**	**378.7**
General Administration	208.5	291.4	186.1	265.4	207.5
State Assembly	41.7	76.0	36.0	58.0	43.8
State Judiciary	33.7	51.8	45.1	51.0	34.3
Others	34.1	45.7	54.5	53.5	93.1
ECONOMIC SERVICES	**226.6**	**324.5**	**486.4**	**401.6**	**546.9**
Agriculture	30.8	44.3	59.3	52.8	42.5
Livestock	2.2	4.6	17.8	8.1	18.3
Forestry	2.3	3.7	12.6	6.4	10.4
Industry	9.5	15.7	35.5	21.9	13.7
Commerce	5.6	10.0	29.4	15.5	15.4
Finance	38.1	45.5	31.4	49.9	44.8
Transport	26.6	63.2	50.9	55.8	61.0
Cooperative/Supply	2.1	6.6	10.4	6.8	10.0
Power (Incl. Rural Electrification)	21.8	49.7	76.9	54.5	28.5
Works/Roads Construction			91.1	25.1	86.5
Others	87.5	81.2	71.2	104.8	215.8
SOCIAL SERVICES	**238.4**	**279.2**	**381.5**	**351.1**	**462.9**
Education	101.1	146.4	140.8	154.1	130.1
Health	54.7	58.4	77.3	75.0	75.8
Water Supply	22.7	28.0	47.7	37.5	20.4
Information & Culture	6.5	8.4	8.9	9.5	18.5
Social & Comm. Dev.	6.9	10.3	16.9	12.9	28.8
Housing	5.4	6.0	35.8	16.1	15.2
Town & Country Planning	7.1	5.9	18.2	11.5	10.6
Others	34.0	15.9	36.0	34.4	163.4
TRANSFERS	**434.5**	**523.2**	**236.5**	**467.8**	**667.2**
Debt Charges (Interest Payments)	110.1	66.3	134.0	170.3	232.2
Pensions & Gratuities	54.9	70.3	73.9	89.1	85.1
Others	269.5	386.6	28.6	208.4	350.0
CAPITAL EXPENDITURE	**854.8**	**1,455.7**	**1,284.2**	**1,522.4**	**1,375.2**
ADMINISTRATION	**174.9**	**180.3**	**171.0**	**281.6**	**225.3**
General Administration	134.0	140.3	112.0	206.5	90.2
State Assembly	28.0	23.2	11.1	33.2	13.8
State Judiciary	11.0	14.3	7.8	17.6	27.1
Others	1.8	2.5	40.0	24.3	94.3
ECONOMIC SERVICES	**409.5**	**757.8**	**677.1**	**746.4**	**705.5**
Agriculture	31.3	46.7	52.2	53.5	35.1
Livestock	4.2	6.4	9.3	8.1	3.3
Forestry	1.8	1.1	7.5	4.2	6.8
Industry	14.0	18.5	18.4	21.3	6.5
Commerce	39.8	52.5	26.3	51.1	54.5
Finance	14.4	40.3	26.8	31.8	27.2
Transport	107.5	131.7	90.8	141.9	59.5
Cooperative/Supply	6.9	4.5	5.7	7.8	8.6
Power (Incl. Rural Electrification)	47.5	54.8	48.0	64.5	66.4
Works/Roads Construction	113.7	355.8	339.4	310.6	263.7
Others	28.4	45.7	52.7	51.6	173.9
SOCIAL SERVICES	**238.7**	**456.3**	**401.2**	**442.4**	**331.5**
Education	63.2	88.3	93.5	101.9	82.4
Health	31.2	59.0	72.4	65.0	43.8
Water Supply	26.0	35.9	52.1	46.8	36.6
Information & Culture	16.6	11.1	10.8	17.8	18.4
Social & Comm. Development	11.2	19.5	19.8	20.5	14.0
Housing	31.6	33.3	28.0	40.6	14.0
Town & Country Planning	27.6	160.9	55.6	89.5	50.9
Others	31.3	48.3	69.0	60.3	71.4
TRANSFERS	**31.7**	**61.3**	**34.9**	**52.0**	**112.9**
Capital Repayments	2.3	8.5	6.1	6.7	26.3
Grants to LGs/Parastatals/Higher Inst.	27.7	43.4	23.7	39.2	68.9
Others	1.7	9.3	5.1	6.1	17.6
EXTRA-BUDGETARY EXPENDITURES	**43.9**	**60.3**	**66.7**	**95.4**	**111.0**

1/ Provisional and comprises 36 states and FCT

Source: CBN/NBS/NCC 2011 collaborative fiscal survey, Federal Ministry of Finan

Table 26

Summary of State Government and FCT Finances: State-By-State, 2011 1/

(Naira Billion)

		REVENUE & OTHER RECEIPTS									
S/N	STATES	Gross Statutory Allocation 2/	Distribution from Excess Crude A/C as Augmentation	Share of Excess Oil Revenue	Exchange Gain/NNPC Refund	VAT	Internally Gen. Rev. (IGR)	Grants	Stabilization Fund & Others	Others	TOTAL
		(1)				(2)	(3)	(4)	(5)		(6)
1	Abia	34.1	9.0	2.9	0.4	6.4	31.2	-	-	-	**84.1**
2	Adamawa	32.8	8.6	2.8	0.4	6.7	6.6	3.7	-	-	**61.7**
3	Akwa Ibom	162.8	53.7	16.9	1.1	8.5	12.1	-	0.6	0.5	**256.2**
4	Anambra	33.1	8.7	2.8	0.4	7.5	4.8	13.7	-	1.3	**72.4**
5	Bauchi	38.4	10.1	3.3	0.5	7.7	4.5	-	-	-	**64.4**
6	Bayelsa	127.9	40.5	13.7	1.2	5.9	4.4	3.2	-	-	**196.9**
7	Benue	35.4	9.3	3.0	0.4	7.4	8.3	0.2	3.1	-	**67.3**
8	Borno	39.1	10.3	3.4	0.5	7.4	2.1	-	-	-	**62.7**
9	Cross River	35.3	9.6	3.1	0.4	6.5	7.6	-	-	-	**62.5**
10	Delta	145.8	48.4	16.2	1.2	8.5	15.6	-	-	-	**235.7**
11	Ebonyi	27.2	7.1	2.3	0.3	6.1	2.1	-	-	-	**45.2**
12	Edo	40.9	11.9	3.8	0.4	7.2	18.1	-	-	-	**82.3**
13	Ekiti	27.4	7.2	2.4	0.3	6.1	4.0	0.8	-	-	**48.2**
14	Enugu	31.0	8.1	2.7	0.4	6.8	4.1	-	-	-	**53.1**
15	Gombe	29.1	7.6	2.5	0.4	6.1	7.5	8.3	-	2.6	**64.1**
16	Imo	39.3	10.8	3.5	0.5	7.2	6.1	0.3	-	-	**67.6**
17	Jigawa	36.3	9.5	3.1	0.4	7.5	2.3	0.1	0.4	6.8	**66.5**
18	Kaduna	41.4	10.9	3.5	0.5	8.9	11.7	-	-	-	**77.0**
19	Kano	51.9	13.6	4.4	0.6	11.7	14.0	0.8	-	-	**97.0**
20	Katsina	39.4	10.3	3.4	0.5	8.5	3.2	1.0	-	-	**66.4**
21	Kebbi	33.0	8.7	2.8	0.4	6.8	3.5	-	-	-	**55.1**
22	Kogi	32.9	8.6	2.8	0.4	6.9	16.5	-	-	-	**68.2**
23	Kwara	30.0	7.9	2.6	0.4	6.1	11.7	1.7	-	-	**60.4**
24	Lagos	46.8	12.3	4.0	0.6	57.0	147.1	-	-	-	**267.9**
25	Nassarawa	28.1	7.4	2.4	0.3	5.7	5.3	-	-	-	**49.2**
26	Niger	38.4	10.1	3.3	0.5	7.2	3.2	-	-	-	**62.6**
27	Ogun	32.1	8.4	2.8	0.4	7.1	22.2	1.4	-	3.0	**77.4**
28	Ondo	49.4	14.2	4.9	0.5	7.0	7.2	-	-	-	**83.2**
29	Osun	30.4	8.0	2.6	0.4	6.9	11.9	-	-	-	**60.1**
30	Oyo	38.3	10.1	3.3	0.5	8.6	13.4	-	3.5	1.1	**78.7**
31	Plateau	32.2	8.4	2.8	0.4	6.8	4.9	7.6	-	0.0	**63.1**
32	Rivers	167.3	54.0	17.8	1.6	11.2	62.9	-	-	-	**314.7**
33	Sokoto	34.2	9.0	2.9	0.4	7.1	3.1	-	3.7	1.2	**61.7**
34	Taraba	32.4	8.5	2.8	0.4	6.1	2.5	2.9	-	-	**55.5**
35	Yobe	32.2	8.4	2.8	0.4	6.1	2.3	-	-	-	**52.2**
36	Zamfara	32.3	8.5	2.8	0.4	6.6	10.6	-	-	0.0	**61.1**
37	FCT	44.9	12.0	3.9	-	6.2	10.3	26.5	-	-	**103.8**
38	Escrow (Disputed Fund)	2.7	1.2	-	0.0	-	-	-	-	-	**4.0**
	TOTAL	**1,786.3**	**510.7**	**167.0**	**18.9**	**318.0**	**509.3**	**72.1**	**11.2**	**16.6**	**3,410.1**

1/ Provisional and comprises fiscal survey returns from 25 states and estimates from 12

2/ Gross allocation.

3/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds.

4/ This includes transfers from CRF and Miscellaneous receipts

Source: CBN/NBS/NCC 2011 collaborative fiscal survey, Federal Ministry of Finance & Office of the Accountant General of the Federation

Table 26 Cont.
Summary of State Government and FCT Finances: State-By-State, 2011 1/
(Naira Billion)

S/N	STATES	EXPENDITURE & TRANSFERS												BALANCE		FINANCING				
		RECURRENT								SUB-TOTAL	CAPITAL	EXTRA-BUDGETARY EXPENDITURE	TOTAL EXPENDITURE	Current	Overall	LOANS			OTHER FUNDS 3/	TOTAL
		Personnel Cost	Overhead Cost	CRF Charges	Pensions	Debt Charges	Transfer to LGs	Other Transfers	Others							Internal	External	Sub-Total		
		(7)	(8)						(9)	(10)	(11)	(12)	(13)	(14)	(15)	(17)	(18)		(19)	
1	Abia	10.0	15.9	0.1	5.6	18.4	-	8.2	6.0	**64.2**	22.5	2.7	89.5	**19.8**	**(5.4)**	17.3	0.9	**18.2**	(12.8)	**5.4**
2	Adamawa	12.1	25.7	1.0	4.3	1.4	-	2.3	2.7	**49.6**	28.1	1.8	79.5	**12.0**	**(17.8)**	7.6	0.4	**8.0**	9.8	**17.8**
3	Akwa Ibom	17.9	4.1	1.6	3.2	0.3	0.9	0.9	19.7	**48.5**	190.6	(0.0)	239.1	**207.6**	**17.1**	-	0.7	**0.7**	(17.7)	**(17.1)**
4	Anambra	3.7	5.0	1.0	3.1	0.9	-	1.5	5.0	**20.1**	39.6	0.5	60.2	**52.3**	**12.2**	-	0.7	**0.7**	(12.9)	**(12.2)**
5	Bauchi	18.6	26.8	0.0	1.3	-	-	-	11.2	**57.9**	18.4	3.4	79.7	**6.5**	**(15.3)**	15.5	1.8	**17.3**	(1.9)	**15.3**
6	Bayelsa	34.7	25.6	0.6	5.1	22.2	-	31.1	37.9	**157.0**	-	27.0	184.1	**39.9**	**12.8**	7.9	0.4	**8.3**	(21.1)	**(12.8)**
7	Benue	14.9	8.4	0.3	0.8	3.5	-	0.7	4.6	**33.1**	35.7	4.5	73.3	**34.2**	**(6.0)**	-	0.5	**0.5**	5.4	**6.0**
8	Borno	13.1	8.0	0.3	0.9	0.0	-	0.1	5.5	**27.9**	31.7	0.1	59.7	**34.8**	**3.0**	-	0.0	**0.0**	(3.0)	**(3.0)**
9	Cross River	15.8	6.1	7.6	2.2	4.2	-	-	0.9	**36.8**	23.8	1.4	61.9	**25.8**	**0.6**	0.2	0.3	**0.5**	(1.1)	**(0.6)**
10	Delta	19.1	16.7	-	3.9	1.6	46.3	20.2	8.3	**116.0**	124.1	3.9	243.9	**119.7**	**(8.3)**	-	(0.0)	**(0.0)**	8.3	**8.3**
11	Ebonyi	7.1	3.3	-	0.9	2.6	-	0.2	2.3	**16.4**	36.8	7.0	60.2	**28.8**	**(15.0)**	-	1.3	**1.3**	13.6	**15.0**
12	Edo	20.2	13.3	0.1	3.0	9.9	-	10.3	11.1	**67.9**	-	4.5	72.4	**14.5**	**9.9**	4.5	0.5	**5.0**	(15.0)	**(9.9)**
13	Ekiti	13.1	2.6	0.5	2.3	14.1	10.9	4.1	-	**47.6**	27.9	1.7	77.2	**0.6**	**(29.0)**	32.5	0.5	**33.0**	(4.0)	**29.0**
14	Enugu	10.7	6.4	0.5	1.2	0.1	0.0	3.2	1.6	**23.7**	26.1	0.5	50.3	**29.4**	**2.8**	-	1.5	**1.5**	(4.3)	**(2.8)**
15	Gombe	9.1	29.1	0.2	1.3	5.0	-	4.6	0.2	**49.5**	31.3	1.2	82.0	**14.6**	**(17.9)**	5.9	0.6	**6.5**	11.3	**17.9**
16	Imo	8.1	18.4	13.6	-	23.0	-	10.4	0.1	**73.6**	11.5	5.9	91.0	**(6.0)**	**(23.4)**	17.8	0.5	**18.2**	5.2	**23.4**
17	Jigawa	3.2	5.5	-	0.3	0.1	-	0.7	6.5	**16.4**	55.8	0.6	72.8	**50.1**	**(6.3)**	-	1.1	**1.1**	5.2	**6.3**
18	Kaduna	18.8	21.2	0.2	5.3	0.6	-	0.0	1.1	**47.4**	31.8	3.6	82.7	**29.6**	**(5.8)**	20.0	5.1	**25.1**	(19.4)	**5.8**
19	Kano	58.4	14.0	1.0	3.8	-	-	0.5	-	**77.6**	19.9	1.3	98.8	**19.4**	**(1.8)**	-	1.4	**1.4**	0.4	**1.8**
20	Katsina	16.7	5.0	0.3	0.7	0.2	-	0.6	3.3	**26.9**	37.9	1.5	66.3	**39.5**	**0.1**	-	(0.5)	**(0.5)**	0.4	**(0.1)**
21	Kebbi	11.8	9.2	2.5	1.7	-	-	9.4	0.4	**35.0**	38.4	0.8	74.2	**20.1**	**(19.0)**	-	0.4	**0.4**	18.6	**19.0**
22	Kogi	20.2	8.7	16.1	2.4	1.8	-	4.3	-	**53.6**	27.9	1.2	82.7	**14.6**	**(14.6)**	2.0	0.4	**2.4**	12.2	**14.6**
23	Kwara	8.5	16.4	4.0	4.0	11.6	3.2	2.9	4.2	**54.8**	28.9	0.2	83.8	**5.6**	**(23.4)**	7.3	0.4	**7.7**	15.7	**23.4**
24	Lagos	32.7	37.2	-	3.0	3.6	0.0	14.3	9.7	**100.5**	177.4	7.2	285.1	**167.4**	**(17.2)**	-	17.5	**17.5**	(0.2)	**17.2**
25	Nassarawa	8.2	16.7	-	1.6	10.2	-	8.6	-	**45.4**	-	4.5	49.9	**3.8**	**(0.7)**	1.5	0.9	**2.4**	(1.7)	**0.7**
26	Niger	19.5	18.2	-	2.5	4.9	1.4	-	1.9	**48.3**	3.7	5.3	57.2	**14.4**	**5.4**	-	0.2	**0.2**	(5.6)	**(5.4)**
27	Ogun	34.1	9.9	-	5.0	12.8	-	0.1	0.0	**61.9**	26.0	0.4	88.3	**15.5**	**(10.9)**	24.3	2.7	**27.0**	(16.1)	**10.9**
28	Ondo	20.6	3.4	-	1.6	1.9	-	6.4	0.6	**34.6**	39.3	1.6	75.5	**48.6**	**7.8**	-	(0.2)	**(0.2)**	(7.5)	**(7.8)**
29	Osun	19.6	6.6	17.2	-	-	-	-	1.7	**45.1**	16.4	0.5	62.0	**15.0**	**(1.9)**	2.7	0.4	**3.1**	(1.3)	**1.9**
30	Oyo	35.3	14.5	0.2	-	0.0	-	20.0	1.1	**71.2**	2.8	2.2	76.2	**7.6**	**2.6**	0.6	(0.8)	**(0.2)**	(2.4)	**(2.6)**
31	Plateau	13.9	28.9	-	2.5	9.0	-	2.2	-	**56.4**	16.2	1.3	73.9	**6.6**	**(10.8)**	2.7	(0.4)	**2.3**	8.6	**10.8**
32	Rivers	62.5	15.2	0.5	7.8	33.8	-	15.0	45.0	**179.8**	104.4	5.4	289.6	**134.9**	**25.1**	-	0.0	**0.0**	(25.1)	**(25.1)**
33	Sokoto	18.0	5.8	-	0.9	20.1	-	0.1	0.2	**45.1**	13.9	0.4	59.4	**16.6**	**2.3**	-	0.6	**0.6**	(2.8)	**(2.3)**
34	Taraba	10.9	5.4	-	1.2	4.1	-	12.0	11.5	**45.2**	1.9	0.1	47.2	**10.3**	**8.2**	-	0.2	**0.2**	(8.4)	**(8.2)**
35	Yobe	10.7	12.5	1.2	1.1	0.2	-	-	-	**25.7**	31.9	0.3	57.9	**26.5**	**(5.8)**	-	0.6	**0.6**	5.1	**5.8**
36	Zamfara	20.0	9.5	0.1	0.7	9.8	-	1.3	3.4	**44.9**	7.7	2.6	55.1	**16.2**	**6.0**	-	0.4	**0.4**	(6.4)	**(6.0)**
37	FCT	8.4	5.6	-	-	0.2	6.3	12.5	17.2	**50.4**	45.0	1.9	97.2	**53.5**	**6.6**	-	0.5	**0.5**	(7.1)	**(6.6)**
38	Escrow (Disputed Fund)	-	-	-	-	-	-	-	-	**-**	-	2.1	2.1	**4.0**	**1.9**	-	-	**-**	(1.9)	**(1.9)**
	TOTAL	**680.2**	**484.9**	**70.9**	**85.1**	**232.2**	**68.9**	**208.7**	**224.8**	**2,055.8**	**1,375.2**	**111.0**	**3,542.0**	**1,354.4**	**(131.9)**	**170.4**	**41.3**	**211.7**	**(79.8)**	**131.9**

1/ Provisional
2/ Gross allocation.
3/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds.
4/ This includes transfers from CRF and Miscellaneous receipts
Source: CBN/NBS/NCC 2011 collaborative fiscal survey, Federal Ministry of Finance & Office of the Accountant General of the Federation

Table 27

State Governments' and FCT Expenditure on Selected Sectors

(Naira Billion)

SELECTED SECTORS	2010			2011			2011		2010	2011 1/
	Recurrent	Capital	Total	Recurrent	Capital	Total	Changes	% Changes	As % of GDP	
Education	154.1	101.9	**256.0**	130.1	82.4	**212.6**	(43.4)	-17.0	0.9	0.6
Health	75.0	65.0	**140.0**	75.8	43.8	**119.6**	(20.4)	-14.6	0.5	0.3
Agriculture	67.3	65.8	**133.1**	71.2	45.1	**116.4**	(16.7)	-12.6	0.5	0.3
Water Supply	37.5	46.8	**84.3**	20.4	36.6	**57.0**	(27.3)	-32.4	0.3	0.2
Housing	15.2	40.6	**55.8**	15.2	14.0	**29.2**	(26.6)	-47.7	0.2	0.1
TOTAL	**1,648.4**	**1,522.4**	**669.2**	**2,055.8**	**1,375.2**	**534.8**			2.3	1.5
TOTAL EXPENDITURE			**3,266.2**			**3,542.0**	275.81	8.4		

1/ Provisional

Source: CBN/NBS/NCC 2011 collaborative fiscal survey, Federal Ministry of Finance, Office of the Accountant General of the Federation & National Bureau of Statistics

Table 28

Summary of Local Government Finances

(Naira Billion)

	2007	2008	2009	2010	2011 1/
Total Revenue	**832.3**	**1,379.0**	**1,069.4**	**1,359.2**	**1,603.8**
Share of Federation Account 2/	568.3	722.3	529.3	716.0	940.0
Share of VAT	105.1	135.9	157.4	189.1	218.2
Internally Generated Revenue	21.3	23.1	26.1	26.2	27.3
Grants and Others	3.8	0.3	20.3	36.2	44.1
Share of Stabilization Fund	3.7	4.4	11.4	12.6	21.3
State Allocation	3.0	6.8	19.7	12.7	14.0
Share of Excess Crude	127.1	486.1	145.0	158.9	80.7
FGN/NNPC Refunds to LGs	-	-	-	121.6	11.5
Budget Augmentation	-	-	131.7	78.7	246.6
Exchange Gain	-	-	28.4	7.1	-
Total Expenditure	**827.4**	**1,382.0**	**1,067.6**	**1,356.7**	**1,601.2**
Recurrent Expenditure	**683.6**	**819.4**	**704.6**	**823.7**	**1,179.4**
Personnel Cost	406.9	341.4	306.3	316.5	748.1
Overhead Cost	220.7	355.6	328.7	395.0	231.7
CRFC & Others	56.0	122.5	69.7	112.2	199.6
Capital Expenditure	**143.8**	**562.6**	**363.0**	**533.0**	**421.8**
Administration	15.0	72.8	57.4	78.7	52.4
Economic Services	54.4	252.8	175.0	247.2	211.8
Social & Community Services	59.9	219.8	124.2	183.3	148.6
Transfers	14.5	17.2	6.5	23.8	9.0
Current Balance	**148.7**	**559.6**	**364.8**	**535.5**	**424.4**
Overall Balance	**4.9**	**(3.0)**	**1.8**	**2.5**	**2.6**
Financing	**(4.9)**	**3.0**	**(1.8)**	**(2.5)**	**(2.6)**
External Loans	0.2	-	-	-	-
Internal Loans	2.6	2.9	6.1	3.2	6.3
Opening Cash Balance	37.3	6.2	38.5	30.4	26.3
Other Funds 3/	(44.9)	(6.1)	(46.3)	(36.1)	(35.2)

1/ Provisional

2/ Gross

3/ Includes Closing Balance

Sources: Federal Ministry of Finance, Office of the Accountant General of the Federation and Staff Estimates

Table 29

SUMMARY OF LOCAL GOVERNMENT FINANCES (STATE BY STATE, 2011) 1/

(Naira Billion)

