2013

CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FOR THE FIRST HALF OF 2013

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Vision

"By 2015, be THE MODEL CENTRAL BANK delivering PRICE and FINANCIAL SYSTEM STABILITY and promoting SUSTAINABLE ECONOMIC DEVELOPMENT".

Mission

To be proactive in providing a stable framework for the economic development of Nigeria, through the effective, efficient and transparent implementation of monetary and exchange rate policy, and management of the financial sector.

THE CENTRAL BANK OF NIGERIA

Established by the Central Bank of Nigeria (CBN) Act of 1958, the Principal objects of the Bank as contained in the new CBN Act, 2007 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 and provide economic and financial advice to the Federal Government of Nigeria*

MEMBERS OF THE BOARD OF DIRECTORS OF THE BANK AS AT JUNE 30, 2013

1.	Sanusi Lamido Sanusi, CON	-	Governor (Chairman)
2.	Suleiman A. Barau, OON	-	Deputy Governor (Corporate Services)
3.	Sarah O. Alade (Mrs), OON	-	Deputy Governor (Economic Policy)
4.	Kingsley C. Moghalu, OON	-	Deputy Governor (Financial System Stability)
5.	Tunde Lemo, OFR	-	Deputy Governor (Operations)
6.	Anastasia M. Daniel-Nwobia	-	Director (Permanent Secretary, Federal Ministry of Finance)
7.	Jonah O. Otunla	-	Director (Accountant General of the Federation)
8.	Muhammad M. Kafarati	-	Director
9.	Collins C. Chikeluba	-	Director
10.	Anthony A. Adaba	-	Director
11.	Stephen O. Oronsaye, CFR	-	Director
12.	Ayuli Jemide	-	Director
	Yunusa M. Sanusi	-	Secretary to the Board

MEMBERS OF THE COMMITTEE OF GOVERNORS OF THE BANK AS AT JUNE 30, 2013

1.	Sanusi Lamido Sanusi, CON	-	Governor (Chairman)
2.	Suleiman A. Barau, OON	-	Deputy Governor (Corporate Services)
3.	Sarah O. Alade (Mrs), OON	-	Deputy Governor (Economic Policy)
4.	Kingsley C. Moghalu, OON	-	Deputy Governor (Financial System stability)
5.	Tunde Lemo, OFR	-	Deputy Governor (Operations)
	Yunusa M. Sanusi	-	Secretary

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POLICY FRAMEWORK

The Central Bank of Nigeria (CBN) continued to pursue its primary mandate of ensuring monetary and price stability during the first half of 2013 using an eclectic framework that encompasses a combination of price based (interest rate) and quantity based (reserve money) approaches in the conduct of monetary policy. In this regard, the Bank's monetary management relied on the open market operations (OMO), complemented by cash reserve ratio (CRR), liquidity ratio (LR), discount windows operations and primary market transactions in CBN bills as well as interventions in the foreign exchange market. In addition, the monetary policy rate (MPR) was retained as the major signal of the Bank's policy stance and also the main anchor for short-term interest rates. The Bank intensified its supervisory and surveillance activities through regular review of banks' returns, spot checks, on-site and off-site monitoring, and special investigations, among others, to ensure a sound financial system. The Bank sustained the implementation of its various developmental initiatives such as; the ₦200 billion Restructuring and Refinancing Facility, the ₦200 billion SME Credit Guarantee Scheme Fund (SMECGS), and the ₦300 billion Power and Airline Intervention Fund (PAIF). Others included the Agricultural Credit Guarantee Scheme (ACGS), the Commercial Agricultural Credit Scheme (CACS) and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL).

CBN OPERATIONS

Liquidity Management

The main tool for liquidity management remained the OMO, complemented by the CRR, standing facilities (SF), discount window operations and the issuance of CBN bills. In addition, interventions in the foreign exchange market under the Wholesale Dutch Auction System (wDAS) through spot auctions and interbank segments were undertaken.

Payments & Clearing System

To enhance the efficiency of the payment systems, the Bank undertook the following activities: granted commercial licences to two (2) additional mobile money operators which brought the number to twenty-two (22) and licensed one (1) Third Party Processor (TPP) company. Furthermore, it completed the installation of the new Real Time Gross Settlement (RTGS) software and the Users' Acceptance Tests with a view to its operationalization during the third quarter of 2013. In line with the Bank for International Settlements' (BIS) "Principles for Financial Market Infrastructure", the Bank commenced the review of the payment infrastructure namely: the RTGS system, Automated Clearing House (ACH), Cheques, Cards, Instant Payment, Mobile Money, and the Scriptless Securities Settlement System (SSSS). Pursuant to its cashless policy, the Bank extended the implementation of the ₦150,000.00 limit on encashment of 3rd party cheques nationwide on June 1, 2013. It also developed the Format of Evidence for Electronic Transactions for gazetting as a subsidiary legislation in continuation of the Payment System Vision 2020 (PSV 2020).

Financial Sector Surveillance

As part of its supervisory and surveillance activities on the banking system, the CBN conducted seven (7) joint and two (2) solo on-site examinations of the foreign subsidiaries of Nigerian banks. The Bank also reviewed the foreign exchange activities of twenty (20) banks to ascertain their compliance with extant foreign exchange regulations. The exercise revealed major infractions by banks, and appropriate sanctions were imposed on errant banks.

The health of the banking system further improved as all the banks, except one (1) met the minimum capital adequacy ratio of 10.0 per cent. The affected bank has commenced efforts to raise fresh capital through private placement to complement the capital injection from a core investor. With an industry-wide average liquidity ratio (LR) of 67.8 per cent, all the banks met the minimum requirement of 30.0 per cent, while the industry's ratio of non-performing credit to total loans of 3.7 per cent was within the threshold of 5.0 per cent stipulated by the CBN. In line with the regulation on the scope of banking activities, ten (10) banks had fully complied with the provision of divestment from prohibited equity investments; six (6) had obtained commercial banking licence and two (2) of the three (3) that obtained approval for holding company structure had fully complied. In addition, the two (2) merchant banks and one regional bank that were licensed in November 2012 commenced operations. As part of the framework governing compliance with the principles of Islamic commercial jurisprudence, the Bank developed guidelines for the setting up of the Financial Regulation Advisory Council of Experts (FRACE). The Council is also to provide expert opinion and guidance on matters referred to it by the CBN and other regulatory authorities. The Bank approved the Financial Literacy Framework (FLF) which articulates the strategic direction for the implementation of the financial literacy initiatives/programmes towards the attainment of financial inclusion in Nigeria. To further strengthen the code of corporate governance and risk management practices, the CBN issued guidelines to banks and other financial institutions to evolve effective governance mechanisms for whistle-blowing in the industry.

Foreign Exchange Management

The exchange rate remained stable within the band of ₦155/US$+/-3% during the first half of 2013, owing to the interventions by the CBN and huge inflows from autonomous sources. The average spot rate of WDAS, inter-bank and BDC segments were ₦157.30/US$, ₦158.18/US$ and ₦159.66/US$, respectively. Foreign exchange inflows into the economy increased by 17.5 per cent during the first half of the year, reflecting high autonomous inflows. However, foreign exchange outflow fell relative to the level in the corresponding period of 2012. Consequently, the net inflow into the economy was US$53.09 billion, compared with US$36.39 billion at end-June 2012.

THE FINANCIAL SECTOR

Growth in monetary aggregates decelerated in the first half of 2013. Available data indicated that broad money supply (M_2) grew by 0.7 per cent, compared with 2.7 per cent in the corresponding period of 2012. Narrow money supply (M_1) fell by 6.5 per cent compared with the decline of 2.5 per cent at end-June 2012. The development reflected the tight monetary stance of the Bank which was aimed at containing potential inflationary pressures from government's fiscal activities. However, reserve money exceeded the indicative benchmark for the second quarter of 2013 by 5.0 per cent. Credit to the domestic economy grew marginally in the first half of the year due to the slow growth in claims on the private sector and the net claims on the Federal Government. Though credit to government (net) rose slightly by 2.3 per cent at end-June 2013, the Federal Government remained a net creditor to the banking system, while claims on the private sector increased by 3.0 per cent. Short-term instruments remained dominant in the portfolios of deposit money banks. Banks' average prime lending rate fell by 50 basis points, while the maximum lending rate edged-up by 90 basis points in the first half of 2013. The spread between banks' average term deposit and maximum lending rates widened to 17.31 percentage points, from 16.46 percentage points in the first half of 2012. With the year-on-year inflation rate at 8.4 per cent at the end of June 2013, all the term deposit rates were negative in real terms. At ₦9,085.6 billion, aggregate institutional savings grew by 20.4 per cent at end-June 2013 relative to the level in the corresponding half year of 2012. The DMBs remained the dominant saving institutions, accounting for 95.2 per cent of the total. Transactions on the floor of the Nigerian Stock Exchange were bullish as at end-June 2013, as the All-share Index (ASI) and aggregate market capitalization (MC) rose by 28.8 and 27.3 per cent, to close at 36,164.31 and ₦15.78 trillion, respectively.

THE GOVERNMENT SECTOR

Provisional data indicated that total federally-collected revenue (gross) was ₦4,797.05 billion in the first half of fiscal 2013. At that level, it represented a shortfall of 15.4 and 14.0 per cent from the 2013 budget benchmark and the actual revenue in the corresponding period of 2012, respectively. Oil-revenue contributed 76.1 per cent and non-oil revenue accounted for the balance. At ₦1,834.77 billion, the Federal Government retained revenue was lower than the 2013 proportionate budget estimate and the level in the first half of 2012 by 25.2 and 3.5 per cent, respectively. Aggregate expenditure of the Federal Government, at ₦2,229.03 billion at the end of June 2013, was 19.2 per cent lower than the budget benchmark, but exceeded the outlay during the first half of 2012 by 2.2 per cent. The development reflected the delayed disbursements of capital budget and transfers. Nevertheless, the fiscal operations of the Federal Government resulted in an overall deficit of ₦394.25 billion (1.9 per cent of GDP), as against the 2013 budget benchmark of ₦443.53 billion and the actual deficit of ₦278.55 billion in the corresponding period of 2012. At ₦7,939.33 billion, the stock of Federal Government consolidated debt comprising domestic ₦6,850.75 billion and external US$6.92 billion (₦1,088.58 billion) grew by 5.0 per cent above the level at end-December 2012.

THE REAL SECTOR

Provisional data from the National Bureau of Statistics (NBS) indicated that the gross domestic product (GDP) at 1990 constant basic prices grew by 6.6 per cent, compared with 6.4 per cent in the first half of 2012. The growth was driven by the non-oil sector, which rose by 7.9 per cent. Agriculture and industry grew by 4.2 and 1.0 per cent, respectively. Building and construction, wholesale and retail trade, and services increased by 15.5, 8.4 and 12.8 per cent, respectively. Domestic crude oil production, including condensates, at an average daily production of 1.99 million barrels per day in the first half of 2013 dropped by 4.8 per cent below the 2.09 million barrels per day in the first half of 2012. The average spot price of Nigeria's reference crude, the Bonny Light (37^0 API), was US$110.29 per barrel during the first half of the year, down by 4.1 per cent from the level in the corresponding period of 2012. Inflationary pressures moderated in the first half of 2013 as the composite Consumer Price Index (CPI) stood at 146.6 (November 2009 = 100), compared with 135.3 and 141.1 at end-June and end-December 2012, respectively. The year-on-year headline inflation stood at 8.4 per cent at end-June 2013, compared with 12.0 per cent at end-December 2012 and 12.9 per cent at end-June 2012. Similarly, the 12-month moving average trended downward to 10.4 per cent, compared with 11.3 and 12.2 per cent at end-June and end-December 2012, respectively.

EXTERNAL SECTOR

The external sector remained viable in the first half of 2013, with balance of payments surplus of ₦184.84 billion or 0.9 per cent of GDP. The outcome was accounted for the sustained high crude oil prices in the international market and huge capital flows. The current account recorded an estimated surplus of ₦1,844.84 billion or 8.9 per cent of GDP while the financial account was overwhelmed by huge portfolio flows. Provisional data indicated that Nigeria's external assets at end-June 2013 grew substantially to ₦9,940.10 billion, from ₦7,889.03 billion in the corresponding period of 2012 reflecting the low holdings. Consequently, the stock of external reserves rose to US$44.96 billion at end-June 2013 and could support 10.8 months of cover.

Global output growth remained subdued despite varying speeds of recovery across countries and regions. The IMF reported that the steps taken towards reducing fiscal deficits had constrained growth in the advanced economies. In the emerging markets, the resurgence of new downside risks was capable of dampening growth prospects and induce capital flow reversals. Activities in the developing economies also showed various forms of cyclicality and vulnerabilities as a result of unimpressive export performance, due largely to the sluggish growth in the advanced economies. The sub-Sahara Africa remained resilient but with growth slowing down as some of the largest economies in the region, including Nigeria and South Africa, grappled with domestic issues. Global inflation was stable, even though the problem of unemployment persisted. The advanced economies witnessed economic slack and subdued response of inflation to cyclical conditions. Some emerging economies including Brazil had to contend with intermittent inflationary pressures, while Japan reflated its economy through stimulus measures. The IMF posited that the on-going global monetary expansions were unlikely to result in significant inflationary pressures.

OUTLOOK FOR THE REST OF 2013

The moderate inflationary pressure that was witnessed in the first half of 2013 is expected to prevail throughout the second half of the year. This is predicated on the expectation of bumper agricultural harvest, notwithstanding the disruptions to agricultural activities in some parts of the country on account of flood in the later part of the first half of the year. Nevertheless, the viability of the external sector for the rest of the year remained uncertain due to the slow global recovery, declining crude oil production and exports. The discovery of the shale oil in the US is likely to adversely affect the demand for Nigeria's crude oil. Consequently, the expectation of huge foreign exchange inflows in the second half of 2013 may be constrained and, thereby, jeopardise the relative stability in the foreign exchange market. Though, the relatively high international price of crude oil which is substantially above the 2013 budget benchmark price of US$79 per barrel is likely to be sustained, the incessant pipelines vandalism, leakage and oil theft remains a threat to crude oil production, exports and earnings. If these threats remain unabated, it may impose serious strains on the federation revenue with adverse implications for the fiscal management at all levels of government. Furthermore, as is customary of fiscal operations in recent years, capital budget implementation is expected to intensify in the second half of the year, thereby exacerbating excess liquidity conditions in the financial system with attendant pressures on domestic prices. Against this background therefore, the monetary authority is expected to remain proactive and steadfast with its tight monetary policy stance to address any imminent liquidity upsurge.

Selected Macroeconomic and Social Indicators

Indicator	Jun-09	Jun-10	Jun-11 1/	Jun-12 1/	Jun-13 2/
Domestic Output and Prices					
GDP at Current Mkt Prices (N' billion)	11,548.71	15,743.23	17,786.39	19,504.81	20,927.34
GDP at Current Mkt Prices (US$' billion)	78.39	104.93	116.09	123.72	133.04
GDP per Capita (N)	75,004.10	99,075.34	108,462.59	115,253.53	121,550.45
GDP per Capita (US$)	509.12	660.33	707.93	731.08	772.71
Real GDP Growth (Growth Rate %)	6.27	7.57	7.24	6.36	6.64
Oil Sector	-3.47	3.16	0.50	-1.55	-0.61
Non-oil Sector	8.10	8.36	8.63	7.87	7.90
Sectoral Classification of GDP (Growth Rate %)					
Agriculture	5.82	5.84	5.53	4.28	4.19
Industry 3/	0.71	5.67	2.69	1.37	2.83
Services 4/	10.56	10.82	11.60	11.00	10.69
Oil Production (mbd)	1.76	2.07	2.14	2.09	1.99
Manufacturing Capacity Utilisation (%) 1/	53.81	54.90	55.73	57.03	
Inflation Rate (%) (Year-over-Year)	11.20	14.10	10.20	12.90	8.40
Inflation Rate (%) (12-month moving average)	13.70	13.10	12.30	11.30	10.40
Core Inflation Rate (%) (Year-over-Year) 5/	8.50	12.70	11.50	12.70	5.50
Core Inflation Rate (%) (12-month moving average) 5/	8.30	10.90	12.10	12.70	10.70
Federal Government Finance (% of GDP)					
Retained Revenue	10.97	8.83	7.35	9.75	8.77
Total Expenditure	13.78	11.55	11.01	11.18	10.65
Recurrent Expenditure	8.81	8.24	8.70	7.96	7.27
Of which: Interest Payments					
Foreign	0.17	0.12	0.12	0.11	0.14
Domestic	0.87	0.96	1.15	1.47	1.37
Capital Expenditure and Net Lending	4.11	2.83	1.71	1.33	2.59
Transfers	0.86	0.48	0.61	1.89	0.79
Current Balance (Deficit(-)/Surplus(+))	2.16	0.59	-1.34	1.79	1.50
Primary Balance (Deficit(-)/Surplus(+))	-1.77	-1.63	-2.39	0.16	-0.38
Overall Fiscal Balance (Deficit(-)/Surplus(+))	-2.81	-2.72	-3.66	-1.43	-1.88
Financing					
Foreign	0.00	0.48	0.41	0.00	0.00
Domestic	2.81	2.24	3.24	1.43	1.88
Banking System	0.00	0.00	0.00	0.00	0.00
Non-bank Public	0.00	2.33	2.68	1.05	2.20
Others	2.81	-0.09	0.03	0.36	-1.02
Consolidated Government Debt Stock					
External	4.77	4.07	4.65	4.87	4.91
Domestic	24.36	23.91	29.29	31.55	31.24

Selected Macroeconomic and Social Indicators (Cont...)

Indicator	Jun-09	Jun-10	Jun-11 /1	Jun-12 /2	Jun-13 /3
Money and Credit (Growth Rate %)					
Reserve Money	-16.63	-7.18	11.88	-9.77	-12.64
Narrow Money (M1)	-7.67	-1.98	1.18	-2.54	-6.49
Broad Money (M2)	-0.98	0.60	5.61	1.35	0.71
Net Foreign Assets	-10.61	-14.60	-0.81	5.37	-0.30
Net Domestic Assets	132.55	36.82	13.94	-3.31	2.11
Net Domestic Credit	9.19	8.79	2.08	-0.87	4.70
Net Credit to Government	-1.36	35.29	4.77	-128.16	2.28
Credit to Private Sector	6.17	-1.14	1.30	3.65	3.57
Money Multiplier for M2	7.03	7.06	5.89	5.37	4.82
Income Velocity of M2	2.69	2.67	3.00	2.85	2.69
Interest Rates (% per annum)					
Monetary Policy Rate (MPR) 6/	8.00	6.00	8.00	12.00	12.00
Repurchase Rate					
Reverse Repurchase Rate					
Treasury Bill Rate					
91-day	3.32	2.29	8.20	14.08	11.60
Inter-bank Call Rate	18.60	2.73	11.15	14.92	11.59
Deposit Rates					
Savings Rate	2.67	1.95	1.40	1.76	2.04
3-months Fixed	12.63	4.98	5.14	7.80	7.49
6-months Fixed	13.12	4.85	5.26	8.08	7.07
12-months Fixed	12.67	4.90	4.68	7.51	5.32
Prime Lending Rate	19.08	17.65	15.76	16.93	16.56
Maximum Lending Rate	22.67	22.03	22.02	23.44	24.58
External Sector					
Current Account Balance (% of GDP)	9.84	4.87	8.81	5.39	8.89
Goods Account	13.05	13.29	17.07	15.01	14.37
Services and Income Account	-14.33	-17.18	-17.67	-18.34	-13.50
Current Transfers	11.12	8.77	9.41	8.76	8.19
Capital and Financial Account Balance (% of GDP)	16.35	-21.91	-2.02	1.20	1.01
Overall Balance (% of GDP)	-12.23	-4.73	-0.48	2.29	0.89
External Reserves (US $ million)	43,462.74	37,468.44	31,890.91	35,412.50	44,957.00
Number of Months of Import Equivalent	19.07	9.67	6.90	6.82	10.78
Debt Service Due (% of Exports of Goods and Services)					
Average Crude Oil Price (US$/barrel)	53.65	79.47	113.86	115.05	110.29
Average AFEM/DAS Rate (N/$1.00)	147.32	150.04	153.21	157.65	156.67
End of Period AFEM/DAS Rate (N/$1.00)	148.22	149.99	153.31	157.50	156.03
Average Bureau de Change Exchange Rate (N/$)	168.03	152.77	156.95	161.22	159.66
End of Period Bureau de Change Exchange Rate (N/$)	158.00	153.50	159.00	164.00	162.00
Capital Market					
All Share Value Index (1984=100)	26,249.28	25,384.14	24,980.20	21,599.57	36,164.31
Value of Stocks Traded (Billion Naira)	301.50	437.00	373.50	468.17	1,110.38
Market Capitalization (Trillion Naira)	8.81	8.22	11.20	12.40	17.43

Selected Macroeconomic and Social Indicators (Cont...)

Indicator	Jun-09	Jun-10	Jun-11 /1	Jun-12 /2	Jun-13 /3
Social Indicators					
Population (million)	153.97	158.90	163.99	169.23	172.17
Population Growth Rate (%)	3.20	3.20	3.20	3.20	
Life Expectancy at Birth (Years)	54.00	***	***	***	***
Adult Literacy Rate (%)	66.90	***	***	***	***
Incidence of Poverty 7/	54.40	***	***	***	***

1/ Revised

2/ Provisional

3/ Includes Building and Construction

4/ Includes Wholesale and Retail Trade

5/ Core Inflation is measured as the rate of change of all-item Consumer Price Index (CPI) less farm produce.

6/ MPR replaced MRR with effect from December 11, 2006.

7/ The incidence of poverty in Nigeria was projected to increase from 65.6 per cent in 1996 to 70.0 per cent in 2000. However, the result of a Nigeria Living Standard Survey of 2003/2004 from NBS (former FOS), showed that the incidence of poverty declined to 54.4 per cent in 2003/2004.

**** indicates not available*

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REPORT FOR THE FIRST HALF OF 2013

1.0 Introduction

The thrust of monetary policy in the first half of 2013 remained the maintenance of monetary and price stability, using liquidity management measures. The Bank continued with appropriate measures to maintain financial system stability while promoting the efficiency of the payments system. An eclectic approach that encompasses a combination of interest rate and monetary aggregate was retained as the framework for monetary management, complemented by the use of the Monetary Policy Rate (MPR) as the anchor for short-term interest rates. The Bank sustained the various tight monetary policy measures adopted in the second half of 2012 to achieve the objectives of monetary policy consistent with the real gross domestic product (GDP) growth target of 6.50 per cent for 2013. The retention of the policy stance was to contain the inflationary pressures from the expansionary 2013 Federal Government budget of ₦4.9 trillion, which represented an increase of 5.0 per cent over the 2012 budget. In addition, the economy's appetite for imports, coupled with the liquidity surfeit in the banking system exerted pressure on the exchange rate, warranting a sustained tight monetary policy stance to safeguard the value of the Naira. The major instrument for monetary management remained open market operations (OMO) complemented by discount window operations, cash reserve ratio (CRR) and liquidity ratio (LR). The use of CBN Bills/government securities and foreign exchange market interventions continued to be relevant in liquidity management.

The major monetary policy benchmarks for 2013 and the provisional outcome as at the end of the first half are shown below:

Table 1
Monetary Policy Benchmarks and Outcomes
(Growth in % except otherwise stated)

Key Variables	2009		2010		2011		2012		2013	
	Bench mark	Outcome	Bench mark	Outcome	Bench mark	Outcome	Bench mark	Outcome	Bench mark	Outcome
Broad Money Growth (M2)	20.80	17.07	29.25	6.91	13.75	15.40	24.64	16.39	18.38	1.42
Narrow Money Growth (M1)	32.23	2.41	22.36	11.05		21.49	34.71	19.07	18.38	-12.98
Base Money (Reserve) Growth	3.58	6.76	35.98	11.60	12.67	50.85	8.23	33.06	8.69	-25.28
Aggregate credit to the domestic economy Growth (Net)	86.97	58.55	51.43	10.00	27.69	42.43	52.17	-7.22	47.57	9.40
Credit to Government Growth (Net)						52.65	61.47	-393.81	66.59	4.56
Credit to the private sector Growth	44.90	26.15	31.54	-3.81	29,09	31.58	47.50	6.83	46.20	7.14
Inflation rate	10.00	13.90	11.20	11.80	10.10	10.30	11.20	12.00	9.58	8.40***
Real GDP Growth	5.00	5.98	6.10	7.87	7.20	7.69	7.33	6.58	7.44	6.72**

*Monetary aggregates annualized as at June, 2013; **2nd Quarter growth rate; ***June 2013 inflation rate.

2.0 Operations of the Central Bank of Nigeria

2.1 Liquidity Management

The Bank sustained its tight monetary policy stance aimed at achieving the mandate of monetary and price stability. Thus, the Bank deployed various liquidity management instruments to contain the effects of the high liquidity from fiscal injections on the banking system and the general price level. These included the retention of: MPR at 12.00 per cent with a symmetric corridor of +/- 200 basis points; CRR at 12.00 per cent; LR at 30.00 per cent; and the mid-point of the exchange rate at ₦155/US$ with a band of +/-3.0 per cent. These resulted in sluggish growth in reserve money and other monetary aggregates in the first half of 2013. Reserve (base) money, which stood at ₦3,532.05 billion at end-December 2012, decreased by 8.4 per cent to ₦3,236.15 billion at end-June 2013. This was, however, ₦299.94 billion or

10.22 per cent above the second quarter indicative benchmark of ₦2,936.22 billion.

The main tool of liquidity management in the review period remained open market operations (OMO) complemented by reserve requirements, standing facilities, discount window operations, and the issuance of CBN bills. The Bank also intervened in the foreign exchange market under the wholesale Dutch Auction System (wDAS) through spot auctions; and the inter-bank segment to complement the domestic money market instruments.

2.2 Monetary Policy Committee (MPC) Decisions

The Monetary Policy Committee (MPC) held three (3) regular meetings in the first half of 2013. A summary of the key decisions of the Committee during the period is presented below:

Date of Meeting	Type of Meeting	Decisions
January 21, 2013	Regular	• Retained MPR at 12.0 per cent with interest rate corridor of +/- 200 basis points • Retained CRR at 12.0 per cent • Retained minimum Liquidity Ratio at 30.0 per cent • Retained the mid-point of exchange rate at ₦155/US$ with a band of +/-3.0 per cent.
March 18 – 19, 2013	Regular	• Retained MPR at 12.0 per cent with interest rate corridor of +/- 200 basis points • Retained CRR at 12.0 per cent • Retained minimum Liquidity Ratio of 30.0 per cent • Retained the mid-point of exchange rate at ₦155/US$ with a band of +/-3.0 per cent.
May 20 – 21, 2013	Regular	• Retained MPR at 12.0 per cent with interest rate corridor of +/- 200 basis points • Retained CRR at 12.0 per cent • Retained minimum Liquidity Ratio of 30.0 per cent • Retained the mid-point of exchange rate at ₦155/US$ with a band of +/-3.0 per cent.

2.3 Developments in the Payments System

In furtherance of the development of the National Payments System, the Bank implemented the following during the review period:

- Commenced nationwide launch of the Cheque Truncation system from June 1, 2013 to enhance the efficiency of cheque clearing and settlement, especially in the reduction of clearing cycle from T + 2 to T+1, and float in the system;

- Extended the ₦150,000.0 limit on encashment of 3rd party cheques nationwide from June 1, 2013 to minimise fraud and other risks associated with paper-based instruments;

- Granted commercial licence to two (2) additional mobile money operators, which brought the number to twenty-two (22);

- Licensed one (1) Third Party Processor (TPP) company; and

- Developed the format of Evidence for Electronic Transactions for gazetting as subsidiary legislation.

In line with the Bank for International Settlements' (BIS) "*Principles for Financial Market Infrastructure*", the Bank commenced a review of the payments system infrastructure, namely: Real Time Gross Settlement (RTGS) System, Automated Clearing House (ACH), Cheques, Cards, Instant Payment, Mobile Money and Scriptless Securities Settlement System (SSSS).

Furthermore, the Bank completed the installation of the new RTGS software and carried out the Users' Acceptance Tests (UATs) in preparation for the system to go live during the 3rd quarter of 2013. The successful implementation of the new RTGS System was expected to mitigate liquidity and credit risk, and increase the efficiency of treasury operations of banks and discount houses.

2.3.1 Retail Payments System

2.3.1.1 Cheque

The volume and value of cheques cleared rose by 11.1 and 19.1 per cent to 21,096,075 and ₦11,492.5 billion in the first half of 2013 over the levels of 18,988,822 and ₦9,653.5 billion in the second half of 2012, respectively. The increase was attributed to the improvement on the use of cheques for payments, especially with the extension of the ₦150,000.0 limit on encashment of 3rd party cheques nationwide.

Figure 1
Volume of Cheques Cleared
(Million)

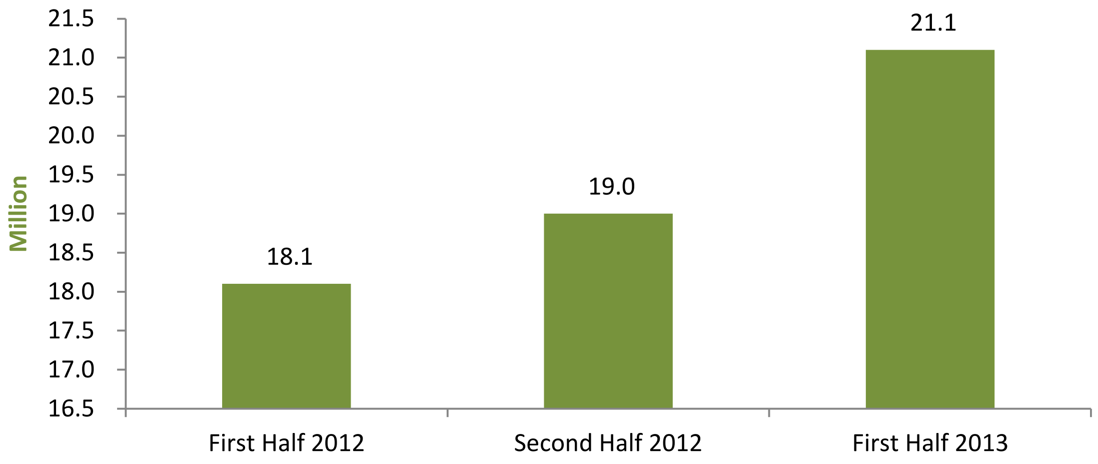
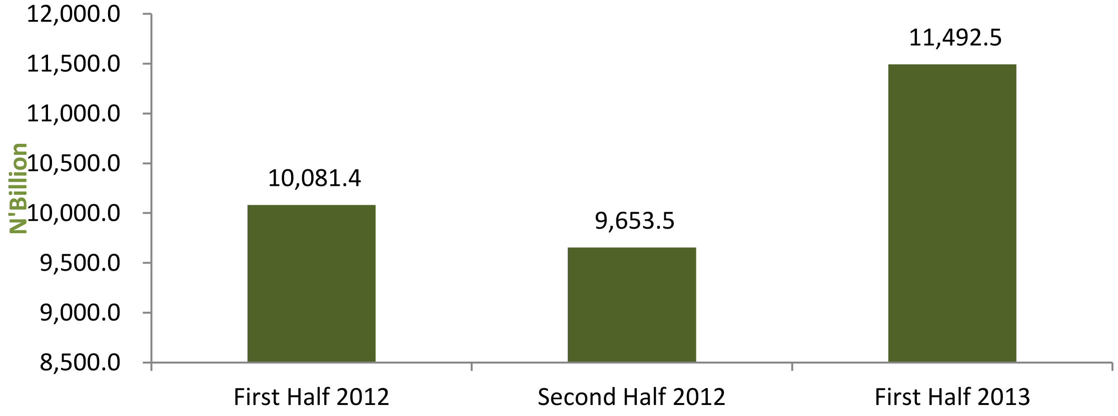


Figure 2
Value of Cheques Cleared
(Naira Billion)



2.3.1.2 Electronic Payments

The value of electronic payments rose by 25.6 per cent to ₦1,416.1 billion in the first half of 2013 over the level in the second half of 2012, while the volume declined by 27.2 per cent to 146,961,511 from 201,793,172 in the preceding period.

A breakdown of the e-payment channels for the review period indicated that ATM remained the most patronised, accounting for 93.0 per cent, followed by mobile payments and PoS terminal, with 4.1 and 2.1 per cent, respectively. The web (internet) was the least patronised, accounting for 0.8 per cent of the total. In terms of value, ATM accounted for 90.8 per cent; PoS, 4.0 per cent; the web (Internet), 1.5 per cent; and mobile payments accounted for 3.7 per cent.

Figure 3

Classification of Electronic Payments by Volume

First Half 2013 (Per cent)

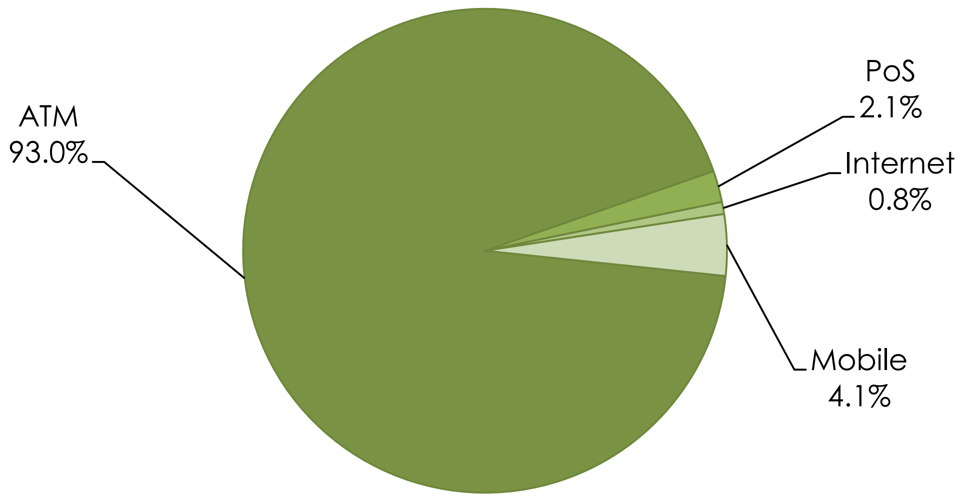


Figure 4

Classification of Electronic Payments by Value

First Half 2013 (Per cent)

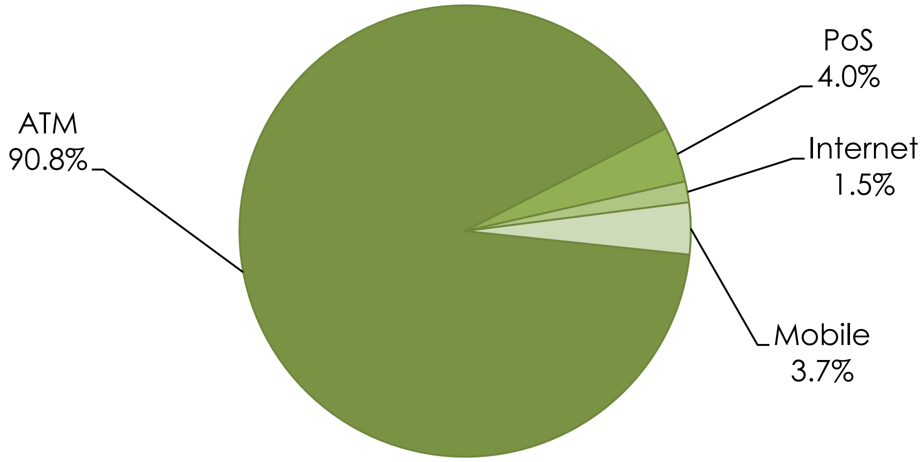


Figure 5

Volume of Electronic Payments (Million)

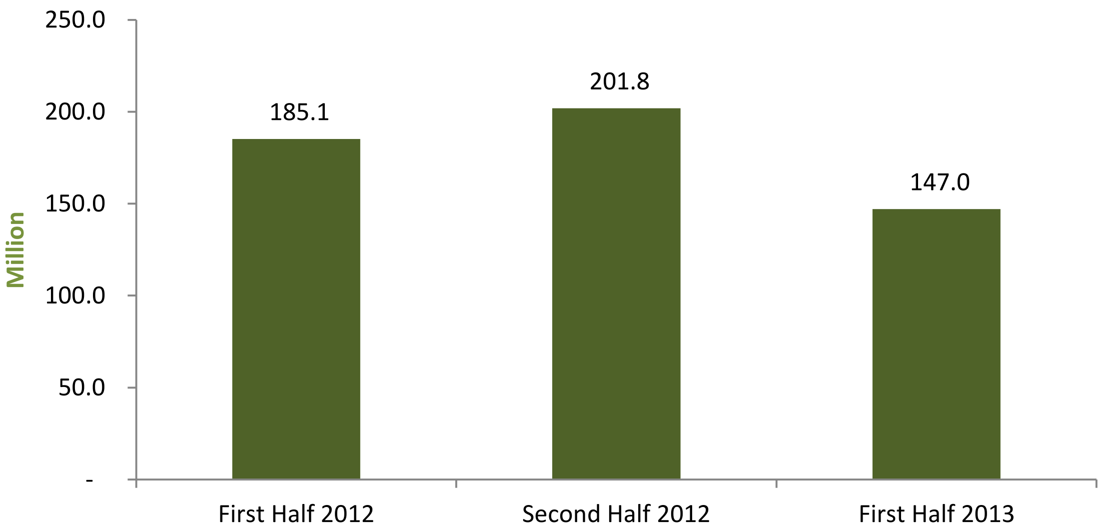
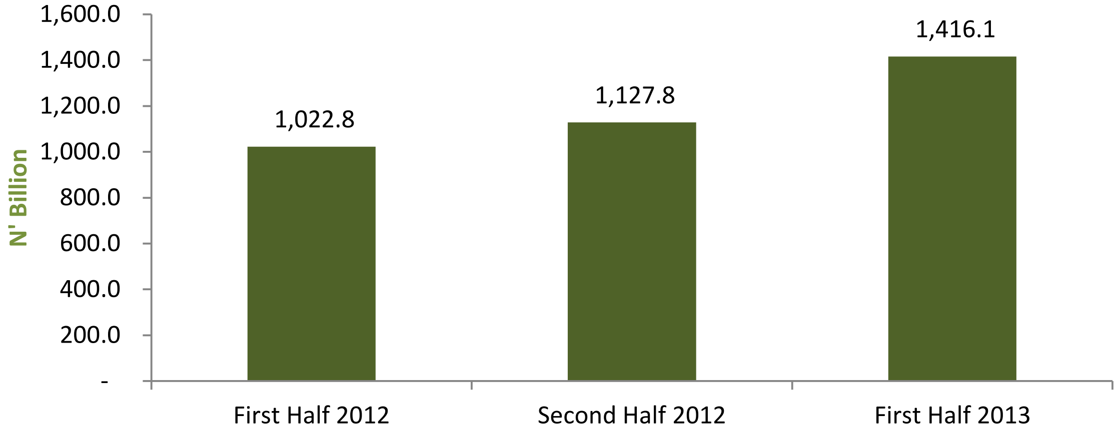


Figure 6

Value of Electronic Payments

(₦'Billion)



2.3.1.2.1 ATM Transactions

The number of ATMs deployed stood at 11,702 in the first half of 2013, representing a 9.1 per cent increase over the figure of 10,727 in the second half of 2012. However, ATM transactions decreased in volume by 30.6 per cent to 136,663,013 in the first half of 2013, from 196,995,507 in the second half of 2012, while the value rose by 22.9 per cent to ₦1,286.3 billion above the level in the preceding period.

Figure 7

Volume of ATM Transactions

(Million)

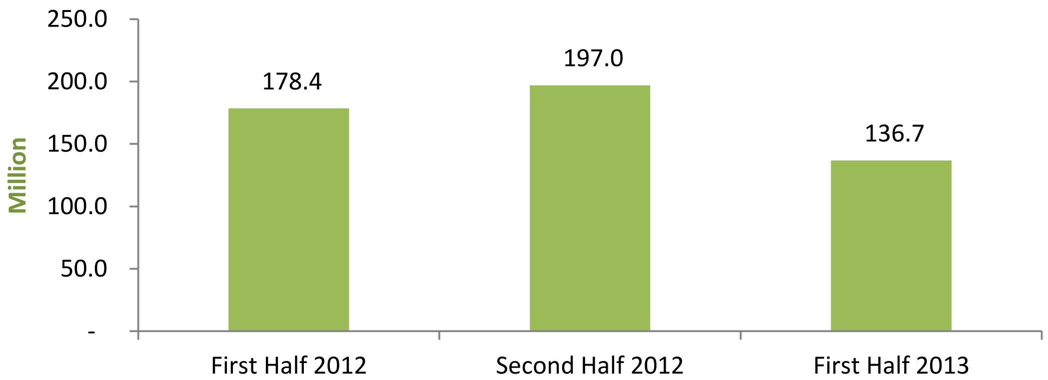
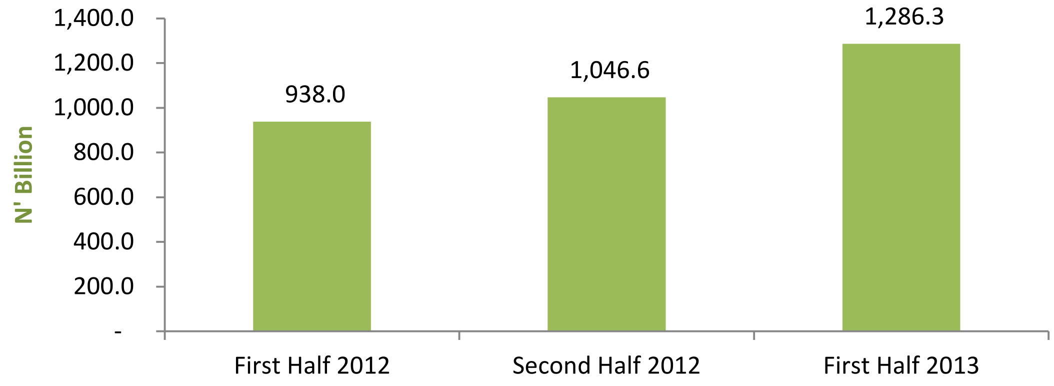


Figure 8

Value of ATM Transactions

(₦' Billion)



2.3.1.2.2 Web Transactions

The volume of web transactions in the first half of 2013 was 1,108,485 indicating a decline of 5.9 per cent, compared with 1,178,300 in the second half of 2012. However, the value rose by 13.1 per cent to ₦20.7 billion from ₦18.3 billion in the preceding period. The fall in volume was due to users' preference for other payment channels.

Figure 9

Volume of Web Transactions

(Million)

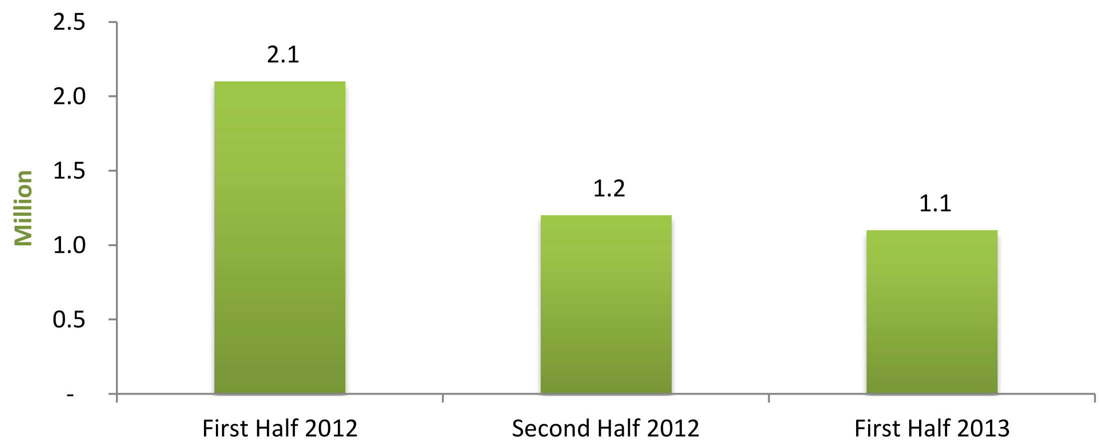
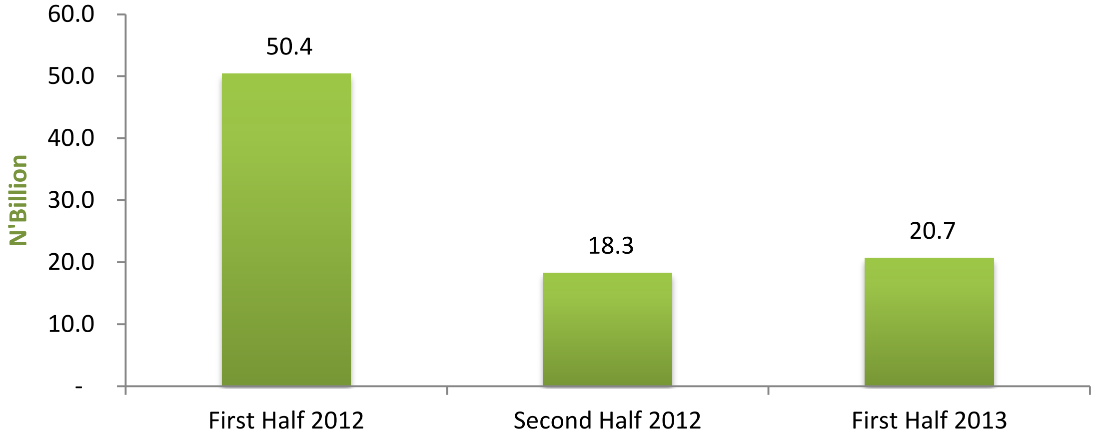


Figure 10

Value of Web Transactions

(₦'Billion)



2.3.1.2.3 Point of Sale (POS) Transactions

The volume of Point-of-Sale (PoS) transactions increased by 64.4 per cent to 3,207,788 in the first half of 2013, compared with 1,951,252 in the second half of 2012. Similarly, the value rose by 53.0 per cent to ₦57.2 billion from ₦37.4 billion in the preceding period. The increase in volume and value was due to sustained public awareness and acceptance of PoS usage.

Figure 11

Volume of POS Transactions

(Million)

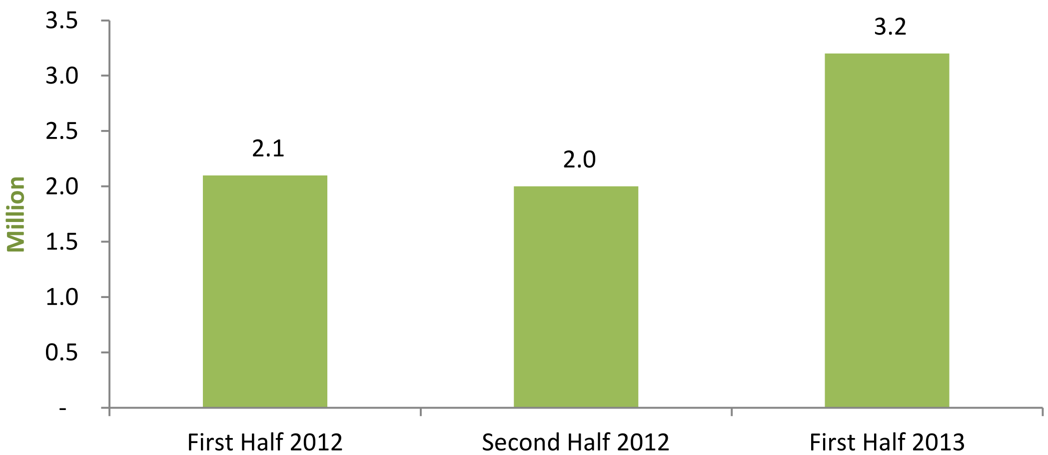
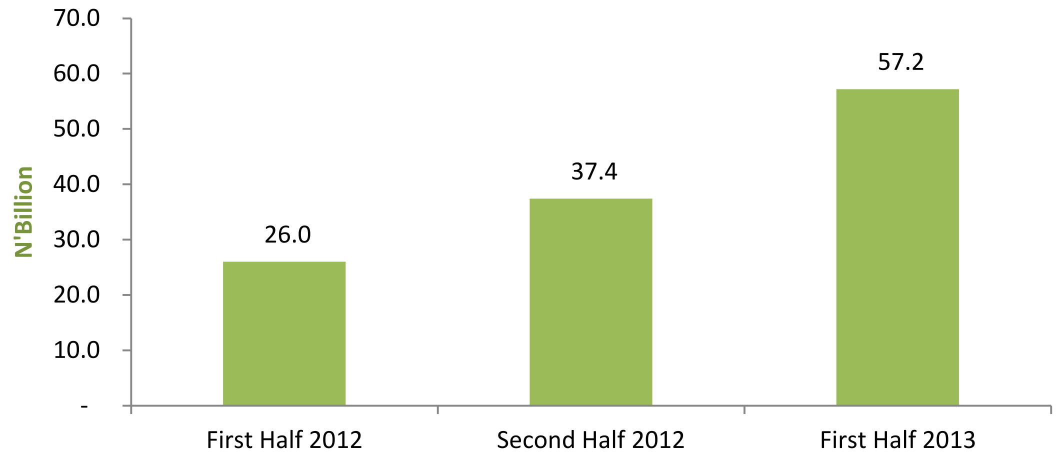


Figure 12

Value of POS Transactions

(₦'Billion)



2.3.1.2.4 Mobile Payments

The volume of mobile payments increased by 258.6 per cent to 5,982,225 in the first half of 2013 over the level in the second half of 2012. Also, the value rose by 103.1 per cent to ₦51.8 billion over the level in the preceding period. The development was due to the licensing of additional eight (8) mobile money operators in the second half of 2012, which became operational in the first half of 2013.

Figure 13

Volume of Mobile Transactions

(Million)

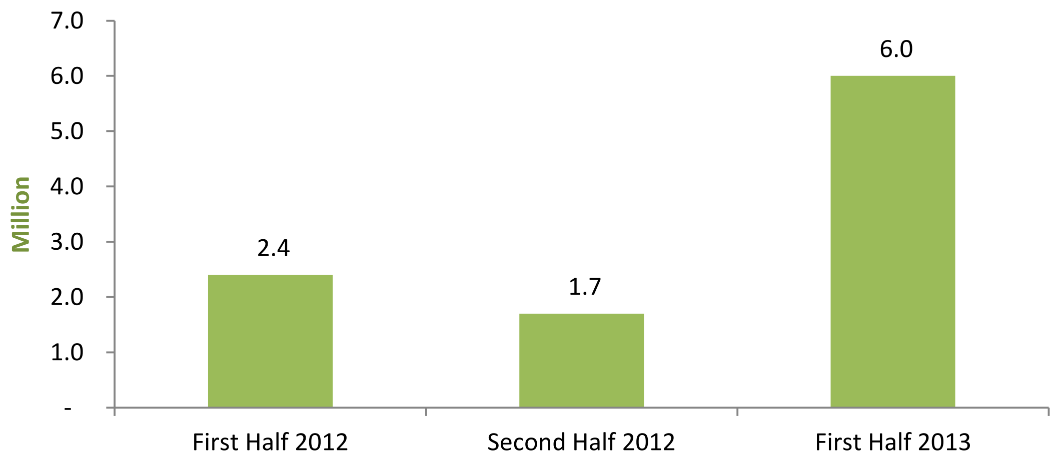
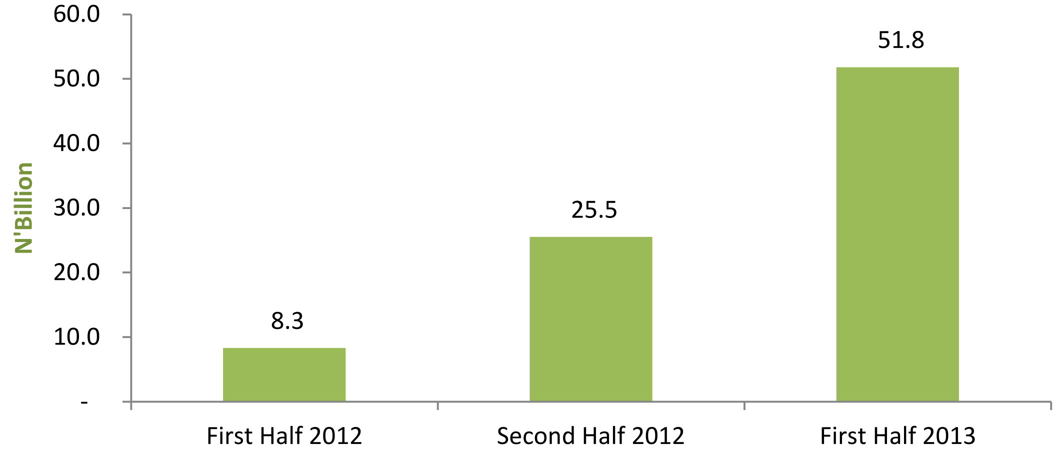


Figure 14

Value of Mobile Transactions

(₦' Billion)



2.3.2 Wholesale Payments System

2.3.2.1 Real Time Gross Settlement (RTGS) System

The volume and value of inter-bank transfers through the RTGS System (CBN Inter-bank Funds Transfer System - CIFTS) decreased to 197,220 and ₦55,005.3 billion in the first half of 2013 from 213,825 and ₦57,286.0 billion in the second half of 2012, indicating a decline of 7.8 and 4.0 per cent, respectively. The development was attributed to the use of the Nigeria Inter-Bank Settlement System (NIBSS) Instant Payment channel.