		REVENUE & OTHER RECEIPTS											
							Internally Gen. Rev. (IGR)						
S/N	STATES	Gross Statutory Allocation 2/	Share of Excess Oil Revenue	NNPC Refunds to LGs	Budget Augmentation	VAT	Tax	Non-Tax	Sub-Total	State Allocation	Grants and Others	Stabilization Funds & Others	TOTAL
1	Abia	19.66	1.56	0.24	5.31	3.79	0.01	0.23	0.2	0.14	0.43	-	31.37
2	Adamawa	25.17	2.10	0.31	6.66	4.58	0.27	0.70	1.0	0.25	-	-	40.1
3	Akwa Ibom	33.20	2.77	0.41	8.79	7.08	0.05	0.40	0.5	0.44	0.64	0.20	53.99
4	Anambra	24.95	2.09	0.31	6.61	5.10	0.01	0.16	0.2	-	0.25	-	39.46
5	Bauchi	28.86	2.41	0.35	7.64	5.10	0.00	0.36	0.4	-	6.07	0.23	51.02
6	Bayelsa	10.62	0.89	0.13	2.81	2.17	0.02	0.32	0.3	-	0.93	0.01	17.89
7	Benue	29.34	2.45	0.36	7.77	5.35	0.11	0.36	0.5	0.44	0.70	1.12	48.01
8	Borno	33.51	2.71	0.41	8.65	5.86	0.06	0.53	0.6	0.00	0.00	0.26	51.99
9	Cross River	20.96	1.75	0.26	5.55	3.99	0.01	0.31	0.3	0.23	0.48	0.01	33.54
10	Delta	27.70	2.31	0.34	7.33	6.22	0.00	0.40	0.4	3.62	0.55	0.16	48.64
11	Ebonyi	14.93	1.25	0.18	3.95	3.01	0.04	1.13	1.2	0.07	-	-	24.58
12	Edo	20.98	1.75	0.26	5.55	4.43	0.00	0.36	0.4	-	0.35	-	33.68
13	Ekiti	17.06	1.43	0.21	4.52	3.45	0.01	0.06	0.1	0.02	1.94	-	28.70
14	Enugu	20.22	1.69	0.25	5.35	4.09	0.07	0.38	0.4	0.03	-	-	32.07
15	Gombe	14.75	1.23	0.18	3.90	2.77	0.01	0.15	0.2	0.13	0.21	-	23.34
16	Imo	29.27	2.45	0.36	7.75	5.78	0.02	0.31	0.3	-	-	-	45.94
17	Jigawa	30.71	2.57	0.38	8.13	6.00	0.71	0.42	1.1	0.05	0.03	-	48.99
18	Kaduna	32.94	3.40	0.40	8.72	6.38	0.01	1.39	1.4	0.58	0.28	0.01	54.10
19	Kano	54.06	4.52	0.66	14.31	11.17	0.02	0.87	0.9	1.09	5.11	1.04	92.84
20	Katsina	39.52	3.30	0.49	10.46	7.65	0.07	1.05	1.1	0.54	-	0.01	63.10
21	Kebbi	24.55	2.05	0.30	6.50	4.63	0.06	3.69	3.7	0.19	5.27	-	47.24
22	Kogi	25.45	2.13	0.31	6.74	4.71	0.02	0.29	0.3	0.01	0.05	0.83	40.53
23	Kwara	19.54	1.63	0.24	5.17	3.49	0.01	0.20	0.2	0.51	0.16	-	30.97
24	Lagos	32.84	2.74	0.40	8.69	33.63	0.00	3.53	3.5	0.01	3.85	-	85.69
25	Nassarawa	15.64	1.31	0.19	4.14	2.74	0.01	0.31	0.3	0.08	0.34	-	24.76
26	Niger	31.69	2.65	0.39	8.39	5.51	0.10	0.76	0.9	0.63	-	-	50.11
27	Ogun	23.45	1.96	0.29	6.21	4.72	0.00	0.73	0.7	0.01	-	-	37.37
28	Ondo	21.65	1.81	0.27	5.73	4.32	0.01	0.21	0.2	0.16	0.21	0.03	34.38
29	Osun	29.50	2.47	0.36	7.81	5.96	0.01	0.26	0.3	0.44	0.29	-	47.09
30	Oyo	37.72	3.15	0.46	9.98	7.58	0.03	0.59	0.6	1.63	0.48	17.10	78.74
31	Plateau	23.73	3.61	0.29	4.22	4.16	0.11	0.23	0.3	-	-	-	36.35
32	Rivers	28.27	2.36	0.35	7.47	7.57	0.86	0.88	1.7	0.05	0.29	0.03	48.14
33	Sokoto	27.10	2.26	0.33	7.17	5.12	0.03	0.14	0.2	0.28	0.42	0.00	42.85
34	Taraba	21.57	1.80	0.26	5.71	3.43	0.12	0.42	0.5	-	1.82	-	35.14
35	Yobe	20.92	1.75	0.26	5.54	3.61	0.19	1.14	1.3	0.87	11.07	0.24	45.60
36	Zamfara	19.64	1.64	0.24	5.20	3.54	0.00	0.23	0.2	0.01	1.90	-	32.41
37	FCT	8.36	0.70	0.10	2.21	9.54	0.02	0.75	0.8	1.51	-	-	23.19
	TOTAL	**940.0**	**80.6**	**11.5**	**246.6**	**218.2**	**3.1**	**24.3**	**27.3**	**14.0**	**44.1**	**21.3**	**1,603.8**

1/ Provisional

2/ Gross

3/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds.

Federation and Staff Estimates

Table 29 Cont.

SUMMARY OF LOCAL GOVERNMENT FINANCES (STATE BY STATE, 2011) 1/

(Naira Billion)

		EXPENDITURE & TRANSFERS							BALANCE		FINANCING						OUTSTANDING DEBT		
		RECURRENT										LOANS							
S/N	STATES	Personnel Cost	Overhead Cost	Transfers	Others	SUB-TOTAL	CAPITAL	TOTAL EXPENDITURE	Current	Overall	OPENING BALANCE	Internal	External	Sub-Total	OTHER FUNDS 4/	TOTAL	Domestic	Foreign	TOTAL
1	Abia	13.18	1.65	1.64	1.76	18.2	4.05	22.3	13.1	9.1	0.39	-	-	-	(9.5)	(9.1)	0.52	-	0.52
2	Adamawa	23.18	2.58	0.43	0.04	26.2	5.13	31.4	13.8	8.7	0.21	0.6	-	0.6	(9.5)	(8.7)	0.89	-	0.89
3	Akwa Ibom	18.36	4.63	12.99	1.63	37.6	11.29	48.9	16.4	5.1	0.12	0.0	-	0.0	(5.2)	(5.1)	0.05	-	0.05
4	Anambra	19.63	1.79	0.80	0.74	23.0	6.45	29.4	16.5	10.1	1.75	-	-	-	(11.8)	(10.1)	0.21	-	0.21
5	Bauchi	21.28	7.42	19.06	-	47.8	7.77	55.5	3.3	(4.5)	0.11	0.3	-	0.3	4.1	4.5	0.80	-	0.80
6	Bayelsa	7.40	2.51	2.29	0.77	13.0	3.61	16.6	4.9	1.3	(0.01)	0.0	-	0.0	(1.3)	(1.3)	0.06	-	0.06
7	Benue	21.46	5.04	8.90	-	35.4	10.74	46.1	12.6	1.9	0.22	1.9	-	1.9	(4.0)	(1.9)	2.55	-	2.55
8	Borno	36.52	14.28	1.16	0.56	52.5	19.80	72.3	(0.5)	(20.3)	0.33	-	-	-	20.0	20.3	8.76	-	8.76
9	Cross River	16.88	2.04	2.62	-	21.5	6.67	28.2	12.0	5.3	0.39	0.1	-	0.1	(5.8)	(5.3)	0.28	-	0.28
10	Delta	27.72	7.88	0.64	0.00	36.3	8.68	44.9	12.4	3.7	0.49	-	-	-	(4.2)	(3.7)	3.87	-	3.87
11	Ebonyi	7.51	1.82	0.17	1.46	11.0	8.57	19.5	13.6	5.0	0.22	0.1	-	0.1	(5.3)	(5.0)	0.23	-	0.23
12	Edo	14.76	4.95	4.00	0.07	23.8	7.45	31.2	9.9	2.4	1.50	0.0	-	0.0	(4.0)	(2.4)	1.19	-	1.19
13	Ekiti	13.49	1.87	0.05	0.02	15.4	7.06	22.5	13.3	6.2	0.34	-	-	-	(6.5)	(6.2)	1.45	-	1.45
14	Enugu	14.35	2.81	0.34	-	17.5	11.58	29.1	14.6	3.0	1.12	-	-	-	(4.1)	(3.0)	0.75	-	0.75
15	Gombe	12.58	6.49	2.64	-	21.7	3.80	25.5	1.6	(2.2)	0.62	-	-	-	1.6	2.2	0.32	-	0.32
16	Imo	17.21	2.43	0.47	2.51	22.6	5.26	27.9	23.3	18.1	0.41	0.1	-	0.1	(18.6)	(18.1)	0.79	-	0.79
17	Jigawa	26.64	23.25	8.25	0.04	58.2	19.48	77.7	(9.2)	(28.7)	1.26	0.1	-	0.1	27.3	28.7	0.16	-	0.16
18	Kaduna	20.51	9.50	3.48	0.10	33.6	14.24	47.8	20.5	6.3	2.32	0.0	-	0.0	(8.6)	(6.3)	0.72	-	0.72
19	Kano	37.19	25.63	3.34	-	66.2	8.98	75.1	26.7	17.7	1.14	0.0	-	0.0	(18.9)	(17.7)	1.40	-	1.40
20	Katsina	22.16	11.60	5.48	0.09	39.3	22.25	61.6	23.8	1.5	1.30	-	-	-	(2.8)	(1.5)	1.28	-	1.28
21	Kebbi	23.35	5.11	25.48	0.03	54.0	41.78	95.7	(6.7)	(48.5)	0.06	-	-	-	48.4	48.5	4.58	-	4.58
22	Kogi	29.80	5.04	2.28	0.28	37.4	6.16	43.6	3.1	(3.0)	1.52	0.0	-	0.0	1.5	3.0	3.36	-	3.36
23	Kwara	11.31	3.11	1.52	0.07	16.0	6.95	23.0	15.0	8.0	0.12	0.4	-	0.4	(8.6)	(8.0)	0.30	-	0.30
24	Lagos	20.33	11.38	5.37	2.47	39.5	9.16	48.7	46.1	37.0	1.27	0.2	-	0.2	(38.5)	(37.0)	3.91	-	3.91
25	Nassarawa	17.91	1.84	3.23	1.13	24.1	2.48	26.6	0.7	(1.8)	0.15	0.0	-	0.0	1.7	1.8	1.25	-	1.25
26	Niger	16.12	7.96	7.67	0.77	32.5	12.16	44.7	17.6	5.4	(0.06)	0.3	-	0.3	(5.7)	(5.4)	0.88	-	0.88
27	Ogun	25.63	6.72	4.64	0.26	37.3	4.35	41.6	0.1	(4.2)	(0.10)	0.3	-	0.3	4.1	4.2	1.41	-	1.41
28	Ondo	17.48	2.41	1.46	0.70	22.0	19.65	41.7	12.3	(7.3)	1.80	0.1	-	0.1	5.4	7.3	0.27	-	0.27
29	Osun	29.40	5.28	5.59	-	40.3	9.54	49.8	6.8	(2.7)	0.99	0.1	-	0.1	1.7	2.7	0.28	-	0.28
30	Oyo	45.69	9.05	0.59	0.14	55.5	32.39	87.9	23.3	(9.1)	2.45	0.0	-	0.0	6.7	9.1	0.05	-	0.05
31	Plateau	14.99	4.38	0.38	0.39	20.1	7.36	27.5	16.2	8.8	1.50	0.2	-	0.2	(10.5)	(8.8)	2.85	-	2.85
32	Rivers	23.19	10.17	4.24	4.57	42.2	12.26	54.4	6.0	(6.3)	0.66	0.1	-	0.1	5.5	6.3	0.48	-	0.48
33	Sokoto	18.72	5.04	2.53	-	26.3	21.41	47.7	16.6	(4.8)	0.66	-	-	-	4.2	4.8	1.42	-	1.42
34	Taraba	24.09	4.73	5.14	-	34.0	9.79	43.7	1.2	(8.6)	0.74	0.1	-	0.1	7.8	8.6	1.62	-	1.62
35	Yobe	17.09	2.46	1.88	0.02	21.4	16.58	38.0	24.2	7.6	0.10	0.0	-	0.0	(7.7)	(7.6)	1.10	-	1.10
36	Zamfara	10.63	3.99	12.13	-	26.7	9.70	36.5	5.7	(4.0)	0.07	0.9	-	0.9	3.1	4.0	1.01	-	1.01
37	FCT	10.37	2.83	16.11	-	29.3	7.19	36.5	(6.1)	(13.3)	0.17	0.3	-	0.3	12.9	13.3	1.43	-	1.43
	TOTAL	**748.1**	**231.7**	**179.0**	**20.6**	**1,179.4**	**421.8**	**1,601.2**	**424.4**	**2.6**	**26.3**	**6.3**	**-**	**6.3**	**(35.2)**	**(2.6)**	**52.5**	**-**	**52.5**

1/ Provisional
2/ Gross
3/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds.

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TABLE 30
Consolidated Debt of the Federal Government
(Naira Billion)

Type	2007	2008	2009	2010	2011 1/
External Debt	438.9	523.3	590.4	689.8	896.8
Domestic Debt	2,169.6	2,320.3	3,228.0	4,551.8	5,622.8
Total	**2,608.5**	**2,843.6**	**3,818.4**	**5,241.7**	**6,519.6**

Domestic Public Debt (end - Period)

Item	2007	2008	2009	2010	2011 1/
COMPOSITION OF DEBT.					
Instruments					
Treasury Bills	574.9	471.9	797.5	1,277.1	1,727.9
Treasury Bonds	407.9	402.3	392.1	372.9	353.7
Development Stocks	0.6	0.5	0.5	0.2	-
FGN Bonds	1,007.7	1,445.6	1,974.9	2,901.6	3,541.2
Special FGN Bonds	178.4	-	-	-	-
Promisory Notes 2/	-	-	63.0	-	-
HOLDERS					
Banking System	1,703.6	1,771.5	1,882.5	3,092.5	4,286.0
Central Bank	293.6	289.4	323.2	343.1	348.0
Deposit Money Banks (DMBs)	1,410.0	1,482.2	1,274.6	2,605.0	3,790.8
Sinking Fund	-	-	284.7	144.4	147.2
Non-Bank Public	466.0	548.8	1,345.6	1,459.3	1,336.8
TENOR**					
2 years and below	709.8	952.0	1,421.4	1,995.3	3,124.9
2-5 years	820.9	472.7	947.3	1,316.8	1,064.4
5-10 years	252.9	406.1	294.7	496.4	715.2
Over 10 years	386.0	489.5	564.6	743.3	718.3
Total Debt Outstanding	**2,169.6**	**2,320.3**	**3,228.0**	**4,551.8**	**5,622.8**

***Figures for 2010 have been revised*
1/ Provisional
2/ Introduced 30th September, 2009

Table 31
External Public Debt Outstanding
External Debt Stock

Holder	US $ Milliom 2007	2008	2009	2010	2011 1/	Naira Billion 2007	2008	2009	2010	2011 1/
Multilateral	3,080.9	3,172.9	3,504.5	4,217.8	4,568.9	374.3	464.6	524.2	635.4	723.1
Paris Club	-	-	-	-	-	-	-	-	-	-
London Club	-	-	-	-	-	-	-	-	-	-
Par Bonds	-	-	-	-	-	-	-	-	-	-
Promissory Notes	-	-	-	-	-	-	-	-	-	-
Others 2/	573.3	547.5	442.8	361.0	1,097.7	64.6	58.7	66.2	54.4	173.7
Total Debt Outstanding	**3,654.2**	**3,720.4**	**3,947.3**	**4,578.8**	**5,666.6**	**438.9**	**523.3**	**590.4**	**689.8**	**896.8**

External Debt Service Payments

Holder	US $ Milliom 2007	2008	2009	2010	2011 1/	Naira Billion 2007	2008	2009	2010	2011 1/
Multilateral	**392.8**	**380.6**	**260.5**	**212.6**	**172.3**	**47.9**	**31.0**	**38.8**	**32.0**	**26.5**
I.B.R.D.	203.7	204.4	141.4	73.3	36.8	25.7	16.8	21.1	11.0	5.7
E.I.B.	3.9	1.9	-	-	6.9	0.2	-	-	-	1.1
A.D.B. & Others	185.2	174.4	119.0	139.3	128.5	21.9	14.2	17.7	20.9	19.8
Paris Club	-	-	-	-	-	-	-	-	-	-
London Club	102.6	41.7	-	-	-	5.2	-	-	-	-
Promissory Notes	476.6	-	-	-	-	-	-	-	-	-
Others 3/	50.1	42.3	167.5	141.8	179.3	5.3	19.9	24.9	21.3	27.6
Total	**1,022.0**	**464.6**	**428.0**	**354.4**	**351.6**	**58.5**	**50.9**	**63.7**	**53.3**	**54.1**

1/ Provisional
2/ Includes Non-Paris Bilateral and Commercial debts and ICM (Euro-Bond)
3/ Includes Non-Paris Bilateral, Non-Paris Commercial, Oil Warrants and ICM (Euro Bond).
Source: Debt Management Office, The Presidency, Abuja.

Table 32
Gross Domestic Product at 1990 Constant Basic Prices
(Naira Billion, unless otherwise stated)

Activity Sector	2007	2008	2009	2010 /1	2011 /2	Share in Total (%)				
						2007	2008	2009	2010 /1	2011 /2
1. Agriculture	**266.5**	**283.2**	**299.8**	**317.3**	**335.4**	**42.0**	**42.1**	**41.7**	**40.9**	**40.2**
(a) Crop Production	237.7	252.5	267.2	282.6	298.6	37.5	37.6	37.2	36.4	35.8
(b) Livestock	16.7	17.9	19.0	20.3	21.5	2.6	2.7	2.6	2.6	2.6
(c) Forestry	3.4	3.6	3.8	4.0	4.3	0.5	0.5	0.5	0.5	0.5
(d) Fishery	8.7	9.2	9.8	10.4	11.0	1.4	1.4	1.4	1.3	1.3
2. Industry	**151.7**	**146.5**	**149.5**	**158.2**	**160.2**	**23.9**	**21.8**	**20.8**	**20.4**	**19.2**
(a) Crude Petroleum	124.3	116.6	117.1	123.3	122.6	19.6	17.3	16.3	15.9	14.7
(b) Solid Minerals	1.9	2.1	2.4	2.7	3.0	0.3	0.3	0.3	0.3	0.4
(c) Manufacturing	25.5	27.8	30.0	32.3	34.7	4.0	4.1	4.2	4.2	4.2
3. Building & Construction	**10.9**	**12.3**	**13.8**	**15.5**	**17.3**	**1.7**	**1.8**	**1.9**	**2.0**	**2.1**
4. Wholesale & Retail Trade	**102.6**	**117.0**	**130.4**	**145.1**	**161.5**	**16.2**	**17.4**	**18.1**	**18.7**	**19.4**
5. Services	**102.5**	**113.2**	**125.4**	**140.3**	**158.9**	**16.2**	**16.8**	**17.4**	**18.1**	**19.1**
(a) Transport	17.0	18.2	19.4	20.8	22.2	2.7	2.7	2.7	2.7	2.7
(b) Communication	14.6	19.6	26.3	35.3	47.6	2.3	2.9	3.7	4.6	5.7
(c) Utilities	22.2	23.0	23.7	24.5	25.3	3.5	3.4	3.3	3.2	3.0
(d) Hotel & Restaurant	2.7	3.1	3.5	3.9	4.4	0.4	0.5	0.5	0.5	0.5
(e) Finance & Insurance	24.4	25.6	26.6	27.7	28.8	3.8	3.8	3.7	3.6	3.5
(f) Real Estate & Business Services	10.6	11.8	13.0	14.4	15.8	1.7	1.8	1.8	1.9	1.9
(h) Producers of Govt. Services	5.9	6.3	6.7	7.0	7.4	0.9	0.9	0.9	0.9	0.9
(I) Comm., Social & Pers. Services	5.1	5.6	6.2	6.8	7.4	0.8	0.8	0.9	0.9	0.9
TOTAL (GDP)	**634.3**	**672.2**	**719.0**	**776.3**	**833.4**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
NON-OIL (GDP)	**510.0**	**555.6**	**601.9**	**653.1**	**710.9**	**80.4**	**82.7**	**83.7**	**84.1**	**85.3**
TOTAL GDP GROWTH RATE (%)	**6.4**	**6.0**	**7.0**	**8.0**	**7.4**					
Of which Agriculture (%)	7.2	6.3	5.9	5.8	5.7					
Industry (%)	-2.2	-3.4	2.0	5.8	1.3					
Services (%)	9.9	10.4	10.8	11.9	13.3					
Finance & Insurance (%)	5.0	4.8	4.0	3.9	4.0					
Manufacturing (%)	9.6	8.9	7.9	7.6	7.6					
Mining and Quarying (%)	12.8	12.8	12.1	12.1	11.5					
Communication (%)	32.9	34.0	34.2	34.4	34.8					
OIL GDP GROWTH RATE (%)	**-4.5**	**-6.2**	**0.5**	**5.2**	**-0.6**					
NON-OIL GDP GROWTH RATE (%)	**9.5**	**9.0**	**8.3**	**8.5**	**8.9**					

1/ Revised
2/ Provisional

Source: National Bureau of Statistics (NBS)

Table 33
Gross Domestic Product at Current Basic Prices
(Naira Billion, unless otherwise stated)

Activity Sector	2007	2008	2009	2010 /1	2011 /2	Share in Total (%) 2007	2008	2009	2010 /1	2011 /2
1. Agriculture	**6,757.9**	**7,981.4**	**9,186.3**	**10,310.7**	**11,590.1**	**32.7**	**32.9**	**37.1**	**30.3**	**31.1**
(a) Crop Production	6,024.4	7,114.8	8,200.9	9,196.0	10,320.3	29.2	29.3	33.1	27.1	27.7
(b) Livestock	434.2	512.9	583.6	662.1	756.1	2.1	2.1	2.4	1.9	2.0
(c) Forestry	83.8	99.0	111.1	124.3	140.2	0.4	0.4	0.4	0.4	0.4
(d) Fishery	215.5	254.6	290.7	328.2	373.6	1.0	1.0	1.2	1.0	1.0
2. Industry	**8,085.4**	**9,719.5**	**8,071.1**	**15,194.6**	**16,022.8**	**39.1**	**40.0**	**32.6**	**44.7**	**43.0**
(a) Crude Petroleum	7,533.0	9,097.8	7,418.1	14,505.8	15,275.7	36.5	37.4	29.9	42.7	40.9
(b) Solid Minerals	31.5	36.2	40.6	45.7	52.4	0.2	0.1	0.2	0.1	0.1
(c) Manufacturing	520.9	585.6	612.3	643.1	694.7	2.5	2.4	2.5	1.9	1.9
3. Building & Construction	**266.5**	**306.6**	**347.7**	**394.7**	**456.0**	**1.3**	**1.3**	**1.4**	**1.2**	**1.2**
4. Wholesale & Retail Trade	**3,044.8**	**3,503.2**	**4,082.4**	**4,648.7**	**5,388.0**	**14.7**	**14.4**	**16.5**	**13.7**	**14.4**
5. Services	**2,502.8**	**2,785.7**	**3,106.8**	**3,436.2**	**3,846.4**	**12.1**	**11.5**	**12.5**	**10.1**	**10.3**
(a) Transport	473.4	479.1	506.7	529.0	565.0	2.3	2.0	2.0	1.6	1.5
(b) Communication	243.6	249.9	256.0	262.6	293.7	1.2	1.0	1.0	0.8	0.8
(c) Utilities	45.8	52.7	62.1	70.3	80.7	0.2	0.2	0.3	0.2	0.2
(d) Hotel & Restaurant	72.8	86.1	99.0	113.8	130.8	0.4	0.4	0.4	0.3	0.4
(e) Finance & Insurance	340.9	392.0	444.2	507.8	574.3	1.7	1.6	1.8	1.5	1.5
(f) Real Estate & Business Services	925.6	1,064.4	1,213.0	1,348.2	1,515.3	4.5	4.4	4.9	4.0	4.1
(h) Producers of Govt. Services	193.4	223.4	255.4	292.7	333.1	0.9	0.9	1.0	0.9	0.9
(I) Comm., Social & Pers. Services	207.3	238.1	270.3	311.8	353.6	1.0	1.0	1.1	0.9	0.9
TOTAL (GDP)	**20,657.3**	**24,296.3**	**24,794.2**	**33,984.8**	**37,303.4**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
NON-OIL (GDP)	**13,124.3**	**15,198.6**	**17,376.1**	**19,479.0**	**22,027.7**	**63.5**	**62.6**	**70.1**	**57.3**	**59.1**
TOTAL GDP GROWTH RATE (%)	**11.3**	**17.6**	**2.0**	**37.1**	**9.8**					
Of which Agriculture (%)	13.8	18.1	15.1	12.2	12.4					
Industry (%)	8.0	20.2	-17.0	88.3	5.5					
Services (%)	16.8	11.3	11.5	10.6	11.9					
Finance & Insurance (%)	14.9	15.0	13.3	14.3	13.1					
Manufacturing (%)	8.9	12.4	4.6	5.0	8.0					
Mining and Quarying (%)	15.3	15.1	12.2	12.6	14.6					
Communication (%)	46.9	2.6	2.4	2.6	11.8					
OIL GDP GROWTH RATE (%)	**7.9**	**20.8**	**-18.5**	**95.5**	**5.3**					
NON-OIL GDP GROWTH RATE (%)	**13.3**	**15.8**	**14.3**	**12.1**	**13.1**					

1/ Revised
2/ Provisional

Source: National Bureau of Statistics (NBS)

Table 34					
Gross Domestic Product at 1990 Purchasers' Price					
(Expenditure Approach)					
(Naira Billion)					
COMPONENT	**2007**	**2008**	**2009 1/**	**2010 2/**	**2011 3/**
Domestic demand	**681.6**	**556.4**	**560.0**	**524.6**	**521.2**
Private Consumption Expenditure	378.0	248.3	264.1	193.5	174.4
Government Final Expenditure	224.6	234.5	215.6	253.8	267.0
Gross Fixed Capital Formation	79.0	73.6	80.3	77.4	79.7
Increase in Stocks	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Net Export of Goods and Non-Factor Service	**-48.6**	**91.3**	**34.1**	**85.2**	**86.9**
Export of Goods and Non-Factor Services	210.3	301.6	211.1	235.0	213.8
Less Import of Goods and Non-Factor Services	258.9	210.3	177.0	149.8	126.9
Gross Domestic Product (At 1990 Purchaser's Price)	**633.0**	**647.8**	**594.2**	**609.9**	**608.2**

1/ Revised
2/ Provisional
3/ Estimate

Source: National Bureau of Statistics (NBS)

Table 35					
Gross Domestic Product at Current Purchasers' Price					
(Expenditure Approach)					
(Naira Billion)					
COMPONENT	**2007**	**2008**	**2009 1/**	**2010 2/**	**2011 3/**
Domestic demand	**20,226.5**	**20,941.1**	**25,120.8**	**30,036.5**	**31,256.9**
Private Consumption Expenditure	15,682.9	15,756.2	18,859.6	20,408.9	19,908.8
Government Final Consumption Expenditure	2,608.6	3,134.2	3,213.2	4,963.9	5,356.6
Gross Fixed Capital Formation	1,935.0	2,050.8	3,048.0	4,663.6	5,991.4
Increase in Stocks	**1.6**	**1.7**	**1.8**	**2.2**	**2.1**
Net Export of Goods and Non-Factor Service	**712.8**	**3,722.5**	**102.6**	**4,286.1**	**6,569.2**
Export of Goods and Non-Factor Services	7,063.1	9,837.3	7,766.2	15,640.7	18,650.9
Less Import of Goods and Non-Oil Services	6,350.3	6,114.8	7,663.6	11,354.6	12,081.7
Gross Domestic Product (At Current Purchasers' Price)	**20,940.9**	**24,665.3**	**25,225.1**	**34,324.8**	**37,828.1**

1/ Revised
2/ Provisional
3/ Estimate

Source: National Bureau of Statistics (NBS)

Table 36
National Income at Constant Market Prices
(Naira Billion)

COMPONENT	2007	2008	2009 1/	2010 2/	2011 3/
1. Gross Domestic Product					
(At Constant Market Prices)	**633.0**	**647.8**	**594.2**	**609.9**	**608.2**
LESS					
Net Factor Income From Abroad	-64.5	-51.7	-34.3	-34.6	-28.9
Other Current Transfers	66.7	67.9	73.0	44.2	37.1
2. Gross National Income	**630.8**	**631.6**	**555.4**	**600.3**	**600.0**
LESS					
Consumption of Fixed Capital (Depreciation)	11.3	7.9	6.4	5.2	4.2
3. Net National Income (Market prices)	**619.5**	**623.7**	**549.0**	**595.1**	**595.8**

1/ Revised
2/ Provisional
3/ Estimate

Source: National Bureau of Statistics (NBS)

Table 37
Index of Agricultural Production By Type of Activity
(1990 = 100)

Sub-Sector	2007	2008	2009	2010 /1	2011 /2
Crops	**208.4**	**222.0**	**237.1**	**250.6**	**264.8**
(a) Staples	229.5	245.9	268.2	283.4	299.5
(b) Other Crops	98.9	106.3	113.8	120.8	128.6
Livestock	**279.7**	**299.0**	**319.4**	**340.0**	**361.9**
Fishery	**201.7**	**214.9**	**270.0**	**288.8**	**306.0**
Forestry	**138.4**	**147.4**	**155.5**	**163.0**	**172.6**
Aggregate	**212.8**	**226.7**	**242.1**	**255.9**	**270.6**

/1 Revised
/2 Provisional

Source: Derived from data compiled by National Bureau of Statistics

Table 38

Estimated Output of Major Agricultural Commodities

Item	Area Planted (Million)					Production (Thousand Tonnes)				
	2007	2008	2009	2010 /1	2011 /2	2007	2008	2009	2010 /1	2011/2
Crop Production	**109,354.4**	**109,303.8**	**112,902.1**	**145,087.5**	**146,644.5**	**139,315.1**	**149,442.2**	**158,679.3**	**167,795.5**	**177,307.4**
Staples	**100,907.7**	**100,434.8**	**103,480.7**	**135,423.0**	**136,709.4**	**128,601.6**	**138,116.9**	**146,680.2**	**155,064.5**	**163,865.4**
Maize	10,471.7	8,949.9	8,775.1	8,950.3	8,102.0	11,875.7	12,708.9	13,450.1	14,240.8	15,160.9
Millet	6,375.6	5,967.9	6,034.4	6,100.9	5,930.3	8,399.4	8,951.8	9,417.4	9,882.0	10,400.8
Guineacorn/Sorghum	10,105.2	9,545.9	9,680.3	9,352.2	9,139.7	11,892.6	12,600.7	13,316.7	13,849.6	14,599.6
Rice	3,878.7	3,235.0	3,143.6	33,124.2	32,756.6	4,522.9	4,852.5	5,213.9	5,420.2	5,690.2
Wheat	15.0	15.9	16.7	17.5	18.4	66.7	70.9	75.4	79.6	84.6
Acha	217.2	223.0	231.9	238.7	246.0	113.7	120.4	127.2	133.6	140.6
Beans/Cowpeas	10,331.0	10,679.7	11,123.9	11,504.5	11,900.9	5,128.2	5,497.6	5,793.0	6,146.0	6,546.0
Cassava Old	4,092.3	4,463.5	4,717.2	5,049.2	5,361.6	42,661.8	46,554.0	49,631.6	53,056.1	56,256.1
Potatoes	237.0	249.9	261.7	274.3	286.6	1,856.1	1,974.4	2,096.7	2,218.9	2,368.9
Yam	3,435.7	3,603.6	3,768.6	3,833.7	4,000.1	31,986.3	33,873.6	35,928.6	37,653.4	39,693.4
Cocoyam	50,350.8	51,983.0	54,125.5	55,268.1	57,155.4	2,857.0	3,067.0	3,304.0	3,455.9	3,585.9
Plantain	113.8	120.0	125.7	131.3	137.3	1,401.8	1,486.5	1,565.2	1,651.1	1,757.9
Vegetables	1,283.8	1,397.5	1,476.1	1,578.1	1,674.3	5,839.4	*6,358.6*	6,760.4	7,277.3	7,580.5
Other crops	**8,446.7**	**8,869.0**	**9,421.5**	**9,664.6**	**9,935.1**	**10,713.5**	**11,325.3**	**11,999.1**	**12,731.0**	**13,563.0**
Melon	395.1	405.6	421.6	437.7	450.9	574.4	608.4	640.2	673.8	740.5
Groundnnut/Peanut	3,501.8	3,576.5	3,712.5	3,807.7	3,913.0	4,036.2	4,256.0	4,489.2	4,728.5	4,999.4
Benniseed/Sesame	76.5	80.6	84.4	88.4	92.3	137.1	146.7	158.2	168.0	179.6
Soya Bean	2,596.9	2,647.2	2,746.4	2,813.0	2,887.8	1,728.5	1,826.5	1,928.6	2,090.1	2,270.7
Cotton	857.5	879.8	914.5	929.2	957.7	667.3	703.8	748.5	787.5	812.6
Oil Palm	80.6	87.3	92.1	108.2	114.0	233.1	254.0	272.1	294.6	323.1
Cocoa	1,091.5	1,106.0	1,145.5	1,165.0	1,192.0	240.2	253.6	272.0	289.9	314.1
Rubber	4.6	4.9	5.1	5.4	5.7	277.4	295.1	312.0	329.4	348.8
Sugarcane	140.7	148.2	155.2	162.5	169.7	2,601.2	2,750.8	2,932.4	3,106.9	3,292.6
Kolanut	115.5	118.0	122.5	124.7	128.2	87.8	92.7	99.4	107.1	115.8
Ginger	8.3	8.7	9.1	9.5	9.9	98.7	104.1	110.4	116.1	123.7
Cashew	5.7	5.9	6.2	6.4	6.6	23.2	24.5	26.5	28.5	30.6
Pinneaple	1.2	1.2	1.3	1.6	1.7	3.8	4.1	4.4	4.8	5.2
Palm Produce	4.5	4.8	5.0	5.3	5.6	4.6	4.9	5.3	5.7	6.1
Livestock Products						**3,647.3**	**3,858.4**	**4,119.3**	**4,385.0**	**4,667.0**
Poultry						122.9	129.4	139.3	166.5	175.1
Goat Meat						597.0	637.0	677.8	726.7	775.7
Mutton						556.3	587.9	625.4	663.6	709.6
Beef						275.8	298.8	317.0	345.3	375.3
Pork						73.1	76.7	81.3	84.8	89.2
Milk						1,390.2	1,468.9	1,567.0	1,648.8	1,744.8
Eggs						632.0	659.7	711.5	749.2	797.2
Fishery						**635.2**	**668.7**	**709.7**	**759.2**	**804.2**
(1) Artisanal Coastal and Brackish Water Catches						262.7	274.5	291.9	305.0	315.5
(2) Artisanal Inland Rivers and Lakes Catches						244.8	255.5	270.3	286.4	304.4
(3) Fish Farming						76.3	84.5	89.9	107.2	119.4
(4) Industrial (Trawling) Coastal Fish & Shrimps						51.4	54.3	57.6	60.6	64.9
Forestry ('000 cu meteres)						**145,593.1**	**148,747.6**	**157,449.4**	**165,085.6**	**174,809.0**
Roundwood						143,072.1	146,169.8	154,709.8	161,886.2	170,981.6
Sawnwood						2,311.0	2,363.9	2,510.1	2,948.0	3,534.0
Wood Based Panels						181.7	184.7	198.4	215.0	248.0
Papers & Paperboards ('000MT)						28.3	29.2	31.1	36.4	45.4

1/ Revised
2/ Provisional

Source: National Bureau of Statistics

Table 39
Indices of Average World Prices (C.I.F) of Nigeria's
Major Agricultural Export Commodities
(Dollar-based, 1990 = 100)

COMMODITY	2007	2008	2009	2010	2011
Cocoa	276.0	348.2	520.4	764.5	431.2
Coffee	282.7	284.0	207.3	218.9	377.2
Copra	123.0	173.7	154.6	169.1	502.9
Cotton	154.0	126.1	155.7	188.2	187.2
Palm Oil	223.9	337.6	381.5	501.3	335.6
Soya Beans	159.4	261.1	245.2	260.4	196.0
All Commodities	413.6	514.8	572.8	727.2	416.3

Source: Public Ledger and Financial Times (London)

Table 40

Indices of Average World Prices (C.I.F) of Nigeria's Major Export Commodities

(Naira-based, 1990 = 100)

COMMODITY	2007	2008	2009	2010	2011
Cocoa	3,472.2	4,128.5	6,156.8	9,044.4	6,051.2
Coffee	3,312.2	3,196.2	2,333.2	2,463.9	7,244.5
Copra	2,105.3	2,591.6	2,280.6	2,445.2	9,583.7
Cotton	2,428.2	1,874.5	2,315.0	2,798.8	3,549.0
Palm Oil	1,189.2	1,720.8	1,946.6	2,557.8	7,255.0
Soya Bean	4,793.6	7,401.3	7,568.0	8,037.3	3,738.0
All Commodities	5,713.1	7,198.5	8,009.1	10,347.7	6,190.7

Source: Public Ledger and Financial Times (London)

Table 41

Average Prices of Selected Cash Crops

(Naira Per Tonne)

COMMODITY	2007	2008	2009	2010 1/	2011 2/
Benniseed	94,706.7	97,424.8	103,763.4	173,998.6	107,688.3
Cocoa	182,490.0	220,000.0	435,000.0	457,183.6	531,673.3
Coffee (Arabica)	172,003.6	181,665.2	193,795.4	205,355.8	204,279.9
Tea	308,406.7	335,546.5	390,854.7	432,859.9	427,383.9
Cotton	33,822.2	35,628.3	36,295.6	38,034.2	37,722.1
Groundnut (Unshelled)	26,281.6	26,903.4	27,499.5	28,110.6	28,112.8
Ginger (Peeled)	194,746.7	205,847.3	237,172.8	293,660.2	255,015.0
Palm Kernel	48,796.7	57,946.1	63,615.7	79,123.6	71,605.1
Palm Oil (Special)	161,358.2	179,398.0	194,530.0	257,727.2	211,600.5
Soya Beans	65,720.0	69,056.1	72,292.4	107,461.8	75,595.2
Rubber (100% Dry Lump top quality)	137,286.8	139,582.3	142,810.2	145,077.6	145,416.6
Cashew Nut	54,214.0	54,860.0	57,506.0	78,152.0	58,818.7
Wheat	67,136.7	68,768.1	75,064.1	129,310.5	78,250.4

1/ Revised
2/ Provisional

Sources: (i) CBN-NBS-NCC Socio-Economic Nationwide Survey
(ii) Agricultural Projects Monitoring and Evaluation Unit (APMEU) Bulletin on prices
(iii) NAERLS Bulletin on prices

Table 42 Index of Industrial Production (1990=100)				
Year/Quarter	**Manufacturing**	**Mining**	**Electricity**	**Total (All Sectors)**
2007	**89.2**	**132.7**	**190.2**	**119.4**
1st Quarter	89.4	132.0	189.7	**120.3**
2nd Quarter	89.6	132.2	190.3	**120.1**
3rd Quarter	89.0	133.1	190.1	**119.5**
4th Quarter	88.6	133.3	190.8	**117.5**
2008	**91.2**	**129.6**	**198.2**	**117.8**
1st Quarter	90.8	130.9	194.2	**118.3**
2nd Quarter	91.0	129.4	199.0	**117.7**
3rd Quarter	91.3	129.0	199.5	**118.0**
4th Quarter	91.7	129.0	200.0	**117.2**
2009	**92.4**	**129.4**	**198.3**	**118.2**
1st Quarter	91.6	127.2	198.0	**116.9**
2nd Quarter	92.3	129.5	195.9	**118.1**
3rd Quarter	92.8	130.5	199.3	**118.9**
4th Quarter	93.0	130.5	200.0	**119.0**
2010 1/	**94.2**	**131.7**	**200.7**	**122.1**
1st Quarter	92.9	130.9	195.5	**118.6**
2nd Quarter	93.5	130.7	199.7	**120.9**
3rd Quarter	94.6	131.2	200.2	**122.0**
4th Quarter	96.0	134.0	207.3	**126.9**
2011 2/	**101.2**	**138.8**	**209.3**	**132.0**
1st Quarter	94.3	132.9	206.4	**125.7**
2nd Quarter	98.3	136.0	208.5	**129.5**
3rd Quarter	102.0	140.5	210.4	**134.1**
4th Quarter	110.3	145.8	211.8	**138.8**

1/ Revised

2/ Provisional

Sources: Computed from data obtained from National Bureau of statistics (NBS), CBN Surveys, NNPC, Federal Ministry of Power and Steel, and Ministry of Solid Minerals Development.

Table 43
Index of Manufacturing Production
(Base Quarterly Average, 1990 = 100)

Year/Quarter	Sugar Confectioner	Soft Drinks	Beer, Spirit & Wine	Cotton Textiles	Synthetic Fabrics	Foot Wear	Paints	Refined Petroleum	Cement	Roofing Sheets	Vehicle Assembly	Soap & Detergents	Elec & Elect Appl	Total
2007	**51.3**	**53.0**	**131.7**	**79.8**	**46.3**	**96.5**	**187.1**	**129.9**	**113.5**	**39.2**	**64.9**	**138.0**	**27.8**	**89.2**
1st Quarter	43.7	54.3	138.1	79.2	73.4	91.5	157.0	135.6	113.3	43.0	68.6	137.0	28.0	**89.4**
2nd Quarter	58.9	51.1	124.0	84.3	46.7	103.3	159.9	134.5	115.3	43.6	72.0	144.1	27.6	**89.6**
3rd Quarter	45.5	55.9	135.9	83.9	42.1	90.9	212.3	119.5	106.1	42.2	59.0	135.2	27.9	**89.0**
4th Quarter	57.0	50.8	128.9	72.0	23.0	100.4	219.3	130.0	119.1	28.2	60.2	135.5	27.9	**88.6**
2008	**57.9**	**55.0**	**129.1**	**80.1**	**46.7**	**89.2**	**192.1**	**131.8**	**126.7**	**43.3**	**62.1**	**140.4**	**31.3**	**91.2**
1st Quarter	54.3	54.3	127.1	79.2	70.7	90.3	169.9	130.6	124.0	40.8	68.8	140.9	29.9	**90.8**
2nd Quarter	56.9	55.9	128.9	84.3	50.3	89.2	180.2	131.8	126.5	44.6	60.4	144.1	30.2	**91.0**
3rd Quarter	56.1	56.9	129.7	83.9	42.1	89.0	200.8	131.9	127.3	44.9	59.0	135.2	30.3	**91.3**
4th Quarter	64.2	52.8	130.8	73.0	23.9	88.4	217.4		128.9	42.9	60.2	141.5	34.9	**88.2**
2009	**65.3**	**57.2**	**131.0**	**69.2**	**41.4**	**88.1**	**200.1**	**128.8**	**138.1**	**48.0**	**58.5**	**141.4**	**34.5**	**92.4**
1st Quarter	64.3	54.1	130.6	68.9	40.3	88.0	199.8	127.9	135.0	47.9	58.9	141.0	34.1	**91.6**
2nd Quarter	65.0	56.9	130.9	69.0	40.3	88.2	200.0	128.7	138.9	48.0	59.0	141.2	34.0	**92.3**
3rd Quarter	65.8	58.9	131.2	69.9	42.1	88.3	200.0	129.0	139.1	48.1	58.1	141.5	34.9	**92.8**
4th Quarter	66.0	59.1	131.4	68.9	43.0	88.0	200.8	129.7	139.3	48.1	58.0	142.0	35.1	**93.0**
2010 1/	66.5	58.5	131.9	70.7	43.2	89.7	201.1	129.4	141.8	49.2	62.5	143.5	37.3	**94.2**
1st Quarter	65.8	55.6	131.2	68.9	42.7	88.6	199.9	128.8	139.8	48.6	58.9	142.3	36.9	**92.9**
2nd Quarter	66.0	57.0	130.9	69.8	43.0	89.8	200.9	128.7	140.9	48.8	60.6	142.7	37.0	**93.5**
3rd Quarter	66.5	58.9	131.2	71.2	43.2	90.0	201.8	129.0	142.6	49.1	64.8	143.9	37.3	**94.6**
4th Quarter	67.7	62.3	134.2	72.8	43.9	90.5	201.8	130.9	144.1	50.2	65.9	145.2	37.9	**96.0**
2011 2/	**69.9**	**67.4**	**140.0**	**73.5**	**45.1**	**95.1**	**206.1**	**128.5**	**167.0**	**57.9**	**69.8**	**151.2**	**44.2**	**101.2**
1st Quarter	65.9	59.4	131.9	69.1	41.2	89.1	199.0	127.1	145.0	52.1	64.6	144.0	37.0	**94.3**
2nd Quarter	67.4	64.1	137.5	71.2	44.1	93.8	203.6	127.0	159.1	54.9	68.5	146.1	40.4	**98.3**
3rd Quarter	69.2	68.1	140.7	71.8	44.0	95.6	205.9	127.0	174.0	58.7	70.1	154.8	45.8	**102.0**
4th Quarter	77.0	77.9	149.9	81.9	51.0	101.9	216.0	132.9	190.0	65.8	76.0	160.1	53.7	**110.3**

1/ Revised
2/ Provisional
Source: Data Derived from NBS and CBN Surveys

Table 44
Production of Principal Solid Minerals
(Tonnes)

Solid Minerals	2007	2008	2009	2010	2011	Absolute Change Between	Percentage Change Between
	1	2	3	4	5*	4&5	4&5
Baryte	18,046.6	926,419.0	514,313.9	470,899.0	525,376.8	54,477.8	11.6
Clay	233,932.5	108,499.6	153,676.4	139,298.6	155,468.7	16,170.0	11.6
Coal	27,310.0	38,512.1	40,612.1	45,713.1	39,213.4	-6,499.7	-14.2
Marble Aggregates	904,120.0	6,133.0	8,995.0	9,356.0	10,185.9	829.9	8.9
Sand	1,722,737.0	3,551,738.2	1,050,023.8	1,254,230.5	1,393,856.9	139,626.4	11.1
Stone Aggregates	2,923,642.0	3,583,215.6	3,762,376.4	3,672,796.0	4,074,350.9	401,554.9	10.9
Gold	582,868.0	2,890.0	1,350.0	2,518.0	2,787.7	269.7	10.7
Granite Aggregates	7,620,542.4	9,500,644.6	10,104,119.4	7,739,026.9	9,620,747.0	1,881,720.1	24.3
Lead/Zinc	581,509.0	2,267.0	1,867.0	2,400.0	2,680.5	280.5	11.7
Limestone	3,323,331.6	3,472,830.5	3,242,890.1	5,671,419.5	8,279,555.2	2,608,135.6	46.0
Iron Ore	57,900.0	61,779.3	99,424.2	62,799.6	69,692.8	6,893.2	11.0
Laterite	1,642,170.6	3,014,293.0	2,739,973.2	2,321,906.2	2,573,274.3	251,368.1	10.8
Shale	83,378.0	9,162,131.0	7,234,879.0	6,689,910.7	7,451,773.4	761,862.6	11.4
Cassiterite	229.0	27,853.0	58,986.0	79,409.0	85,775.8	6,366.8	8.0
Columbite	180.0	335,012.0	330,814.5	281,136.0	310,937.3	29,801.3	10.6
Other Minerals	15,897,342.2	10,004,291.4	15,437,675.0	19,810,898.5	19,014,203.9	-796,694.6	-4.0
Total	**35,619,239.0**	**43,798,509.2**	**44,781,975.9**	**48,253,717.7**	**53,609,880.4**		

* Staff estimates

Source: Federal Ministry of Mines and Steel Development

Table 45 Energy Consumption (Tonnes of Coal Equivalent (TCE)) (1990 = 100)						
Type	**Weight**	**2007 /1**	**2008 /1**	**2009 /1**	**2010 /1**	**2011 /2**
Coal	**0.1**	**22,549.9**	**31,799.4**	**33,533.4**	**37,745.3**	**32,378.5**
Percentage Share	0.1	0.1	0.2	0.2	0.2	0.2
Hydro - Power	**0.9**	**3,113,567.2**	**3,669,824.5**	**3,675,254.5**	**3,582,840.0**	**3,305,962.9**
Percentage Share	0.9	19.6	18.7	20.4	20.2	18.7
Natural Gas	**0.0**	**1,740,535.1**	**1,854,259.7**	**1,066,913.7**	**1,691,261.5**	**1,582,246.4**
Percentage Share	0.0	11.0	9.4	5.9	9.6	9.0
Petroleum Products	**98.9**	**10,991,393.8**	**14,098,510.6**	**13,241,582.7**	**12,393,471.6**	**12,716,131.0**
Percentage Share	98.9	69.3	71.7	73.5	70.0	72.1
Total	**100.0**	**15,868,046.0**	**19,654,394.2**	**18,017,284.3**	**17,705,318.4**	**17,636,718.8**
Percentage Share	100.0	100.0	100.0	100.0	100.0	100.0
Index of Energy Consumption(1990 = 100)		**181.9**	**205.0**	**198.7**	**192.4**	**192.0**