Figure 15

Volume of RTGS Transactions

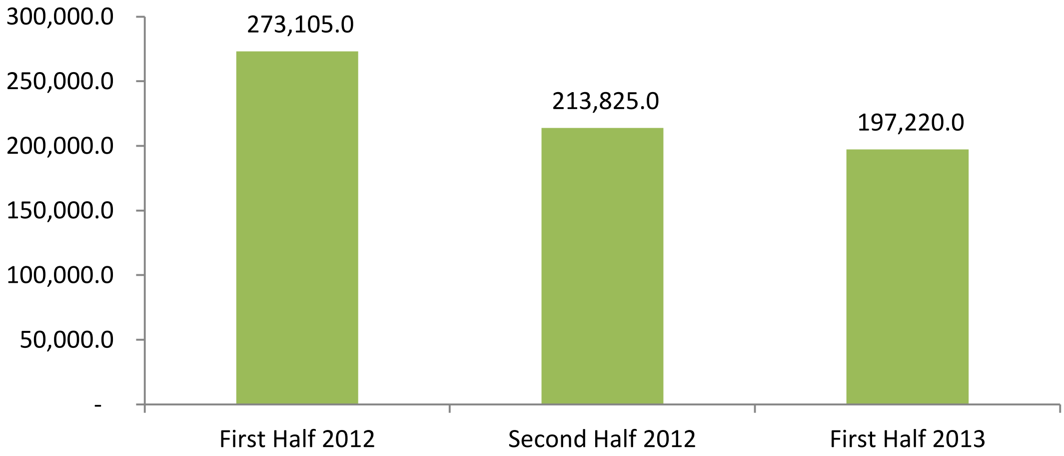
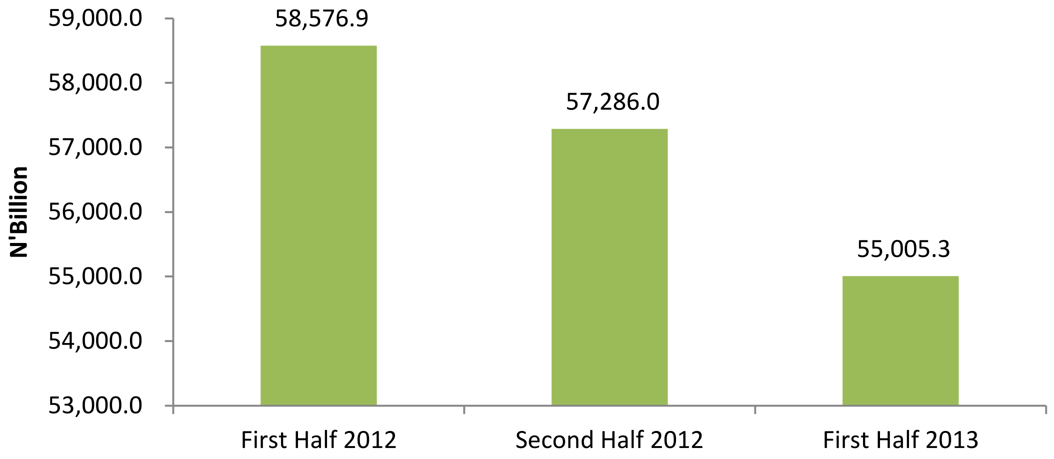


Figure 16

Value of RTGS Transactions

(₦'Billion)



2.3.2.2 NIBSS Instant Payment (NIP)

The volume and value of the NIBSS Instant Payment transactions rose to 5,924,602 and ₦4,178.8 billion in the first half of 2013 from 3,293,216 and ₦2,873.0 billion in the second half of 2012, indicating an increase of 80.0 and 45.4 per cent, respectively. The rise in the use of the channel was attributed to the growing awareness of the scheme as well as users' preference for its quick transfer capacity.

Figure 17

Volume of NIP Transactions

(Million)

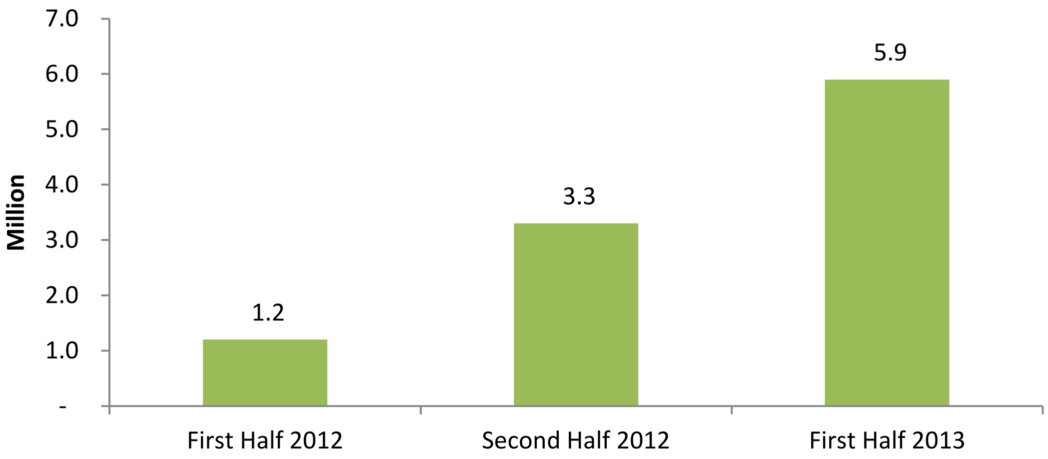
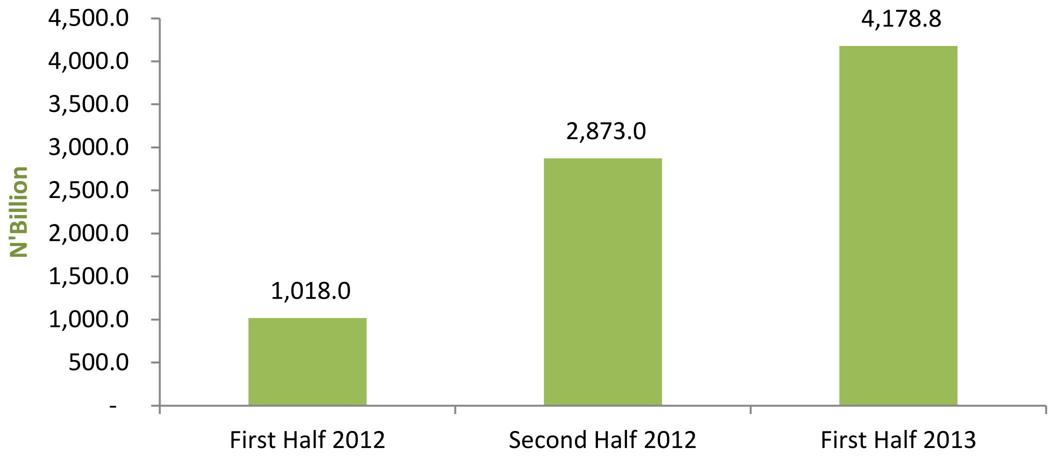


Figure 18

Value of NIP Transactions

(₦'Billion)



2.3.2.3 NIBSS Electronic Fund Transfer (NEFT)

The volume and value of NIBSS Electronic Fund Transfer decreased to 13,918,838.0 and ₦6,738.1 billion in the first half of 2013 from 15,143,752.0 and ₦6,815.0 billion in the second half of 2012, reflecting a decline of 8.1 and 1.1 per cent, respectively. The decline was attributed to users' preference for NIP, which is an instant payment platform.

Figure 19

Volume of NEFT Transactions

(Million)

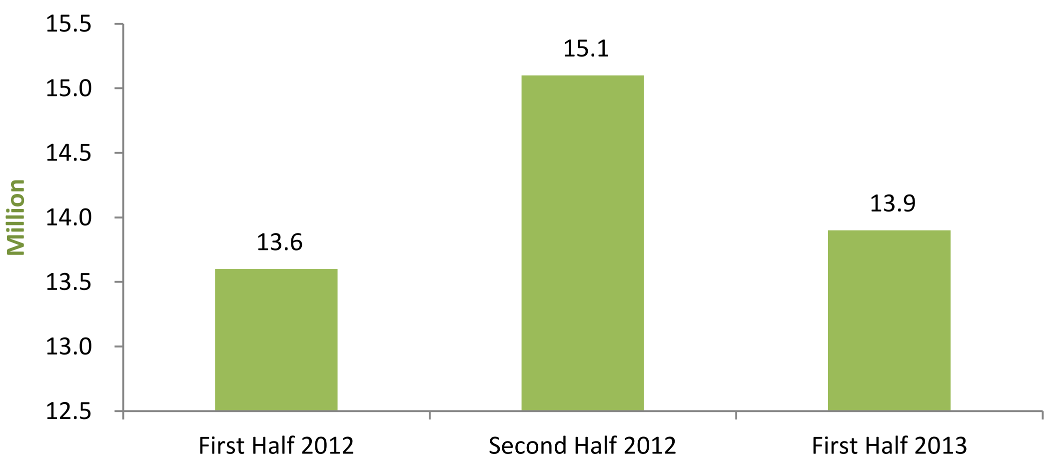
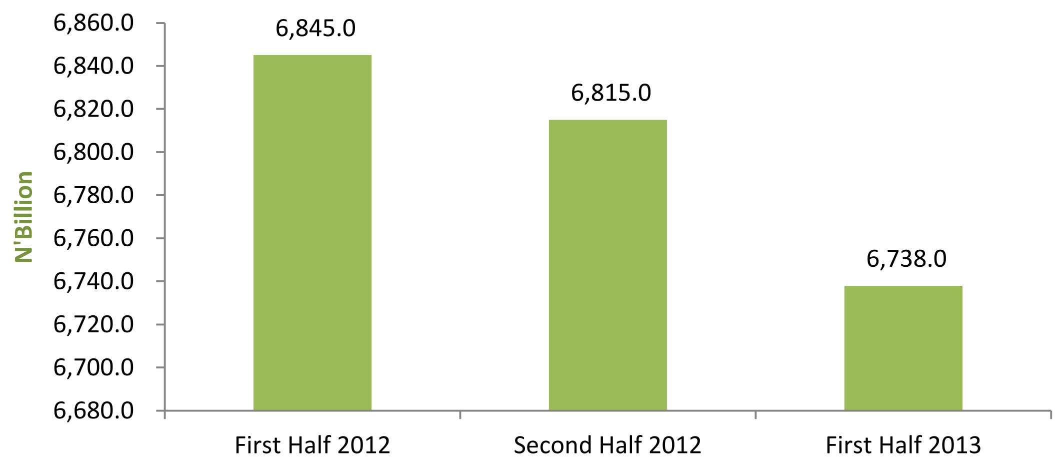


Figure 20
Value of NEFT Transactions
(₦'Billion)



2.3.3 CURRENCY OPERATIONS

2.3.3.1 The Issue of Legal Tender

To meet the currency needs of the economy in 2013, the Bank projected an indent of 2,501.72 million pieces of banknotes of various denominations. This was 10.7 per cent lower than the 2,801.14 million for 2012. Of the total indent, 1,861.72 million pieces or 74.4 per cent was ordered to be printed by the Nigeria Security and Minting (NSPM) Plc. The balance of 640 million pieces were to be printed abroad. In the first half of 2013, NSPM Plc delivered 149.2 million pieces or 8.0 per cent, compared with 1,001.2 million pieces or 35.7 per cent delivered in the corresponding half of 2012.

The Bank sustained the clean notes policy in the first half of 2013 through the sorting 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 100,068 boxes valued at ₦767,475.0 million were processed and 93,919 boxes valued at ₦737,193.4 million audited. This showed that the number of boxes processed and audited increased by 87.3 and 83.3 per cent, respectively over their levels in the corresponding half of 2012. Furthermore 125,913 boxes of unfit notes valued at ₦329.29 billion consisting of various denominations were withdrawn and destroyed in the first half of 2013, compared with 250,933 boxes valued at ₦241.21billion in the first half of 2012. The Bank commenced preparations towards the implementation of the pilot run of the Nigerian Cash Holding Scheme in Asaba, Katsina, Lokoja and Umuahia. The aim of the project is to reduce the cost of cash management, improve on demand planning and supply forecasting, enhance efficiency in processing and distribution on shared services through an integrated cash management platform.

2.3.3.2 Currency in Circulation (CIC)

The currency-in-circulation (CIC) as at end-June 2013 stood at ₦1,425.5 billion, representing an increase of 4.5 per cent over the level at end-June 2012. The growth in CIC reflected the dominance of cash in the economy and an increase in economic activities.

Table 2

Structure of the CIC

Table :Currency Structure, 2009 - June 2013

Coins	2009		2010		2011		Jun-12		Jun-13	
	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)	Volume (million)	Value (₦ billion)
₦2	114.5	228.9	107.83	0.22	107.87	0.22	107.85	0.22	107.68	0.21
₦ 1	490.6	490.65	530.11	0.53	581.23	0.58	616.16	0.62	616.24	0.62
50k	454.5	227.26	434.48	0.22	529.72	0.26	581.01	0.29	579.50	0.29
25k	212	53	196.53	0.049	339.12	0.08	347.71	0.087	347.80	0.087
10k	228.3	228.82	212.82	0.021	302.89	0.03	315.40	0.032	315.31	0.031
1k	57.4	0.57	48.74	0.0048	12.75	0.08	16.17	0.0016	16.70	0.0017
Sub Total	**1,557.30**	**1,023.20**	**1,530.51**	**1.04**	**1,873.58**	**1.26**	**1,984.30**	**1.25**	**1,983.23**	**1.24**
Notes										
₦1000	584.4	584.39	663.76	663.7	959.45	959.45	911.31	911.31	954.72	954.72
₦500	852.8	426.4	1,027.78	513.89	726.22	363.10	533.60	266.80	599.75	299.87
₦200	491.9	98.38	501.27	100.25	621.75	124.31	491.81	98.36	449.90	90.00
₦100	350	35	341.12	34.11	507.90	50.77	331.15	33.11	286.20	28.62
₦50	344.9	17.25	782.27	39.11	777.94	38.89	532.65	26.63	433.07	21.65
₦20	769.5	15.39	752.65	15.1	788.67	15.77	881.32	17.63	1,125.14	22.50
₦10	285.5	2.85	680.61	6.81	789.13	7.89	614.51	6.14	463.81	4.64
₦5	720.5	3.6	837.93	4.19	865.38	4.33	499.89	2.50	455.03	2.27
Sub-Total	**4,399.50**	**1,183.27**	**5,587.39**	**1,377.16**	**6,036.43**	**1,564.50**	**4,796.24**	**1,362.48**	**4,767.62**	**1,424.27**
Total	**5,956.80**	**1,184.30**	**7,117.90**	**1,378.20**	**7,910.01**	**1,565.76**	**6,780.54**	**1,363.73**	**6,750.85**	**1,425.51**

Source: CBN

2.4 Financial Sector Surveillance

2.4.1 Banking Supervision

The CBN sustained its supervisory and surveillance activities on the banking system in the first half of 2013. In that regard, the Bank adopted various approaches: regular review of banks' periodic returns; spot checks; onsite and offsite monitoring; and special investigations, among others, to ensure a safe, stable and sound financial system.

The Bank conducted seven (7) joint and two (2) solo on-site examination of foreign subsidiaries of Nigerian banks as part of its oversight of their cross border activities. The examinations served the dual purpose of enabling the CBN maintain an oversight of risks to which DMBs were exposed and build capacity and knowledge-sharing among supervisors. At end-June 2013, the reports of the joint examinations were yet to be issued by the host regulators.

In order to strengthen capacity and information sharing among regional supervisors, the Bank hosted officials of the National Bank of Rwanda on a one-week study visit from March 11 – 15, 2013. The purpose of the tour was to share from CBN's experience on risk-based supervision, Basel II/III framework and its implementation as well as Nigeria's approach to macro-prudential regulation and financial stability. In addition, the CBN commenced the process of establishing MoUs with the Central Bank of Sudan, the Swiss Financial Market Authority and the Bank of Tanzania. The Bank hosted the 11th meeting of the College of Supervisors of the West African Monetary Zone (CSWAMZ) from January14 - 16, 2013.

As part of the overall framework governing compliance with the principles of Islamic commercial jurisprudence, which form the bedrock of the operation of non-interest financial institutions (NIFIs), a guideline was developed to provide for the setting up of the Financial Regulation Advisory Council of Experts (FRACE) in the CBN. The framework, globally referred to as the Shariah Governance Framework, also provides for the establishment of advisory committees of experts, internal compliance and review units at individual institution's level. To this end, the Bank inaugurated a 7-member Financial Regulation Advisory Council of Experts during the review period to ensure that products and services offered by NIFIs complied with the principles underpinning the operation of these institutions. Some of the specific duties of the Council include:

- Provision of expert opinion and assistance on matters referred to it by the CBN and other regulatory bodies in the Nigeria's financial sector, including the NDIC, SEC, NAICOM and PENCOM;
- Endorsement and validation of applications for new products and services from operators to ensure compliance with the provisions of the Islamic commercial jurisprudence;
- Provision of support to the CBN on queries that might arise on Shariah compliance with financial products, instruments and institutions; and
- Resolution of differences among the various Advisory Committees of Experts (ACEs) and between members of the same ACE.

In line with the regulation on the scope of new banking activities, at end-June 2013, ten (10) banks had fully complied with the provision of divestment from all prohibited equity investments. Six (6) banks had obtained their respective commercial banking licence, while four (4) other applications were being processed for management approval. Two (2) of the three (3) banks that had earlier obtained approval for a holding company structure had fully complied, while one was yet to comply. In addition, the two (2) merchant banks and one (1) regional bank that were licensed in November 2012 commenced operations.

The Bank recorded remarkable improvement in the management of credit information on customers through its Credit Risk Management System (CRMS). The database at end-June 2013 had 90,546 registered borrowers, compared with 86,438 and 84,090 at end-December 2012 and the corresponding period of 2012, respectively. The number of borrowers with outstanding facilities rose by 3.3 per cent to 30,843 at end-June 2013, from 29,848 at end-December 2012. The total value of outstanding credit stood at ₦5,406.0 billion at end-June 2013, indicating an increase of 24.5 per cent over the level of ₦4,342.0 billion at end-December 2012. A review of the CRMS database revealed errors and irregular update of customers' credit information. Consequently, the CBN strengthened the monitoring of banks' compliance with the CRMS guidelines during the review period.

The three (3) existing private credit bureaux continued to provide complementary support for the CRMS as they witnessed increased demand for status enquiries from both financial institutions and non-financial business partners. The number of registered borrowers with the bureaux increased by 10.5 per cent to 21.0 million at end-June 2013, compared with19.0 million at end-December 2012.

2.4.2 Target Examination

During the review period, a joint CBN/NDIC target examination was carried out on all the DMBs as at December 31, 2012 to ascertain the quality of banks' risk assets and adequacy of loan loss provisioning required for the approval of their 2012 annual accounts. The DMBs level of implementation of the recommendations made in the September 30, 2012 RBS Examination Reports was also reviewed. In addition, the four (4) discount houses and three (3) private credit bureaux were examined during the review period. For the three (3) of the discount houses, the examination indicated that the direction of risk was stable and their capital improved to "acceptable" rating since the previous examination while one (1) was expected to inject additional capital for its continued operation.

Material lapses observed in the course of the exercise and remedial advice were communicated to the Management of the affected institutions.

2.4.3 Routine/Special Foreign Exchange Examinations

The Bank conducted a review of foreign exchange activities of twenty (20) DMBs for 2013 to ascertain the level of compliance with extant foreign exchange laws and regulations. The exercise revealed major infractions such as failure to issue certificates of capital importation to beneficiaries within the stipulated 24 hours of receipt of the funds, use of wDAS funds to finance un-authorised foreign exchange transactions, incomplete documentation for visible and invisible import trade transactions, rendition of false returns to regulators and non-compliance with net open position limits. The Bank imposed appropriate penalties on those institutions found to have been in breach of the extant regulations.

2.4.4 Banking Sector Soundness

The health of banks in the system further improved in the first half of 2013. All the banks, with the exception of one, met the regulatory minimum capital adequacy ratio (CAR) of 10.0 per cent in the first half of 2013. The affected bank had commenced a private placement of new shares aimed at raising N20.0 billion fresh capital and an additional capital injection of ₦20.0 billion from a core investor. Overall, the average CAR in the industry was 19.1 per cent, compared with 8.0 and 17.7 per cent minimum international standard and the level at the end of the corresponding period of 2012, respectively.

The industry liquidity ratio stood at 67.8 per cent, compared with 62.7 per cent at end-June 2012. All banks met the minimum regulatory liquidity ratio (LR) of 30.0 per cent at end-June 2013. The industry ratio of non-performing loans (NPLs)to total loans at end-June 2013 stood at 3.7 per cent, compared with 4.3 per cent at end-June 2012. This was within the maximum threshold of 5.0 per cent set by the CBN. The reduction in the NPL ratio was attributed to the intervention of AMCON in the industry and improved risk management practices by DMBs.

2.4.5 Compliance with the Code of Corporate Governance for Banks in Nigeria

The Bank commenced the review of the code of corporate governance issued in April 2006 to address the challenges observed in its implementation such as ambiguity and/or conflict with the provisions of the Companies and Allied Matters Act 1990 (CAMA). As part of the effort to further strengthen the Code and risk management practices, guidelines were issued to banks and other financial institutions to engender effective governance mechanisms for whistle-blowing in the industry.

2.4.6 Financial Literacy and Consumer Protection

The Bank's Financial Literacy Framework (FLF) was approved in the first half of 2013. The Framework articulates the strategic direction for the implementation of the Bank's financial literacy initiatives/programmes towards the attainment of financial inclusion in Nigeria. It adopts a multi-stakeholder implementation plan over a short, medium and long-term. The CBN used the occasion of the commemoration of the annual Global Child and Youth Finance week from March 15 – 21, 2013 to commence the implementation of the financial literacy initiatives. Accordingly, several programmes were organised in Nigeria in collaboration with deposit money banks (DMBs), non-governmental organisations (NGO), schools and international development partners.

The CBN received 759 complaints from the banking public against the DMBs in respect of excess charges, conversion of deposit, unauthorized deductions, among others. Out of this, 88 petitions were resolved, while the remaining were at various stages of resolution. Total claims from customers against the DMBs at end-June 2013 in relation to the complaints amounted to ₦5.73 billion and $1.05 million, while total refunds by the DMBs stood at ₦1.45 billion and $829.22, respectively.

2.4.7 Fraud and Forgery

The number and value of reported cases of fraud and forgery in the banking industry increased in the review period. There were 2,478 reported cases of fraud and forgery valued at ₦22.4 billion. This was higher than the 2,300 recorded cases, valued at ₦7.1 billion in the corresponding period of 2012. Of this amount, the actual loss incurred by the banks was ₦3.8 billion, representing 17.1 per cent of the total fraud amount, compared with ₦2.5 billion in the corresponding period of 2012. The frauds were carried out through diverse means, including fraudulent withdrawals from customers' accounts, suppression and conversion of customers' deposits, theft, illegal funds transfer, cheque defalcations, and fraudulent ATM withdrawals, among others. To mitigate the increased operational risk as a result of these frauds, several measures were recommended to improve the DMBs risk management control function. These measures included the implementation of stricter internal control, improved technology audit to routinely check employees' activities and a more thorough approach to hiring employees for highly sensitive areas of operation.

2.4.8 Examination of Other Financial Institutions

On-site examination was conducted on 385 microfinance banks (MFBs) during the first half of 2013. The exercise included routine examination of 262 healthy MFBs and spot checks on 123 distressed MFBs. The examination revealed a mixed outcome as several MFBs recorded improvement in performance, while others suffered deterioration.

In an effort to improve the operational efficiency of the BDCs, the Bank carried out spot checks on 60 institutions in the review period. The exercise indicated some improvements in the operation of the BDCs, compared with their observed status in 2012. However, certain infractions persisted, including the sale of foreign exchange to customers in excess of the approved quarterly limits; failure to endorse customers' international passports with the amount of foreign exchange purchased; the admission of same international passport for sales of foreign exchange to two or more persons; and absence of/insufficient documentation to support foreign exchange transactions. Accordingly, appropriate sanctions were meted to the erring institutions.

2.5 Foreign Exchange Management

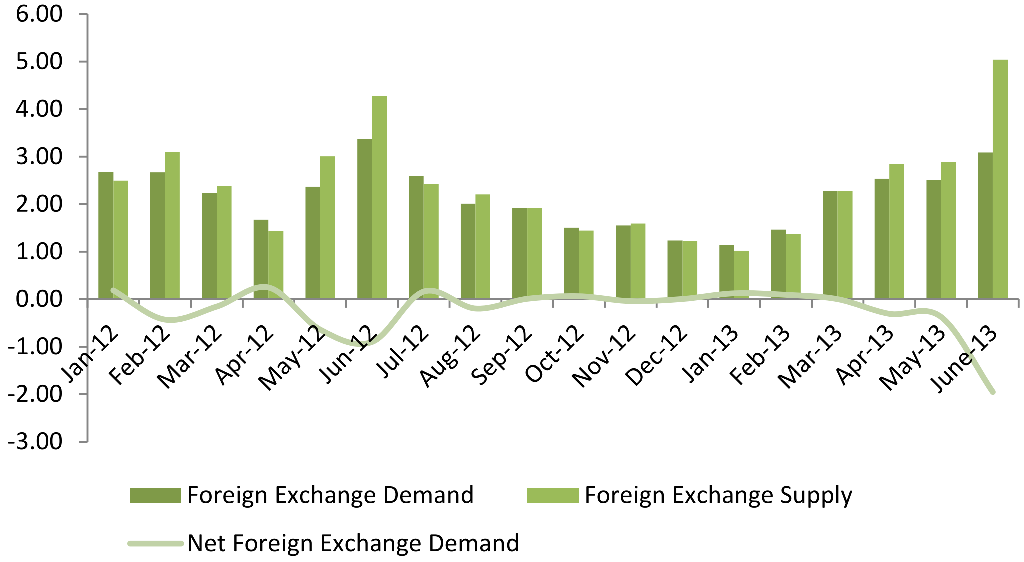
The wDAS was retained as the mechanism for managing foreign exchange by the Bank under which the exchange rate band of ₦155/US$ ± 3% was maintained in the first half of 2013. The naira/US dollar exchange rate in all segments of the market remained stable, owing to the huge inflow from autonomous sources and interventions by the Bank.

2.5.1. Spot Segment of the Market

A total of forty-seven (47) trading auctions were held at the spot segment of the market as against forty-nine (49) auctions in the corresponding period of 2012. Aggregate demand for foreign exchange increased by 20.5 per cent to US$13.01 billion in the period under review from US$10.80 billion in the second half of 2012, while it dropped by 13.2 per cent when compared with the level in the corresponding period of 2012. A disaggregation of total demand showed that wDAS amounted to US$10.75 billion (82.6%) and BDC, US$2.26 billion (17.4%). On the supply side, the total foreign exchange sold rose by 42.9 per cent to US$15.44 billion in the first half of 2013 over the figure in the second half of 2012, but fell by 7.5 per cent when compared with the corresponding period of 2012. Of the total, supply to wDAS was US$10.71 billion (69.4%); BDC, US$2.26 billion (14.6%); interbank, US$2.46 billion (15.9%); and swap transactions, US$0.004 billion (0.1%). The excess foreign exchange supply over demand since March 2013 was due to the increased intervention by the Bank at the interbank segment of the market.

Figure 21

Demand, Supply and Net Demand of Foreign Exchange Spot Market (US$ Million)



2.5.2 Forwards Segment of the Market

There was no transaction at the wDAS-Forwards segment during the period under review due to the relative stability in the exchange rate, which reduced the attractiveness of forward contracts. However, in the corresponding period of 2012, total sales amounted to US$0.68 billion.

2.5.3. Wholesale Dutch Auction (wDAS) Exchange Rate Movements

The focus of the exchange rate policy during the review period was to maintain exchange rate stability. This was substantially supported by interventions at the official window by the Bank and high inflow of foreign exchange to the interbank segment through autonomous sources. The exchange rate of the naira vis-à-vis the US dollar was stable within the band of ₦155/US$ ± 3% in the first half of 2013.

2.5.3.1. Spot Exchange Rates

The exchange rate of the naira to the US dollar appreciated marginally in all the three segments of the foreign exchange market and averaged ₦157.30, ₦158.18 and ₦159.66 per US dollar at the wDAS, interbank and BDC segments, respectively, in the first half of 2013. This showed an appreciation of 0.03, 0.12 and 0.52 per cent at the wDAS, interbank and BDC segments respectively, relative to the levels in the first half of 2012. Compared with the second half of 2012, the rates appreciated by 0.22, 0.71 and 0.98 per cent at the wDAS, interbank and BDC segments, respectively. Consequently, the premium between the wDAS and BDC rates narrowed from 2.3 per cent in the first half of 2012 to 2.0 and 1.5 per cent at end-December 2012 and end-June 2013, respectively. The premium between the interbank and wDAS rates which narrowed from 1.0 per cent in the first half of 2012 to 0.6 per cent in the second half of 2012, remained unchanged at end-June 2013.

Figure 22

Exchange rate Movements

(Naira per US$)

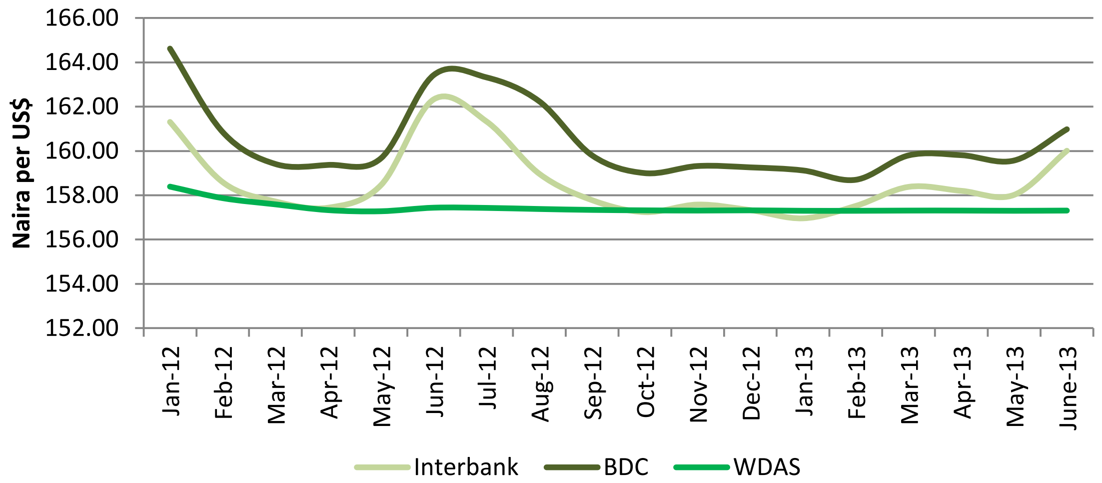
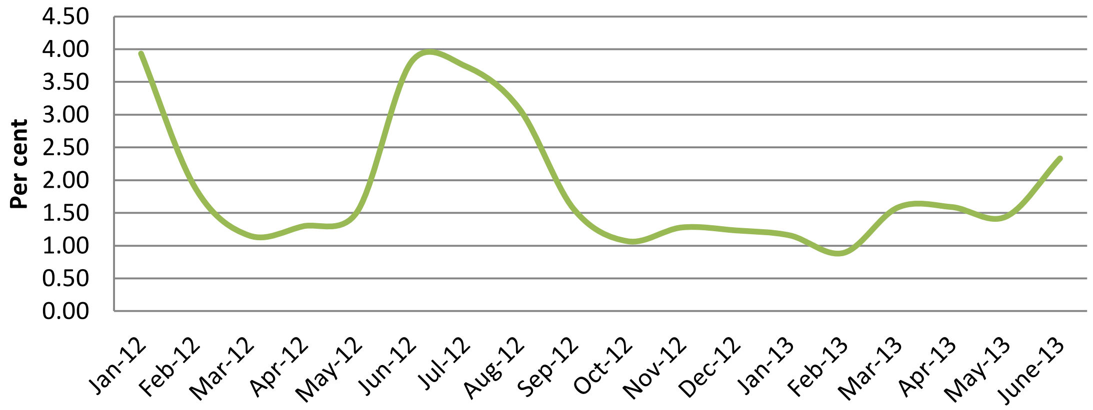


Figure 23
Bureau-de-Change Premium

(Naira per US$)



The end-period rate of the naira per US dollar appreciated by 0.01 and 1.5 per cent to ₦157.31/US$ and ₦162.00/US$ at the wDAS and BDC segments, respectively, but depreciated by 3.9 per cent at the interbank segment, relative to the level at end-December 2012. Compared with the levels at end-June 2012, the end-period wDAS and BDC rates appreciated by 0.6 and 1.9 per cent, respectively, but depreciated at the interbank segment by 1.8 per cent.

2.5.4. Foreign Exchange Flows

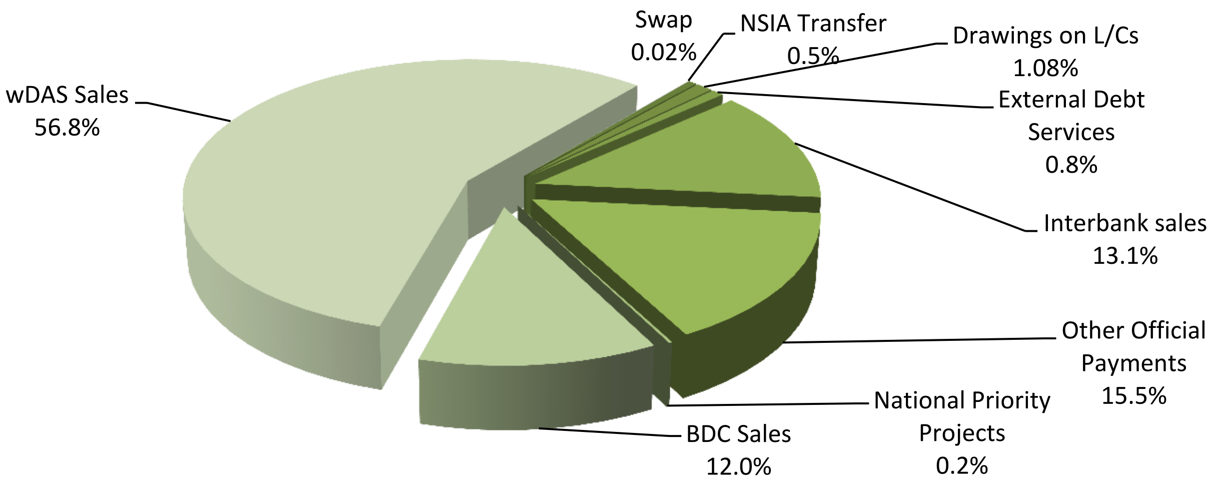
Foreign exchange inflow through the economy grew by 30.4 and 14.1 per cent to US$72.44 billion over its respective levels in the first and second halves of 2012. A trend analysis showed inflow rose from US$12.15 billion in January, peaked at US$13.26 billion in May but fell to US$12.59 billion in June 2013. Of the total, inflow through the CBN accounted for 27.3 per cent, while autonomous sources accounted for 72.7 per cent. Total inflow through autonomous sources rose by 57.9 and 35.6 per cent from the respective levels in the first and second halves of 2012 to US$52.69 billion in the first half of 2013. Disaggregation of inflow through autonomous sources showed that invisibles accounted for US$50.62 billion; non-oil exports, US$1.92 billion; and external account, US$0.15 billion. A breakdown of invisibles revealed that over-the-counter (OTC) and ordinary domiciliary accounts were US$34.15 billion and US$16.47 billion, respectively.

Total foreign exchange outflow through the economy fell by 5.7 per cent to US$19.06 billion from the level in the first half of 2012, but rose by 13.3 per cent above the level in the second half of 2012. The decline in outflow was due to the reduction in wDAS utilization by 7.5 per cent to US$15.44 billion. A trend analysis showed that outflow steadily increased from US$1.54 billion in January to US$3.23 billion in May and peaked at US$5.90 billion in June 2013. This was due to the repatriation of dividends of matured foreign portfolio investments and low sales of foreign exchange by the oil companies at the interbank segment. Consequently, the net inflow through the economy stood at US$53.38 billion, compared with US$35.34 billion in the corresponding period of 2012.

The inflow through the CBN declined by 10.9 and 19.8 per cent to US$19.75 billion from the levels in the first and second halves of 2012, respectively. The development was attributed to the reduction in crude oil export earnings occasioned by the disruptions in crude production and non-oil receipts in the period under review. Receipts from crude oil sales fell by 10.9 and 10.8 per cent to US$18.97 billion from the levels in the first and second halves of 2012, respectively. The non-oil component declined by 11.1 per cent to US$0.78 billion due to the reduction in interest earned on investments and other official receipts by 66.0 and 7.3 per cent from their levels in the first half of 2012, respectively.

Foreign exchange outflow through the Bank fell by 2.6 per cent to US$18.86 billion from the level in the corresponding period of 2012, but rose by 18.6 per cent above the level in the second half of 2012. The development was attributed to wDAS utilization, which declined by 7.5 per cent to US$15.44 billion relative to the level in the first half of 2012, but increased by 42.2 per cent over the level in the second half of 2012. A disaggregation of wDAS utilization showed that sales to wDAS amounted to US$10.71 billion (56.8%); interbank, US$2.46 billion (13.1%); BDC, US$2.26 billion (12.0%); and swap transactions, US$0.004 billion (0.02%).

Figure 24
Foreign Exchange Disbursements through the CBN
First Half 2013

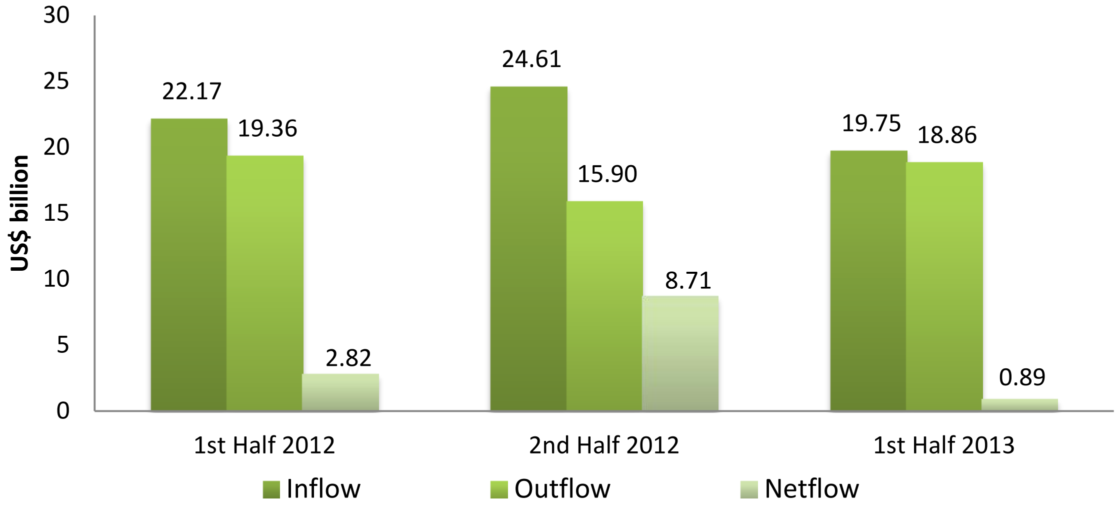


Outflow through other official payments grew by 34.7 per cent to US$2.93 billion over the level in the first half of 2012 but fell by 36.4 per cent when compared with the level in the second half of 2012. Of this, payments to international organisations and embassies was US$0.31 billion; parastatals and estacode, US$0.60 billion; JVC calls, US$1.93 billion; and miscellaneous items, US$0.04 billion. National priority projects, drawings on letters of credit (L/Cs), and external debt service, all tapered by 34.2, 30.0, and 1.4 per cent to US$0.03 billion, US$0.20 billion, and US$0.15 billion, respectively. The balance of US$0.10 billion was transferred to the National Sovereign Investment Authority during the period under review.

Total foreign exchange transactions through the Bank resulted in a net inflow of US$0.89 billion in the period under review, compared with US$2.82 billion and US$8.71 billion recorded in the first and second halves of 2012, respectively.

Figure 25

Foreign Exchange Transactions through the CBN



2.5.5. Sectoral Utilization of Foreign Exchange

The sectoral utilization of foreign exchange in the first half of 2013 increased by 20.6 and 34.2 per cent to US$26.73 billion, over the levels in the first and second halves of 2012, respectively. A disaggregation showed that of the total, visible (imports) trade declined by 10.3 per cent to US$14.26 billion from the level in the corresponding period of 2012. It, however, recorded an increase of 10.7 per cent when compared with the level in the second half of 2012. Under this category, foreign exchange utilization for oil imports, industrial sector and food products declined by 12.2, 0.7 and 9.7 per cent to US$4.40 billion, US$3.99 billion and US$2.70 billion, respectively, from their levels in the corresponding period of 2012. The amount of foreign exchange for the importation of manufactured products, transport and minerals sub-sectors also fell, by 14.9, 25.7 and 34.9 per cent to US$2.10 billion, US$0.75 billion and US$0.16 billion, respectively. Foreign exchange payments under the agricultural sector, however, grew by 6.2 per cent to US$0.15 billion over the level in the corresponding period of 2012.

Aggregate utilization of foreign exchange under invisibles (services) transactions increased by 99.0 and 77.3 per cent to US$12.47 billion when compared with the figures in the corresponding period and second half of 2012, respectively. The development was driven largely by foreign exchange utilized under financial services which increased substantially by 123.5 and 111.1 per cent to US$10.80 billion from the levels in the corresponding period of 2012 and the second half of 2012, respectively. Under the sub-sector, banking and other financial services, utilized US$10.65 billion, driven mainly by asset management and money transmission services. Out-payments for business, transport, communications, education, health and other services grew by 4.5, 27.9, 47.2, 15.7, 9.5 and 36.0 per cent to US$0.59 billion, US$0.55 billion, US$0.26 billion, US$0.10, US$0.001 billion, and US$0.12 billion respectively. In the review period, however, payments for construction and engineering; tourism and travel related services; and distribution fell by 66.6, 38.7 and 24.3 per cent from their respective levels in the corresponding period of 2012. There was no out-payment recorded under environmental services in the period under review as against US$0.09 million in the second half of 2012.

Figure 26

Sectoral Utilization of Foreign Exchange (Visibles)

First Half 2013

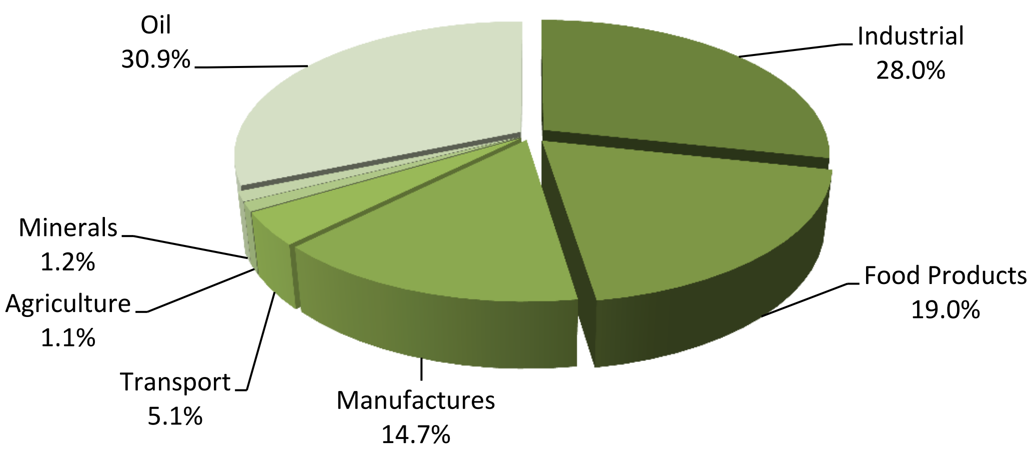
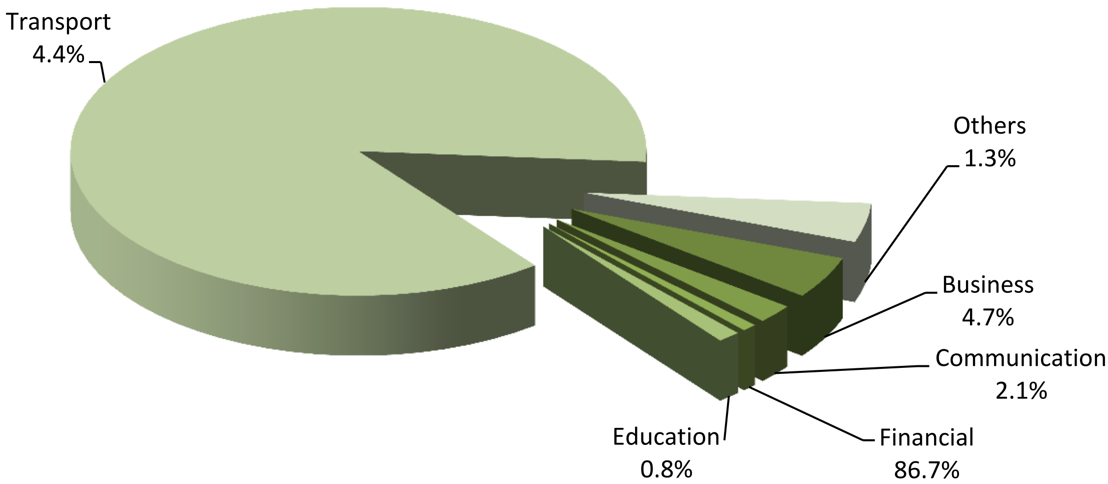


Figure 27

Sectoral Utilization of Foreign Exchange (Invisibles)

First Half 2013



2.5.6. Foreign Exchange receipts by Top Hundred Exporters

Analysis of export receipts by the top 100 exporters in the country in the first half of 2013 showed that Olam Nigeria Limited retained first position as in the preceding period with proceeds valued at US$272.65 million from the export of sesame seeds and cocoa beans to Europe, Asia and the United States of America. Mamuda Industries Nigeria Limited came second with exports valued at US$76.18 million through the sale of leather to Italy and Hong Kong. Bolawole Enterprises Nigeria Limited and Unique Leather Finishing Limited, ranked third and fourth largest exporters, with proceeds of US$68.33 million and US$62.71 million realized from cotton and cocoa beans export to Germany and the Netherlands, respectively. British American Tobacco Nigeria Limited and Almajaro ranked in the fifth and sixth positions with earnings of US$48.48 million and US$48.08 million from exports of finished leather to Italy and crumbed rubber to the Netherlands, respectively.

2.5.7 Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) Indices

The 13-country Nominal Effective Exchange rate (NEER) index fell by 2.58 percentage points in the first half of the year to 96.41. This is attributable to the higher number of Euro countries in the 13-country index, for which the euro had remained relatively stable against the US dollar and appreciated against the naira, the NEER thus indicated a slight loss in value of the naira. The Real Effective Exchange Rate (REER) index fell by 3.51 percentage points in the period under review. This followed a higher CPI level in Nigeria compared with that of its major trading partners, reflecting a loss of external competitiveness of the naira.

Figure 28

Nominal (NEER) and Real Effective Exchange Rate (REER) Indices (November 2009=100)

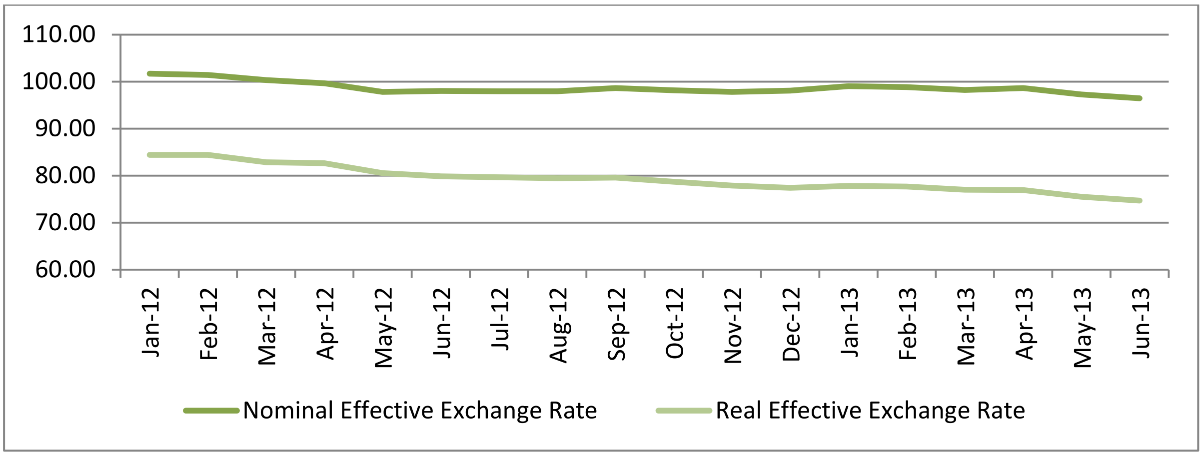


Table 3

Nominal and the Real Effective Exchange Rate indices

(November 2009=100)

2012	Nominal Effective Exchange Rate	Real Effective Exchange Rate
Jan	101.69	84.38
Feb	101.41	84.40
Mar	100.29	82.84
Apr	99.66	82.66
May	97.78	80.53
Jun	98.00	79.85
Jul	97.96	79.62
Aug	97.90	79.45
Sep	98.60	79.57
Oct	98.16	78.70
Nov	97.80	77.85
Dec	98.05	77.41
2013	Nominal Effective Exchange Rate	Real Effective Exchange Rate
Jan	98.99	77.82
Feb	98.83	77.69
Mar	98.23	77.00
Apr	98.59	76.91
May	97.23	75.53
Jun	96.41	74.67

2.6 Development Finance Operations

2.6.1 Agricultural Credit Guarantee Scheme Fund (ACGSF)

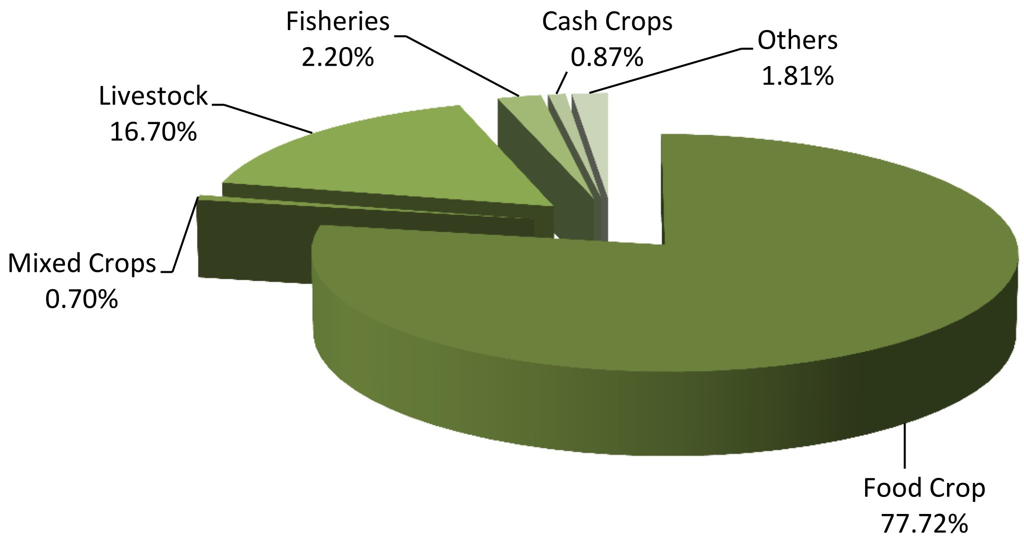
The volume and value of guaranteed loans under the ACGSF increased by 42.1 and 47.7 per cent to 22,610 and ₦3.59 billion over the levels in the corresponding period of 2012. Of the total volume of loans guaranteed by purpose, food crops accounted for 17,573 (77.72 per cent); livestock, 3,776 (16.7 per cent); fisheries, 497 (2.2 per cent); cash crops, 196 (0.87 per cent); others, 410 (1.81 per cent); and mixed farming, 158 (0.70 per cent).

From the inception of the Scheme in 1978 to end-June 2013, the cumulative number of loans guaranteed was 825,874 valued at ₦65.6 billion. A total of 341 claims valued at ₦46.2 million was settled during the review period, bringing the total claims settled from inception to 14,230 valued at ₦447.5 million.

Figure 29

Sectoral Distribution of ACGSF Loans (By Purpose)

First Half 2013



2.6.2 Interest Drawback Programme (IDP)

The number and value of IDP claims settled in the first half of 2013 fell by 23.5 and 19.1 per cent, to 20,907 and ₦201.1 million from their levels of 27,357 and ₦248.6 million, respectively in the corresponding period of 2012. This brought the number and value of IDP claims settled from inception to 195,907 and ₦1.48 billion.

2.6.3 The Trust Fund Model (TFM)

During the first half of 2013, no new Memorandum of Understanding (MoU) was signed by the Bank under the TFM. From inception in 2002 to date, 56 MoUs had been signed by stakeholders consisting of state governments, multinational agencies, local governments (LGs), non-governmental organisations (NGOs) and individuals with a pledged sum of ₦5.5 billion.

2.6.4 Entrepreneurship Development Centres (EDCs)

In the first half of 2013, three(3) Entrepreneurship Development Centres (EDCs) located in Onitsha (South-East), Lagos (South-West) and Kano (North-West), were approved for winding-up in line with the April 2013 exit date for phase 1.

An analysis of their performance showed that the EDCs in Kano, Lagos and Onitsha trained 12,694, 18,167 and 10,967 entrepreneurs, respectively, out of the 25,000 target for each. Of the entrepreneurs trained, 1,743 accessed loans from banks for start-ups and expansion of their businesses.

2.6.5 N200 Billion Commercial Agriculture Credit Scheme (CACS)

In the review period, the sum of ₦16.3 billion was released to eight (8) DMBs for on-lending to nineteen (19) projects under the CACS. An analysis of the number of projects financed showed that processing accounted for 52.6 per cent, while production and marketing accounted for 36.9 and 10.5 per cent, respectively.