/1 Revised
/2 Provisional

Sources: Federal Ministry of Solid Mineral Development; Federal Ministry of Power & Steel, NNPC & PHCN

Table 46 Consumption of Petroluem Products (Tonnes)					
Product	**2007**	**2008**	**2009 /1**	**2010 /1**	**2011 /2**
Liquefied Petroluem Gas or Cooking Gas	6,202.7	12,534.8	32,312.3	24,712.4	31,841.6
Premium Motor Spirit (PMS- Gasoline)	8,859,802.0	9,500,382.4	9,775,364.6	14,382,875.3	17,057,151.8
Dual Purpose Kerosine (DPK)	878,571.5	2,029,679.1	1,502,425.2	3,164,538.3	2,015,819.2
Automotive Gas Oil (AGO) and Diesel	1,384,956.4	1,517,521.3	1,130,444.6	3,293,401.7	2,865,205.3
Low Pour Fuel Oil (LPFO)	132,714.1	401,495.6	186,386.5	272,699.1	319,607.8
Bitumen/Asphalt	24,306.8	67,689.2	36,063.2	11,356.6	64.8
Others (Wax, Petroleum Jelly, Grease, Base O	140,158.8	185,132.7	107,275.5	61,243.3	51,432.9
Total	**11,426,712.3**	**13,714,434.9**	**12,770,271.9**	**21,210,826.8**	**22,341,123.4**

1/ Revised
2/ Provisional

Sources: Nigerian National Petroleum Corporation

Table 47			
Contribution from Local Refineries (MT)			
Refined Products	**2009**	**2010**	**2011**
LPG	28,776.0	86,328.0	119,242.0
PMS	432,429.0	1,126,528.0	1,303,736.0
DPK	338,630.0	668,550.0	760,918.0
AGO	528,817.0	1,026,134.0	1,087,678.0
Fuel Oil	685,749.0	1,228,540.0	1,389,226.0
Asphalt		25,292.0	33,440.0
Fuel & Losses	222,110.0	337,776.0	153,561.0
Total	**2,236,511.0**	**4,499,148.0**	**4,847,801.0**

Source: Warri-RPC, Kaduna-RPC, Port-Harcourt Refining Company

RPC - Refining Petrochemical Company

Table 48					
Gas Production, Utilisation and Disposal (mscf)					
	2007	**2008**	**2009**	**2010**	**2011 /1**
	1	**2**	**3**	**4**	**5**
Gas Produced	2,415,649,040.7	2,282,440,394.6	1,837,278,307.3	2,392,838,898.9	1,945,814,102.0
Gas Used as Fuel	76,524,011.4	80,403,045.3	80,573,879.7	72,233,896.7	60,133,695.6
Gas Sold to Industries	770,164,987.0	766,420,825.3	470,050,282.1	883,612,846.0	680,510,740.5
Gas Sold to LNG	368,626,236.3	331,569,374.2	269,095,955.8	167,190,149.0	104,030,221.7
Gas Reinjected	354,610,374.4	391,075,575.0	409,848,717.6	493,309,826.1	350,209,825.1
Gas Lifted	51,053,728.0	58,560,235.3	55,956,115.8	169,057,005.2	155,055,002.1
Gas Converted to NGLs	34,980,978.0	23,222,765.0	42,401,451.0	25,866,822.0	23,756,722.0
Total Gas Utilised	1,655,960,315.1	1,651,251,820.1	1,327,926,401.9	1,811,270,545.0	1,373,696,207.0
Gas Utilised as % of Gas Produced	68.6	72.3	72.3	75.7	70.6
Gas Flared	789,546,171.8	631,188,574.5	509,351,905.4	581,568,353.9	572,117,895.0
Gas Flared as % of Gas Produced	32.7	27.7	27.7	24.3	29.4

1/ Provisional

Source: NNPC, DPR, CBN Estimates

Table 49

World Crude Oil Production and Consumption

(Million Barrels Per Day)

	2007	2008	2009	2010	2011	ABSOLUTE CHANGE BETWEEN				PERCENTAGE CHANGE BETWEEN			
	1	2	3	4	5	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)
Supply													
OPEC	36.2	37.1	33.4	33.9	35.1	0.9	-3.7	0.5	1.2	2.4	-10.0	1.6	3.4
Crudes	31.8	32.1	28.7	29.1	29.8	0.3	-3.4	0.4	0.7	0.9	-10.6	1.5	2.3
NGLs and condensates	4.4	5.0	4.7	4.8	5.3	0.6	-0.3	0.1	0.5	13.6	-6.0	2.1	10.2
TOTAL NON -OPEC	49.6	49.5	51.3	52.3	52.4	0.0	1.8	1.0	0.1	-0.1	3.6	1.9	0.3
Total World Supply	**85.8**	**86.6**	**84.7**	**86.2**	**87.5**	**0.8**	**-1.9**	**1.5**	**1.3**	**1.0**	**-2.2**	**1.8**	**1.5**
Demand													
OECD	49.2	47.5	45.5	46.0	45.9	-1.7	-2.0	0.5	-0.1	-3.5	-4.2	1.1	-0.3
NON - OECD	36.6	38.3	39.4	40.2	42.0	1.7	1.1	0.8	1.8	4.6	2.9	2.0	4.4
Total World Demand	**85.8**	**85.8**	**84.9**	**86.2**	**87.8**	**0.0**	**-0.9**	**1.3**	**1.7**	**0.0**	**-1.0**	**1.5**	**1.9**
Nigeria													
Output	2.2	2.0	1.8	2.1	2.2	-0.2	-0.2	0.3	0.0	-7.9	-8.1	17.0	1.9
Exports	1.7	1.5	1.4	1.7	1.7	-0.2	-0.2	0.3	0.0	-10.0	-10.5	22.6	2.4
Domestic Consumption	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: OPEC, Reuters

Table 50													
Analysis of Average Spot Prices of Selected Crudes Traded at the International Oil Market (US Dollar Per Barrel)													
Crude Type	2007	2008	2009	2010	2011	Absolute Change Between				Percentage Change Between			
	1	2	3	4	5	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)
Bonny Light	75.0	101.2	62.1	80.8	113.8	26.2	-39.1	18.7	33.0	34.9	-38.6	30.2	40.8
UK Brent	72.7	98.5	62.7	79.7	111.9	25.8	-35.8	17.0	32.2	35.4	-36.3	27.1	40.3
West Texas Intermediate(WTI)	72.1	100.8	63.5	79.1	94.7	28.6	-37.2	15.6	15.6	39.7	-37.0	24.6	19.7
Forcados	74.7	101.5	64.2	80.9	114.5	26.8	-37.3	16.7	33.6	35.9	-36.7	25.9	41.6
OPEC Basket	69.0	94.5	61.1	77.5	107.5	25.4	-33.4	16.4	30.0	36.8	-35.4	26.8	38.7
Source: Reuters													

Table 51									
Composite Consumer Price Index (November 2009 = 100)									
	2007	2008	2009	2010	2011	*percentage change between*			
	1	2	3	4	5	(1) & (2)	(2) & (3)	(3) & (4)	(4) & (5)
All- Item	77.9	89.7	102.2	114.2	126.0	*15.1*	*13.9*	*11.8*	*10.3*
All- Item Less Farm Produce	82.6	91.2	101.5	112.6	124.8	*10.4*	*11.2*	*10.9*	*10.8*
All- Item Less Farm Produce & Energy	79.6	91.7	101.9	112.5	123.6	*15.3*	*11.1*	*10.4*	*9.9*
Imported Food			101.49	115.4	125.3			*13.7*	*8.6*
Food	75.1	88.6	102.4	115.4	128.1	*18.0*	*15.5*	*12.7*	*11.0*
Food & Non-Alcoholic Beverages	75.4	88.7	102.7	115.5	127.8	*17.6*	*15.8*	*12.5*	*10.6*
Alcoholic Beverage, Tobacco & Kola	94.4	97.5	101.9	111.9	119.0	*3.3*	*4.5*	*9.8*	*5.5*
Clothing & Footwear	86.5	96.9	101.5	113.7	122.3	*12.1*	*4.7*	*12.0*	*7.6*
Housing, Water, Electricity, Gas & other Fuel	83.6	93.5	100.2	113.2	131.9	*11.7*	*7.2*	*12.9*	*16.5*
Furnishing & household Equipment Maintenance	77.8	87.1	101.7	113.2	119.9	*11.9*	*16.8*	*11.3*	*5.9*
Health	84.3	96.1	101.8	112.7	122.8	*14.0*	*6.0*	*10.7*	*9.0*
Transport	89.8	90.9	101.8	112.9	128.7	*1.2*	*12.0*	*10.9*	*14.0*
Communication	94.6	97.1	100.0	102.4	106.5	*2.6*	*3.0*	*2.4*	*4.0*
Recreation & Culture	86.4	93.5	101.9	107.8	113.3	*8.3*	*8.9*	*5.8*	*5.1*
Education	74.2	87.6	101.5	109.1	114.6	*18.1*	*15.9*	*7.5*	*5.0*
Restaurant & Hotels	79.5	99.5	102.6	109.6	118.9	*25.3*	*3.1*	*6.8*	*8.5*
Miscellaneous goods & Services	80.8	92.9	101.7	112.1	122.7	*15.0*	*9.5*	*10.2*	*9.5*
CPI, End-December	**77.9**	**89.7**	**102.2**	**114.2**	**126.0**				
Note: Imported Food component was introduced in 2009.									
Source: National Bureau of Statistics (NBS)									

Table 52

Urban Consumer Price Index

(November 2009 = 100)

	2007	2008	2009	2010	2011	*Percentage change between*			
	1	2	3	4	5	(1) & (2)	(2) & (3)	(3) & (4)	(4) & (5)
All- Item	83.3	92.8	101.4	112.2	122.3	11.4	9.3	10.7	9.0
All- Item Less Farm Produce	90.7	97.8	101.3	111.2	122.0	7.8	3.6	9.8	9.7
All- Item Less Farm Produce & Energy	89.9	97.9	101.8	111.0	119.6	8.8	4.0	9.1	7.7
Imported Food			100.54	113.5	121.1			12.9	6.7
Food	78.9	89.6	101.6	113.4	124.5	13.6	13.4	11.6	9.8
Food & Non-Alcoholic Beverages	79.0	89.7	101.7	113.4	123.8	13.6	13.4	11.5	9.2
Alcoholic Beverage, Tobacco & Kola	101.2	97.5	99.9	109.7	115.2	-3.6	2.5	9.8	5.0
Clothing & Footwear	94.0	98.5	100.9	113.8	120.2	4.8	2.4	12.8	5.6
Housing, Water, Electricity, Gas & other Fuel	88.3	98.8	101.4	111.8	128.0	11.8	2.7	10.2	14.5
Furnishing & household Equipment Maintenance	89.9	96.2	100.8	111.5	119.2	7.0	4.8	10.6	6.9
Health	91.2	95.9	101.6	112.9	122.1	5.1	5.9	11.2	8.1
Transport	98.6	93.9	102.0	111.7	128.2	-4.8	8.6	9.5	14.8
Communication	101.4	99.3	99.2	100.8	104.6	-2.1	-0.1	1.6	3.8
Recreation & Culture	98.4	98.6	104.2	109.2	107.9	0.2	5.7	4.8	-1.2
Education	86.2	90.9	100.7	109.3	114.6	5.5	10.8	8.5	4.8
Restaurant & Hotels	91.0	102.7	103.2	111.3	121.1	12.8	0.5	7.8	8.8
Miscellaneous goods & Services	87.6	93.7	101.6	112.7	117.4	7.0	8.3	11.0	4.2
CPI, End-December	**83.3**	**92.8**	**101.4**	**112.2**	**122.3**				

Source: National Bureau of Statistics (NBS)

Table 53

Rural Consumer Price Index

(November 2009 = 100)

	2007	2008	2009	2010	2011	*Percentage change between*			
	1	2	3	4	5	(1) & (2)	(2) & (3)	(3) & (4)	(4) & (5)
All- Item	75.4	88.2	102.8	115.9	129.0	17.0	16.6	12.8	11.3
All- Item Less Farm Produce	78.8	88.1	101.7	113.8	127.1	11.8	15.4	11.9	11.7
All- Item Less Farm Produce & Energy	74.5	88.7	102.1	113.7	127.0	19.1	15.1	11.4	11.7
Imported Food			102.3	117.0	128.8			14.4	10.1
Food	73.8	88.3	103.1	117.1	131.1	19.6	16.7	13.6	12.0
Food & Non-Alcoholic Beverages	74.2	88.3	103.5	117.2	131.1	19.1	17.2	13.2	11.9
Alcoholic Beverage, Tobacco & Kola	85.8	97.5	103.5	113.7	122.2	13.5	6.2	9.9	7.5
Clothing & Footwear	78.4	95.2	102.0	113.6	124.1	21.5	7.1	11.3	9.2
Housing, Water, Electricity, Gas & other Fuel	77.8	86.8	99.2	114.3	135.1	11.6	14.3	15.2	18.2
Furnishing & household Equipment Maintenance	70.3	81.4	102.4	114.7	120.6	15.8	25.7	12.0	5.1
Health	78.2	96.2	102.0	112.6	123.4	23.0	6.1	10.4	9.6
Transport	75.0	85.8	101.6	114.0	129.2	14.5	18.4	12.2	13.3
Communication	88.9	95.3	100.6	103.6	108.1	7.2	5.6	3.0	4.3
Recreation & Culture	79.1	90.5	99.9	106.6	117.9	14.4	10.4	6.7	10.6
Education	62.7	84.4	102.1	109.0	114.6	34.5	21.0	6.7	5.1
Restaurant & Hotels	72.8	97.7	102.0	108.2	117.0	34.2	4.4	6.0	8.1
Miscellaneous goods & Services	74.9	92.2	101.9	111.5	127.1	23.0	10.5	9.4	14.0
CPI, End-December	**75.4**	**88.2**	**102.8**	**115.9**	**129.0**				

Source: National Bureau of Statistics (NBS)

Table 54
Balance of Payments (US$' Million)
(US$' Million)

	2007	2008	2009	2010 /1	2011 /2
CURRENT ACCOUNT	**27,880.53**	**29,296.30**	**13,973.99**	**13,420.38**	**8,760.77**
Goods	**38,072.15**	**46,176.46**	**25,621.96**	**30,612.31**	**31,105.59**
Credit	66,605.95	86,273.49	56,741.94	77,372.78	93,266.98
Debit	(28,533.80)	(40,097.03)	(31,119.98)	(46,760.47)	(62,161.39)
Exports fob	***66,605.95***	***86,273.49***	***56,741.94***	***77,372.78***	***93,266.98***
Crude oil & gas	65,008.82	84,169.28	54,778.52	74,703.67	90,086.90
Crude oil	58,164.51	74,304.54	49,714.31	68,149.42	83,060.97
Gas	6,844.31	9,864.74	5,064.22	6,554.25	7,025.93
Non-oil	1,597.13	2,104.21	1,963.42	2,669.10	3,180.08
Imports fob	***(28,533.80)***	***(40,097.03)***	***(31,119.98)***	***(46,760.47)***	***(62,161.39)***
Crude oil & gas/3	(5,603.45)	(10,714.04)	(6,910.77)	(11,218.26)	(19,349.55)
Non-oil	(18,434.04)	(29,382.99)	(24,209.21)	(35,542.20)	(42,811.85)
Trading Partner Adjustment	(4,496.31)	-	-	-	-
Services(net)	**(17,047.23)**	**(22,253.37)**	**(16,661.29)**	**(18,472.20)**	**(21,361.20)**
Credit	1,455.26	2,278.12	2,242.42	3,117.70	3,414.81
Debit	(18,502.49)	(24,531.49)	(18,903.71)	(21,589.90)	(24,776.01)
Transportation(net)	(4,188.29)	(5,695.93)	(5,048.42)	(6,601.58)	(6,521.29)
Credit	836.68	1,216.81	1,110.41	1,993.58	1,600.67
Debit	(5,024.97)	(6,912.74)	(6,158.83)	(8,595.16)	(8,121.96)
Of which: Passenger	(958.82)	(845.67)	(1,046.65)	(2,646.46)	(2,893.43)
Credit	125.07	391.98	190.86	168.70	66.00
Debit	(1,083.89)	(1,237.65)	(1,237.51)	(2,815.16)	(2,959.43)
Of which: Freight	(3,478.76)	(5,163.60)	(4,185.53)	(4,166.73)	(3,820.04)
Credit	378.58	418.45	573.19	1,438.50	1,057.95
Debit	(3,857.34)	(5,582.05)	(4,758.72)	(5,605.23)	(4,877.99)
Of which: Other	249.29	313.34	183.75	211.61	192.18
Credit	333.03	406.38	346.36	386.38	476.72
Debit	(83.74)	(93.04)	(162.61)	(174.77)	(284.54)
Travel	(5,421.84)	(9,268.24)	(4,459.14)	(5,057.60)	(6,025.08)
Credit	215.14	572.57	608.44	575.94	628.40
Debit	(5,636.98)	(9,840.81)	(5,067.58)	(5,633.54)	(6,653.48)
Business travel	(558.59)	(933.92)	(734.97)	(764.41)	(1,111.06)
Credit	-	-	-	-	-
Debit	(558.59)	(933.92)	(734.97)	(764.41)	(1,111.06)
Personal travel	(4,863.25)	(8,334.32)	(3,724.17)	(4,293.19)	(4,914.02)
Credit	215.14	572.57	608.44	575.94	628.40
Debit	(5,078.39)	(8,906.89)	(4,332.61)	(4,869.13)	(5,542.42)
Education related expenditure	(2,545.99)	(4,759.92)	(2,192.70)	(2,415.48)	(2,694.31)
Credit	-	-	-	-	-
Debit	(2,545.99)	(4,759.92)	(2,192.70)	(2,415.48)	(2,694.31)
Health related expenditure	(1,076.71)	(1,804.74)	(892.12)	(1,008.99)	(1,110.91)
Credit	-	-	-	-	-
Debit	(1,076.71)	(1,804.74)	(892.12)	(1,008.99)	(1,110.91)
Other Personal Travels	(1,240.55)	(1,769.66)	(639.35)	(868.72)	(1,108.80)
Credit	215.14	572.57	608.44	575.94	628.40
Debit	(1,455.69)	(2,342.23)	(1,247.79)	(1,444.66)	(1,737.20)
Insurance services	(206.89)	(1,020.00)	(395.23)	(506.53)	(707.64)
Credit	4.58	0.37	0.77	1.02	1.66
Debit	(211.47)	(1,020.37)	(396.00)	(507.55)	(709.30)
Communication services	(185.37)	(205.97)	(309.96)	(239.95)	(180.94)
Credit	27.00	30.00	37.00	48.00	50.40
Debit	(212.37)	(235.97)	(346.96)	(287.95)	(231.34)
Construction services	(60.78)	(67.53)	(43.91)	(130.51)	(89.43)
Credit	-	-	-	-	-
Debit	(60.78)	(67.53)	(43.91)	(130.51)	(89.43)
Financial services	4.66	(17.00)	(41.83)	(20.14)	(304.24)
Credit	13.50	15.00	8.17	13.99	16.11
Debit	(8.84)	(32.00)	(50.00)	(34.13)	(320.36)
Computer & information services	(201.22)	(223.58)	(188.20)	(125.23)	(166.28)
Credit	-	-	-	-	-
Debit	(201.22)	(223.58)	(188.20)	(125.23)	(166.28)
Royalties and license fees	(174.14)	(191.55)	(210.72)	(226.09)	(214.98)
Credit	-	-	-	-	-
Debit	(174.14)	(191.55)	(210.72)	(226.09)	(214.98)
Other business services	(4,145.13)	(4,184.58)	(4,181.84)	(4,496.03)	(6,034.85)
Credit	10.00	10.50	14.38	18.45	36.03
Debit	(4,155.13)	(4,195.08)	(4,196.22)	(4,514.48)	(6,070.88)
Operational leasing services	(824.58)	(1,008.81)	(1,197.82)	(1,123.39)	(1,884.37)
Credit	-	-	-	-	-
Debit	(824.58)	(1,008.81)	(1,197.82)	(1,123.39)	(1,884.37)
Misc. business, professional, and technical services	(3,320.55)	(3,175.77)	(2,984.02)	(3,372.64)	(4,150.47)
Credit	10.00	10.50	14.38	18.45	36.03
Debit	(3,330.55)	(3,186.27)	(2,998.40)	(3,391.09)	(4,186.51)

Table 54 cont.
Balance of Payments (US$' Million)
(US$' Million)

Personal, cultural & recreational services	(0.39)	(0.44)	(11.48)	(53.08)	(79.74)
Credit	-	-	-	-	-
Debit	(0.39)	(0.44)	(11.48)	(53.08)	(79.74)
Government Services	(2,467.84)	(1,378.56)	(1,770.55)	(1,015.45)	(1,036.73)
Credit	348.36	432.86	463.26	466.73	1,081.54
Debit	(2,816.20)	(1,811.42)	(2,233.81)	(1,482.18)	(2,118.27)
Income(net)	**(11,848.37)**	**(15,154.63)**	**(14,562.85)**	**(19,674.59)**	**(22,972.33)**
Credit	2,585.73	2,366.78	945.63	1,009.79	905.02
Debit	(14,434.10)	(17,521.41)	(15,508.48)	(20,684.38)	(23,877.35)
Compensation of employees	191.83	92.58	120.79	149.57	138.33
Credit	219.83	127.84	139.63	168.59	181.96
Debit	(28.00)	(35.26)	(18.84)	(19.01)	(43.63)
Investment income	(12,040.20)	(15,247.20)	(14,683.64)	(19,824.17)	(23,110.66)
Credit	2,365.90	2,238.95	806.00	841.20	723.06
Debit	(14,406.10)	(17,486.15)	(15,489.64)	(20,665.37)	(23,833.72)
Direct investment	(13,146.33)	(17,035.65)	(15,101.83)	(20,054.84)	(22,982.82)
Credit	21.97	72.59	106.20	143.81	279.81
Debit	(13,168.30)	(17,108.25)	(15,208.03)	(20,198.65)	(23,262.63)
Income on equity	(13,072.33)	(16,955.38)	(15,079.33)	(20,015.61)	(22,937.03)
Credit	20.97	70.79	104.20	141.06	277.26
Debit	(13,093.30)	(17,026.18)	(15,183.53)	(20,156.67)	(23,214.29)
Dividends and distributed branch profits	(10,967.30)	(13,736.93)	(11,912.11)	(17,189.39)	(20,049.98)
Credit	14.00	62.93	92.62	128.23	252.06
Debit	(10,981.30)	(13,799.86)	(12,004.73)	(17,317.63)	(20,302.04)
Reinvested earnings and undistributed branch	(2,105.03)	(3,218.45)	(3,167.22)	(2,826.22)	(2,887.04)
Credit	6.97	7.87	11.58	12.82	25.21
Debit	(2,112.00)	(3,226.32)	(3,178.80)	(2,839.04)	(2,912.25)
Income on Direct Investment Loans (interest)	(74.00)	(80.27)	(22.50)	(39.23)	(45.79)
Credit	1.00	1.80	2.00	2.75	2.55
Debit	(75.00)	(82.07)	(24.50)	(41.98)	(48.34)
Portfolio investment	(536.08)	(207.15)	(141.73)	(323.87)	(402.16)
Credit	53.36	73.67	18.85	19.89	18.47
Debit	(589.44)	(280.82)	(160.58)	(343.76)	(420.63)
Other investment	1,642.21	1,995.60	559.92	554.55	274.32
Income on debt (interest)	1,642.21	1,995.60	559.92	554.55	274.32
Credit	2,290.57	2,092.69	680.95	677.51	424.78
Debit	(648.36)	(97.09)	(121.03)	(122.96)	(150.46)
Current transfers(net)	**18,703.98**	**20,527.83**	**19,576.16**	**20,954.87**	**21,988.71**
Credit	18,855.34	21,061.93	20,044.95	21,438.62	22,464.53
Debit	(151.36)	(534.09)	(468.79)	(483.76)	(475.83)
General government	784.05	1,740.56	1,489.83	1,448.28	1,730.30
Credit /4	867.68	1,859.82	1,608.61	1,618.45	1,848.16
Debit	(83.63)	(119.26)	(118.78)	(170.17)	(117.86)
Other sectors	17,919.93	18,787.27	18,086.33	19,506.59	20,258.40
Credit	17,987.66	19,202.11	18,436.34	19,820.17	20,616.37
Debit	(67.73)	(414.83)	(350.01)	(313.59)	(357.97)
Workers' remittances	17,919.48	19,176.72	18,403.29	19,785.37	20,574.47
Credit	17,945.94	19,200.00	18,432.00	19,814.40	20,606.98
Debit	(26.46)	(23.28)	(28.71)	(29.04)	(32.51)
Other Transfers	0.45	(389.45)	(316.96)	(278.78)	(316.06)
Credit	41.72	2.11	4.34	5.77	9.40
Debit	(41.27)	(391.55)	(321.30)	(284.55)	(325.46)
CAPITAL AND FINANCIAL ACCOUNT	**(13,357.85)**	**(8,424.70)**	**12,647.50**	**2,057.57**	**(5,448.69)**
Capital account(net)	**-**	**-**	**-**	**-**	**-**
Credit	-	-	-	-	-
Debit	-	-	-	-	-
Capital transfers	-	-	-	-	-
Credit	-	-	-	-	-
General Government	-	-	-	-	-
Debt Forgiveness	-	-	-	-	-
Other Sector	-	-	-	-	-
Debit	-	-	-	-	-
Acquisition/disposal of nonproduced, nonfin assets	-	-	-	-	-
Credit					
Debit					
Financial account(net)	**(13,357.85)**	**(8,424.70)**	**12,647.50**	**2,057.57**	**(5,448.69)**
Assets	**(25,110.30)**	**(18,316.10)**	**1,685.38**	**(5,621.11)**	**(20,292.63)**
Direct investment (Abroad)	(874.97)	(1,058.27)	(1,542.02)	(922.72)	(823.58)
Equity capital	(868.00)	(1,050.40)	(1,530.44)	(909.90)	(798.37)
Claims on direct investment enterprises	(868.00)	(1,050.40)	(1,530.44)	(909.90)	(798.37)
Liabilities to direct investors					
Reinvested earnings	(6.97)	(7.87)	(11.58)	(12.82)	(25.21)
Other capital	-	-	-	-	-
Claims on direct investment enterprises					
Liabilities to direct investors					

Table 54 cont.
Balance of Payments (US$' Million)
(US$' Million)

Portfolio investment	**(1,859.11)**	**(4,758.77)**	**(830.77)**	**(1,130.24)**	**(1,622.92)**
Equity securities	(1,720.69)	(4,066.69)	(761.54)	(1,036.06)	(1,487.67)
Debt securities	(138.42)	(692.08)	(69.23)	(94.19)	(135.24)
Long-term					
Short-term	(138.42)	(692.08)	(69.23)	(94.19)	(135.24)
Other investment	**(13,341.17)**	**(10,831.86)**	**(6,559.70)**	**(13,611.38)**	**(17,537.69)**
Trade credits	(7,222.99)	(2,855.39)	(6,726.67)	(7,383.49)	(7,146.37)
Loans	(116.77)	(291.92)	(382.61)	(227.47)	(199.59)
Currency and deposits	(6,001.41)	(7,684.54)	549.58	(6,000.42)	(10,191.72)
Monetary authorities					
General government	(1,273.84)	(2,084.50)	(2,304.64)	(724.09)	(1,429.53)
Banks	(2,915.00)	(3,477.57)	2,905.96	(143.21)	(2,152.70)
Other sectors	(1,812.57)	(2,122.47)	(51.74)	(5,133.12)	(6,609.49)
Other Assets					
Reserve assets	(9,035.05)	(1,667.21)	10,617.87	10,043.24	(308.44)
Monetary Gold					
SDRs			(2,410.74)		
Reserve Positions in the Fund					
Foreign exchange	(9,035.05)	(1,667.21)	13,028.61	10,043.24	(308.44)
Other Claims					
Liabilities	**11,752.45**	**9,891.40**	**10,962.12**	**7,678.68**	**14,843.94**
Direct Invesment in reporting economy	**6,086.73**	**8,248.64**	**8,649.53**	**6,098.96**	**8,914.89**
Equity capital	3,936.70	4,958.71	5,450.02	3,199.32	5,748.21
Claims on direct investors					
Liabilities to direct investors	3,936.70	4,958.71	5,450.02	3,199.32	5,748.21
Reinvested earnings	2,112.00	3,226.32	3,178.80	2,839.04	2,912.25
Other capital	38.03	63.61	20.71	60.60	254.43
Claims on direct investors					
Liabilities to direct investors	38.03	63.61	20.71	60.60	254.43
Portfolio Investment	**2,665.50**	**1,334.30**	**481.69**	**3,747.90**	**5,192.80**
Equity securities	1,459.49	(959.80)	492.67	2,179.28	2,592.28
Debt securities	1,206.01	2,294.10	(10.98)	1,568.62	2,600.52
Long-term	1,058.09	1,357.19	(92.10)	684.91	1,845.44
Short-term	147.92	936.91	81.12	883.71	755.08
Other investment liabilities	**3,000.22**	**308.46**	**1,830.91**	**(2,168.19)**	**736.25**
Trade credits	-	-	-	-	-
Short-term	-	-	-	-	-
Long-term	-	-	-	-	-
Loans	2,150.22	582.14	(166.44)	(1,942.90)	(637.57)
General government	(513.00)	(26.00)	199.92	722.13	1,006.81
Long-term	(513.00)	(26.00)	199.92	722.13	1,006.81
Drawings	425.00	361.00	532.83	975.11	1,238.92
Repayments	(938.00)	(387.00)	(332.91)	(252.98)	(232.11)
short-term					
Monetary authorities					
Banks	1,384.25	(224.41)	(341.76)	(93.18)	687.03
Other sectors	1,278.97	832.55	(24.60)	(2,571.85)	(2,331.41)
Long-term	1,278.97	832.55	(24.60)	(2,571.85)	(2,331.41)
Short-term	-	-	-	-	-
Currency & Deposits	850.00	(273.68)	(413.40)	(225.29)	1,373.82
Monetary Authority		-	-	-	-
Banks	850.00	(273.68)	(413.40)	(225.29)	1,373.82
Other Liabilities -monetary authority SDR allocation			2,410.74	-	-
NET ERRORS AND OMISSIONS	**(14,522.68)**	**(20,871.60)**	**(26,621.49)**	**(15,477.95)**	**(3,312.08)**
Memorandum Items:					
Current Account Balance as % of G.D.P	16.84	14.20	8.30	5.86	3.58
Capital and Financial Account Balance as % of G.D.P	(8.07)	(4.08)	7.51	0.90	(2.23)
Overall Balance as % of G.D.P	5.46	0.81	(6.31)	(4.39)	0.13
External Reserves - Stock (US $ million)	51,333.15	53,000.36	42,382.49	32,339.25	32,639.78
Number of Months of Imports Equivalent	21.59	15.86	16.34	7.92	6.30
External Debt Stock (US$ million)	3,654.00	3,720.00	3,947.30	4,578.77	5,666.58
Debt Service Due as % of Exports of Goods and Non Factor Servic	-	-	-	-	-
Effective Central Exchange Rate (N/$)	124.76	117.78	147.27	148.51	152.59
Average Exchange Rate (N/$)	125.83	118.53	148.90	149.74	153.85
End-Period Exchange Rate (N/$)	117.97	132.56	149.58	150.66	158.27

/1 Revised
/2 Provisional
/3 Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data
/4 The series on transfers to Government (credit) were revised using data on Official Development Assistance from the National Planning
Source: Central Bank of Nigeria

Table 55
Balance of Payments
(Naira Million)

	2007	2008	2009	2010 /1	2011 /2
CURRENT ACCOUNT	**3,478,374.82**	**3,450,585.67**	**2,057,949.33**	**1,993,003.13**	**1,336,791.68**
Goods	**4,749,881.43**	**5,438,769.73**	**3,773,346.41**	**4,546,102.41**	**4,746,349.32**
Credit	8,309,758.32	10,161,490.11	8,356,385.57	11,490,298.39	14,231,450.63
Debit	(3,559,876.89)	(4,722,720.38)	(4,583,039.17)	(6,944,195.99)	(9,485,101.30)
Exports fob	**8,309,758.32**	**10,161,490.11**	**8,356,385.57**	**11,490,298.39**	**14,231,450.63**
Crude oil & gas	8,110,500.38	9,913,651.13	8,067,233.00	11,093,921.24	13,746,207.09
Crude oil	7,256,604.27	8,751,759.36	7,321,425.82	10,120,577.75	12,674,132.38
Gas	853,896.12	1,161,891.77	745,807.19	973,343.48	1,072,074.71
Non-oil	199,257.94	247,838.99	289,152.57	396,377.16	485,243.54
Imports fob	**(3,559,876.89)**	**(4,722,720.38)**	**(4,583,039.17)**	**(6,944,195.99)**	**(9,485,101.30)**
Crude oil & gas/3	(699,086.42)	(1,261,924.24)	(1,017,748.81)	(1,665,976.13)	(2,952,514.62)
Non-oil	(2,299,830.83)	(3,460,796.14)	(3,565,290.36)	(5,278,219.85)	(6,532,586.68)
Trading Partner Adjustment	(560,959.64)	-	-	-	-
Services(net)	**(2,126,812.51)**	**(2,621,053.04)**	**(2,453,707.60)**	**(2,743,227.07)**	**(3,259,468.68)**
Credit	181,558.24	268,321.83	330,241.49	462,996.66	521,060.52
Debit	(2,308,370.75)	(2,889,374.87)	(2,783,949.09)	(3,206,223.73)	(3,780,529.20)
Transportation(net)	(522,531.06)	(670,879.62)	(743,480.57)	(980,372.87)	(995,072.77)
Credit	104,384.20	143,318.68	163,530.08	296,057.57	244,243.51
Debit	(626,915.26)	(814,198.30)	(907,010.65)	(1,276,430.44)	(1,239,316.28)
Of which: Passenger	(119,622.38)	(99,604.96)	(154,139.41)	(393,014.80)	(441,503.56)
Credit	15,603.73	46,168.31	28,107.95	25,052.51	10,070.83
Debit	(135,226.12)	(145,773.26)	(182,247.36)	(418,067.31)	(451,574.39)
Of which: Freight	(434,010.10)	(608,180.69)	(616,402.29)	(618,783.36)	(582,893.62)
Credit	47,231.64	49,286.00	84,413.69	213,625.43	161,430.79
Debit	(481,241.74)	(657,466.69)	(700,815.98)	(832,408.79)	(744,324.41)
Of which: Other	31,101.42	36,906.02	27,061.13	31,425.29	29,324.42
Credit	41,548.82	47,864.37	51,008.44	57,379.63	72,741.89
Debit	(10,447.40)	(10,958.35)	(23,947.31)	(25,954.34)	(43,417.47)
Travel	(676,428.76)	(1,091,634.62)	(656,697.55)	(751,082.80)	(919,356.63)
Credit	26,840.87	67,438.61	89,604.96	85,529.78	95,886.34
Debit	(703,269.62)	(1,159,073.24)	(746,302.51)	(836,612.58)	(1,015,242.96)
Business travel	(69,689.69)	(109,999.25)	(108,239.03)	(113,519.54)	(169,534.00)
Credit	-	-	-	-	-
Debit	(69,689.69)	(109,999.25)	(108,239.03)	(113,519.54)	(169,534.00)
Personal travel	(606,739.07)	(981,635.38)	(548,458.52)	(637,563.26)	(749,822.63)
Credit	26,840.87	67,438.61	89,604.96	85,529.78	95,886.34
Debit	(633,579.94)	(1,049,073.99)	(638,063.47)	(723,093.04)	(845,708.96)
Education related expenditure	(317,637.71)	(560,634.33)	(322,918.93)	(358,712.96)	(411,120.21)
Credit	-	-	-	-	-
Debit	(317,637.71)	(560,634.33)	(322,918.93)	(358,712.96)	(411,120.21)
Health related expenditure	(134,330.34)	(212,566.43)	(131,382.51)	(149,840.02)	(169,512.59)
Credit	-	-	-	-	-
Debit	(134,330.34)	(212,566.43)	(131,382.51)	(149,840.02)	(169,512.59)
Other Personal Travels	(154,771.02)	(208,434.63)	(94,157.07)	(129,010.28)	(169,189.82)
Credit	26,840.87	67,438.61	89,604.96	85,529.78	95,886.34
Debit	(181,611.88)	(275,873.24)	(183,762.03)	(214,540.06)	(265,076.16)
Insurance services	(25,811.60)	(120,137.73)	(58,206.09)	(75,223.00)	(107,977.18)
Credit	571.40	43.85	112.88	151.27	253.03
Debit	(26,383.00)	(120,181.58)	(58,318.97)	(75,374.28)	(108,230.21)
Communication services	(23,127.14)	(24,259.62)	(45,647.14)	(35,633.94)	(27,609.33)
Credit	3,368.52	3,533.47	5,448.99	7,128.27	7,690.45
Debit	(26,495.66)	(27,793.09)	(51,096.13)	(42,762.22)	(35,299.78)
Construction services	(7,582.43)	(7,953.72)	(6,465.99)	(19,381.48)	(13,645.97)
Credit	-	-	-	-	-
Debit	(7,582.43)	(7,953.72)	(6,465.99)	(19,381.48)	(13,645.97)
Financial services	581.38	(2,002.30)	(6,160.30)	(2,990.82)	(46,424.21)
Credit	1,684.26	1,766.73	1,203.20	2,078.27	2,458.67
Debit	(1,102.88)	(3,769.03)	(7,363.50)	(5,069.09)	(48,882.88)
Computer & information services	(25,104.12)	(26,333.41)	(27,716.75)	(18,597.37)	(25,372.38)
Credit	-	-	-	-	-
Debit	(25,104.12)	(26,333.41)	(27,716.75)	(18,597.37)	(25,372.38)
Royalties and license fees	(21,725.71)	(22,561.20)	(31,032.73)	(33,575.65)	(32,803.43)
Credit	-	-	-	-	-
Debit	(21,725.71)	(22,561.20)	(31,032.73)	(33,575.65)	(32,803.43)
Other business services	(517,146.42)	(492,869.46)	(615,860.29)	(667,686.22)	(920,846.84)
Credit	1,247.60	1,236.71	2,117.74	2,739.94	5,497.88
Debit	(518,394.02)	(494,106.17)	(617,978.04)	(670,426.16)	(926,344.72)
Operational leasing services	(102,874.60)	(118,819.96)	(176,403.67)	(166,830.32)	(287,533.00)
Credit	-	-	-	-	-
Debit	(102,874.60)	(118,819.96)	(176,403.67)	(166,830.32)	(287,533.00)
Misc. business, professional, and technical services	(414,271.82)	(374,049.49)	(439,456.63)	(500,855.90)	(633,313.84)
Credit	1,247.60	1,236.71	2,117.74	2,739.94	5,497.88
Debit	(415,519.42)	(375,286.21)	(441,574.37)	(503,595.84)	(638,811.72)

Table 55 cont.
Balance of Payments
(Naira Million)

Personal, cultural & recreational services	(48.96)	(51.35)	(1,690.66)	(7,882.68)	(12,167.39)
Credit	-	-	-	-	-
Debit	(48.96)	(51.35)	(1,690.66)	(7,882.68)	(12,167.39)
Government Services	(307,887.72)	(162,370.01)	(260,749.53)	(150,800.23)	(158,192.55)
Credit	43,461.39	50,983.77	68,223.64	69,311.55	165,030.64
Debit	(351,349.11)	(213,353.78)	(328,973.17)	(220,111.77)	(323,223.18)
Income(net)	**(1,478,202.64)**	**(1,784,946.61)**	**(2,144,670.68)**	**(2,921,789.13)**	**(3,505,308.47)**
Credit	322,595.67	278,765.18	139,263.22	149,959.67	138,095.92
Debit	(1,800,798.32)	(2,063,711.78)	(2,283,933.91)	(3,071,748.80)	(3,643,404.39)
Compensation of employees	23,932.71	10,904.23	17,789.04	22,212.52	21,107.60
Credit	27,425.99	15,056.76	20,563.60	25,035.98	27,764.72
Debit	(3,493.28)	(4,152.53)	(2,774.57)	(2,823.46)	(6,657.12)
Investment income	(1,502,135.35)	(1,795,850.84)	(2,162,459.72)	(2,944,001.65)	(3,526,416.07)
Credit	295,169.68	263,708.42	118,699.62	124,923.69	110,331.20
Debit	(1,797,305.04)	(2,059,559.25)	(2,281,159.34)	(3,068,925.34)	(3,636,747.26)
Direct investment	(1,640,136.13)	(2,006,498.17)	(2,224,046.56)	(2,978,258.30)	(3,506,908.71)
Credit	2,740.98	8,550.39	15,640.07	21,356.30	42,696.40
Debit	(1,642,877.11)	(2,015,048.57)	(2,239,686.64)	(2,999,614.60)	(3,549,605.11)
Income on equity	(1,630,903.89)	(1,997,044.06)	(2,220,732.93)	(2,972,431.87)	(3,499,921.80)
Credit	2,616.22	8,338.39	15,345.53	20,947.91	42,307.30
Debit	(1,633,520.11)	(2,005,382.44)	(2,236,078.46)	(2,993,379.77)	(3,542,229.10)
Dividends and distributed branch profits	(1,368,280.35)	(1,617,967.16)	(1,754,296.44)	(2,552,722.60)	(3,059,392.64)
Credit	1,746.64	7,411.90	13,640.15	19,043.55	38,461.18
Debit	(1,370,026.99)	(1,625,379.05)	(1,767,936.59)	(2,571,766.15)	(3,097,853.82)
Reinvested earnings and undistributed branch	(262,623.54)	(379,076.90)	(466,436.49)	(419,709.27)	(440,529.16)
Credit	869.58	926.49	1,705.39	1,904.36	3,846.12
Debit	(263,493.12)	(380,003.39)	(468,141.88)	(421,613.62)	(444,375.28)
Income on Direct Investment Loans (interest)	(9,232.24)	(9,454.11)	(3,313.63)	(5,826.43)	(6,986.91)
Credit	124.76	212.01	294.54	408.39	389.10
Debit	(9,357.00)	(9,666.12)	(3,608.17)	(6,234.82)	(7,376.01)
Portfolio investment	(66,881.34)	(24,398.43)	(20,872.58)	(48,097.19)	(61,364.83)
Credit	6,657.19	8,676.77	2,776.04	2,953.29	2,818.89
Debit	(73,538.53)	(33,075.20)	(23,648.62)	(51,050.48)	(64,183.72)
Other investment	204,882.12	235,045.77	82,459.42	82,353.84	41,857.47
Income on debt (interest)	204,882.12	235,045.77	82,459.42	82,353.84	41,857.47
Credit	285,771.51	246,481.25	100,283.51	100,614.10	64,815.91
Debit	(80,889.39)	(11,435.48)	(17,824.09)	(18,260.26)	(22,958.44)
Current transfers(net)	**2,333,508.54**	**2,417,815.59**	**2,882,981.21**	**3,111,916.92**	**3,355,219.50**
Credit	2,352,392.22	2,480,722.52	2,952,020.30	3,183,757.61	3,427,824.86
Debit	(18,883.67)	(62,906.93)	(69,039.09)	(71,840.68)	(72,605.36)
General government	97,818.08	205,007.16	219,407.26	215,077.84	**264,024.17**
Credit /4	108,251.76	219,053.88	236,899.99	240,349.05	282,007.59
Debit	(10,433.68)	(14,046.72)	(17,492.73)	(25,271.21)	(17,983.43)
Other sectors	2,235,690.47	2,212,808.43	2,663,573.95	2,896,839.09	3,091,195.34
Credit	2,244,140.46	2,261,668.65	2,715,120.31	2,943,408.56	3,145,817.27
Debit	(8,449.99)	(48,860.22)	(51,546.36)	(46,569.47)	(54,621.93)
Workers' remittances	2,235,634.32	2,258,678.19	2,710,252.52	2,938,239.48	3,139,422.99
Credit	2,238,935.47	2,261,420.16	2,714,480.64	2,942,551.34	3,144,383.44
Debit	(3,301.15)	(2,741.97)	(4,228.12)	(4,311.86)	(4,960.44)
Other Transfers	56.14	(45,869.76)	(46,678.57)	(41,400.39)	(48,227.66)
Credit	5,204.99	248.49	639.67	857.22	1,433.83
Debit	(5,148.85)	(46,118.25)	(47,318.24)	(42,257.61)	(49,661.49)
CAPITAL AND FINANCIAL ACCOUNT	**(1,666,525.44)**	**(992,280.30)**	**1,862,597.81**	**305,561.31**	**(831,406.39)**
Capital account(net)	**-**	**-**	**-**	**-**	-
Credit	-	-	-	-	-
Debit	-	-	-	-	**-**
Capital transfers	-	-	-	-	**-**
Credit	-	-	-	-	-
General Government	-	-	-	-	-
Debt Forgiveness	-	-	-	-	-
Other Sector	-	-	-	-	-
Debit	-	-	-	-	-
Acquisition/disposal of nonproduced, nonfin assets	-	-	-	-	-
Credit	-	-	-	-	-
Debit	-	-	-	-	-
Financial account(net)	**(1,666,525.44)**	**(992,280.30)**	**1,862,597.81**	**305,561.31**	**(831,406.39)**
Assets	**(3,132,760.90)**	**(2,157,312.27)**	**248,206.12**	**(834,766.15)**	**(3,096,417.41)**
Direct investment (Abroad)	(109,161.26)	(124,645.02)	(227,093.29)	(137,029.22)	**(125,668.71)**
Equity capital	(108,291.68)	(123,718.53)	(225,387.90)	(135,124.86)	**(121,822.60)**
Claims on direct investment enterprises	(108,291.68)	(123,718.53)	(225,387.90)	(135,124.86)	(121,822.60)
Liabilities to direct investors	-	-	-	-	-
Reinvested earnings	(869.58)	(926.49)	(1,705.39)	(1,904.36)	(3,846.12)
Other capital	-	-	-	-	-
Claims on direct investment enterprises	-	-	-	-	-
Liabilities to direct investors	-	-	-	-	-

Table 55 cont.
Balance of Payments
(Naira Million)