Table 4

Analysis of CACS Financed Projects by Value Chain

(First Half 2013)

Category	Number of Projects	Per cent	Value {₦' billion }	Per cent
Production	7	36.84	3.034	19.0
Processing	10	52.63	12.171	75.0
Marketing	2	10.53	1.050	6.0
Total	**19**	**100.0**	**16.255**	**100.0**

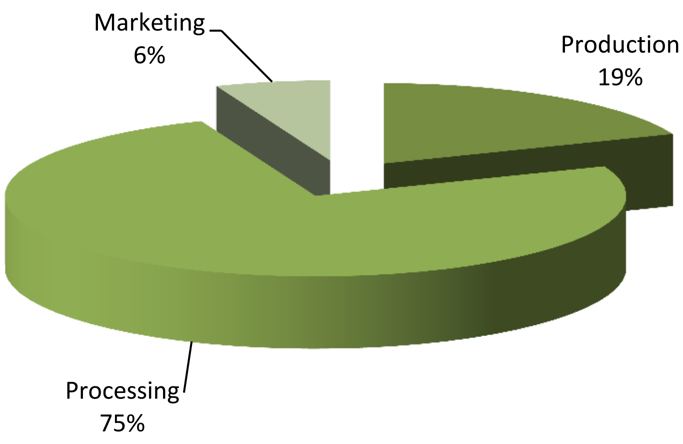
Analysis by value indicated that processing accounted for ₦12.17 billion (75.0 per cent), production ₦3. 03 billion (19.0 per cent) and marketing ₦1.05 (6.0 per cent).

As at end-June 2013 ₦199.37 had been disbursed to 273 projects. At the same period, ₦8.72 billion was repaid by banks in respect of sixteen (16) projects.

Figure 30

Analysis of CACS Financed Projects by Value Chain

First Half 2013



2.6.6 N200 Billion Restructuring and Refinancing Facility (RRF)

In the first half of 2013, no fund was released to the Bank of Industry (BOI) for disbursement, compared with ₦5.0 billion released to one (1) project, in the corresponding period of 2012. Thus, the cumulative amount released from inception to date remained ₦235 billion for 535 projects, while repayments under the SME RRF were valued at ₦8.8 billion in the first half of 2013.

2.6.7 N200 Billion SME Credit Guarantee Scheme (SMECGS)

Under the Scheme, eight (8) applications valued at ₦279.2 million were guaranteed during the first half of 2013, compared with one application valued at ₦100.0 million in the corresponding period of 2012. The total number of projects guaranteed from inception to date was 52 valued at ₦2.2 billion.

2.6.8 N300 Billion Power and Airline Intervention Fund (PAIF) Initiative

During the first half of 2013, ₦39.6 billion was released to the BOI for five (5) projects, consisting of ₦26.0 billion for one (1) airline project and ₦13.61 billion for four (4) power projects. This indicated a decline of 66.0 per cent in number (15 projects) and 26.1 per cent in value (₦31.4 billion) from the levels in the corresponding period of 2012. The number and value of projects funded from inception stood at 41 and ₦221.0 billion, respectively.

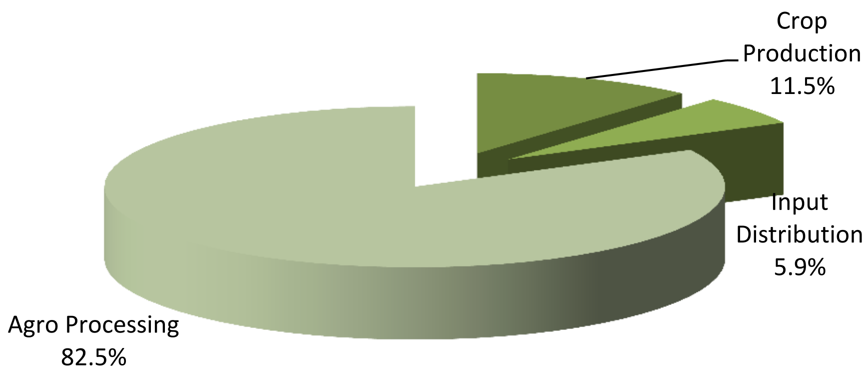
2.6.9 Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)

During the period under review, the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) programme received a boost in its activities with the engagement of 27 state governments on various value chains to transform the agricultural sector. The programme also attracted funding and technical support from multilateral organizations and stakeholders in the agricultural value chain. In this regard, the German International Cooperation (GIZ) gave a grant of ₦176.0 million for four (4) selected commodities namely, tomato, rice, cocoa and cotton in twelve (12) states. Also, the GIZ under the Farmer Business School Programme, trained 5,000 cotton outgrowers by the West African Cotton Company Limited in Funtua, Katsina State. In addition, NIRSAL signed an MoU with the United States Agency for International Development (USAID) and the Federal Ministry of Agriculture and Rural Development on technical partnership to facilitate access to a US$100 million USAID fund, earmarked to guarantee counterparties for agricultural lending.

Figure 31

NIRSAL Credit Risk Guarantees (CRG) Issued

January – June, 2013



Besides, twenty-three (23) Credit Risk Guarantees (CRGs) valued at ₦6.7 billion were issued to 23 counterparties during the first half of 2013. The number of projects across the focus areas stood at input distribution (1), agro processing (11), and crop production (11).

2.6.10 Financial Inclusion

The Bank sustained its efforts at achieving the broad objective of raising financial inclusion to 80.0 per cent by 2020. Activities undertaken included the developments of the Financial Literacy Framework to enable people acquire basic skills on finance-related issues. In addition, sensitization of students in five (5) Universities (Gombe State University, Leeds University, Ibadan, University of Nigeria, Nsukka, University of Maiduguri and Adekunle Ajasin University) was undertaken on the Child and Youth Finance Initiative.

2.7 CBN Assets and Liabilities

Provisional data indicates that the total assets of the CBN as at end-June 2013 grew by 1.8 per cent relative to end-December 2012 and 11.5 per cent relative to the level at the end of the corresponding period of 2012. The growth in Assets over end-December 2012 was due to the substantial increase (215.1 per cent) in other assets and the 3.3 per cent growth in convertible currency. The growth over end-June 2012 was due to the growth of 27.1, 25.3, 17.4, 4.2 and 3.0 per cent in convertible currency, total external reserves, fixed assets, other assets and other securities, respectively. The corresponding increase in liabilities relative to end of December 2012 was due largely to growth in other reserves, total capitalization, "others" deposits with the CBN and other liabilities.

ECONOMIC REPORT

3.0 Global Economic Developments

Global output growth remained subdued, with varying speeds of recovery across countries and regions. New downside risks capable of dampening global growth prospects were observed in emerging markets such as Brazil and Russia. In the advanced economies, the IMF reported that steps towards reducing fiscal deficits had constrained growth and recommended a gradual and extended approach to fiscal consolidation. The reduced fiscal space in emerging markets and developing economies implied the attendant risk of lower-than-expected output.

The major industrialised economies showed signs of recovery with the US and Japan recording modest growth rates in the first half of 2013. The Euro-Area continually grappled with sovereign debt issues and economic stagnation from the impact of austerity measures. High and persistent unemployment prevailed in advanced countries, at an average of about 8.0 per cent, reaching as high as 25.0 per cent in some countries.

Emerging market economies faced risks of an extended economic slowdown and probable capital flow reversals. Activities in the developing economies showed various forms of cyclicality and vulnerabilities on account of the unimpressive export performance which resulted from the sluggish growth in the advanced economies. Sub-Saharan Africa remained resilient but with slowdown in growth as some of the largest economies within the region, including Nigeria and South Africa struggled with domestic issues. This was in addition to the weak performance of commodity exporting countries owing to the falling international commodity prices.

The Middle East and North Africa (MENA) region was mired by the socio-economic and political turmoil that started in 2011. The Syrian crisis persisted, while a fresh uprising was recorded in Egypt. The decline in oil production, prolonged fluctuation in oil prices, weak global growth and high public spending posed significant challenges to countries in the region. These, expectedly, led to a downward revision of the region's growth projection to about 3.1 per cent, from the previous figure of 3.6 per cent.

3.1 Global Commodity Prices

Commodity prices remained low in the review period due largely to weak demand and uncertainty in the global outlook, even though prices had earlier been boosted by improved demand from the US and supply disruptions in the Middle East. The IMF's commodity price volatility index declined due to the improved global financial conditions on the back of policy actions to lower risks. Indications from futures prices suggested that commodity prices would decline in the near term. In particular, huge discoveries of about 50 billion barrels of shale oil deposits in the US, with prospects of more in Canada were likely to further drive down demand and international oil prices.

3.2 Global Inflation

Inflation around the world was stable, even though the problem of unemployment persisted. This was more pronounced in advanced economies, which was consistent with the current economic slack and the subdued response of inflation to cyclical conditions. Some emerging market economies like Brazil had to contend with intermittent inflationary pressures while Japan, an advanced economy, reflated its economy through recent stimulus measures, bringing back inflation figures to the positive territory. The IMF suggested that on-going global monetary expansions were unlikely to have significant inflationary consequences, as long as inflation expectations remained anchored.

3.3 International Financial Markets

Uncertainty among market participants heightened fears of another turmoil in the global financial markets though tail risks were earlier mitigated largely by a combination of deeper policy commitments by monetary authorities around the world. Recent concerns about the tapering-off of massive quantitative easing measures by the US Federal Reserve led to global financial market volatility and decline in asset prices. A major challenge had been that significant adverse effects could be created when the unwinding of the unprecedented monetary stimulus measures commences. This created initial huge capital flow reversal from emerging and developing economies, with consequent decline in asset prices and currency depreciation.

Around the globe, investor sentiments remained cautious, although there was strong scope for improved performance of stock markets, buoyed by the modest economic recoveries in the US and China, as well as low equity valuation. The continued search for higher yields given the low interest rate regime in advanced countries, coupled with the perception of receding macro-economic risks, supported investor activity globally. Global bond and money markets in the first half of 2013 were continually driven by the policy decisions of monetary authorities, in their efforts to curtail inflation and stimulate economic growth. Various bond-buying programmes of advanced economies' central banks increased yields in the money and bonds markets. In Europe, Outright Monetary Transactions (OMT) and Funding for Lending programme of the European Central Bank (ECB) and the Bank of England (BOE), respectively, were notable measures adopted to ensure stable and appropriate liquidity in the banking system. Bonds of some emerging markets continued to rally, with spreads over U.S. treasury bills reaching record lows. Emerging markets, however, remained vulnerable to investor sentiments.

Concerns about a global currency war, particularly among advanced countries and emerging market economies, became pronounced in the first half of 2013. There were early signs of this development in 2012 following complaints that emerging market currencies were being manipulated to gain international trade advantages, through currency controls and various expansionary monetary policies. Specifically, Japan's ambitious economic stimulus drive was singled out as a covert currency-depreciation exercise. The meeting of the Group of Twenty (G20) nations in Russia, however, dismissed such insinuations.

Monetary authorities around the world largely maintained their policy rates in the review period. Central banks in developed economies kept their rates close to the zero bound, while exploring other avenues to improve market liquidity conditions. Emerging market economies like Brazil and Indonesia increased their policy rates from 7.25 and 5.75 to 8.0 and 6.0 per cent, respectively, due to inflationary concerns during the period. The tendency globally had been towards unchanged rates, although there were also rate decreases in some countries. In Africa, Nigeria and South Africa maintained their policy rates at 12.0 and 5.0 per cent, respectively, to sustain the relative stability so far achieved, while Ghana raised her policy rate from 15.0 to 16.0 per cent to address inflationary concerns. Kenya lowered her policy rate from 11.0 to 8.5 per cent to address liquidity shortage and growth challenges.

Figure 32
Performance of the Naira against Major Currencies

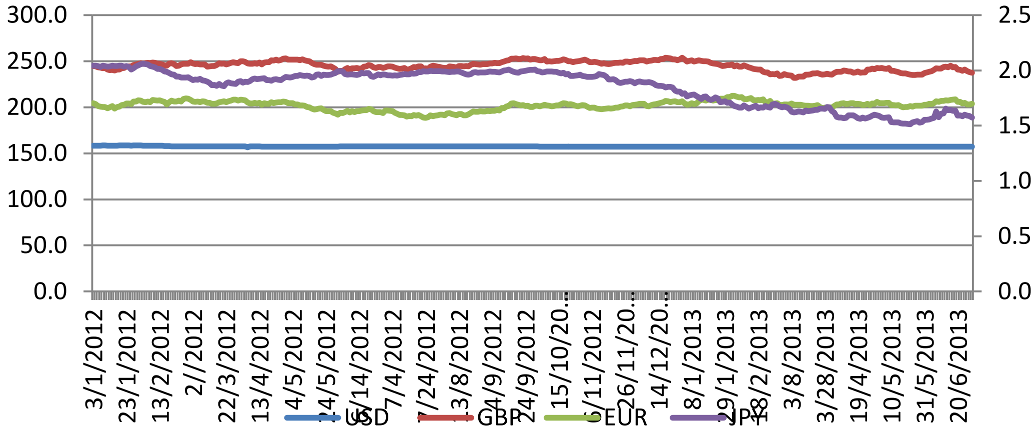
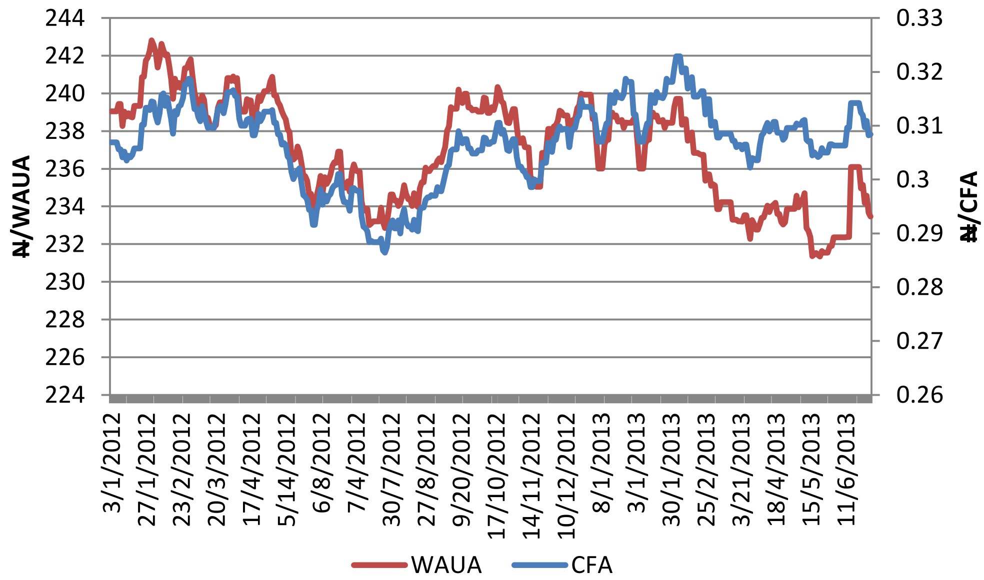


Figure 33

Performance of the Naira against Regional Currencies



The nominal exchange rate of the naira relative to other major international currencies indicated that the naira appreciated against the pound sterling and Japanese yen by 0.2 and 20.2 per cent, respectively, but depreciated against the Euro by 0.9 per cent relative to their respective levels at end-December 2012. At the regional level, the naira appreciated against WAUA by 0.6 per cent but depreciated against CFA Francs by 0.3 per cent for the same period.

3.4 World Economic Outlook for the Rest of 2013

The IMF in its July 2013 *Update to the World Economic Outlook* noted that prospects for the global economy remain subdued, although world output in 2013 was expected to expand at the same rate as in 2012. Latest IMF projections put global growth in 2013 at about 3.0 per cent. The US and Japan were expected to grow by 2.0 per cent at year-end, while the euro area was expected to remain in a recession. Emerging market and developing economies are projected to record an average growth rate of 5.0 per cent in 2013. China was expected to grow at 7.75 per cent. In terms of stock market performance, emerging market equities were projected to out-perform those of developed markets, with prospects of higher returns premised on an expanding middle class and consumer demand, among others.

4.0 DEVELOPMENTS IN THE DOMESTIC ECONOMY

4.1 Monetary and Credit Developments

The CBN's monetary policy remained restrictive in the first half of 2013 with the aim of containing potential inflationary pressures that might emanate from the expansionary fiscal operations of the government. Consequently, the growth of broad money supply was sluggish and stood below the indicative benchmark for fiscal 2013. Narrow money supply fell due to the decline in both currency and demand deposit components.

Aggregate credit to the domestic economy grew marginally as a result of the slow growth in claims on both the private sector and the net claims on the Federal Government. Similarly, consumer credit slowed in tandem with the growth in credit to the private sector.

4.1.1 Reserve Money

At the end of the review period, staff estimates indicated that reserve money (RM) fell below its level at end-December 2012, but was higher than the indicative benchmark for fiscal 2013. Relative to the level at end-December 2012, RM fell by 12.6 per cent to ₦3,236.15 billion at end-June 2013, compared with the decline of 9.8 per cent at the end of the corresponding period of 2012. At that level, RM was higher than the indicative benchmark for the second quarter of 2013. The development reflected the decline of 12.6 per cent apiece in currency-in-circulation and commercial banks' reserves at CBN. The corresponding decline in the sources of reserve money was attributed to the 20.9 per cent fall in net foreign assets.

Table 5

Sources and Uses of Reserve Money

	Jun 10	Dec 10	Jun 11	Dec '11	Jun 12	Dec 12	Jun-13
	1,535,112.3	1,845,714.5	2,065,056.3	2,784,065.4	2,511,975.3	3,704,483.6	3,236,152.8
Foreing assets (net)	5,401,021.1	5,372,285.8	4,922,626.6	5,823,794.3	6,025,336.8	7,393,557.7	7,413,741.9
Foreign Assets	5,764,789.3	5,411,324.6	5,004,384.4	5,829,819.7	6,025,436.9	7,395,331.5	7,953,988.6
Long-term Foreign Liabilities	0.0	0.0	0.0	-	-	311.5	311.5
Short-term foreign Liabilities	363,768.2	39,038.8	81,757.7	6,025.5	100.0	1,462.2	539,935.1
Net credit to Government	(3,272,806.1)	(2,884,013.4)	(2,733,579.8)	(3,514,447.1)	(3,723,009.9)	(3,574,376.4)	(3,374,788.6)
Claims on Government	316,656.9	664,763.6	798,851.0	680,601.7	738,017.8	733,354.5	447,332.5
Fed. Government Deposits	3,589,463.0	3,548,777.1	3,532,430.8	4,195,048.7	4,461,027.8	4,307,730.9	3,822,121.1
Net credit to Private Sector	(46,939.0)	(26,521.8)	229,755.4	3,963,550.1	4,045,673.7	3,661,512.3	4,223,673.3
Claims on private sector	396,545.3	632,171.0	726,392.5	4,569,146.0	4,652,650.4	4,708,311.8	4,703,307.2
Private sector deposits	443,484.3	658,692.9	496,637.1	605,595.9	606,976.7	1,046,799.6	479,633.9
Net claims on DMBS	752,246.3	765,453.2	748,162.9	793,049.0	1,110,570.2	(1,583,300.3)	(3,370,967.8)
Claims on DMBS	752,246.3	765,453.2	748,162.9	793,049.0	1,110,570.2	1,052,556.0	915,469.7
CBN Securities						2,635,856.3	4,286,437.5
Other Assets Net	(1,298,410.0)	(1,381,489.2)	(1,101,908.8)	(4,281,880.9)	(4,946,595.5)	(2,192,909.7)	(1,655,506.0)
Other Assets	1,115,677.7	1,293,980.2	3,469,322.3	4,878,098.4	6,031,460.4	6,790,896.4	7,183,509.7
Other liabilities	2,414,087.6	2,675,469.4	4,571,231.1	9,159,979.2	10,978,055.9	8,983,806.1	8,839,015.6
RESERVE MONEY	1,535,112.3	1,845,714.5	2,065,056.3	2,784,065.4	2,511,975.3	3,704,483.6	3,236,152.9
Currency in Circulation	1,063,633.0	1,378,134.4	1,353,982.6	1,566,046.4	1,363,730.7	1,631,717.2	1,425,507.8
Banks' Deposit with CBN	471,479.3	467,580.1	711,073.7	1,218,019.0	1,148,244.6	2,072,766.4	1,810,645.1
Current Account Bals	382,033.4	375,017.1	711,073.7	446,282.8	305,837.8	733,035.8	354,772.2
Required Reserves	89,446.0	92,563.0	-	771,736.2	842,406.8	1,339,730.5	1,455,872.9

Figure 34 (a)

Reserve Money and its Components

(Naira Billion)

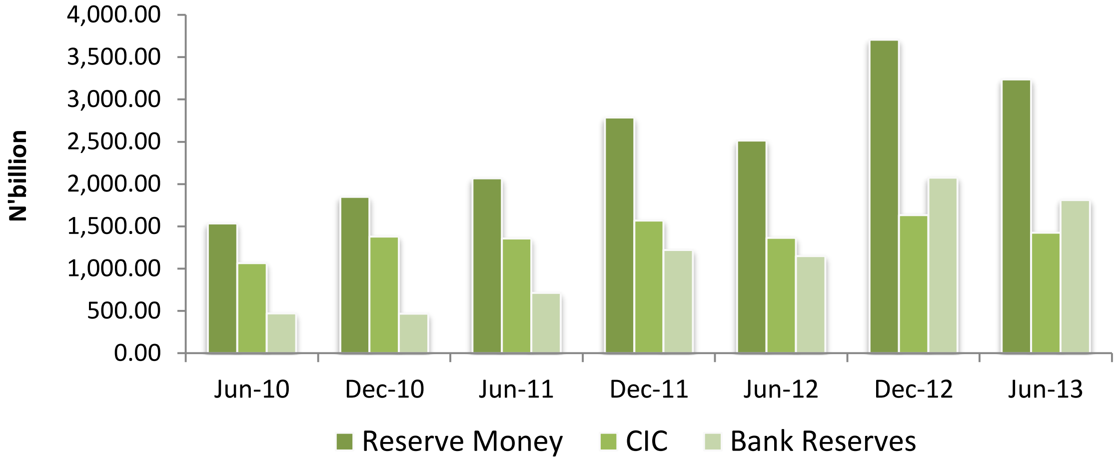
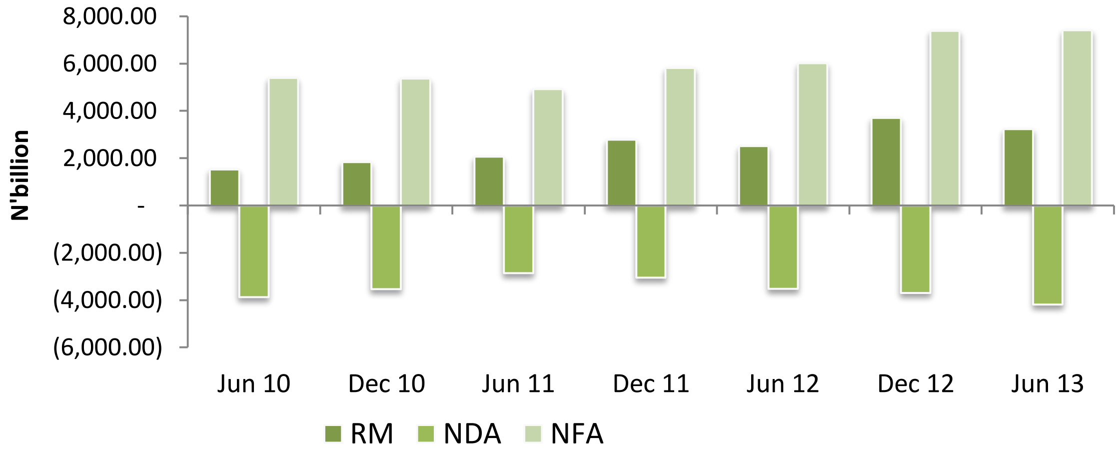


Figure 34 (b)

Sources of Reserve Money

(Naira Billion)



4.1.2 Broad Money (M_2)

Broad money supply (M_2) grew by 0.7 per cent at the end of the first half of 2013 relative to the level at end-December 2012. When annualized, M_2 grew by 1.4 per cent, compared with the growth of 2.7 per cent at the end of the corresponding half of 2012. The growth in money supply reflected, wholly, the 4.7 per cent increase in domestic credit (net), which more than offset the effect of the decline in net foreign assets of the banking system.

4.1.3 Narrow Money (M_1)

Narrow money, M_1, fell by 6.5 per cent to ₦6, 939.6 billion, compared with the decline of 2.5 per cent at the end of the corresponding half of 2012. The development was due to the respective decline of 13.3 and 5.0 per cent in the currency and demand deposit components.

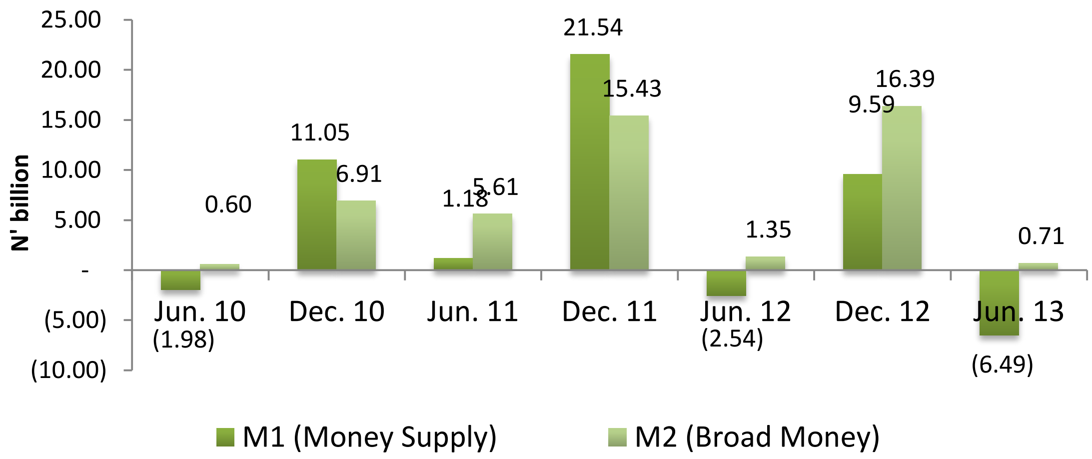
4.1.4 Quasi Money (QM)

Quasi-money grew by 7.3 per cent to ₦8,653.6 billion at the end of the review period, compared with 5.4 per cent growth recorded in the first half of 2012. The growth in QM was attributed to the growth in all the components of QM, particularly the strong growth of 9.4 per cent in foreign currency deposits (FCD) with commercial banks. The strong growth in FCD during the period may be indicative of possible currency substitution taking in the economy FCD as a ratio of QM rose from 30.0 per cent in June 2012 to 33.8 per cent in December 2012 and further to 34.5 per cent at the end of June 2013. As a ratio of broad money (M_2), FCD stood at 19.1 per cent at end-June 2013, compared with 15.3 and 17.6 per cent at end-June and end-December 2012, respectively.

Figure 35

Growth in Money Supply

(Per cent)



4.1.5 Currency-in-Circulation and Deposits at the CBN

Relative to the level at end-December 2012, currency in circulation fell by 12.6 per cent to ₦1,425.5 billion at the end of the first half of 2013. When compared with the level at the end of the corresponding period of 2012, it fell by 4.5 per cent. Further analysis showed that currency outside bank (COB) fell by 13.3 per cent, compared with the decline of 12.6 per cent at the end of the corresponding half of 2012. Thus, COB to M_2 ratio (COB/ M_2) stood at 7.2 per cent, down from 8.1 per cent at the end of the corresponding period of 2012. The lower COB/M_2 ratio reflected increased confidence in the use of non-cash means of payment in the economy. Total deposit at the CBN fell by 11.7 per cent to ₦5,632.8 billion at the end of the first half of 2013, in contrast to the growth of 3.6 per cent at the end of the first half of 2012. The development reflected the respective decline of 12.6 and 11.3 per cent in commercial bank and Federal Government deposits with the CBN.

4.1.6. Drivers of Growth in Monetary Aggregates

4.1.6.1. Net Foreign Assets (NFA)

Foreign assets (net) of the banking system declined slightly at the end of the review period. Relative to the level at end-December 2012, NFA fell by 0.3 per cent to ₦9,016.99 billion, in contrast to the growth of 5.4 per cent at the end of the corresponding half of 2012. The development owed wholly to the decline of 2.8 per cent in net foreign assets of the deposit money banks. As a percentage of M_2, NFA constituted 57.8 per cent, compared with 55.8 per cent at the end of the corresponding period of 2012.

4.1.6.2 Net Domestic Assets (NDA)

At the end of first half of 2013, net domestic asset (comprised of net domestic credit (NDC) and other assets (net) of the banking system) grew by 2.1 per cent to ₦6,576.3 billion, in contrast to the decline of 3.3 per cent a year earlier. The development was attributed to the respective growth of 7.4 and 4.7 per cent in other assets (net) and domestic credit (net) of the banking system.

4.1.6.2.1 Net Domestic Credit (NDC)

Net domestic credit (NDC), grew by 4.7 per cent to ₦13,294.5 billion at the end of the first half of 2013, in contrast to the decline of 0.9 per cent at the end of the corresponding period of 2012. The development reflected the increase in claims on both the private sector and net claims on the Federal Government.

4.1.6.2.1.1 Credit to the Government (Cg)

Net claims on government rose by 2.3 per cent at the end of the first half of 2013, compared with 128.2 per cent at the end of the first half of 2012. The increase in net claims on government reflected, wholly, the rise in investment in government securities held by the banking system, particularly treasury bills, which grew by 16.7 per cent.

4.1.6.2.1.2 Credit to the Private Sector (Cp)

Claims on the private sector increased by 3.6 per cent at the end of the first half of 2013, compared with the growth of 3.7 per cent at the end of the corresponding half of 2012. The development reflected the 3.8 per cent increase in claims on the core private sector, compared with the 3.3 per cent growth at the end of the first half of 2012. The contribution of claims on the private sector to the change in total monetary assets stood at 3.5 per cent, compared with the 3.9 per cent recorded at the end of the corresponding half of last year.

Table 6

Growth in Monetary Aggregates

(Per cent)

	June '11	Dec '11	June '12	Dec '12	June '13
Net Foreign Asset (NFA)	(0.8)	9.7	5.4	26.7	(0.3)
Net Domestic Credit	2.1	57.2	(0.9)	(7.2)	4.7
Credit to Government (Cg)	(4.8)	55.7	128.2	(393.8)	2.3
Credit to Private Sector(Cp)	1.3	44.3	3.7	6.8	3.6
Quasi Money	9.8	9.7	5.4	22.4	7.3
M_1	1.2	21.5	(2.5)	9.6	(6.5)
M_2	5.6	15.4	1.4	16.4	0.7

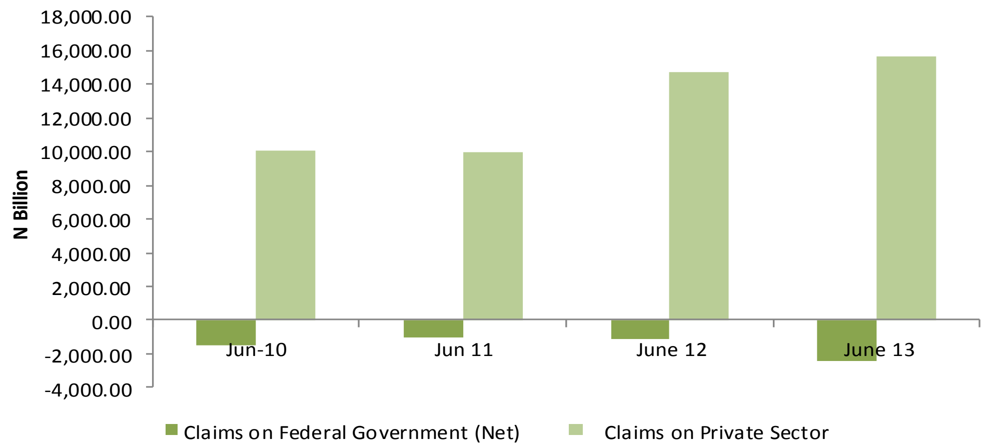
4.1.6.2.2 Other Assets (Net) of the Banking System

Other Assets Net (OAN) fell by 7.4 per cent at the end of the first half of 2013, compared with 1.1 per cent at the end of the first half of 2012. The contribution of other assets (net) to total monetary assets was negative 3.0 percentage points to the growth of total monetary assets, compared with 0.6 percentage point at the end of the corresponding period of 2012.

Figure 36

Distribution of Net Domestic Credit

(Naira Billion)



4.1.7 Sectoral Distribution of Credit

The total credit to the priority sectors of the economy, comprising agriculture, solid minerals, exports and manufacturing, was ₦3,266.2 billion at the end of the first half of 2013, accounting for 37.2 per cent of the total, compared with 37.1 per cent in the corresponding half of 2012. The less priority sectors (real estate, public utilities, transport and communications, finance and insurance, and government) accounted for 40.2 per cent of total claims on the private sector, while the unclassified sectors accounted for the balance.

Table 7

Credit to the Core Private Sector:

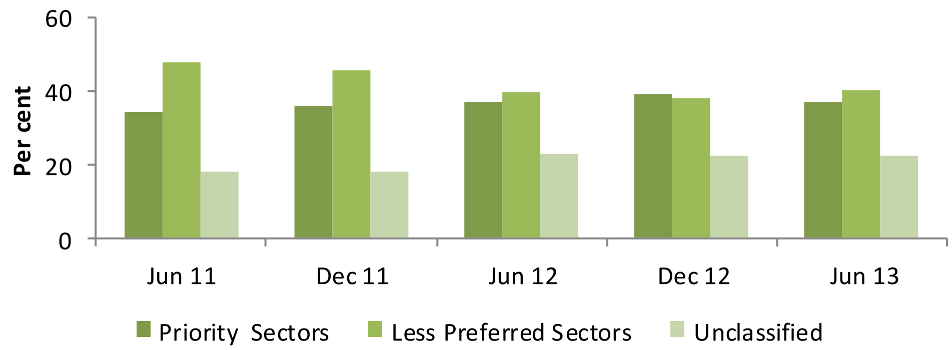
(Percentage Share)

	Share in Outstanding (per cent)				
	Jun 11	**Dec 11**	**Jun 12**	**Dec 12**	**Jun 13**
1. Priority Sectors	**34.3**	**36.1**	**37.1**	**39.5**	**37.2**
Agriculture	2.1	3.5	3.7	3.9	4.2
Solid Minerals	18.1	17.7	18.9	21.7	18.3
Exports	1.5	0.5	0.7	0.8	0.1
Manufacturing	12.6	14.4	13.8	13.1	12.3
2. Less Preferred Sectors	**47.8**	**45.8**	**39.8**	**38.2**	**40.2**
Real Estate	7.9	6.2	6.8	6.6	7.2
Public Utilities	0.8	0.9	0.3	0.4	0.7
Transport and Communications	12.5	17.3	11.6	11.9	13.5
Finance & Insurance	7.4	4.1	3.9	3.1	3.2
Government	5.9	6.8	7.4	7.8	6.9
Import & Dom. Trade (General Comm.)	13.3	10.3	9.8	8.5	8.6
3. Unclassified	**17.9**	**18.1**	**23.1**	**22.3**	**22.6**
Total (1+2+3)	**100**	**100**	**100**	**100**	**100**

Figure 37

Sectoral Distribution of DMBs Credit

(per cent)



4.1.8 Maturity Structure of DMBs' Outstanding Loans and Advances, and Deposit Liabilities

Short-term maturities continued to dominate the credit market in the first half of 2013. Outstanding credits maturing within one year accounted for 57.1 per cent, compared with 57.4 per cent at the end of the second half of 2012. The proportion of the medium-term (≥1yr and < 3yrs) and long-term (3yrs and above) maturities stood at 19.7 and 23.2 per cent, compared with 17.9 and 24.7 per cent, respectively, at the end of the second half of 2012. Similarly, deposits below one year constituted 96.9 per cent of the total, of which 75.9 per cent had maturities of less than 30 days. Long-term deposits constituted only 3.1 per cent, slightly higher than the 2.6 per cent recorded at the end of the second half of 2012. The near-absence of long-term deposits continued to constrain the ability of banks to create long-tenored risk assets crucial for economic development.

Figure 38

Maturity Structure of Deposit Money Banks (DMBs) Loans and Advances

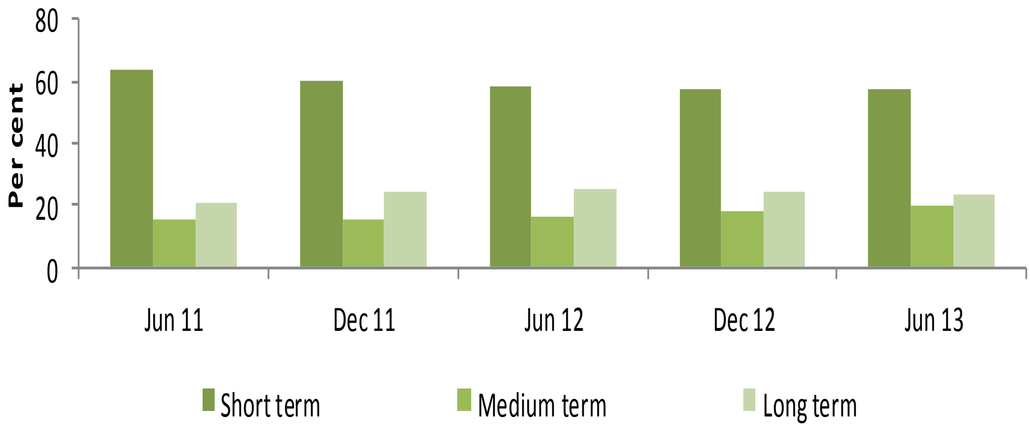


Figure 39

Maturity Structure of DMBs Deposits

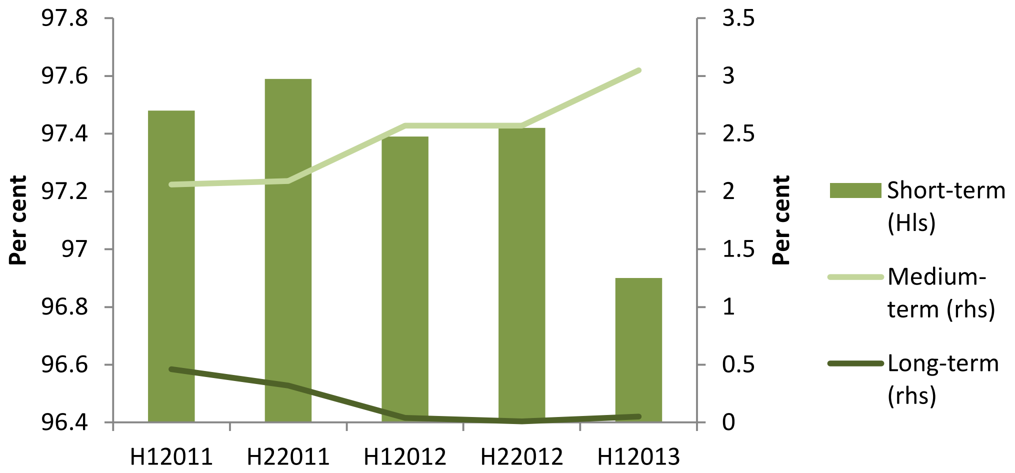


Table 8

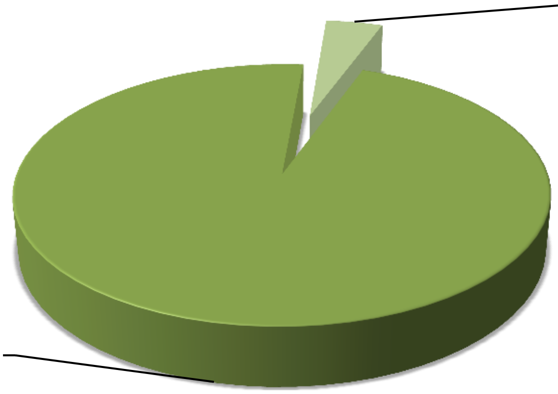
Maturity Structure of DMBs Assets and Liabilities

Assets (Loans and Advances)	Jun 11	Dec 11	Jun 12	Dec 12	Jun 13
Tenor					
0-30 days	40.5	33.4	31.3	35.6	31.1
31-90 days	8.2	12.2	12.3	11.6	10.7
91-181 days	8.0	6.1	7.9	6.1	7.7
181-365 days	5.5	8.3	7.4	6.4	6.6
Short term	62.2	59.9	59.1	57.4	56.0
Medium Term (Above 1yr and below 3yrs)	14.6	15.2	14.8	17.9	19.8
Long-Term (3 Years and Above)	23.2	24.8	26.1	24.7	24.2
Liabilities					
0-30 days	73.3	76.5	77.3	77.0	77.5
31-90 days	14.5	12.6	11.5	13.8	11.4
91-181 days	5.2	4.5	4.8	3.7	4.5
181-365 days	3.6	4.2	3.9	3.3	3.8
Short term	96.6	97.8	97.6	97.8	97.2
Medium Term (Above 1yr and below 3yrs)	2.4	2.1	2.4	2.2	2.8
Long-Term (3 Years and Above)	1.02	0.09	0.012	0.009	0.003

Figure 40

Distribution of Private Sector Credit as at End-June 2013

(per cent)

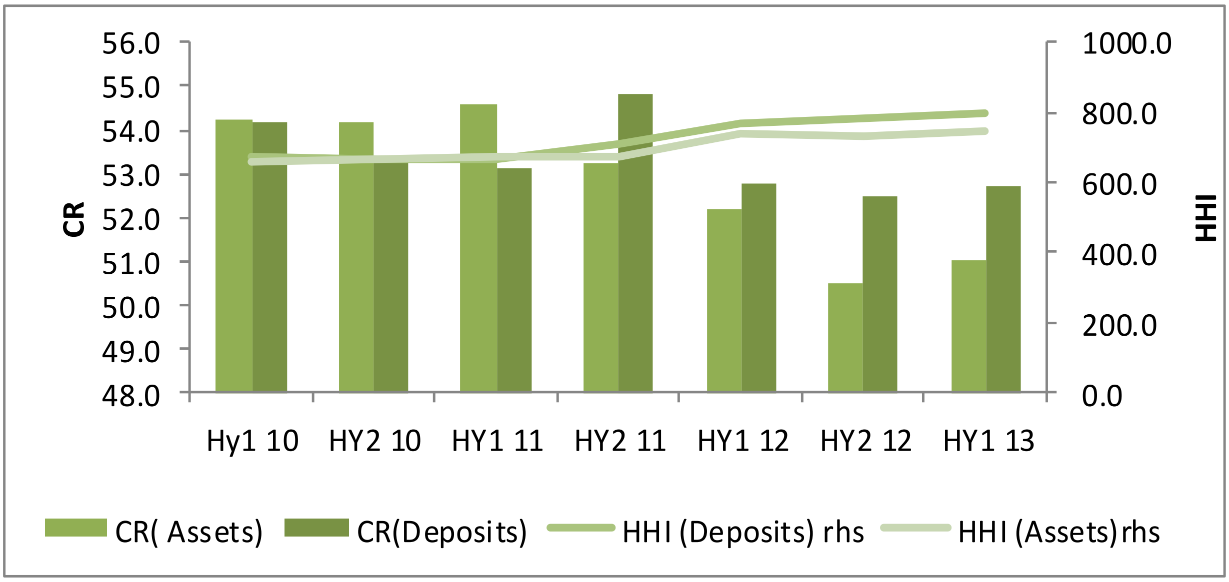


4.1.9 Market Structure of the Banking Industry

The structure of the banking industry remained oligopolistic in the first half of 2013. Available data showed that the average market share of assets and deposits of the five largest banks (concentration ratio, CR5) stood at 50.0 and 52.7 per cent, respectively, compared with 50.5 and 52.5 per cent at the end of the first half of 2012. The market share of the largest bank, with respect to assets and deposits, stood at 13.6 and 15.2 per cent, respectively, at the end of the review period, compared with 14.0 and 14.9 per cent at the end of the corresponding half of 2012. However, the banking system remained competitive in both deposits and assets as revealed by the respective Herfindahl-Hirschman Index (HHI) of 790.66 and 741.43 for total deposits and total assets on a scale of 1000, compared with 770.4 and 741.5, respectively, in the corresponding period of 2012.

Figure 41

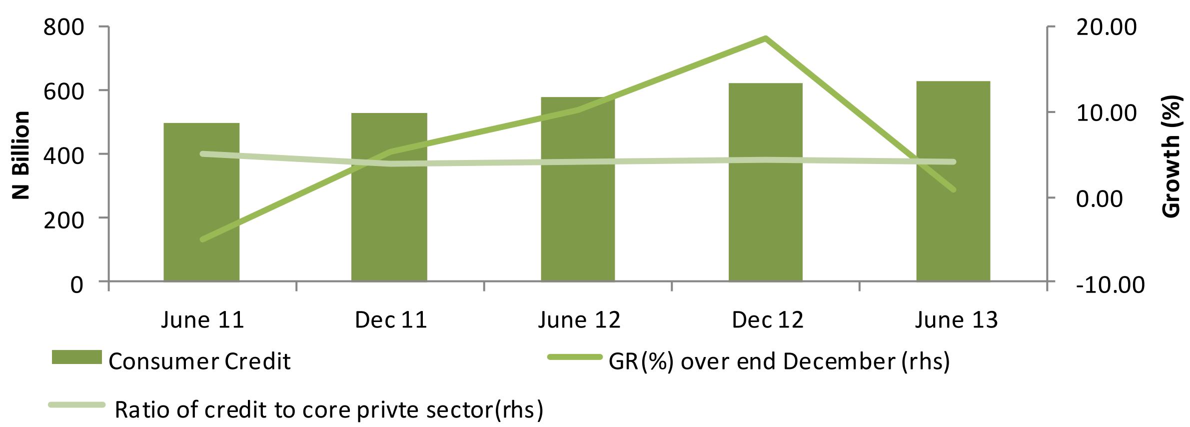
Market Concentration Ratios of DMBs (Assets/Liabilities)



4.1.10 Consumer Credit

The growth of consumer loans was modest at end-June 2013. At ₦628.59 billion, consumer loans grew by 0.7 per cent at the end of the review period, compared with the growth of 10.2 per cent at the end of the corresponding period of 2012. At that level, consumer loans constituted 4.2 per cent of the total credit to the core private sector, compared with 4.1 per cent at the end of the corresponding half of 2012.

Figure 42
Consumer Credit of DMBs
(Naira Billion)



4.1.11 Deposit Money Banks' Cost of Funds

The cost of funds for DMBs, measured by the weighted effective average cost of funds (WEACF) increased marginally in the first half of 2013. At 12.0 per cent, the WEACF of DMBs rose by 0.5 percentage point over its level at the end of the second half of 2012. It, however, fell by 3.2 percentage points from its level in the corresponding period of 2012. The computed average cost of funds excluding overheads stood at 5.9 per cent.

In terms of contribution to WEACF, interest expense contributed 40.3 per cent, while overheads and insurance premium contributed 54.3 and 5.3 per cent, respectively. Interest expense and overheads were, therefore, the main drivers of DMBs' cost of funds in the first half of 2013.

Table 9

Weighted Effective Average Cost of DMBs Funds (WEACF) and Composition of DMBs Funds

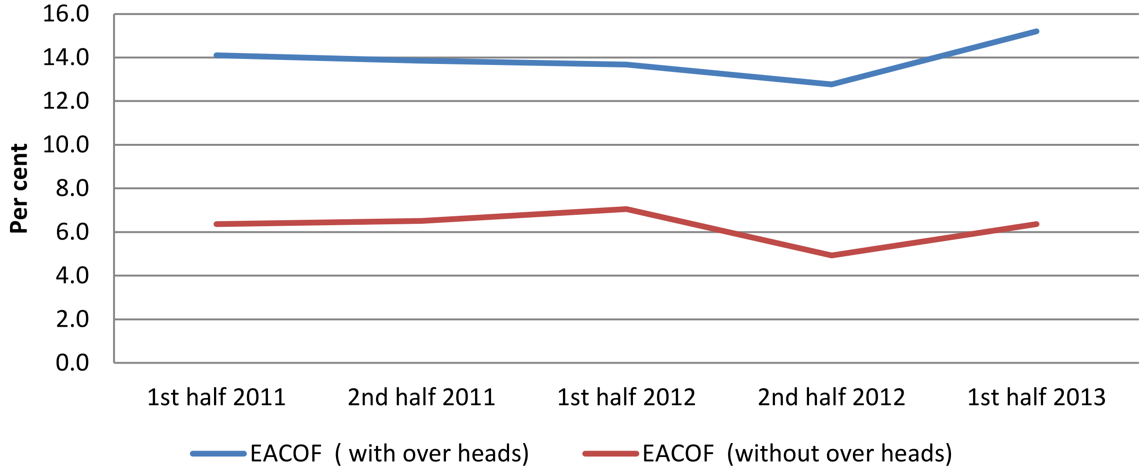
	HY_1 10	HY_2 10	HY_1 11	HY_2 11	HY_1 12	HY_2 12	HY_1 13
Effective average cost of funds including overheads	14.1	13.85	13.68	12.77	15.20	11.52	12.04
Effective average cost of funds less overheads	6.4	6.51	7.05	4.93	6.37	5.59	5.94

Composition (Per cent)

	HY_1 10	HY_2 10	HY_1 11	HY_2 11	HY_1 12	HY_2 12	HY_1 13
Interest expense (2) as percentage of EACF	39.93	41.4	44.91	33.35	37.16	45.30	40.34
Deposit insurance premium (3) as percentage of EACF	4.33	5.0	5.39	5.20	4.80	7.27	5.34
Overhead cost (4) as percentage of EACF	55.73	53.6	49.70	61.45	58.04	47.43	54.32
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Figure 43

Trends in Weighted Effective Average Cost of DMBs Funds



4.1.12 Money Market Developments

The financial market indicators were relatively stable in the first half of 2013. The Bank maintained price and monetary stability, despite the challenge of liquidity surfeit experienced in the system. The sources of liquidity inflow included: redemption of CBN bills, redemption of the Sovereign Debt Notes (SDN), monthly fiscal inflows and maturing FGN Bonds. The Bank in its bid to manage liquidity, continued to rely on the Open Market Operations (OMO), complemented by interventions in the foreign exchange market. Overall, the policy measures delivered relative stability in the financial market as inflation rate stood at 8.4 per cent at the end of the first half of 2013, compared with 12.9 per cent at the end of the corresponding half year. Money market rates and yields on fixed income securities moved in tandem with the level of liquidity in the system.

The Monetary Policy Committee (MPC), at its bi-monthly meetings, which were held three times in the first half of 2013, retained the Monetary Policy Rate (MPR) at 12.00 per cent with the symmetric corridor for lending and deposit rates at ± 200 basis points. The CRR, LR and Net Open Position (NOP) were also retained at 12.0, 30.0 and 1.0 per cent, respectively.

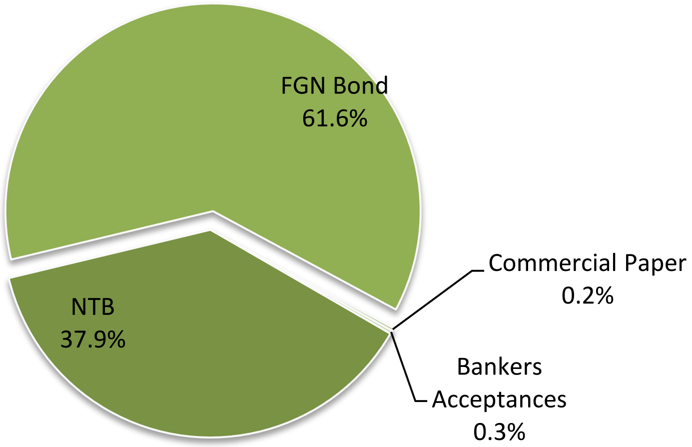
4.1.12.1 Money Market Assets Outstanding

Provisional data indicated that money market assets outstanding at the end of the first half of 2013 stood at ₦6,547.2 billion, showing an increase of 5.4 and 12.4 per cent above the levels at the end of the second half of 2012 and the corresponding half year, respectively. The development reflected mainly, the increase of ₦318.5 billion (8.6 per cent) and ₦398.7 billion (19.1 per cent) in FGN Bonds and NTBs outstanding, respectively.

Figure 44

Money Market Assets Outstanding

(End-June 2013, per cent)



A breakdown of the money market assets outstanding at the end of the first half of 2013 showed that 61.6 per cent was held in FGN Bonds, while, 37.9, 0.3 and 0.2 per cent, were in NTBs, Bankers Acceptances and Commercial Paper, respectively.

4.1.12.2 Primary Market

At the Nigerian Treasury Bills auction, ₦380.7 billion worth of 91-day bills was offered and sold with bid rates ranging from 7.5 to 14.0 per cent, and stop rates ranging from 9.2 to 11.5 per cent. For the 182- and 364-day auctions, ₦539.0 billion and ₦1,165.3 billion worth of bills were offered and sold at the rates ranging from 9.4 to 12.8 per cent and 9.5 to 13.2 per cent, respectively. Allotment to non-competitive bidders in the review period was ₦861.3 billion, representing 41.3 per cent of the total amount allotted. Total subscription during the auction stood at ₦4,268.7 billion, compared with ₦4,466.6 billion in the corresponding half year. The huge subscription in the review period was attributed to the growing demand for government securities in view of the positive real yields and the fact that the naira had been relatively stable, thereby attracting foreign portfolio investors as well as local investors.

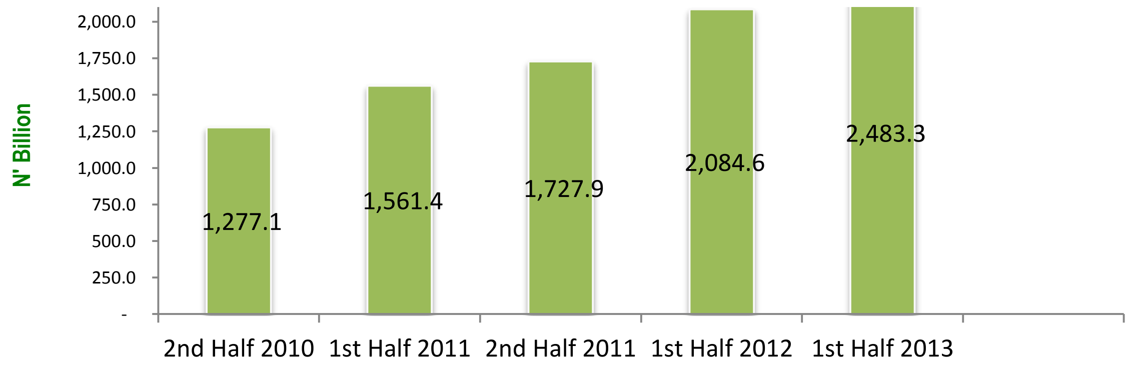
Table 10

Bid-Cover Ratios of selected Securities

TENOR (DAY)	91-day	182-day	364-day
OFFER AMOUNT (Nbn)	380.7	539	1165.33
TOTAL SUBSCRIPTION (Nbn)	593.43	1197.38	2477.91
ALLOTMENT (Nbn)	380.7	539	1165.33
BID COVER RATIO	1.56	2.22	2.13
BID RANGE	9.20-11.62	9.45-12.75	9.54-12.99

The bid-cover ratios for the tenors were 1.6, 2.2 and 2.1 for the 91 -, 182-, and 364-day, respectively. The low bid-to-cover ratios resulted from the sustained penchant for government securities, thus, pushing down the rates. The sum of ₦1,799.7 billion was repaid in the first half of 2013, translating to a net withdrawal of ₦285.3 billion through that segment of the money market. Thus, total NTBs outstanding at the end of the first half of 2013 stood at ₦2,483.3 billion, showing an increase of 19.1 per cent over the ₦2,084.6 billion at the end of the first half of 2012.

Figure 45
Treasury Bills Outstanding
(Naira Billion)

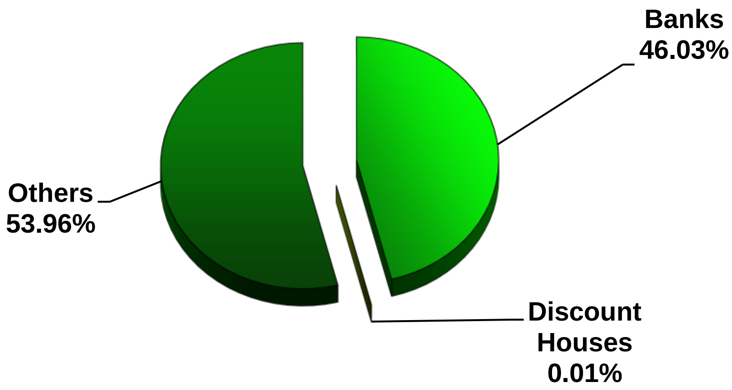


During the review period, the CBN in collaboration with the Debt Management Office, issued FGN Bonds of 3-, 5-, 7- and 10-year tenors. The 5-, 7-, 10- and 20-year tenors were reopened and auctioned during the review period. The term-to-maturity of the bonds ranged from 1 year 10 months to 17 years 6 months. Total FGN Bonds offered was ₦584.8 billion, while public subscription and sale stood at ₦1,124.94 billion and ₦520.61 billion, respectively. The high demand for the securities was attributed to the high level of liquidity in the banking system, the preference of investors for risk-free long-term instruments and the attractive coupon yield on the bonds. A total of ₦672.06 billion FGN Bonds matured and was repaid, culminating in a net injection of ₦151.45 billion through this segment. Of the total bonds outstanding, DMBs and DHs held ₦1,979.3 billion (46.0 per cent), while brokers and the non-bank public held ₦2,053.61 billion (54.0 per cent).

Figure 46

Distribution of FGN Bonds by Tenor

(End-June 2013, per cent)



Thus, the total value of bonds outstanding at the end of the first half of 2013 stood at ₦4,032.9 billion, compared with ₦3,714.6 billion at the end of the first half of 2012, representing an increase of ₦318.3 billion or 8.6 per cent.

4.1.12.3 Open Market Operations (OMO)

In line with the Bank's contractionary monetary policy stance occasioned by the need to contain inflation and maintain price stability, open market operations were used for liquidity management. Investors were attracted to this segment of the market as securities offered had attractive yields, and were risk-free.

4.1.12.4 OMO Auctions

OMO auctions were conducted throughout the first half of the year to mop-up excess liquidity in the banking system and deepen the secondary market. The maturities used to mop up excess liquidity at the Open Market Operation (OMO), ranged from 13 to 289 days. Overall, there were 64 auctions, while 121 maturities were traded. Total CBN bills sold were ₦7,099.5 billion, including two special auctions valued at ₦544.98 billion at a fixed rate of 12.75 and 12.35 per cent, respectively, while total subscription amounted to ₦11,532.8 billion. The bid rates ranged from 9.5 to 14.5 per cent. The increased level of activities during the first half of 2013 was attributed to the injection of liquidity into the system through the repayment of matured CBN bills; statutory revenue allocation; SURE-P and NNPC outstanding indebtedness to state and local governments. The patronage of the special auction was due to the attractive yield. However, these special bills were neither tradable nor eligible as collateral for assessing the CBN standing lending facility.

In the corresponding period of 2012, the amount sold was ₦1,717.4 billion, while total subscription was ₦5,051.9 billion. CBN bills valued at ₦5,448.9 billion matured and were repaid in the review period, translating to a net withdrawal of ₦1,650.5 billion in the first half of 2013. The sum of ₦360.4 billion was incurred as the cost of liquidity management during the review period, compared with ₦163.7 billion in the corresponding period of 2012.

4.1.12.5 The Two-Way Quote Trading in NTBs

As in the corresponding half year, there were no NTBs traded on the two-way quote trading platform in the review period.

4.1.12.6 Repurchase Transactions

There was no request for repurchase transactions in the review period. This was because authorized dealers preferred to access the overnight standing lending facility window to bridge liquidity shortfalls, coupled with the subsisting policy that restricted banks access to the repo window, standing lending facility (SLF) and the wDAS window at the same time.

4.1.12.7 Central Bank of Nigeria (CBN) Standing Facilities

Request for the Bank's Standing Facilities during the review period reflected the swings in market liquidity conditions. Market players accessed the window for Standing Lending Facility (SLF) at periods of liquidity shortages, especially when NNPC withdrew funds from the DMBs in preparation for the Federation Account Allocation Committee meetings. The DMBs also accessed the SLF in order to meet their end-of-day liquidity needs. Activities at the SDF window were driven by major inflows, mostly through fiscal operations of the government. The rates for SDF and SLF remained at 10.00 and 14.00 per cent, respectively, throughout the review period, while the MPR remained at 12.0 per cent. Average daily requests for SDF exceeded the average daily request for SLF, owing to the prevailing liquidity surfeit in the system.

4.1.12.7.1 Standing Lending Facility (SLF)

The total value of the SLF granted in the first half of 2013 was ₦5,341.5 billion with a daily average of ₦43.6 billion, while the interest earned amounted to ₦2.87 billion. In the corresponding period of 2012, the total SLF demanded and the interest earned stood at ₦10,768.8 billion and ₦5.7 billion, respectively.

4.1.12.7.2 Standing Deposit Facility (SDF)

The cumulative deposits under the SDF in the first half of 2013 was ₦18,016.4 billion with a daily average of ₦142.3 billion and total interest payment amounting to ₦7.2 billion. In the corresponding period of 2012, the cumulative SDF was ₦3,772.9 billion with interest payment of ₦1.4 billion. The significant increase in the SDF was attributed to the repayment of matured FGN Bonds and NTBs.

4.1.12.8 Inter-Bank Funds Market

The value of Inter-bank OBB transactions rose by 56.0 per cent to ₦18.98 trillion in the first half of 2013 from ₦12.19 trillion in the corresponding period of 2012. The increase was attributed to the availability of securities and renewed confidence in the banking system.

4.1.13 Interest Rate Developments

Money market rates were relatively stable in the first half of 2013. Short-term rates in all the segments of the market were lower than their levels in the corresponding period of 2012. Average daily interbank and OBB rates ranged between 10.2 to 15.8 per cent and 10.2 to 14.9 per cent, respectively. Weighted average inter-bank rate in the first half of 2013 stood at 11.6 per cent, down from 14.3 in the corresponding half of 2012. Similarly, the OBB average rate declined to 11.3 from 13.9 per cent in the corresponding period of 2012.

Table 11

Money Market Rates

(Per cent)

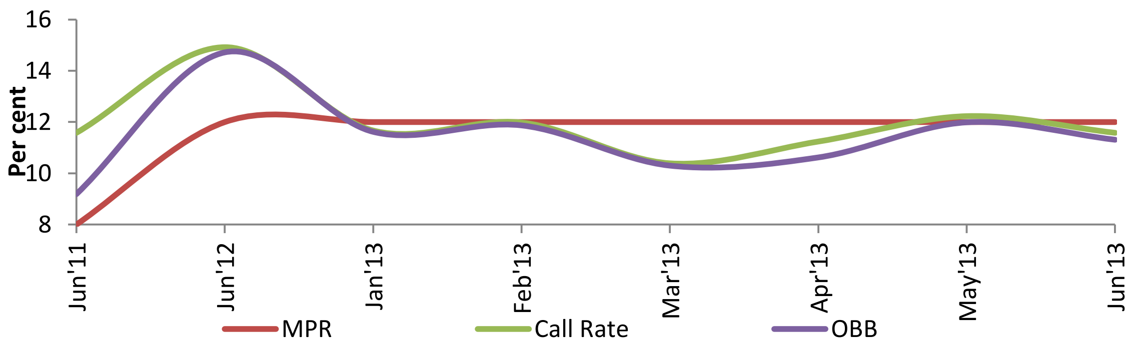
WEIGHTED AVERAGE					
Month	MPR	Call Rate	OBB	NIBOR 7-days	NIBOR 30-days
Jan-13	12.0	11.8	11.7	12.4	13.1
Feb-13	12.0	11.8	11.7	12.4	12.9
Mar-13	12.0	10.4	10.3	10.7	11.1
Apr-13	12.0	11.3	10.6	11.7	12.0
May-13	12.0	12.2	11.9	12.8	13.1
Jun-13	12.0	12.1	11.7	12.0	12.3
Average 2013 First Half	12.0	11.6	11.3	12.0	12.4
Average 2012 First Half	12.0	14.3	13.9	14.8	15.3

The weighted average of the Nigeria Inter-bank Offered Rate (NIBOR) for the 7- and 30-day tenors were 12.0 and 12.4 per cent, respectively, compared with 14.8 and 15.3 per cent in the corresponding half of 2012.

Figure 47

Money Market Rates

(per cent)



4.1.13.1 Money Market Rates

4.1.13.1.1 Deposit Rates

The average deposit rate rose in the first half of 2013. At 6.88 per cent, the average term deposit rate was higher than the level in the corresponding half of 2012 by 0.07 percentage point. Rates on all other deposits of various maturities rose from a range of 4.13 – 8.06 per cent in the first half of 2012 to a range of 4.90 – 8.20 per cent at the end of the first half of 2013. The developments in the money market interest rates were influenced by the tight monetary policy stance of the Bank. With the year-on-year inflation rate at 8.4 per cent in June 2013, all deposit rates were negative in real terms.

4.1.13.1.2 Lending Rates

In the first half of 2013, the weighted average maximum lending rate rose by 0.9 percentage point to 24.2 per cent, while the prime lending rate fell by 0.5 percentage point to 16.5 per cent. Consequently, the spread between the average term deposit and maximum lending rates widened by 0.9 percentage point to 17.3 per cent.

Table 12

DMBs Deposits and Lending Rates

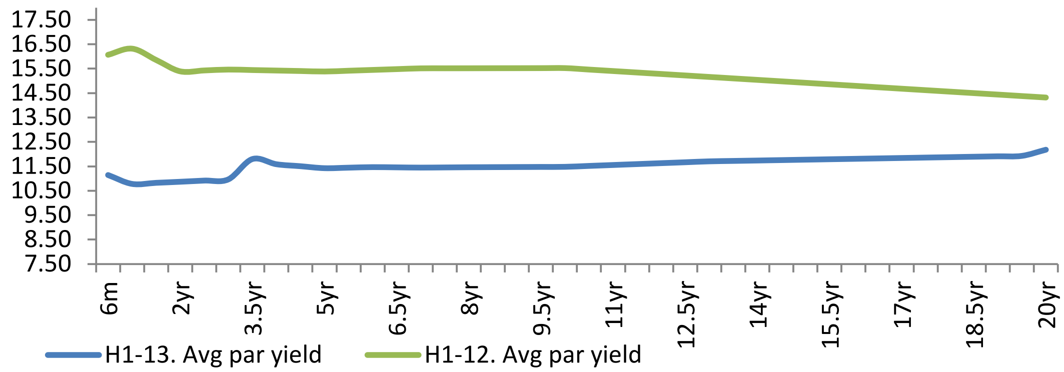
(Per cent)

Month	Savings	Average Term Deposit	Prime Lending	Maximum Lending	Real Deposit Rate	Real Lending Rate (Maximum)
Jan-13	1.69	7.66	16.57	24.54	-0.74	16.14
Feb-13	1.72	6.88	16.56	24.60	-1.52	16.20
Mar-13	1.77	6.99	16.16	22.31	-1.41	13.91
Apr-13	1.82	6.83	16.65	24.53	-1.57	16.13
May-13	2.25	6.55	16.66	24.57	-1.85	16.17
Jun-13	2.04	6.35	16.56	24.58	-2.05	16.18
Average 2013 H1	1.88	6.88	16.53	24.19	-1.52	15.79
Average 2012 H1	1.59	6.81	17.02	23.27	-6.09	10.37

4.1.14 Yield on Fixed Income Securities

Analysis of the yield on fixed income securities showed that yields were generally lower in the first half of 2013 than in the corresponding period of 2012. The yields were lower and also more volatile at the shorter end of the curve. The yield curve remained normal with the spread (the difference between the longest and shortest maturities) at 1.0 percentage point, in contrast to negative 1.8 percentage points in the corresponding period of the preceding year. The development during the review period was attributed to the overall market stability. It might also have signalled investors' optimism about the medium-to-long-term expectations of economic activities.

Figure 48
Government Bonds Average Yield Curve
(per cent)



4.1.15 Recent Developments in the Money Market

Major developments in the money market in the first half of 2013 included: the release of several guidelines to banks and the public, namely: Revised Guide to Bank Charges; the Competency Framework for the Nigerian Banking Industry; and the Financial Literacy Framework in Nigeria.

4.1.16 Institutional Savings

Aggregate institutional savings at the end of the first half of 2013 stood at ₦9,085.6 billion, indicating an increase of 2.5 and 20.4 per cent over the levels at end-December and the corresponding period of 2012, respectively. The DMBs remained the dominant savings institution, accounting for 95.2 per cent of the total at the end of the first half of 2013, compared with 90.9 and

91.2 per cent at end-December 2012 and the corresponding period of 2012, respectively. Other institutions, namely the primary mortgage banks (PMBs), life insurance funds, pension funds, the Nigerian Social Insurance Trust Fund (NSITF), and microfinance banks (MFBs) accounted for the balance of 4.8 per cent. The ratio of financial savings to first half 2013 GDP (at current basic prices) was 44.6 per cent, compared with 38.1 per cent in the corresponding period of 2012.

4.1.17 Other Financial Institutions

4.1.17.1 Development Finance Institutions

Provisional data indicated that total assets of the five (5) development finance institutions (DFIs), namely: Bank of Industry (BOI), Federal Mortgage Bank of Nigeria (FMBN), Nigerian Export Import Bank (NEXIM), Bank of Agriculture (BOA) and The Infrastructure Bank (TIB) declined by 2.7 per cent to ₦434.9 billion at end-June 2013, from ₦446.9 billion at end-December 2012. A disaggregation of the asset base indicated that BOI, FMBN, NEXIM, BOA and TIB accounted for 51.8, 23.4, 11.0, 8.9 and 4.9 per cent, respectively, of the total assets. Similarly, aggregate loans and advances declined by 3.6 per cent to ₦218.8 billion. The paid-up share capital, shareholders' funds and deposits of the institutions, however, increased by 13.5, 102.4 and 11.6 per cent to ₦80.0 billion, ₦25.7 billion and ₦122.8 billion, respectively, at the end of the first half of 2013.

4.1.17.2 Microfinance Banks (MFBs)

Total assets/liabilities of the microfinance banks (MFBs) stood at ₦278.9 billion at the end of the first half of 2013, representing an increase of 25.2 per cent over the level at end-December 2012. Similarly, the paid-up share capital and loans/advances increased by 14.0 and 46.1 per cent over their end-December 2012 levels to ₦69.2 billion and ₦141.7 billion, respectively. Aggregate reserves also increased to N5.8 billion at the end of the review period, in contrast to negative ₦7.4 billion at end-December 2012, reflecting improvements in operational performance. Investible funds available to the sub-sector during the review period amounted to ₦84.6 billion. The funds were sourced mainly from the increase in other liabilities (₦42.2 billion), aggregate reserves (₦13.2 billion), paid-up capital (₦8.5 billion), and were utilized mainly to increase loans/advances (₦44.7 billion), and reduce deposit liabilities (₦10.0 billion).

4.1.17.3 Discount Houses

Total assets and liabilities of the four (4) discount houses (DHs) declined by 0.2 and 4.7 per cent to ₦344.2 billion at the end of the first half of 2013, compared with ₦344.7 billion and ₦361.0 billion at end-December and the corresponding half of 2012, respectively. Aggregate funds sourced amounted to ₦43.0 billion, compared with ₦46.2 billion. These were sourced mainly from "Money-at-call" (₦13.9 billion), claims on others (₦12.3 billion) and reduction in cash and balances with banks (₦8.3 billion). The funds were utilized largely, to increase claims on banks (₦23.3 billion), purchase of Federal Government securities (₦13.1 billion) and increase in capital/reserves (₦3.9 billion). Discount houses' investment in Federal Government securities, of less than 91-day maturity, amounted to ₦148.4 billion in the review half year, representing 52.5 per cent of their total assets. This was 7.5 percentage points below the prescribed minimum level of 60.0 per cent for fiscal year 2013.

4.1.17.4 Finance Companies (FCs)

Total assets and liabilities of finance companies (FCs) increased by 4.9 per cent to ₦82.1 billion at the end of the first half of 2013, from ₦78.3 billion at end-December 2012. Similarly, total borrowings increased by 3.2 per cent to ₦49.1 billion, from ₦47.6 billion as at December 31, 2012. The paid-up capital and loans/advances also increased, by 2.9 and 16.4 per cent to ₦14.2 billion and ₦27.7 billion, respectively, at the end of the review period. Investible funds available to the sub-sector during the review period amounted to ₦7.8 billion. The funds were sourced mainly from a reduction in fixed assets (₦1.6 billion), other assets (₦1.5 billion), and increase in long-term liabilities (₦1.5 billion), borrowings (₦1.5 billion), aggregate reserves (₦0.8 billion) and paid-up capital (₦0.5 billion). The funds were utilized largely to increase loans/advances (₦3.9 billion) and investments (₦3.4 billion).

4.1.17.5 Primary Mortgage Banks (PMBs)

Total assets and liabilities of Primary Mortgage Banks (PMBs) increased by 6.2 per cent to ₦369.6 billion at end-June 2013, compared with ₦348.1 billion at end-December 2012. The paid-up capital and loans/advances also increased by 10.7 and 6.9 per cent to ₦69.6 billion and ₦129.3 billion, compared with ₦62.9 billion and ₦120.9 billion, respectively, at end-December 2012. Aggregate reserves and deposits, however, decreased by 26.5 and 3.7 per cent to ₦8.6 billion and ₦164.8 billion, respectively, compared with ₦11.7 billion and ₦171.1 billion at end-December 2012. Investible funds available to PMBs during the review period amounted to ₦46.0 billion. The funds were sourced largely from increase in other liabilities (₦16.7 billion), reduction in investments (₦14.3 billion), increase in long-term loans (₦8.2 billion) and paid-up share capital (₦6.8 billion). They were used mainly to increase other assets (₦22.8 billion), loans/advances (₦8.4 billion) and reduce deposit liabilities (₦6.3 billion).

4.1.17.6 Bureaux-De-Change (BDCs)

There were 2,782 BDCs in operation in the first half of 2013. A major development was the revocation of the operating licences of 236 BDCs on January 14, 2013. Most of the affected BDCs were involved in cash sales to those who had no intention of using the money outside the shores of the country as required.

4.1.17.7 Asset Management Corporation of Nigeria (AMCON)

The Asset Management Corporation of Nigeria (AMCON) continued to discharge its function as a multipurpose resolution vehicle empowered to purchase toxic assets from banks and inject needed funds through the issuance of appropriate securities. At the end of the first half of 2013, the Corporation had a total bond liability of ₦5,410.0 billion (face value), the first tranche of which would fall due on December 31, 2013.

During the first half of the year, the Corporation commenced the process of divestment from Enterprise Bank Ltd, Keystone Bank Ltd and Mainstreet Bank Ltd with the placement of a public notice in the dailies; and the engagement of a financial adviser to oversee the process of divestment from Enterprise Bank Ltd. Furthermore, a Resolution Cost Trust Fund Deed, which would replace the existing MoU on the Banking Sector Resolution Cost Sinking Fund was drawn up for execution by the CBN and DMBs during the review period. A key provision of the Deed was the increase in the annual contribution of the DMBs from 30 basis points of their total assets (per audited annual financial statements of the previous year) to 50 basis points of total assets and 33.33 per cent of off-balance sheet items. In addition, the Corporation proposed amendment to its enabling Act to the National Assembly, to include the Sinking Fund contribution and its management in the Act.

4.1.17.8 Mortgage Refinancing Company

The Mortgage Refinance Company of Nigeria was granted an approval in principle in June 2013 as a private-sector led second-tier non-deposit taking financial institution. The Company was established to intermediate between primary mortgage originators and the capital market to provide long-term funds to refinance their mortgage loan portfolios. It would also address the inherent mismatch between operators' short-term liabilities and the long-term nature of mortgage assets. The shareholders of the company comprise primary mortgage banks, commercial banks, the Nigeria Sovereign Wealth Fund and the Ministry of Finance Incorporated (MOFI).

4.1.18 Capital Market Developments

4.1.18.1 Institutional Developments

During the first half of 2013, reforms in the Nigerian Stock Exchange (NSE) continued with the aim of enhancing investors' confidence. Consequently, the Exchange, in April 2013, launched the Alternative Securities Market (ASeM) as a specialized platform to accommodate small and mid-sized companies with high growth potential seeking to access the capital market.

Specifically, the platform sought to address the major challenges of emerging businesses in Nigeria, particularly the difficulty of accessing long-term capital due to high cost of funds, as a result of perceived high risk and informal nature of operations, controls and management of resources. Some key initiatives under this platform included: review of the listing requirements thereby making listing on ASeM readily easier and affordable to a wide range of viable emerging businesses; introduction of Designated Advisers (DAs) Programme to support companies listed on ASeM in compliance with post-listing obligations and maintenance of listing status; and introduction of alternative capital raising instruments, other than pure vanilla equity for ASeM companies to achieve optimal capital structure. Companies in this category could access the market through Initial Public Offering (IPO), which may include an offer for sale element or By Way of Introduction. Overall, ASeM was expected to provide a platform for facilitating long-term sustainability of the small and medium scale businesses in Nigeria.

As part of its key initiatives to drive optimization, the NSE introduced the Industrial and ASeM Indices into its daily official list. While the industrial index would measure the performance of the top 10 performing stocks in the industrial sub-sector of the equities market, the ASeM Index would track performance and price movements of companies listed on the ASeM platform.

To further improve the effectiveness of market operations, the Council of the NSE, on June 28, 2013 conducted a biannual review of the NSE 30, NSE 50 and five other Sectoral Indices, namely the NSE Banking, NSE Consumer Goods, NSE Oil & Gas, NSE Industrial and NSE Insurance. The review was in line with the powers of the Council to modify the stocks that make up the indices in the event of any mergers, takeovers, suspension or resumption of trading or any other company structure changes during the period before the effective date of the annual review.

In February 2013, the NSE signed a Memorandum of Understanding (MoU) with Thomson Reuters, the world's leading source of intelligent information for businesses and professionals. Under the MoU, Thompson Reuters would provide investor relations services to listed companies on the exchange. With that initiative, considered as part of NSE's Value-Added Services (X-Value) bouquet, global best-practice investor relation solutions from Thomson Reuters would be available to the NSE's listed companies.

4.1.18.2 The Nigerian Stock Exchange (NSE)

Activities on the floor of the NSE were bullish in the first half of 2013. The aggregate volume and value of securities traded rose by 26.5 and 86.5 per cent to close at 58.3 billion shares and ₦591.68 billion, in 764,560 deals, compared with 46.1 billion shares and ₦317.33 billion, in 444,951 deals recorded in the corresponding period of 2012, respectively. The All-Share Index (ASI) and aggregate market capitalization rose by 28.8 and 27.3 per cent to close at 36,164.31 and ₦15.78 trillion, respectively, compared with 28,078.81 and ₦12.40 trillion at end-December 2012.

4.1.18.3 New Issues Segment

The Exchange recorded eleven (11) and fifteen (15) new and supplementary listings, respectively, in the first half of 2013. The new issues comprised five (5) Private Placements, four (4) rights issue and one (1) each of Initial Public Offering and Supra-National Bond. A total of ₦82.3 billion was raised from all the new listings. In addition, fifteen (15) companies were granted approval to conduct supplementary listing.

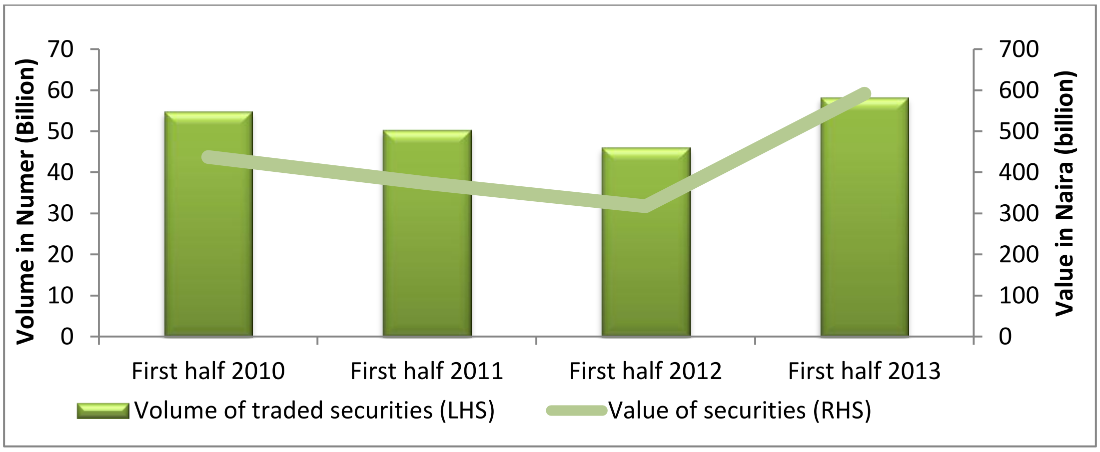
4.1.18.4 The Secondary Market

The transactions on the secondary segment of the Nigerian stock market indicated improved performance in the first half of 2013. Aggregate volume and value of securities traded rose by 26.5 and 86.5 per cent to close at 58.3 billion shares and ₦591.68 billion, in 764,560 deals, respectively, compared with 46.1 billion shares valued at ₦317.33 billion, in 444,951 deals recorded in the corresponding period of 2012. The equities sub-sector sustained its dominance in the secondary segment of the market as it accounted for 99.9 per cent of aggregate trade volume, while the debt market accounted for the balance. Sectoral analysis of developments in the market indicated that the financial services sector (driven largely by activities in the banking sub-sector) remained the most active on the Exchange with a traded volume of 42.5 billion shares, valued at ₦327.7 billion in 446,996 deals at the end of the first half of 2013.

Cumulative transactions on the over-the-counter (OTC) bond segment of the market, indicated a turnover of 4.74 billion units worth ₦5.59 trillion in 27,895 deals in the first half of 2013, compared with a turnover of 3.53 billion units valued at ₦3.1 trillion in 23,279 deals in the corresponding period of 2012.

Figure 49

Volumes and Value of Transactions at the NSE



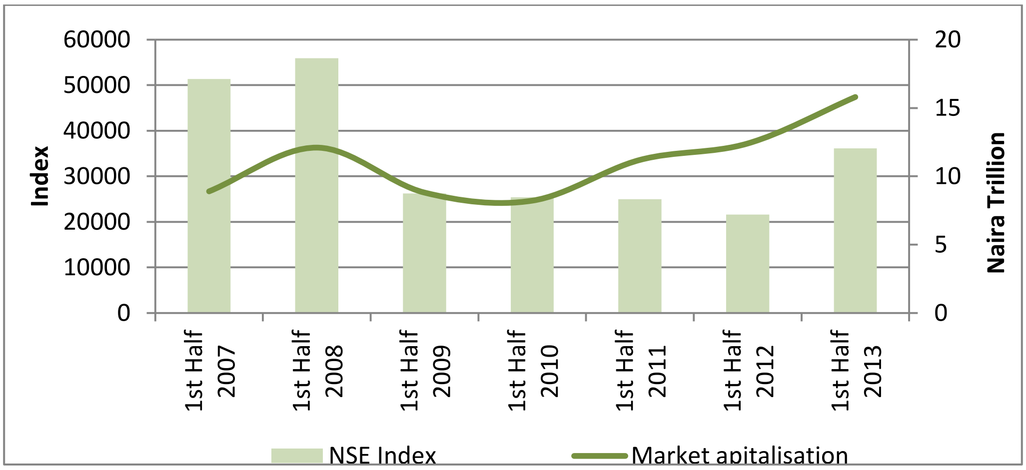
4.1.18.5 All-Share Index and Aggregate Market Capitalisation

The All-Share Index (ASI) increased significantly relative to the level at end-December 2012. The NSE ASI rose by 28.8 per cent to 36,164.31 at the end of the first half of 2013, compared with 28,078.81 at end-December 2012. When compared with the level at the end of the first half of 2012, it rose by 67.4 per cent. Aggregate market capitalization of all the listed securities closed at ₦15.78 trillion, indicating an increase of 27.3 per cent over the level in the corresponding period of 2012. While listed equities accounted for ₦11.43 trillion (72.4 per cent) of the aggregate market capitalization, the debt component accounted for the balance of ₦4.35 trillion (27.6 per cent). The top twenty (20) most capitalized companies on the Exchange accounted for 85.4 per cent (₦9.8 trillion) of the total equity capitalization. Of the top twenty

(20) most capitalized companies, 8 banks, representing 40.0 per cent, accounted for ₦2.5 trillion (21.9 per cent) of the total equity market capitalization. As a percentage of estimated nominal GDP, aggregate market capitalization stood at 145.13 per cent, compared with 64.8 per cent recorded at the end of the first half of 2012.

Figure 50

Market Capitalisation and NSE Value Index



4.2 FISCAL OPERATIONS

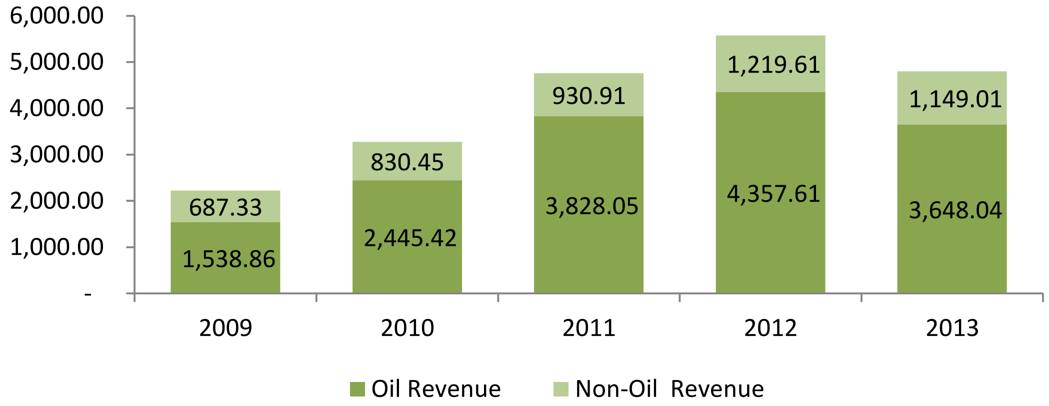
4.2.1 Federation Account Operations

Provisional data indicated that total federally-collected revenue (gross) stood at ₦4,797.05 billion or 22.9 per cent of GDP in the first half of 2013. This was below both the proportionate budget estimate and the actual revenue in the corresponding period of 2012 by 15.4 and 14.0 per cent, respectively. The decrease in federally-collected revenue relative to the budget benchmark was due to the decline in both oil and non-oil revenue. Further analysis indicated that oil-revenue was 76.1 per cent of the total and non-oil revenue accounted for the balance. At ₦3,648.04 billion or 17.4 per cent of GDP, gross oil-revenue fell below the proportionate budget estimate and the level in the corresponding period of 2012 by 5.7 and 16.3 per cent, respectively. The decline in oil revenue relative to the budget benchmark was due to the huge drop in receipts from crude oil and gas exports during the period under review. Similarly, at ₦1,149.01 billion or 5.5 per cent of GDP, non-oil revenue was lower than the proportionate budget estimate and the revenue in the corresponding period of 2012 by 36.3 and 5.8 per cent, respectively. The substantial fall in non-oil revenue relative to the budget estimate was largely due to the decline in receipts from corporate tax, VAT, customs and excise duties, and the Federal Government (FG) independent revenue.

Figure 51

Structure of Gross Federation Revenue

(Half Year, Naira Billion)

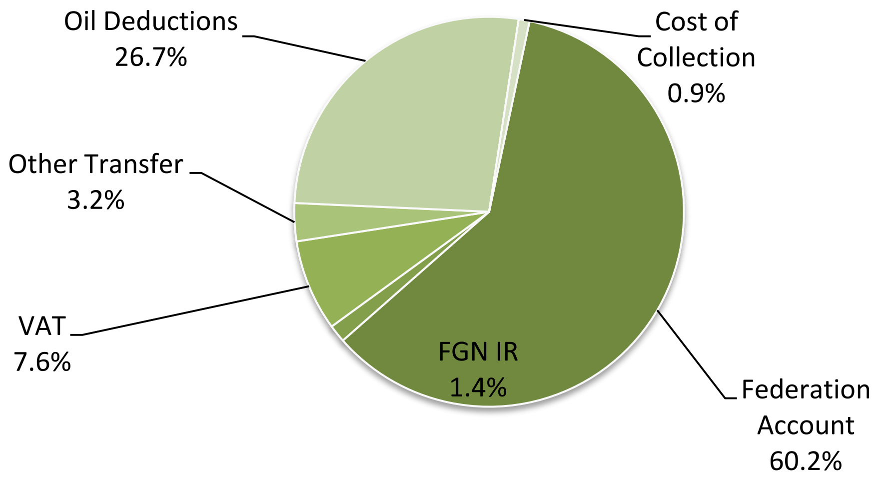


Of the total federally-collected revenue (gross), the sum of ₦2,886.98 billion or 60.2 per cent was transferred to the Federation Account, ₦70.20 billion or 1.4 per cent to the Federal Government (FG) independent revenue, ₦364.01 billion or 7.6 per cent to VAT Pool Account, and ₦151.06 billion or 3.2 per cent to other transfers (including Education Tax Fund, Customs Special Levies and National Information Technology Development Fund). Deductions from oil revenue, including the Joint Venture Cash Calls, Excess Crude Account, Excess PPT/Royalty Accounts and 'others' amounted to ₦1,281.47 billion or 26.7 per cent, while the balance of ₦43.33 billion or 0.9 per cent was transferred as cost of collection to the Federal Inland Revenue Service (FIRS) and the Nigerian Customs Service (NCS).

Figure 52

Breakdown of Federally-Collected Revenue

(First Half 2013, per cent)



4.2.1.1 Federation Account Distribution

The sum of ₦2,886.98 billion was distributed to the three tiers of government from the Federation Account in the first half of 2013. This represented a shortfall of 21.8 per cent from the proportionate budget estimate, but was 10.0 per cent above the amount distributed in the corresponding period of 2012. The Federal Government received ₦1,358.79 billion, while states and local governments got ₦689.20 billion and N531.34 billion, respectively. The balance of ₦307.65 billion was transferred to the 13% Derivation Fund for distribution among the oil producing states.

Furthermore, the sums of ₦213.30 billion, ₦45.70 billion and ₦457.12 billion were distributed in respect of the Subsidy Re-Investment and Empowerment Programme (SURE-P), NNPC Refunds to the sub-national governments and revenue augmentation, respectively, bringing the total distribution of federation revenue among the three tiers of government, including the 13% Derivation Fund to ₦3,603.10 billion. Thus, the Federal Government received ₦1,666.05 billion (including Special Funds); state governments, ₦867.50 billion; local government, ₦668.80 billion; while the sum of ₦400.75 billion was allocated to the 13% Derivation Fund.

4.2.1.2 VAT Pool Account

The sum of N364.01 billion accrued to the VAT Pool Account in the first half of 2013, representing a decrease of 19.8 per cent relative to the proportionate budget estimate. The distribution among the three tiers of government revealed that the share of the Federal Government was ₦54.60 billion; 36 state governments and the FCT, ₦182.00 billion; and the 774 local governments, ₦127.40 billion.

4.2.2 Federal Government Finances

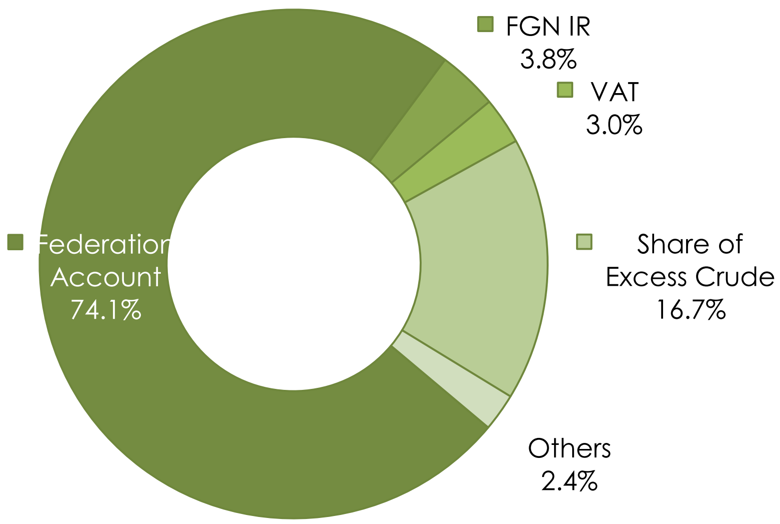
4.2.2.1 Federal Government Retained Revenue

At ₦1,834.77 billion or 8.8 per cent of GDP, the estimated Federal Government's retained revenue was lower than both the proportionate budget estimate and the level in the corresponding period of 2012 by 25.2 and 3.5 per cent, respectively. The decline in retained revenue was attributed largely to the drop in the FGN Independent Revenue and share from the Federation Account. Analysis of the retained revenue revealed that the allocation from the Federation Account was ₦1,358.79 billion; VAT Pool Account, ₦54.60 billion; Federal Government Independent Revenue, ₦70.20 billion; share of excess crude account (including budget augmentation and SURE-P), ₦307.26 billion; while 'others' accounted for ₦43.92 billion.

Figure 53

Composition of Federal Government Retained Revenue

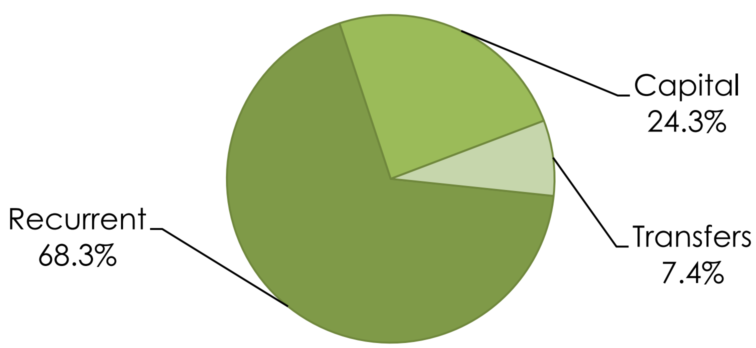
(First Half 2013, per cent)



4.2.2.2 Total Expenditure of the Federal Government

Aggregate expenditure of the Federal Government was estimated at ₦2,229.03 billion or 10.7 per cent of GDP in the first half of 2013. This was 19.2 per cent lower than the proportionate budget estimate, but higher than the total expenditure in the corresponding period of 2012 by 2.2 per cent. The decline in total expenditure reflected the delay in capital releases and transfers during the period. Of the total amount disbursed, recurrent and capital outlays accounted for 68.3 and 24.3 per cent, respectively, while transfers accounted for the balance of 7.4 per cent.

Figure 54
Composition of Federal Government Expenditure
(First Half 2013, per cent)



The classification of the recurrent expenditure on economic basis indicated that the sum of ₦1,095.01 billion or 5.2 per cent of GDP was spent on goods and services, N315.52 billion or 1.5 per cent of GDP on interest payments while ₦111.26 billion or 0.5 per cent of GDP was appropriated transfers. On functional basis, the recurrent outlay on social and community services rose by 33.0 per cent to ₦345.25 billion or 1.7 per cent of GDP when compared with the level in the corresponding period of 2012. Furthermore, the expenditure on economic services declined by 31.7 per cent to ₦89.15 billion or 0.4 per cent of GDP from ₦130.46 billion or 0.7 per cent of GDP in the first-half of 2012.

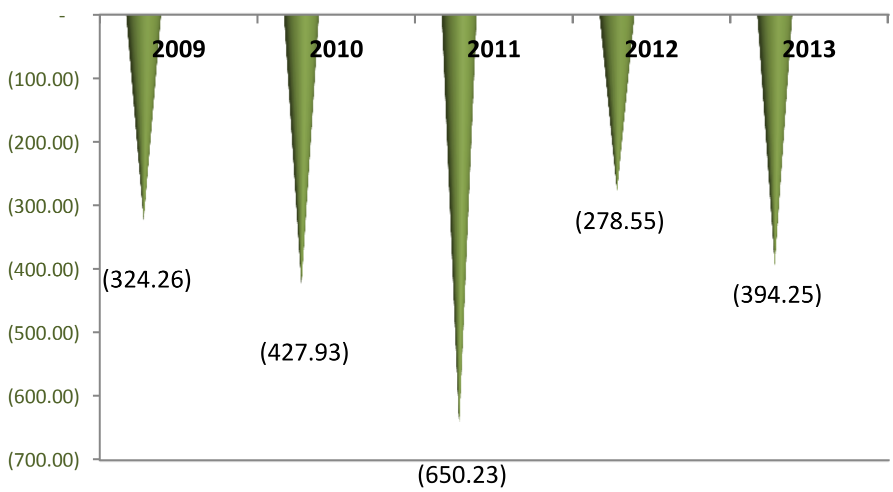
The classification of the Federal Government capital expenditure on functional basis revealed that aggregate capital releases for economic services rose by 76.9 per cent above the level in the first half of 2012 to ₦173.10 billion or 0.8 per cent of GDP. It also accounted for 32.0 per cent of capital releases. The capital outlay on social and community services rose by 36.7 per cent above the level in the corresponding period of 2012 to ₦54.17 billion or 0.3 per cent of GDP and accounted for 10.0 per cent of capital releases. The outlay on administration accounted for 21.6 per cent of the total, and increased by 3.0 per cent to ₦117.06 billion or 0.6 per cent of GDP over its level in the first half of 2012. Overall, the estimated capital release of ₦541.35 billion represented 66.8 per cent of the proportionate budget estimate for the first-half of 2013.

Consequently, the Federal Government fiscal operations in the first half of 2013 resulted in an overall deficit of ₦394.25 billion (1.9 per cent of GDP) as against the budget benchmark of ₦443.53 billion and the deficit of ₦278.55 billion in the corresponding period of 2012. The deficit was financed from domestic sources including FGN Bonds, ₦460.00 billion; privatization proceeds, ₦11.00 billion; FGN share from Stabilisation Fund Accounts, ₦131.59 billion; signature bonus, ₦6.03 billion; and other funds, ₦214.36 billion.

Figure 55

Federal Government Fiscal Balance

(Naira Billion)



4.2.3 State Government Finances

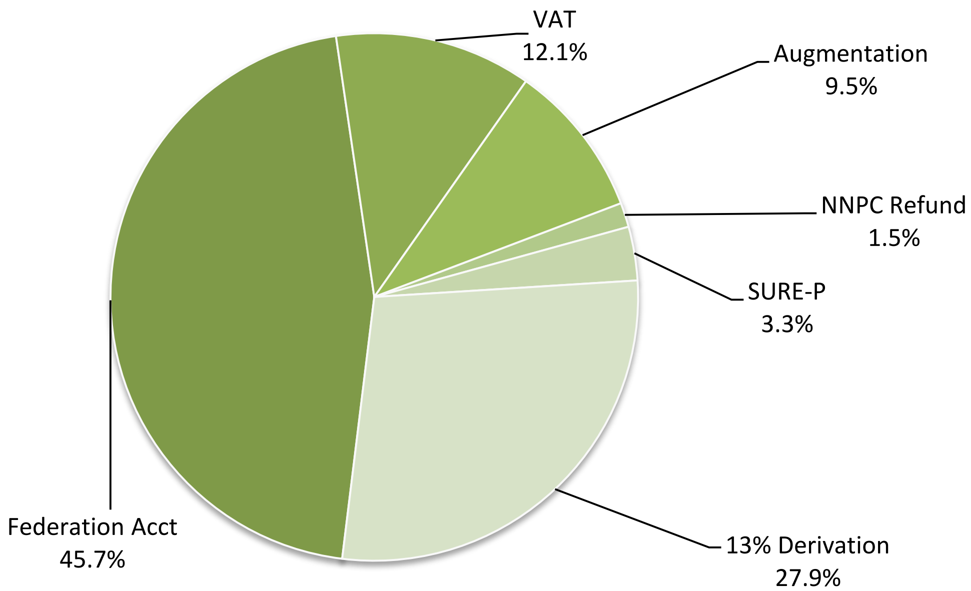
Statutory revenue allocation (gross) to state governments from the Federation Account in the first half of 2013 amounted to ₦689.20 billion and represented an increase of 9.9 per cent above the level in the corresponding period of 2012. However, the sum of ₦67.61 billion was deducted from the gross share, as state governments' commitment in respect of various contractual obligations, namely contribution to external debt service, payments for fertilizer, State Agricultural Project, National Fadama Project and the National Agricultural Technology Support Programme. This resulted in a net statutory allocation of ₦621.59 billion. In addition, the sum of ₦421.13 billion was allocated to the 13% Derivation Fund for the oil-producing states. Thus, the net statutory allocation to states (including 13% Derivation Fund) amounted to ₦1,042.71 billion, representing an increase of 14.5 per cent above the level in the corresponding period of 2012.

The share of state governments from the VAT Pool Account, revenue augmentation, SURE-P and refunds by NNPC amounted to ₦182.00 billion, ₦142.71 billion, ₦49.58 billion and ₦22.45 billion, respectively. The amounts for VAT, augmentation and SURE-P allocations, represented an increase of 7.5, 32.9 and 199.9 per cent, respectively, over their levels in the corresponding period of 2012, while that for NNPC refunds remained unchanged. In terms of percentage contribution to total gross allocation, the share from the Federation Account (including augmentation, NNPC refund and SURE-P allocation) was 87.9 per cent, while VAT contributed the balance of 12.1 per cent.

Figure 56

Composition of Total Allocations to State Governments

(First Half 2013, per cent)

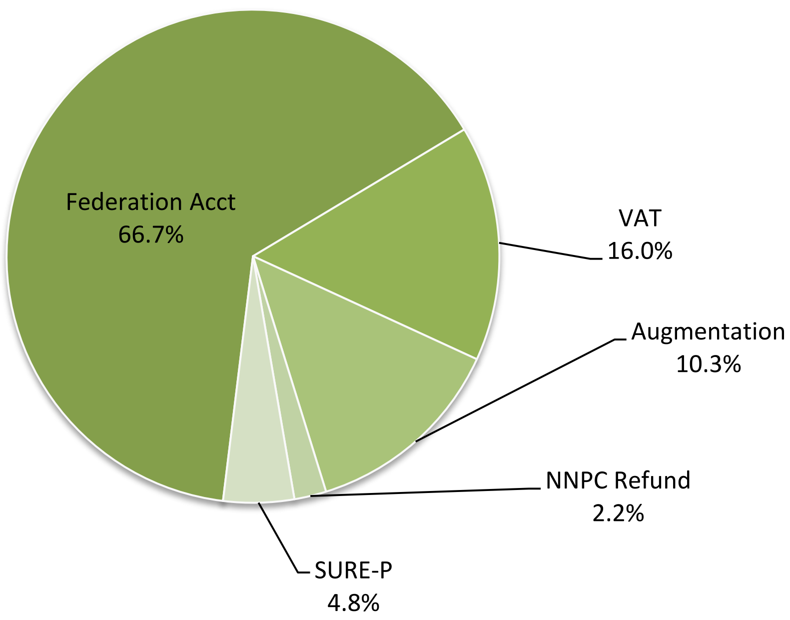


Consequently, total net allocation to state governments in the first half of 2013 amounted to ₦1,439.46 billion, representing an increase of 14.7 per cent above the level in the first half of 2012.

4.2.4 Local Government Finances

Aggregate statutory allocation to the 774 local governments from the Federation Account (including revenue augmentation, SURE-P and refunds by NNPC) and VAT Pool Account was ₦796.2 billion in the first half of 2013. This was higher than the total receipts in the corresponding period of 2012 by 8.1 per cent. The development was attributed to the increase in allocation from the Federation Account and VAT. The breakdown indicated that allocations from the Federation Account was ₦531.34 billion (66.7%); revenue augmentation, ₦81.92 billion (10.3%); NNPC Refunds, ₦17.31 billion (2.2%); SURE-P, ₦38.23 billion (4.8%) and VAT Pool Account, ₦127.40 billion (16.0%).

Figure 57
Composition of Total Allocations to Local Governments
(First Half 2013, per cent)



4.2.5 Public Debt

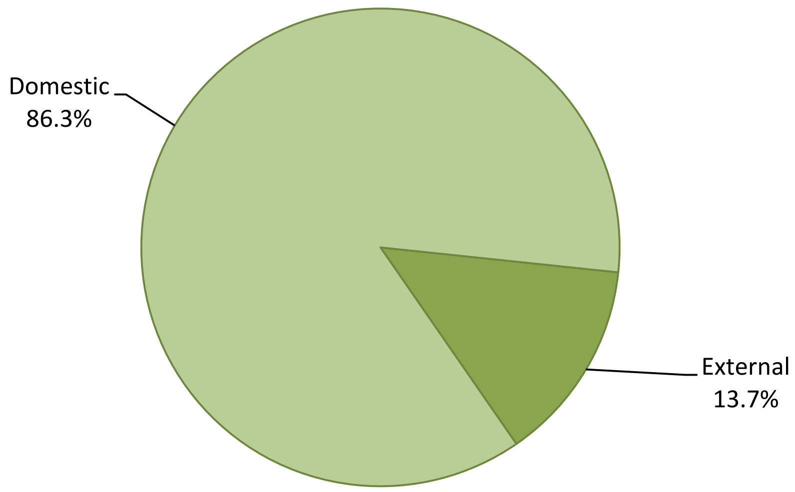
4.2.5.1 Consolidated Government Debt

The stock of Federal Government consolidated debt at end-June 2013 was estimated at ₦7,939.33 billion or 37.9 per cent of GDP. This represented an increase of 5.0 per cent over the level at end-December 2012. A breakdown showed that the domestic debt was ₦6,850.75 billion or 86.3 per cent, while the external debt amounted to US$6.92 billion (₦1,088.58 billion) or 13.7 per cent of the total.

Figure 58

Composition of Federal Government Consolidated Debt

(First Half 2013, per cent)



4.2.5.2 Domestic Debt

The Federal Government's outstanding securitized domestic debt stock was estimated at ₦6,850.75 billion or 32.7 per cent of GDP at end-June 2013, representing an increase of 4.8 per cent over the level at end-December 2012. The increase was due to the issuance of additional treasury bills. The banking system remained the dominant holder of the total outstanding domestic debt instruments with ₦4,927.08 billion or 71.9 per cent, the non-bank public held ₦1,607.00 billion or 23.5 per cent, while the Sinking Fund accounted for the balance of N316.67 billion or 4.6 per cent.