Portfolio investment	**(231,942.44)**	**(560,498.52)**	**(122,347.50)**	**(167,847.68)**	**(247,637.99)**
Equity securities	(214,673.16)	(478,984.34)	(112,152.00)	(153,860.37)	(227,001.49)
Debt securities	(17,269.28)	(81,514.19)	(10,195.50)	(13,987.31)	**(20,636.50)**
Long-term	-	-	-	-	-
Short-term	(17,269.28)	(81,514.19)	(10,195.50)	(13,987.31)	(20,636.50)
Other investment	**(1,664,444.37)**	**(1,275,800.90)**	**(966,046.81)**	**(2,021,367.65)**	**(2,676,046.36)**
Trade credits	(901,140.23)	(336,314.40)	(990,636.50)	(1,096,490.59)	(1,090,453.18)
Loans	(14,568.23)	(34,383.30)	(56,346.97)	(33,781.22)	**(30,455.65)**
Currency and deposits	(748,735.91)	(905,103.20)	80,936.66	(891,095.84)	(1,555,137.54)
Monetary authorities	-	-	-	-	-
General government	(158,924.28)	(245,517.20)	(339,404.33)	(107,531.49)	(218,129.24)
Banks	(363,675.40)	(409,596.60)	427,960.74	(21,266.77)	(328,477.46)
Other sectors	(226,136.23)	(249,989.40)	(7,619.75)	(762,297.58)	(1,008,530.84)
Other Assets	-	-	-	-	-
Reserve assets	(1,127,212.84)	(196,367.83)	1,563,693.71	1,491,478.39	(47,064.34)
Monetary Gold	-	-	-	-	-
SDRs	-	-	(355,029.68)	-	-
Reserve Positions in the Fund	-	-	-	-	-
Foreign exchange	(1,127,212.84)	(196,367.83)	1,918,723.39	1,491,478.39	(47,064.34)
Other Claims	-	-	-	-	-
Liabilities	**1,466,235.46**	**1,165,031.97**	**1,614,391.69**	**1,140,327.46**	**2,265,011.02**
Direct Invesment in reporting economy	**759,380.43**	**971,543.79**	**1,273,815.79**	**905,730.77**	**1,360,307.91**
Equity capital	491,142.69	584,048.27	802,623.95	475,117.39	877,109.59
Claims on direct investors	-	-	-	-	-
Liabilities to direct investors	491,142.69	584,048.27	802,623.95	475,117.39	877,109.59
Reinvested earnings	263,493.12	380,003.39	468,141.88	421,613.62	444,375.28
Other capital	4,744.62	7,492.13	3,049.96	8,999.76	38,823.04
Claims on direct investors	-	-	-	-	-
Liabilities to direct investors	4,744.62	7,492.13	3,049.96	8,999.76	38,823.04
Portfolio Investment	**332,547.78**	**157,157.16**	**70,938.49**	**556,585.07**	**792,360.22**
Equity securities	182,085.97	(113,047.22)	72,555.51	323,635.60	395,550.99
Debt securities	150,461.81	270,204.37	(1,617.02)	232,949.47	**396,809.23**
Long-term	132,007.31	159,852.96	(13,563.57)	101,712.87	281,593.01
Short-term	18,454.50	110,351.41	11,946.54	131,236.60	115,216.22
Other investment liabilities	**374,307.25**	**36,331.02**	**269,637.41**	**(321,988.38)**	**112,342.88**
Trade credits	-	-	-	-	-
Short-term	-	-	-	-	-
Long-term	-	-	-	-	-
Loans	268,261.25	68,565.25	(24,511.09)	(288,531.95)	(97,285.73)
General government	(64,001.88)	(3,062.34)	29,442.22	107,240.42	153,627.43
Long-term	(64,001.88)	(3,062.34)	29,442.22	107,240.42	153,627.43
Drawings	53,023.00	42,519.41	78,469.87	144,809.39	189,044.70
Repayments	(117,024.88)	(45,581.75)	(49,027.66)	(37,568.97)	(35,417.27)
short-term	-	-	-	-	-
Monetary authorities	-	-	-	-	-
Banks	172,698.83	(26,432.07)	(50,330.47)	(13,837.98)	104,832.74
Other sectors	159,564.30	98,059.65	(3,622.84)	(381,934.38)	(355,745.89)
Long-term	159,564.30	98,059.65	(3,622.84)	(381,934.38)	(355,745.89)
Short-term	-	-	-	-	-
Currency & Deposits	106,046.00	(32,234.23)	(60,881.18)	(33,456.44)	209,628.61
Monetary Authority	-	-	-	-	-
Banks	106,046.00	(32,234.23)	(60,881.18)	(33,456.44)	209,628.61
Other Liabilities -monetary authority SDR allocation	-	-	355,029.68	-	-
NET ERRORS AND OMISSIONS	**(1,811,849.38)**	**(2,458,305.37)**	**(3,920,547.14)**	**(2,298,564.44)**	**(505,385.29)**
Memorandum Items:					
Current Account Balance as % of G.D.P	**16.84**	**14.20**	**8.30**	**5.86**	**3.58**
Capital and Financial Account Balance as % of G.D.P	**(8.07)**	**(4.08)**	**7.51**	**0.90**	**(2.23)**
Overall Balance as % of G.D.P	**5.46**	**0.81**	**(6.31)**	**(4.39)**	**0.13**
External Reserves - Stock (US $ million)	**51,333.15**	**53,000.36**	**42,382.49**	**32,339.25**	**32,639.78**
Number of Months of Imports Equivalent	**21.59**	**15.86**	**16.34**	**7.92**	**6.30**
External Debt Stock (US$ million)	**3,654.00**	**3,720.00**	**3,947.30**	**4,578.77**	**5,666.58**
Debt Service Due as % of Exports of Goods and Non Factor Service	**-**	**-**	**-**	**-**	**-**
Effective Central Exchange Rate (N/$)	**124.76**	**117.78**	**147.27**	**148.51**	**152.59**
Average Exchange Rate (N/$)	**125.83**	**118.53**	**148.90**	**149.74**	**153.85**
End-Period Exchange Rate (N/$)	**117.97**	**132.56**	**149.58**	**150.66**	**158.27**

/1 Revised

/2 Provisional

/3 Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data on import of AGO, DPK and ATK by other markets from the NCS

/4 The series on transfers to Government (credit) were revised using data on Official Development Assistance from the National Planning Commission (NPC)

Source: Central Bank of Nigeria

Table 56
Balance of Payments Analytic Presentation
(US$' Million)

	2007	2008	2009	2010 /1	2011 /2
CURRENT ACCOUNT	**27,880.53**	**29,296.30**	**13,973.99**	**13,420.38**	**8,760.77**
Goods	**38,072.15**	**46,176.46**	**25,621.96**	**30,612.31**	**31,105.59**
Exports (fob)	*66,605.95*	*86,273.49*	*56,741.94*	*77,372.78*	*93,266.98*
Oil and Gas	65,008.82	84,169.28	54,778.52	74,703.67	90,086.90
Non-oil	1,597.13	2,104.21	1,963.42	2,669.10	3,180.08
Imports (fob)	*(28,533.80)*	*(40,097.03)*	*(31,119.98)*	*(46,760.47)*	*(62,161.39)*
Oil/3	(5,603.45)	(10,714.04)	(6,910.77)	(11,218.26)	(19,349.55)
Non-oil	(18,434.04)	(29,382.99)	(24,209.21)	(35,542.20)	(42,811.85)
Unrecorded(TPAdj)	(4,496.31)	-	-	-	-
Services(net)	**(17,047.23)**	**(22,253.37)**	**(16,661.29)**	**(18,472.20)**	**(21,361.20)**
Credit	1,455.26	2,278.12	2,242.42	3,117.70	3,414.81
Transportation	836.68	1,216.81	1,110.41	1,993.58	1,600.67
Travel	215.14	572.57	608.44	575.94	628.40
Insurance Services	4.58	0.37	0.77	1.02	1.66
Communication Services	27.00	30.00	37.00	48.00	50.40
Construction Services	-	-	-	-	-
Financial Services	13.50	15.00	8.17	13.99	16.11
Computer & information Services	-	-	-	-	-
Royalties and License Fees	-	-	-	-	-
Government Services	348.36	432.86	463.26	466.73	1,081.54
Personal, cultural & recreational services	-	-	-	-	-
Other Bussiness Services	10.00	10.50	14.38	18.45	36.03
Debit	(18,502.49)	(24,531.49)	(18,903.71)	(21,589.90)	(24,776.01)
Transportation	(5,024.97)	(6,912.74)	(6,158.83)	(8,595.16)	(8,121.96)
Travel	(5,636.98)	(9,840.81)	(5,067.58)	(5,633.54)	(6,653.48)
Insurance Services	(211.47)	(1,020.37)	(396.00)	(507.55)	(709.30)
Communication Services	(212.37)	(235.97)	(346.96)	(287.95)	(231.34)
Construction Services	(60.78)	(67.53)	(43.91)	(130.51)	(89.43)
Financial Services	(8.84)	(32.00)	(50.00)	(34.13)	(320.36)
Computer & information Services	(201.22)	(223.58)	(188.20)	(125.23)	(166.28)
Royalties and License Fees	(174.14)	(191.55)	(210.72)	(226.09)	(214.98)
Government Services	(2,816.20)	(1,811.42)	(2,233.81)	(1,482.18)	(2,118.27)
Personal, cultural & recreational services	(0.39)	(0.44)	(11.48)	(53.08)	(79.74)
Other Bussiness Services	(4,155.13)	(4,195.08)	(4,196.22)	(4,514.48)	(6,070.88)
Income(net)	**(11,848.37)**	**(15,154.63)**	**(14,562.85)**	**(19,674.59)**	**(22,972.33)**
Credit	*2,585.73*	*2,366.78*	*945.63*	*1,009.79*	*905.02*
Investment Income	2,365.90	2,238.95	806.00	841.20	723.06
Compensation of employees	219.83	127.84	139.63	168.59	181.96
Debit	*(14,434.10)*	*(17,521.41)*	*(15,508.48)*	*(20,684.38)*	*(23,877.35)*
Investment Income	(14,406.10)	(17,486.15)	(15,489.64)	(20,665.37)	(23,833.72)
Compensation of employees	(28.00)	(35.26)	(18.84)	(19.01)	(43.63)
Current transfers(net)	**18,703.98**	**20,527.83**	**19,576.16**	**20,954.87**	**21,988.71**
Credit	*18,855.34*	*21,061.93*	*20,044.95*	*21,438.62*	*22,464.53*
General Government/4	867.68	1,859.82	1,608.61	1,618.45	1,848.16
Other Sectors	17,987.66	19,202.11	18,436.34	19,820.17	20,616.37
Workers Remittance	17,945.94	19,200.00	18,432.00	19,814.40	20,606.98
Debit	*(151.36)*	*(534.09)*	*(468.79)*	*(483.76)*	*(475.83)*
General Government	(83.63)	(119.26)	(118.78)	(170.17)	(117.86)
Other Sectors	(67.73)	(414.83)	(350.01)	(313.59)	(357.97)
Workers Remittance	(26.46)	(23.28)	(28.71)	(29.04)	(32.51)
CAPITAL AND FINANCIAL ACCOUNT	**(13,357.85)**	**(8,424.70)**	**12,647.50**	**2,057.57**	**(5,448.69)**
Capital account(net)	**-**	**-**	**-**	**-**	**-**
Credit	-	-	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-	-	-
Debit	-	-	-	-	-
Capital Transfers	-	-	-	-	-
Financial account(net)	**(13,357.85)**	**(8,424.70)**	**12,647.50**	**2,057.57**	**(5,448.69)**
Assets	**(25,110.30)**	**(18,316.10)**	**1,685.38**	**(5,621.11)**	**(20,292.63)**
Direct investment (Abroad)	(874.97)	(1,058.27)	(1,542.02)	(922.72)	(823.58)
Portfolio investment	(1,859.11)	(4,758.77)	(830.77)	(1,130.24)	(1,622.92)
Other investment	(13,341.17)	(10,831.86)	(6,559.70)	(13,611.38)	(17,537.69)
Change in Reserve	(9,035.05)	(1,667.21)	10,617.87	10,043.24	(308.44)
Liabilities	**11,752.45**	**9,891.40**	**10,962.12**	**7,678.68**	**14,843.94**
Direct Invesment in reporting economy	6,086.73	8,248.64	8,649.53	6,098.96	8,914.89
Portfolio Investment	2,665.50	1,334.30	481.69	3,747.90	5,192.80
Other investment liabilities	3,000.22	308.46	1,830.91	(2,168.19)	736.25
NET ERRORS AND OMISSIONS	**(14,522.68)**	**(20,871.60)**	**(26,621.49)**	**(15,477.95)**	**(3,312.08)**
Memorandum Items:					
Current Account Balance as % of G.D.P	16.84	14.20	8.30	5.86	3.58
Capital and Financial Account Balance as % of G.D.P	(8.07)	(4.08)	7.51	0.90	(2.23)
Overall Balance as % of G.D.P	5.46	0.81	(6.31)	(4.39)	0.13
External Reserves - Stock (US $ million)	51,333.15	53,000.36	42,382.49	32,339.25	32,639.78
Number of Months of Imports Equivalent	21.59	15.86	16.34	7.92	6.30
External Debt Stock (US$ million)	3,654.00	3,720.00	3,947.30	4,578.77	5,666.58
Debt Service Due as % of Exports of Goods and Non Factor Servic	-	-	-	-	-
Effective Central Exchange Rate (N/$)	124.76	117.78	147.27	148.51	152.59
Average Exchange Rate (N/$)	125.83	118.53	148.90	149.74	153.85
End-Period Exchange Rate (N/$)	117.97	132.56	149.58	150.66	158.27

/1 Revised

./2 Provisional

/3 Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data on import of AGO, DPK and ATK by other markets from the NCS

/4 The series on transfers to Government (credit) were revised using data on Official Development Assistance from the National Planning Commission (NPC)

Source: Central Bank of Nigeria

Table 57

Table 56: Balance of Payments Analytic Presentation (Naira Million)

(Naira Million)

	2007	2008	2009	2010 /1	2011 /2
CURRENT ACCOUNT	**3,478,374.82**	**3,450,585.67**	**2,057,949.33**	**1,993,003.13**	**1,336,791.68**
Goods	**4,749,881.43**	**5,438,769.73**	**3,773,346.41**	**4,546,102.41**	**4,746,349.32**
Exports (fob)	*8,309,758.32*	*10,161,490.11*	*8,356,385.57*	*11,490,298.39*	*14,231,450.63*
Oil and Gas	8,110,500.38	9,913,651.13	8,067,233.00	11,093,921.24	13,746,207.09
Non-oil	199,257.94	247,838.99	289,152.57	396,377.16	485,243.54
Imports (fob)	*(3,559,876.89)*	*(4,722,720.38)*	*(4,583,039.17)*	*(6,944,195.99)*	*(9,485,101.30)*
Oil/3	(699,086.42)	(1,261,924.24)	(1,017,748.81)	(1,665,976.13)	(2,952,514.62)
Non-oil	(2,299,830.83)	(3,460,796.14)	(3,565,290.36)	(5,278,219.85)	(6,532,586.68)
Unrecorded(TPAdj)	(560,959.64)	-	-	-	-
Services(net)	**(2,126,812.51)**	**(2,621,053.04)**	**(2,453,707.60)**	**(2,743,227.07)**	**(3,259,468.68)**
Credit	181,558.24	268,321.83	330,241.49	462,996.66	521,060.52
Transportation	104,384.20	143,318.68	163,530.08	296,057.57	244,243.51
Travel	26,840.87	67,438.61	89,604.96	85,529.78	95,886.34
Insurance Services	571.40	43.85	112.88	151.27	253.03
Communication Services	3,368.52	3,533.47	5,448.99	7,128.27	7,690.45
Construction Services	-	-	-	-	-
Financial Services	1,684.26	1,766.73	1,203.20	2,078.27	2,458.67
Computer & information Services	-	-	-	-	-
Royalties and License Fees	-	-	-	-	-
Government Services	43,461.39	50,983.77	68,223.64	69,311.55	165,030.64
Personal, cultural & recreational services	-	-	-	-	-
Other Bussiness Services	1,247.60	1,236.71	2,117.74	2,739.94	5,497.88
Debit	(2,308,370.75)	(2,889,374.87)	(2,783,949.09)	(3,206,223.73)	(3,780,529.20)
Transportation	(626,915.26)	(814,198.30)	(907,010.65)	(1,276,430.44)	(1,239,316.28)
Travel	(703,269.62)	(1,159,073.24)	(746,302.51)	(836,612.58)	(1,015,242.96)
Insurance Services	(26,383.00)	(120,181.58)	(58,318.97)	(75,374.28)	(108,230.21)
Communication Services	(26,495.66)	(27,793.09)	(51,096.13)	(42,762.22)	(35,299.78)
Construction Services	(7,582.43)	(7,953.72)	(6,465.99)	(19,381.48)	(13,645.97)
Financial Services	(1,102.88)	(3,769.03)	(7,363.50)	(5,069.09)	(48,882.88)
Computer & information Services	(25,104.12)	(26,333.41)	(27,716.75)	(18,597.37)	(25,372.38)
Royalties and License Fees	(21,725.71)	(22,561.20)	(31,032.73)	(33,575.65)	(32,803.43)
Government Services	(351,349.11)	(213,353.78)	(328,973.17)	(220,111.77)	(323,223.18)
Personal, cultural & recreational services	(48.96)	(51.35)	(1,690.66)	(7,882.68)	(12,167.39)
Other Bussiness Services	(518,394.02)	(494,106.17)	(617,978.04)	(670,426.16)	(926,344.72)
Income(net)	**(1,478,202.64)**	**(1,784,946.61)**	**(2,144,670.68)**	**(2,921,789.13)**	**(3,505,308.47)**
Credit	*322,595.67*	*278,765.18*	*139,263.22*	*149,959.67*	*138,095.92*
Investment Income	295,169.68	263,708.42	118,699.62	124,923.69	110,331.20
Compensation of employees	27,425.99	15,056.76	20,563.60	25,035.98	27,764.72
Debit	*(1,800,798.32)*	*(2,063,711.78)*	*(2,283,933.91)*	*(3,071,748.80)*	*(3,643,404.39)*
Investment Income	(1,797,305.04)	(2,059,559.25)	(2,281,159.34)	(3,068,925.34)	(3,636,747.26)
Compensation of employees	(3,493.28)	(4,152.53)	(2,774.57)	(2,823.46)	(6,657.12)
Current transfers(net)	**2,333,508.54**	**2,417,815.59**	**2,882,981.21**	**3,111,916.92**	**3,355,219.50**
Credit	*2,352,392.22*	*2,480,722.52*	*2,952,020.30*	*3,183,757.61*	*3,427,824.86*
General Government/4	108,251.76	219,053.88	236,899.99	240,349.05	282,007.59
Other Sectors	2,244,140.46	2,261,668.65	2,715,120.31	2,943,408.56	3,145,817.27
Workers Remittance	2,238,935.47	2,261,420.16	2,714,480.64	2,942,551.34	3,144,383.44
Debit	*(18,883.67)*	*(62,906.93)*	*(69,039.09)*	*(71,840.68)*	*(72,605.36)*
General Government	(10,433.68)	(14,046.72)	(17,492.73)	(25,271.21)	(17,983.43)
Other Sectors	(8,449.99)	(48,860.22)	(51,546.36)	(46,569.47)	(54,621.93)
Workers Remittance	(3,301.15)	(2,741.97)	(4,228.12)	(4,311.86)	(4,960.44)
CAPITAL AND FINANCIAL ACCOUNT	**(1,666,525.44)**	**(992,280.30)**	**1,862,597.81**	**305,561.31**	**(831,406.39)**
Capital account(net)	**-**	**-**	**-**	**-**	**-**
Credit	-	-	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-	-	-
Debit	-	-	-	-	-
Capital Transfers	-	-	-	-	-
Financial account(net)	**(1,666,525.44)**	**(992,280.30)**	**1,862,597.81**	**305,561.31**	**(831,406.39)**
Assets	**(3,132,760.90)**	**(2,157,312.27)**	**248,206.12**	**(834,766.15)**	**(3,096,417.41)**
Direct investment (Abroad)	(109,161.26)	(124,645.02)	(227,093.29)	(137,029.22)	(125,668.71)
Portfolio investment	(231,942.44)	(560,498.52)	(122,347.50)	(167,847.68)	(247,637.99)
Other investment	(1,664,444.37)	(1,275,800.90)	(966,046.81)	(2,021,367.65)	(2,676,046.36)
Change in Reserve	(1,127,212.84)	(196,367.83)	1,563,693.71	1,491,478.39	(47,064.34)
Liabilities	**1,466,235.46**	**1,165,031.97**	**1,614,391.69**	**1,140,327.46**	**2,265,011.02**
Direct Invesment in reporting economy	759,380.43	971,543.79	1,273,815.79	905,730.77	1,360,307.91
Portfolio Investment	332,547.78	157,157.16	70,938.49	556,585.07	792,360.22
Other investment liabilities	374,307.25	36,331.02	269,637.41	(321,988.38)	112,342.88
NET ERRORS AND OMISSIONS	**(1,811,849.38)**	**(2,458,305.37)**	**(3,920,547.14)**	**(2,298,564.44)**	**(505,385.29)**
Memorandum Items:					
Current Account Balance as % of G.D.P	16.84	14.20	8.30	5.86	3.58
Capital and Financial Account Balance as % of G.D.P	(8.07)	(4.08)	7.51	0.90	(2.23)
Overall Balance as % of G.D.P	5.46	0.81	(6.31)	(4.39)	0.13
External Reserves - Stock (US $ million)	51,333.15	53,000.36	42,382.49	32,339.25	32,639.78
Number of Months of Imports Equivalent	21.59	15.86	16.34	7.92	6.30
External Debt Stock (US$ million)	3,654.00	3,720.00	3,947.30	4,578.77	5,666.58
Debt Service Due as % of Exports of Goods and Non Factor Servic	-	-	-	-	-
Effective Central Exchange Rate (N/$)	124.76	117.78	147.27	148.51	152.59
Average Exchange Rate (N/$)	125.83	118.53	148.90	149.74	153.85
End-Period Exchange Rate (N/$)	117.97	132.56	149.58	150.66	158.27

/1 Revised

./2 Provisional

/3 Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data on import of AGO, DPK and ATK by other markets from the NCS

/4 The series on transfers to Government (credit) were revised using data on Official Development Assistance from the National Planning Commission (NPC)

Source: Central Bank of Nigeria

Table 58
Visible Trade
(Naira Million)

Items	2007	2008	2009	2010 /1	2011 /2
Imports (c&f)	3,911,952.63	5,189,802.62	5,102,534.38	7,614,656.23	10,235,174.22
Crude oil and Gas sector	768,226.84	1,386,729.93	1,063,544.18	1,757,140.40	3,043,596.72
Non-Oil sector	3,143,725.79	3,803,072.68	4,038,990.20	5,857,515.83	7,191,577.50
Exports (fob)	8,309,758.32	10,161,490.12	8,356,385.57	11,490,298.39	14,231,450.63
Crude oil and Gas sector	8,110,500.38	9,913,651.13	8,067,233.00	11,093,921.24	13,746,207.09
Non-Oil sector	199,257.94	247,838.99	289,152.57	396,377.16	485,243.54
Total Trade	12,221,710.95	15,351,292.74	13,458,919.95	19,104,954.62	24,466,624.85
Crude oil and Gas sector	8,878,727.22	11,300,381.06	9,130,777.18	12,851,061.64	16,789,803.82
Non-Oil sector	3,342,983.73	4,050,911.67	4,328,142.77	6,253,892.98	7,676,821.04
Balance of Trade	4,397,805.69	4,971,687.50	3,253,851.19	3,875,642.17	3,996,276.40
Crude oil and Gas sector	7,342,273.54	8,526,921.20	7,003,688.82	9,336,780.84	10,702,610.37
Non-Oil sector	(2,944,467.85)	(3,555,233.69)	(3,749,837.63)	(5,461,138.67)	(6,706,333.97)
Effective Central Exchange Rate (N/$)	124.76	117.78	147.27	148.51	152.59

/1 Revised
/2 Provisional
The figures include estimates made for informal/unrecorded imports and exports
Source: Central Bank of Nigeria

Table 59
Imports by Major Groups
(Naira Million)

IMPORT GROUP	2007	2008	2009	2010 /1	2011 /2
Consumer Goods	1,837,735.42	1,931,443.45	2,119,895.39	3,301,789.66	4,432,320.62
Durable	1,295,795.08	1,382,145.22	1,429,413.69	2,238,590.49	2,931,312.13
Non Durable	541,940.34	549,298.23	690,481.70	1,063,199.18	1,501,008.48
Capital Goods And Raw Materials	2,047,431.95	3,225,650.78	2,943,426.37	4,274,584.95	5,743,057.18
Capital Goods	1,339,288.91	2,246,851.61	2,177,277.15	3,083,994.61	4,462,420.14
Raw Materials	708,143.04	978,799.17	766,149.22	1,190,590.33	1,280,637.04
Miscellaneous	26,785.25	32,708.39	39,212.62	38,281.62	59,796.43
Total	3,911,952.63	5,189,802.62	5,102,534.38	7,614,656.23	10,235,174.22

/1 Revised
/2 Provisional
The figures include estimates made for informal imports - shuttle trade
Source: Central Bank of Nigeria

Table 60

Non-Oil Imports by Country of Origin (c&f)