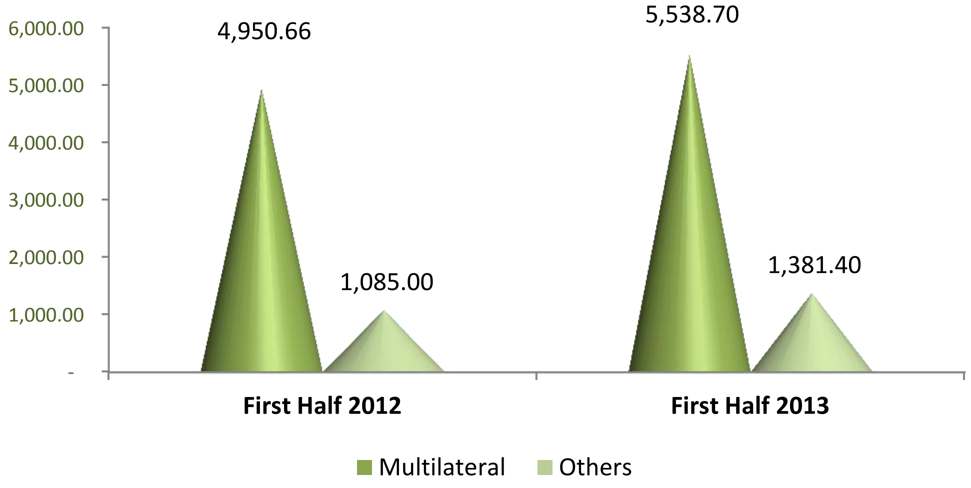
4.2.5.3 External Debt

The Federal Government's outstanding external debt stock at end-June 2013 was US$6.92 billion or 5.2 per cent of GDP. This represented a 6.0 per cent increase from the level at end-December 2012. Further analysis indicated that 80.0 per cent of the total external debt stock was owed to multilateral creditors, while the balance of 20.0 per cent was from non-Paris Club bilateral and commercial debt.

Figure 59

Breakdown of External Debt Stock

(First Half 2013, US$ million)



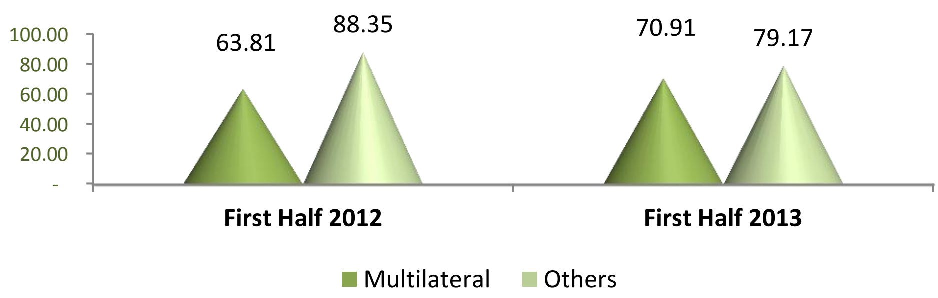
4.2.5.4 Total Debt Service Payments

The total debt service of the Federal Government at end-June 2013 stood at ₦446.83 billion or 2.1 per cent of GDP. This represented an increase of 19.8 per cent relative to the level in the corresponding period of 2012. The breakdown showed that the domestic debt service was ₦423.22 billion or 94.7 per cent, while the external debt service amounted to US$0.15 billion (₦23.61 billion) or 5.3 per cent of the total.

Figure 60

Breakdown of External Debt Service Payments

(First Half 2013, US$ million)



At ₦423.22 billion, domestic debt service was 21.3 per cent above the level in the corresponding period of 2012. The breakdown showed that FGN Bonds accounted for 55.3 per cent, while treasury bills and treasury bonds accounted for 40.2 and 4.4 per cent, respectively. External debt service declined by 1.4 per cent from the level at end-June 2012. A breakdown of the external debt service showed that 47.3 per cent was paid to multilateral institutions, while 'other creditors' received the balance of 52.7 per cent.

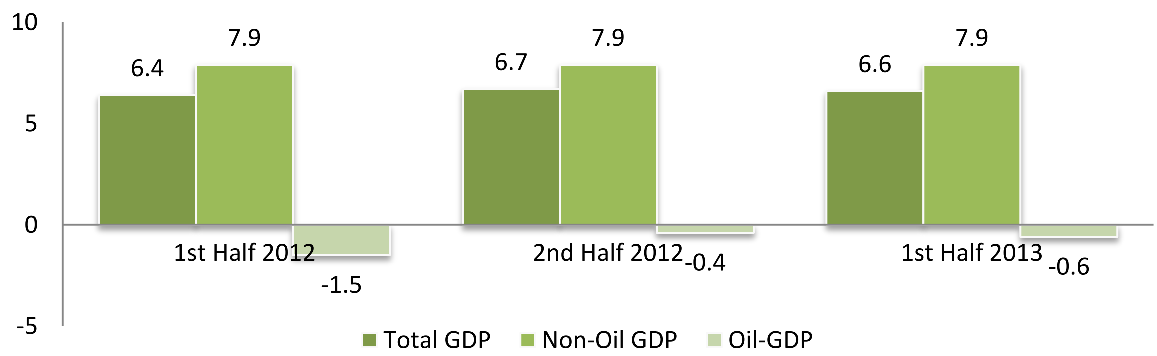
4.3 REAL SECTOR DEVELOPMENTS

Provisional data from the National Bureau of Statistics (NBS) indicated that the gross domestic product (GDP), at 1990 constant basic prices, rose by 6.6 per cent in the first half of 2013, compared with 6.4 per cent in the first half of 2012. The non-oil sector, which rose by 7.9 per cent, largely accounted for the growth. In the oil sector, however, growth fell by 0.6 per cent. The negative performance of the oil sector was due largely to the decline in crude production resulting from theft and intermittent closure of oil installations. Agriculture and industry grew by 4.2 and 1.0 per cent, respectively. Building and construction, wholesale and retail trade, and services increased by 15.5, 8.4, and 12.2 per cent, respectively. Services recorded a relative contribution of 2.6 per cent to the GDP growth, while wholesale and retail trade, agriculture, and building and construction contributed 1.3, 1.8 and 0.3 per cent, respectively.

Figure 61

GDP Growth Rate

(per cent)



4.3.1 Agriculture

4.3.1.1 Agricultural Policies and Institutional Support

Efforts by government to provide the enabling environment through favourable policies and incentives for a private sector-led agricultural transformation were sustained during the first half of 2013. Under the Growth Enhancement Support (GES) scheme, designed to give farmers timely access to agricultural inputs, government fully liberalized and transferred the distribution of foundation seeds and fertilizers to the private sector. This attracted significant investments from global seed and fertilizer companies. In addition, government commenced the process of establishment of sixty (60) private sector-driven agricultural equipment hiring enterprises (AEHE) in priority sites across the country to be equipped with 300 units of tractors and 1,590 planting, harvesting and post-harvesting agricultural equipment. The project was to be financed through public-private-partnership. Farmers would receive their mechanization support in form of electronic vouchers on their mobile phones, which would be used to pay for mechanized services at registered agricultural equipment hiring centres. To ensure that the initiative was effectively implemented, the registration of farmers into the national farmers' database was sustained. Thus far, 10 million farmers had been registered, out of the estimated 14 million farmers targeted for 2013.

On the Rice Transformation Action Plan, government introduced the 'Double-up Paddy Production Programme'. The target of the programme was to significantly increase output of paddy rice to meet rising demand. Massive support was provided to 268,000 farmers through the injection of ₦77.0 billion for the cultivation of dry season irrigated rice across ten states, namely; Kebbi, Sokoto, Zamfara, Katsina, Kano, Jigawa, Bauchi, Gombe, Niger and Kogi. In addition, Dominion Rice and Integrated Farms Ltd invested US$40.0 million in a 30,000 hectares commercial rice farm project in Taraba State. The rice milling component of the project would account for about 15.0 per cent of total milled rice in the country.

To support the use of cassava flour substitution in bread making, the government established the Cassava Bread Development Fund. The fund, which would be financed through tariff on wheat flour, was meant to support research and development efforts on cassava bread. It would also finance training and acquisition of new equipment by Master Bakers, social marketing, especially through school feeding programmes as well as improve production of cassava flour by small and medium scale processors. In addition, government initiated the training of 385 Master Bakers across the country after which they were provided with starter packs to enable them begin production of cassava bread. During the first half of 2013, two ailing large scale cassava processing plants (Thai Farms and DATCO) were revamped in addition to the audit and upgrade of 152 SMEs processors for the production of cassava flour.

4.3.1.2 Agricultural Production and Prices

Output of the agricultural sector increased during the first half of 2013. The provisional index of agricultural production was 261.2 (1990=100), indicating an increase of 4.2 per cent compared with 4.1 per cent in the first half of 2012. The underlying reasons for the growth in agricultural production during the review period were favourable weather conditions and the continued implementation of the Agricultural Transformation Action Plan (ATAP) of the Federal Government. The implementation of the policy on import substitution accelerated the production of local staples and other crops. Also, the scrapping of the supply of seeds and fertilizer by contractors which made companies sell directly to farmers contributed to the growth. Meanwhile, all the sub-sectors of agriculture witnessed growth during the review period.

Further analysis of developments in the sub-sectors showed that output of crops and staples rose by 4.1 and 4.7 per cent, respectively compared with 3.8 and 4.1 per cent in the corresponding period of 2012. The modest growth in the period was attributed largely to the Double-up Paddy Production Programme which added one million tonnes of irrigated rice to domestic production. In addition, the programme supported the cultivation of 264,000 hectares of land in the review period; and created about 460,000 jobs. Growth in 'other crops' sub-sector remained unchanged at 4.0 per cent. The output of livestock, fisheries, and forestry grew by 4.5, 5.2, and 5.0 per cent, compared with 6.1, 6.0 and 5.9 per cent in the first half of 2012, respectively.

The dollar-based all-commodities price index of Nigeria's major agricultural export commodities at the London market declined during the first half of 2013. From 312.9 (1990=100), it declined by 5.5 per cent below the level in the corresponding period of 2012. Five of the six commodities monitored recorded price decrease of 2.3, 13.6, 26.1, 34.9 and 62.7 per cent, for cocoa, copra, coffee, palm oil and cotton, respectively. The price decrease of cocoa reflected the surge in supply through the porous borders in the Ivory Coast. For the other commodities, the strengthening of the United States dollar against other major currencies accounted for the decline. However, soya bean recorded a price increase of 8.3 per cent, compared with a decline of 1.6 per cent in the corresponding period of 2012. The price increase was due to the disruption in supply arising from bad weather conditions experienced in key producing countries.

4.3.2 Industry

4.3.2.1 Industrial Policy and Institutional Support

Government sustained the implementation of the Power Roadmap in the first half of 2013. Pursuant to this, ₦72.7 billion was disbursed to the Federal Ministry of Power. Of this, ₦45.0 billion was paid to workers of Power Holding Company of Nigeria (PHCN) as part settlement of the labour commitment under the power privatization programme and money released under the Multi-Year Tariff Order (MYTO). Recruitment and training of the planned 500 engineers to run the 10 new power plants commenced in the review period.

To broaden the nation's energy mix and give greater prominence to coal and solar, feasibility studies of eight coal blocks (five coal blocks in Enugu axis and one each in Benue, Kogi and Gombe) were initiated. The focus was on clean coal technology which was expected to generate between 3,000MW and 4,000MW. In addition, Government reached an agreement with Bharat Heavy Electricals of India to site a solar power facility in Bida, Niger State to boost power generation. Furthermore, Government entered into an agreement with Cameroon to upgrade the Lagdo Hydro Dam. The dam currently generates 84 megawatts of electricity, 30 of which was consumed internally. Under the agreement, the balance would be exported to Nigeria.

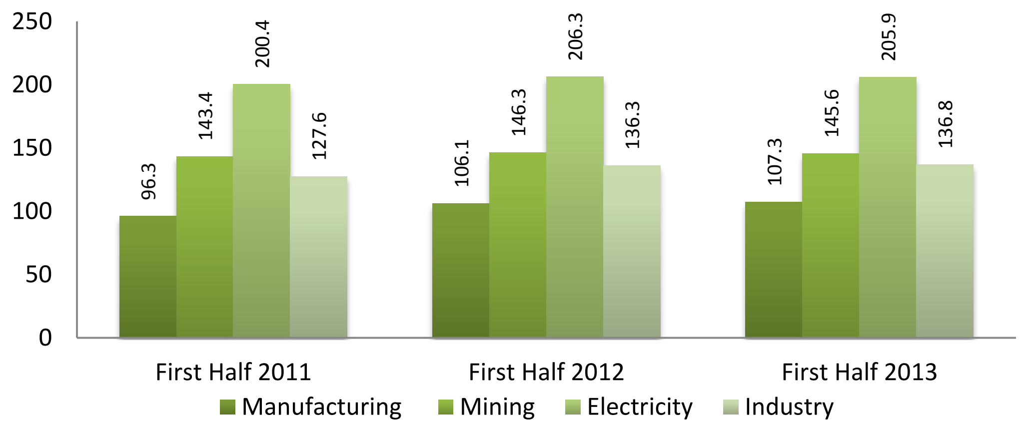
To further enhance the development of Micro, Small and Medium Enterprises (MSMEs) in Nigeria, Government signed an MoU on technical cooperation with Indonesia to boost investment in the country's textile industry, especially for the production of batik fabric. Under the MoU, Industrial Development Centres (IDCs) would be developed, while industrial parks would be upgraded to cluster parks.

Government instituted a 12-member committee to propose a new tariff regime aimed at increasing local manufacturers' capacity and boost investment in the industrial sector. The terms of reference of the Committee were to propose strategies and measures that would increase the capacity utilisation and contribution of the industrial sector to the GDP; propose tariffs for every sector under the purview of the Federal Ministry of Trade and Investment; identify major gaps between subsisting tariff regime and the Common External Tariff regime; and proffer solutions to curb smuggling. The proposed tariff order would be targeted to reposition the manufacturing sector and increase its contribution to GDP from the current 4.0 per cent to 10.0 per cent over the next four years.

4.3.2.2 Industrial Production

Provisional data indicated a marginal improvement in activities in the industrial sector in the first half of 2013. At 136.8 (1990=100), index of industrial production increased by 0.4 per cent compared with the performance in the corresponding period of 2012. The marginal improvement was attributed to the manufacturing sub-sector. However, performance in the mining and electricity sub-sectors detoriorated by 0.4 and 0.1 per cent, respectively, compared with the first half of 2012.

Figure 62
Industrial Production Index
(Half Year, 1990=100)



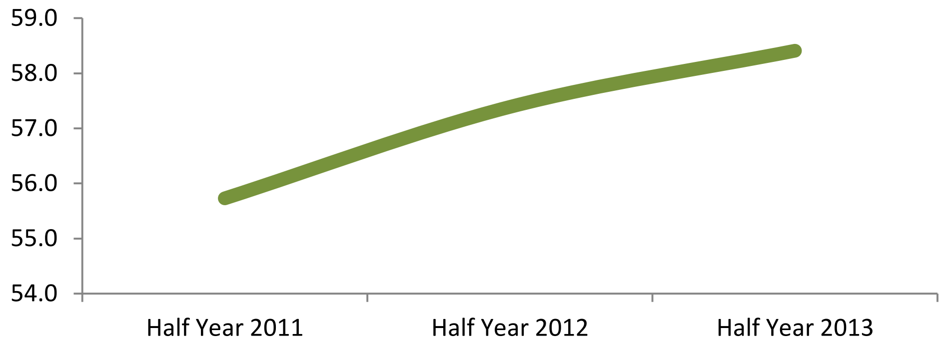
4.3.2.3 Manufacturing

At 107.34 (1990=100), provisional data showed an increase in the index of manufacturing production by 1.2 per cent in first half of 2013, above the level in the corresponding period of 2012. Similarly, capacity utilization during the period rose by 1.0 percentage point compared with 58.4 per cent over the same period. This could be attributed to improvements in the manufacturing subsectors. These improvements are as a result of government initiatives such as the cotton and textile loans which has contributed to the increase in industrial capacity utilisation of the textile, apparel and footwear industry, as well as the federal Government's policy on backward integration, which has increased the capacity in the cement industry.

Figure 63

Average Manufacturing Capacity Utilisation

(Half Year, Per cent)



4.3.3 Crude Oil

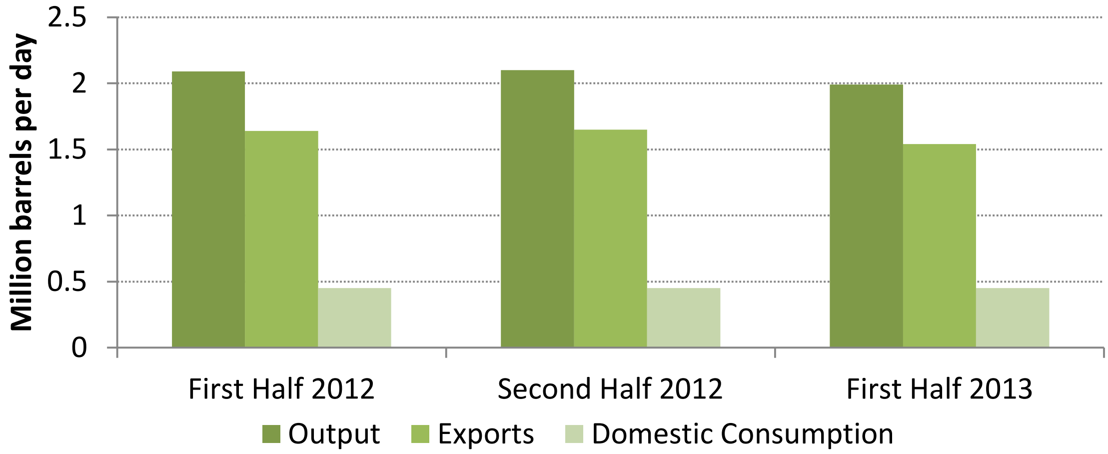
4.3.3.1 Crude Oil Production and Demand

Aggregate crude oil production, including natural gas liquids (NGLs) and condensates by the Organization of Petroleum Exporting Countries (OPEC) was estimated at 36.2 million barrels per day (mbd) in the first half of 2013. This represented a decrease of 1.8 and 2.6 per cent from the levels in the preceding and corresponding halves of 2012, respectively. Algeria, Iraq and Libya accounted for the decline in OPEC supply during the period. Non-OPEC supply was estimated at 53.78 mbd, indicating a 1.4 per cent increase over the corresponding half of 2012. Total world supply was, therefore, estimated at 89.93 mbd, showing a decrease of 0.1 per cent from the level in the first half of 2012.

World crude oil demand was estimated at 88.9 mbd in the first half of 2013, compared with 88.0 mbd in the corresponding half of 2012, representing an increase of 1.1 per cent, but a decrease of 0.8 per cent compared with the previous half of 2012. Of this, demand from the Organization for Economic Co-operation and Development (OECD) countries was estimated at 45.6 mbd, while that of non-OECD was 43.3 mbd. The increase in world crude oil demand during the comparable period was due to improved economic activities in the non-OECD region

At an average daily production of 1.99 mbd or 360.19 million barrels (mb), Nigeria's crude oil output declined by 4.8 per cent below the level of 2.09 mbd or 378.29 mb in the first half of 2012. Massive crude oil theft and incessant vandalism of oil installations in the Niger Delta region with the attendant shut-ins impacted negatively on crude oil output. Aggregate export of crude oil for the period under review was estimated at 278.7 mb or 1.5 mbd, compared with 296.8 mb or 1.6 mbd in the corresponding half of 2012.

Figure 64
Crude Oil Production and Exports

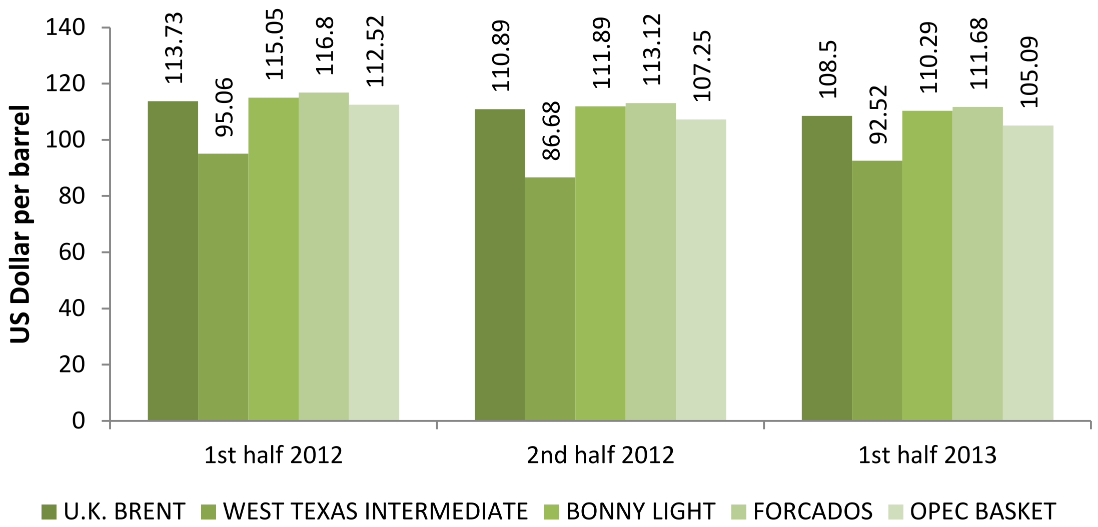


4.3.3.2 Crude Oil Prices

The average spot price of Nigeria's reference crude, the Bonny Light (37° API) decreased by 4.1 per cent below its level in the first half of 2012 to US$110.29 per barrel. The average prices of the UK Brent, Forcados and West Texas Intermediate also fell, by 4.6, 4.4 and 2.7 per cent, to US$108.50 per barrel, US$111.68 per barrel and US$92.52 per barrel, respectively, in the review period. The production of shale oil in the US and the subsequent cut in oil imports, contributed substantially to the downturn in crude oil prices. The economic turmoil in the Euro-zone and record level of US crude oil inventory also contributed to dampening crude oil prices. The average price of the OPEC basket of twelve crude streams was US$105.09 per barrel, compared with US$112.52 per barrel in the same period of 2012.

Figure 65

Average Spot Prices of Selected Crudes Traded in the International Oil Market



Source: Reuters

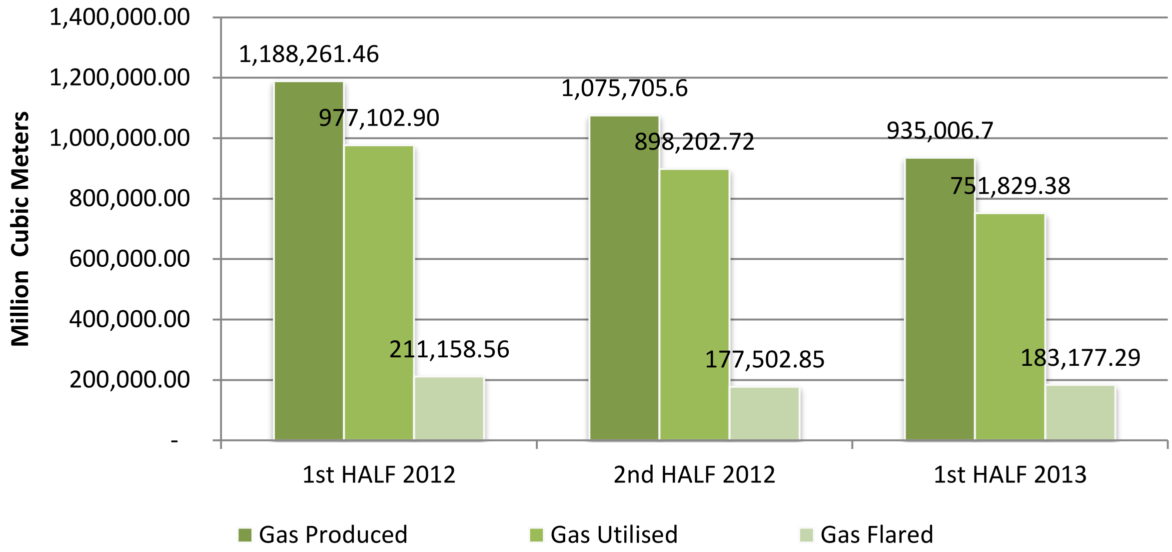
4.3.4 Gas

The Federal Government introduced an emergency supply initiative to curb the persistent shortage of gas supply to the power plants. The Oredo Gas Plant was completed and commissioned, while facilities at Escravos were upgraded. These projects resulted in the production of additional 290 million cubic feet per day (mmcf/d) of gas. With the initiative still on-going, additional production of 150 mmcf/d of gas was expected by end-2013.

Total associated gas produced in the first half of 2013 was estimated at 935,006.66 billion standard cubic feet (bscf), indicating a decrease of 21.3 per cent below the level in the corresponding period of 2012. The development arose from the decline in crude oil production in the period. Total volume of gas utilized and flared during the period was estimated at 751,829.4 bscf and 183,177.3 bscf, indicating a decrease of 23.1 and 13.3 per cent below their respective levels in the first half of 2012.

Figure 66

Gas Production and Utilisation



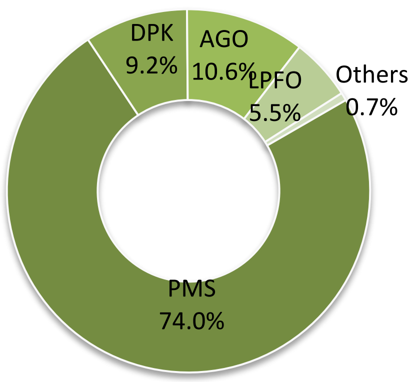
4.3.5 Petroleum Products

The estimated quantity of petroleum products distributed by the major and independent marketing companies in the review period was 2,721.6 million litres. These included 2,014.9 million litres of Premium Motor Spirit (PMS), 251.3 million litres Dual Purpose Kerosene (DPK), 287.8 million litres of Automotive Gas Oil (AGO) and148.5 million litres of Low Pour Fuel Oil (LPFO).

Figure 67

Distribution of Petroleum Products

First Half of 2013



4.3.6 Solid Minerals

Provisional data from the Ministry of Mines and Steel Development showed that solid minerals production in the first half of 2013 increased by 27.7 per cent from the level in the corresponding period of 2012 to 22.37 million tonnes. The development was accounted for by the increase in production of some principal minerals such as granite aggregates, limestone, laterite, shale, baryte and marble aggregates.

4.3.7 Electricity Generation

Estimated average electricity generation in the first half of 2013 declined by 2.9 per cent, compared with 3,060 MW/h during first half 2012. The decline was attributed to the series of system collapse and shortages in gas supply to thermal plants.

4.3.8 Electricity Consumption

At 2,567.6 MW/h, average estimated electricity consumed declined by 4.2 per cent, compared with the level in the same period of 2012. The decline was attributed to losses occasioned by inefficiency in transmission.

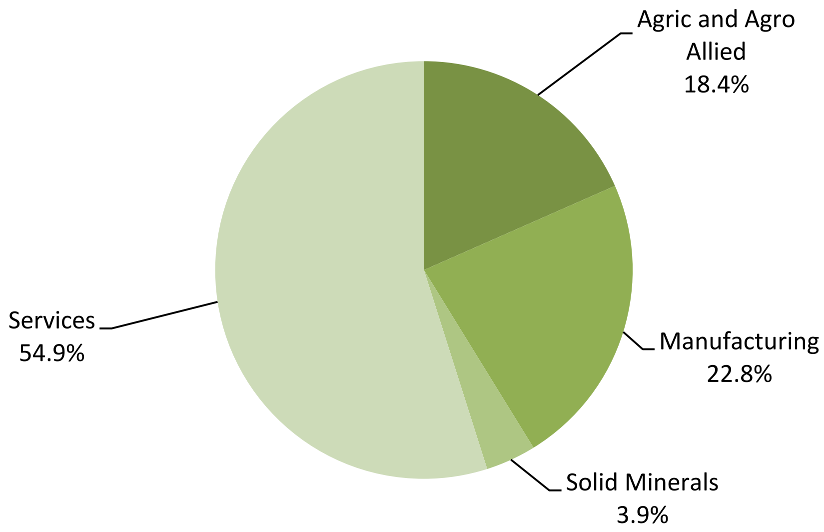
4.3.9 Industrial Financing

4.3.9.1 NEXIM

The total disbursement the Nigeria Export Import Bank (NEXIM) to various beneficiaries in the period under review was N3.89 billion. This amount was 11.2 per cent lower than the level of disbursement in the comparable period of 2012. Of the total disbursement, the Services and Manufacturing sub-sectors received 54.96 per cent and 22.75 per cent, respectively, while Agriculture and Solid Minerals sub-sectors received 18.44 per cent and 3.86 per cent, respectively.

Figure 68

Sectoral Disbursement of NEXIM Loans, First Half 2013



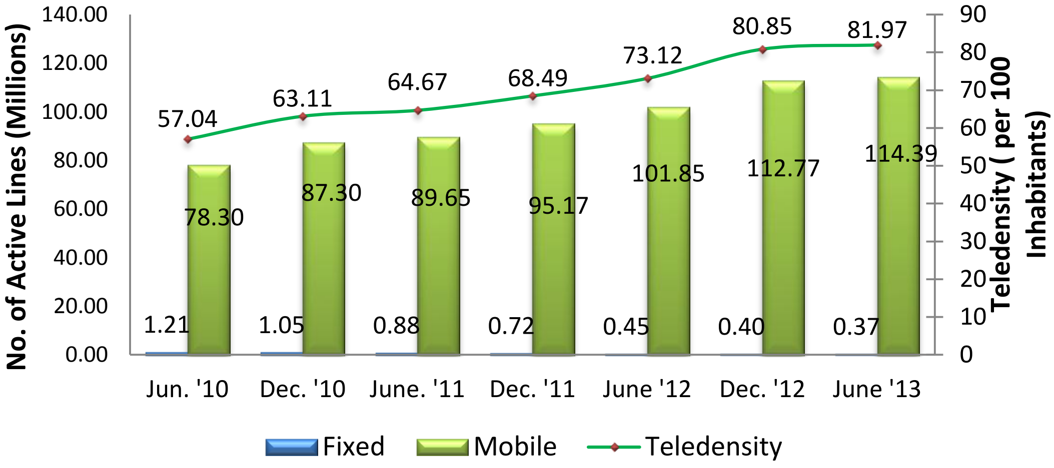
Source: NEXIM Bank

4.3.10 Telecommunications

The telecommunications sub-sector continued to grow in the first half of 2013. Data made available by the National Communications Commission (NCC) indicated that the total number of active lines increased to 114.4 million at end-April 2013 from 102.3 million at end-June 2012, representing an increase of 16.6 per cent. The development was attributed largely to activities in the mobile telephony sub-sector which recorded a 16.8 per cent increase in the number of active lines from 101.9 million at end-June 2012 to 119.0 million at end-Junel 2013. Teledensity rose from 73.1 per 100 inhabitants at end-June 2012 to 85.3 per 100 inhabitants at end-June 2013, exceeding the International Telecommunication Union (ITU) minimum standard of 1:100. Growth in the telecommunications sector was attributed to the implementation of flat call rates to all networks by telecom operators as directed by the NCC, and increased competition, especially the introduction of the Mobile Number Portability (MNP) scheme, as well as many product and service innovations.

Figure 69

Total Active Lines and Teledensity



The MNP allows mobile telephone users the liberty to retain their mobile telephone numbers when they move from one mobile network operator to another after a minimum period of 90 days from the initial porting. The scheme was introduced as a tool to enhance competition among the mobile network operators with a view to improving quality of service.

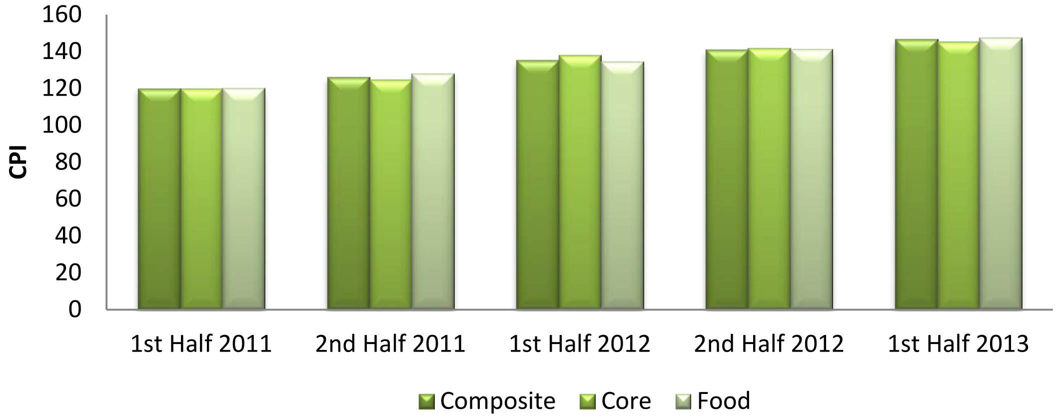
4.3.11 Consumer Prices

The all-item composite Consumer Price Index (CPI) was 146.6 (November 2009 = 100), at end-June 2013, compared with 135.3 and 141.1 at end-June and end-December 2012, respectively. The all-item less Farm Produce CPI stood at 145.5 at end-June 2013, compared with 138.0 at end-June 2012 and 141.8 at end-December 2012. Food CPI stood at 147.5 at end-June 2013, compared with 134.5 and 141.2 at end-June and end-December 2012, respectively.

Figure 70

Consumer Price Indices

(November 2009 = 100)



4.3.11.1 Headline Inflation

The year-on-year headline inflation oscillated within the targeted single digit in the first half of 2013. It closed at 8.4 per cent at end-June 2013, compared with 12.9 and 12.0 per cent at end-June and end-December 2012, respectively. Similarly, the 12-month moving average inflation rate stood at 10.4 per cent at end-June 2013 from 11.3 and 12.2 per cent at end-June and end-December 2012, respectively. All the items in the consumption basket contributed to the decline in headline inflation.

4.3.11.2 Core Inflation

The year-on-year core inflation (all-item less farm produce) fell steadily during the review period to 5.5 per cent at end-June 2013, compared with 15.2 and 13.7 per cent, respectively, at end-June and end-December 2012. Core inflation on the 12-month moving average basis also fell, to 10.7 per cent at end-June 2013, compared with 12.7 per cent at end-June 2012 and 13.9 per cent at end-December 2012.

The decrease in core inflation was attributed largely to re-basing effect as the core sub-index showed relative decline, notwithstanding the price increases observed in the actual and imputed rental prices; clothing materials and accessories; and liquid and solid fuel classes.

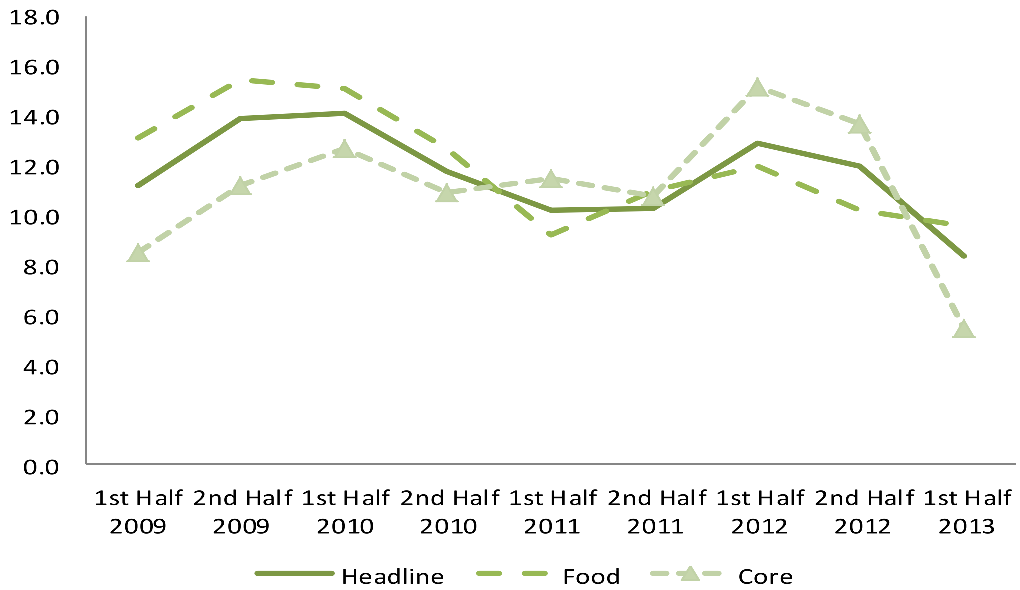
4.3.11.3 Food Inflation

The year-on-year food inflation comprising farm produce and processed food fluctuated but closed at 9.6 per cent at end-June 2013, compared with 12.0 per cent at end-June and 10.2 per cent at end-December 2012, respectively. The 12-month moving average food inflation stood at 10.4 per cent at end-June 2013, compared with 10.6 and 11.3 per cent at end-June and end-December 2012, respectively. The decrease in food inflation was attributed largely to good harvest and the impact of the Agricultural Transformation Agenda of the Federal Government.

Figure 71

Inflation Rate

(Year-on-Year, Per cent)



4.3.11.4 Urban and Rural Consumer Price Indices and Inflation Rates

The all-item Urban CPI stood at 145.5 at end-June 2013, compared with 134.1 at end-June and 140.8 at end-December 2012. As a result, year-on-year urban inflation rate stood at 8.4 per cent at end-June 2013, compared with 15.0 and 14.5 per cent at end-June and end-December 2012, respectively. Similarly, the all-item Rural CPI rose to 147.9 at end-June 2013, from 136.5 and 142.1 at end-June and end-December 2012, respectively. The development resulted in a year-on-year rural inflation rate of 8.3 per cent at end-June 2013, compared with 11.4 per cent at end-June and 10.2 per cent at end-December 2012. Urban headline inflation was marginally higher than the rural headline inflation in the period under review.

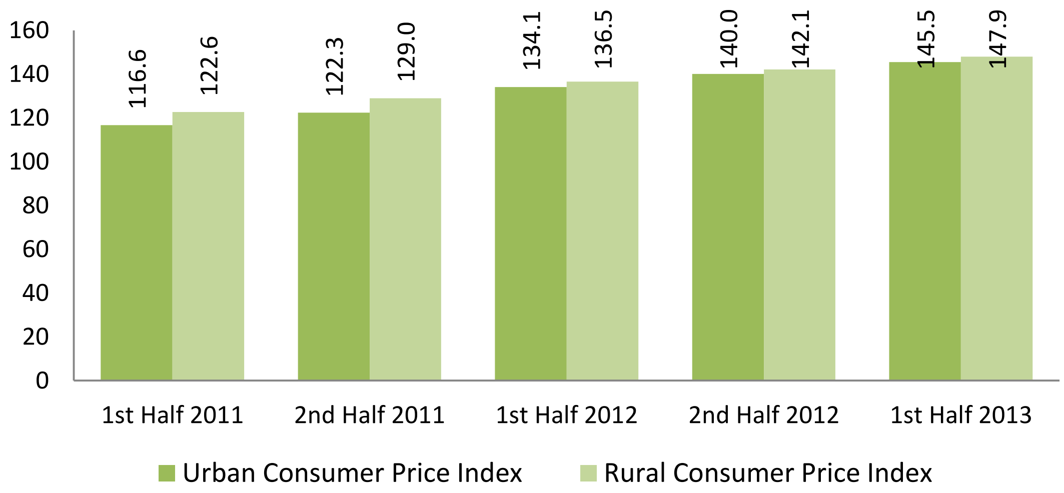
Urban core inflation rate stood at 5.3 per cent at end-June 2013, indicating a significant decrease when compared with 16.5 and 14.6 per cent at end-June and end-December 2012, respectively. Urban food inflation rate also fell, from 11.4 per cent at end-June 2012 and 10.5 per cent at end-December 2012, to 9.5 per cent at end-June 2013.

Rural core inflation rate was 5.6 per cent at the end of June 2013, a decrease of 8.6 and 7.4 percentage points, when compared with the levels at end-June and end-December 2012, respectively. Rural food inflation rate stood at 9.7 per cent at end June 2013 compared with 12.7 and 10.2 per cent at end-June and end-December 2012, respectively.

Figure 72

Urban and Rural Consumer Price Indices

(Half year, November 2009 = 100)



4.3.12 Health

The Federal Government spent the sum of ₦2.5 billion on polio eradication in the first half of 2013. The effort yielded positive results as only 25 cases of the disease were recorded nationwide in the period under review, while thirty (30) states had achieved 20.0 per cent reduction in the number of un-immunized children (as at April 2013), compared with the corresponding period in 2012. Nigeria and the Global Fund to Fight AIDS, Tuberculosis and Malaria, signed two (2) grant agreements valued at US$225.0 million as part of a 2-phase support to boost malaria prevention and treatment in the country. The Federal Government distributed 36 million, Long-Lasting Insecticidal Nets (LLIN) across the country to curtail the menace of the spread of malaria.

4.3.13 Aviation Services

The implementation of the first phase of the aviation component of the Transformation Agenda continued in the first half of 2013. Three (3) of the remaining ten (10) airport terminals that were yet to be completed under the remodeling programme namely; Abuja, Kano and Benin were completed and commissioned.

4.3.13.1 Domestic and International Operations

Major improvements were recorded in the operation of both the domestic and international routes in the first half of 2013 following massive upgrade of airports nationwide which facilitated the smooth operation of flights. Foreign carriers, attracted by Nigeria's large population and economic potential also brought in more capacity.

4.3.14 Maritime Services

Efforts of the Federal Government to re-engineer seaports in Nigeria through massive infrastructure development and maintenance dredging continued during the first half of 2013, resulting in increased gross tonnage of coastal vessels and cargo traffic at sea seaports. Available statistics revealed that the gross tonnage of coastal vessels recorded was 2,237,822 tonnes representing 23.0 per cent increase compared to its level in the corresponding period of 2012.

A marginal improvement was recorded in the containerized cargo throughput handled in the first half of 2013 at 6,222,754 metric tonnes compared with 6,008,926 metric tonnes in the corresponding period of 2012, representing a 3.6 per cent growth. The quantity of refined petroleum handled grew by 4.6 per cent at 9,835,719 metric tonnes compared with 9,406,268 metric tonnes recorded in the first half of the preceding year.

4.3.15 Railway Services

Efforts to reposition the Nigerian Railway Corporation (NRC) continued in the first half of 2013 in line with the 25-Year Railway Strategic Vision of the Federal Government. The period witnessed the commencement of full train services from Lagos to Kano as well as rehabilitation of railway lines across the country, including the Port Harcourt to Maiduguri line.

The NRC resumed cargo operations after 10 years with the first haulage of goods from Ogun State to Niger State.

4.4. EXTERNAL SECTOR DEVELOPMENTS

The external sector remained viable in the first half of 2013 with an estimated overall balance of payments surplus of ₦184.40 billion (0.9 per cent of GDP), compared with ₦438.90 billion (2.3 per cent of GDP) in the first half of 2012. This was attributed to the robust current account and increased inflow of foreign capital. The estimated current account surplus increased to ₦1,844.84 billion (8.9 per cent of GDP) owing largely to the sustained high crude oil prices at the international market, lower import bills and repatriation of investment income as well as sustained inflow of remittances. The price of Nigeria's reference crude (Bonny Light 37^0 API) averaged US$110.29, while import bills fell by 19.9 per cent. The estimated capital and financial account recorded a net liability of ₦195.48 billion (1.0 per cent of GDP) in the first half of 2013, compared with a net asset of ₦231.16 billion (1.2 per cent of GDP) recorded in the first half of 2012. The level of external debt stock rose to US$6.92 billion but remained sustainable, while the stock of external reserves at US$44.96 billion at end-June 2013 recorded an accretion of US$1.18 billion over the stock at end-December 2012, and could finance 10.8 months of current imports commitment. The foreign exchange market remained stable as the market premium was within the international threshold of 5.0 per cent. Notwithstanding the favourable performance of the external sector, it remained highly susceptible to external shocks due to the continued exposure to huge inflow of short-term capital and non-diversification of the economy.

4.4.1 Current Account

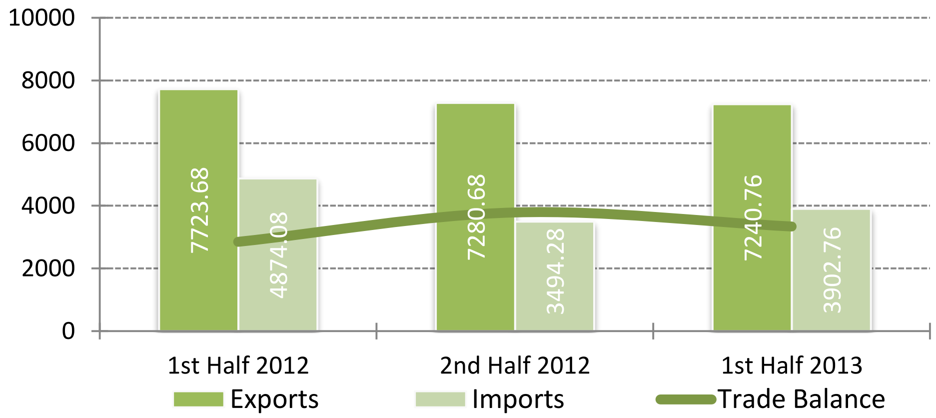
4.4.1.1 Trade

Estimated total trade (value of exports and imports) for the first half of 2013 declined by 14.8 per cent to ₦10,731.69 billion (52.7 per cent of GDP) compared with the corresponding period of 2012. Despite the sustained high crude oil prices in the global market, aggregate exports declined by 11.6 per cent to ₦6,828.93 billion (35.6 per cent of GDP), due mainly to the decline in crude oil production from an average of 2.10 million bpd recorded in the first half of 2012 to an average of 1.98 million bpd in the review period. The oil sector continued its dominance, accounting for 95.9 per cent of the total exports, while non-oil exports accounted for the remaining 4.1 per cent.

Figure 73

Exports, Imports and Trade Balance

(Naira Billion)

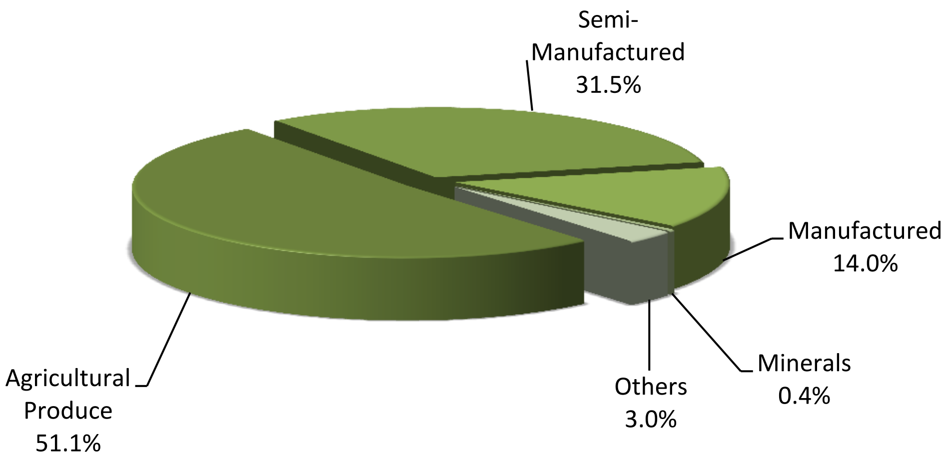


A breakdown of the non-oil exports by product showed that agricultural produce, semi-manufactured goods, manufactured goods, "others" and solid minerals accounted for 51.1, 31.5, 14.0, 3.0 and 0.4 per cent, respectively.

Figure 74

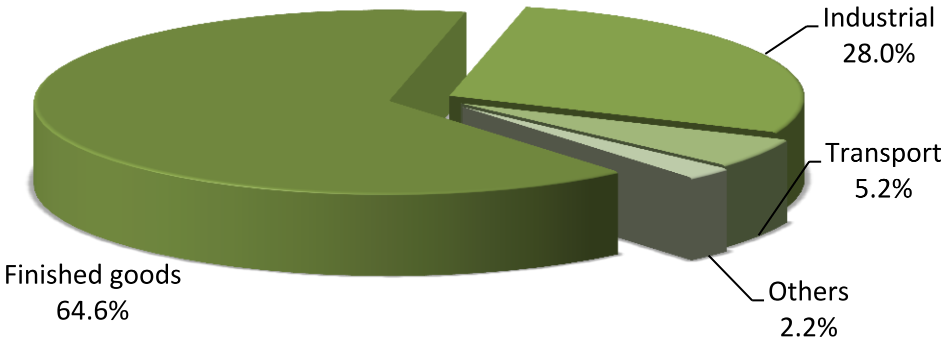
Non-Oil Exports by Products

(First Half 2013, per cent)



Aggregate imports fell by 19.9 per cent to ₦3,902.76 billion and represented 19.2 per cent of GDP. The decline was across both oil and non-oil imports and was attributed to the weak domestic demand for foreign produced goods and the national trade policy that emphasized increased patronage of domestically produced goods. The share of non-oil imports constituted 66.9 per cent of total imports while oil sector imports accounted for 33.1 per cent. Sectoral breakdown of non-oil imports for the first half of 2013 revealed that finished goods (food and manufactured products) accounted for 64.6 per cent, industrial sector, 28.0 per cent; transport sector, 5.2 per cent; while other sectors accounted for 2.2 per cent of the total.

Figure 75
Non-Oil Imports by Sectors
(First Half 2013, per cent)



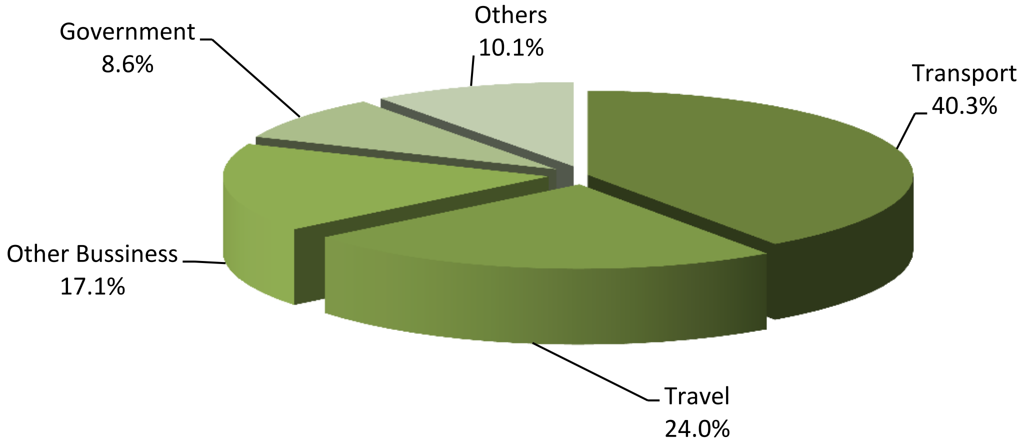
4.4.1.2 Services

The deficit in the services account (net) narrowed by 10.3 per cent from ₦1, 687.80 billion in the first half of 2012 to ₦1,574.36 billion in the review period. The position, equivalent to 7.4 per cent of GDP was driven largely by the out-payments in respect of transportation (₦669.24 billion), travels (₦398.62 billion), other business services (₦284.36 billion) and government services (₦142.07 billion).

Figure 76

Share of Services Out-Payments

(First Half 2013, per cent)



4.4.1.3 Income

The deficit in the income account (net) narrowed significantly by 31.1 per cent from the level recorded in the corresponding period of 2012 and represented 6.1 per cent of GDP. The development reflected lower repatriation of dividends and distributed branch profits by foreign investors.

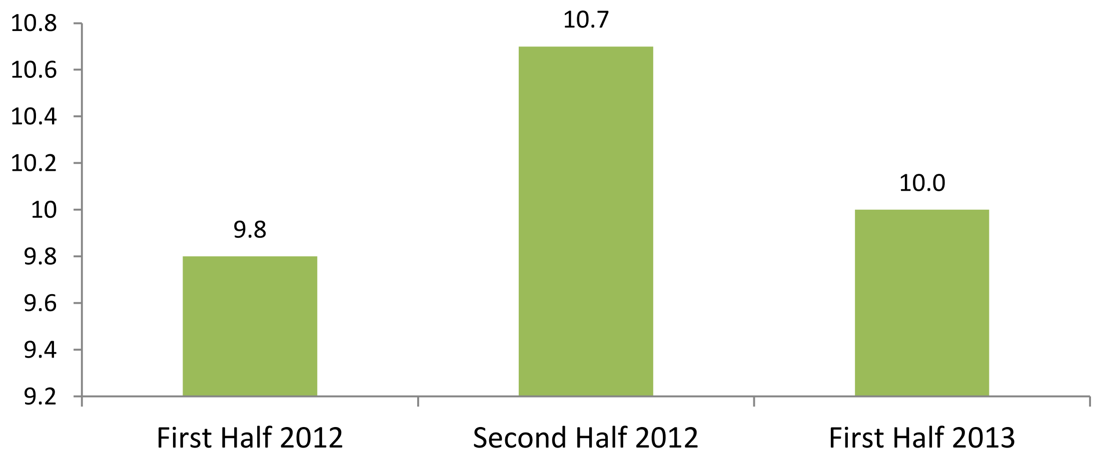
4.4.1.4 Current Transfers

The surplus in the current transfers (net) increased marginally by 0.6 per cent when compared with the corresponding period of 2012. Inward transfers reflecting personal home remittances by non-resident Nigerians increased by 2.0 per cent from US$9.82 billion in the corresponding period of 2012 to US$10.02 billion in the review period. General government transfers (net), which included expenses on foreign embassies, payments to international organizations and remittances of foreigners resident in the country declined by 16.01 per cent, compared with the level in the first half of 2012.

Figure 77

Private Home Remittances

(US$ billion)



4.4.2 Capital and Financial Account

The estimated capital and financial account was a net liability of ₦195.48 billion or 1.0 per cent of GDP, compared with of ₦231.16 billion or 1.2 per cent of GDP recorded in the corresponding period of 2012. Total assets, which represented outflow of foreign capital from Nigeria was ₦2, 202.57

billion, compared with ₦1,147.74 billion in the corresponding period of 2012. The increase was driven largely by other investment which rose from ₦497.00 billion in the first half of 2012 to ₦1,348.04 billion in the review period. Total liabilities increased from ₦1,378.90 billion in the first half of 2012 to ₦2, 398.05 billion in the review period and was influenced largely by the surge in portfolio investments, which increased by 106.8 per cent to ₦2, 082.51 billion.

4.4.2.1 Foreign Direct Investment

Estimated data on foreign direct investment (FDI) inflow, which comprised equity capital, re-invested earnings and other capital inflow increased by 7.5 per cent from ₦401.10 billion in the first half of 2012 to ₦431.23 billion in the first half of 2013. FDI inflow constituted 18.0 per cent of total inflow and represented 2.1 per cent of GDP, signifying the continued confidence in the economy by foreign investors.

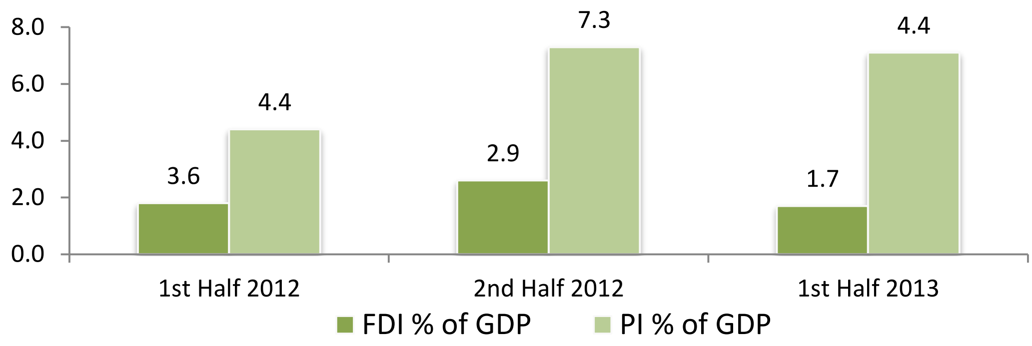
4.4.2.2 Portfolio Investment

Estimated portfolio investment inflow increased significantly by 106.8 per cent to ₦2,082.51 billion from ₦1,006.97 billion in the corresponding period of 2012. The development was due to the renewed foreign participation in the domestic financial markets, following the removal of the one year cap on foreign investment in domestic financial assets, higher returns and stable macroeconomic environment. Although outflow of portfolio investment increased when compared with the level in the corresponding period of 2012, the net portfolio investment rose significantly from ₦855.35 billion in the first half of 2012 to ₦1,491.89 billion (7.3 per cent of GDP) in the review period.

Figure 78

Net FDI and Portfolio Investment Flows

(Per cent of GDP)



4.4.3 Capital Importation by Sector and Capital Outflows

Available data from DMBs indicated that new capital imported into the economy amounted to US$14.38 billion in the first half of 2013. Sectoral analysis showed that the inflow was mainly into the capital market (shares) with a share of 78.6 per cent of total, while financing, servicing and banking accounted for 8.1, 3.5, and 3.6 per cent, respectively. "Other" sectors accounted for the remaining 6.2 per cent. Conversely, capital outflow amounted to US$2.76 billion, of which remittances of dividends by foreign investors stood at US$1.56 billion and accounted for 56.6 per cent of the total. Capital transfers at US$1.02 billion accounted for 37.0 per cent, while "Others" accounted for the remaining 6.4 per cent.

Figure 79

Capital Importation by Sector

(First Half of 2013)

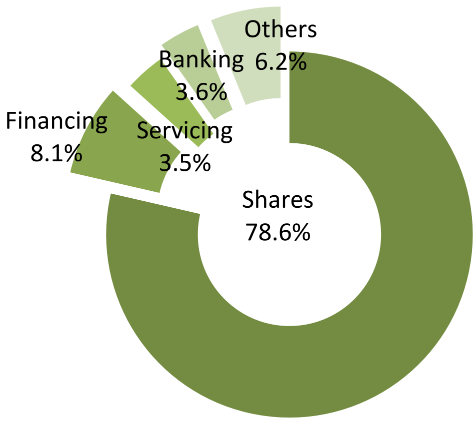
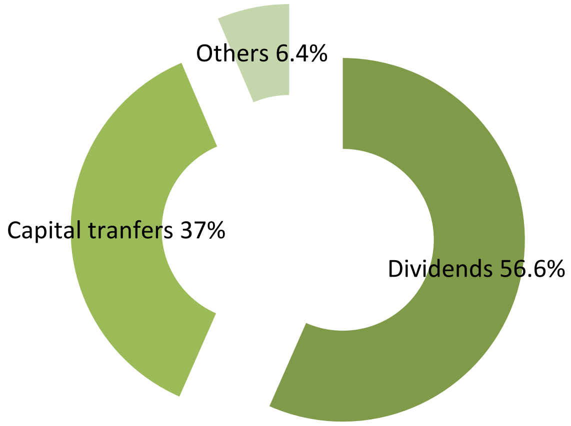


Figure 80
Capital Outflows and Outward Transfers
(First Half 2013)



4.4.4 Reserve Assets and Months of Import Commitments

The stock of external reserves at end-June 2013 stood at US$44.96 billion, compared with US$35.41 billion and US$43.83 billion in the corresponding period and end-December 2012, respectively. Accretion to external reserves was due largely to increased crude oil export receipts, related revenue and royalties.

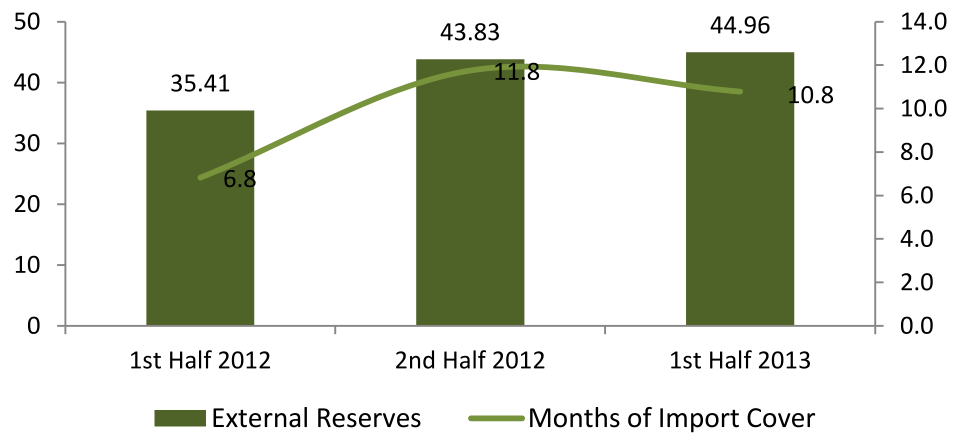
A breakdown of the external reserves showed that the Federal Government portion was US$1.30 billion (2.9%); federation portion, US$6.98 billion (15.5%); and the CBN holdings, US$36.68 billion (81.6%). The decline in the federation portion was due to the reduced excess crude oil account savings, while the increase in the FGN reserves reflected the JVC cash calls inflow. The external reserves could support 10.8 months of imports cover, compared with 11.8 months and 6.8 months in the corresponding period and second half of 2012, respectively.

At end-June 2013, there were eight (8) external reserves managers, including the World Bank Treasury. The performance of the World Bank's portfolio was measured against the Merrill Lynch 1-3 year US Treasury Index, while that of the Industrial and Commercial Bank of China Asia Investment Management (ICBCAIM) portfolio was against the Citigroup Dim Sum off-shore (CNY). The remaining six (6) external reserves managers were measured against the

Bank of America Merrill Lynch Global G7 Government 1-3 year Index, ex-Italy 100% hedged to the US dollar. The net asset value of the external reserves managers' portfolio at end-June 2013 stood at US$10.08 billion.

Figure 81

Stock of External Reserves and Months of Import Commitments (US$ Billion)



The CBN external reserves portfolio was classified into discretionary and non-discretionary components with the discretionary component made up of three (3) tranches, namely; liquidity, investment and stable tranches. The liquidity tranche comprised current account balances, repurchase agreements, treasury bills and stock of cash holding required for the day-to-day liquidity needs of the Bank. The balance on the liquidity tranche at end-June 2012 was US$3.06 billion. The investment tranche which served as a buffer for the liquidity tranche included fixed term deposits with foreign deposit counterparties and foreign branches/subsidiaries of Nigerian banks. At end-June 2013, an equivalent of US$ 19.27 billion was held in the tranche. The Stable tranche with a net asset value (NAV) of US$10.58 billion at end-June 2013 comprised internal bond portfolio and funds outsourced to external asset managers. The internal bond portfolio mainly comprised the US treasury bonds, agency notes, and supranational securities.

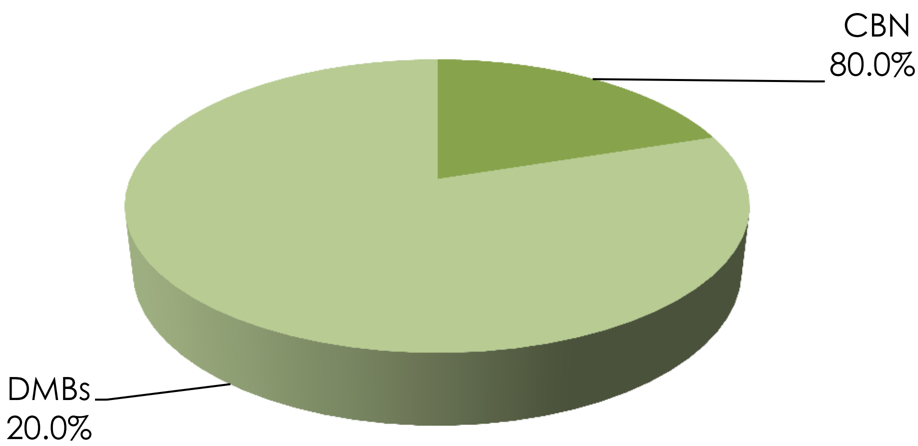
The non-discretionary component of the Bank's external reserves holdings, which included the special drawing rights (SDRs) with the International

Monetary Fund (IMF) and LC collateral funds amounted to US$2.52 billion and US$1.26 billion, respectively, in the review period.

4.4.5 External Assets of Financial Institutions

Provisional data on the total external assets of the banking system (the CBN and DMBs) in the first half of 2013 stood at ₦9,940.10 billion, compared with ₦7,889.03 billion and ₦9,402.97 billion in the first and second halves of 2012, respectively. Of the total, CBN's holdings grew by 7.5 per cent to ₦7,953.99 billion and accounted for 80.0 per cent, compared with 76.4 and 78.6 per cent in the first and second halves of 2012, respectively. DMBs' holdings of foreign assets, however, fell by 1.1 per cent to ₦1,986.11 billion and accounted for 20.0 per cent, compared with 23.6 and 21.4 per cent, at end-June and end-December 2012.

Figure 82
Nigeria's Total External Assets
(First Half 2013, per cent of Total)



5.0 INTERNATIONAL ECONOMIC RELATIONS

5.1 Regional Institutions

5.1.1 African Development Bank (AfDB) Annual Meetings

The Annual Meetings of the Board of Governors of the African Development Bank (AfDB) Group was held in Marrakech, Morocco from May 27 to June 1, 2013. The theme of the Meetings was "Africa's Structural Transformation", and focused on development issues facing the continent such as financing gap, leadership, youth unemployment, inclusive growth, climate change and social business development.

The Meetings noted that over the three decades, 1980-2009, capital flight from Africa, most of which was illegal, amounted to US$1.4 trillion. Such capital flight was traced to corruption, economic crimes and corporate deals, among others, and called for provisions on assets repatriation.

The AfDB Board launched a new Ten-Year Strategy spanning 2013-2022 to address Africa's development challenges. The strategy focused on five key areas, namely infrastructure financing; regional economic integration; private sector development; governance and accountability; and skills and technology development. An Africa 50 Fund was also launched to scale up infrastructure financing for transformational bankable projects, by mobilizing Africa's domestic resources. It also formally signed a US$100.0 million unfunded Risk Participation Agreement (RPA) with Commerzbank AG. Under the agreement, the two banks will share the default risk on a portfolio of eligible trade transactions originated by African issuing banks.

At the Africa Group 1 Constituency meeting on May 28, 2013 , the two new Alternative Executive Directors were presented, namely Dr. O. J. Nnanna from Nigeria and Ms. Chileshe Mpundu Kapwepwe from Zambia. The Group agreed:

- To the establishment and endorsement of a Rules Review Committee (RRC) which comprised Panel Deputies;

- To retain the process of selection of Alternative Directors based on merit and political endorsement by countries.

5.1.2 Association of African Central Banks (AACB)

The 37th Meeting of the Bureau of the Association of African Central Banks (AACB) was held on February 27, 2013 in Dakar, Senegal. The Bureau considered reports and recommendations on the Joint AUC-AACB Task Force as well as the AACB Technical Committee and:

- Agreed that the Joint AUC-AACB Study Group should update the main report and strategy document with detailed analysis of the costs and benefits of economic and monetary Union;
- Adopted the recommendation for the creation of an African Monetary Institute (AMI) as an organ of the African Union;
- Agreed that the AUC would retain two (2) experts in Abuja, while the AACB experts could be resident in their home countries;
- Considered the year 2012 (provisional) progress report on the African Monetary Cooperation Programme (AMCP) and prospects for year 2013.
- Urged the AUC to conduct a study to form the basis for a review of the convergence criteria;
- Considered the status and governance structure of the Community of African Banking Supervisors (CABS) and agreed that it should have a flexible structure as an organ under the AACB. It also adopted the recommendation that CABS should table its reports to the Financial Stability Board; and
- Urged the Secretariat to take note of the suggestion that other central banks and the AACB should buy-in into the African Mobile Payment Initiative (AMPI) and encourage currency convertibility in the continent.

The 2013 Association of African Central Bank (AACB) Continental Seminar was held in Maseru, Lesotho, from May 6 - 8, 2013 with the theme "The Role of

Central Banks in Promoting Sustainable Economic Growth in Africa". The main recommendations were that:

- African central banks should identify the missing links among the objectives of price, financial and macroeconomic stability, and sustained economic growth;
- The mandate of central banks should be extended to include promoting economic growth and development;
- Strong and efficient regulation of the financial system should be pursued while ensuring that it does not inhibit financial innovation;
- Central banks should continue to promote financial inclusion, and development of financial markets; and
- Central banks should collaborate with the government and the private sector to ensure effective transmission mechanism.

5.1.3 West African Monetary Zone (WAMZ)

The 2012 statutory end-of-year meetings of the West African Monetary Zone (WAMZ), the West African Monetary Agency (WAMA) and the West African Institute for Financial and Economic Management (WAIFEM) were held in Abuja, Nigeria during January 11 – 18, 2013. The meetings recommended, among others, that member states should:

- Continue to implement prudent macroeconomic policies to achieve and sustain price stability, and execute sectoral and structural policies to promote food production and dampen inflationary pressures;
- Intensify rehabilitation and building of infrastructure to remove supply-side bottlenecks and improve output growth and employment;
- Adhere to fiscal consolidation, by prioritizing expenditure and enhancing domestic revenue mobilization to facilitate the achievement of the WAMZ quantitative and qualitative convergence criteria;
- Review existing legal framework on fiscal responsibility in line with the Model Act to ensure strong fiscal management;

- Deepen the implementation of reform policies that seek to reduce domestic borrowing and rising interest payments as well as adopt debt restructuring strategies that would transform maturity profile of the debt from short-term to medium and long-term;
- Provide monthly data to enable WAMI regularly update the analysis of macroeconomic developments and convergence;
- Liberalize their capital accounts beginning with intra-regional capital account while urging member states with small open economies to be cautious of the inherent risk;
- Approved the appointment of Dr. Abwaku Englama of the Central Bank of Nigeria as the substantive Director-General of WAMI, effective February 1, 2013.

5.1.4 West African Institute for Financial and Economic Management (WAIFEM)

The meeting of the Board of Governors of the West African Institute for Financial and Economic Management (WAIFEM) was held on January 17, 2013 in Banjul, The Gambia. The Board approved:

- That WAIFEM should replicate the CBN model for the evaluation of the Institute's course participants at the end of each programme ;
- A Visiting Scholars and Attachment Programmes for the Institute.
- The engagement of a consultant to prepare a five-year (2013-2018) Strategic Plan for the sustainability of the Institute; and
- The Training Programme for Fiscal Year 2013.

5.1.5 Economic Community of West African States (ECOWAS)

The 43rd Meeting of the Committee of Governors of Central Banks of ECOWAS Member States was held in Abuja, Nigeria on January 17, 2013. It was attended by member central banks, Ministries of Finance and Economic Planning, ECOWAS Commission, UEMOA Commission, West African Bankers' Association (WABA), African Development Bank (AfDB), ECOWAS Bank for Investment and Development (EBID), West African Monetary Institute (WAMI), AFRISTAT and West African Institute for Financial and Economic Management (WAIFEM). The meeting:

- Adopted the Macroeconomic Convergence Report for the first half of 2012, which urged member states to amongst others, explore modalities for enhancing tax revenue mobilization while rationalising the cost of governance;
- Noted the report on exchange rate developments of ECOWAS currencies since November 2012, and called on WAMA to provide technical advice to central banks experiencing excessive exchange rate fluctuations;
- Endorsed the recommendation for the setting up of a crisis resolution mechanism for ECOWAS based on the experience of the Euro Zone debt crisis; and
- Adopted the Work Programme for 2013.

The 5th Meeting of the Inter-Institutional Sub-Committee on the ECOWAS Single Currency Programme was held in Abuja, Nigeria, during January 21 – 23, 2013. The meeting reviewed on-going implementation roadmap by individual regional institutions, since the 4th meeting of December 8 - 9, 2011 in Dakar. The main recommendations were:

- To strengthen the synergy among regional institutions, expedite their road map activities, and prioritize activities assigned to WAMA to ensure that Sub-Committee members are involved in the roadmap implementation;
- To build the capacity of the Directorate of Research and Statistics to fast-track the implementation of statistics harmonization;
- WAMI to ensure connectivity of the new payments system being developed for some ECOWAS member states with the existing payments system in the zone (UEMOA, Ghana, Nigeria);
- WAMI to commence sensitization activities on integration projects in collaboration with other regional agencies and central banks.

- Active participation of the Finance Ministries of member states to facilitate implementation of the single currency roadmap.

The West African Monetary Agency (WAMA), in collaboration with the Central Bank of West African States (BCEAO), organized a "Regional Workshop on Harmonization of Regulations Governing Current and Capital Account Transactions in ECOWAS" during May 13 – 15, 2013. The goal of the workshop was to develop a common regional framework to facilitate the liberalization of current and capital accounts in the region. The workshop recommended:

- Member countries should gradually lift restrictions on foreign exchange controls and foreign direct investment; liberalize their foreign exchange markets; and accede to Article VIII of the IMF Statutes;
- Member countries should ensure compliance with the macroeconomic convergence criteria by implementing sound macroeconomic policies;
- Countries should strengthen their financial sector supervisory framework and harmonize the regulatory and supervisory frameworks of financial institutions;
- Develop capital market infrastructure and accelerate the process of financial market integration in ECOWAS;
- Remove tariff and non-tariff barriers to effective enforcement of the ECOWAS protocol on free movement of persons and goods;
- Set up the process for the adoption of an ECOWAS Liberalization Scheme on Services;
- Conduct a study to determine an appropriate exchange rate regime for the region;
- Fast-track the harmonization process of accounting and financial reporting frameworks for banks and non-bank financial institutions;
- Speed up the adoption, ratification and implementation of the regional code on investment;

- Establish effective systems for monitoring capital flows, and short-term debt in foreign currency to limit excessive risk-taking by financial market operators; and
- Strengthen capacity for fighting money laundering and terrorism financing.

The WAMA, in collaboration with the Central Bank of The Gambia, organized a three-day "Regional Workshop on Harmonization of Monetary Policy Frameworks in ECOWAS" in Banjul, The Gambia, during June 27 – 29, 2013. The workshop had representations from all central banks in ECOWAS except Cape Verde, regional institutions and the IMF. The workshop recommended that:

- Inflation targeting (IT) Lite should be adopted as the common monetary policy framework for the region;
- At each country level, two committees should be established namely: the Monetary Policy Committee, and the Financial Stability Committee;
- Central banks should institutionalise efficient forecasting framework to enhance the efficiency and operationalization of the proposed framework;
- Deployment of other data gathering approaches, especially Composite Index of Economic Activity (CIEA) as high frequency data were noted to be a challenge;
- Efforts should be made to enhance the payment system, deepen the financial system and enhance interest rate transmission channel;
- A transition framework should be developed, taking into account each country's peculiarity to facilitate the migration towards IT;
- Experience sharing among central banks in the Region should be encouraged;
- The process of harmonization of statistics in ECOWAS should be pursued with vigour, especially the consumer price index;
- A committee of central banks' experts should be set up for the preparation of the legal monetary policy framework; and,

- Strengthen coordination of fiscal, monetary and macro-prudential policies.

5.1.6 ECOWAS, WAMI and WAMA Joint Multilateral Surveillance Mission

The ECOWAS, WAMA, and WAMI Joint Multilateral Surveillance Mission to Nigeria was conducted during April 2 – 9, 2013. The purpose of the Mission was to assess performance of the country in 2012, with respect to the macroeconomic convergence criteria, as well as policy harmonisation and institutional framework for the establishment of economic and monetary union in the ECOWAS region.

The assessment indicated that the country satisfied three out of the four primary convergence criteria, same as in 2011. The criteria were: fiscal deficit/GDP, central bank financing of fiscal deficit, and gross external reserves (in months of imports cover). On the secondary criteria, the country met only three out of six, namely: salary mass/tax revenue, change in arrears, and WAMZ Exchange Rate Mechanism (ERM).

The analysis of Nigeria's medium-term projections indicated that all the four WAMZ primary macroeconomic convergence criteria would be met in the medium-term, 2013 to 2015.

5.2 Multilateral Economic and Financial Institutions

5.2.1 World Economic Forum Annual Meeting

The World Economic Forum Annual Meeting was held during January 23 – 27, 2013 in Davos-Klosters, Switzerland. The theme for 2013 was "Resilient Dynamism". Over 250 sessions were held on issues relating to the global economy, global energy, technology, leadership, natural resources, and sustainable growth, amongst others.

Speakers observed that the worst of the financial crisis was over, while others warned against complacency and over-optimism. The IMF Managing Director, urged caution and described global recovery as fragile. Some delegates cited the disagreements in the US over its debt as a key risk to the global economy in 2013, while others noted that businesses were much more confident about economic prospects and hoped it would translate into increased investments.

5.2.2 The World Bank/IMF Spring Meetings

The 2013 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) were held in Washington D.C., USA during April 15 – 22, 2013. The Ministers of the Inter-governmental Group of 24, the International Monetary and Finance Committee (IMFC) and the Development Committee held their respective meetings.

The G-24 Ministers:

- Noted that though policy actions in advanced economies (AEs) and emerging markets and developing countries (EMDCs) had reduced short-term risks, there were still concerns about the fragility and pace of the recovery because of the protracted difficulties and uncertainties in many AEs, including the euro area and the United States;
- Urged more action to reduce uncertainties, restore confidence and strengthen growth.
- Called on AEs to take into account the negative spillover effects on EMDCs of prolonged unconventional monetary policies, particularly on inflation, commodity prices, and the volatility of capital flows ;
- Urged the IMF and the World Bank Group to be more active in pursuing greater coherence in global economic policy-making; and
- Reiterated their view that any quota realignment to reflect the growing weight of dynamic EMDCs in the world economy should not be at the expense of other EMDCs, and renewed their longstanding call for a third chair for Sub-Saharan Africa.

The IMFC:

- Noted that a moderate and steady private sector-led recovery was taking place in the United States, while Japan had stepped up efforts to combat deflation. Growth in the euro area was yet to materialize;

- Urged continued progress in improving public finances in most advanced economies. It recommended that in the event that country circumstances allowed, fiscal policies should avoid pro-cyclicality, but should focus on structural balances, and allow automatic stabilizers to operate fully to support growth;
- Noted that accommodative monetary policy was relevant to bolster growth but needed to be accompanied by credible medium-term fiscal consolidation plans and stronger progress on financial sector and structural reforms;
- Advised that eventual exit from monetary expansion should be carefully managed and clearly communicated; and
- Noted that with activity picking up in EMDCs, policies should be recalibrated to rebuild buffers and guard against financial vulnerabilities.

The Development Committee:

- Noted that sustained economic growth in developing countries had resulted in the achievement of the first Millennium Development Goal (MDG), to halve extreme poverty, well ahead of the 2015 scheduled date;
- Remained strongly committed to the MDGs and called on the World Bank Group (WBG) to scale up its efforts to support countries in reaching the MDG targets and to participate actively in setting an ambitious post-2015 agenda; and
- Noted that the International Development Association (IDA) was of critical importance to the WBG's mission and welcomed IDA17's overarching theme of maximizing development impact, by further leveraging synergies with the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) as well as its focus on inclusive growth, gender equality, and climate resilience, including disaster risk management.

The Committee of Ten (C10)

The Committee of Ten (C10) Finance Ministers and Central Bank Governors met on April 18, 2013 in Washington D.C., USA. The meeting had the following countries and institutions in attendance: Algeria, Botswana, Cameroon, Egypt, Kenya, Nigeria, South Africa, Tanzania, Central Bank of West African States (BCEAO), Central Bank of Central African States (BEAC), Economic Commission for Africa (ECA), and the African Development Bank (AfDB). The objective was to review matters arising from the G20 work plan with a view to agreeing on the way forward. The Committee:

- Urged African countries to start rebuilding the fiscal, monetary and social policy buffers that were consumed during the 2008/2009 global financial and economic crises, to reduce their vulnerability to external shocks, falling ODA, decline in export demand from the euro area, and persistent fiscal uncertainty in the US;
- Urged African countries to build the necessary institutional and technological capacity and mobilize the necessary investment for diversification;
- Called for robust replenishment of the African Development Fund, consistent with Africa's needs;
- Emphasized the need to scale-up intra-African trade and South-South cooperation, and called on African countries to take appropriate measures to reverse the current meagre intra-African trade of 11.0 per cent compared to 61.0 per cent in the Asia Pacific;
- Urged the G20 countries to fulfill their funding commitments to approved projects, and immediate implementation of the 2011 Cannes Leaders' Declaration on reducing the average cost of transferring remittances to developing countries, especially those to Africa; and
- Urged Africa to focus on improving project preparation facilities; building capacity to improve legal and institutional frameworks; encouraging public-private partnerships on infrastructure financing

and transformative regional infrastructure projects; as well as supporting innovations in project financing instruments and modalities.

6.0 OUTLOOK FOR THE SECOND HALF OF 2013

The moderate inflationary pressure that was witnessed in the first half of 2013 is expected to prevail throughout the second half of the year. This is predicated on the expectation of bumper agricultural harvest, notwithstanding the disruptions to agricultural activities in some parts of the country on account of flood in the later part of the first half of the year. Nevertheless, the viability of the external sector for the rest of the year remained uncertain due to the slow global recovery, declining crude oil production and exports. The discovery of the shale oil in the US is likely to adversely affect the demand for Nigeria's crude oil. Consequently, the expectation of huge foreign exchange inflows in the second half of 2013 may be constrained and, thereby, jeopardise the relative stability in the foreign exchange market. Though, the relatively high international price of crude oil which is substantially above the 2013 budget benchmark price of US$79 per barrel is likely to be sustained, the incessant pipelines vandalism, leakage and oil theft remains a threat to crude oil production, exports and earnings. If these threats remain unabated, it may impose serious strains on the federation revenue with adverse implications for the fiscal management at all levels of government. Furthermore, as is customary of fiscal operations in recent years, capital budget implementation is expected to intensify in the second half of the year, thereby exacerbating excess liquidity conditions in the financial system with attendant pressures on domestic prices. Against this background therefore, the monetary authority is expected to remain proactive and steadfast with its tight monetary policy stance to address any imminent liquidity upsurge.

Table 13
Open Market Operations (OMO) Sessions

Period	Total Bids (N' Million)	Amount Sold (N' Million)	Average Tenor (Days)	Average Yield (%)
2009				
January	68,540.0	20,290.0	90	2.00
February	0.0	0.0	0	0.00
March	71,000.0	42,000.0	116	2.60
April	128,150.0	95,150.0	165	4.30
May	77,100.0	39,250.0	305	4.00
June	126,850.0	57,800.0	176	5.10
Total	**471,640.0**	**254,490.0**		
Average	**94,328.0**	**50,898.0**	**170**	**3.60**
July	0.0	0.0	0	0.00
August	0.0	0.0	0	0.00
September	0.0	0.0	0	0.00
October	0.0	0.0	0	0.00
November	0.0	0.0	0	0.00
December	0.0	0.0	0	0.00
Total	**0.0**	**0.0**		
Average	**0.0**	**0.0**	**0**	**0.00**
2010				
January	0.0	0.0	0	0.00
February	0.0	0.0	0	0.00
March	0.0	0.0	0	0.00
April	275,500.0	120,000.0	186	2.41
May	116,942.0	40,000.0	130	2.45
June	0.0	0.0	0	0.00
Total	**392,442.0**	**160,000.0**		
Average	**196,221.0**	**80,000.0**	**158**	**2.43**
July	0.0	0.0	0	0.00
August	0.0	0.0	0	0.00
September	70,250.0	24,000.0	79	5.10
October	2,000.0	2,000.0	181	8.60
November	47,250.0	29,500.0	240	10.00
December	99,181.0	53,250.0	148	7.40
Total	**218,681.0**	**108,750.0**		
Average	**54,670.3**	**27,187.5**	**162.0**	**7.78**
2011				
January	255939.22	140539.22	146	9.30
February	0.0	0.0	0	0.00
March	123421.18	69918.18	33	6.78
April	142516.59	23387.18	37	9.27
May	119335.12	48607.55	150	9.61
June	80,450.0	25,470.0	157	9.08
Total	**721,662.1**	**307,922.1**		
Average	**120,277.0**	**51,320.4**	**105**	**8.81**
July	227418.5	97815.5	258	8.55
August	590156.17	351676.17	207	8.91
September	327028.16	170997.21	43	10.90
October	652222.53	465381.71	159	16.25
November	811607.1	343676.63	132	16.58
December	731097.91	428815.76	202	18.03
Total	**3,339,530.4**	**1,858,363.0**		
Average	**556,588.4**	**309,727.2**	**167**	**13.20**
2012				
January	799,840.00	246,660.00	173	16.36
February	1,124,220.00	297,000.00	238	15.89
March	1,150,240.00	491,600.00	297	15.27
April	973,640.00	304,180.00	289	14.57
May	956,240.00	363,130.00	69	13.99
June	48,220.00	14,110.00	62	14.50
Total	**5,052,400.00**	**1,716,680.00**		
Average	**842,066.67**	**286,113.33**	**188**	**15.10**
July	17,320.00	50.00	48	14.10
August	137,790.00	4,500.00	69	14.00
September	714,000.00	318,420.00	64	14.25
October	1,330,810.00	882,800.00	75	14.03
November	1,525,360.00	939,540.00	90	13.77
December	952,950.00	650,270.00	112	13.40
Total	**4,678,230.00**	**2,795,580.00**		
Average	**779,705.00**	**465,930.00**	**76**	**13.92**
2013				
January	2,958,462.46	1,756,659.93	81	13.24
February	2,211,812.20	1,351,595.21	100	11.04
March	1,584,240.93	1,275,244.57	126	11.28
April	1,753,562.24	1,312,802.77	169	12.82
May	1,263,423.93	996,444.86	162	13.02
June	198,005.50	81,950.63	199	13.90
Total	**9,969,507.3**	**6,774,698.0**		
Average	**1,661,584.5**	**1,129,116.3**	**140**	**12.55**

Source: Central Bank of Nigeria

Table 14
Treasury Bills: Issues and Subscriptions
(Naira Million)

Period	Issues	Central Bank	Allotment to Subscriber	
			Deposit Money Banks	Non-Bank Public
2009				
June	120,000.00	0.00	73,320.00	46,680.00
December	162,560.00	0.00	122,490.00	40,070.00
Annual Total	**1,392,420.00**	**30.00**	**876,380.00**	**516,010.00**
Annual Average	**116,035.00**		**73,031.67**	**43,000.83**
2010				
June	158,700.00	0.00	114,343.96	44,356.04
December	297,909.82	0.00	222,498.29	75,411.53
Annual Total	**2,003,952.93**	**24,485.00**	**1,378,658.34**	**600,809.59**
Annual Average	**166,996.08**		**114,888.19**	**50,067.47**
2011				
June	340,233.10	0.00	206,187.59	134,045.51
December	317,714.17	0.00	172,438.46	145,275.72
Annual Total	**3,046,262.94**		**1,999,006.25**	**1,047,256.69**
Annual Average	**253,855.24**		**166,583.85**	**87,271.39**
2012				
June	373,163.33	0.00	249,121.86	124,041.48
December	340,192.60	0.00	162,991.20	177,201.40
Annual Total	**3,625,060.16**	**163,857.24**	**2,026,752.46**	**1,419,047.31**
Annual Average	**302,088.35**	**13,654.77**	**168,896.04**	**118,253.94**
2013				
January	331,296.66	0.00	204,317.08	126,979.58
February	354,924.18	0.00	243,734.06	111,190.12
March	398,285.09	0.00	190,441.99	207,843.10
April	324,269.40	0.00	200,048.22	124,221.18
May	278,388.72	0.00	179,760.34	98,628.38
June	397,845.75	0.00	152,626.18	245,219.57
Half Year Total	**2,085,009.80**	**0.00**	**1,170,927.87**	**914,081.93**
Half Year Average	**347,501.63**	**0.00**	**195,154.64**	**152,346.99**

Table 15
Monetary and Credit Developments
(₦' Million)

Item	Jun 2009	Dec 2009	Jun 2010	Dec 2010	Jun 2011	Dec 2011	Jun 2012 /3	Dec 2012	Jun 2013
(1) Domestic Credit (Net)	**5,406,926.52**	**7,917,041.43**	**8,612,939.99**	**8,708,545.45**	**8,889,638.55**	**13,686,730.20**	**13,567,429.11**	**12,698,205.05**	**13,294,508.43**
(a) Claims on Federal Government (Net)	**-3,150,018.13**	**(2,302,294.68)**	**(1,489,877.51)**	**(1,121,798.63)**	**(1,068,311.33)**	**(496,861.62)**	**(1,133,629.28)**	**(2,453,557.09)**	**(2,397,522.51)**
By Central Bank	-4,348,811.29	(3,731,603.83)	(3,272,806.06)	(2,884,013.44)	(2,733,579.77)	(3,514,447.09)	(3,723,009.95)	(3,574,376.40)	(3,374,788.59)
By Commecial Banks	1,198,793.15	1,429,309.15	1,782,928.55	1,762,214.81	1,665,268.44	3,017,585.48	2,584,468.21	1,120,543.34	937,527.48
By Merchant Banks								-	39,738.60
By Non Interest Banks		-	-	-	-	-	4,912.46	275.98	-
(b) Claims on Private Sector	**8,556,944.65**	**10,219,336.11**	**10,102,817.50**	**9,830,344.08**	**9,957,949.88**	**14,183,591.82**	**14,701,058.40**	**15,151,762.15**	**15,692,030.93**
By Central Bank	336,124.95	551,459.43	396,545.27	632,171.02	726,392.50	4,569,146.02	4,652,650.38	4,708,311.82	4,703,307.19
By Commercial Banks	8,220,819.70	9,667,876.68	9,706,272.23	9,198,173.06	9,231,557.39	9,614,445.80	10,048,406.52	10,440,956.33	10,949,139.46
By Merchant Banks								-	32,218.12
By Non Interest Banks					-	-	1.50	2,493.99	7,366.15
(i) Claims on State and Local Govts	251,661.16	310,324.27	319,167.11	369,809.82	420,237.95	513,218.66	586,273.65	665,879.27	661,034.92
By Central Bank	0.00	-	-	-	-	-	-	-	-
By Commercial Banks	251,661.16	310,324.27	319,167.11	369,809.82	420,237.95	513,218.66	586,273.65	665,879.27	660,341.02
By Merchant Banks								-	693.90
By Non Interest Banks							-	-	-
(ii) Claims on Non-Financial Public Ent's	0.00	13,249.4	0.0	0.0	0.0	0.0	0.0	-	-
By Central Bank	0.00	13,249.4	0.0	0.0	0.0	0.0	0.0	-	-
By Commercial Banks								-	-
By Merchant Banks								-	-
By Non Interest Banks								-	-
(iii) Claims on Other Private Sector	8,305,283.49	9,895,762.48	9,783,650.39	9,460,534.26	9,537,711.94	13,670,373.16	14,114,784.74	14,485,882.87	15,030,996.02
By Central Bank	336,124.95	538,210.07	396,545.27	632,171.02	726,392.50	4,569,146.02	4,652,650.38	4,708,311.82	4,703,307.19
By Commercial Banks	7,969,158.53	9,357,552.41	9,387,105.12	8,828,363.23	8,811,319.44	9,101,227.14	9,462,132.86	9,775,077.06	10,288,798.44
By Merchant Banks								-	31,524.22
By Non Interest Banks							1.50	2,493.99	7,366.15
(2) Foreign Assets (Net)	**7,643,607.13**	**7,593,321.82**	**6,484,759.01**	**6,506,618.59**	**6,453,690.26**	**7,138,672.78**	**7,522,255.04**	**9,043,678.68**	**9,016,988.54**
By Central Bank	6,642,638.99	6,522,239.52	5,401,021.13	5,372,285.81	4,922,626.64	5,823,794.26	6,025,336.84	7,393,557.68	7,413,741.92
By Commecial Banks	1,000,968.14	1,071,082.30	1,083,737.87	1,134,332.78	1,531,063.63	1,314,878.51	1,496,918.19	1,647,936.45	1,599,504.06
By Merchant Banks								-	1,936.05
By Non Interest Banks							-	2,184.56	1,806.50
(3) Other Assets (Net)	**-3,973,507.12**	**(4,729,736.10)**	**(4,252,200.90)**	**(3,689,633.70)**	**(3,171,232.11)**	**(7,521,908.48)**	**(7,606,624.73)**	**(6,258,036.21)**	**(6,718,241.38)**
Total Monetary Assets	**9,077,026.53**	**10,780,627.14**	**10,845,498.10**	**11,525,530.34**	**12,172,096.71**	**13,303,494.50**	**13,483,059.41**	**15,483,847.53**	**15,593,255.58**
Quasi-Money /1	**4,592,410.80**	**5,763,511.22**	**5,927,508.17**	**5,954,260.45**	**6,534,832.17**	**6,531,913.01**	**6,883,664.88**	**8,062,901.35**	**8,653,623.30**
Money Supply	**4,484,615.73**	**5,017,115.93**	**4,917,989.92**	**5,571,269.89**	**5,637,264.54**	**6,771,581.49**	**6,599,394.54**	**7,420,946.18**	**6,939,632.30**
Currency Outside Banks	746,463.82	927,236.44	795,412.07	1,082,295.07	1,016,449.92	1,245,135.35	1,088,325.98	1,301,160.63	1,127,804.88
Demand Deposits /2	3,738,151.91	4,089,879.48	4,122,577.85	4,488,974.82	4,620,814.62	5,526,446.14	5,511,068.56	6,119,785.55	5,811,827.42
Total Monetary Liabilities	**9,077,026.53**	**10,780,627.14**	**10,845,498.10**	**11,525,530.34**	**12,172,096.71**	**13,303,494.50**	**13,483,059.41**	**15,483,847.53**	**15,593,255.59**
GROWTH RATE OVER THE PRECEDING DECEMBER (In Percentages)									
Credit to the Domestic Economy (Net)	9.19	59.88	8.79	10.00	2.08	57.16	-0.87	-7.22	4.70
Credit to the Private Sector	6.17	26.80	-1.14	-3.81	1.30	44.28	3.65	6.83	3.57
Claims on Federal Government (Net)	-1.36	25.92	35.29	51.27	4.77	55.71	-128.16	-393.81	2.28
By Central Bank	39.94	20.08	12.29	22.71	5.22	-21.86	-5.93	-1.71	5.58
Claims on State and Local Governments	68.04	107.21	2.85	19.17	13.64	38.78	14.23	29.75	-0.73
Claims on Non-Financial Public Enterprises									
Claims on Other Private Sector	5.00	25.11	-1.13	-4.40	0.82	44.50	3.25	5.97	3.76
Foreign Assets (Net)	-10.61	-11.19	-14.60	-14.31	-0.81	9.71	5.37	26.69	-0.30
Quasi-Money	6.56	33.74	2.85	3.31	9.75	9.70	5.39	23.44	7.33
Money Supply (M1)	-7.67	3.29	-1.98	11.05	1.18	21.54	-2.54	9.59	-6.49
Broad Money (M2)	-0.98	17.60	0.60	6.91	5.61	15.43	1.35	16.39	0.71
Other Assets (Net)	8.35	-9.09	10.10	21.99	14.05	-103.87	-1.13	16.80	-7.35

Source: Central Bank of Nigeria

/1 Quasi-Money consists of Time, Savings and Foreign Currency Deposits of Deposit Money Banks excluding takings from Discount Houses.

/2 Demand Deposits consist of state and local government as well as parastatals deposits at the CBN on the one hand and state and local government and private sector deposits as well as demand deposits of non-financial public enterprises at the Deposit Money Banks.

/3 Revised

Table 16
Value of Money Market Assets
(Naira Million)

Instrument	2009		2010		2011		2012		2013
	June	Dec	June	Dec	June	Dec	June	Dec	June
Treasury Bills	641,930.00	797,482.45	901,016.62	1,277,101.60	1,561,424.00	1,727,910.00	2,084,590.38	2,122,926.96	2,483,285.11
Treasury Certificates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Stocks	520.00	520.00	220.00	220.00	0.00	0.00	0.00	0.00	0.00
Certificates of Deposits	0.00	50,500.00	60,000.00	0.00	0.00	0.00	0.00	34,000.00	23,000.00
Commercial Papers	602,465.90	509,079.12	188,204.28	189,216.42	199,469.24	203,008.29	2,039.06	1,050.36	15,002.10
Bankers' Acceptances	74,215.70	62,243.63	41,312.04	79,172.31	62,258.27	73,406.10	23,722.34	9,863.82	16,012.34
FGN Bonds	1,778,300.00	1,974,930.00	2,408,426.59	2,901,600.30	3,276,111.00	3,541,200.00	3,714,553.86	4,080,048.85	4,032,903.13
Total	**3,097,431.60**	**3,394,755.20**	**3,599,179.53**	**4,447,310.63**	**5,099,262.52**	**5,545,524.39**	**5,824,905.64**	**6,247,889.99**	**6,570,202.67**
Percentage Change Over Preceding December									
Treasury Bills	36.02	68.98	12.98	60.14	22.26	35.30	20.64	22.86	16.97
Treasury Certificates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Eligible Development Stocks	0.00	0.00	-57.69	-57.69	-100.00	-100.00	0.00	0.00	0.00
Certificates of Deposits	0.00	#DIV/0!	18.81	-100.00	0.00	0.00	0.00	#DIV/0!	-32.35
Commercial Papers	-26.77	-38.12	-63.03	-62.83	5.42	7.29	-99.00	-99.48	1328.28
Bankers' Acceptances	11.77	-6.26	-33.63	27.20	-21.36	-7.28	-67.68	-86.56	62.33
FGN Bonds	23.01	36.62	21.95	46.92	12.91	22.04	4.90	15.22	-1.16
Percentage Change of Total	**10.34**	**20.93**	**6.02**	**31.01**	**14.66**	**24.69**	**5.04**	**12.67**	**5.16**

Source: Central Bank of Nigeria
1/ Provisional

Table 17
Selected Interest Rates
(End-Period Rate)

	2009		2010		2011		2012		2013
	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun
End-Period Rates									
Monetary Policy Rate	8.00	6.00	6.00	6.25	8.00	12.00	12.00	12.00	12.00
Treasury Bills Issue Rate	3.32	4.00	2.38	7.47	8.35	14.23	14.08	11.77	11.60
Inter-bank Call Rate	20.96	2.89	1.56	8.73	10.92	13.88	15.26	10.56	10.42
Open Buy Back (OBB)	7.31	2.64	1.55	8.23	9.11	13.51	14.46	10.29	10.29
NIBOR 7-days	15.97	9.50	2.43	9.67	11.75	14.63	15.58	11.38	10.75
NIBOR 30-days	17.15	15.79	5.17	12.17	12.83	15.25	16.04	12.96	11.00
Deposit Money Banks (DMBs) (Weighted Average Rates)									
Savings Deposit Rate	2.67	3.33	1.95	1.51	1.40	1.41	1.76	1.66	2.04
Time Deposit Rate (3 months)	12.63	13.15	4.98	4.63	5.14	6.80	7.80	9.15	7.49
Prime Lending Rate	19.08	19.55	17.65	15.74	15.76	16.75	16.93	16.54	16.56
Maximum Lending Rate	22.67	23.77	22.03	21.86	22.02	23.21	23.44	24.61	24.58

Sources: Financial Market Dealers Association (FMDA) and Central Bank of Nigeria

Table 18
Federation Account Operations
(₦' Billion)

	2009 1st Half	2010 1st Half	2011 1st Half	2012 1/ 1st Half	2013 2/ 1st Half	2013 1st Half Budget
Total Revenue (Gross)	**2,226.20**	**3,275.88**	**4,758.96**	**5,577.22**	**4,797.05**	5,669.89
Oil Revenue (Gross)	**1,538.86**	**2,445.42**	**3,828.05**	**4,357.61**	**3,648.04**	3,867.07
Crude oil / Gas Exports	539.97	834.31	1,007.66	959.01	842.94	2,121.95
PPT and Royalties etc.	512.22	813.25	1,698.91	2,160.16	2,003.29	1,520.63
Domestic Crude Oil / Gas Sales	484.55	793.74	1,119.63	1,190.62	785.17	221.27
Other Oil Revenue	2.12	4.13	1.86	47.82	16.64	3.22
Less:						
Deductions	425.75	1,141.34	2,136.53	2,214.56	1,281.47	1,076.73
Oil Revenue (Net)	**1,113.11**	**1,304.08**	**1,691.53**	**2,143.05**	**2,366.57**	2,790.34
Non-oil Revenue	**687.33**	**830.45**	**930.91**	**1,219.61**	**1,149.01**	1,802.81
Corporate Tax	203.62	261.50	243.26	281.82	341.37	496.02
Customs & Excise Duties	126.81	140.70	210.57	226.97	207.20	396.47
Value-Added Tax (VAT)	222.21	282.38	307.11	352.75	379.18	472.64
Independent Revenue of Fed. Govt.	54.28	65.21	92.93	226.70	70.20	227.89
Education Tax	37.57	31.57	14.57	48.71	51.80	62.71
Customs Special Levies (Federation Account)	38.67	44.92	61.82	79.10	95.46	60.71
National Information Technology Development Fund (NITDF)	4.18	4.17	0.64	3.57	3.80	5.01
Customs Special Levies (Non-Federation Account)	0.00	0.00	0.00	0.00	0.00	81.36
Less:						
Cost of Collection	25.92	31.60	36.27	41.27	43.33	81.51
Non-Oil Revenue (Net)	**661.41**	**798.85**	**894.64**	**1,178.34**	**1,105.69**	1,721.31
Estmiated Balances in Special Accounts for the previous year	0.00	0.00	0.00	0.00	0.00	4.06
Federally-collected revenue (Net)	**1,774.52**	**2,102.93**	**2,586.16**	**3,321.39**	**3,472.26**	**4,515.71**
Federation Account Allocation:	**1,774.53**	**2,102.93**	**2,586.16**	**3,321.39**	**3,472.26**	4,515.71
Transfer to Federal Govt. Ind. Revenue	54.28	65.21	92.93	226.70	70.20	**227.89**
Transfer to VAT Pool Account	213.32	271.08	294.82	338.64	364.01	453.73
Other Tranfers 3/	80.42	80.66	77.03	131.37	151.06	143.13
Distributable Amount						
Amount Distributed	**1,426.51**	**1,685.98**	**2,121.38**	**2,624.68**	**2,886.98**	3,690.96
Federal Government	675.26	795.99	1,001.70	1,235.91	1,358.79	1,753.17
State Government	342.50	403.74	508.08	626.87	689.20	889.23
Local Government	264.05	311.26	391.70	483.29	531.34	685.56
13% Derivation	144.70	174.99	219.90	278.60	307.65	363.00
Vat Pool Account	**213.29**	**271.08**	**294.82**	**338.64**	**364.01**	**453.73**
FG	32.00	40.66	44.22	50.79	54.60	68.06
SG	106.66	135.54	147.41	169.32	182.00	**226.87**
LG	74.63	94.88	103.19	118.52	127.40	158.81
Special Funds (FGN)	**52.01**	**61.60**	**77.80**	**96.55**	**107.49**	139.11
Federal Capital Territory	12.44	14.74	18.61	23.10	25.71	33.28
Ecology	12.44	14.74	18.61	23.10	25.71	33.28
Statutory Stabilization	6.22	7.37	9.31	11.55	12.86	16.64
Natural Resources	20.91	24.76	31.27	38.81	43.20	55.91
FCT VAT	2.13	2.71	2.95	3.39	3.64	4.54
Overall Balance	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	0.00
Memorandum Items						
Deductions	**425.75**	**1,141.34**	**2,136.53**	**2,214.56**	**1,281.47**	**1,076.73**
JVC Cash calls	363.50	488.82	499.35	562.65	571.43	429.29
Excess Crude Proceeds	49.90	391.64	548.29	428.45	0.00	0.00
Excess PPT & Royalty	12.35	27.24	819.83	886.33	674.07	0.00
Domestic Subsidy	0.00	233.64	269.07	77.14	0.00	485.57
Others	0.00	0.00	-	260.00	35.96	161.87
Distribution from Excess Crude	**219.76**	**442.82**	**0.00**	**75.00**	**0.00**	**231.96**
Federal Government	58.65	202.95	0.00	34.37	0.00	122.20
State Government	93.16	102.94	0.00	17.44	0.00	61.98
Local Government	39.39	79.36	0.00	13.44	0.00	47.78
13% Derivation	28.57	57.57	0.00	9.75	0.00	0.00
Provisional Dist & Actual Budget (Diff)	**119.09**	**39.87**	**162.90**	**0.00**	**0.00**	**0.00**
Federal Government	54.58	18.27	74.66	0.00	0.00	0.00
State Government	27.68	9.27	37.87	0.00	0.00	0.00
Local Government	21.34	7.15	29.20	0.00	0.00	0.00
13% Derivation	15.48	5.18	21.18	0.00	0.00	0.00
Exchange Rate Gain	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Federal Government	0.00	0.00	0.00	0.00	0.00	0.00
State Government	0.00	0.00	0.00	0.00	0.00	0.00
Local Government	0.00	0.00	0.00	0.00	0.00	0.00
13% Derivation	0.00	0.00	0.00	0.00	0.00	0.00
SURE-P 6/	**0.00**	**0.00**	**0.00**	**71.10**	**213.30**	**0.00**
Federal Government	0.00	0.00	0.00	32.59	97.76	0.00
State Government	0.00	0.00	0.00	16.53	49.58	0.00
Local Government	0.00	0.00	0.00	12.74	38.23	0.00
13% Derivation	0.00	0.00	0.00	9.24	27.73	0.00
NNPC Refund	**0.00**	**0.00**	**0.00**	**94.52**	**45.70**	**0.00**
Federal Government	0.00	0.00	0.00	22.38	0.00	0.00
State Government	0.00	0.00	0.00	33.80	22.45	0.00
Local Government	0.00	0.00	0.00	26.06	17.31	0.00
13% Derivation	0.00	0.00	0.00	12.29	5.94	0.00
Federation Revenue Augmentation	**300.65**	**414.22**	**145.95**	**462.02**	**457.12**	0.00
Federal Government	137.79	189.84	66.89	211.75	209.51	0.00
State Government	69.89	96.29	33.93	107.40	106.26	0.00
Local Government	53.88	74.24	26.16	82.80	81.92	0.00
13% Derivation	39.08	53.85	18.97	60.06	59.43	0.00
Total Excluding VAT	**2,066.02**	**2,582.88**	**2,430.23**	**3,327.32**	**3,603.10**	**3,922.92**
Federal Government	926.28	1,207.06	1,143.25	1,537.00	1,666.05	1,875.36
State Government	533.23	612.23	579.87	802.04	867.50	951.21
Local Government	378.66	472.01	447.06	618.34	668.80	733.34
13% Derivation	227.84	291.59	260.05	369.94	400.75	363.00
Total Statutory Revenue and VAT Distribution 3/	**2,279.30**	**2,853.97**	**2,725.06**	**3,665.96**	**3,967.11**	**4,376.65**
Federal Government	958.28	1,247.72	1,187.48	1,587.80	1,720.65	1,943.42
State Government	639.89	747.78	727.29	971.36	1,049.50	1,178.08
Local Government	453.30	566.89	550.25	736.86	796.21	892.15
13% Derivation	227.84	291.59	260.05	369.94	400.75	363.00

Source: Office of the Accountant-General of the Federation (OAGF)
1/ Revised
2/Provisional
3/ Includes Education Tax, Customs Levies and NITDF

Table 19
Summary of Federal Government Finances
(₦' Billion)

	2009 First Half	2010 First Half	2011 First Half	2012 First Half	2013 2/ First Half	2013 First Half Budget
Total Federal Government Retained Revenue	**1,266.73**	**1,390.24**	**1,308.10**	**1,902.01**	**1,834.77**	**2,452.68**
Share of Federation Account (Gross)	675.26	795.99	1,001.70	1,235.91	1,358.79	1,753.17
Share of VAT Pool Account	32.00	40.66	44.22	50.79	54.60	68.06
Federal Government Independent Revenue	54.28	65.20	92.93	128.56	70.20	227.89
Share of Excess Crude Account	0.00	0.00	0.00	106.75	0.00	0.00
Revenue Augmentation	251.03	289.26	141.55	211.75	209.51	122.20
SURE-P	0.00	0.00	0.00	32.59	97.76	136.75
Others 3/	254.18	199.12	27.70	135.66	43.92	144.62
Total Expenditure	**1,590.99**	**1,818.16**	**1,958.34**	**2,180.56**	**2,229.03**	**2,759.46**
Recurrent Expenditure	**1,017.30**	**1,297.22**	**1,546.61**	**1,553.24**	**1,521.78**	**1,754.74**
Goods and Services	**822.92**	**1,062.35**	**1,235.19**	**1,109.68**	**1,095.01**	**1,315.21**
Personnel Cost	452.12	540.21	832.42	869.78	777.17	858.53
Pension	87.16	97.73	54.76	76.92	66.44	71.62
Overhead Cost	283.63	424.40	348.01	162.98	251.40	385.06
Interest Payments	**120.32**	**170.56**	**225.15**	**308.87**	**315.52**	**295.88**
Foreign	19.72	19.62	20.90	21.97	29.59	24.19
Domestic 4/	100.60	150.95	204.25	286.90	285.93	271.69
Transfers	**74.06**	**64.31**	**86.28**	**134.69**	**111.26**	**72.11**
FCT & Others (Special Funds)	74.06	64.31	86.28	134.69	111.26	143.65
Transfer to Financing	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Capital Expenditure & Net Lending 5/	**474.79**	**445.11**	**303.62**	**259.25**	**541.35**	**810.74**
Domestic Financed Budgets	**474.79**	**445.11**	**303.62**	**259.25**	**541.35**	**810.74**
Budgetary	474.79	445.11	303.62	259.25	443.60	810.74
SURE-P	0.00	0.00	0.00	32.59	97.76	136.75
Transfers	**98.90**	**75.83**	**108.10**	**368.06**	**165.89**	**193.99**
NDDC	12.83	0.00	28.04	0.00	0.00	30.67
NJC	58.50	45.50	47.50	39.17	33.50	33.50
UBE	19.65	22.16	23.04	31.80	38.99	38.14
Refund of Signature Bonuses/Others	7.92	8.17	9.52	297.10	93.41	91.68
Balance Of Revenue And Expenditure						
Primary Surplus (+)/Deficit (-)	**(203.94)**	**(257.36)**	**(425.09)**	**30.32**	**(78.74)**	**697.94**
Current Surplus(+)/Deficit(-)	**249.43**	**93.02**	**(238.51)**	**348.77**	**312.99**	**(147.65)**
Overall Surplus(+)/Deficit(-)	**(324.26)**	**(427.93)**	**(650.23)**	**(278.55)**	**(394.25)**	**(443.53)**
Financing:	**324.26**	**427.93**	**650.23**	**278.55**	**394.25**	**443.53**
Foreign(Net)	**0.00**	**75.03**	**73.33**	**0.00**	**0.00**	**0.00**
Domestic(Net)	**324.26**	**352.90**	**576.91**	**278.55**	**394.25**	**443.53**
Banking System	0.00	0.00	0.00	0.00	0.00	0.00
CBN	0.00	0.00	0.00	0.00	0.00	0.00
DMBs	0.00	0.00	0.00	0.00	0.00	0.00
Non Bank Public	0.00	366.87	476.00	204.00	460.00	288.53
Privatization Proceeds	0.00	0.00	0.00	3.50	11.00	5.00
FGN Share from Stabilization Fund Account	0.00	0.00	95.00	0.00	131.59	0.00
Signature Bonus	0.00	0.00	0.00	0.00	6.03	0.00
Excess Crude	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**112.50**
Other Funds	**324.26**	**(13.97)**	**5.91**	**71.05**	**(214.36)**	**37.50**

Source: Office of the Accountant-General of the Federation (OAGF)

1/ Revised

2/ Provisional

3/ Includes FG's share of Federation Revenue Augmentation and Share of Difference between Provisonal and Approved Budget.