	Value (Naira million)					Percentage (%)				
	2007	2008	2009	2010 /1	2011 /2	2007	2008	2009	2010 /1	2011 /2
Industrial Countries	**1,251,476.97**	**1,500,683.37**	**1,396,527.90**	**2,051,879.72**	**2,553,877.65**	**39.8**	**39.5**	**34.6**	**35.0**	**35.5**
United States of America	418,108.19	505,122.91	410,378.40	577,988.44	817,471.18	13.3	13.3	10.2	9.9	**11.4**
Japan	66,338.99	63,115.56	103,907.41	136,141.65	130,180.11	2.1	1.7	2.6	2.3	**1.8**
France	62,258.21	176,002.89	122,623.84	160,957.46	215,831.27	2.0	4.6	3.0	2.7	**3.0**
Germany	148,846.21	160,992.56	140,615.97	266,976.19	321,969.61	4.7	4.2	3.5	4.6	**4.5**
Switzerland	23,517.61	25,409.28	33,828.66	44,718.08	42,957.66	0.7	0.7	0.8	0.8	**0.6**
Belgium	170,848.66	164,680.80	137,194.77	212,984.73	250,130.33	5.4	4.3	3.4	3.6	**3.5**
Norway	-	20,872.68	24,301.89	39,127.40	45,777.24	0.0	0.5	0.6	0.7	**0.6**
Italy	76,335.41	86,477.26	85,783.33	163,573.13	144,579.18	2.4	2.3	2.1	2.8	**2.0**
Netherlands	94,533.11	98,187.59	110,114.11	155,058.77	228,760.31	3.0	2.6	2.7	2.6	**3.2**
United Kingdom	190,690.59	199,821.84	227,779.53	294,353.88	356,220.76	6.1	5.3	5.6	5.0	**5.0**
African	**80,896.75**	**96,347.07**	**111,109.07**	**157,120.74**	**149,873.43**	**2.6**	**2.5**	**2.8**	**2.7**	**2.1**
Cote d'Ivoire	-	-	-	-	-	0.0	0.0	0.0	0.0	**0.0**
Ghana	-	-	-	58,617.77	-	0.0	0.0	0.0	1.0	**0.0**
Niger	-	-	-	-	-	0.0	0.0	0.0	0.0	**0.0**
South Africa	80,896.75	66,337.91	76,497.35	98,502.98	149,873.43	2.6	1.7	1.9	1.7	**2.1**
Egypt	-	19,991.24	19,130.60	-	-	0.0	0.5	0.5	0.0	**0.0**
Swaziland	-	10,017.91	15,481.13	-	-	0.0	0.3	0.4	0.0	**0.0**
Others	-	-	-	-	-	0.0	0.0	0.0	0.0	**0.0**
Asia (excluding Japan)	**859,946.47**	**1,106,127.00**	**1,213,913.62**	**1,795,808.69**	**2,849,059.81**	**27.4**	**29.1**	**30.1**	**30.7**	**39.6**
China, P.R	464,692.63	534,149.97	647,892.74	987,339.88	1,436,826.59	14.8	14.0	16.0	16.9	**20.0**
Hong Kong	32,171.64	28,860.26	33,056.19	33,009.93	-	1.0	0.8	0.8	0.6	**0.0**
India	172,935.72	139,986.15	177,796.48	282,178.82	448,477.42	5.5	3.7	4.4	4.8	**6.2**
Indonesia	21,617.21	23,009.41	26,551.87	37,055.65	55,426.81	0.7	0.6	0.7	0.6	**0.8**
Korea, Republic of	73,900.84	291,278.58	108,612.52	149,891.00	623,495.83	2.4	7.7	2.7	2.6	**8.7**
Singapore	25,012.90	26,625.75	45,961.79	64,322.12	-	0.8	0.7	1.1	1.1	**0.0**
Malaysia	-	10,475.16	18,903.29	29,411.56	-	0.0	0.3	0.5	0.5	**0.0**
Thailand	38,387.13	21,792.94	96,110.50	141,122.42	215,605.43	1.2	0.6	2.4	2.4	**3.0**
Taiwan, Province of China	31,228.39	29,948.76	59,028.23	71,477.30	69,227.73	1.0	0.8	1.5	1.2	**1.0**
Others	-	-	-	-	-	0.0	0.0	0.0	0.0	**0.0**
Others	**951,405.59**	**1,099,915.24**	**1,317,439.61**	**1,852,706.70**	**1,638,766.61**	**30.3**	**28.9**	**32.6**	**31.6**	**22.8**
Russia	26,236.14	30,611.64	35,534.45	39,277.74	49,891.66	0.8	0.8	0.9	0.7	**0.7**
Turkey	-	15,463.27	28,563.94	54,176.03	73,951.23	0.0	0.4	0.7	0.9	**1.0**
Isreal	-	13,339.48	10,497.65	-	-	0.0	0.4	0.3	0.0	**0.0**
Ukraine	53,886.16	70,092.29	29,438.51	66,192.19	-	1.7	1.8	0.7	1.1	**0.0**
Lebanon	18,052.74	13,391.24	16,897.96	-	127,219.55	0.6	0.4	0.4	0.0	**1.8**
United Arab Emirates	73,048.94	65,102.75	103,951.71	153,768.05	117,062.19	2.3	1.7	2.6	2.6	**1.6**
Sweden	-	44,527.72	47,455.67	55,593.86	85,578.61	0.0	1.2	1.2	0.9	**1.2**
Ireland	47,869.24	33,900.13	35,163.62	55,665.98	77,173.23	1.5	0.9	0.9	1.0	**1.1**
Spain	26,553.86	28,185.88	31,361.01	99,079.89	66,889.94	0.8	0.7	0.8	1.7	**0.9**
Greece	-	27,441.05	16,106.23	31,287.75	-	0.0	0.7	0.4	0.5	**0.0**
Portugal	-	-	-	38,374.48	-	0.0	0.0	0.0	0.7	**0.0**
Argentina	17,153.18	15,990.98	13,599.08	-	-	0.5	0.4	0.3	0.0	**0.0**
Others	557,081.10	653,808.41	691,976.34	1,023,318.70	755,182.92	17.7	17.2	17.1	17.5	**10.5**
Saudi Arabia	21,170.41	-	11,378.96	27,542.70	49,589.17	0.7	0.0	0.3	0.5	**0.7**
Iceland	-	11,084.84	12,895.00	-	-	0.0	0.3	0.3	0.0	**0.0**
New Zealand	15,647.96	13,297.78	17,872.69	-	-	0.5	0.3	0.4	0.0	**0.0**
Mauritania	-	-	-	26,635.77	-	0.0	0.0	0.0	0.5	**0.0**
Finland	-	-	16,872.91	-	-	0.0	0.0	0.4	0.0	**0.0**
Canada	-	-	14,560.33	-	-	0.0	0.0	0.4	0.0	**0.0**
Poland	-	-	12,194.77	-	-	0.0	0.0	0.3	0.0	**0.0**
Denmark	-	-	11,286.49	-	-	0.0	0.0	0.3	0.0	**0.0**
Cyprus	-	-	10,182.69	-	-	0.0	0.0	0.3	0.0	**0.0**
Chile	15,276.61	-	28,601.51	24,765.70	-	0.5	0.0	0.7	0.4	**0.0**
Latvia	-	8,818.69	-	-	-	0.0	0.2	0.0	0.0	**0.0**
Brazil	79,429.26	54,859.09	121,048.09	157,027.85	236,228.12	2.5	1.4	3.0	2.7	**3.3**
TOTAL	**3,143,725.79**	**3,803,072.68**	**4,038,990.20**	**5,857,515.85**	**7,191,577.50**	**100.00**	**100.00**	**100.00**	**100.0**	**100.0**

1/ Revised

2/ Provisional

The figures include estimates made for informal imports - shuttle trade

Source: Central Bank of Nigeria

Table 61										
Direction of Crude Oil Exports										
Region/country	Quantity (Thouand Barrels)					Value (N Million)				
	2007	2008	2009	2010 /1	2011 /2	2007	2008	2009	2010 /1	2011 /2
CANADA	15,135	24,497	30,115	37,436	53,785	138,704.06	295,922.27	286,640.63	452,137.59	794,568.39
U.S.A	416,222	318,069	246,875	252,315	250,386	3,814,417.55	3,842,297.03	2,349,831.60	3,047,345.91	3,698,989.06
SUB-TOTAL: NORTH AMERICA	**431,357**	**342,566**	**276,990**	**289,751**	**304,171**	**3,953,121.62**	**4,138,219.30**	**2,636,472.24**	**3,499,483.50**	**4,493,557.45**
ARGENTINA	-	7,534	8,941	6,840	15,946	-	91,006.70	85,104.46	82,615.53	235,566.63
URUGUAY	-	-	50,361	-	61,911	-	-	479,355.13	-	914,621.79
BRAZIL	59,398	48,527	15,615	84,017	1,270	544,349.41	586,215.08	148,632.90	1,014,719.34	18,765.62
PERU	3,899	949	3,046	12,370	4,993	35,731.50	11,467.48	28,991.65	149,404.74	73,758.44
CHILE	2,948	-	-	-	-	27,013.21	-	-	-	-
PUERTO RICO	5,929	4,572	999	-	-	54,339.22	55,228.32	9,509.59	-	-
VENEZUELA	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL: SOUTH AMERICA	**72,174**	**61,582**	**78,963**	**103,228**	**84,120**	**661,433.34**	**743,917.59**	**751,593.72**	**1,246,739.61**	**1,242,712.47**
BAHAMAS	-	1,541	301	-	-	-	18,612.34	2,863.37	-	-
TRINIDAD & TOBAGO	-	650	-	-	-	-	7,849.83	-	-	-
SUB-TOTAL: CENTRAL AMERICA	**-**	**2,191**	**301**	**-**	**-**	**-**	**26,462.17**	**2,863.37**	**-**	**-**
VIRGIN ISLAND	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL: CARRIBEAN ISLAND	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GERMANY	10,870	11,451	8,516	950	5,396	99,614.69	138,322.97	81,053.08	11,472.36	79,718.39
FRANCE	23,408	36,027	30,947	-	39,001	214,518.44	435,204.37	294,562.53	-	576,162.91
ITALY	15,758	22,236	29,663	18,736	32,859	144,408.35	268,610.73	282,339.95	226,288.48	485,427.80
NETHERLANDS	9,876	33,613	23,849	36,152	59,915	90,507.30	406,047.02	227,006.42	436,628.97	885,137.14
POTUGAL	12,129	17,003	15,822	24,140	12,912	111,150.55	205,395.42	150,595.26	291,546.01	190,743.61
N, WE	4,843	5,048	-	-	5,571	44,383.91	60,977.27	-	-	82,301.20
SPAIN	34,670	36,132	36,704	38,216	48,343	317,732.09	436,473.65	349,355.94	461,552.66	714,184.29
UNITED KINGDOM	7,871	9,669	15,730	11,120	24,043	72,128.37	116,799.06	149,719.98	134,303.65	355,187.51
SWITZERLAND	1,697	-	-	1,182	-	15,554.30	-	-	14,273.83	-
SCOTLAND	524	-	-	-	-	4,804.85	-	-	-	-
TURKEY	-	-	1,998	962	-	-	-	19,016.25	11,614.79	-
WESTERN EUROPE	-	-	-	-	-	-	-	-	-	-
SWEDEN	-	949	400	-	-	-	11,469.63	3,807.32	-	-
SUB-TOTAL EUROPE	**121,645**	**172,127**	**163,628**	**131,457**	**228,040**	**1,114,802.85**	**2,079,300.10**	**1,557,456.72**	**1,587,680.74**	**3,368,862.84**
JAPAN	3,076	1,000	950	998	910	28,192.47	12,076.57	9,044.27	12,058.46	13,437.66
AUSTRALIA	-	-	2,856	959	19,952	-	-	27,186.95	11,584.75	294,746.23
INDIA	75,298	74,151	87,160	153,745	111,844	690,058.50	895,744.03	829,617.16	1,856,859.27	1,652,278.91
INDONESIA	7,515	949	10,841	44,362	19,612	68,868.54	11,468.99	103,185.07	535,784.33	289,730.90
KOREA	2,706	-	-	-	-	24,797.37	-	-	-	-
TAIWAN	3,800	-	948	-	9,400	34,822.75	-	9,025.13	-	138,874.24
CHINA	5,356	-	8,615	20,494	4,062	49,080.62	-	82,003.65	247,517.83	60,002.11
NEW ZEALAND	850	-	-	-	-	7,786.25	-	-	-	-
SINGAPORE	-	-	-	-	4,100	-	-	-	-	60,564.94
THAILAND	-	-	-	-	-	-	-	-	-	-
MALAYSIA	-	-	-	-	1,332	-	-	-	-	19,682.65
ISREAL	-	-	-	-	-	-	-	-	-	-
U.A.E	-	997	-	-	-	-	12,046.40	-	-	-
SUB-TOTAL: ASIA & FAR EAST	**98,600**	**77,097**	**111,371**	**220,559**	**171,211**	**903,606.50**	**931,335.99**	**1,060,062.23**	**2,663,804.64**	**2,529,317.64**
GHANA	10,883	8,497	5,049	20,115	9,665	99,738.44	102,639.52	48,056.23	242,940.32	142,782.45
COTE D'IVOIRE	22,301	21,145	27,845	13,773	8,810	204,370.94	255,436.75	265,038.41	166,346.31	130,149.51
SENEGAL	3,934	6,997	5,947	10,835	6,487	36,053.94	84,521.09	56,610.01	130,862.29	95,835.52
CAMEROUN	7,537	7,563	8,851	1,961	13,657	69,070.83	91,363.02	84,247.80	23,678.44	201,749.72
MEDITERRANEAN	-	-	-	-	-	-	-	-	-	-
MOROCCO	-	-	-	-	-	-	-	-	-	-
EQUITORIAL GUINEA	-	417	60,922	44,289	3,444	-	5,033.25	579,873.07	534,898.74	50,877.25
BENIN REPUBLIC	-	-	337	-	5,840	-	-	3,204.11	-	86,275.94
SOUTH AFRICA	23,396	24,299	28,991	1,999	22,474	214,405.82	293,530.59	275,947.91	24,143.16	332,011.58
SUB-TOTAL: AFRICA	**68,050**	**68,917**	**137,943**	**92,972**	**70,377**	**623,639.96**	**832,524.21**	**1,312,977.53**	**1,122,869.26**	**1,039,681.98**
Total	**791,827**	**724,480**	**769,195**	**837,967**	**857,918**	**7,256,604.27**	**8,751,759.36**	**7,321,425.82**	**10,120,577.75**	**12,674,132.38**

/1 Revised
/2 Provisional
The figures are Compiled from various editions of the NNPC Annual Statistics Bulletin
Sources: Central Bank of Nigeria

Table 62
Non-Oil Exports by Products
(Naira Million)

Product	2007	2008	2009	2010 /1	2011 /2	% Share in Total				
						2007	2008	2009	2010 /1	2011 /2
(1) Agricultural Produce	***85,680.91***	***107,214.05***	***135,612.56***	***141,506.65***	***262,472.01***	***39.7***	***43.3***	***46.9***	***35.7***	***54.1***
Cocoa Beans	37,061.98	46,376.31	43,372.89	51,529.03	124,788.88	18.6	18.7	15.0	13.0	*25.7*
Rubber	10,959.19	13,713.43	17,349.15	19,818.86	49,035.07	5.5	5.5	6.0	5.0	*10.1*
Fish/Shrimp	6,575.51	8,228.06	6,939.66	8,720.30	8,993.74	3.3	3.3	2.4	2.2	*1.9*
Cotton	3,985.16	4,986.70	28,915.26	19,818.86	12,173.50	2.0	2.0	10.0	5.0	*2.5*
Others	27,099.08	33,909.56	39,035.60	41,619.60	67,480.83	13.6	13.7	13.5	10.5	*13.9*
(2) Minerals	***14,944.35***	***18,700.13***	***19,373.22***	***44,394.24***	***2,706.42***	***6.3***	***7.5***	***6.7***	***11.2***	***0.6***
Aluminium/Carbonate	8,568.09	10,721.41	12,433.56	24,575.38	-	4.3	4.3	4.3	6.2	-
Other Minerals	6,376.25	7,978.72	6,939.66	19,818.86	2,706.42	3.2	3.2	2.4	5.0	*0.6*
(3) Semi-Manufactured	***67,946.96***	***85,023.24***	***84,432.55***	***148,641.44***	***148,686.37***	***39.4***	***34.3***	***29.2***	***37.5***	***30.6***
Processed Skins	49,017.45	61,336.41	68,818.31	110,192.85	87,740.15	24.6	24.7	23.8	27.8	*18.1*
Cocoa Products	7,173.29	8,976.06	-	-	20,646.53	3.6	3.6	-	-	*4.3*
Texture Yarn	1,992.58	2,493.35	4,048.14	6,738.41	1,751.91	1.0	1.0	1.4	1.7	*0.4*
Furniture/Processed Wood	5,579.22	6,981.38	3,758.98	13,080.45	830.50	2.8	2.8	1.3	3.3	*0.2*
Others	4,184.42	5,236.04	7,807.12	18,629.73	37,717.27	2.1	2.1	2.7	4.7	*7.8*
(4) Manufactured	***23,313.18***	***27,676.19***	***26,312.88***	***22,989.88***	***53,634.47***	***10.3***	***11.2***	***9.1***	***5.8***	***11.1***
Tyres/Tubes	1,195.55	1,496.01	-	-	-	0.6	0.6	-	-	-
Textiles	996.29	1,246.68	2,024.07	1,585.51	2,979.82	0.5	0.5	0.7	0.4	*0.6*
Others	21,121.34	26,429.51	24,288.82	21,404.37	50,654.66	10.6	10.7	8.4	5.4	*10.4*
(5) Other Exports	***7,372.54***	***9,225.40***	***23,421.36***	***38,844.96***	***17,744.27***	***3.7***	***3.7***	***8.1***	***9.8***	***3.7***
Total	**199,257.94**	**247,838.99**	**289,152.57**	**396,377.16**	**485,243.54**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

1/ Revised
2/ Provisional
The figures include estimates made for informal/unrecorded exports

Source: Central Bank of Nigeria

Table 63				
Top 100 Non-Oil Exporters in Nigeria in 2011				
S/N	**Exporter**	**FOB Value (USD)**	**Exported Products**	**Destination**
1	Olam Nigeria Limited	444,020,924.89	Nigerian Sesame Seeds (HPS), Good Fermented Superior Grade Nigerian Cocoa Beans	Japan, Germany, US, Netherlands, Italy, Syria, Spain, Turkey, UK, China & Greece
2	Bolawole Enterprises Nig Limited	146,046,299.60	Good Fermented Nigerian Cocoa Beans (Crop 2011)	Netherlands & Switzerland
3	Unique Leather Finishing Co Limited	124,043,625.34	Finished Leather (Goat and Sheep Skins) Grades 1, 2, 3 and 4	Italy
4	Imoniyame Holdings Limited	97,778,657.08	Nigerian Processed Crumb Rubber (TSR 20)	Spain, United Kingdom, Canada, Columbia & Netherlands
5	Saro Agro Allied Limited	79,456,653.00	Nigerian Origin Dried Cocoa Beans	Netherlands
6	Sun and Sand Industries Limited	76,052,820.63	Lead Tin Alloy & Aluminium Alloys	United Arab Emirates (UAE) & Japan
7	British American Tobacco Nigeria Limited	75,985,683.12	Rothmans KS Niger Cigarettes, Craven A FF Niger Cigarettes, Craven A FF, Rothmans KS, Concorde Menthol Benin Cigarettes, Concorde FF & Menthol, Rothmans KS Benin Cigarettes, Rothmans Royals/King-Size, Concorde FF/Menthol and Craven A FF (Togo), Dunhill International and Craven A Lights Cote D'Ivoire Cigarettes, Various Brand Of Cigarettes (Ghana), London FF and Rothmans KS Ghana & Pall Mall FF 10S/Menthol 10S Ghana Cigarettes	Niger, Benin, Togo, Côte D'Ivoire & Ghana
8	Eleme Petrochemicals Company Limited	75,746,943.45	HDPE Prime Film Grade - HFG00346 & LLDPE Prime Grade - Rotomoulding - BRU04235	Ghana
9	Fata Tanning Limited	73,227,835.10	Finished Goat and Sheep Leather A-1021	Spain, Portugal, Italy, Turkey & China
10	Rubber Estates Nigeria Limited	72,348,015.81	Technically Specified Natural Rubber (TSNR) Processed RENL 10 & 20	India, Italy, Poland, Netherlands, Turkey, India, France, Spain & Brazil
11	Agro Traders Limited	56,086,471.44	Nigerian Raw Cocoa Beans	Netherlands & Germany
12	Atlantic Shrimpers Limited	36,615,567.93	Frozen Shrimps and Crabs, Seafrozen Swimming Crab Claw (Callinectes Species)	Netherlands, China (Taiwan)
13	Tulip Cocoa Processing Limited	36,022,604.95	Nigerian Pure Prime Pressed Cocoa Butter, Nigerian Cocoa Shell, Nigerian Cocoa Cake & Cocoa Dust and Liqour	Spain, China & Netherlands
14	West African Rubber Products (Nig) Limited	35,361,545.86	Assorted Bathroom Slippers	The Republic Of Congo, Togo
15	Multi-Trex Integrated Foods Plc	34,943,165.33	Nigerian Pure Prime Pressed Cocoa Butter	Netherlands
16	MINL Limited	32,929,022.60	Aluminium Corrugated Roofing Sheets & Aluminium Alloy Ingot	Japan & Ghana
17	West African Tannery Company Limited	31,809,586.87	Finished Goat and Sheep Leather	Italy, China & India
18	Enghuat Industries Limited	28,120,680.00	Nigerian Processed Rubber (TSR 10)	Germany, Ukraine, Belarus & China
19	The Okomu Oil Palm Company Plc	28,097,152.09	Nigerian Processed Natural Rubber (Noko 10 Spot) & Natural Rubber	Malaysia, United States Of America, Germany, Spain & Italy
20	Vakorede Nigeria Limited	24,798,752.94	Nigerian Sesame Seeds	Turkey & Vietnam
21	Stanmark Cocoa Processing Co Limited	18,377,424.57	Nigerian Cocoa Butter & Alkalised Cocoa Cake	South Africa, Spain, Germany, Netherlands & United Kingdom
22	Maviga West Africa Limited	15,914,438.90	Nigerian Cleaned Sesame Seeds (Crop 2011) & Nigerian Dried Split Ginger (Crop 2011)	Japan, Saudi Arabia, China, Egypt & Syria
23	Armajaro Nigeria Limited	15,248,527.90	Nigerian Cotton, & Nigerian Cocoa Beans	Indonesia, Germany, Vietnam & Netherlands
24	Metal Recycling Industries Limited	14,823,408.54	Aluminium Ingots (ADC 12) & Copper Ingots	Japan, Thailand & Belgium
25	Nestle Nigeria Plc	13,536,345.51	Maggi Crevette Tab 24 (60 X 10G) & Maggi Crayfish Tablet 24(60 X 10G)	Togo, Benin & Ghana
26	RMM Global Company Limited	13,482,999.20	Nigerian White Hulled Sesame Seeds, Double Optically Sorted Premium Grade Sesame Seeds (Crop 2011-2012) Bauchi Type, Nigerian Hibiscus Flowers (New Crop 2011/2012), Nigerian Gum Arabic (Grade One), Nigerian Natural Sesame Seeds Benue Type (Crop 2011/2012), Nigerian Natural Whitish Sesame Seeds Maiduguri Type - Crop 2011/2012, Nigerian Hibiscus Siftings (Crop 2010/2011)	United Arab Emirates (UAE), Lebenon, Jordan, Japan, Mexico, Turkey & Germany
27	Yara Commodities Limited	12,608,457.24	Nigerian Raw Cocoa Beans	Netherlands
28	De United Foods Industries Limited	11,895,532.75	Noodles Onion Chicken and Chicken Flavour Regular (70G 40 & 70G)	Ghana
29	AIS Trades & Industries Limited	11,654,373.33	Nigerian Sesame Seeds (Maiduguri Type) & Nigerian Dried Hibiscus Flower	Turkey, Japan & Mexico
30	Friesland Campina Wamco Nigeria Plc	10,998,875.60	Full Cream Unsweetened Evaporated Milk Peak (24 X 170G) Tins	Ghana
31	Enkay Indo-Nigerian Industries Limited	10,916,633.38	Nigerian Hibiscus Flower & Nigerian Sheanuts	Turkey & India
32	Mamuda Industries (Nig) Limited	10,622,225.00	Finished Leather	Italy
33	Alkem Nigeria Limited	10,463,187.96	Polyester Staple Fibre	Germany & United Kingdom
34	Notore Chemical Industries Limited	10,086,270.26	Fully Refrigerated Anhydrous Ammonia & Fertilizer - Urea Granular	Morocco & Uruguay
35	Nure International Nigeria Limited	9,618,581.86	Good Fermented Nigerian Cocoa Beans (Crop 2011)	France, Netherlands, & United Kingdom
36	PZ Cussons Nigeria Plc	9,408,276.06	Nunu Milk Evaporated and Powder, Jet Detergent, CB Jelly and Robb Ointment/Inhaler, Cosmetics, Refrigerator, Stabilizer, Washing Machine and A/C	Togo, Ghana & Gabon
37	West African Cotton Co Limited	9,356,369.22	Nigerian Ginned Cotton Lint	Indonesia & Vietnam
38	Beta Glass Plc	9,053,863.86	Empty (300ML) Multiproduct Bottles	Guinea, Ghana & Sierra Leon
39	Starlink Global and Ideal Limited	8,750,311.25	Fully Fermented Nigerian Raw Cocoa Beans & Nigerian Raw Cocoa Beans	Malaysia, Netherlands & Germany
40	Asia Plastics Industry (Nigeria) Limited	8,322,778.08	Assorted Eva Slippers & Cut Sole and PVC Rope	Central African Republic, Niger & Chad
41	B & B Leather Limited	8,005,847.38	Nigerian Finished Sheep and Goat Skins Leather	Italy
42	Armada International Limited	7,721,445.62	100 X 100 MM Billets	Cameroon & Ghana
43	Unilever Nigeria Plc	7,454,470.04	Close Up Menthol Chill Toothpaste (8Ml X 240 & 100 X 50) & New Sunlight Multiactive Detergent Powder (250G X 40,500G X 12 and 1Kg X 10)	Côte D'Ivoire