4/ Include Ways and Means Advances

5/ Includes net deductions for loans on lent to State,local governments and Federal parastatals/companies.

Table 20
Functional Classification of Federal Government Capital Expenditure
(Naira Billion)

	First Half 2009	First Half 2010	First Half 2011	First Half 2012	First Half 2013 **
ADMINISTRATION	**116.16**	**114.16**	**119.27**	**113.61**	**117.06**
General Administration	70.56	69.12	75.05	68.16	63.80
National Assembly	4.15	3.10	3.15	3.23	-
Defence	18.59	18.09	15.99	16.45	23.33
Internal Security	22.86	23.85	25.09	25.77	29.93
ECONOMIC SERVICES	**286.32**	**249.50**	**118.89**	**97.82**	**173.10**
Agriculture & Natural Resources	46.66	35.67	19.30	20.79	37.36
Manuf., Mining & Quarrying	11.39	10.35	7.81	5.72	4.91
Transport & Communications	32.05	41.99	28.21	29.21	30.81
Housing	-	-	-	-	6.67
Roads & Construction	130.83	72.01	36.08	36.38	48.07
National Priority Projects	-	-	-	-	-
JVC Calls/NNPC Priority Projects	-	-	-	-	-
PTF	-	-	-	-	-
Counterpart Funding	-	-	-	-	-
NDDC	-	22.58	-	-	18.63
Others	65.39	66.91	27.50	5.72	26.65
SOCIAL & COMMUNITY SERVICES	**72.14**	**62.98**	**54.85**	**39.62**	**54.17**
Education	29.09	20.76	17.90	19.57	21.86
Health	18.18	17.15	14.97	15.68	23.27
Others	24.87	25.06	21.98	4.37	9.05
TRANSFERS 3/	**0.17**	**18.47**	**10.60**	**8.19**	**197.02**
Financial Obligations	-	-	-	-	-
Capital Repayments	-	-	-	-	-
Domestic	-	-	-	-	-
Foreign	-	-	-	-	-
External Obligations	-	-	-	-	-
Contingencies	-	-	-	-	-
Capital Supplementation	0.17	18.47	10.60	8.19	174.01
Net Lending to States/L.G.s/Parast.	-	-	-	-	-
Grants to States	-	-	-	-	-
Others	-	-	-	-	23.01
TOTAL	**474.79**	**445.11**	**303.62**	**259.25**	**541.35**

** Estimates

Sources: Federal Ministry of Finance and Central Bank of Nigeria

1/ Provisional

2/ Excludes statutory transfers to NDDC, NJC and UBE

Table 21
Functional Classification of Federal Government Recurrent Expenditure 1/
(Naira Billion)

	2009 First Half 2/	2010 First Half 2/	2011 First Half	2012 First Half	2013 First Half **
ADMINISTRATION	**457.75**	**568.00**	**698.01**	**725.16**	**594.16**
General Administration	223.64	257.79	281.14	285.15	209.35
National Assembly	61.40	69.54	97.02	102.38	75.00
Defence	66.23	98.80	109.47	114.20	134.07
Internal Security	106.47	141.86	210.38	223.42	175.74
ECONOMIC SERVICES	**88.58**	**155.62**	**195.35**	**130.46**	**89.15**
Agriculture	19.16	13.37	15.99	16.55	16.71
Roads & Construction	10.06	17.89	20.57	18.86	14.52
Transport & Communications	32.70	35.96	43.33	40.73	8.88
Others	26.66	88.41	115.46	54.33	49.04
SOCIAL & COMMUNITY SERVICES	**189.43**	**240.99**	**287.08**	**259.56**	**345.25**
Education	102.47	107.17	130.42	132.38	188.73
Health	62.01	48.76	57.63	62.82	94.81
Others	24.95	85.07	99.02	64.36	61.72
TRANSFERS 4/	**281.55**	**332.61**	**366.19**	**493.25**	**493.22**
Public Debt Charges (Int)	120.32	170.56	225.15	314.46	315.52
Domestic	100.60	150.95	204.25	288.59	285.93
Foreign	19.72	19.62	20.90	25.87	29.59
Pensions & Gratuities	87.16	97.73	54.76	79.12	66.44
FCT & Others	74.06	64.31	86.28	99.67	111.26
Contingencies (Others)	-	-	-	-	-
External Obligations	-	-	-	-	-
Extra-Budgetary Expenditure	-	-	-	-	-
Deferred Custom Duties	-	-	-	-	-
Unspecified Expenditure	-	-	-	-	-
Others 4/	-	-	-	-	-
TOTAL	**1,017.30**	**1,297.22**	**1,546.61**	**1,608.43**	**1,521.78**

Sources: Federal Ministry of Finance, Office of Accountant General of the Federation and Central Bank of Nigeria

1/ Provisional

2/ Revised

2/ Excludes statutory transfers to NDDC, NJC and UBE

** Estimates

Table 22
Summary of Statutory & VAT Revenue Allocation to State Governments
(Naira Billion)

First Half 2009

S/N	STATES	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	Excess Crude 2/	VAT	Total Alloc.
1	Abia	8.26	0.09	1.91	10.07	3.21	0.39	2.22	**15.98**
2	Adamawa	9.22	1.69	-	7.53	2.63	1.37	2.27	**15.49**
3	Akwa Ibom	9.32	0.79	36.60	45.13	18.02	18.51	2.45	**84.91**
4	Anambra	9.31	0.34	-	8.96	2.65	1.39	2.59	**15.94**
5	Bauchi	10.80	3.84	-	6.96	3.08	1.61	2.65	**18.13**
6	Bayelsa	7.39	0.93	19.86	26.32	8.38	6.27	1.94	**43.84**
7	Benue	9.95	0.42	-	9.53	2.84	1.48	2.55	**16.82**
8	Borno	10.98	0.71	-	10.27	3.13	1.64	2.49	**18.23**
9	Cross River	8.65	2.56	1.62	7.70	2.44	2.45	2.24	**17.40**
10	Delta	9.32	0.65	26.91	35.57	16.11	5.77	2.66	**60.75**
11	Ebonyi	7.64	0.21	-	7.43	2.18	1.14	2.12	**13.08**
12	Edo	8.70	0.46	1.35	9.60	3.48	0.68	2.36	**16.57**
13	Ekiti	7.71	0.71	-	7.00	2.20	1.15	2.21	**13.26**
14	Enugu	8.70	0.18	-	8.51	2.48	0.65	2.43	**14.25**
15	Gombe	8.17	0.62	-	7.56	2.33	1.22	2.11	**13.83**
16	Imo	9.28	2.31	2.26	9.24	3.48	2.16	2.45	**19.64**
17	Jigawa	10.20	1.56	-	8.64	2.90	1.52	2.60	**17.22**
18	Kaduna	11.62	1.06	-	10.56	3.31	1.73	3.02	**19.68**
19	Kano	14.56	1.31	-	13.25	4.15	2.17	4.25	**25.13**
20	Katsina	11.08	0.34	-	10.74	3.16	1.65	2.97	**18.86**
21	Kebbi	9.26	2.41	-	6.85	2.64	1.38	2.33	**15.62**
22	Kogi	9.24	1.51	-	7.74	2.63	1.38	2.32	**15.57**
23	Kwara	8.42	0.53	-	7.89	2.40	1.26	2.16	**14.24**
24	Lagos	13.16	4.30	-	8.85	3.75	1.96	19.25	**38.12**
25	Nasarawa	7.89	0.55	-	7.34	2.25	1.18	1.99	**13.30**
26	Niger	10.78	1.73	-	9.05	3.07	1.61	2.45	**17.91**
27	Ogun	9.01	0.33	-	8.68	2.57	1.34	2.47	**15.39**
28	Ondo	8.64	0.37	8.27	16.53	5.52	5.31	2.45	**30.19**
29	Osun	8.54	0.41	-	8.13	2.43	0.71	2.36	**14.05**
30	Oyo	10.76	1.05	-	9.72	3.07	1.61	3.14	**18.57**
31	Plateau	9.04	2.52	-	6.52	2.58	1.35	2.29	**15.25**
32	Rivers	10.10	0.16	45.93	55.87	16.61	29.08	3.88	**105.61**
33	Sokoto	9.61	1.37	-	8.24	2.74	1.43	2.61	**16.39**
34	Taraba	9.10	2.15	-	6.96	2.59	1.36	2.07	**15.12**
35	Yobe	9.03	0.51	-	8.52	2.57	1.35	2.05	**15.00**
36	Zamfara	9.06	0.89	-	8.17	2.58	1.35	2.28	**15.27**
37	Disputed Deriv.				-				**-**
	Rivers/Akwa Disputed Fund				-				**-**
	TOTAL	**342.50**	**41.58**	**144.70**	**445.63**	**152.14**	**108.62**	**106.66**	**854.62**

First Half 2010

S/N	STATES	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	Exchange Gain	Excess Crude 2/	VAT	Total Gross Allocation	Total Net Alloc.
1	Abia	9.73	0.53	2.75	11.95	3.17	0.30	3.28	2.79	22.02	**21.49**
2	Adamawa	10.86	1.01	-	9.86	2.59	0.25	2.65	2.92	19.28	**18.27**
3	Akwa Ibom	10.99	1.26	49.09	58.82	17.73	1.71	18.84	3.53	101.88	**100.62**
4	Anambra	10.97	0.32	-	10.65	2.62	0.25	2.68	3.24	19.76	**19.44**
5	Bauchi	12.73	0.87	-	11.86	3.04	0.29	3.11	3.33	22.49	**21.62**
6	Bayelsa	8.72	5.83	20.27	23.15	8.32	0.80	8.80	2.51	49.41	**43.58**
7	Benue	11.73	0.77	-	10.96	2.80	0.27	2.87	3.18	20.84	**20.07**
8	Borno	12.94	0.11	-	12.83	3.09	0.30	3.16	3.23	22.72	**22.61**
9	Cross River	10.20	2.29	-	7.91	2.43	0.23	2.49	2.83	18.18	**15.89**
10	Delta	10.98	2.24	42.74	51.49	15.77	1.52	16.74	3.80	91.56	**89.32**
11	Ebonyi	9.01	0.22	-	8.78	2.15	0.21	2.20	2.63	16.20	**15.97**
12	Edo	10.25	0.96	3.15	12.45	3.42	0.33	3.54	3.22	23.91	**22.96**
13	Ekiti	9.08	0.18	-	8.90	2.17	0.21	2.22	2.65	16.33	**16.15**
14	Enugu	10.25	0.47	-	9.78	2.44	0.24	2.50	2.95	18.39	**17.91**
15	Gombe	9.64	0.66	-	8.97	2.30	0.22	2.35	2.68	17.18	**16.52**
16	Imo	10.94	2.76	2.69	10.87	3.44	0.33	3.56	3.11	24.07	**21.31**
17	Jigawa	12.02	0.82	-	11.20	2.87	0.28	2.94	3.28	21.38	**20.56**
18	Kaduna	13.70	0.87	-	12.83	3.27	0.31	3.35	3.86	24.49	**23.62**
19	Kano	17.17	0.52	-	16.65	4.09	0.39	4.20	5.32	31.18	**30.66**
20	Katsina	13.06	0.77	-	12.29	3.11	0.30	3.19	3.72	23.38	**22.62**
21	Kebbi	10.92	1.58	-	9.34	2.60	0.25	2.67	2.94	19.39	**17.80**
22	Kogi	10.89	0.77	-	10.13	2.60	0.25	2.66	3.14	19.54	**18.78**
23	Kwara	9.93	0.19	-	9.74	2.37	0.23	2.43	2.71	17.66	**17.48**
24	Lagos	15.51	3.75	-	11.76	3.70	0.36	3.79	23.74	47.09	**43.34**
25	Nasarawa	9.30	0.63	-	8.67	2.22	0.21	2.27	2.50	16.50	**15.87**
26	Niger	12.70	1.57	-	11.14	3.03	0.29	3.10	3.15	22.28	**20.71**
27	Ogun	10.62	0.21	-	10.41	2.53	0.24	2.59	3.08	19.07	**18.86**
28	Ondo	10.18	0.42	9.83	19.59	5.45	0.52	5.72	3.05	34.76	**34.34**
29	Osun	10.07	0.48	-	9.59	2.40	0.23	2.46	3.00	18.17	**17.69**
30	Oyo	12.69	1.46	-	11.23	3.03	0.29	3.10	3.84	22.95	**21.49**
31	Plateau	10.65	1.00	-	9.65	2.54	0.24	2.60	2.94	18.99	**17.98**
32	Rivers	11.91	0.62	44.47	55.76	16.52	1.59	17.54	5.42	97.45	**96.83**
33	Sokoto	11.33	0.15	-	11.18	2.70	0.26	2.77	3.05	20.11	**19.96**
34	Taraba	10.73	0.07	-	10.66	2.56	0.25	2.62	2.63	18.78	**18.71**
35	Yobe	10.65	0.22	-	10.43	2.54	0.24	2.60	2.66	18.69	**18.47**
36	Zamfara	10.68	0.72	-	9.96	2.55	0.25	2.61	2.90	18.98	**18.26**
37	Disputed Deriv.				-					-	**-**
	Rivers/Akwa Disputed Fund				-					-	**-**
	TOTAL	**403.74**	**37.29**	**174.99**	**541.43**	**150.14**	**14.45**	**156.22**	**135.54**	**1,035.08**	**997.79**

First Half 2011

S/N	STATES	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	Exchange Gain	Excess Crude 2/	VAT	Total Gross Alloc.	Total Net Alloc.
1	Abia	12.25	0.24	2.29	14.29	2.14			3.01	19.67	**19.43**
2	Adamawa	13.67	0.72	-	12.96	1.93			3.17	18.77	**18.06**
3	Akwa Ibom	13.83	(0.87)	55.39	70.09	11.08			4.08	84.38	**85.25**
4	Anambra	13.81	0.30	-	13.51	1.95			3.53	19.29	**18.99**
5	Bauchi	16.02	1.39	-	14.63	2.26			3.62	21.90	**20.51**
6	Bayelsa	10.97	12.48	42.77	41.26	9.12			2.78	65.64	**53.16**
7	Benue	14.76	2.18	-	12.58	2.09			3.47	20.32	**18.14**
8	Borno	16.29	0.07	-	16.21	2.30			3.50	22.09	**22.02**
9	Cross River	12.83	0.40	2.27	14.71	2.20			3.05	20.35	**19.96**
10	Delta	13.82	2.03	44.56	56.35	10.79			4.09	73.26	**71.23**
11	Ebonyi	11.33	3.50	-	7.84	1.60			2.90	15.83	**12.34**
12	Edo	12.90	0.96	3.88	15.82	2.65			3.38	22.81	**21.85**
13	Ekiti	11.43	0.14	-	11.29	1.62			2.89	15.94	**15.79**
14	Enugu	12.90	0.17	-	12.73	1.82			3.23	17.95	**17.78**
15	Gombe	12.13	0.42	-	11.70	1.71			2.90	16.74	**16.31**
16	Imo	13.77	3.12	2.51	13.16	2.36			3.42	22.06	**18.95**
17	Jigawa	15.13	0.15	-	14.98	2.14			3.63	20.90	**20.75**
18	Kaduna	17.24	1.81	-	15.43	2.44			4.20	23.87	**22.07**
19	Kano	21.61	0.44	-	21.17	3.05			5.62	30.28	**29.84**
20	Katsina	16.43	0.67	-	15.76	2.32			4.03	22.78	**22.11**
21	Kebbi	13.74	0.24	-	13.51	1.94			3.21	18.89	**18.66**
22	Kogi	13.71	0.91	-	12.80	1.94			3.30	18.95	**18.04**
23	Kwara	12.49	0.10	-	12.39	1.77			2.93	17.19	**17.09**
24	Lagos	19.52	3.63	-	15.89	2.76			26.34	48.62	**44.99**
25	Nasarawa	11.71	1.48	-	10.22	1.65			2.69	16.05	**14.56**
26	Niger	15.99	2.17	-	13.82	2.26			3.39	21.63	**19.46**
27	Ogun	13.36	0.26	-	13.10	1.89			3.39	18.64	**18.39**
28	Ondo	12.81	0.78	7.52	19.55	3.25			3.27	26.85	**26.06**
29	Osun	12.67	0.26	-	12.41	1.79			3.25	17.71	**17.45**
30	Oyo	15.97	1.09	-	14.88	2.26			4.17	22.39	**21.30**
31	Plateau	13.41	0.60	-	12.80	1.89			3.18	18.49	**17.88**
32	Rivers	14.99	2.16	55.98	68.81	12.03			5.46	88.47	**86.30**
33	Sokoto	14.25	0.14	-	14.12	2.01			3.41	19.68	**19.54**
34	Taraba	13.50	0.05	-	13.45	1.91			2.86	18.27	**18.22**
35	Yobe	13.40	0.23	-	13.17	1.89			2.95	18.24	**18.01**
36	Zamfara	13.44	0.93	-	12.51	1.90			3.12	18.46	**17.53**
37	Disputed Deriv.			-	-	-				-	**-**
	Rivers/Akwa Disputed Fund			2.73	2.73	1.24				3.97	**3.97**
	TOTAL	**508.08**	**45.35**	**219.90**	**682.63**	**111.95**	**-**	**-**	**147.41**	**987.33**	**941.99**

First Half 2012

S/N	STATES	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	Exchange Gain	Excess Crude 2/	NNPC Refund	SURE-P	VAT	Total Gross Alloc.	Total Net Alloc.
1	Abia	15.11	0.30	2.30	17.11	2.59	0.27	0.42	0.55	0.40	3.48	25.12	**24.82**
2	Adamawa	16.87	1.97	-	14.90	2.89	0.31	0.47	0.62	0.44	3.63	25.22	**23.25**
3	Akwa Ibom	17.06	6.17	99.61	110.50	2.92	0.31	0.47	0.61	0.45	4.44	125.88	**119.70**
4	Anambra	17.04	0.10	-	16.93	2.92	0.31	0.47	0.62	0.45	4.04	25.84	**25.74**
5	Bauchi	19.76	2.45	-	17.31	3.39	0.36	0.55	0.69	0.52	4.13	29.40	**26.94**
6	Bayelsa	13.52	14.53	69.26	68.26	2.32	0.24	0.38	0.48	0.36	3.29	89.85	**75.32**
7	Benue	18.21	2.31	-	15.90	3.12	0.33	0.51	0.66	0.48	4.08	27.40	**25.09**
8	Borno	20.10	1.37	-	18.73	3.44	0.36	0.56	0.70	0.53	4.05	29.75	**28.39**
9	Cross River	15.83	1.60	2.86	17.10	2.71	0.29	0.44	0.58	0.42	3.54	26.67	**25.07**
10	Delta	17.05	9.51	80.23	87.77	2.92	0.31	0.47	0.62	0.45	4.99	107.05	**97.54**
11	Ebonyi	13.98	3.65	-	10.34	1.92	0.25	0.39	0.52	0.37	3.34	20.77	**17.13**
12	Edo	15.92	3.98	6.90	18.84	3.20	0.29	0.44	0.61	0.42	4.01	31.79	**27.81**
13	Ekiti	14.11	2.94	-	11.17	2.42	0.26	0.39	0.52	0.37	3.35	21.41	**18.47**
14	Enugu	15.91	0.62	-	15.30	2.73	0.29	0.44	0.57	0.42	3.72	24.08	**23.47**
15	Gombe	14.96	3.14	-	11.82	2.30	0.27	0.42	0.53	0.39	3.35	22.22	**19.07**
16	Imo	16.99	2.75	4.04	18.28	3.17	0.31	0.47	0.61	0.45	3.93	29.97	**27.22**
17	Jigawa	18.66	1.04	-	17.63	3.20	0.34	0.52	0.67	0.49	4.10	27.98	**26.95**
18	Kaduna	21.27	1.82	-	19.45	3.64	0.39	0.59	0.75	0.56	4.97	32.18	**30.36**
19	Kano	26.66	1.95	-	24.71	4.57	0.48	0.74	0.92	0.70	6.47	40.54	**38.59**
20	Katsina	20.27	0.22	-	20.05	3.47	0.37	0.56	0.72	0.53	4.63	30.56	**30.34**
21	Kebbi	16.96	2.02	-	14.93	2.91	0.31	0.47	0.60	0.45	3.73	25.41	**23.39**
22	Kogi	16.92	1.21	-	15.71	2.90	0.31	0.47	0.60	0.45	3.82	25.46	**24.25**
23	Kwara	15.41	0.09	-	15.32	2.64	0.28	0.43	0.55	0.41	3.35	23.07	**22.98**
24	Lagos	24.08	3.77	-	20.31	4.13	0.44	0.67	0.87	0.63	30.01	60.82	**57.06**
25	Nasarawa	14.44	2.17	-	12.27	2.47	0.26	0.40	0.52	0.38	3.07	21.55	**19.38**
26	Niger	19.73	2.99	-	16.74	3.38	0.36	0.55	0.70	0.52	3.91	29.13	**26.15**
27	Ogun	16.49	0.13	-	16.36	2.82	0.30	0.46	0.59	0.43	3.95	25.04	**24.91**
28	Ondo	15.81	3.32	13.50	25.99	2.71	0.29	0.44	0.58	0.42	3.88	37.62	**34.30**
29	Osun	15.64	0.36	-	15.28	2.68	0.28	0.43	0.56	0.41	3.73	23.74	**23.38**
30	Oyo	19.70	0.64	-	19.05	3.38	0.36	0.55	0.70	0.52	4.60	29.80	**29.16**
31	Plateau	16.54	0.40	2.20	18.34	2.83	0.30	0.46	0.60	0.44	3.71	27.08	**26.68**
32	Rivers	18.49	1.58	88.99	105.89	3.17	0.33	0.51	0.66	0.49	5.74	118.38	**116.79**
33	Sokoto	17.59	1.03	-	16.56	3.01	0.32	0.49	0.63	0.46	3.88	26.39	**25.36**
34	Taraba	16.66	0.03	-	16.63	2.85	0.30	0.46	0.59	0.44	3.33	24.64	**24.61**
35	Yobe	16.53	0.57	-	15.96	2.83	0.30	0.46	0.58	0.44	3.37	24.51	**23.94**
36	Zamfara	16.58	3.59	-	12.99	2.84	0.30	0.46	0.60	0.44	3.70	24.91	**21.32**
37	Disputed Deriv.	-	-	0.05	0.05						-	0.05	**0.05**
	Rivers/Akwa Disputed Fund	-	-	0.01	0.01						-	0.01	**0.01**
	TOTAL	**626.86**	**86.33**	**369.95**	**910.48**	**107.40**	**11.35**	**17.44**	**22.45**	**16.53**	**169.32**	**1,341.30**	**1,254.97**

First Half 2013

S/N	STATES	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	Exchange Gain	Excess Crude 2/	NNPC Refund	SURE-P	VAT	Total Gross Alloc.	Total Net Alloc.
1	Abia	16.61	0.46	4.56	20.71	3.44			0.55	1.20	3.76	30.11	**29.65**
2	Adamawa	18.54	0.05	-	18.49	3.84			0.62	1.33	3.91	28.24	**28.19**
3	Akwa Ibom	18.76	4.93	113.61	127.44	3.88			0.61	1.35	4.74	142.94	**138.02**
4	Anambra	18.73	0.23	-	18.50	3.88			0.62	1.35	4.34	28.91	**28.68**
5	Bauchi	21.73	1.44	-	20.28	4.50			0.69	1.56	4.47	32.95	**31.51**
6	Bayelsa	14.88	11.43	85.71	89.15	3.08			0.48	1.07	3.76	108.97	**97.54**
7	Benue	20.03	2.12	-	17.90	4.15			0.66	1.44	4.27	30.55	**28.42**
8	Borno	22.10	0.20	-	21.89	4.58			0.70	1.59	4.25	33.22	**33.01**
9	Cross River	17.41	0.92	0.32	16.81	3.60			0.58	1.25	3.85	27.01	**26.09**
10	Delta	18.75	7.81	86.80	97.74	3.88			0.62	1.35	4.72	116.12	**108.30**
11	Ebonyi	15.37	2.93	-	12.45	3.18			0.52	1.11	3.54	23.73	**20.80**
12	Edo	17.50	3.49	8.77	22.78	3.62			0.61	1.26	4.14	35.90	**32.41**
13	Ekiti	15.51	2.22	-	13.29	3.21			0.52	1.12	3.62	23.97	**21.75**
14	Enugu	17.50	0.08	-	17.42	3.62			0.57	1.26	3.98	26.93	**26.85**
15	Gombe	16.45	2.43	-	14.01	3.41			0.53	1.18	3.58	25.14	**22.71**
16	Imo	18.68	2.22	4.58	21.04	3.87			0.61	1.34	4.27	33.34	**31.13**
17	Jigawa	20.52	0.36	-	20.16	4.25			0.67	1.48	4.47	31.39	**31.03**
18	Kaduna	23.38	1.94	-	21.45	4.84			0.75	1.68	5.17	35.83	**33.89**
19	Kano	29.31	0.58	-	28.73	6.07			0.92	2.11	6.92	45.33	**44.75**
20	Katsina	22.29	0.53	-	21.76	4.62			0.72	1.60	4.92	34.15	**33.61**
21	Kebbi	18.64	0.21	-	18.43	3.86			0.60	1.34	3.98	28.42	**28.21**
22	Kogi	18.60	0.09	-	18.51	3.85			0.60	1.34	3.97	28.35	**28.26**
23	Kwara	16.95	0.09	-	16.85	3.51			0.55	1.22	3.58	25.80	**25.71**
24	Lagos	26.47	8.93	-	17.54	5.48			0.87	1.90	32.69	67.41	**58.48**
25	Nasarawa	15.88	1.79	-	14.09	3.29			0.52	1.14	3.34	24.17	**22.38**
26	Niger	21.69	1.88	-	19.81	4.49			0.70	1.56	4.19	32.62	**30.74**
27	Ogun	18.12	0.11	-	18.01	3.75			0.59	1.30	4.20	27.96	**27.85**
28	Ondo	17.38	2.71	16.20	30.87	3.60			0.58	1.25	4.03	43.03	**40.32**
29	Osun	17.19	2.69	-	14.50	3.56			0.56	1.24	4.01	26.56	**23.88**
30	Oyo	21.66	0.38	-	21.28	4.48			0.70	1.56	4.97	33.38	**32.99**
31	Plateau	18.19	0.48	6.60	24.31	3.77			0.60	1.31	4.08	34.54	**34.06**
32	Rivers	20.33	0.80	88.90	108.43	4.21			0.66	1.46	7.01	122.58	**121.78**
33	Sokoto	19.34	0.26	5.02	24.09	4.00			0.63	1.39	4.19	34.57	**34.31**
34	Taraba	18.31	0.29	-	18.03	3.79			0.59	1.32	3.54	27.55	**27.26**
35	Yobe	18.18	0.11	-	18.07	3.76			0.58	1.31	3.57	27.40	**27.29**
36	Zamfara	18.23	0.37	-	17.86	3.78			0.60	1.31	4.01	27.92	**27.55**
37	Disputed Deriv.	-	0.02	0.05	0.04					-	-	0.05	**0.04**
	Rivers/Akwa Disputed Fund	-	-	0.01	0.01					-	-	0.01	**0.01**
	TOTAL	**689.20**	**67.61**	**421.13**	**1,042.71**	**142.71**	**-**	**-**	**22.45**	**49.58**	**182.00**	**1,507.07**	**1,439.46**

Source: Federation Account Allocation, Federal Ministry of Finance

1/ Provisional

2/ Includes the share of Oil-producing states from the excess crude

Table 23
Allocation to Local Governments from the Federation and VAT Pools Accounts
(Naira Billion)

S/N	State	First Half 2009 Fed. Acct	Excess Crude	Budget Augmentation	Exchange Gain	VAT	Total	First Half 2010 Fed. Acct	Excess Crude 1/	Budget Augmentation	Exchange Gain	VAT	Total	First Half 2011 Fed. Acct	Excess Crude	Budget Augmentation	Exchange Gain	VAT	Total
1	Abia	5.85	0.82	1.57	-	1.3	**9.6**	6.75	1.65	1.55	0.15	1.7	**9.6**	8.17	-	1.15	-	1.8	**11.1**
2	Adamawa	6.74	1.06	2.02	-	1.6	**11.4**	8.09	2.13	1.99	0.19	2.0	**11.4**	10.51	-	1.49	-	2.2	**14.2**
3	Akwa-Ibom	9.34	1.39	2.66	-	2.2	**15.6**	11.02	2.81	2.63	0.25	3.0	**15.6**	13.86	-	1.96	-	3.4	**19.2**
4	Anambra	7.02	1.05	2.00	-	1.8	**11.8**	8.28	2.11	1.97	0.19	2.2	**11.8**	10.42	-	1.47	-	2.4	**14.3**
5	Bauchi	8.12	1.21	2.31	-	1.8	**13.4**	9.58	2.44	2.28	0.22	2.2	**13.4**	12.05	-	1.70	-	2.4	**16.2**
6	Bayelsa	2.99	0.45	0.85	-	0.7	**5.0**	3.52	0.90	0.84	0.08	0.9	**5.0**	4.43	-	0.63	-	1.0	**6.1**
7	Benue	8.26	1.23	2.35	-	1.8	**13.7**	9.74	2.48	2.32	0.22	2.3	**13.7**	12.25	-	1.73	-	2.5	**16.5**
8	Borno	9.49	1.42	2.70	-	2.0	**15.6**	11.19	2.85	2.67	0.26	2.6	**15.6**	14.08	-	1.99	-	2.8	**18.9**
9	Cross-River	5.90	0.88	1.68	-	1.4	**9.8**	6.95	1.77	1.66	0.16	1.7	**9.8**	8.75	-	1.24	-	1.9	**11.9**
10	Delta	7.80	1.16	2.22	-	2.0	**13.2**	9.19	2.34	2.19	0.21	2.8	**13.2**	11.57	-	1.63	-	3.0	**16.2**
11	Ebonyi	4.20	0.63	1.20	-	1.1	**7.1**	4.95	1.26	1.18	0.11	1.3	**7.1**	6.24	-	0.88	-	1.4	**8.6**
12	Edo	5.90	0.88	1.68	-	1.5	**9.9**	6.96	1.77	1.66	0.16	2.0	**9.9**	8.76	-	1.24	-	2.1	**12.1**
13	Ekiti	4.80	0.72	1.37	-	1.3	**8.2**	5.66	1.44	1.35	0.13	1.5	**8.2**	7.13	-	1.01	-	1.6	**9.8**
14	Enugu	5.69	0.85	1.62	-	1.5	**9.6**	6.71	1.71	1.60	0.15	1.8	**9.6**	8.44	-	1.19	-	1.9	**11.6**
15	Gombe	4.15	0.62	1.18	-	1.0	**6.9**	4.90	1.25	1.17	0.11	1.2	**6.9**	6.16	-	0.87	-	1.3	**8.3**
16	Imo	8.24	1.23	2.35	-	2.0	**13.8**	9.71	2.48	2.32	0.22	2.5	**13.8**	12.22	-	1.73	-	2.7	**16.7**
17	Jigawa	8.65	1.29	2.46	-	2.1	**14.5**	10.19	2.60	2.43	0.23	2.6	**14.5**	12.82	-	1.81	-	2.9	**17.5**
18	Kaduna	9.27	1.38	2.64	-	2.2	**15.5**	10.93	2.79	2.61	0.25	2.8	**15.5**	13.76	-	1.94	-	3.0	**18.7**
19	Kano	15.22	2.27	4.34	-	4.0	**25.8**	17.94	4.57	4.28	0.41	5.0	**25.8**	22.57	-	3.19	-	5.3	**31.1**
20	Katsina	11.13	1.66	3.17	-	2.7	**18.6**	13.12	3.34	3.13	0.30	3.3	**18.6**	16.50	-	2.33	-	3.6	**22.5**
21	Kebbi	6.91	1.03	1.97	-	1.6	**11.5**	8.15	2.08	1.94	0.19	2.0	**11.5**	10.25	-	1.45	-	2.2	**13.9**
22	Kogi	7.16	1.07	2.04	-	1.6	**11.9**	8.44	2.15	2.01	0.19	2.1	**11.9**	10.63	-	1.50	-	2.2	**14.4**
23	Kwara	5.50	0.82	1.57	-	1.2	**9.1**	6.48	1.65	1.55	0.15	1.5	**9.1**	8.16	-	1.15	-	1.7	**11.0**
24	Lagos	9.24	1.38	2.63	-	12.0	**25.3**	10.90	2.78	2.60	0.25	14.2	**25.3**	13.71	-	1.94	-	15.4	**31.1**
25	Nassarawa	4.40	0.66	1.25	-	1.0	**7.3**	5.19	1.32	1.24	0.12	1.2	**7.3**	6.53	-	0.92	-	1.3	**8.8**
26	Niger	8.92	1.33	2.54	-	1.9	**14.7**	10.52	2.68	2.51	0.24	2.4	**14.7**	13.23	-	1.87	-	2.6	**17.7**
27	Ogun	6.60	0.98	1.88	-	1.6	**11.1**	7.78	1.98	1.86	0.18	2.0	**11.1**	9.79	-	1.38	-	2.2	**13.4**
28	Ondo	6.09	0.91	1.74	-	1.5	**10.3**	7.18	1.83	1.71	0.16	1.9	**10.3**	9.04	-	1.28	-	2.0	**12.3**
29	Osun	8.30	1.24	2.37	-	2.0	**14.0**	9.79	2.50	2.33	0.22	2.6	**14.0**	12.32	-	1.74	-	2.8	**16.9**
30	Oyo	10.62	1.58	3.03	-	2.7	**17.9**	12.52	3.19	2.99	0.29	3.3	**17.9**	15.75	-	2.23	-	3.6	**21.6**
31	Plateau	6.08	0.91	1.73	-	1.4	**10.1**	7.16	1.83	1.71	0.16	1.8	**10.1**	9.02	-	1.27	-	1.9	**12.2**
32	Rivers	7.96	1.19	2.27	-	2.7	**14.1**	9.38	2.39	2.24	0.22	3.6	**14.1**	11.81	-	1.67	-	3.7	**17.2**
33	Sokoto	7.63	1.14	2.17	-	1.9	**12.8**	8.99	2.29	2.14	0.21	2.2	**12.8**	11.32	-	1.60	-	2.5	**15.4**
34	Taraba	6.07	0.91	1.73	-	1.2	**9.9**	7.16	1.83	1.71	0.16	1.5	**9.9**	9.01	-	1.27	-	1.6	**11.9**
35	Yobe	5.89	0.88	1.68	-	1.2	**9.7**	6.94	1.77	1.66	0.16	1.6	**9.7**	8.74	-	1.23	-	1.7	**11.7**
36	Zamfara	5.53	0.82	1.57	-	1.2	**9.2**	6.52	1.66	1.55	0.15	1.6	**9.2**	8.20	-	1.16	-	1.7	**11.0**
37	FCT Abuja	2.35	0.35	0.67	-	2.4	**5.7**	2.77	0.71	0.66	0.06	3.9	**5.7**	3.49	-	0.49	-	4.7	**8.7**
	TOTAL	264.1	39.4	75.2	0.0	74.7	453.3	311.3	79.4	74.2	7.1	94.9	453.3	391.7	-	55.4	-	103.2	550.2

S/N	State	First Half 2012 Fed. Acct.	Excess Crude	Budget Augmentation	Exchange Gain	NNPC Refunds	SURE-P	VAT	Total	First Half 2013 2/ Fed. Acct.	Excess Crude	Budget Augmentation	Exchange Gain	NNPC Refunds	SURE-P	VAT	Total
1	Abia	10.1	0.28	1.7	0.18	0.36	0.27	2.1	15.0	11.08	-	1.71	-	0.36	0.80	2.2	16.2
2	Adamawa	13.0	0.36	2.2	0.23	0.48	0.34	2.5	19.1	14.26	-	2.20	-	0.48	1.03	2.7	20.6
3	Akwa-Ibom	17.1	0.48	2.9	0.31	0.58	0.45	3.7	25.6	18.80	-	2.90	-	0.58	1.35	4.0	27.6
4	Anambra	12.9	0.36	2.2	0.23	0.50	0.34	2.8	19.2	14.13	-	2.18	-	0.50	1.02	3.0	20.8
5	Bauchi	14.9	0.41	2.5	0.27	0.49	0.39	2.8	21.7	16.35	-	2.52	-	0.49	1.18	3.0	23.5
6	Bayelsa	5.5	0.15	0.9	0.10	0.19	0.14	1.2	8.2	6.01	-	0.93	-	0.19	0.43	1.4	9.0
7	Benue	15.1	0.42	2.6	0.27	0.55	0.40	2.9	22.3	16.62	-	2.56	-	0.55	1.20	3.1	24.0
8	Borno	17.4	0.48	3.0	0.31	0.61	0.46	3.2	25.4	19.10	-	2.95	-	0.61	1.37	3.4	27.4
9	Cross-River	10.8	0.30	1.9	0.20	0.40	0.28	2.2	16.0	11.87	-	1.83	-	0.40	0.85	2.4	17.3
10	Delta	14.3	0.40	2.4	0.26	0.53	0.38	3.6	21.9	15.69	-	2.42	-	0.53	1.13	3.5	23.3
11	Ebonyi	7.7	0.21	1.3	0.14	0.28	0.20	1.7	11.5	8.46	-	1.30	-	0.28	0.61	1.8	12.4
12	Edo	10.8	0.30	1.9	0.20	0.43	0.28	2.5	16.3	11.88	-	1.83	-	0.43	0.85	2.6	17.6
13	Ekiti	8.8	0.24	1.5	0.16	0.32	0.23	1.9	13.2	9.67	-	1.49	-	0.32	0.70	2.1	14.2
14	Enugu	10.4	0.29	1.8	0.19	0.37	0.27	2.2	15.5	11.45	-	1.77	-	0.37	0.82	2.4	16.8
15	Gombe	7.6	0.21	1.3	0.14	0.26	0.20	1.5	11.2	8.36	-	1.29	-	0.26	0.60	1.6	12.1
16	Imo	15.1	0.42	2.6	0.27	0.52	0.40	3.1	22.4	16.58	-	2.56	-	0.52	1.19	3.4	24.3
17	Jigawa	15.8	0.44	2.7	0.29	0.56	0.42	3.3	23.5	17.40	-	2.68	-	0.56	1.25	3.5	25.4
18	Kaduna	17.0	0.47	2.9	0.31	0.61	0.45	3.5	25.2	18.66	-	2.88	-	0.61	1.34	3.7	27.2
19	Kano	27.9	0.77	4.8	0.50	0.97	0.73	6.1	41.7	30.62	-	4.72	-	0.97	2.20	6.6	45.1
20	Katsina	20.4	0.57	3.5	0.37	0.73	0.54	4.2	30.2	22.39	-	3.45	-	0.73	1.61	4.4	32.6
21	Kebbi	12.6	0.35	2.2	0.23	0.45	0.33	2.5	18.7	13.91	-	2.14	-	0.45	1.00	2.7	20.2
22	Kogi	13.1	0.36	2.2	0.24	0.45	0.35	2.6	19.3	14.41	-	2.22	-	0.45	1.04	2.7	20.8
23	Kwara	10.1	0.28	1.7	0.18	0.37	0.27	1.9	14.8	11.07	-	1.71	-	0.37	0.80	2.0	16.0
24	Lagos	16.9	0.47	2.9	0.31	0.65	0.45	17.8	39.5	18.60	-	2.87	-	0.65	1.34	19.3	42.7
25	Nassarawa	8.1	0.22	1.4	0.15	0.29	0.21	1.5	11.8	8.86	-	1.37	-	0.29	0.64	1.6	12.8
26	Niger	16.3	0.45	2.8	0.30	0.58	0.43	3.0	23.9	17.95	-	2.77	-	0.58	1.29	3.2	25.8
27	Ogun	12.1	0.34	2.1	0.22	0.44	0.32	2.6	18.1	13.28	-	2.05	-	0.44	0.96	2.8	19.5
28	Ondo	11.2	0.31	1.9	0.20	0.40	0.29	2.4	16.7	12.26	-	1.89	-	0.40	0.88	2.5	17.9
29	Osun	15.2	0.42	2.6	0.28	0.58	0.40	3.2	22.7	16.71	-	2.58	-	0.58	1.20	3.5	24.6
30	Oyo	19.4	0.54	3.3	0.35	0.70	0.51	4.1	28.9	21.37	-	3.29	-	0.70	1.54	4.4	31.3
31	Plateau	11.1	0.31	1.9	0.20	0.39	0.29	2.4	16.4	12.23	-	1.89	-	0.39	0.88	2.4	17.8
32	Rivers	14.6	0.41	2.5	0.26	0.51	0.38	3.9	22.6	16.02	-	2.47	-	0.51	1.15	4.7	24.8
33	Sokoto	14.0	0.39	2.4	0.25	0.50	0.37	2.8	20.7	15.35	-	2.37	-	0.50	1.10	3.0	22.3
34	Taraba	11.1	0.31	1.9	0.20	0.39	0.29	1.9	16.1	12.22	-	1.88	-	0.39	0.88	2.0	17.4
35	Yobe	10.8	0.30	1.8	0.20	0.39	0.28	2.0	15.8	11.85	-	1.83	-	0.39	0.85	2.1	17.0
36	Zamfara	10.1	0.28	1.7	0.18	0.34	0.27	2.0	14.9	11.13	-	1.72	-	0.34	0.80	2.2	16.1
37	FCT Abuja	4.3	0.12	0.7	0.08	0.14	0.11	5.1	10.6	4.73	-	0.73	-	0.14	0.34	5.6	11.6
	TOTAL	483.3	13.4	82.8	8.7	17.3	12.7	118.5	736.9	531.34	-	81.90	-	17.31	38.23	127.40	796.20

Source: Federation Account Allocation, Federal Ministry of Finance

1/ Revised

2/ Provisional

VAT: Value Added Tax

LGA: Local Governments Areas

Table 24
Domestic Debt of the Federal Government
(Naira Billion)

	First Half 2009	First Half 2010	First Half 2011	First Half 2012	End-December 2012	First Half 2013 1/ 2/
1. Composition of Debt						
i Treasury Bills	641.93	901.02	1,561.42	2,084.59	2,122.93	2,483.29
ii Treasury Bonds	392.07	392.07	372.90	353.73	334.56	334.56
iii Development Stocks	0.52	0.22	-	0.00	0.00	0.00
iv FGN Bonds	1,778.27	2,408.43	3,276.11	3,714.55	4,080.05	4,032.90
v Promissory Note	-	63.03	-	0.00	0.00	0.00
Total	**2,812.79**	**3,764.76**	**5,210.44**	**6,152.87**	**6,537.54**	**6,850.75**
2. Holders						
i Banking System	1,984.14	2,662.82	3,881.31	4,425.17	4,701.82	4,927.08
a. Central Bank	286.95	440.37	595.12	683.44	726.16	760.96
b. Deposit Money Banks	1,697.19	2,222.45	3,286.18	3,741.73	3,975.65	4,166.13
ii Non-Bank Public	699.69	931.38	1,081.53	1,443.30	1,533.53	1,607.00
iii Sinking Fund	128.96	170.57	247.59	284.41	302.19	316.67
Total Debt Outstanding	**2,812.79**	**3,764.76**	**5,210.44**	**6,152.87**	**6,537.54**	**6,850.75**

Source: Debt Management Office
1/ Provisional
2/ Figures for Holders are Estimates

Table 25
Domestic Debt Service Payments of the Federal Government By Instruments
(Naira Billion)

	1st Half 2009	1st Half 2010	1st Half 2011	1st Half 2012	1st Half 2013 1/
i Treasury Bills	16.05	14.23	73.38	173.60	170.34
ii Treasury Bonds	29.45	18.75	18.75	18.75	18.75
iv Development Stocks	0.03	0.33	0.23	-	-
v FGN Bonds	158.48	111.87	136.24	156.55	234.13
Total	**204.01**	**145.18**	**228.61**	**348.90**	**423.22**

Source: Debt Management Office
Note: Debt Service excludes sinking fund charges
1/ 2009 to 2012 Figures are Revised

Table 26
External Debt Outstanding
(US$ Million)

Holders	First Half 2009	First Half 2010	First Half 2011	First Half 2012	End-December 2012	First Half 2013
1. Multilateral	3,219.65	3,860.68	4,563.39	4,950.66	5,267.42	5,538.70
2. Paris Club	-	-	-	-	-	-
3. London Club	-	-	-	-	-	-
4. Promissory Notes	-	-	-	-	-	-
5. Others 2/	499.59	409.03	834.65	1,085.00	1,259.66	1,381.40
Total Debt Outstanding	**3,719.24**	**4,269.71**	**5,398.04**	**6,035.66**	**6,527.08**	**6,920.10**

Source: Debt Management Office (DMO)
1/ Provisional
2/ Includes Non-Paris Bilateral and Commercial debts and Euro bond

Table 27
External Debt Service Payments
(US$ Billion)

	First Half 2009	First Half 2010	First Half 2011	First Half 2012 1/	First Half 2013 2/
London Club	-	-	-	-	-
Paris Club	-	-	-	-	-
Multilateral	**55.08**	**133.88**	**95.51**	**63.81**	**70.91**
(i) I. B. R.D.	45.93	46.92	27.82	-	-
(ii) E. I. B.	0.20	1.59	-	-	-
(iii) A.D.B. & Others	8.95	85.37	67.69	63.81	70.91
Promissory Notes	-	-	-	-	-
Others 3/	36.10	43.72	80.96	88.35	79.17
Total	**91.18**	**177.60**	**176.47**	**152.16**	**150.08**

Source: Debt Management Office
1/ Includes Non-Paris Bilateral and Non-Paris Commercial Debts

Table 28
Consolidated Debt Outstanding
(Naira Billion)

Holders	First Half 2009	First Half 2010	First Half 2011	First Half 2012	End-December 2012	First Half 2013 1/
External Debt	551.26	640.41	827.56	950.26	1,026.89	1,088.58
Domestic Debt	2,812.79	3,764.76	5,210.44	6,152.87	6,537.54	6,850.75
Total Consolidated Debt	**3,364.05**	**4,405.18**	**6,038.00**	**7,103.13**	**7,564.43**	**7,939.33**

Source: Debt Management Office (DMO)

1/ Provisional

Table 29
Gross Domestic Product at 1990 Constant Basic Prices
(Naira Billion unless otherwise stated)

Activity Sector	First Half 2011 1/	First Half 2012 2/	First Half 2013 2/	Share of Total GDP (Per Cent)		
				First Half 2011 1/	First Half 2012 2/	First Half 2013 2/
1. Agriculture	**138.17**	**144.09**	**150.13**	**38.48**	**37.73**	**36.86**
(a) Crop Production	120.05	124.93	130.06	33.43	32.71	31.93
(b) Livestock	10.63	11.23	11.73	2.96	2.94	2.88
(c) Forestry	2.11	2.24	2.35	0.59	0.59	0.58
(d) Fishing	5.38	5.70	5.98	1.50	1.49	1.47
2. Industry	**67.85**	**67.76**	**68.42**	**18.89**	**17.74**	**16.80**
(a) Crude Petroleum	57.37	56.48	56.13	15.97	14.79	13.78
(b) Mining & Quarrying	1.20	1.34	1.50	0.33	0.35	0.37
(c) Manufacturing	9.28	9.94	10.78	2.58	2.60	2.65
3. Building & Construction	**8.76**	**9.91**	**11.44**	**2.44**	**2.59**	**2.81**
4. Wholesale & Retail Trade	**70.78**	**76.81**	**83.26**	**19.71**	**20.11**	**20.44**
5. Services	**73.54**	**83.39**	**94.07**	**20.48**	**21.83**	**23.09**
(a) Transport	10.44	11.08	11.76	2.91	2.90	2.89
(b) Communication	21.15	27.83	34.88	5.89	7.29	8.56
(c) Utilities	10.22	10.56	11.04	2.85	2.77	2.71
(d) Hotel & Restaurant	2.12	2.38	2.70	0.59	0.62	0.66
(e) Finance & Insurance	14.74	15.37	16.05	4.10	4.03	3.94
(f) Real Estate & Business Services	7.52	8.26	9.10	2.09	2.16	2.23
(h) Producers of Govt. Services	3.66	3.87	4.08	1.02	1.01	1.00
(I) Comm., Social & Pers. Services	3.68	4.04	4.46	1.02	1.06	1.10
TOTAL (GDP)	**359.10**	**381.95**	**407.32**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	**301.73**	**325.47**	**351.18**	**84.03**	**85.21**	**86.22**
TOTAL GDP GROWTH RATE (%)	**7.24**	**6.36**	**6.64**			
OIL GDP GROWTH RATE (%)	**0.50**	**(1.55)**	**(0.61)**			
NON-OIL GDP GROWTH RATE (%)	**8.63**	**7.87**	**7.90**			
Of which: Agriculture (%)	5.53	4.28	4.19			
Industry (%)	1.53	(0.13)	0.98			
Building & Construction (%)	12.65	13.03	15.52			
Wholesale & Retail Trade (%)	10.67	8.52	8.39			
Services (%)	12.51	13.39	12.81			

Source: National Bureau of Statistics
1/ Revised
2/ Provisional

Table 30
Gross Domestic Product at Current Basic Prices
(Naira Billion unless otherwise stated)