S/N	Exporter	FOB Value (USD)	Exported Products	Destination
Table 63 Cont.				
Top 100 Non-Oil Exporters in Nigeria in 2011				
44	Cocoa Products (Ile-Oluyi) Limited	6,930,976.00	Cocoa Cake	Netherlands
45	Bissma Commodities Nigerian Limited	6,463,317.61	Nigerian Cleaned Sesame Seeds (Crop 2011-2012) Kano Type & Nigerian Dried Hibiscus Siftings (Crop 2011-2012)	China, Germany, Turkey & Vietnam
46	Alfa Systems & Commodity Company Limited	6,078,574.90	Good Fermented Nigerian Cocoa Beans & Nigerian Natural Cocoa Cake	United States Of America & Spain
47	ORC Fishing & Food Processing Limited	5,994,672.00	Various Processed Shrimps and Crab Claws	Netherlands & France
48	Kanotan S. A. Limited	5,839,654.91	Processed Sheep Crust and Goat Suede Leather	Spain & China
49	Star Seed Nigeria Limited	5,418,849.53	Polished Natural Sesame Seeds (Maidugri, Bauchi, Benue & Kano Type)- Season 2011/2012 - Purity 99% Min, Nigerian Hibiscus Flower (HPS Quality) New Crop 2011/2012, Nigerian Dried Split Ginger (HPS Quality) New Crop 2011/2012	Turkey, Mexico, Brazil, Netherlands, Syria & Jordan
50	Olokun (Pisces) Limited	5,403,902.05	Frozen Shrimps Tiger, Sole Fillets and Crab Claws Clusters	Belgium
51	Akeem & Kamoru (Nig) Limited	5,195,463.00	Nigerian Cocoa Beans	Malaysia
52	Metafrique Limited	5,061,532.93	Re-Melted Lead Ingot	Indonesia & India
53	Pamol (Nigeria) Limited	4,493,664.00	Nigerian Natural Crumb Rubber (TSR 10) & Technically Specified Natural Rubber (TSR 10)	United Kingdom & Ukraine
54	Silver Stone Alloys Limited	4,335,291.72	Aluminium Ingots	India
55	Everest Metal Nigeria Limited	4,155,449.32	Aluminium Alloy Ingots - AD12.1 & Remelted Lead Ingots	Japan & India
56	Fullmark Commodities Limited	4,152,153.00	Nigerian Gum Arabic Accacia Sifting	India
57	Viva Metal and Plastics Industries Limited	4,108,649.50	Assorted Polybags	Central African Republic, Niger & Chad
58	Flour Mills of Nigeria Plc	3,403,589.50	Wheat Bran Pellets	Mexico
59	Guinness Nigeria Plc	3,235,728.49	Stout-325ML and 600ML (Fes, Small and Large Bottles)	United Kingdom
60	Multitan Limited	3,201,434.90	Sheep Bompai Crust Natural, Sheep Bompai Crust Black, Sheep and Go	Italy & United Kingdom
61	Hakan Agro Nigeria Limited	2,879,456.20	Nigerian Sesame Seeds	Turkey
62	Metalworld Recycling Limited	2,756,299.35	Aluminium Ingot, Lead Ingots & Processed Battery Plate/Lead Grid Pro	Indonesia, India & South Korea
63	Decent Bag Industries Limited	2,533,434.20	Assorted Polybags	Central African Republic, Chad & Niger
64	Cadbury Nigeria Plc	2,338,283.87	Confectioneries (Tom-Tom & Halls Ahomka Ginger)	Ghana
65	African Foundries Limited	2,291,553.52	Prime Concast Steel Billets (100 X 100MM)	Philippines
66	Highglory Solid Mineral Company Limited	2,238,630.00	Lead Ore & Zinc Ore	China
67	Standard Plastics Industry (Nig) Limited	2,111,257.68	Assorted Eva Slippers	Central African Republic, Chad & Niger
68	Bally Plastics & Footwear Ind (Nig) Ltd	2,109,087.20	Assorted PVC Slippers	Chad & Niger
69	Reckitt Benckiser Nigeria Limited	2,047,653.79	Soap Noodles (Natural Soap) & Dettol Liquid (Various Sizes)	South Africa & Ghana
70	Bluebay Trading Company Limited	1,947,165.00	Nigerian Cocoa Beans	Netherlands
71	Sodexmines Nigeria Limited	1,726,060.50	Nigerian Finished Sheep and Goat Skins Leather	Malaysia
72	Spintex Mills (Nigeria) Limited	1,723,441.23	Cotton Yarn NE 16/1 OE Weaving Raw White	Portugal, Egypt, Portugal, Poland, Portugal, Spain & Portugal
73	Angel Spinning & Dyeing Limited	1,706,959.10	Textile Fabrics (Wax Print) 100% Cotton	The Democratic Republic Of Congo
74	Mel-Tech West Africa Limited	1,647,916.50	Copper Ingots	China
75	Sfurna Global Limited	1,642,238.81	Aluminium Alloy Ingot - ADC 12	Malaysia & India
76	Sapele Integrated Industries Limited	1,619,452.80	Nigerian Specified Rubber (NSR 10)	Spain
77	Standard Footwear (Nigeria) Limited	1,581,679.20	Assorted Beachcombers	Central African Republic & Chad
78	Olatunde International Limited	1,511,973.40	Good Fermented Nigerian Cocoa Beans (Crop 2011)	Germany
79	Precise Saviour Lndustries Limited	1,498,252.00	Precise Saviour Industries Limited	India
80	Loquat Classic Nigeria Limited	1,247,700.00	Nigerian Hibiscus Flowers (New Crop 2011/2012), Nigerian Sesame Seeds (New Crop 2011/2012) Admixture	Mexico & Egypt
81	Nosak Distilleries Limited	1,161,188.00	Litres Of Extra Neutral Ethyl Alcohol 96.0% V/V (Drums & Kegs)	Cameroon
82	Nigerian Breweries Plc	1,107,061.32	Star and Gulder Beer (60CL X 12 Bottles)	United Kingdom
83	Prosel Ultimate Limited	906,685.00	Nigerian Cocoa Beans	Italy
84	Gongoni Company Limited	900,820.17	Insecticides, Rambo Aerosol Insecticide 300ML (1 X 24), Gasliter Refill and Soap	Côte D'Ivoire, Ghana & Gabon
85	Plantation Industry Limited	890,131.50	Nigerian Pure Primed Pressed Cocoa Butter & Nigerian Cocoa Cake	Spain & Germany
86	AA-Kkayz Resources Limited	869,662.89	Melted Lead Ingot	United Arab Emirates (UAE)
87	West African Seasoning Company Limited	786,650.75	Monosodium Glutamate 99+% Pure Regular Crystal (RC)	Sierra Leone, Senegal, Gambia & Ghana
88	Oando Plc	710,791.31	Lubes Product	Togo
89	African Textile Manufacturers Limited	642,600.00	100% Cotton Printed Fabrics	France & Togo
90	Eastern Metals Limited	615,436.00	Remelted Lead Ingots	Thailand
91	Vital Products Limited	546,110.00	Vitali Tomato Paste (70Gms Sachets) & Vitavite Multivitamin Fruit Drink - Doypack	Benin
92	United Nigerian Textiles Plc	446,563.00	Other Printing Process Woven Fabrics Of Cotton (Nichem)	Ghana
93	Holborn (Nigeria) Limited	439,314.70	Finished PVC Casing Pipes/Lldpe Tanks/PVC Ceiling Profile	Chad
94	MST Investment Co Limited	404,250.00	Nigerian Peeled Sesame Seed	Syria
95	Dangote Agrosacks Limited	396,750.00	Poly Propylene Recycled Pellets	United States Of America
96	Ayafa Concepts Limited	333,721.60	Processed, Goat and Sheep Leather	Italy
97	Crown Flour Mills Limted	310,000.00	Wheat Bran	United Arab Emirates (UAE)
98	God's Little Tannery Limited	307,895.85	Processed Nigerian Goatskin Leather	Italy
99	Clean State Commodities Limited	279,923.20	Assorted PVC Slippers	Netherlands
100	Kolorkote Nigeria Limited	265,022.94	Coated Aluminium Coils (Bobine Aluminium Prelaquees) & Oven Baked Colour Coated Diamond Embossed Aluminium Coils	Ghana & Benin
Total		**2,002,764,627.46**		
Other Exports		**762,525,785.32**		
Grand		**2,765,290,412.78**		

Source : Trade and Exchange Department

TABLE 64

Exchange Rate Movements

(Naira per US Dollar)

Month	CBN DAS/WDAS Rate					Bureaux de Change					Interbank Rate /1				
	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
January	128.28	117.98	145.78	149.78	151.55	130.04	120.80	149.88	153.55	156.13	128.37	117.72	146.59	150.33	152.47
February	128.27	118.21	147.14	150.22	151.94	130.00	119.57	156.93	152.08	155.11	128.33	117.50	149.12	150.97	152.86
March	128.15	117.92	147.72	149.83	152.51	129.34	119.00	174.32	151.85	157.09	128.25	116.79		150.08	155.21
April	127.98	117.87	147.23	149.89	153.97	129.00	118.93	180.27	152.00	157.05	127.99	117.47		150.38	154.60
May	127.56	117.83	147.84	150.31	154.80	129.16	118.80	180.63	153.26	158.05	127.62	117.79		151.49	156.17
June	127.41	117.81	148.20	150.19	154.50	128.32	118.70	166.14	153.87	158.32	127.49	117.74	148.54	151.28	155.65
July	127.19	117.77	148.59	150.10	151.86	127.52	119.00	155.13	152.41	163.71	127.20	117.71	149.88	150.27	152.41
August	126.68	117.74	151.86	150.27	152.72	127.39	119.00	158.95	152.23	163.10	126.59	117.69	155.23	150.70	153.79
September	125.88	117.73	152.30	151.03	155.26	126.50	119.00	158.00	153.85	158.23	125.73	117.62	153.25	152.62	156.70
October	124.28	117.72	149.36	151.25	153.26	126.50	119.00	153.05	153.98	161.25	123.43	117.72	150.22	151.78	159.82
November	120.12	117.74	150.85	150.22	155.77	123.80	119.10	152.95	153.13	160.35	119.45	117.88	151.03	150.55	158.83
December	118.21	126.48	149.69	150.48	158.21	121.39	137.65	153.48	154.57	163.30	118.23	134.33	149.80	152.63	162.17
Average	**125.83**	**118.57**	**148.88**	**150.30**	**153.86**	**127.41**	**120.71**	**161.64**	**153.06**	**159.31**	**125.72**	**119.00**	**150.40**	**151.09**	**155.89**
End-Period	**117.97**	**132.56**	**149.58**	**150.66**	**158.27**	**121.00**	**139.00**	**155.00**	**156.00**	**165.00**	**118.05**	**140.00**	**149.67**	**152.00**	**159.70**

Notes: Exchange Rate from August, 2005 includes 1% commission

/1 There was no Interbank trade between 18th February - 28th May 2009.

Source: CBN, Statistics Department

Table 65					
International Investment Position of Nigeria					
(US$' Millions)					
Type of Asset/Liability	**2007**	**2008**	**2009**	**2010 /1**	**2011 /2**
Net international investment position of Nigeria	**8,786.67**	**14,665.88**	**(5,224.41)**	**(9,772.48)**	**(10,272.20)**
ASSETS	**75,505.24**	**91,275.85**	**80,804.65**	**83,935.26**	**98,279.48**
Direct investment abroad	**1,506.42**	**2,564.69**	**4,118.29**	**5,041.01**	**5,864.59**
Equity Capital and Reinvested Earnings	1,506.42	2,564.69	4,118.29	**5,041.01**	**5,864.59**
Other Capital	-	-	-	-	-
Portfolio investment abroad	**6,208.32**	**10,967.09**	**11,797.86**	**12,739.73**	**14,092.16**
Equity Securities	5,643.86	9,710.55	10,472.09	**11,508.15**	**12,995.82**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	5,643.86	9,710.55	10,472.09	**11,508.15**	**12,995.82**
Other Sector	-	-	-		
Debt Securities	564.47	1,256.55	1,325.78	**1,231.59**	**1,096.35**
Bonds and Notes	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	564.47	1,256.55	1,325.78	**1,231.59**	**1,096.35**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	564.47	1,256.55	1,325.78	**1,231.59**	**1,096.35**
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Other Assets	**16,457.34**	**24,743.70**	**22,506.00**	**33,815.27**	**45,682.95**
Trade Credit	1,812.57	2,122.47	51.74	**5,133.12**	**6,609.49**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	1,812.57	2,122.47	51.74	**5,133.12**	**6,609.49**
Loans	1,167.69	1,459.61	1,842.22	**2,069.69**	**2,269.28**
Monetary Authority	-	-	-	-	-
Long-term					
Short-term					
General Government	-	-	-	-	-
Long-term					
Short-term					
Banks	1,167.69	1,459.61	1,842.22	**2,069.69**	**2,269.28**
Long-term					
Short-term	1,167.69	1,459.61	1,842.22	**2,069.69**	**2,269.28**
Other Sector	-	-	-	-	-
Long-term					
Short-term					
Currency and Deposits	13,477.08	21,161.62	20,612.04	**26,612.46**	**36,804.18**
Monetary Authority	-	-	-	-	-
General Government	2,019.36	4,103.86	6,408.50	**7,132.59**	**8,562.12**
Banks	7,889.70	11,367.27	8,461.31	**8,604.52**	**10,757.22**
Other Sector	3,568.02	5,690.49	5,742.23	**10,875.35**	**17,484.84**
Reserve Assets	**51,333.15**	**53,000.36**	**42,382.49**	**32,339.25**	**32,639.78**
Gold					
Special Drawing Rights	0.80	1.18	2,423.22	**2,579.83**	**2,571.92**
Reserve Position in the Fund (IMF)					
Foreign Exchange	51,332.35	52,999.18	39,959.27	**29,759.42**	**30,067.86**

Table 65 cont.					
International Investment Position of Nigeria					
(US$' Millions)					
LIABILITIES	**66,718.57**	**76,609.97**	**86,029.06**	**93,707.74**	**108,551.68**
Direct investment in Reporting Economy	**37,329.54**	**45,578.18**	**54,227.71**	**60,326.67**	**69,241.56**
Equity Capital and Reinvested Earnings	35,974.26	44,159.29	52,788.11	**58,826.47**	**67,486.93**
Other Capital	1,355.28	1,418.89	1,439.60	**1,500.20**	**1,754.63**
Portfolio investment in Reporting Economy	**12,368.69**	**13,702.99**	**14,368.88**	**18,116.78**	**23,309.58**
Equity Securities	6,794.49	5,834.69	6,327.36	**8,506.64**	**11,098.92**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	6,794.49	5,834.69	6,327.36	**8,506.64**	**11,098.92**
Debt Securities	5,574.20	7,868.30	8,041.52	**9,610.14**	**12,210.66**
Bonds and Notes	5,132.79	6,489.98	6,582.08	**7,266.99**	**9,112.43**
Monetary Authority	-	-	-	-	
General Government	5,132.79	6,489.98	6,582.08	**7,266.99**	**9,112.43**
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	441.41	1,378.32	1,459.44	**2,343.15**	**3,098.23**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	441.41	1,378.32	1,459.44	**2,343.15**	**3,098.23**
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Other Liabilities	**17,020.34**	**17,328.80**	**17,432.47**	**15,264.28**	**16,000.53**
Trade Credit	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector					
Loans	10,556.11	11,138.25	11,655.32	**9,712.42**	**9,074.85**
Monetary Authority	-	-	-	-	-
Long-term					
Short-term					
General Government	3,533.20	3,507.20	3,707.12	**4,429.25**	**5,436.06**
Long-term	3,533.20	3,507.20	3,707.12	**4,429.25**	**5,436.06**
Short-term	-	-	-	-	-
Banks	2,468.71	2,244.30	2,586.05	**2,492.87**	**3,179.90**
Long-term	2,468.71	2,244.30	2,586.05	**2,492.87**	**3,179.90**
Short-term	-	-	-	-	-
Other Sector	4,554.20	5,386.75	5,362.15	**2,790.30**	**458.89**
Long-term	4,554.20	5,386.75	5,362.15	**2,790.30**	**458.89**
Short-term	-	-	-	-	-
Currency and Deposits	6,464.23	6,190.55	5,777.15	**5,551.86**	**6,925.68**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	6,464.23	6,190.55	5,777.15	**5,551.86**	**6,925.68**
Other Sector	-	-	-	-	-

/1 Revised
/2 Provisional

Source: Central Bank of Nigeria

Table 66
International Investment Position of Nigeria
(Naira Millions)

Type of Asset/Liability	2007	2008	2009	2010 /1	2011 /2
Net international investment position of Nigeria	**1,036,563.13**	**1,944,109.30**	**(781,467.93)**	**(1,472,321.25)**	**(1,625,780.94)**
ASSETS	**8,907,352.84**	**12,099,526.31**	**12,086,759.13**	**12,645,686.78**	**15,554,693.37**
Direct investment abroad	**177,712.37**	**339,975.31**	**616,013.82**	**759,478.08**	**928,188.15**
Equity Capital and Reinvested Earnings	177,712.37	339,975.31	616,013.82	**759,478.08**	**928,188.15**
Other Capital	-	-	-	-	-
Portfolio investment abroad	**732,395.98**	**1,453,797.98**	**1,764,724.50**	**1,919,368.32**	**2,230,366.80**
Equity Securities	665,805.87	1,287,230.18	1,566,414.85	**1,733,817.50**	**2,056,848.04**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	665,805.87	1,287,230.18	1,566,414.85	**1,733,817.50**	**2,056,848.04**
Other Sector	-	-	-	-	-
Debt Securities	66,590.11	166,567.80	198,309.65	**185,550.82**	**173,518.76**
Bonds and Notes	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	66,590.11	166,567.80	198,309.65	**185,550.82**	**173,518.76**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	66,590.11	166,567.80	198,309.65	**185,550.82**	**173,518.76**
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Other Assets	**1,941,472.78**	**3,280,025.30**	**3,366,447.96**	**5,094,608.96**	**7,230,240.90**
Trade Credit	213,828.88	281,354.62	7,739.27	**773,355.86**	**1,046,083.98**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	213,828.88	281,354.62	7,739.27	**773,355.86**	**1,046,083.98**
Loans	137,752.39	193,485.90	275,559.27	**311,820.13**	**359,159.61**
Monetary Authority	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
General Government	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
Banks	137,752.39	193,485.90	275,559.27	**311,820.13**	**359,159.61**
Long-term	-	-	-	-	-
Short-term	137,752.39	193,485.90	275,559.27	**311,820.13**	**359,159.61**
Other Sector	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
Currency and Deposits	1,589,891.51	2,805,184.78	3,083,149.43	**4,009,432.97**	**5,824,997.31**
Monetary Authority	-	-	-	-	-
General Government	238,223.90	544,007.68	958,583.43	**1,074,596.01**	**1,355,126.73**
Banks	930,748.29	1,506,845.74	1,265,643.23	**1,296,356.73**	**1,702,544.95**
Other Sector	420,919.32	754,331.35	858,922.76	**1,638,480.23**	**2,767,325.63**
Reserve Assets	**6,055,771.71**	**7,025,727.72**	**6,339,572.85**	**4,872,231.41**	**5,165,897.52**
Gold	-	-	-	-	-
Special Drawing Rights	94.38	156.42	362,465.25	**388,677.19**	**407,057.08**
Reserve Position in the Fund (IMF)	-	-	-	-	-
Foreign Exchange	6,055,677.33	7,025,571.30	5,977,107.61	**4,483,554.22**	**4,758,840.44**

Table 66 cont.
International Investment Position of Nigeria
(Naira Millions)

LIABILITIES	**7,870,789.70**	**10,155,417.01**	**12,868,227.06**	**14,118,008.03**	**17,180,474.31**
Direct investment in Reporting Economy	**4,403,765.83**	**6,041,843.54**	**8,111,380.86**	**9,088,816.43**	**10,958,862.04**
Equity Capital and Reinvested Earnings	4,243,883.45	5,853,755.48	7,896,045.49	**8,862,795.97**	**10,681,156.41**
Other Capital	159,882.38	188,088.06	215,335.37	**226,020.46**	**277,705.63**
Portfolio investment in Reporting Economy	**1,459,134.36**	**1,816,468.35**	**2,149,297.07**	**2,729,474.63**	**3,689,207.81**
Equity Securities	801,545.99	773,446.51	946,446.51	**1,281,610.49**	**1,756,626.18**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	801,545.99	773,446.51	946,446.51	**1,281,610.49**	**1,756,626.18**
Debt Securities	657,588.37	1,043,021.85	1,202,850.56	**1,447,864.14**	**1,932,581.63**
Bonds and Notes	605,515.24	860,311.75	984,547.53	**1,094,844.53**	**1,442,224.11**
Monetary Authority	-	-	-	-	-
General Government	605,515.24	860,311.75	984,547.53	**1,094,844.53**	**1,442,224.11**
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	52,073.14	182,710.10	218,303.04	**353,019.61**	**490,357.53**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	52,073.14	182,710.10	218,303.04	**353,019.61**	**490,357.53**
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Other Liabilities	**2,007,889.51**	**2,297,105.12**	**2,607,549.13**	**2,299,716.97**	**2,532,404.45**
Trade Credit	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Loans	1,245,304.30	1,476,485.81	1,743,403.03	**1,463,273.32**	**1,436,276.64**
Monetary Authority	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
General Government	416,811.60	464,914.43	554,511.01	**667,310.81**	**860,365.22**
Long-term	416,811.60	464,914.43	554,511.01	**667,310.81**	**860,365.22**
Short-term	-	-	-	-	-
Banks	291,233.72	297,503.80	386,821.63	**375,575.91**	**503,282.90**
Long-term	291,233.72	297,503.80	386,821.63	**375,575.91**	**503,282.90**
Short-term	-	-	-	-	-
Other Sector	537,258.97	714,067.58	802,070.40	**420,386.60**	**72,628.52**
Long-term	537,258.97	714,067.58	802,070.40	**420,386.60**	**72,628.52**
Short-term	-	-	-	-	-
Currency and Deposits	762,585.21	820,619.31	864,146.10	**836,443.65**	**1,096,127.82**
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	762,585.21	820,619.31	864,146.10	**836,443.65**	**1,096,127.82**
Other Sector	-	-	-	-	-

/1 Revised
/2 Provisional

Source: Central Bank of Nigeria