Activity Sector	First Half 2011 1/	First Half 2012 2/	First Half 2013 2/	Share of Total GDP (Per Cent)		
				First Half 2011 1/	First Half 2012 2/	First Half 2013 2/
1. Agriculture	**4,942.84**	**5,456.96**	**6,078.31**	**27.46**	**28.75**	**29.84**
(a) Crop Production	4,324.38	4,763.05	5,287.77	24.03	25.09	25.96
(b) Livestock	357.40	402.06	458.17	1.99	2.12	2.25
(c) Forestry	66.58	74.62	83.41	0.37	0.39	0.41
(d) Fishing	194.47	217.24	248.96	1.08	1.14	1.22
2. Industry	**8,141.93**	**7,864.98**	**7,754.34**	**45.24**	**41.43**	**38.07**
(a) Crude Petroleum	7,910.94	7,605.83	7,465.55	43.95	40.07	36.65
(b) Mining & Quarrying	24.31	26.51	30.21	0.14	0.14	0.15
(c) Manufacturing	206.68	232.64	258.58	1.15	1.23	1.27
3. Building & Construction	**236.30**	**274.37**	**318.09**	**1.31**	**1.45**	**1.56**
4. Wholesale & Retail Trade	**2,804.21**	**3,237.47**	**3,755.71**	**15.58**	**17.05**	**18.44**
5. Services	**1,873.54**	**2,149.31**	**2,461.12**	**10.41**	**11.32**	**12.08**
(a) Transport	267.90	310.20	342.98	1.49	1.63	1.68
(b) Communication	154.81	174.99	198.98	0.86	0.92	0.98
(c) Utilities	39.25	43.71	50.43	0.22	0.23	0.25
(d) Hotel & Restaurant	62.12	71.37	82.37	0.35	0.38	0.40
(e) Finance & Insurance	297.86	328.01	374.49	1.65	1.73	1.84
(f) Real Estate & Business Services	702.73	819.62	946.68	3.90	4.32	4.65
(h) Producers of Govt. Services	164.26	183.22	208.52	0.91	0.97	1.02
(I) Comm., Social & Pers. Services	184.61	218.18	256.66	1.03	1.15	1.26
TOTAL (GDP)	**17,998.83**	**18,983.09**	**20,367.57**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	**10,087.88**	**11,377.26**	**12,902.02**	**56.05**	**59.93**	**63.35**
TOTAL GDP GROWTH RATE (%)	**16.35**	**5.47**	**7.29**			
OIL GDP GROWTH RATE (%)	**16.86**	**(3.86)**	**(1.84)**			
NON-OIL GDP GROWTH RATE (%)	**15.95**	**12.78**	**13.40**			
Of which: Agriculture (%)	14.20	10.40	11.39			
Industry (%)	16.79	(3.40)	(1.41)			
Building & Construction (%)	18.62	16.11	15.93			
Wholesale & Retail Trade (%)	19.87	15.45	16.01			
Services (%)	14.86	14.72	14.51			

Source: National Bureau of Statistics
1/ Revised
2/ Provisional

Table 31
Selected Real Sector Indicators
(Per cent, except otherwise indicated)

Item	2009 First Half	2010 First Half	2011 First Half	2012/1 First Half	2013/2 First Half
Agricultural Production Index (1990 = 100)					
Aggregate	215.3	228.0	240.8	250.7	261.2
Crops	252.8	267.5	282.2	292.9	304.9
Staples	274.7	290.9	307.2	319.8	334.8
Other Crops	188.1	198.9	209.8	218.2	226.9
Livestock	151.1	160.7	171.1	181.5	189.7
Fishery	100.7	109.3	115.9	122.9	129.3
Forestry	164.6	171.6	181.0	191.7	201.3
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (1990 = 100) (Dollar Based)					
All Commodities	346.6	435.9	448.8	331.2	312.9
Cocoa	373.8	470.8	464.3	334.5	326.8
Coffee	190.6	235.3	396.6	280.0	206.8
Cotton	69.3	103.5	235.5	295.2	110.2
Palm Oil	195.6	240.6	362.3	369.3	240.2
Copra	208.5	258.7	591.2	280.0	241.9
Soya Bean	153.9	142.3	203.9	200.5	217.1
GROWTH RATE OVER THE PRECEEDING PERIOD (%)					
Agricultural Production Index (1990 = 100)					
Aggregate	5.4	5.9	5.6	4.1	4.2
Crops	5.5	5.8	5.5	3.8	4.1
Staples	5.5	5.9	5.6	4.1	4.7
Other Crops	5.4	5.7	5.5	4.0	4.0
Livestock	5.5	6.4	6.4	6.1	4.5
Fishery	5.5	8.5	6.1	6.0	5.2
Forestry	5.4	4.2	5.5	5.9	5.0
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (1990 = 100) (Dollar Based)					
All Commodities	-6.8	25.7	3.0	-26.2	-5.5
Cocoa	-1.6	26.0	-1.4	-28.0	-2.3
Coffee	-5.8	23.5	68.5	-29.4	-26.1
Cotton	-25.2	49.3	127.6	25.4	-62.7
Palm Oil	-43.0	23.0	50.6	1.9	-34.9
Copra	-50.2	24.1	128.5	-52.6	-13.6
Soya Bean	-23.7	-7.5	43.3	-1.6	8.3
Industrial Production Index (1990 = 100)					
Industrial Production Index	**117.4**	**121.0**	**128.8**	**135.8**	**136.8**
Manufacturing Production Index	91.9	93.5	98.9	106.1	107.3
Mining Production Index	126.8	129.8	140.6	146.3	145.6
Electricity Production Index	194.3	205.8	202.7	206.1	205.9
Capacity Utilization Rate (%)	53.8	54.9	57.0	57.0	
Inflation Rate (12-Month Moving Average)	13.7	13.1	12.3	11.3	10.4
Inflation Rate (Year-on-Year)	11.2	14.1	10.2	12.9	8.4
Food Inflation Rate (Year-on-Year)	13.1	15.1	9.2	12.0	9.6
Non-Food Inflation Rate (Year-on-Year)	8.5	12.7	11.5	12.7	5.5

1/Revised
2/Provisional

Table 31 cont'd
Selected Real Sector Indicators
(Per cent, except otherwise indicated)

Item	2011 1/		2012 1/		2013 2/	Absolute Change Between		Percentage Change Between	
	First Half	Second Half	First Half (1)	Second Half (2)	First Half (3)	(1) & (3)	(2) & (3)	(1) & (3)	(2) & (3)
World Crude Oil Production									
million barrels per day (mbd)									
OPEC	34.40	35.55	37.11	36.81	36.15	-0.96	-0.66	-2.59	-1.79
Crudes	29.20	30.13	31.49	30.94	30.38	-1.11	-0.56	-3.52	-1.81
NGLs and condensates	5.20	5.42	5.62	5.87	5.77	0.15	-0.10	2.67	-1.70
Total non-OPEC	52.76	52.46	52.94	53.03	53.78	0.84	0.75	1.59	1.41
Total World Supply	87.16	88.01	90.05	89.84	89.93	-0.12	0.09	-0.13	0.10
Demand									
OECD	45.75	45.85	45.95	46.27	45.57	-0.38	-0.07	-0.83	-1.51
Non-OECD	41.35	42.75	42.02	43.34	43.33	1.31	-0.01	3.12	-0.02
Total World Demand	87.10	88.60	87.97	89.61	88.90	0.93	-0.71	1.06	-0.79
Nigeria									
Output	2.14	2.21	2.09	2.10	1.99	-0.10	-0.11	-4.78	-5.24
Exports	1.69	1.76	1.64	1.65	1.54	-0.10	-0.11	-6.10	-6.67
Domestic Consumption	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00
Average Spot Price of Selected Crude Oil at the International Oil Market (US$)									
UK Brent	111.91	112.40	113.73	110.89	108.50	-5.23	-2.39	-4.60	-2.16
Arab Light									
West Texas Intermediate (WTI)	98.62	90.96	95.06	86.68	92.52	-2.54	5.84	-2.67	6.74
Bonny Light	113.86	114.01	115.05	111.89	110.29	-4.76	-1.60	-4.14	-1.43
Forcados	114.40	115.06	116.80	113.12	111.68	-5.12	-1.44	-4.38	-1.27
OPEC Basket	105.78	108.21	112.52	107.25	105.09	-7.43	-2.16	-6.60	-2.01
Gas Activities									
(MMm^3)									
Gas Produced	27.32	35.98	33.95	30.73	26.71	-7.24	-4.02	-21.31	-13.08
Gas sold to Industries									
Gas sold for LNG									
Gas used as Fuel									
Gas Reinjected									
Gas Lift									
Gas Converted to NGLs									
Total Gas Utilised	20.82	29.24	27.92	25.66	21.48	-6.44	-4.18	-23.06	-16.30
Gas Utilised as % of Gas Produced	76.21	81.27	82.23	83.50	80.41	-1.82	-3.09	-2.21	-3.70
Gas Flared	6.50	6.74	6.03	5.07	5.23	-0.80	0.16	-13.25	3.20
Gas Flared as % Gas Produced	23.79	18.73	17.77	16.50	19.59	1.82	3.09	10.25	18.73

Sources: OPEC, NNPC, Reuters & CBN Estimates

1/ Revised

2/ Provisional

Table 32
Composite Consumer Price Index
(November 2009=100)

Year & Month	All Item (Headline)				All Items less Farm Produce (Core)			Food		
	Monthly Index	Inflation y-o-y(%)	12-Month Average Index	Inflation 12-Month Average(%)	Monthly Index	Inflation y-o-y(%)	Inflation 12-Month Average(%)	Monthly Index	Inflation y-o-y(%)	Inflation 12-Month Average(%)
2009										
January	90.2	*14.0*	86.0	12.0	*91.1*	8.0	*5.5*	89.5	18.4	16.5
February	90.8	14.6	87.0	12.6	91.7	7.2	5.6	90.2	20.0	17.5
March	91.4	14.4	87.9	13.1	92.0	11.8	6.5	90.9	16.2	17.7
April	91.9	*13.3*	88.8	13.5	*92.5*	10.9	*7.3*	91.6	15.3	17.9
May	93.6	13.2	89.8	13.8	94.2	9.9	7.8	93.5	15.7	17.9
June	95.3	11.2	90.6	13.7	95.3	8.5	8.3	95.6	13.1	17.5
July	97.3	11.1	91.4	13.4	96.8	8.3	8.6	97.9	12.9	16.8
August	98.4	11.0	92.2	13.3	97.3	8.0	8.9	98.9	12.7	16.3
September	98.9	*10.4*	93.0	13.1	*98.1*	7.4	*8.9*	99.5	12.5	15.9
October	99.4	11.6	93.8	12.8	98.9	8.9	9.0	99.9	13.5	15.4
November	100.0	12.4	94.7	12.6	100	10.7	9.1	100.0	13.5	15.0
December	102.2	13.9	95.8	12.5	102	11.2	9.2	102.4	15.5	14.8
2010										
January	103.1	14.4	96.9	12.6	102.1	12.1	9.6	103.7	15.9	14.7
February	105.0	15.6	98.0	12.7	104.5	14.0	10.1	104.8	16.2	14.4
March	104.9	14.8	99.2	12.8	104.1	13.2	10.3	105.3	15.8	14.4
April	105.7	15.0	100.3	12.9	104.4	12.8	10.4	106.6	16.3	14.5
May	105.7	12.9	101.3	12.9	105.2	11.7	10.6	105.7	13.0	14.3
June	108.8	14.1	102.4	13.1	107.4	12.7	10.9	110.0	15.1	14.4
July	109.9	13.0	103.5	13.3	107.7	11.3	11.2	111.6	14.0	14.5
August	111.9	13.7	104.6	*13.5*	109.3	12.4	11.5	113.8	15.1	14.7
September	112.4	13.6	105.7	13.8	110.7	12.8	12.0	114.0	14.6	14.9
October	112.7	13.4	106.9	13.9	111.9	13.2	12.3	114.0	14.1	14.9
November	112.8	12.8	107.9	13.9	111.7	11.7	12.4	114.4	14.4	15.0
December	114.2	11.8	108.9	13.7	112.6	10.9	12.4	115.4	12.7	14.7
2011										
January	115.6	12.1	110.0	13.5	114.5	12.1	12.4	114.3	10.3	14.2
February	116.7	11.1	110.9	13.2	115.5	10.6	12.1	117.7	12.2	13.9
March	118.3	12.8	112.1	13.0	117.5	12.8	12.1	118.1	12.2	13.6
April	117.7	11.3	113.0	12.7	117.9	12.9	12.1	119.0	11.6	13.2
May	118.7	12.4	114.1	12.6	118.9	13.0	12.2	118.5	12.2	13.2
June	119.9	10.2	115.1	12.3	119.8	11.5	12.1	120.1	9.2	12.7
July	120.3	9.4	115.9	12.0	120.1	11.5	12.1	120.4	7.9	12.1
August	122.3	9.3	116.8	11.6	121.2	10.9	12.0	123.7	8.7	11.6
September	124.0	10.3	117.8	11.4	123.5	11.6	11.9	124.8	9.5	11.2
October	124.6	10.5	118.8	11.1	124.8	11.5	11.7	125.0	9.7	10.8
November	124.7	10.5	119.7	11.0	124.6	11.5	11.7	125.4	9.6	10.4
December	126.0	10.3	120.7	10.8	124.8	10.8	11.7	128.1	11.0	10.3
2012										
January	130.2	12.6	121.9	10.9	129.1	12.7	11.8	129.3	13.1	10.5
February	130.5	11.9	123.1	11.0	129.3	11.9	11.9	129.1	9.7	10.3
March	132.6	12.1	124.3	10.9	135.1	15.0	12.1	132.1	11.8	10.3
April	132.8	12.9	125.5	11.1	135.2	14.7	12.2	132.3	11.2	10.3
May	133.8	12.7	126.8	11.1	136.7	14.9	12.4	133.9	12.9	10.4
June	135.3	12.9	128.1	11.3	138.0	15.2	12.7	134.5	12.0	10.6
July	135.7	12.8	129.4	11.6	138.1	15.0	13.0	135.0	12.1	11.0
August	136.6	11.7	130.6	11.8	139.0	14.7	13.3	135.9	9.9	11.1
September	138.0	11.3	131.7	11.9	139.7	13.1	13.5	137.5	10.2	11.1
October	139.2	11.7	132.9	11.9	140.3	12.4	13.5	138.8	11.1	11.2
November	140.0	12.3	134.2	12.1	140.9	13.1	13.6	139.8	11.6	11.4
December	141.1	12.0	135.5	12.2	141.8	13.7	13.9	141.2	10.2	11.3
2013										
January	141.9	9.0	136.5	11.9	143.8	11.3	13.7	142.3	10.1	11.1
February	143.0	9.5	137.5	11.7	143.8	11.2	13.7	143.3	11.0	11.2
March	144.0	8.6	138.4	11.4	144.8	7.2	13.0	144.6	9.5	11.0
April	144.8	9.1	139.4	11.1	144.5	6.9	12.3	145.6	10.0	10.8
May	145.8	9.0	140.4	10.8	145.2	6.2	11.5	146.4	9.3	10.5
June	146.6	8.4	141.4	10.4	145.5	5.5	10.7	147.5	9.6	10.4

Source: National Bureau of Statistics (NBS)

Table 33
Urban and Rural Consumer Price Index
(November 2009=100)

Year & Month	Urban						Rural					
	All Items (Headline) Monthly Index	Headline Inflation y-o-y(%)	All Items less Farm Produce (Core) Monthly Index	Core Inflation y-o-y(%)	Food Monthly Index	Food Inflation y-o-y(%)	All Items (Headline) Monthly Index	Headline Inflation y-o-y(%)	All Items less Farm Produce (Core) Monthly Index	Core Inflation y-o-y(%)	Food Monthly Index	Food Inflation y-o-y(%)
2009												
January	92.8	10.4	96.6	12.0	90.5	12.9	88.9	15.9	88.5	-1.8	89.1	12.5
February	93.6	9.8	96.3	13.2	92.0	12.5	89.5	17.2	89.5	3.1	89.6	7.2
March	93.9	9.9	96.5	10.6	92.4	9.7	90.2	16.7	89.8	-4.3	90.5	13.4
April	94.3	8.6	97.4	12.1	92.5	10.6	90.7	15.7	90.2	-3.9	91.3	14.1
May	95.7	9.5	98.2	8.0	94.1	12.3	92.6	15.1	92.3	1.0	93.3	15.7
June	97.2	9.2	98.8	10.5	96.3	12.8	94.4	12.2	93.7	0.1	95.4	20.0
July	98.9	9.3	99.5	10.1	98.4	15.6	96.5	12.0	95.5	2.0	97.7	22.9
August	99.6	8.4	99.7	10.6	99.3	13.9	97.8	12.4	96.1	0.5	98.8	20.6
September	99.8	8.1	99.5	10.6	99.8	16.0	98.5	11.5	97.4	5.0	99.4	17.6
October	99.8	8.3	99.9	10.5	99.6	16.4	99.2	13.2	98.4	6.6	100.0	20.1
November	100.0	8.8	100.0	8.3	100.0	14.9	100.0	14.2	100.0	10.1	100.0	19.3
December	101.4	9.3	101.3	7.8	101.6	13.6	102.8	16.6	101.7	11.8	103.1	19.6
2010												
January	102.6	10.5	102.5	6.1	102.8	13.6	103.6	16.5	101.9	15.1	104.4	17.2
February	104.4	11.6	105.4	9.4	102.9	11.9	105.6	17.9	103.8	16.0	106.4	18.8
March	106.0	12.9	105.7	9.6	106.1	14.9	104.0	15.3	102.8	14.4	104.6	15.6
April	105.9	12.2	105.4	8.3	106.3	14.9	105.6	16.4	103.6	14.8	106.8	16.9
May	103.8	8.5	103.7	5.6	103.8	10.4	107.2	15.8	106.5	15.4	107.2	14.9
June	107.7	10.8	107.0	8.3	108.5	12.7	109.6	16.1	107.8	15.0	111.2	16.6
July	109.1	10.3	107.9	8.5	110.4	12.2	110.7	14.6	107.6	12.6	112.6	15.3
August	110.5	10.9	109.0	9.3	112.8	13.6	113.0	15.6	109.6	14.0	114.7	16.1
September	110.6	10.9	109.4	10.0	112.6	12.8	113.8	15.6	111.7	14.7	115.1	15.8
October	111.2	11.5	110.0	10.2	113.5	13.9	114.0	15.0	113.5	15.3	114.4	14.4
November	111.7	11.7	111.3	11.3	112.8	12.8	113.6	13.6	112.1	12.1	115.7	15.7
December	112.2	10.7	111.2	9.7	113.4	11.6	115.9	12.7	113.8	11.9	117.1	13.6
2011												
January	110.7	7.9	108.5	5.9	111.7	8.6	119.7	15.6	119.5	17.3	116.5	11.6
February	114.2	9.4	114.1	8.3	115.5	12.2	118.8	12.5	116.7	12.5	119.4	12.2
March	115.0	8.5	114.9	8.6	116.0	9.3	121.1	16.4	119.6	16.4	119.9	14.6
April	115.5	9.1	116.3	10.3	116.4	9.5	119.4	13.1	119.2	15.1	121.1	13.4
May	115.8	11.5	116.8	12.7	116.7	12.4	121.2	13.0	120.6	13.3	120.1	12.0
June	116.6	8.3	116.6	9.0	118.0	8.7	122.6	11.8	122.4	13.6	121.9	9.6
July	116.3	6.6	116.8	8.2	118.0	6.9	123.6	11.7	122.8	14.2	122.4	8.6
August	118.3	7.1	118.7	8.9	119.9	6.3	125.6	11.1	123.3	12.5	126.9	10.6
September	120.0	8.4	121.3	10.9	120.7	7.2	127.4	11.9	125.3	12.1	128.2	11.4
October	119.9	7.8	121.2	10.2	120.9	6.6	128.6	12.8	127.8	12.7	128.4	12.2
November	120.0	7.4	121.1	8.8	120.8	7.2	128.6	13.1	127.4	13.6	129.1	11.6
December	122.3	9.0	122.0	9.7	124.5	9.8	129.0	11.3	127.1	11.7	131.1	12.0
2012												
January	128.9	16.4	128.2	18.2	125.5	12.3	131.3	9.7	129.9	8.7	132.4	13.6
February	129.2	13.1	128.4	12.5	126.3	9.3	131.6	10.9	130.0	11.4	131.8	10.3
March	130.7	13.7	132.6	15.4	129.1	11.3	134.4	11.0	137.1	14.7	134.9	12.5
April	131.1	13.4	133.0	14.4	129.4	11.2	134.4	12.5	137.0	15.0	135.0	11.5
May	132.1	14.1	134.0	14.7	131.1	12.4	135.4	11.7	138.9	15.1	136.5	13.7
June	134.1	15.0	135.8	16.5	131.4	11.4	136.5	11.4	139.8	14.2	137.4	12.7
July	134.5	15.6	135.5	16.0	131.7	11.6	136.9	10.7	140.4	14.3	138.0	12.8
August	135.4	14.5	136.7	15.2	132.5	10.6	137.8	9.7	140.9	14.3	139.1	9.6
September	137.0	14.2	137.7	13.5	134.2	11.2	139.0	9.1	141.3	12.8	140.6	9.6
October	138.2	15.3	138.3	14.1	135.3	11.9	140.2	9.1	141.9	11.0	142.0	10.6
November	139.0	15.8	138.9	14.7	136.2	12.7	141.1	9.8	142.5	11.8	143.2	10.9
December	140.0	14.5	139.8	14.6	137.6	10.5	142.1	10.2	143.5	13.0	144.5	10.2
2013												
January	140.8	9.2	142.3	11.0	138.6	10.5	143.2	9.1	144.9	11.6	145.7	10.0
February	142.0	9.8	142.3	10.9	139.9	10.8	144.1	9.5	144.9	11.5	146.4	11.1
March	142.8	9.3	142.0	7.1	140.7	9.0	145.3	8.1	147.1	7.2	148.2	9.9
April	143.7	9.7	142.6	7.2	142.0	9.7	146.4	8.9	146.5	6.9	149.2	10.5
May	144.5	9.4	142.7	6.5	142.7	8.9	147.1	8.6	147.2	6.0	149.8	9.7
June	145.5	8.4	143.1	5.3	143.9	9.5	147.9	8.3	147.6	5.6	150.8	9.7

Source: National Bureau of Statistics (NBS)

Table 34
Balance of Payments Analytic Presentation
(US$ Million)

	1st Half 2012 /2	2nd Half 2012 /2	1st Half 2013/1
CURRENT ACCOUNT	**6,588.82**	**13,839.54**	**11,823.62**
Goods	**18,217.70**	**24,257.15**	**18,753.81**
Exports (fob)	49,387.22	46,644.41	43,766.83
Oil and Gas	47,789.41	45,194.22	41,970.76
Non-oil	1,597.80	1,450.19	1,796.07
Imports (fob)	(31,169.51)	(22,387.26)	(25,013.02)
Oil	(11,064.40)	(8,117.84)	(8,279.50)
Non-oil	(20,105.11)	(14,269.42)	(16,733.52)
Unrecorded(TPAdj)	-	-	-
Services(net)	**(10,792.20)**	**(10,921.52)**	**(9,705.59)**
Credit	1,210.16	1,209.61	942.66
Transportation	720.14	685.52	460.02
Travel	281.83	277.19	275.66
Insurance Services	1.02	0.76	2.13
Communication Services	23.33	27.60	24.24
Construction Services	-	-	-
Financial Services	4.01	7.34	10.53
Computer & information Services	-	-	-
Royalties and License Fees	-	-	-
Government Services	153.51	182.16	140.24
Personal, cultural & recreational services	-	-	-
Other Bussiness Services	26.32	29.05	29.85
Debit	(12,002.36)	(12,131.13)	(10,648.25)
Transportation	(5,162.01)	(4,614.26)	(4,289.19)
Travel	(3,630.18)	(2,560.88)	(2,554.80)
Insurance Services	(412.68)	(322.32)	(323.76)
Communication Services	(178.51)	(234.67)	(262.71)
Construction Services	(35.44)	(76.54)	(11.83)
Financial Services	(168.38)	(265.63)	(293.30)
Computer & information Services	(90.79)	(86.49)	(36.91)
Royalties and License Fees	(126.42)	(126.42)	(126.42)
Government Services	(635.90)	(905.52)	(910.53)
Personal, cultural & recreational services	(26.72)	(47.35)	(16.34)
Other Bussiness Services	(1,535.34)	(2,891.05)	(1,822.48)
Income(net)	**(11,470.90)**	**(10,849.50)**	**(7,921.34)**
Credit	471.29	493.01	503.97
Investment Income	379.25	403.10	405.08
Compensation of employees	92.05	89.91	98.89
Debit	(11,942.19)	(11,342.51)	(8,425.31)
Investment Income	(11,935.87)	(11,334.03)	(8,414.16)
Compensation of employees	(6.32)	(8.47)	(11.15)
Current transfers(net)	**10,634.22**	**11,353.40**	**10,696.73**
Credit	10,801.92	11,671.81	10,935.87
General Government	973.76	961.96	902.91
Other Sectors	9,828.16	10,709.85	10,032.96
Workers Remittance	9,822.39	10,705.53	10,020.89
Debit	(167.70)	(318.41)	(239.14)
General Government	-	(163.47)	(85.03)
Other Sectors	(167.70)	(154.94)	(154.11)
Workers Remittance	(12.49)	(11.73)	(13.80)
CAPITAL AND FINANCIAL ACCOUNT	**1,462.54**	**(13,939.00)**	**1,252.95**
Capital account(net)	**-**	**-**	**-**
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**1,462.54**	**(13,939.00)**	**1,252.95**
Assets	**(7,356.00)**	**(30,263.20)**	**(14,116.26)**
Direct investment (Abroad)	(386.61)	(1,155.95)	(509.57)
Portfolio investment	(970.79)	(1,115.42)	(3,785.35)
Other investment	(3,196.19)	(19,606.24)	(8,639.64)
Change in Reserve	(2,802.41)	(8,385.59)	(1,181.70)
Liabilities	**8,818.54**	**16,324.19**	**15,369.20**
Direct Invesment in reporting economy	2,563.29	4,564.09	2,763.80
Portfolio Investment	6,437.28	10,763.21	13,346.86
Other investment liabilities	(182.04)	996.90	(741.46)
NET ERRORS AND OMISSIONS	**(8,051.36)**	**99.46**	**(13,076.56)**

Memorandum Items:	**1st Half 2012 /2**	**2nd Half 2012 /2**	**1st Half 2013/1**
Current Account Balance as % of G.D.P	**5.39**	**10.28**	**8.89**
Capital and Financial Account Balance as % of G.D.P	**1.20**	**(10.36)**	**1.01**
Overall Balance as % of G.D.P	**2.29**	**6.23**	**0.89**
External Reserves - Stock (US $ million)	**35,412.50**	**43,830.42**	**44,957.00**
Number of Months of Imports Equivalent	**6.82**	**11.75**	**10.78**
External Debt Stock (US$ million)	**6,035.66**	**6,527.07**	**6,920.10**
Debt Service Due as % of Exports of Goods Non Factor Services	**-**	**-**	**-**
Effective Central Exchange Rate (N/$)	**156.37**	**156.09**	**156.03**
Average Exchange Rate (N/$)	**157.65**	**157.35**	**156.67**
End-Period Exchange Rate (N/$)	**157.50**	**157.33**	**156.03**

Source: Central Bank of Nigeria
1/ Provisional
2/ Revised

Table 35
Balance of Payments Analytic Presentation
(₦' Million)

	1st Half 2012 /2	2nd Half 2012 /2	1st Half 2013/1
CURRENT ACCOUNT	**1,031,096.51**	**2,160,381.74**	**1,844,840.51**
Goods	**2,849,594.24**	**3,786,417.08**	**2,926,163.37**
Exports (fob)	7,723,682.63	7,280,684.12	6,828,928.16
Oil and Gas	7,473,840.14	7,054,333.35	6,548,687.38
Non-oil	249,842.49	226,350.77	280,240.78
Imports (fob)	(4,874,088.40)	(3,494,267.04)	(3,902,764.78)
Oil	(1,730,231.34)	(1,267,056.43)	(1,291,842.76)
Non-oil	(3,143,857.06)	(2,227,210.61)	(2,610,922.02)
Unrecorded(TPAdj)	-	-	-
Services(net)	**(1,687,802.35)**	**(1,704,633.74)**	**(1,514,359.40)**
Credit	189,280.37	188,813.74	147,083.60
Transportation	112,621.90	107,007.14	71,776.22
Travel	44,071.59	43,265.61	43,011.62
Insurance Services	159.27	118.94	332.44
Communication Services	3,647.50	4,307.96	3,782.16
Construction Services	-	-	-
Financial Services	625.59	1,145.09	1,642.28
Computer & information Services	-	-	-
Royalties and License Fees	-	-	-
Government Services	24,039.85	28,435.46	21,881.28
Personal, cultural & recreational services	-	-	-
Other Bussiness Services	4,114.67	4,533.55	4,657.61
Debit	(1,877,082.73)	(1,893,447.48)	(1,661,443.01)
Transportation	(807,234.83)	(720,216.75)	(669,241.91)
Travel	(567,712.24)	(399,727.78)	(398,623.34)
Insurance Services	(64,535.20)	(50,310.21)	(50,516.49)
Communication Services	(27,920.52)	(36,629.87)	(40,990.98)
Construction Services	(5,542.03)	(11,947.78)	(1,845.17)
Financial Services	(26,319.87)	(41,461.59)	(45,763.12)
Computer & information Services	(14,200.56)	(13,501.80)	(5,758.31)
Royalties and License Fees	(19,768.56)	(19,732.59)	(19,725.27)
Government Services	(99,448.17)	(141,342.45)	(142,069.62)
Personal, cultural & recreational services	(4,171.57)	(7,392.57)	(2,549.40)
Other Bussiness Services	(240,229.18)	(451,184.08)	(284,359.40)
Income(net)	**(1,793,569.15)**	**(1,693,497.63)**	**(1,235,970.18)**
Credit	73,695.06	76,954.88	78,634.68
Investment Income	59,303.32	62,920.90	63,204.53
Compensation of employees	14,391.74	14,033.97	15,430.15
Debit	(1,867,264.21)	(1,770,452.51)	(1,314,604.86)
Investment Income	(1,866,274.00)	(1,769,129.88)	(1,312,865.14)
Compensation of employees	(990.21)	(1,322.63)	(1,739.72)
Current transfers(net)	**1,662,873.77**	**1,772,096.02**	**1,669,006.72**
Credit	1,689,096.95	1,821,796.25	1,706,319.36
General Government	152,247.50	150,151.35	140,879.99
Other Sectors	1,536,849.45	1,671,644.90	1,565,439.37
Workers Remittance	1,535,946.94	1,670,970.89	1,563,555.56
Debit	(26,223.18)	(49,700.23)	(37,312.64)
General Government	-	(25,515.91)	(13,267.44)
Other Sectors	(26,223.18)	(24,184.32)	(24,045.20)
Workers Remittance	(1,953.43)	(1,830.60)	(2,153.21)
CAPITAL AND FINANCIAL ACCOUNT	**231,158.16**	**(2,175,798.72)**	**195,479.15**
Capital account(net)	-	-	-
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**231,158.16**	**(2,175,798.72)**	**195,479.15**
Assets	**(1,147,739.66)**	**(4,723,735.95)**	**(2,202,571.62)**
Direct investment (Abroad)	(60,216.14)	(180,420.29)	(79,508.54)
Portfolio investment	(151,622.87)	(174,089.16)	(590,621.06)
Other investment	(496,997.83)	(3,060,239.43)	(1,348,040.21)
Change in Reserve	(438,902.82)	(1,308,987.07)	(184,401.81)
Liabilities	**1,378,897.82**	**2,547,937.23**	**2,398,050.78**
Direct Invesment in reporting economy	401,102.81	712,315.72	431,233.68
Portfolio Investment	1,006,971.47	1,679,979.98	2,082,507.45
Other investment liabilities	(29,176.45)	155,641.53	(115,690.35)
NET ERRORS AND OMISSIONS	**(1,262,254.67)**	**15,416.98**	**(2,040,319.67)**

Memorandum Items:	**1st Half 2012 /2**	**2nd Half 2012 /2**	**1st Half 2013/1**
Current Account Balance as % of G.D.P	**5.39**	**10.28**	**8.89**
Capital and Financial Account Balance as % of G.D.P	**1.20**	**(10.36)**	**1.01**
Overall Balance as % of G.D.P	**2.29**	**6.23**	**0.89**
External Reserves - Stock (US $ million)	**35,412.50**	**43,830.42**	**44,957.00**
Number of Months of Imports Equivalent	**6.82**	**11.75**	**10.78**
External Debt Stock (US$ million)	**6,035.66**	**6,527.07**	**6,920.10**
Debt Service Due as % of Exports of Goods Non Factor Services	**-**	**-**	**-**
Effective Central Exchange Rate (N/$)	**156.37**	**156.09**	**156.03**
Average Exchange Rate (N/$)	**157.65**	**157.35**	**156.67**
End-Period Exchange Rate (N/$)	**157.50**	**157.33**	**156.03**

Source: Central Bank of Nigeria
1/ Provisional
2/ Revised

Table 36
Foreign Exchange Flows Through the Economy
(US$ Million)

CATEGORY	1st Half 2009	1st Half 2010	1st Half 2011	1st Half 2012 /2	1st Half 2013 /3
INFLOW	**30,812.91**	**39,297.43**	**50,257.07**	**55,548.08**	**72,436.27**
A. Through the Central Bank	**11,084.16**	**12,982.08**	**19,574.33**	**22,170.74**	**19,747.39**
1. Oil	7,482.62	12,159.31	18,140.18	21,298.36	18,971.59
2.Non-oil	3,601.54	822.77	1,434.14	872.37	775.80
(i) Drawings on Loans/Grants	0.00	-	-	-	-
(ii) RDAS/WDAS Purchases	2,381.03	9.30	-	-	20.00
(iii) Swaps	0.00	-	-	-	-
(iv) Interest on Reserves & Investments	192.95	375.98	112.56	89.19	30.32
(v) Interest Repatriated from overseas		-	-	0.72	0.29
(v) Refund on World Bank/IBRD/IMF Loans/SDR Allocation		0.00	0.0	-	-
(vi) Other official Receipts	1,027.56	437.49	1,321.59	782.46	725.19
B. Through Autonomous Sources	**19,728.75**	**26,315.35**	**30,682.74**	**33,377.34**	**52,688.89**
1. Non-oil exports	652.34	977.56	1,355.60	2,007.62	1,920.67
2. Capital Inflow	15.31	30.06	9.83	110.57	151.82
3. Invisibles	19,061.10	25,307.73	29,317.31	31,259.15	50,616.40
OUTFLOW	**20,809.60**	**17,594.67**	**21,402.28**	**20,204.63**	**19,058.02**
A. Through the Central Bank	**20,390.76**	**17,027.91**	**20,530.52**	**19,355.49**	**18,856.13**
1. WDAS/RDAS Utilisation	**17,722.01**	**14,146.35**	**17,002.27**	**16,687.61**	**15,440.47**
(i) WDAS/RDAS Sales	12,861.03	11,715.11	14,638.04	10,414.10	10,711.04
(ii) WDAS Forward		-	536.51	679.99	-
(iii) BDC Sales	2,250.34	2431.24	1,827.72	3,455.82	2,263.61
(iv) Inter-bank Sales	2,610.64	-	-	1,612.70	2,461.50
(v) Swaps	0.00	-	-	525.00	4.33
(vi) Invisibles IFEM	0.00	-	-	-	-
2. Drawings on L/C	**568.96**	**406.83**	**902.43**	**291.63**	**204.13**
3. External Debt Service	**183.29**	**178.71**	**176.46**	**152.16**	**150.09**
(i) Principal	133.71	137.42	127.63	118.26	94.35
(ii) Interest	15.58	2.80	8.49	5.38	5.25
(iii) Others 1/	34.00	38.49	40.34	28.52	50.49
4. Professional fees/Commission		-	-	0.06	-
5. Contributions, Grants & Equities Invests. (AFC Equity Participation)		-	-	-	-
6. National Priority Projects (Niger-Delta Payments)	**0.00**	**0.00**	**35.85**	**50.64**	**33.33**
7. Other Official Payments	**1,916.50**	**2,296.01**	**2,413.51**	**2,173.38**	**2,927.56**
(i) Int'l Organisations & Embassies /4	313.29	280.45	244.32	126.47	308.97
(ii) Estacode		-	-	42.85	57.62
(iii) Parastatals	345.27	195.80	592.42	350.58	587.05
(iv) NNPC/JV Cash Calls	1,233.94	1,789.14	1,475.16	1,628.69	1,932.07
(v) Miscellaneous(CBN Uses)	24.00	30.62	101.61	24.79	41.85
8. Bank Charges		-	-	-	0.55
9. Nigerian Sovereign Investment Authority (NSIA) Transfer					100.00
					-
B. Through Autonomous Sources	**418.84**	**566.76**	**871.76**	**849.14**	**201.88**
1. Imports	403.35	498.00	847.53	837.48	180.68
2. Invisibles	15.49	1.61	24.24	11.66	21.21
					-
NETFLOW THROUGH THE CBN	**(9,306.60)**	**(4,045.82)**	**(956.19)**	**2,815.25**	**891.26**
NETFLOW	**10,003.31**	**21,702.77**	**28,854.79**	**35,343.45**	**53,378.26**

Source: Central Bank of Nigeria

1/ Includes penalty and service charges

2/ Revised

3/ Provisional

4/ Includes IMF (SDR charges)

Table 37
Nigeria's Gross External Reserves
(US$ Million)

Month	2009	2010	2011	2012	2013
January	50,108.65	42,075.67	33,131.83	34,136.57	45,824.44
February	48,113.06	41,410.10	33,246.07	33,857.37	47,295.85
March	47,081.96	40,667.03	33,221.80	35,197.44	47,884.12
April	45,914.47	40,322.01	32,835.33	36,660.89	47,903.09
May	44,836.40	38,815.79	32,100.81	36,839.53	47,702.88
June	43,462.74	37,468.44	31,890.91	35,412.50	44,957.00
July	43,351.39	37,155.19	32,521.71	36,285.32	
August	41,754.31	36,769.65	32,914.97	39,509.81	
September	43,343.33	34,589.01	31,740.23	40,640.40	
October	43,054.77	33,597.02	32,594.69	42,167.41	
November	43,024.68	33,059.30	32,125.22	42,568.26	
December	42,382.49	32,339.25	32,639.78	43,830.42	

Source: Central Bank of Nigeria

Table 38
Nigeria Foreign Exchange Cross Rates
Naira per Unit of Foreign Currency (Monthly Average)

2009	Pounds	Euro	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	206.19	189.34	0.29	145.78	149.88
Feb	210.17	186.48	0.28	147.14	156.93
Mar	207.92	191.33	0.29	147.72	174.32
Apr	214.27	192.23	0.29	147.23	180.27
May	225.42	199.60	0.30	147.84	180.63
Jun	239.91	205.65	0.31	148.20	166.14
1st Half Average	**217.31**	**194.10**	**0.29**	**147.32**	**168.03**
Jul	239.59	207.14	0.32	148.59	155.13
Aug	248.60	214.48	0.36	151.86	158.95
Sep	247.26	219.71	0.33	152.30	158.00
Oct	239.18	219.18	0.33	149.36	153.05
Nov	248.29	222.99	0.34	150.85	152.95
Dec	240.98	216.82	0.33	149.69	153.48
2nd Half Average	**243.98**	**216.72**	**0.33**	**150.44**	**155.26**

2010	Pounds	Euro	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	239.96	211.72	0.32	149.78	153.55
Feb	232.66	203.67	0.31	150.22	152.08
Mar	223.26	201.38	0.31	149.83	151.85
Apr	227.55	199.09	0.30	149.89	152.00
May	217.36	186.52	0.28	150.31	153.26
Jun	219.42	181.65	0.28	150.19	153.87
1st Half Average	**226.70**	**197.34**	**0.30**	**150.04**	**152.77**
Jul	227.02	189.83	0.29	150.10	152.41
Aug	233.10	192.01	0.29	150.27	152.23
Sep	232.86	195.91	0.30	151.03	153.85
Oct	237.51	208.34	0.32	151.25	153.98
Nov	237.62	203.64	0.31	150.22	153.13
Dec	232.78	197.27	0.30	150.48	154.57
2nd Half Average	**233.48**	**197.83**	**0.30**	**150.56**	**153.36**

2011	Pounds	Euro	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	236.92	200.57	0.30	151.55	156.13
Feb	242.81	205.58	0.31	151.94	155.11
Mar	243.95	211.17	0.32	152.51	157.09
Apr	249.16	220.08	0.33	153.97	157.05
May	250.11	219.66	0.33	154.80	158.05
Jun	248.13	220.21	0.34	154.50	158.32
1st Half Average	**245.18**	**212.88**	**0.32**	**153.21**	**156.95**
Jul	242.51	216.08	0.33	151.86	163.71
Aug	247.53	216.79	0.33	152.72	163.10
Sep	242.88	211.73	0.32	155.26	158.23
Oct	239.15	208.22	0.32	153.26	161.25
Nov	243.45	208.78	0.32	155.77	160.35
Dec	244.53	206.52	0.31	158.21	163.30
2nd Half Average	**243.34**	**211.35**	**0.32**	**154.51**	**161.66**

2012	Pounds	Euro	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	243.27	202.52	0.31	158.39	164.62
Feb	246.98	206.71	0.31	157.87	160.85
Mar	246.92	206.05	0.31	157.59	159.41
Apr	249.34	205.00	0.31	157.33	159.37
May	248.03	199.42	0.30	157.28	159.67
Jun	242.42	193.92	0.30	157.44	163.43
1st Half Average	**246.16**	**202.27**	**0.31**	**157.65**	**161.22**
Jul	243.06	191.56	0.29	157.43	163.32
Aug	244.87	193.28	0.29	157.38	162.24
Sep	250.88	200.27	0.30	157.34	159.80
Oct	250.45	202.21	0.31	157.32	159.00
Nov	248.69	199.91	0.30	157.31	159.32
Dec	251.56	204.30	0.31	157.32	159.26
2nd Half Average	**248.25**	**198.59**	**0.30**	**157.35**	**160.49**

2013	Pounds	Euro	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	248.72	206.97	0.31	157.30	159.12
Feb	241.10	208.16	0.32	157.30	158.70
Mar	234.75	201.95	0.31	157.31	159.80
Apr	238.49	202.88	0.31	157.31	159.81
May	238.34	202.34	0.31	157.30	159.57
Jun	241.11	205.47	0.31	157.31	160.98
1st Half Average	**240.42**	**204.63**	**0.31**	**157.30**	**159.66**

Source: Central Bank of Nigeria

Table 39
Monthly Average Exchange Rate Movements
(₦/US$ 1.00)

2010	WDAS	Interbank	BDC
Jan	149.78	150.33	153.55
Feb	150.22	150.97	152.08
Mar	149.83	150.08	151.85
Apr	149.89	150.38	152.00
May	150.31	151.49	153.26
Jun	150.19	151.28	153.87
1st Half	**150.04**	**150.75**	**152.77**
End-Period	**149.99**	**150.00**	**153.50**
Jul	150.10	150.27	152.41
Aug	150.27	150.70	152.23
Sep	151.03	152.62	153.85
Oct	151.25	151.78	153.98
Nov	150.22	150.55	153.13
Dec	150.48	152.63	154.57
2nd Half	**150.56**	**151.42**	**153.36**
End-Period	**150.66**	**152.00**	**156.00**
2011	**WDAS**	**Interbank**	**BDC**
Jan	151.55	152.47	156.13
Feb	151.94	152.86	155.11
Mar	152.51	155.21	157.09
Apr	153.97	154.60	157.05
May	154.80	156.17	158.05
Jun	154.50	155.65	158.32
1st Half	**153.21**	**154.49**	**156.95**
End-Period	**153.31**	**152.52**	**159.00**
Jul	151.86	152.41	163.71
Aug	152.72	153.79	163.10
Sep	155.26	156.70	158.23
Oct	153.26	159.82	161.25
Nov	155.77	158.83	160.35
Dec	158.21	162.17	163.30
2nd Half	**154.51**	**157.29**	**161.66**
End-Period	**158.27**	**159.70**	**165.00**
2012	**WDAS**	**Interbank**	**BDC**
Jan	158.39	161.31	164.62
Feb	157.87	158.59	160.85
Mar	157.59	157.72	159.41
Apr	157.33	157.44	159.37
May	157.28	158.46	159.67
Jun	157.44	162.33	163.43
1st Half	**157.65**	**159.31**	**161.22**
End-Period	**157.50**	**162.85**	**164.00**
Jul	157.43	161.33	163.32
Aug	157.38	158.97	162.24
Sep	157.34	157.78	159.80
Oct	157.32	157.24	159.00
Nov	157.31	157.58	159.32
Dec	157.32	157.33	159.26
2nd Half	**157.35**	**158.37**	**160.49**
End-Period	**157.33**	**157.25**	**159.00**
2013	**WDAS**	**Interbank**	**BDC**
Jan	157.30	156.96	159.12
Feb	157.30	157.52	158.70
Mar	157.31	158.38	159.80
Apr	157.31	158.20	159.81
May	157.30	158.02	159.57
Jun	157.31	160.02	160.98
1st Half	**157.30**	**158.18**	**159.66**
End-Period	**157.31**	**162.60**	**162.00**

Source: Central Bank of Nigeria

Table 40
Demand and Supply of Foreign Exchange
(US$ Million)

Year/Month	2012											
	WDAS Demand	BDC Demand	WDAS - Forward Demand	Total Demand	WDAS Sales	BDC Sales	WDAS- Forward Sales	Interbank Sales	Swaps	WDAS - Forward (Disbursement on Maturity)	Total Supply	Total Supply**
January	2,134.00	365.73	177.42	2,677.15	1,640.65	365.73	104.51	114.50	75.00	296.67	2,300.39	2,492.55
February	1,891.96	720.59	56.88	2,669.43	1,942.18	720.59	21.86	0.00	250.00	187.03	2,934.63	3,099.80
March	1,426.45	698.16	106.99	2,231.60	1,452.75	698.16	75.33	0.00	200.00	36.85	2,426.24	2,387.76
April	1,052.88	492.76	128.46	1,674.10	891.52	492.76	66.94	0.00	0.00	43.97	1,451.22	1,428.25
May	1,681.26	633.77	52.62	2,367.65	1,487.00	633.77	0.67	774.20	0.00	114.21	2,895.64	3,009.18
June	2,777.62	544.81	48.37	3,370.80	3,000.00	544.81	45.00	724.00	0.00	2.79	4,313.81	4,271.60
First Half	**10,964.17**	**3,455.82**	**570.74**	**14,990.73**	**10,414.10**	**3,455.82**	**314.32**	**1,612.70**	**525.00**	**681.52**	**16,321.94**	**16,689.14**
July	2,166.32	419.50	0.0	2,585.82	1,961.69	419.50	0.00	45.00	0.00	0.00	2,426.19	2,426.19
August	1,646.41	361.75	0.0	2,008.16	1,842.91	361.75	0.00	0.67	0.00	0.00	2,205.33	2,205.33
September	1,549.18	370.16	0.0	1,919.34	1,539.42	370.16	0.00	2.70	0.00	0.00	1,912.28	1,912.28
October	1,112.89	389.83	0.0	1,502.72	1,051.00	389.83	0.00	0.00	0.00	0.00	1,440.83	1,440.83
November	1,236.98	311.65	0.0	1,548.63	1,278.68	311.65	0.00	0.00	0.00	0.00	1,590.33	1,590.33
December	993.81	239.85	0.0	1,233.66	990.34	239.85	0.00	0.00	0.00	0.00	1,230.19	1,230.19
Second Half	**8,705.60**	**2,092.74**	**0.00**	**10,798.34**	**8,664.04**	**2,092.74**	**0.00**	**48.37**	**0.00**	**0.00**	**10,805.15**	**10,805.15**

Year/Month	2013											
	WDAS Demand	BDC Demand	WDAS - Forward Demand	Total Demand	WDAS Sales	BDC Sales	WDAS- Forward Sales	Interbank Sales	Swaps	WDAS - Forward (Disbursement on Maturity)	Total Supply*	Total Supply**
January	836.39	303.48	0.00	1,139.87	713.50	303.48	0.00	0.00	0.00	0.00	1,016.98	1,016.98
February	1,164.28	299.25	0.00	1,463.53	1,072.82	299.25	0.00	0.00	0.00	0.00	1,372.07	1,372.07
March	1,911.29	365.00	0.00	2,276.29	1,801.54	365.00	0.00	110.00	0.00	0.00	2,276.54	2,276.54
April	2,156.22	381.04	0.00	2,537.26	2,154.47	381.04	0.00	310.50	0.00	0.00	2,846.01	2,846.01
May	2,019.20	487.62	0.00	2,506.81	2,318.70	487.62	0.00	75.00	0.00	0.00	2,881.32	2,881.32
June	2,661.33	427.23	0.00	3,088.56	2,650.00	427.23	0.00	1,966.00	0.00	0.00	5,043.23	5,043.23
First Half	**10,748.70**	**2,263.61**	**0.00**	**13,012.31**	**10,711.04**	**2,263.61**	**0.00**	**2,461.50**	**0.00**	**0.00**	**15,436.15**	**15,436.15**
July												
August												
September												
October												
November												
December												
Second Half												

Source: Central Bank of Nigeria

Total supply* includes WDAS sales (spot and forward), BDC and Interbank sales as well as Swaps.

Total supply** includes WDAS spot sales, WDAS forward disbursement at maturity, BDC and Interbank sales as well as Swaps.

Table 41
Sectoral Utilization of Foreign Exchange
(US Dollar)

SECTORS	1st Half 2011/1	2nd Half 2011/2	1st Half 2012/1	2nd Half 2012	1st Half 2013/2	Absolute Change		Percentage Change	
			(1)	(2)	(3)	(1) & (3)	(2) & (3)	(1) & (3)	(2) & (3)
A. Imports	**13,789,767,057.00**	**18,122,986,448.22**	**15,895,662,183.19**	**12,884,049,540.16**	**14,260,123,757.30**	**-1,635,538,425.89**	**1,376,074,217.14**	**-10.29**	**10.68**
Industrial Sector	3,387,445,543.86	4,199,447,095.87	4,016,347,536.71	3,560,402,445.60	3,988,012,314.99	-28,335,221.72	427,609,869.39	-0.71	12.01
Food Products	2,439,736,295.41	2,810,279,890.71	2,991,855,972.79	2,468,105,833.59	2,702,646,973.48	-289,208,999.31	234,541,139.89	-9.67	9.50
Manufactured Products	2,189,483,500.42	2,441,338,428.28	2,471,400,781.23	2,221,313,336.31	2,104,370,557.54	-367,030,223.69	-116,942,778.77	-14.85	-5.26
Transport Sector	779,950,960.75	988,627,376.67	1,004,052,243.78	814,916,250.16	745,982,488.67	-258,069,755.11	-68,933,761.49	-25.70	-8.46
Agricultural Sector	239,365,695.29	113,840,504.00	145,610,478.23	96,230,503.87	154,680,615.85	9,070,137.62	58,450,111.98	6.23	60.74
Minerals	223,505,651.76	1,180,688,771.02	253,016,835.36	101,407,631.24	164,617,930.38	-88,398,904.98	63,210,299.14	-34.94	62.33
Oil Sector	4,530,279,409.51	6,388,764,381.67	5,013,378,335.09	3,621,673,539.39	4,399,812,876.39	-613,565,458.70	778,139,337.00	-12.24	21.49
B. Invisibles	**4,273,802,389.75**	**11,030,499,080.73**	**6,264,363,074.93**	**7,030,622,094.86**	**12,466,426,828.08**	**6,202,063,753.15**	**5,435,804,733.22**	**99.01**	**77.32**
Business Services	565,749,600.92	685,720,938.43	563,682,416.06	498,182,624.12	588,851,403.37	25,168,987.31	90,668,779.25	4.47	18.20
Communication Services	83,647,622.38	121,337,779.86	178,507,891.40	234,667,147.80	262,671,260.30	84,163,368.90	28,004,112.50	47.15	11.93
Construction and Engineering	37,275,484.70	50,599,752.87	35,443,834.65	76,543,901.20	11,829,909.11	-23,613,925.54	-64,713,992.09	-66.62	-84.54
Distribution Services	15,272,441.69	35,250,560.68	24,035,583.92	39,578,249.09	18,186,729.88	-5,848,854.04	-21,391,519.21	-24.33	-54.05
Educational Services	56,110,122.34	109,827,245.24	89,902,725.08	135,581,731.71	104,017,007.41	14,114,282.33	-31,564,724.30	15.70	-23.28
Environmental Services	0.00	1,331,422,725.30	0.00	91,013.00	0.00	0.00	-91,013.00	#DIV/0!	-100.00
Financial Services	3,102,974,620.82	3,676,165,962.63	4,832,258,728.49	5,116,051,518.47	10,800,968,925.41	5,968,710,196.92	5,684,917,406.94	123.52	111.12
Health Related and Social Services	499,941.67	1,298,702.60	1,273,521.80	735,287.18	1,394,662.89	121,141.09	659,375.71	9.51	89.68
Tourism and Travel Related Services	19,849,334.39	58,036,815.02	26,649,479.86	47,350,208.45	16,344,055.52	-10,305,424.34	-31,006,152.93	-38.67	-65.48
Recreational, Cultural and Sporting Services	0.00	82,062,686.13	66,597.50	1,923.15	0.00	-66,597.50	-1,923.15	-100.00	-100.00
Transport Services	340,299,417.04	484,684,366.79	427,729,919.69	728,562,831.45	546,843,850.74	119,113,931.05	-181,718,980.71	27.85	-24.94
Other Services not Included Elsewhere	52,123,803.80	4,394,091,545.18	84,812,376.48	153,275,659.24	115,319,023.45	30,506,646.97	-37,956,635.79	35.97	-24.76
TOTAL (A+B)	**18,063,569,446.75**	**29,153,485,528.95**	**22,160,025,258.12**	**19,914,671,635.02**	**26,726,550,585.38**	**4,566,525,327.26**	**6,811,878,950.36**	**20.61**	**34.21**

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional

Table 42
Total External Assets of Financial Institutions
(Naira Million)

	First Half 2012 1/	First Half 2013 2/
1. Monetary Authorities	**6,025,436.87**	**7,953,988.55**
Foreign Assets	**6,025,436.87**	**7,953,988.55**
Gold	19.01	19.01
IMF Tranche	22.62	22.62
Foreign Currencies	159,494.64	34,313.06
Demand Deposits at Foreign Banks	5,470,726.81	7,529,866.78
of which: Domicilliary Accounts	487,525.82	543,116.61
Treasury Bills of Foreign Governments	1.05	1.05
SDR Holdings	395,172.73	389,766.03
2. Semi Official Institutions	**-**	**-**
i) BOI	**-**	**-**
ii) Others	**-**	**-**
3. Deposit Money Banks	**1,863,594.13**	**1,986,111.81**
Total Assets	**7,889,030.99**	**9,940,100.36**
Total Assets (US$' Million)	**50,089.28**	**63,188.98**
Exchange Rate (End-period)	**157.50**	**157.31**

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional